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MacIntyrean Virtue Ethics and Institutional Logics – a Case Study in the Confucian Context of SMEs in Taiwan

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Abstract

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This study explores whether MacIntyrean virtue ethics concepts are applicable in non-Western business contexts, specifically in SMEs in Taiwan, a country strongly influenced by the Confucian tradition. Based on case study research, the findings support the generalisability of the MacIntyrean framework to both a Confucian context and to small firms. The study also explores similarities and differences existing between different polities in this respect, and specifically interprets observed differences between the Taiwanese study and previous studies conducted in Europe and Asia. Drawing on the institutional logics perspective and combining this with MacIntyrean concepts, the differences between the studies are explained largely by reference to the Confucian tradition operating at both the micro-level within firms and at the macro-level as a means of harmonising the potentially competing institutional logics to which firms are subject. The recent weakening of this tradition, however, suggests that increased conflict may characterise the future. Furthermore, this combination of concepts from the institutional logics perspective with those from MacIntyrean virtue ethics is used to create a new hybrid model of the institutional environment incorporating aspects of morality and rationality. The strengths of this model are demonstrated by its use in analysing the institutional environment in operation within Taiwanese SMEs.

MacIntyrean Virtue Ethics and Institutional Logics – a Case Study in the Confucian Context of SMEs in Taiwan

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Declaration

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When I look back on the journey of these past years since I settled down in England, there are many things and steps which can't be explained in a rational way, but rather in a spiritual way. I've felt so blessed by God and his love and grand design, so that I can be where I am today. I'm also grateful to Brother Lin Ran in Taiwan, who has led me to practice in my spirit, and to know the purpose of my life.

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1. Chapter 1: Introduction

1.1 Chapter Overview

This chapter provides a broad introduction to this PhD thesis. It firstly describes the significance and purpose of the study by explaining the rationale for its major component parts. The way in which this will be explored in terms of aims and objectives is then discussed before the concrete research questions are considered. Finally, the structure of the thesis as a whole is summarised.

1.2 Significance and Purpose of the Study

This thesis investigates how the concept of virtue ethics developed by the contemporary philosopher Alasdair MacIntyre can be applied to small and medium sized enterprises (SMEs) in Taiwan, taking into account the institutional environment of that country, especially Confucianism. At first sight, this might seem to be an unusual combination of topics and so consequently it is necessary to take a step back and explain the context of the study and how it arose.

1.2.1   Why Business Ethics?

The general academic area being investigated by this thesis is business ethics. Ethics is the philosophical study of morality, an ancient tradition rooted in religions and cultural and philosophical beliefs (Phillip Lewis, 1985; Painter-Morland and Ten Bos, 2011; Sterba, 1998). Relating this to commercial activity, Chryssides and Kaler (1993) consider business ethics to have a long history originating at least in medieval times but, together with Lewis (1985), consider it to have become more important in recent times. This is because business and business-like organisations now range across the private, public and not-for-profit sectors and play an important role in most people's lives. Its power and influence in society is greater than ever before and business decisions and practices have a significant impact upon individuals, communities, society and the natural environment (Crane and Matten, 2016).

Business ethics can be defined as "moral rules, standards, codes, or principles which provide guidelines for right and truthful behaviour in specific situations" (Phillip Lewis, 1985, p. 382) and, similarly, most definitions of business ethics are concerned with the

identification and evaluation of the right or wrong thing to do in business situations. Most approaches are based on the application of general ethical concepts and principles to business, such as Kantianism and utilitarianism, and also ethical frameworks generated by business ethics itself. These include Friedman's 'shareholder primacy' (Friedman, 1962, 1970), which proposes that the primary aim of business should be to maximise profits for the shareholders while maintaining compliance with the law and ethical custom (ibid.). In contrast to this is stakeholder theory, which states that business should be managed in the interests of all who are or can be affected by managerial decisions (Freeman, Harrison, Wicks, Parmar and De Colle, 2010). An alternative approach is integrated social contract theory, which suggests that there is an implicit agreement in society as to moral and political rules of behaviour and so the rights and duties of business (Donaldson and Dunfee, 1994, 1995).

However, the field is generally dominated by utilitarian and Kantian concepts, with the core approaches from these two approaches placing more emphasis on the moral constraints on business activities and neglecting the other side of ethics more concerned with the behaviour and well-being of agents (Mangini, 2017). In this respect, B. Williams (1985) argued that, in order to respond to the particular challenges of modernity, more emphasis should be placed on older ideas such as those from ancient Greece, and in this vein Mangini (2017) proposes that ethics should focus on individual character, so promoting human development. However, there are also more practical proposals as to the how businesses should conduct themselves ethically. For example, N.-h. Hsieh (2017) suggests three 'basics' that comprise the responsibilities and role of business in relation to society. Firstly, business should follow the basic principles of morality, mainly the duty not to harm. Secondly, businesses should recognise their importance towards society, especially with consideration of the economic activities of markets and firms. Thirdly, a business must recognise the role of the political and legal structure, i.e. the institutional context, operating in the background of a business's activities.

However, although various measures have been proposed to help businesses behave ethically, such as codes of conduct and government regulations, it is clear that businesses continue to struggle with ethical issues such as tax avoidance (Economist, 2017b), paying workers less than the minimum wage (Economist, 2017a) and pension fund deficits (Economist, 2018). Perhaps, as Moore (2003) pointed out, the fundamental problem is that "in the forms of business organisation that have emerged over time, society has somehow managed to not only institutionalise and legitimise avarice, but also to put virtue

at its service" (Moore, 2003, p. 42). Consequently, in summary it can be said that business ethics is an important area of study into the purposes of and ways in which this vital area of economic activity are conducted. However, its basis on concepts such as deontology and utilitarianism have been challenged and this has led to alternatives being proposed.

1.2.2   Why Virtue Ethics?

As described above, ethical theories are traditionally classified into two areas as depicted below in Figure 1.1.
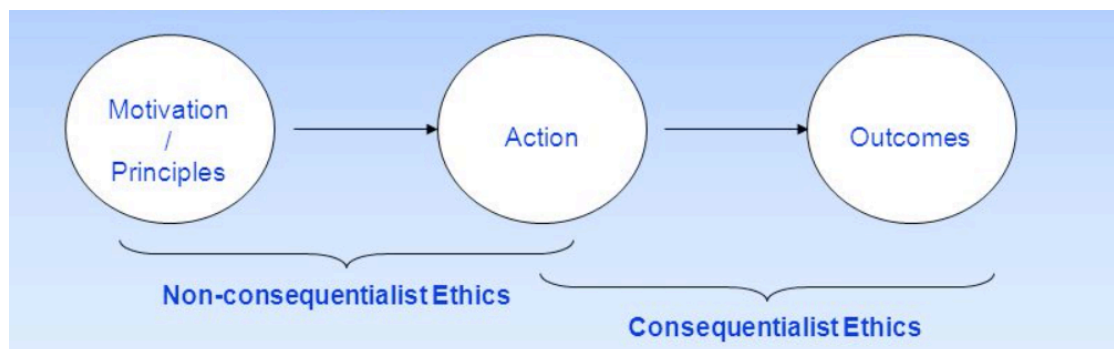
Figure 1.1: Consequentialist and non-consequentialist theories in business ethics (Crane and Matten, 2016)

Non-consequentialist theories on the left of Figure 1.1 are concerned with the motivation and principles underlying a decision and whether these are morally correct, considering these to be more important than the outcome of any consequent action. Examples include Rawl's rights and Kant's deontology, which arises from the notion that a person's acts cannot be right or wrong dependent on the situation and that morality is the display of an 'autonomous rational nature' (Belak and Rozman, 2012, p. 1614). Kantian ethics states that an action can be necessary, accessible or prohibited depending on whether a person's humanity is respected and whether the principles can be universalised (Alzola, 2015). In the business setting, it is argued that such a deontological perspective would focus on business as a moral community strongly grounded on rules within a business' code of ethics, with companies supporting the idea of human freedom, actively ensuring that all stakeholders are treated equally and fairly and that people are worth more than profits (Belak and Rozman, 2012).

In contrast, consequentialist theories on the right of Figure 1.1, such as Bentham's utilitarianism (Bentham, 1789) and Smith's egoism (Smith, 1776), are more concerned with the outcome of an action and utilitarianism has become one of most commonly accepted ethical theories in the Anglo-Saxon World (Crane and Matten, 2016). Its central tenet is that an action should result in the most beneficial proportion of positives to negatives that is possible for the greatest number of people. There are three important features of a utilitarian business ethic. Firstly, it should focus on a shared goal of the common good. Secondly, it should consider the long-term consequences or the prosperity of society and, thirdly, it should promote moral education by encouraging social concern in individuals (Gustafson, 2013).

However, both these classes of ethical theory have been criticised on a variety of grounds, ranging from them being too abstract (Stark, 1994), too reductionist (Kaler, 1999), too objective and elitist (Parker, 1998), too impersonal (Gilligan, 1982), too rational and codified (Bauman, 1993) to them being too imperialist (Crane and Matten, 2016). As a result, various alternatives have been proposed and the one explored within this thesis is that based on character and integrity known as virtue ethics.

Virtue ethics is generally considered to have come to the fore in modern times following the publication of the article *Modern Moral Philosophy* by Anscombe (1958), in which she criticised both the above schools of thought for their preoccupation with universally applicable principles aiming to produce a law-like conception of ethics. She argued that these approaches fail due to the fact that they assume a notion of obligation which is meaningless in a secular society without any sense of an ultimate lawmaker and suggested a return to such Aristotelian concepts as character, virtue and human flourishing (Richter, 2000). Anscombe stated that contemporary moral philosophy was lacking an "adequate philosophy of psychology" (Anscombe, 1958, p. 1), by which Flannery maintains that she was rejecting "a current of more secular philosophy that had long previously excluded the precise analysis of human acts from its consideration of the moral" (Flannery, 2009, p. 44). Thus she was pointing out a weakness in the philosophy of the time and was calling for a more neo-Aristotelian approach. As such, it can be seen that this has definite parallels with the themes later developed by MacIntyre in *After Virtue* and other scholars. For example, R. C. Solomon (1992) argues that virtue ethics, by emphasising character rather than rules, helps train a person to act under the pressure that moral dilemmas create. He demonstrates how virtue ethics emphasises integrity by suggesting that a person's character needs to be ordered and comprehensive, covering

both home and work life. Similarly, he considers business people and corporations to be part of a larger community, important for fostering virtue (R. C. Solomon, 1992, 2004). Furthermore, R. C. Solomon (1992) argues that virtue ethics understands business to be a practice in that excellence comes from realising the role one plays in wider society. For example, someone can be a good accountant by understanding the role and purpose accountants have in society and then fulfilling that role (Bertland, 2009).

This general area has come to be known as virtue ethics, which takes into account the exceptionless norms of deontology's rights and also the effects of actions as a whole as in consequentialist reasoning. More importantly, it places these within the context of human excellence and flourishing and also of happiness or the common good. Since Anscombe, virtue ethics as applied to business organisations has become a significant field of study (Alzola, 2015, 2017; Ferrero and Sison, 2014; Sison, Hartman and Fontrodona, 2012, for example), seeking to address the issues described above.

1.2.3 Why MacIntyre?

An important scholar in this field is the contemporary philosopher Alasdair MacIntyre, whose work is reviewed in more detail in Chapter 2. Born in Scotland in 1929 and having lived and worked in the USA for many years, his importance as a contemporary philosopher of virtue is undisputed (Moore, 2015, p. 101). His international status is demonstrated by the existence of an international academic society devoted to his work and also by the use made of his work across the social sciences (Beadle and Moore, 2011). He is widely read outside philosophy (Beadle, 2017a), for example in business ethics (Beadle, 2002; Beadle and Moore, 2006; Dobson, 1999, 1997; McCann and Brownsberger, 1990 for example) and in organisational thought (for example Alvesson and Willmott, 1992; Anthony, 1986; Du Gay, 1998, 2000; Mangham, 1995), and he also appears in the literature of a number of professions, for example, journalism (Lambeth, 1990), nursing (Sellman, 2000), public relations (Leeper and Leeper, 2002) and teaching (Dunne and Hogan, 2004).

MacIntyre was recognised as a committed and active Marxist at the start of his career (C.S. Lutz, 2012, p. 17) and although he left the Communist party in 1958, the influence of Marxism remained. This can be seen combined with his interest in moral philosophy and the philosophy of the social sciences together with theology and psychoanalysis in his seminal work *After Virtue*, first published in 1981. In this book, MacIntyre argues that the Enlightenment rejected the Aristotelian concept of *telos*, leading to over-dependence on

rationalism and to the destruction of traditional beliefs. No alternative coherent ethical system was left in their place (Beadle and Moore, 2011) and MacIntyre proposes a neo-Aristotelian approach – a return to an ethic of virtue including a return to teleology (C.S. Lutz, 2012). This involves "a unitary core concept of the virtues", drawn from reflection on historical notions of excellence, proceeding through three levels. The first level concerns practices related to the production of internal goods, housed in institutions which are more concerned with external goods, the second the narrative order of a human life and the third moral tradition (MacIntyre, 1981/2007, pp. 186-187). MacIntyre identified himself as a Thomist in 1984 (MacIntyre, 2013, p. 17) and developed his ideas further in subsequent books such as *Whose Justice? Which Rationality*? (MacIntyre, 1988), *Three Rival Versions of Moral Enquiry (MacIntyre, 1990b)*, *Dependent Rational Animals* (MacIntyre, 1999b) and finally *Ethics in the Conflicts of Modernity* (MacIntyre, 2016).

In addition to R. C. Solomon (1992) as described above, MacIntyre's contemporaries include Bernard Williams (1929 – 2003), who distinguished between morality and ethics, viewing the former to be restrictive and characterised by Kantian notions of duty, obligation and blame (B. Williams, 1985). He favoured the wider view of ethics, allowing for the inclusion of emotions and wider society and so broader concepts such as social justice. Also contemporary was Philippa Foot (1920 – 2010), who published a paper titled *Moral Arguments* (Foot, 1958). Together with Anscombe, she showed "how the reductive and streamlining tendencies of linguistic analysis could be resisted and indeed reversed" (Chappell, 2013, p. 154) and so helped to lay the foundations for virtue ethics. However, these scholars did not develop such a theory of virtue in the same way as MacIntyre, who rejected the notion that virtues could be universal. It is this recognition that "there exist a plurality of ways of life, across space and time that makes MacIntyre so relevant" to studies involving differing institutional environments (Ainley, 2017, p. 6) and so suitable for this study. Furthermore, Beadle (2017c) considers MacIntyre's to be especially influential for business ethics because of four areas where his work has been applied, challenged or further developed – his critique of management, areas of business that might house practices (under his definition which will be considered in detail in Chapter 2), the relationship between practices and institutions and empirical studies applying his concepts.

He is the most widely cited writer after Aristotle in the field of virtue ethics in business (Ferrero and Sison, 2014), although paradoxically MacIntyre himself would deny that virtue has a role to play in business (Dobson, 1997). Indeed, in his latest work (MacIntyre,

2016), he includes virtue ethics in the list of failed modern moral philosophies (Beadle, 2017a). Nevertheless, his work has been usefully applied to Western organizations, including business (Moore and Beadle, 2006). This has led to a number of conceptual and empirical papers which utilise MacIntyre's conceptual framework, which will be reviewed in Chapter 2 (Beadle, 2013; Moore, 2012b; Van De Ven, 2011; Von Krogh, Haefliger, Spaeth and Wallin, 2012, for example).

This thesis initially began as a continuation of two of these case studies but differs from them significantly in that it incorporates concepts from institutional logics to synthesise a new and original theoretical lens. The previous case studies were undertaken by Moore (2012b) and Fernando and Moore (2015), who conducted empirical studies in this area in business contexts in Europe and Sri Lanka respectively to see whether other polities may provide environments more "positively conducive to a practice-like mode of production" (Keat, 2008, p. 83). This is clearly important for the general validity of MacIntyre's concepts since, as MacIntyre himself states, "the claims of such a theory must concern human rather than Chinese or Greek excellence" (MacIntyre, 1991, p. 104). The findings from Moore (2012b) and Fernando and Moore (2015), where larger organizations were studied, suggest that MacIntyre's framework is generally applicable in Europe and within a Buddhist environment in Asia. This then led to the question of whether this applicability extends further afield, in this case to the Confucian society of Taiwan, and to business organizations of different size notably SMEs which have been under-studied generally and in this field in particular.

1.2.4   Why Taiwan?

Clearly Taiwan, with its location in the Far East, offers both a geographical and cultural setting which differs greatly from Europe and Sri Lanka. It is a country of deep tradition which has undergone a period of rapid and extensive change and so provides a rich opportunity for a study such as this. As explored in more detail in Chapter 4, it was originally part of China, apart from a period of Japanese occupation from 1895 to 1945. However, in the aftermath of the Chinese civil war, Taiwan followed its own development path, becoming one of the four Asian tiger economies undergoing rapid economic growth in the last four decades of the twentieth century (Hamilton, 1990a; L. H. Lin, Ho and Lin, 2012; Biggart and Guillén, 1999; Hamilton, 1997; Hamilton and Kao, 1990; Orru, Biggart and Hamilton, 1991). It is deeply influenced by Confucianism, the core elements of which have also been articulated in corporate and organizational terms (Hamilton and Kao,

1990; L. H. Lin et al., 2012; Ip, 2009a; Kim and Strudler, 2012; Provis, 2010; Romar, 2004; Yunxia Zhu, 2015, for example). However, despite a growing literature on the influence of Confucianism at various levels from the individual at the micro-level to the state at the macro-level (Rosemont and Ames, 2016; Ames, 2011; Cheung and King, 2004; Ip, 2008; K. Lam, 2003; L. H. Lin et al., 2012; Redding, 1990; Whitley, 1999; S. Zhang, Liu and Liu, 2012, for example), no studies have yet explored whether MacIntyre's conceptual framework is applicable in a Confucian society. It is worthwhile undertaking such a study in the Confucian tradition since there are many countries in the Asia-Pacific rim, including China, Hong Kong, Taiwan, Japan, South Korea and Singapore, which are influenced by Confucianism and which also exhibit divergent varieties of capitalism (Whitley, 1999).

Furthermore, Confucianism and neo-Aristotelianism are also increasingly compared in terms of virtue ethics (G. Chan, 2008; Koehn, 2013; Sim, 2007; J. Yu, 2007; Ivanhoe, 2002), although Ames (2011) considers Confucianism to have been incorrectly classified as virtue ethics due to translation issues, with role ethics being a more suitable description. Some scholars argue for a synthesis since "East and West are always potentially meeting insofar as their virtues share a natural basis and structure" (Koehn, 2013, p. 704). However, whilst acknowledging the similarities, MacIntyre considers there to be "intractable and incommensurable differences" (MacIntyre, 1991, p. 113) between Confucianism and Aristotelianism, and that these might only be resolved by recognising that there is "*no* neutral, independent standpoint" (ibid., p. 121, emphasis in original) from which to undertake an analysis. He further argues that it is necessary to learn a "second first language" (ibid., p. 111) to undertake worthwhile comparative work. Although this thesis does not aim to be a detailed comparative study of Confucianism and neo-Aristotelianism, these points are nevertheless valid but partially mitigated by the fact that the author originates from Taiwan. She was born, educated and in initial employment there and continues to have good contacts in the business world so enabling research access. Consequently, she is a native Mandarin speaker with her upbringing in a Confucian society but, having now lived in the UK for over fifteen years, can claim to some extent to have acquired MacIntyre's 'second first language'.

1.2.5 Why SMEs?

SMEs were selected as the unit of analysis for this thesis for several reasons. For significant reasons explored in Chapter 4, they form the dominant unit of economic activity

within Taiwan, accounting for 98% of companies in that country (SME Administration, 2017). Also, as noted above, they are comparatively understudied so that few relevant studies have been carried out in the context of SMEs, with that undertaken by Crockett (2005) being an exception although in a different Anglo-Saxon social context. As described in that study, SMEs offer an environment suitable for the study of virtue since the influence and intentions of the founder tend not to have been counteracted by the bureaucracy found in larger companies. Furthermore, MacIntyre's critique of business is mainly in the context of such larger companies, and earlier MacIntyrean empirical work has mainly been undertaken in the context of such larger organisations. Since SMEs offer a workplace environment which may significantly differ from that present in larger companies (Crockett, 2005), it is important to explore whether the findings from SMEs are in accordance with or differ from previous studies.

1.2.6 Why Institutional Logics?

The fact that Taiwan has a very different historical and cultural background from Europe and Sri Lanka suggests that differences from the previous studies may be expected to occur due to differences in the institutional environment. Indeed, for this reason, the Sri Lankan study (Fernando and Moore, 2015) explored and interpreted the empirical results by applying concepts from Institutional Theory to provide valuable insights. However, as discussed in Chapter 3, Institutional Theory has been criticised for its limitations, especially in the area of agency since social structures and the associated institutions are considered to be 'totalising' – allowing individuals very limited scope to act independently of environmental influences. In this respect, the institutional logics perspective (Thornton, Ocasio and Lounsbury, 2012) is seen as more nuanced, allowing for individual and organizational agency within institutional orders. It provides "a new approach that incorporates macro-structure, culture, and agency, through cross-level processes (society, institutional field, organisation, interactions and individuals) that explain how institutions both enable and constrain action" (Thornton et al., 2012, p. vi). However, both institutional theory and logics have been criticised for their lack of ethical content (Nielsen and Massa, 2012; Moore and Grandy, 2017) and this research gap offers an opportunity for this thesis to make a contribution to academic knowledge in this area.

1.2.7 Summary

In summary, the anticipated research contributions that this thesis aims to make are as follows. Firstly, ongoing considerations of how business should be conducted are viewed

in terms of MacIntyrean virtue ethics. This is done by means of an empirical study on SMEs in the Confucian society of Taiwan with the results being compared with those from two previous similar studies in Europe and Sri Lanka. In this way, the current deficit in research relating to empirical studies into MacIntyrean virtue ethics in both Confucian societies and SMEs will be addressed. Secondly, differences found from these previous studies are then explored using concepts from the institutional logics perspective. This will produce an analysis of both the understudied areas of the institutional environment in Taiwan and that of SMEs. Furthermore, whereas most studies restrict themselves to a consideration of two institutional logics, this study will attempt to include a larger number. Thirdly, the insights gained by considering MacIntyrean virtue ethics together with the institutional logics perspective is anticipated to result not only in valuable insights into the findings themselves but also a new synthesis of concepts from MacIntyrean virtue ethics and institutional logics.

1.3 Aims and Objectives

The above section has described the background to this thesis and also the various components of academic thought which will be used. These form the basis of the aims and objectives of this thesis, which will now be described.

This thesis has four objectives. The first is to extend the series of empirical studies into the applicability of MacIntyrean virtue ethics to business organisations started by Moore (2012b) and continued by Fernando and Moore (2015) to explore whether MacIntyrean concepts of virtue ethics are applicable in the non-Western business context of Taiwan, a country strongly influenced by Confucianism. If so, this would offer further support for the generalisability of MacIntyre's framework. The second objective is a continuation of the first, but explicitly looking into the context of SMEs to explore the impact of their smaller size as compared to the larger organisations which were the subject of previous studies. In the expectation that differences from previous studies will be found, the third objective is to interpret these differences using concepts from institutional theory, especially institutional logics. Last, but not least, the fourth objective is to explore how the concepts from MacIntyrean virtue ethics and institutional logics can be combined, providing a novel theoretical lens and then using that lens to interpret the results of the study. Consequently, these objectives give rise to the following research questions (RQ):

RQ1 – Are MacIntyre's 'goods-virtue-practices-institutions' concepts as applied within organisations meaningful in a Confucian society or do they need to be adapted in some way?

RQ2 – Given the preponderance of SMEs in the Taiwanese economy, are the concepts of MacIntyrean virtue ethics meaningful within small enterprises?

RQ3 - How can institution theory, especially institutional logics, be used to understand the key influences, such as Confucianism and capitalism, on the institutional environment in Taiwan?

RQ4 - How do institutional logics and MacIntyrean virtue ethics complement each other?

The author notes that it could be argued that having research questions is contrary to a MacIntyrean epistemology. For example, in the chapter in *After Virtue* titled "The character of generalisations in the social sciences and their lack of predictive power", MacIntyre argues that attempts in the social sciences to use a scientific approach to "provide a stock of law-like generalizations with strong predictive power" (MacIntyre, 1981/2007, p. 88) is merely a device whereby managers make a claim for bureaucratic effectiveness, but which is really an attempt at the management of social performance in line with Weber's theory of bureaucracy. In response to MacIntyre's call for empirical work, Coe and Beadle (2008) considered the use of his goods-virtues-practices-institutions framework for empirical studies and described examples of enquiry which they judged to be excluded by MacIntyre's epistemology. These included those "seeking to create law-like generalisations through the testing of hypotheses about causation through the measurement of a defined list of variables", "those which do not report their findings in narrative form" and "those which exclude agents' self-understandings in attempting to account for their behaviour" (2008, p. 10). The author notes that there is nothing that would prevent the use of research questions in Coe and Beadle's proposals and contends that this thesis does not fit into any of these exclusion categories. Although it does consider the generalisation of MacIntyre's framework to different cultures, it is more an analytical exploration of Taiwan's current situation than an attempt at providing any form of predictive conclusions and furthermore suggests that the use of the institutional logics framework is especially suited to this approach. This is reflected in the assumption in RQ4 that MacIntyrean virtue ethics and institutional logics do complement each other, as found by Moore and Grandy (2017).

1.4 Chapter Outline

This thesis has nine chapters, which can be depicted as shown in Figure 2 and can be summarised as follows:

Chapter 1 is this chapter and forms the introduction, introducing the significance and purpose of the thesis as well as the aims and objectives.

Chapters 2-5 provide the theoretical and methodological perspective for the thesis, with Chapters 2-4 reviewing the existing literature in the relevant fields and Chapter 5 describing the research methodology. In detail:

➢ Chapter 2 covers the literature relating to MacIntyre, focusing on his seminal work *After Virtue* (MacIntyre, 1981/2007), but putting it into context by also considering his earlier and later relevant work. The application of MacIntyre's concepts to organisational studies is also reviewed, including the development of the framework for empirical studies used in this thesis.

➢ Chapter 3 looks into Institutional Theory and reviews the development of the relevant concepts leading up to the emergence of the institutional logics perspective (Thornton et al., 2012). Work combining Institutional theory and virtue ethics and points of comparison with MacIntyre's concepts are also reviewed.

➢ Chapter 4 reviews Taiwan's institutional environment following the structure promoted by the institutional logics perspective. Consequently, the institutional instantiations of the state, community in the form of national identity, market, family, corporation in the form of SMEs and religion in the form of Confucianism are all considered. This last chapter of the literature review concludes with an appraisal of the research gap, summarising the academic areas where this thesis aims to make a contribution.

➢ Chapter 5 reviews the research methodology, describing the epistemology, theoretical perspective, methodology and methods behind the exploratory and mainly qualitative empirical study involving 39 interviews in seven SMEs. Aspects of validity, reliability and trustworthiness are evaluated as well as ethical considerations.

The remaining Chapters 6 – 9 cover the presentation of the empirical findings and the discussion of the results before the final conclusions are drawn.

➢ Chapter 6 is the first of two chapters describing the findings of the empirical study, concentrating on those aspects most relevant to MacIntyre's concepts – organisational purpose, and excellence and success.

➢ Chapter 7 then describes the findings more applicable to Taiwan's institutional environment, providing an in-depth interpretation of those relating to traditional values, family orientation, SMEs and change.

➢ Chapter 8 then discusses the findings in the light of the theories, models and ideas from the literature reviewed in Chapters 2 – 4. This is done by addressing the four research questions in turn and considering how the results from the empirical study provide answers to them.

➢ Chapter 9 concludes the thesis, firstly reviewing the research questions to ensure that the research gaps associated with them have been addressed. The contribution made to research is then assessed, together with subsequent implications and recommendations for future research. The limitations of the study are then considered before the chapter, and indeed the study as a whole, is concluded.

Chapter 1	Introduction Significance and purpose of the study, research aim and objectives
	Theoretical and Methodological Perspectives
Chapter 2	Literature Review - MacIntyrean Virtue Ethics MacIntyre's works and their application to organisational studies
Chapter 3	Literature Review - Institutional Theory Institutional theory, institutional logics, application to virtue ethics and MacIntyrean concepts
Chapter 4	Literature Review - Taiwan's Institutional Environment The state, community, market, family, corporation (SMEs) and religion (Confucian) institutional logics. The Research Gap.
Chapter 5	Research Methodology Epistemology, theoretical perspective, methodology, methods, validity and ethical considerations
	Data Analysis, Discussion & Conclusion
Chapter 6	Findings 1 Homogeneity between companies, organisational purpose, success and excellence
Chapter 7	Findings 2 Traditional values, family orientation, SMEs, change
Chapter 8	Discussion Applicability of MacIntyrean concepts to Taiwan, SMEs, harmonious institutional logics, synthesis of MacIntyrean concepts and institutional logics
Chapter 9	Conclusion Review of research questions, research contribution, implications and future research suggestions, limitations,
	List of References Appendices

Figure 1.2: Thesis Structure - Chapter Outline

Having thus introduced the thesis, a review of the relevant literature will now be conducted.

2. Chapter 2: Literature Review – MacIntyrean Virtue Ethics

2.1 Chapter Overview

The introduction chapter described why virtue ethics is the subject of this thesis, especially the concepts of Alasdair MacIntyre, and his relevant work. Its application to organisational studies will now be reviewed in this chapter. This is needed to provide the background for the answer to research question one, whether MacIntyrean virtue ethics are meaningful in a Confucian society. The structure of the chapter is that his significant earlier work will first be considered in order to provide the necessary perspective before a review is undertaken of the key concepts presented in After Virtue (MacIntyre, 1981/2007). The further development of these concepts in his later work will be then traced before separate consideration is given to his views of the self, due to the relation these have to aspects of institutional theory and Confucianism as will be described in the discussion chapter. Critiques of MacIntyre's work will then be reviewed before the chapter moves on to look at how his ideas have been related to organisational studies, including the development of the framework for empirical studies used in this thesis.

2.2 Introduction

This section will review the core components of MacIntyre's thought and, in doing so, it is hoped that a central aspect of MacIntyre's approach can be demonstrated - his appreciation of the intimate relation between social structures, social roles and the framework of ideas in which agency comes to be understood (Beadle and Moore, 2006), including his appreciation of the self and how this changes over time and in different cultures.

2.3 MacIntyre's Early Works

Born in Glasgow in 1929, MacIntyre studied at London, Manchester and Oxford during the 1940s and 50s and so his work can be considered to have started at the beginning of the second half of the twentieth century. During this period, his work in ethics engaged with some of the most important large-scale cultural developments, such as the cold war between Marxism and liberalism and the social upheaval of the sixties (D. Solomon, 2003, p. 114). It is noteworthy that he pays more attention to both the history of ethics and to the wider social sciences than many other contemporary moral philosophers (Horton and Mendus, 1994). Whilst his views have not surprisingly developed over the time since then,

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some aspects have remained constant, including his objections to liberalism whilst maintaining the importance and centrality of moral rules and also his rejection of relativism and emotivism, where no distinction is drawn between manipulative and non-manipulative social relations so that people are seen as means, rather than ends, (D. Solomon, 2003, pp. 114-115).

MacIntyre's career was starting at a time when twentieth century academic moral philosophy had been dominated by a set of questions on ethical terms and the structure of moral arguments, known as metaethics. As described in the last but one chapter of *A Short History of Ethics* (MacIntyre, 1966), there were three main phases during this time, the first of which was the intuitionism of Moore, Pritchard and Ross. This school of thought argued that basic moral principles are self-evident and that moral properties are non-natural properties. 'Good' is an indefinable property and so calling a thing 'good' is based on intuition. In contrast, the second phase was the noncognitivist emotivist reaction of Stevenson, Ayer and Hare, who argued that such statements contained an irreducible rhetorical component not based on any cognitive view. The third phase was the 'naturalistic' rejection of both prior phases by scholars such as Foot, Geach, Toulmin, Searle and MacIntyre himself, who asserted that such statements do need to be based on natural properties. MacIntyre addressed this matter in his Masters' thesis *The Significance of Moral Judgement* (MacIntyre, 1951) rejecting both intuitionist and emotivist views, but he also went on to consider that all contributors to the metaethical debate were in danger of oversimplification in assuming that the meaning of moral statements can be easily characterised. This is because 'every kind of sentence has its own kind of logic, and that these logics are the logics of language *in use'* (MacIntyre, 1951, p. 73 emphasis retained) and so intuitionism, emotivism and naturalism each pick out different features of moral arguments and raise them to paradigmatic status.

MacIntyre continued on this theme in *A Short History of Ethics* (MacIntyre, 1966) where he characterises the metaethical debate as one between people speaking from within differing moral viewpoints, leading him to taking a stance against the idea advanced by absolutists, such as the emotivists and naturalists, that moral concepts are timeless and unhistorical. Instead, MacIntyre argues that such "moral concepts themselves have a history" (MacIntyre, 1966, p. 269), being subject to historical development and philosophical transformation (D. Solomon, 2003 p.122). These ideas were developed in more detail in various essays, which appeared in his work *Against the Self-Images of the Age* (1971), arguing against the views of Hare, who had become the leading proponent of

emotivism and the main figure in metaethics in the late 1950s and 60s. Again, MacIntyre contended that moral concepts were not fixed but changed throughout time and he demonstrated this by tracing the development of the use of the word 'ought', showing that its use had first corresponded to 'owe', had then changed to take on aspects of advice and had finally come to imply unconditionality. He also looked at instances of particular social contexts where these usages were best demonstrated, linking them to the Icelandic culture of the Norse sagas, classical Greece and modern culture respectively and showed that the various proponents in the metaethical debate concentrated on different uses of 'ought' and so failed to be able to raise their arguments to a general account. However, perhaps the most striking aspect of MacIntyre's thought in this respect is not just his contribution to the debate as summarised above, but also his considerations of the whole metaethical enterprise. Here, he concludes that the main metaethical views are not metaethical views as such, but that they mistakenly embody views of how moral concepts relate to their cultural settings and, in doing so, they illuminate important aspects of prevailing culture. Moral judgements are influenced by how the individual sees the world and moral thought and action are constrained by the language that is available (D. Solomon, 2003).

MacIntyre was developing these views on metaethics in parallel with work in other areas, such as contemporary Marxism. MacIntyre was recognised as a committed and active Marxist at the start of his career (C.S. Lutz, 2012, p. 17) but he left the Communist Party before the suppression of the Hungarian uprising in 1956, becoming increasingly disillusioned with all forms of Marxist politics before resigning as an editor of *International Socialism* in 1968 (Knight 1998, p. 2). During this time, he had been "preoccupied with the question of the basis for the moral rejection of Stalinism" (MacIntyre 2007, p. xv), and the origins of MacIntyre's thoughts on this, which are later developed further in *After Virtue,* are shown in *Notes from the Moral Wilderness* (MacIntyre 1958), described as "one of the most widely respected papers of the pre-1968 New Left in Britain" (Knight 1998, p.2) and published in *The New Reasoner* as part of an ongoing debate on 'socialist humanism' initiated by E.P. Thompson. In this article, MacIntyre argues that Stalinism cannot be morally condemned either on the basis of human rights which, as Marx argues, are subjective demands of isolated individuals, or on any arbitrary moralism which states what is right and wrong without any basis in what is essentially an imposition of will. Instead, it must be based on a new morality which is "an assertion of absolutes....an assertion of desire and history" against liberal individualism (MacIntyre, 1958, p. 96; C.S. Lutz, 2012, p. 25), but what this "Marxist alternative to liberal morality" (MacIntyre, 1958;

K. Knight, 1998, p. 2) would be was not yet apparent (K. Knight, 1998, p. 3). MacIntyre develops his argument by means of a consideration of "Stalin's crude mechanistic versions of dialectic materialism and historical materialism" (C.S. Lutz, 2012, p. 20), an expression of his interest in the philosophy of the social sciences and it is in part his combination of these different strands of thought – those of moral philosophy, contemporary Marxism and the philosophy of the social sciences together with theology and psychoanalysis - which he powerfully combines in his most important work up to that date *After Virtue*, first published in 1981.

2.4 After Virtue

Lutz describes *After Virtue* as a "withering critique of specific moral theories while gathering them into the category of 'modern liberal individualism'" (C.S. Lutz, 2012, p. 2) and summarises MacIntyre's book as being in two parts. In the first, the critical argument, MacIntyre argues that the 'Enlightenment project' was over-dependent on rationality, in that arguments to convince others claim to be based on abstract moral standards or objective facts, whereas they are really subjective views being used to justify fixed standpoints. This is part of a historical process of moral decline where traditional beliefs have been destroyed but no alternative coherent belief system has resulted. In the second part, the constructive argument, he proposes that renewal is possible by means of a study of excellence or virtue in human agency (C.S. Lutz, 2012; MacIntyre, 1981/2007; Beadle and Moore, 2011) and both of these parts will now be reviewed in more detail.

2.4.1   The Critical Argument

The first part of *After Virtue* can be described as a development of the argument that modernity has lost the practical wisdom of traditional morality and has developed an arbitrary approach to moral thinking, with morality becoming a tool for social manipulation. Whereas the common perception of Western history is one of the Renaissance and the Reformation leading to the Enlightenment, secularisation and individual freedom, MacIntyre interprets it as the rise of the modern culture of emotivism, the masking of the interests of some groups over others and the oppression of traditional moral communities not already destroyed in the process.

The book begins provocatively, with MacIntyre's 'disquieting suggestion' equating contemporary moral reasoning with a fictional post-catastrophe future where people use science without properly understanding its basis. After this, the chapters move back in

history, starting with contemporary morality being based on emotivism and with the individual gaining autonomy at the expense of social identity and teleology. As described above, this is a further development of earlier work from his Masters' thesis, *A Short History of Ethics* (MacIntyre, 1966) and *Against the Self-Images of the Age* (MacIntyre, 1971) and the three examples of war, abortion and equal opportunity are used to demonstrate the incommensurable arguments used by opponents in contemporary debate. The emotive interpretation of this is that all moral statements are attitudes and that there are no objective standards, whereas MacIntyre contends that the argument is more one about the relationship between the speaker and the hearer and so to do with theory of use rather than theory of meaning. Arguing that 'every moral philosophy, and emotivism is no exception, presupposes a sociology' (MacIntyre 2007, p. 23), MacIntyre then goes on to consider the social content and context of emotivism. This is typified by the stock character of the bureaucratic manager as someone who achieves predefined ends efficiently without questioning their validity, with the self seen to be able to take any viewpoint, flitting between subjective positions and as 'a peg' on which the clothes of the role are hung (MacIntyre, 1981/2007, p. 32). This division of the modern world between the organisational, where ends are not open for rational debate, and the personal, where no social resolution of issues is available, is seen as part of a historical process accompanied by a change in moral discourse, which MacIntyre then proceeds to trace back to the Enlightenment.

MacIntyre first considers the argument proposed by Kiekegaard in *Enten-Eller* (Kierkegaard, 1843), where he concludes that there is no way of rationally choosing between moral and aesthetic ways of life (MacIntyre 2007, p.40). This is because Kierkegaard is taking his position from Kant, who deduces that the rules of morality cannot be based on human desires and so must be based on rationality. In contrast, Hume does the opposite by arguing that morality cannot be based on reason, and so must be based on desires. (MacIntyre 2007, p. 49). Both are essentially using negative arguments to conclude that since morality cannot be based on desire (Kant) or reason (Hume), then it must be based on the other, resulting in Kierkegaard's conclusion that it cannot be based on either. However, MacIntyre then proposes that this failure of philosophy to provide a rational basis for morality was inevitably the result of the shared background of the Protestant Christianity of the Northern Europe of the Enlightenment.

The moral scheme which the Enlightenment had inherited was one largely based on Aristotle's *Nichomachean Ethics*, with additional theistic components. It can be

summarised as ethics providing guidelines on how man can move from "man-as-he-happens-to-be" to "man-as-he-could-be-if-he-realized-his-essential-nature" (MacIntyre 2007, p. 52), but the latter can only make sense if it is based on either a teleological basis, as per Aristotle, or on divinely ordained law, as it was when *telos* was replaced by divine will in the twelfth century. However, the secular rejection of theology and the scientific and philosophical rejection of teleology removed the basis of man-as–he-could-be, leaving behind incoherent fragments of a once coherent scheme of thought and action (MacIntyre 2007, p. 54-55). MacIntyre contends this was accompanied by a change in the meaning of moral statements in the eighteenth century, revisiting his thoughts on 'no ought from is', introduced above in discussion on his work *Against the Self-Images of the Age* (MacIntyre, 1971). These showed that the implicated connection between statements about 'a man' and 'a good man' was destroyed when man became to be thought of as less of a role and more of an individual. These changes are generally seen as the liberation of the self from the rigidities of the previous theistic, teleological and hierarchical world order, but MacIntyre argues that this invention of the individual had profound consequences (MacIntyre 2007, p. 60-61). The main one of these was that, since inherited rules of morality are no longer based on teleology or theism, new ways of justifying them needed to be devised, either on the basis of a new form of teleology or moral rules based on reason. The former gave rise to utilitarianism and the latter to deontology, and MacIntyre argues that both of these attempts failed and continue to fail, but in the meantime have given rise to social and intellectual transformations with further implications (MacIntyre 2007, p. 62).

Bentham was the eighteenth century originator of utilitarianism, the basis for which is the argument that actions should be taken which maximise pleasure and minimise pain for the greatest number of people. Pleasure and pain, in this respect, are viewed as psychological sensations varying only in number, intensity and duration. However, whilst a large number of positive developments resulted, such as public health measures and an end to the subjugation of women, this concept gives no basis for choosing between different types of pleasure and avoiding different types of pain, since neither are homogeneous or quantifiable, and so utilitarianism is really only a pseudo-concept available for a variety of ideological uses (MacIntyre 2007, p. 64). In the nineteenth century, Sidgwick identified that the psychological foundations of utilitarianism cannot be used to justify moral rulings and that our basic moral beliefs are not unified but heterogeneous and based on statements of truth for which no further reason can be

given. He gave the name 'intuitions' to the latter and this position was later adopted by Moore in the twentieth century, giving rise to the emotivism discussed above.

Deontology was the second attempt to provide a rational basis for moral reasoning and MacIntyre describes how this failed through an examination of Gewirth's *Reason and Morality* (Gewirth, 1978) contending that the Kantian project depends on a notion of natural human rights which are fictional, being not universally valid and only accepted in specific historical conditions. MacIntyre is careful to differentiate between such natural rights and political rights, which are accorded by law or custom on specific classes of people, and argues that every attempt to provide a rational basis for natural rights has failed, including those that proclaim them to be self-evident truths or to have validity based on intuition. Despite this lack of a basis for natural rights, they have come to be used as a basis for argument in the same way that utility has which, because of their disparate backgrounds, has resulted in the incommensurability of contemporary moral arguments with an individualism based on natural rights often being invalidly compared with a bureaucratic organisation based on utility. This is often a characteristic of contemporary protest, and MacIntyre uses the contemporary stock characters of the protester, the aesthete, the therapist and the manager to demonstrate the effects of the consequences of the failure of modern moral philosophy. This example of the bureaucratically efficient manager is then extended into a consideration of how the concepts of both facts and value changed during the Enlightenment, leading to an attack on the 'scientific' basis of the social sciences and the linking in of another area of interest to MacIntyre, the philosophy of the social sciences.

Claims to authority in the social sciences lie in the supposed neutrality of the underlying evidence, but MacIntyre shows that this factual and supposedly objective evidence is selectively chosen and subjectively interpreted. The social sciences attempt to use the same mechanistic modes of interpretation as the physical sciences to derive generalised laws for human behaviour and, in doing so, need to disregard any underlying human motives or Aristotelian teleological notions as recognised by Kant (MacIntyre 2007, p. 82). This separation of facts from values can then be traced through a chain linking Enlightenment philosophers, social reformers, civil servants and managers, sociologists and organisational theorists, theorists in management and business schools to 'the theoretically informed managerial practice of the contemporary technocratic expert' (ibid., p. 86). In this way, the contemporary manager's claim to authority is based on the predictive power of the social sciences, but this can be seen to be historically weak, to say

the least, for reasons which include changes brought about by radical innovations, the unpredictability of human actions, the absence of knowledge of causation from statistical correlation and the effects of pure chance. As a result, social generalisations are always limited in scope and incomplete and consequently MacIntyre argues that the claims for managerial expertise based on objective grounds are no more than 'expressions of arbitrary, but disguised, will and preference', the contemporary sequel of emotivism (MacIntyre 2007, p. 107). The resulting world is Weberian in character, bureaucratic and managerial in form but masking the fact that, as argued by Nietzsche, contemporary moral philosophy provides no rational basis for morality but only expressions of will. Consequently, MacIntyre concludes his critical argument by proposing that the only alternative to this is to consider whether the rejection of Aristotelian *telos* was correct and whether a return to Aristotelian concepts can be justified.

2.4.2   The Constructive Argument

In the second part of *After Virtue*, which C.S. Lutz (2012) describes as the constructive argument, MacIntyre starts by explaining why Aristotle can be the foundation of a theory of virtue and then proceeds to develop his own concept of the virtues in terms of three layers; firstly in terms of practices housed in institutions, secondly the narrative unity of a human life or narrative quest and thirdly moral tradition.

2.4.2.1   *Aristotelian Concepts*

Aristotle considered humans to be teleological beings, in that they have an aim or goal in life and central here is the concept of *telos* – the *telos* of a thing is bound up with its nature and its natural function so, for example, the *telos* of a watch is to tell the time and that of a racehorse is to run fast. MacIntyre phrases this as 'x is good means this is an x someone would choose who wants an x for x's usual purpose' (MacIntyre, 1981/2007, p. 59). The *telos* of humans is to participate in the good life and achieve *eudaimonia,* which MacIntyre defines as "blessedness, happiness, prosperity. It is the state of being well and doing well, of a man's being well-favoured himself and in relation to the divine" (MacIntyre, 1981/2007, p. 148). Therefore with the concept of *telos,* it is possible to move from man-as-is to man-as-could-be, a point which is critical for MacIntyre's argument later on. MacIntyre summarises Aristotle's virtues as follows:

> "The virtues are precisely those qualities the possession of which will enable an individual to achieve eudaimonia and the lack of which will frustrate his movement toward that telos." (MacIntyre, 1981/2007, p. 148)

Of central importance here for Aristotle is practical reasoning or *phronesis,* with the emphasis on decisions being made through shared deliberation of ends and means in the context of the community and on the demands of the good life being disclosed only through practice. Consequently, friendship is an important virtue for Aristotle which holds members of a community together, whether it is in a *polis* (ancient Greek city-state) or in a family (Kallenberg, 1997; C.S. Lutz, 2012, p. 114), and civic friendship "is that which embodies a shared recognition of and pursuit of a good" (MacIntyre, 1981/2007, p. 155). This communal aspect means that there is a continuance of historic tradition and a link to social relationships - "there must be some *telos* to human life, a vision anticipating the moral unity of life, given in the form of a narrative history that has meaning *within a particular community's traditions*" (McCann and Brownsberger, 1990, pp. 227, emphasis added). The community needs to condemn activities that obstruct the attainment of the common good and encourage the development of a moral culture that promotes it. Accordingly, laws and virtues, these two components of moral culture, are interconnected (MacIntyre, 1981/2007, p. 151; C.S. Lutz, 2012, p. 113) and MacIntyre viewed Aristotelian ethics as requiring two kinds of practices - those recognising and developing virtues which will help in the attainment of *telos* and those that determine which actions will help to reach these goals (MacIntyre, 1981/2007, p. 162).

However, as described above, if *telos* is denied, then the link from man-as-is to man-as-could-be is lost and cannot be replaced since it cannot be justified by reason alone, as recognized by Kant and summarised by MacIntyre in the phrase "no ought from is" (MacIntyre, 1981/2007, p. 57). Therefore, the connection between 'man' and 'good man' was destroyed when man came to be thought of in terms of being an individual rather than fulfilling a role.

With these Aristotelian concepts in mind, it is now necessary to move on to consider in detail what MacIntyre proposes is required as a replacement – his development of a theory of virtue.

2.4.2.2   Practices Housed in Institutions

In an attempt to identify virtue, MacIntyre compares what Homer, Aristotle, the New Testament, Benjamin Franklin and Jane Austen considered to be virtues. By choosing such a varied selection of sources spread over a long period of time, he demonstrates that, whilst there initially appears to be significant differences between them and no unified core concept, all name what are taken to be excellences in practical reasoning and human action. This leads him to argue that the virtues make people better agents because they enable people to achieve excellence in practices, which MacIntyre defined as:

> "Any coherent and complex form of socially established cooperative human activity through which goods internal to that form of activity are realized in the course of trying to achieve those standards of excellence which are appropriate to, and partially definitive of, that form of activity, with the result that human powers to achieve excellence, and human conceptions of the ends and goods involved, are systematically extended." (MacIntyre, 1981/2007, p. 187)

MacIntyre's consideration of the individual in their social setting is emphasised by the fact that these practices are not the activities of isolated individuals but socially established and cooperative activities which involve people who have similar goals (Moore, 2011, 2012a). His attention to the historical context is shown by his claim that "practices always have histories" (MacIntyre, 1981/2007, p. 221). Practices have standards of excellence and what counts for excellence has been determined over the course of historical engagement (Kallenberg, 1997; Moore, 2011, 2012a). These standards are then systematically extended by subsequent practitioners seeking to achieve excellence (Kallenberg, 1997; Moore, 2011, 2012a), who maintain the practice and, if they excel, may improve standards and raise the bar for the next generation (C.S. Lutz, 2012)

MacIntyre then went on to give a definition of virtue in terms of practices:

> "A virtue is an acquired human quality the possession and exercise of which tends to enable us to achieve those goods which are internal to practices and the lack of which effectively prevents us from achieving any such goods." (MacIntyre, 1981/2007, p. 191)

Thus internal goods are derived from practices and can be considered to include both the excellence of products of the practice and the perfection of the individual in the process

(MacIntyre, 1981/2007, pp. 189-190). These are in contrast to external goods, such as money, power, status and success - "it is characteristic of what I have called external goods that when achieved they are always some individual's property and possession…characteristically objects of competition in which there must be losers as well as winners." (MacIntyre, 1981/2007, p. 190). MacIntyre argued that internal goods are more fundamental to human flourishing than external goods but that they have typically become neglected in the pursuit of the external goods (Moore and Beadle, 2006; Moore, 2011, 2012a). MacIntyre introduces the example of a child being taught to play chess as an example here. Initially, the child is provided motivation by being given sweets, both for playing and additionally for winning. However, if this remains the child's motivation, they have no reason to not cheat so as to get the additional sweets if the cheating is successful. Nevertheless, in time the child may come to value playing chess because of the internal goods involved – "analytic skill, strategic imagination and competitive intensity" (MacIntyre, 1981/2007, p. 188) – and so now has reasons for not just playing to win for the extra sweets, but to play so as to excel in the way demanded by the game. If the child now cheats, they are not defeating their opponent but themselves. In this example, the sweets are examples of external goods, which can be attained in ways other than winning at chess, whilst the goods internal to chess playing can only be achieved by playing chess.

MacIntyre gives a further example of portrait painting to show that the development of a practice involves two different kinds of internal good – the excellence of the portrait and the development of the painter. As is suggested by the root of the word excellence – that of the verb 'to excel' - the practitioners will be involved in a process of improving and progressing the practice and this inevitably necessitates the development of the practitioner themselves in a variety of ways. For example, firstly the practitioner has to be willing to accept the authority of the standards of excellence specific to the practice, which initially involves a willingness to accept their own inadequacy, learn from other, more experienced practitioners and subordinate themselves in their relationships with them. This willingness requires the virtues of justice, courage and honesty to recognise what is due to whom, to take whatever risks may be demanded and to listen to any criticisms and be able to reply with due regard for the facts. Not to accept this is the equivalent of the chess-playing child cheating for sweets and thus not only preventing their own development via the attainment of the internal goods of the practice but also making the practice pointless except as a device for achieving external goods.

MacIntyre used a further example of two contrasting fishing crews to illustrate these points (MacIntyre, 1994a, 1999b) when responding to criticisms made of his description of practices in *After Virtue*. The first fishing crew was mainly concerned with external goods, that is the financial benefits of carrying out what was to them essentially 'just a job'. In contrast, for the second fishing crew, the focus was more on the internal goods associated with the practice of fishing, the exercise of such virtues as courage, bravery and patience. In times of economic hardship, the first crew would be more likely to stop fishing and find a new way of earning money, whereas the second crew would be more likely to tolerate a worse financial return in order to continue gaining the internal goods of fishing. Kay (1997) commented that the virtues developed by the second fishing crew would also be of value to the wider community and it is noteworthy that MacIntyre returns to this example of the fishing crew in his latest work *Ethics in the Conflicts of Modernity* (MacIntyre, 2016), citing a real life instance of a communally owned enterprises in Denmark described by Højrup (2011), to illustrate how local communities can decide to act together to achieve such internal and communal goods.

However, MacIntyre considers that practices alone will not be able to survive over an extended period of time and so need to be protected by institutions:

> "Institutions are characteristically and necessarily concerned with what I have called external goods. They are involved in acquiring money and other material goods; they are structured in terms of power and status, and they distribute money, power and status as rewards. Nor could they do otherwise if they are to sustain not only themselves, but also the practices of which they are the bearers." (MacIntyre, 1981/2007, p. 194)

To demonstrate the difference between practices and institutions, MacIntyre gave the examples of "chess, physics and medicine [which] are practices; chess clubs, laboratories, universities and hospitals [which] are institutions." (MacIntyre, 1981/2007, p. 194). Whilst not denying that some instances of institutions, such as museums, more actively encourage internal goods than others, the institutions in which practices are housed need to be concerned with external goods, such as success, reputation and profit, in order to be able to sustain not only themselves but also the practices of which they are the bearers. Without the external goods generated by institutions, practices would not be able to survive for any length of time, and practices and institutions are so intimately connected that they form 'a single causal order' where the "ideals and creativity of the

practice are always vulnerable to the acquisitiveness of the institution" (MacIntyre, 1981/2007, p. 194). Similarly, the internal goods sustained by practice are dependent on the external goods generated by the institution resulting in a "essential but complex circularity" between them (Moore, 2012b, p. 380). Consequently, there will always be a tension in maintaining the balance between external and internal goods, and virtues, such as justice, courage and truthfulness, are needed for the practices not to be corrupted.

2.4.2.3   The Unity of a Human Life – the Narrative Quest

The second layer of MacIntyre's account of the virtues concerns how to interpret the actions of individual humans, not as isolated acts but in the context of their whole lives. Here he believes that human actions are to be understood only by embedding them in an ongoing narrative that gives them meaning and point (MacIntyre, 1981/2007, pp. 208-219) and he terms this the narrative quest. Since human actions demonstrate our views of the world, our actions show our narratives. The narrative contextualises intentions, combines actions into meaningful sequences which then form a continuous whole which is the story of someone's life (Kallenberg, 1997), and the relationship between narrative, desire and practical rationality is also a theme to which MacIntyre returns in his latest work *Ethics in the Conflicts of Modernity* (MacIntyre, 2016; Beadle, 2017b, p. 220).

Consequently, a life can be conceived of and evaluated only as a whole, which requires considering the context of the relationships in which the person is involved. All social life is narrated, so that even though the individual's narrative gives meaning to their individual life, people live their lives within a social and historical context and, as a consequence, they are intertwined with community, society and history (MacIntyre, 1981/2007, p. 218). Society can only be understood through its stories and myths, which is in contrast with Sartre's view that 'life is not a story', but only a succession of unconnected events where the individual is separate from the roles they play (MacIntyre, 1981/2007, p. 214).

Narrative is important, but equally important is the quest. This requires an understanding of *telos* - what is good for man is (from) knowledge gained during the quest, the good life is spent seeking the good life (MacIntyre, 1981/2007, p. 219). In this, the necessary virtues are those which help to understand what the good life is and this concept of the narrative quest provides the third level of MacIntyre's definition of virtue:

"The virtues therefore are to be understood as those dispositions which …sustain
us in the relevant kind of quest for the good, by enabling us to overcome the

harms, dangers, temptations, and distractions which we encounter, and which will furnish us with increasing self-knowledge and increasing knowledge of the good." (MacIntyre, 1981/2007, p. 219)

Therefore, human life needs a *telos* in order to have a narrative moral unity and this needs to be meaningful in the context of the particular community's traditions, since otherwise the various resulting internal goods will "remain disordered and potentially subversive of one another" (McCann and Brownsberger, 1990, p. 227). Unless the *telos* is shared by the community, there will be no consensus on the overriding good and so no way of ranking and evaluating the various internal goods (McCann and Brownsberger, 1990, pp. 227-228). This emphasis on the social aspect is reflected in MacIntyre's view that the good life is dependent on individual circumstances, social context and historical background - no universality can be implied (MacIntyre, 1981/2007).

MacIntyre discusses this ranking of internal goods and emphasises three characteristics of the narrative quest in his 2016 book *Ethics in the Conflicts of Modernity: An Essay on Desire, Practical Reasoning, and Narrative* (MacIntyre, 2016) – firstly, that narrative is not just about the individual but about the individual-in-relationships; secondly, that it entails learning from mistakes in order to move towards the achievement of common goods; and thirdly, that the narrative becomes increasingly ordered towards pursuit of the final good, i.e. that it has a teleological structure.

In this respect, the narrative quest can be exemplified by the two fishing crews described above to demonstrate internal and external goods. As mentioned, MacIntyre revisited them in his 2016 book in the context of the political development of the common good for local communities, this time citing real-life examples given by Højrup (2011). One type of fishing crew is financed by typical capitalist corporations, where there is only a finanical connection between being a crew member and a member of a family and the local community. This is in contrast to the second type of crew, who practice share fishing where profits and losses are more evenly distributed, with the consequence that the common goods of family, crew and local community are more related with each other. It is only by knowing the narrative history of these crews and the unity, or otherwise, of their lives that their positions can be understood and the consequences be interpreted.

2.4.2.4 Moral Tradition

These concepts of the narrative quest and practices being socially dependent lead to moral tradition, which is the third important element that MacIntyre discussed in relation to virtues. He describes tradition as:

> "an historically extended, socially embodied argument, and an argument precisely in part about the goods which constitute that tradition" (MacIntyre, 1981/2007, p. 222).

This is not a conservative view of returning to historic morality for defending the status quo but a final and complete rejection of individualism (Porter, 2003, p. 42; C.S. Lutz, 2012, p. 128). There are three elements that stand out according to MacIntyre's notion of tradition. Firstly, tradition is the logical extension of narrative, an on-going, open-ended inquiry rather than something fixed and static as proposed by writers such as Burke (Kallenberg, 1997; C.S. Lutz, 2012, p. 128; Porter, 2003, p. 43). Secondly, a tradition is socially embodied because traditions are lived in communities (Kallenberg, 1997). Finally, traditions, if they are living, always embody "continuities of conflict" (MacIntyre, 1981/2007, p. 222), not only between supporters of the tradition and its opponents, but also internally within the tradition among those who would interpret its central beliefs in different ways (MacIntyre, 1988, p. 12).

Therefore, in summary, for MacIntyre a living tradition is a result of communities of practitioners continuing to develop a practice, often through conflict, in order to find better ways to pursue the internal goods of that practice. Therefore, the fourth level definition of virtue includes this aspect of tradition and historical context (C.S. Lutz, 2012):

> "The virtues find their point and purpose… in sustaining those traditions which provide both practices and individual lives with their necessary historical context." (MacIntyre, 1981/2007, p. 223)

2.5 MacIntyre's Later Works

MacIntyre acknowledges that the ideas presented in *After Virtue* needed further elaboration (MacIntyre, 1981/2007, p. 278) and this has resulted in a number of later works, notably the books *Whose Justice? Which Rationality*? (MacIntyre, 1988), *Three Rival Versions of Moral Enquiry* (MacIntyre, 1990b), *Dependent Rational Animals*

(MacIntyre, 1999b) and finally *Ethics in the Conflicts of Modernity* (MacIntyre, 2016), each of which will now be reviewed briefly.

In *Whose Justice? Which Rationality*? (MacIntyre, 1988), published seven years after the first edition of *After Virtue,* MacIntyre's main aim is to describe what makes it rational to act in one way rather than another and to defend one notion of practical rationality rather than another (MacIntyre, 1988, p. ix). This is done by means of a comparison of three different traditions – those of ancient Greece emphasising Aristotle, medieval Europe emphasising Aquinas and the Scottish Enlightenment emphasising Hume. Keating (1992) considers that MacIntyre develops the argument proposed in *After Virtue* in three main ways. Firstly, there is a correction of any impression previously given that a morality of virtues was being recommended rather than a morality of laws, since both are needed and one is the counterpart of the other. Secondly, the relationship between virtue and practical rationality is further developed, with both being intimately associated with tradition, thus negating the concept of an a-historic and abstract tradition-free rationality (MacIntyre, 1988, p. 334). This may be thought to open MacIntyre's argument up to charges of relativism, since there is then no neutral basis for the comparison of rival traditions, but this is addressed by the book's third development. This is a suggestion of how such a comparison can be made by way of a tradition recognising the superiority of a different tradition using its own internal standards of rationality, thus enabling a means for answering the question posed by the book's title.

MacIntyre's concept of tradition is developed further in the next book, *Three Rival Versions of Moral Enquiry* (MacIntyre, 1990b), where the three rival theories dominating Western moral discourse are contrasted. The first of these is termed 'encyclopaedia' with representatives including Kant, Mill, Marx and G.E. Moore (Fuller, 1995). It refers to the concept of collecting value-free facts and so to the Enlightenment ideal of objectivity and neutrality in ethics and a belief in the universality of the findings of a tradition-independent mode of enquiry. This is contrasted with 'genealogy', a reference to Nietzsche's *Genealogy of Morals* and used interchangeably with the terms 'Nietzscheism', 'emotivism' and 'relativism', where moral values do not claim to be objective but are expressions of subjective feeling (C.S. Lutz, 2012, p. 188). MacIntyre is more favourable to these views, since the illusion of neutral objectivity is dropped and there is an acknowledgement of the role of tradition in history, even if traditional presuppositions are discarded. However, he disagrees with the conclusion that all traditions are as good or bad as each other. Consequently, he stresses that the third viewpoint, that of tradition exemplified by the

works of Augustine and Aquinas (Porter, 2003, p. 38), is preferable since, while there is no possibility of a pure individual being independent of tradition and possessing timeless moral reason, there is a way in which rival traditions can be compared with each other so that the tradition with the best solution to practical problems be chosen (Porter, 2003, p. 50). There are clear parallels here between MacIntyre's view of the individual being rooted in tradition and aspects of institutional theory, which will be reviewed in the next chapter and then examined in the discussion chapter.

It should be noted that, even though tradition is a central component of his work (Porter, 2003, p. 38), MacIntyre never defines the term clearly. Both Porter (2003, p. 42) and Annas (1989, p. 392) identified that MacIntyre described the concept of tradition as "an extended argument over the goods that constitute it" (MacIntyre, 1981/2007, p. 222), but this cannot be seen as a definition of tradition (Porter, 2003, p. 38). Furthermore, MacIntyre's understanding of tradition continued evolving and changing over the near decade between the publication of the first edition of *After Virtue* and *Whose Justice? Which Rationality?* and the book *Three Rival Versions of Moral Enquiry* (Porter, 2003; Horton and Mendus, 1994). In *After Virtue*, tradition was suggested as a moral concept, a part of the framework which was needed to develop the idea of virtue whilst in *Whose Justice, Which Rationality?,* it had been "transformed into an epistemic and linguistic concept, which plays a central role in explicating the meaning of truth and rationality" (Porter, 2003, p. 50).

In *Dependent Rational Animals,* MacIntyre (1999b) adds a fourth layer to his framework of the virtues that results from the acknowledgement that human beings are animals and are therefore vulnerable, since they start off being dependent on others and later also depend on others for care. In what can be described as the correction of an acknowledged error in *After Virtue,* where virtues were described independently from Aristotle's 'metaphysical biology' (Moore, 2008a), MacIntyre points to a set of character traits that enable people to flourish as dependent animals being able to give and receive. The virtues are then acquired character traits that enable us to excel in social practices, our individual lives, our shared lives, and our lives as vulnerable, dependent animals (Beabout, 2012, pp. 427-428). The structures needed for this are identified as being not those of the state or the family, but rather those of local communities, either geographically distinct and comparatively small, such as the fishing community described above, or based around particular trades. MacIntyre also notes that 'economic considerations will have to be subordinated to social and moral considerations' and that this will 'involve a rejection of

the economic goals of advanced capitalism' (MacIntyre, 1999b, p. 145). MacIntyre also appeals for empirical studies in this area, but has been criticised since 'just what he means by 'local community' is unclear and its contours remain indistinct' (Dunne, 2002, p. 352). Nevertheless, Moore (2008a) considers that organisations can be included here since MacIntyre referred to Beadle and Könyöt's work on the circus (Beadle and Könyöt, 2006) as an example of 'empirical studies of past and present relationships *between institutions and practices in particular contexts'* (MacIntyre, 2008 emphasis added) and so organisations, or 'practice-institution combinations' as they have been termed (Moore and Beadle, 2006), can be used as the unit of analysis as will be discussed below and as is the case in this study.

Finally in this section, MacIntyre's latest book, *Ethics in the Conflict of Modernity* (MacIntyre, 2016), can be viewed as "both a distillation and summation of MacIntyre's 'mature project' which began in After Virtue in 1981" (Beadle, 2017a, p. 219), but is also noteworthy for the fact that it is "the first occasion that MacIntyre commends a named business venture, a management thinker [and] a distinct role for managers" (Beadle, 2017b, p. 1). A revised definition of virtue is given as "just those qualities that enable agents to identify both what goods are at stake in any particular situation and their relative importance in that situation *and* how that particular agent must act for the sake of the good and the best'" (MacIntyre, 2016, pp. 190 - emphasis retained) and the relationship between desire, practical rationality and narrative is examined in the book's five chapters. The incommensurability of the rival standpoints of neo-Aristotelianism and expressivism is resolved by considering them in their social and historical contexts, with the Aristotelian concept of common goods not being defeated but rather losing its social context in the thirteenth to eighteenth centuries. MacIntyre argues that the purpose of modern 'Morality' is now mainly as a "disciplinary function essential for the maintenance of the social order; that of providing secular and supposedly authoritative reasons for limiting desire" (Beadle, 2017a, p. 220) and he answers what has been termed the 'nostalgia' critique (C.S. Lutz, 2012, pp. 179 - 181), being rooted in the past and giving little guidance for today, in the final two chapters of the book. Here he again uses the example of the fishing crew communally owned in Denmark and also the political organisation of a favela in Brazil to demonstrate how local communities can use shared deliberation to order and achieve common goods. This also shows his emphasis on narrative, underlining the thesis that "only in and through narrative can Aristotle's claims about teleology, flourishing, and common goods be properly grasped and appreciated" (Angier, 2017, p. 425). The positive references to businesses as institutional settings for practices, Cummins Engines

and the BBC, need to be treated carefully since these are endorsements of models where management has a strictly limited role as an enabler of a system where workers' discretion is optimised (Beadle, 2017b), consistent with Beabout's manager as a wise steward and management as a 'domain-relative practice' (Beabout, 2012).

Ethics in the Conflicts of Modernity can be seen as a continuation of the project begun with *After Virtue*, demonstrating mainly the continuities in his thought at the same time as his development of various themes such as tradition, and also his behaviour as 'almost a model philosophical citizen' (D. Solomon, 2003, p. 115), responding to criticism of his work in subsequent publications by further explanations and examples. The fact that 35 years lie between the publication of these two books, and 61 years since the latter and his Masters' thesis, bears witness to his perseverance and continued academic rigour and so it is not surprising that, with the exception of Aristotle, MacIntyre is the most widely cited writer in the field of virtue ethics in business (Ferrero and Sison, 2014).

Before moving on to a more detailed consideration of criticisms of MacIntyre's work, a brief review of his views on the self will be considered. This is important in terms of not only the difference between his view and that of modern liberal individualism but also the degrees of commonality with the Confucian self, as will be reviewed in Chapter 4 and then revisited in the discussion chapter.

2.6 The Self

As described at the beginning of this section on MacIntyrean virtue ethics, MacIntyre is very clear about the importance of 'the self' and how changes in how the self is experienced are intimately connected with changes in the perception of virtue. In this respect, his work is especially powerful since it is more common for the self to be considered to be a constant factor in Western thought (Ying Zhu and Han, 2008). However, for this study, which is considering whether the concepts of MacIntyrean virtue ethics are applicable in a non-Western Confucian society, the constancy of the self cannot be taken for granted and so an explicit review of MacIntyre's view on the self is beneficial.

MacIntyre considered that the ancient, presumably Western, self was dominated by roles whereas the modern self is without boundaries:

"… in much of the ancient and medieval worlds, as in many other premodern societies, the individual is identified and constituted in and through certain of his

or her roles, those roles which bind the individual to the communities in and through which alone specifically human goods are to be attained; I confront the world as a member of this family, this household, this clan, this tribe, this city, this nation, this kingdom. There is no 'I' apart from these." *(MacIntyre, 1981/2007, p. 172)*

Whilst this may seem to suggest that the ancient self was as compartmentalised as their twentieth century counterpart, the fact that they were guided by *telos* is the distinguishing factor. Although this argument was reviewed earlier in this section, it is worthwhile to emphasise this aspect of MacIntyre's thought verbatim in order to reinforce the clarity of MacIntyre's view of the changes associated with the self.

"… the peculiarly modern self, the emotivist self, in acquiring sovereignty in its own realm lost its traditional boundaries provided by a social identity and a view of human life as ordered to a given end." *(MacIntyre, 1981/2007, p. 34)*

"The self had been liberated from all those outmoded forms of social organization which had imprisoned it simultaneously within a belief in a theistic and teleological world order and within those hierarchical structures which attempted to legitimate themselves as part of such a world order." *(MacIntyre, 1981/2007, p. 60)*

"The problems of modern moral theory emerge clearly as the product of the failure of the Enlightenment project...the individual moral agent, freed from hierarchy and teleology, conceives of himself and is conceived of by moral philosophers as sovereign in his moral authority." *(MacIntyre, 1981/2007, p. 62)*

This change in how the self was viewed is a vital factor in MacIntyre's argument that modern liberal individualism resulted from a loss of *telos* and the associated decline in the importance of roles, narrative unity and tradition.

Another example of MacIntyre's view of the Western self is given in his article *Individual and Social Morality in Japan and the United States: Rival Conceptions of the Self* (MacIntyre, 1990a). In this article, he considers the claim made by Bellah (1987) in an unpublished lecture that American people are more individualistic compared to the more social Japanese people, but that the increasing globalisation of the world means that the two are becoming convergent. MacIntyre argues that this claim is mistaken because it presupposes a culturally neutral conception of the distinction between the social and the

individual and that it ignores the specificity of historical traditions. MacIntyre considers the American self to be divided into three incommensurable aspects – a post-enlightenment abstraction from social role, the viewing of / by others in terms of acquisitions and competition, and an incoherent attitude to institutions involving a denial of European history in terms of social solidarity, public goods and psyche. In comparison, he characterises the Japanese self as being divided into a presented or social self and a concealed self which is incomplete without its social role – "the Japanese emotional self has no existence apart from these relationships" (MacIntyre, 1990a, p. 494). He also notes that Japanese thought has been able to accommodate the Confucian view of the self "understood entirely in terms of social roles and responsibilities" (MacIntyre, 1990a, p. 495) together with that from Zen Buddhism, for which "the self is no-self". MacIntyre concludes that convergence between these two radically different conceptions of the self, the American and the Japanese, is unlikely to happen although he claims not to "underrate the common effects of a shared consumerism" (MacIntyre, 1990a, p. 496).

A similar conclusion is reached by Spiro (1993) who investigated differences between the concept of the self in different cultures by reviewing mainly anthropological & social psychological studies. Although he noted several difficulties in doing this, including conceptual, methodological, theoretical, and empirical ones, he concluded that differences exist everywhere, not just between the West and elsewhere. For the purposes of this thesis, the point is that the researcher needs to be aware of these differences, since they profoundly influence how the self is viewed. This is summarised by Beadle and Moore (2011) who, when writing about MacIntyre's *Against the Self Images of the Age* (MacIntyre, 1971), note that the title reflects his:

> "ongoing concern with the intimacy of the relationship between agents' behaviour, self-understandings and the social structures they inhabit. In line with the hermeneutic tradition, he holds that it is an error, but an important error, to believe that the idioms and theoretical insights upon which our self-images depend, constitute a neutral representation of some external reality" (Beadle and Moore, 2011, p. 88)

MacIntyre himself noted that "there is no way for the historian or social scientist to locate himself outside some tradition of interpretation, the very language he speaks and writes is so shaped by tradition that he cannot evade it" (MacIntyre, 1980, p. 177). Consequently, self-images are not neutral but are based on narratives intertwined with tradition-informed

social practices. The author deems that this is a crucial point for this thesis, not only in terms of its methodological implications but also for important parts of the discussion, as will be shown in the relevant chapters.

In summary, MacIntyre's argument in *After Virtue* is that the 'liberation' of the self in the Enlightenment from theism, teleology and hierarchy came to have enormous social and political consequences. MacIntyre describes these in terms of the rise of utilitarianism, emotivism and human rights, all without a solid moral foundation and concluded that the basis of modern morality is the "will to power" as described by Nietzsche, with the alternative being a return to Aristotelian concepts. Using these as a basis, he then proposes a framework of virtue ethics based on notions of practices housed in institutions, the unity of human life or narrative quest and moral tradition. These themes are further developed and defended from various criticisms in his subsequent works, and it is these critiques which will now be explored.

2.7 Critiques of MacIntyre's Works

Not surprisingly, given the negativity of his analysis of contemporary culture and the role of moral philosophy in it, MacIntyre's work has received many critiques. D. Solomon (2003) summarises these as being in two broad groups – those claiming that MacIntyre is generally too negative in his appraisal of contemporary society in his critical argument and those challenging his defence of an alternative based on virtue in his constructive argument. In addition, a third group of scholars question MacIntyre's approach of combining philosophical and historical arguments. Each of these three groups will now be considered in turn

2.7.1   Challenges to the Critical Argument

The first group, characterised for example by Fukuyama (1992), argue that MacIntyre merely represents Celtic pessimism and that neoliberalism will soon resolve many of the tensions of human culture. Solomon agrees that MacIntyre's claims "surely outrun the evidence that he presents" (2003, p. 143) but does consider that his description finds broad agreement amongst other philosophers, such as B. Williams (1985) and Taylor (1989), despite the fact that they do not agree with other aspects of MacIntyre's analysis.

Concentrating on MacIntyre's analysis of the Enlightenment, Wokler (1994) praises MacIntyre's integration of moral philosophy and history but finds that his portrayal is

"profoundly misleading" (1994, p. 111) and "all wonderfully confused, both in method and substance, generally and in detail" (1994, p. 115). The existence of anything resembling a 'project' or 'movement' is questionable but, if this point is granted, then at least its aims and central figures should have been identified. However, MacIntyre largely ignores French thinkers such as Montesquieu, Rousseau and Voltaire, regarding them as insignificant in relation to Scottish philosophers, due to their lack of a secularised Protestant background and political influence. Although Jaucourt and Diderot are considered, Wokler argues that their views are misrepresented and, as a result, "by deliberately excluding a French focus from his study, MacIntyre offers his readers an account of peripheries without a core. His Enlightenment Project has been shorn of its projectionist" (Wokler, 1994, p. 117).

Furthermore, where MacIntyre concentrates his analysis on Scotland explicitly in six chapters of *Whose Justice, Which Rationality?* (MacIntyre, 1988), his depiction of the central character of Hutcheson and his role in sustaining the Scottish tradition of practical reasoning is criticised. Hutcheson's philosophical works were more Irish than Scottish and he took up his appointment in Glasgow as a "vigorously critical reformer" rather than "a conservative adherent to a Scottish tradition" (Wokler, 1994, p. 119). In contrast, Enlightenment thinkers are sometimes described as being in thrall to circumscribed social practices, promoting ideals favouring particular interests as if they had universal validity. As a result, "the connections between normative principles and social institutions which MacIntyre seeks to draw seem … elusive and inconsistent" (Wokler, 1994, p. 120).

Thus, Wokler considers MacIntyre's attempt to link emotivism to the Enlightenment "an almighty, unfounded and uncalled for leap of the imagination" (Wokler, 1994, p. 124), arguing that teleological conceptions were not absent from eighteenth century philosophy so that "MacIntyre's account … is on this point far too blunt and shallow" (Wokler, 1994, p. 125). Furthermore, Wokler considers that MacIntyre neglects the Enlightenment's principle of toleration so that "the moral chaos of the modern world stems not from the failure of the Enlightenment Project but from its neglect and abandonment" (Wokler, 1994, p. 126).

In response, MacIntyre (1994a) concedes that he needs to say more on Enlightenment moral philosophy and how it fits in to the overall culture of the Enlightenment. However, he points out that his focus is primarily on the failure of its major moral philosophers to secure agreement on the status and content on moral principles and on the consequences of that

failure, as well as the consequences of Hume's victory in the debate in the Scottish Enlightenment. It is the fact that Hume was able to defeat his opponents which is important and why MacIntyre uses his views on justice in *Whose Justice? Which Rationality?* (1990b).

In a similar vein as Wokler, Kelly points out that MacIntyre's dismissal of utilitarianism in a mere five pages in *After Virtue* (MacIntyre, 1981/2007) is superficial, undertaking only a brief review of the arguments of Bentham and Mill (Kelly, 1994). Kelly describes MacIntyre's objection to utilitarianism as being based on the latter's reliance on the atomistic individual being able to make rational judgements detached from any social, cultural or historical influences, instead positing that individuals are constrained by their socially constituted communal roles governed by tradition. If various traditions can be considered to be incommensurable, then a strong historicist argument could be made for the resulting rationalities and moralities also being incommensurable.

However, Kelly considers that MacIntyre does not provide such an argument, with the communities in which the various forms of practical rationality described in *Whose Justice? Which Rationality?* (1988) not being sufficiently radically distinct. Languages can be translated and boundaries around distinct traditions are indeterminate and are constantly being redrawn. Consequently, moral terms are being continually transformed as traditions engage with and are transformed by others so that agents are not faced with radically different communities but rather have multiple perspectives available out of which "it may be possible to ground a set of near universal values" (Kelly, 1994, p. 138).

MacIntyre also dismisses utilitarianism on the grounds of the incommensurability of values, with utilitarianism being unable to distinguish between internal and external goods when these are reduced to their instrumental external contribution to a common denominator such as utility or pleasure, in the process "eviscerating their social meaning and personal significance" (Kelly, 1994, p. 139). Kelly rebuts this by arguing that a theory of utilitarianism can be envisaged which incorporates an alternative hypergood, such as well-being instead of pleasure, which could be considered to approach the more complex concept of *eudaimonia.* As a result, Kelly argues that MacIntyre's dismissal of utilitarianism is unfounded and that a theory of utilitarianism is possible which avoids the weaknesses which MacIntyre attacks. However, MacIntyre's defence (MacIntyre, 1994a) is to point out that, as well as not yet providing a concept of commensurability of ends and motivations, utilitarianism has still not been able to defeat its rivals, especially Humean,

Kantian and contractarian theorists. This suggests that they each represent rival conceptions of rationality, indicating incommensurability and so also relativism.

Other scholars argue that such interminable moral disputes are not just a feature of the fragmentation of contemporary society but have always been with us and that MacIntyre is too positive in his view of traditional societies (D. Solomon, 2003). In this respect, Keating (1992) argues that MacIntyre is inconsistent in his treatment of the Enlightenment and does not apply the same standards of analysis to traditional societies, citing Frankena (1983) who considers that fifth century B.C. Athens could also be described as suffering from moral insolubility. Similarly, Larmore (1989), reviewing MacIntyre's later work *Whose Justice? Which Rationality?* (1988), contends that all traditions make some claim to the universality that MacIntyre attributes only to the Enlightenment. However, Keating (1992) discounts this, and so supports MacIntyre's position, on the basis that the Enlightenment consciously separated itself from preceding tradition, thus making itself uniquely dependent on its own claims for legitimacy.

2.7.2 Challenges to Constructive Argument

Turning now to MacIntyre's constructive argument, the major criticisms fall into four major areas: accusations of relativism; weaknesses in his arguments for Thomism; traditions; and practices.

For the first of these, Stern (1994) considers MacIntyre's historicist approach but more in the context of whether it leaves him open to charges of relativism since if he dismisses Hegel's "faith in the progressive development of consciousness through history, and merely retains his contextualised conception of rationality, then historicism collapses into some form of relativistic scepticism" (Stern, 1994, p. 146). Stern considers that MacIntyre finds a successful *via media* between dogmatism and scepticism by following a similar approach to the post-Kuhnian philosophy of science adopted by Laudan (1977). In this view, new theories solve the problems unresolved by their predecessors and so advance is considered to be more relative than absolute with less reliance on concepts of absolute truth.

However, the verdict of other critics on the charge of relativism against MacIntyre is not so positive. Haldane (1994) focuses on 'MacIntyre's Thomist revival' and considers whether his approach leads to 'suspicions of relativism'. Indeed, he does so successfully in the opinion of Graham – "Haldane is unduly modest in entitling this section of his essay

'Suspicions of Relativism": it seems, rather, that he has shown MacIntyre to *be* a relativist" (Graham, 2003, p. 34, emphasis in original).

Haldane traces the development of MacIntyre's thought, starting from Anscombe (1958) who, he notes, as a Roman Catholic had no issue with the notion of divine law as a transcendent authority. However, since MacIntyre's commitment to Christianity had not been made at the time of his writing *After Virtue* (1981/2007), he cannot use divine law as a basis for morality and similarity rejects Aristotle's 'untenable metaphysical biology'. However, the teleology of agency needs to have a end-point and so MacIntyre develops the concept of "a historically developed social nature, and within this the notion of a narrative history and a life of self-definition" (Haldane, 1994, p. 94). Haldane considers that the all-embracing nature of such a tradition of socially constituted norms introduces a worrying suspicion of relativism and goes on to examine this in more detail by consideration of MacIntyre's later works.

In *Whose Justice? Which Rationality* (1988), MacIntyre poses the question of how a person outside any coherent tradition of enquiry can choose between rival versions of such traditions. Haldane points out the incoherence in this proposition, subsequently accepted by MacIntyre (MacIntyre, 1994a), since such a person would not be able to choose rationally because rational norms are not available to them, and so any choice would be non-rational and so 'lend support to a relativist conclusion' (Haldane, 1994, p. 96). MacIntyre does discuss relativism at length, but does not do so convincingly in Haldane's opinion. Thus, in *Three Rival Versions* (1990b) he describes the way in which epistemological crises may enable participants in different traditions to recognise the superiority of a rival, with the victor for MacIntyre being Thomism.

However, such crises may not always occur and so MacIntyre adopts a second approach, whereby a person moves from a position where moral norms are tradition dependent, which MacIntyre accepts, to one where a person considers the truth to be relative to a system of enquiry, which MacIntyre rejects. Haldane does not consider this approach to be coherent and concludes that it does not defend MacIntyre's claims against charges of relativism. Furthermore, he then goes on to consider MacIntyre's treatment of Thomism and notes that Aquinas is "seen in quite different historical and philosophical terms from those presented in *Three Rival Versions*" by other Thomist scholars (Haldane, 1994, p. 102). In a similar manner to Stern, Haldane describes MacIntyre's position as presenting Thomism as a *via media* between the relativism of the genealogist and the universalism of

the encyclopaedist. The former relies on a historically situated mode of enquiry and the immanence of its objects of enquiry whilst the latter sees both objects and means of engagement to be transcendent. In contrast, MacIntyre's *via media* argues for immanent means of enquiry combined with transcendent objects, which for Haldane is questionable as a coherent combination, especially since MacIntyre states that "the concept of truth, however, is timeless" (MacIntyre, 1990b, p. 363). Without resolution of this issue, Haldane admits to a 'persistent worry' that this "must lead to a relativism quite at odds with what I take to be the philosophy of Aquinas" (Haldane, 1994, p. 105).

In response, MacIntyre argues that it "is the shared presuppositions of the contending enquiries in respect of *truth*" (1994a, p. 297 emphasis in original) which can enable the resolution of disputes between rival traditions of enquiries. The adherents of a theoretical standpoint must be able to provide an explanation of why such disagreements with rival viewpoints is to be expected if they are to justify the claim of their viewpoint to truth. In order to do this, they must be able to provide within their own language in use an adequate representation of the claims they reject, which may involve an enhancement of their language regarding concepts, idioms or modes of arguments. It is the difficulties involved in this that "makes relativism a permanent temptation" (1994a, p. 297).

Downing and Thigpen (1984) also question whether MacIntyre's argument for the basis of *telos* is anything other than the social convention of a tradition, in other words relativism, since if *telos* is not grounded in metaphysics, where can it be located in nature? These criticisms lead further to a conclusion that MacIntyre's proposal is not a normative ethical theory but that he should be classed together with anti-theorists such as Bernard Williams. Further critiques centring on relativism are made by Scheffler (1983) and Hauerwas and Wadell (1982) in that a scenario can be envisaged where two rival traditions are in conflict and need an independent standard of rationality to be able to reach a solution. MacIntyre's response is that each needs to consider the other's claims rationally and then decide which of the two has the best solution, which may be the opposing tradition (MacIntyre, 1981/2007, pp. 276-277).

MacIntyre's arguments for Thomism are also a subject of critique for Coleman (1994). Firstly, she considers that Aquinas subsumed Augustine's philosophical theology in a way which was incommensurable with the latter's original Platonism, thereby 'denaturing' it rather than combining the two into "one overarching and more satisfying vision" (Coleman, 1994, p. 67). However, more serious is the accusation that MacIntyre "misunderstands

how an Aristotelian and a Thomist regard definitions which grasp the natures of things absolutely so that his discussion of historical practices and traditions is neither Aristotelian nor Thomist" (Coleman, 1994, p. 66). Thus, in his discussion of practices, MacIntyre proposes that standards of excellence are those which are *currently* in force.

In contrast, Coleman states that for Aristotle and Aquinas the defining standards "have no history, they are universals absolutely, they are natures or essences grasped by the definition of their goal" and "a definition is not culture bound nor is it temporal" (Coleman, 1994, p. 81). In the same way, traditions do not constitute practices as definitions but are subordinate to such universal and timeless definitions. Being a good doctor should not be considered by the standards of fourth century BC Greece or thirteenth-century Paris but rather according to the definition of one who cures the ill and restores them to health where possible. Thus there is not a history of a variety of ends but only one of a variety of means, with the end being fixed. Furthermore, for Aristotle and Aquinas there are natural ends or goals which are to achieve the human well-being towards which humans act voluntarily, but this cannot be unthinking or coerced by tradition if it is to express humaneness. However, in *After Virtue* (1981/2007), MacIntyre rejects Aristotle's physical and biological science "without the slightest justification" (Coleman, 1994, p. 84) and states that Christian theology concerning man's true end is a matter of faith not reason, which Coleman considers to "distort Thomism beyond repair" (Coleman, 1994, p. 85). Coleman concludes that MacIntyre's notion of practices bound by traditions is a misrepresentation of Aquinas since, for the latter, traditions are merely coincidental aspects of man's existence with humans' ultimate goal being the universal and timeless good.

MacIntyre's answer (MacIntyre, 1994a) is to explain that Coleman fails to distinguish between three sets of questions – the first concerning apprenticeship to any tradition-constituted practice including practices of inquiry, the second related to the *telos* of rational enquiry and the third about the defence of answers to the second against viewpoints of different traditions. Whereas Coleman is addressing the second set of questions, MacIntyre says his writing is mainly concerned with the first and the third and these answers are wholly consistent. There is a difference between timeless truths and attempts to formulate these truths, and the latter makes up the history of the practice of enquiry within a tradition. Thus Coleman acknowledges the *telos* but ignores the history leading towards it and so judges there to be more disagreement between herself and MacIntyre than there really is.

MacIntyre's Thomist argument is also criticised by Nussbaum (1989) in her review of *Whose Justice, Which Rationality?* (MacIntyre, 1988). Describing the book as "muddy and overlong" and "full of maddening inconsistencies", Nussbaum's main critique is that MacIntyre attempts to justify the superiority of Thomism backed up by the authority of the Catholic Church by referring to the unity of the Greek *polis*. However, MacIntyre ignores many aspects of Aristotle's thought, for example that there was no fundamental agreement on *eudaimonia* beyond the name itself, that people commonly use arguments from outside their local tradition and that universal agreement is not to be expected. Furthermore, MacIntyre does not demonstrate the rational superiority of Augustinian Christianity over Aristotelianism – "the astonishing thing is that…this question is never seriously asked". Only in an argument of 'breathtaking circularity' does MacIntyre argue that the central authority of the Catholic Church is necessary because of original sin, despite this concept not having been a matter of central concern until used for this purpose.

Therefore again, it may be concluded that criticism is being made of MacIntyre using questionable means to argue for the ends to which man should strive. MacIntyre's position here has been defended by Christopher Stephen Lutz (2009), who distinguished between bringing theological presuppositions into philosophical work for philosophical and ideological purposes. He concluded that Nussbaum dismisses MacIntyre's Thomism because it does not interest her but that MacIntyre's use of it is legitimately philosophical and so justified.

Moving on to MacIntyre's treatment of practices, Miller (1994) maintains that purposive rather than self-contained practices should be considered. Practices should be evaluated in terms of served ends rather than internally, since if standards of excellence are judged by the community of practitioners, then this makes deformed practices more likely, for example 'spectacular' operations in medicine. Whereas MacIntyre considers all practices to be self-contained, virtues such as courage and justice are best understood in terms of purposive practices so that the practices are assessed externally in terms of the purpose served. Miller gives examples of the history of women's rights and also politics in ancient Greece to show how participants within practices may not receive their just deserts and also considers that the concept of substantive justice and desert is flourishing more now than in the time of Aristotle or Aquinas. MacIntyre (1994a) counters these arguments by pointing out that Miller has neglected the fact that virtues need to enable three types of good: those internal to practices, those of an individual life and those of the community.

Furthermore, Miller has ignored the distinction between practices and the way in which they are institutionalised, which MacIntyre then demonstrates with his widely known example of two fishing crews, so rejecting the claim that practices should be judged by their external products.

The notion of goods transcendent to practices is also taken up by Taylor (1994) in his consideration of the virtue of justice. Contending that modern society is more Aristotelian than MacIntyre proposes, Taylor points out that MacIntyre states that "any account of the virtues in terms of practices could only be a partial and first account" (MacIntyre, 1981/2007, p. 187) and needs to be in relation to the narrative unity of a human life. This can then lead to the notion of goods which "transcend all our practices" (Taylor, 1994, p. 35), examples of which are sanctity, reason, freedom and justice. Such goods can be both transcendent and contextual so that, for example, justice can be both absolute and local as a result of practical reasoning, potentially leading to a conflict between the two and posing a dilemma to those who consider that there can only be one source of a good. However, MacIntyre (1994a) refutes the concepts of disengaged reason and transcendent justice, arguing that they can never be wholly divorced from practices. There are not only goods internal to practices, but also goods of a whole human life and goods of the community. The ordering of these differing goods necessarily involves communal activities which also involve practices and any reflective enquiries can never be disengaged from such practices.

This notion of goods occurring outside of practices is also taken up by Keat (2000), who considers whether modern economic production in a market system can have the characteristics of a practice. Noting MacIntyre's well known antithesis to the market, Keat suggests that MacIntyre was overly influenced by Polanyi (1945) and that the marginalisation of practices by the market may not just be a modern phenomenon but one which also occurred in pre-modern societies. Taking MacIntyre's example of the two fishing crews (MacIntyre, 1994a), Keat considers that not all firms behave like the 'non-practice crew' and, indeed, even if firms may be required by the market to maximise profit, the same is not necessarily true of the individuals making up such firms. Similarly, just as such people may not only be concerned with income maximisation, not all firms are driven by profit maximisation but may instead be profit-satisficers.

This is especially the case when different time scales are taken into account since, under a longer time-scale, firms may decide to invest and devote resources to product

development and innovation more likely to contribute to the generation of internal goods. Also, the competitive nature of the market can act as a spur for firms to emulate competitors recognised for the excellence of their performance and so enhance their own standards. Similarly, innovation need not be viewed as only benefitting the originating organisation but also the sector involved, producers as well as consumers and so the whole community.

This then prompts Keat to question whether MacIntyre's requirement for practices to be closely associated with a local community is necessary. MacIntyre can be accused of inconsistency at least since he accepts that modern science possesses many qualities of a practice but does not meet the community requirement. Keat again suspects that this may be due to the influence of Polanyi (1945), who considered that the rise of the market as a separate sphere of activity disembedded productive activities from the network of social relationships within which they had previously been conducted. Whilst such localised community-based production is now only found in marginalised examples, such as Israeli *kibbutzim*, Keat argues that it is possible "to challenge the normative basis for MacIntyre's apparent 'preference' for the conditions of pre-modernity, which provides the rationale for this requirement" (Keat, 2000, p. 14).

Thus, whilst MacIntyre considers that modern society has suffered from a process of institutional differentiation with the creation of a number of spheres of separate social activity without any consideration of community or the individual lives of its members and a consequent plurality of conceptions of the good, Keat maintains that this can be viewed positively as an increase in diversity and an opportunity stimulating the development of practical judgement. Also MacIntyre sees the promotion of individuality as antagonistic to the common good whereas Keat contends that this is an opportunity for more reflective and critical modes of judgement.

Frazer and Lacey (1994) also take issue with MacIntyre's consideration of practices in their discussion of how his work relates to feminist approaches. Whilst noting that "significant aspects of the enterprise of academic feminism have striking affinities with MacIntyre's work" (Frazer and Lacey, 1994, p. 265), they criticise him on the grounds that his treatment of practices lacks a theory of power and an analysis of power relations in social life. Through a consideration of the practice of heterosexuality, they note that the uneven distribution of resulting goods is a result of an asymmetric power structure, a point also raised by Miller (1994) as described above. Additionally, they further consider

whether such phenomena as rape are practices, leading to a discussion of evil practices, aspects of tradition and the question of inclusion and exclusion in practices in general. They conclude that, although the concept of practice is a great advance on the conceptions used in liberalism and empiricism, without a study of the political conditions under which practices emerge, "MacIntyre's work does not make up the deficiencies he identifies in classical liberalism" (Frazer and Lacey, 1994, p. 280).

In response, MacIntyre (1994a) concentrates on the concept of justice as a virtue which can be invoked against both "the deformations and distortions to which practices may be subjected and the consequent injustices to women and others" (1994a, p. 290). Thus, in an argument which can also be used to counter Keat (2000), justice is required to ensure that the goods internal to practices, and those of individual lives and of communities, are distributed fairly and, in its absence, practices will indeed become distorted and deformed.

Turning now to critiques of MacIntyre's treatment of tradition, Porter (2003) points out that the term is never defined throughout his works and also that the focus of the term changes over time. Thus in *After Virtue* (1981/2007), tradition plays a role analogous to Aristotle's metaphysical biology, providing purpose and meaning to the narrative quest of individual lives. However, this emphasis changes in *Whose Justice, Which Rationality?* (1988) to one where tradition is considered to be guiding rationality until in the subsequent work *Three Rival Versions of Moral Enquiry* (1990b), tradition is considered to be a form of moral inquiry. Consequently, Porter states that "especially in his later works, MacIntyre moves between a wider concept of tradition as an overall social and moral orientation, and a more limited concept of a tradition as a focused scientific or moral inquiry" (Porter, 2003, p. 39). In contrast, it is interesting to note that tradition plays almost no part in the later work *Dependent Rational Animals* (1999)

These changes in the treatment of tradition can be considered to be confusing, to say the least, with tradition changing from being a moral concept concerning virtue in *After Virtue* (1981/2007) to an epistemic and linguistic concept concerning truth and rationality in *Whose Justice? Which Rationality?* (1988). Porter considers that MacIntyre's later stance is only understandable by bringing in MacIntyre's consideration of first principles in *First Principles, Final Ends, and Contemporary Philosophical Issues* (MacIntyre, 1990c), which provides an Aristotelian / Thomist approach for considering tradition-guided enquiry as an imperfect science within an overall hierarchy providing a teleology and a concept of the truth as the mind being adequate to the objects of its enquiry. By this is meant that the

mind has a true estimate of an object when it grasps how an object fulfils that to which it was ordered by the divine intellect.

Porter suggests that MacIntyre is considering traditions as imperfect sciences, since there are many similarities between his treatment of the two, even though this is not clearly stated in *First Principles*. However she questions whether MacIntyre's justification of the rationality of tradition-guided enquiry can equally be applied to his defence of moral rationality, since "moral claims cannot be placed on a par with scientific or observational claims" (Porter, 2003, p. 54). Furthermore, she also poses three further issues with MacIntyre's argument. Firstly, that the moral traditions he uses as examples of conflict and epistemic crisis are almost always contiguous and so not as incommensurable as others without shared history. Secondly, that it is not clear that they come into conflict as moral traditions and thirdly, that Aristotelian concepts were already influential in Christian moral thought before Aquinas, thus weakening MacIntyre's historical narrative argument. The concept of tradition is further developed in *Three Rival Versions of Moral Enquiry* (MacIntyre, 1990b), and Porter finds it significant that in this work MacIntyre "emphasises the parallels between intellectual enquiry and the practice of a craft" (Porter, 2003, p. 60). However, the importance given to the essential role played by authority is criticised by Porter on the grounds that it should not be needed to prevent disagreement and dissent.

The steps needing to be taken by Porter to clarify MacIntyre's argument demonstrate a lack of clarity in MacIntyre's work, a view which is echoed by Horton and Mendus (1994) who state that "MacIntyre's treatment of tradition… is also marked by a certain ambiguity or unclarity" (Horton and Mendus, 1994, p. 13). They argue that MacIntyre's use of Thomism in *Three Rival* Versions (1990b) as an example of the form of moral enquiry identified as tradition means that "it is difficult to know what quite to make of this" (Horton and Mendus, 1994, p. 13), especially since the rival versions of encyclopaedia and genealogy are sometimes presented as alternative traditions.

A similar point is made by A. Mason (1994) in his consideration of liberalism and whether the incommensurable disputes within it about conceptions of justice mean that it can be argued that liberalism is not a single tradition but rather different but overlapping traditions. Reviewing MacIntyre's statements on the subject, he expresses doubt on whether these are consistent and also criticises MacIntyre's justification for incommensurability causing the intractability of contemporary disagreements both between liberals and between liberals and their critics. In the absence of possible proof,

disagreements may be caused by people assigning different weightings to considerations which only provide support for rather than entailing a certain conclusion and "MacIntyre does not give ideas such as these the role and significance he ought" (A. Mason, 1994, p. 240). He concludes that "the most powerful explanations will integrate rational and non-rational considerations in explaining why a consideration is salient or overriding for one person but not for another" (A. Mason, 1994, p. 242).

Mulhall (1994) also takes issue with MacIntyre's treatment of liberalism, arguing that MacIntyre's failure to acknowledge liberalism as a genuine moral tradition means that he rejects its rival account from the liberal perspective. Focussing on Rawls as a representative of liberalism, MacIntyre disapproves of his 'original position' and use of the 'veil of ignorance' because of their promotion of the primacy of the individual over the social community. However, Mulhall argues that this is merely a dramatic device being applied to persons *qua* citizens rather than *qua* persons and that it does not make a claim for the priority of the individual over society.

Mulhall also criticises MacIntyre's discussion of the irresolubility of moral arguments in *After Virtue* (1981/2007) by considering the arguments proposed by Cavell (1979). MacIntyre claims that in order to convince others to adopt our views, we should be able to give unassailable reasons for holding them, which are compelling reasons for others *qua* competent moral agents. If we cannot do so, then this is evidence for the lack of rationality in moral argument. In contrast, Cavell argues that this is to model rationality in morals on the domain of maths and science where there is a commitment to certain modes of argument. However, the individual is still able to assign their own significance or weighting to various aspects of the argument which can prevent agreement being reached.

Consequently, Cavell argues that contemporary moral argument is both objective and personal so that lack of a guarantee to reach agreement is not evidence of a lack of rationality. Individuals can agree to differ, given that they give different weightings to various competing considerations, but this state of affairs is more suited to private morality rather than for public political morality and the fact that there is no social consensus does not mean that there is no rational argument. Even though the allocation of weightings by the individual could still be challenged as being subject to arbitrary personal preference, such weightings can be rationally defended up to a point although it is clear that they can never be completely objective – after all, morality is not mathematics.

MacIntyre's description of practices also makes it clear that the importance of various aspects of a practice, for example, the attributes of a good chess player, are also subject to subjective weighting when discussions are held on what constitutes excellence. Mulhall concludes that MacIntyre's account of practice-bound reasoning and Cavell's account of moral reasoning are strikingly similar and, whereas MacIntyre considers the framework of moral reasoning to be lost, Cavell merely sees it as being lost from the sight of contemporary moral philosophers. This leads Mulhall on to argue that MacIntyre's claim that liberal individualism's morality cannot function as a morality is unstable; rather it should be that there are powerful reasons for regarding it as objectionable and undesirable.

Moving on to *Whose Justice? Which Rationality?* (1988), Mulhall observes that MacIntyre's attack on liberalism no longer centres on its incoherence but instead he acknowledges it as a tradition possessing the resources to interpret human agency and rational moral argument which he previously suspected it of lacking (Mulhall, 1994, p. 221). However, instead of being transcendent and tradition-independent, it is not neutral but has its own conception of a just social order, treatment of moral beliefs and the good life. Mulhall concludes that "MacIntyre's criticisms miss their target" (Mulhall, 1994, p. 224) and if they do not misrepresent liberalism, they at least fail to fully acknowledge liberalism as a genuine moral tradition, which could be put to debate with MacIntyre's preferred neo-Thomist tradition. MacIntyre's attack on liberalism is also the subject of a critique by Pettit (1994), who argues that MacIntyre's focus on liberalism as opposed to Aristotelian communitarianism, in what is termed as 'MacIntyre's mesmeric dichotomy', leads to him ignoring the possibilities offered by the alternative of a preliberal, republican politics which provides a genuinely attractive political perspective. MacIntyre (1994a) counters this by arguing that the liberal state should not be the bearer of values and the nation-state cannot be the embodiment of community.

In response to the wider criticisms of his treatment of tradition, MacIntyre (1994a) emphasises the difference between "traditions of enquiry … and those larger social and

cultural traditions within which traditions of enquiry are embedded" (1994, p. 292)[1]. Liberalism as the latter is a tradition where incoherence is at home whereas the traditions of enquiry contained within liberalism do not necessarily suffer from the same form of incoherence. In having to explain this difference, MacIntyre is perhaps tacitly acknowledging the fact that this is not always clear in his work, especially when it is considered that his concepts have been developed over the time between *After Virtue* (1981/2007), first published in 1981, and *Three Rival Versions* published in 1990.

2.7.3   Combination of Different Academic Disciplines

In addition to the two groups considered by D. Solomon (2003), other critiques have been made on the basis of MacIntyre's combination of different academic disciplines. Whilst generally appreciating MacIntyre's historical analysis, Frankena (1983) considers historical analysis should not be used to reach conclusions which belong to analytic philosophy. MacIntyre rejects this, arguing that, except for purely formal logical philosophical questions, philosophical arguments cannot be considered in the abstract, separated from their social and historical context, which is a standpoint with parallels to institutional theory as will be considered in the discussion chapter.

From an opposing viewpoint, Edel (1983) thinks that MacIntyre brings too much philosophy into his historical and social analysis which MacIntyre similarly rejects on the basis that both analytical philosophy and social history are needed for this type of analysis. In contrast to these, Peters, Lyne and Hariman (1991) considers MacIntyre's argument to be too analytical and ahistorical, leading to an idealisation of traditions, whilst Neuhaus (1988) argues that the world is more complex than MacIntyre's account and that history cannot be explained on the basis of the development of ideas. In response,

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[1] In terms of institutional logics, it is interesting to note that liberalism as a 'larger social and cultural tradition' can be related to an institutional logic at the macro-level as will be discussed in the discussion chapter. Additionally and in contrast, liberalism as a tradition of enquiry can be related to a practice at the organisational level, as discussed by Graham (2003, p. 29) and Porter (2003, p. 60).

Keating (1992) considers that MacIntyre sometimes simplifies complex situations in order to justify his arguments but argues that this is inevitable for such an analysis.

MacIntyre himself does admit to a need for his arguments to be refined if he is to justify his claims (MacIntyre, 1981/2007, p. 278) but he cannot be accused of being guilty of unwillingness to provide further evidence and arguments in subsequent works, for example in the postscript to the second edition of *After Virtue*, *A Partial Response To My Critics* (MacIntyre, 1994a) and *Ethics in the Conflicts of Modernity* (MacIntyre, 2016).

Graham (1994) also considers whether MacIntyre's fusion of history and philosophy is successful. Noting that Hegel has often been criticised for using philosophy to explain history with an over-reliance on ready-made ideas rather than empirical investigation, Graham describes MacIntyre's approach as being the opposite – i.e. using history to explain philosophy. However, any discussion of the history of a tradition in terms of progress or decline, for example, requires identification of the tradition's normatively necessary elements and so there is "no alternative but ahistorical argument of the kind that MacIntyre aims to escape" (Graham, 1994, p. 175). This means that a philosophy is required to tell the story which Graham concludes is a Hegelian approach.

This line of critique is continued in a later work (Graham, 2003). Here again Graham considers the normative nature of historical understanding to originate in the relevant tradition of inquiry and, as mentioned above, this leads him to surmise that Haldane is correct in describing MacIntyre as a relativist. However, MacIntyre (1994a) rejects this, arguing that each tradition has its own claims to the truth with an absolute standpoint, independent of all traditions, being impossible. It is then for the adherents of a particular tradition to vindicate their claims of superiority, providing their own language with any adequate representations of the rival claims as necessary.

Graham also interestingly contrasts the above with the approach taken in MacIntyre's later work *Dependent Rational Animals* (MacIntyre, 1999b), where he notes that MacIntyre takes an approach based on ethological rather than historical investigation. This is based on concepts such as dependence and vulnerability and Graham concludes that, at least in relation to such aspects, "we may disregard the interconnection of philosophy and history that has been so central a part of MacIntyre's enterprise" (Graham, 2003, p. 37). This is countered by MacIntyre (in correspondence between Graham and MacIntyre) pointing out that it is necessary to distinguish between work defending one tradition against its rivals and work taking the concept of a tradition for granted.

In summary, the breadth of MacIntyre's arguments and the controversial nature of his conclusions have made it inevitable that his ideas have attracted much and varied criticism, which can be grouped into the three main areas considered above. Firstly, MacIntyre's critical argument has been challenged, especially in the area of his use of the historical evidence. Secondly, his constructive argument has been questioned as to its relativism, and its treatment of Thomism, practices and traditions, and thirdly, his combination of differing academic disciplines has also been criticised.

In the author's viewpoint, it is the charge of relativism which is the most serious. In his later works after his adoption of Thomism, MacIntyre's claim to truth is based on his Catholic faith which can be argued to be insufficiently justified intellectually, as stated by Nussbaum (1989) in her review of *Whose Justice? Which Rationality?* (1988) described above. However, this thesis is based mainly on MacIntyre's pre-Thomistic work as presented in his work *After Virtue* (1981/2007), where teleology is based on local communities rooted in tradition being able to develop their own version of the common good. These do not necessarily need to be claims to absolute truth, but rather the best so far, and thereby capable of being improved upon. In this way, they can be likened to imperfect sciences and not out of place in a critical realist position where the truth may exist but we might not be clever enough to discover it (Bhaskar, 2008).

Another powerful critique is that from Frazer and Lacey (1994) who, as noted above, argue that MacIntyre does not pay enough attention to power. MacIntyre's reply (1994a) is that the virtue of justice should ensure that people receive their just deserts, but this has clearly not prevented oppression throughout history. It seems clear that such systematic factors need to be given more consideration in the concept of moral tradition. Also, the author agrees with the contentions from A. Mason (1994) and Mulhall (1994) that MacIntyre does not give enough consideration to the fact that disagreements can be a result of people giving different weightings to various parts of an argument. Such weightings may well be to some extent irrational and the resulting apparently interminable disputes do not necessarily indicate incommensurability.

Given these various critiques of MacIntyre's work, it may be thought that this undermines its authority as the basis for this thesis. However, the author does not think that this is the case for the following reasons. Firstly, given the range and depth of MacIntyre's work, it would be surprising if it had not attracted its critics since it is inevitable that not everyone will agree with such a voluminous body of work. Indeed, the contention from Kelly (1994)

- that the fact that MacIntyre's attack on modern liberal individualism has not provoked more reaction is an indication of its irrelevance – shows that too little criticism can also be seen as negative. Secondly and most importantly, as stated above, this thesis is mainly based on MacIntyre's position as expounded in *After Virtue* (1981/2007), which is not dependent on Thomism for its teleological basis. Thirdly, this thesis is not primarily a philosophical work and so does not have to be completely in agreement with MacIntyre's philosophy in order to use certain of his theoretical and conceptual resources. This position is supported by the fact that many other researchers have used MacIntyre's goods-virtues-practices-institutions framework in organisational studies, for example Von Krogh et al. (2012), Adkins (2018) and Moore (2012b). Finally, the fact that MacIntyre's work has its detractors means that its arguably weaker points indicate a research gap which other works may help to fill. The author suggests that this thesis, with its use of institutional logics to synthesise a hybrid model in the discussion chapter, goes a little way in this direction.

In summary, MacIntyre's work has attracted a significant amount of critique but he has shown that he is serious in seeking to respond to and, where possible, refuting such criticism in further developments of his ideas in subsequent work. Whilst acknowledging these critiques, it can be argued that there is sufficient coherence and acumen in his work as described above to justify its use as the basis for this thesis. This is particularly true for the insights it brings to the area of organisational studies and it is this area that will now be reviewed.

2.8 Application to Organisational Studies

Since MacIntyre (1981/2007, p. 194) defines a practice as "any coherent and complex form of socially established co-operative human activity", the range of undertakings which can be considered as practices is wide, covering such diverse activities as chess, fishing, architecture and medicine, all housed within institutions. Consequently, if business organisations can be considered to house practices, they can be regarded as institutions in this sense and MacIntyre does concede that management can be viewed positively when it acts as the enabler of a system where the workers' discretion is prioritised (MacIntyre, 2016; Beadle, 2017b). Beadle and Moore (2011) also considered that MacIntyre's description of institutions and their relationship to practices can be applied in almost any context and it has also been argued that management is a practice in this sense (Beabout, 2012; Beadle, 2013), though a domain-relative one. By this, it is meant

that the manager cannot just claim domain-neutral expertise in social organisation and the ability to transform inputs into outputs in the most efficient manner possible, but rather needs to be fully aware of the particular nature and tradition of the core practices of the organisation so that these can be regarded as a set of interlocking practices (Beabout, 2012, p. 414). Additionally Moore (2011) noted that organisations are not the same as institutions - only when they include practices are they fully fledged organisations. Moore (2017, p. 74) examines this issue further and points out that even vicious organisations ('vicious' in the sense of the opposite of virtuous) may pursue some elements of excellence, even though the activities in which they are engaged may be termed an "evil practice" (MacIntyre, 2007, p.200). However, C.S. Lutz (2012, p. 164) considers MacIntyre's allowing for the possibility of evil practices to be a mistake, caused by the inadequacy of defining virtues solely in terms of practices alone, which necessitates the second and third parts of MacIntyre's definition of virtue, those of the narrative unity of a human life and moral tradition. Indeed, MacIntyre himself acknowledges this mistake in the preface to *Whose Justice? Which Rationality?* (MacIntyre, 1988, p. x) and puts it down to a misreading of Aquinas which led him to argue against the unity of the virtues proposed by Aquinas and Aristotle.

Nevertheless, it can be argued that organisations with activities which do not have internal goods serving the common good cannot be considered to house practices (Moore, 2011). This exclusion may also be extended to include activities which may in the past have provided internal or communal goods but which have subsequently been changed to focus almost exclusively on external goods, so losing any sense of serving the common good. Modern banking could be taken as an example of this, although it should be noted that the fact that banks have generally survived may indicate that they have retained some elements of their original practices (Moore, 2017, pp. 143 - 146), but then also that they rightly have become the objects of moral criticism (MacIntyre, 1981/2007, p. 200). Bearing this in mind, for the purposes of this study, the argument proposed by Moore and Beadle (2006) will be followed - that any organisation housing practices may be re-described as a 'practice-institution combination' from the perspective of organisational studies.

This relationship between practices and institutions provides a means of conceptualising organisations and is shown in the model in Figure 2.1. The large circle shows an organisation's core practices though which internal goods are obtained. In contrast, the small circle containing "P" represents the management practices of making and sustaining

the institution (Beadle and Moore, 2011; Moore and Beadle, 2006). This depiction of the organisation, with its activities explicitly divided between those of the core and those of management, thus characterises "the essential association and tension between practices and institutions, and between internal and external goods" (Moore and Beadle, 2006, p. 371). This model has been used as the basis of empirical research as will be described below and this is considered further in the Methodology chapter.
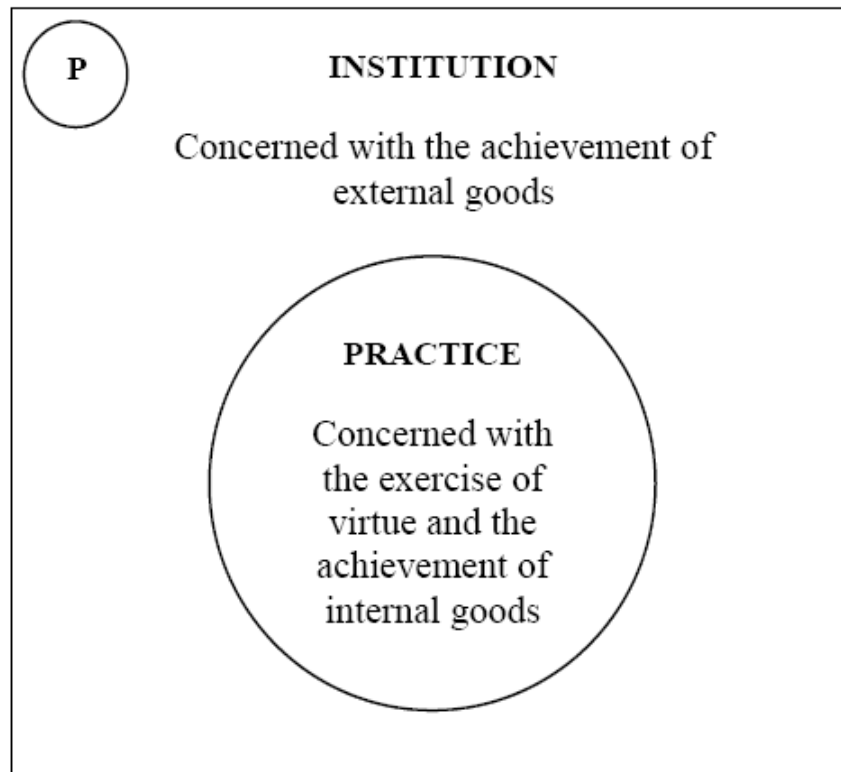
Figure 2.1: Moore and Beadle's Representation of the Organisation as a Practice-Institution Combination (Moore and Beadle, 2006)

2.8.1 The Virtuous Business Organisation

Whilst notions of virtue at the level of the individual are relatively straightforward, this cannot be automatically extended to the level of the organisation. Moore (2015) examines this point and concludes that it is meaningful to consider virtue at the organisational level and, furthermore, that this provides an efficient way to enable discussion of important features of organisations. Virtues relevant at this level were considered to be the cardinal virtues of courage or fortitude, temperance or self-control, justice and the key virtue of practical wisdom, completed by zeal, integrity and constancy and also the virtue of an awareness of tradition. Moore and Beadle (2006) argue that four statements could be

made about the character of the virtuous business organisation. Firstly, such an organisation would be aware of the need to sustain the business practice(s) housed within it. Secondly, it would encourage the pursuit of excellence within those practices and, thirdly, also the pursuit of external goods, but only to the extent necessary for the maintenance of the organisation. Finally, it would need to be able to resist the corruptive power of institutions within its environment. They considered that the virtues associated with such a character would be similar to those identified by Moore (2015) above - justice, courage and truthfulness, together with integrity and constancy. Additionally, these virtues would find their embodiment in three features – a just purpose for the organisation, a power-balanced structure combined with decision-making systems and processes allowing rational critical dialogue, and a supportive culture.

On this basis, they then went on to consider three preconditions, at the differing levels of the individual, the organisation and the environment, necessary for practices not to corrupted by the institution – firstly, virtuous agents at the level of both the practice and the institution, secondly, a conducive mode of institutionalisation and finally a conducive environment. Each of these will now be considered in turn.

2.8.2   Virtuous Agents and Moral Agency

Virtuous agents are necessary, since otherwise the tendency of the organisation to focus more on external goods at the expense of internal goods will be difficult to keep in check. This is particularly relevant for managers (Moore and Beadle, 2006, p. 376), who usually have a substantial amount of power within the organisation, whose job it is to sustain the organisation through the necessary achievement of external goods and who are often given corresponding objectives and incentives. If they are to avoid distorting the balance between internal and external goods in favour of the external, not only must other people within the organisation stand up to them, requiring such virtues as courage and honesty, but the managers themselves need to have adequate virtues to sacrifice their own short-term interests for the more long-term interests of the organisation and the pursuit of excellence in the core practices. Consequently, moral agency is required and this will now be considered in more detail.

Moral agency is an important concept in virtue ethics, relating to concepts of the self and to what degree individuals have free will to choose their actions as opposed to whether they are constricted by their environment. This is clearly a wide-ranging subject but a complete treatment is beyond the scope of this thesis; the complexity of the topic is such

that it has become a source of increasing strain and confusion in social thought (Emibayer and Mische, 1998). In echoes of MacIntyre's depiction of the Enlightenment project described above, this confusion can be traced back to the Enlightenment debate on whether human freedom is best viewed as instrumental rationality, as per utilitarianism, or as moral and norm-based action, as per deontology (Emibayer and Mische, 1998). In brief, the former was shaped by Locke's rejection of tradition, his emphasis on individual experience as the basis of beliefs and his grounding of society in the social contract between individuals (Locke, 1978). It was subsequently supported by many social thinkers, including Adam Smith, Bentham and John Stuart Mill, and it still underlies many Western accounts of freedom and progress (Emibayer and Mische, 1998). In contrast, other Enlightenment thinkers, such as Rousseau and the later Romantics, developed a concept of free will as a self-legislating morality and the ascendency of the transcendental imagination. Both viewpoints were taken on board by Kant, who "saw freedom as normatively grounded individual will governed by the categorical imperative, rather than by material necessity" (Emibayer and Mische, 1998, p. 965).

In more recent times, differing dimensions of agency are emphasised by different disciplines. For example, 'theorists of practice', typified by Bourdieu and Giddens, see agency as 'habitual, repetitive and taken for granted', which is now the dominant view in American sociology, shared amongst others by new institutionalists in organisation theory (Emibayer and Mische, 1998, p. 963), as will be reviewed in the next chapter. In contrast, other disciplines such as rational choice theorists emphasise goal seeking and purposivity whilst theorists of publicity and communication stress deliberation and judgement. As often is the case, MacIntyre's position here can be summarised as him not falling into any easily definable camp, mainly because "moral agency requires the application of a consistent moral code…and such consistency is rarely evident in the modern social order" (Beadle, 2008, p. 221). Consequently, "by the modern era moral rules come to be seen as almost freely floating, available for citizens and institutions to employ *inter alia* utilitarianism in the workplace, a form of Kantian deontology at home and some sort of social contractarian position as citizens" (Beadle, 2008, p. 9). This viewpoint will now be examined in more detail, whilst noting that it bears striking parallels to that enabled by the institutional logics perspective to be reviewed in the next chapter.

In the paper *Social Structures and their Threat to Moral Agency*, MacIntyre (1999a, p. 9) describes the position of a German train manager in the 1930s and considers the extent to which the manager could be criticised for ignoring the fact that his work was aiding the

transport of Jews to extermination camps. MacIntyre considers the defence of the train manager, that he was merely doing his duty, to be inadequate and that three conditions are necessary for moral agency. These are firstly, that the agent has an identity other than that of the role which they are fulfilling, secondly, that there are practical rational individuals with confidence in their own moral judgement, which requires social discussion, and thirdly, it requires a particular kind of social setting since moral agency is limited by the nature of the social and cultural order.

MacIntyre also considers that two virtues are especially relevant in this respect – those of integrity and constancy – since these support the moral agent in being able to function in multiple moral environments without being overly influenced by the conditions within any one of them. Integrity enables the individual to refuse to be different kinds of person in different social contexts and so "sets inflexible limits to one's adaptability to the roles that one may be called upon to play" (MacIntyre, 1999a, p. 317). Whilst constancy is also related to limits on the flexibility of character, it is more to do with the pursuit of the same goods through extended periods of time so that the individual is not distracted from their commitments by the specifics of their immediate social context. Consequently, people with both are able to fulfil the role demanded of any one environment whilst still being able to question the assumptions and demands of that environment.

Beadle (2013) and Moore (2017) both considered the role of a circus ringmaster in this regard. The ringmaster needs not only to be able to balance the competing demands of the individual acts making up the show, but also needs to be able to balance the demand of the institution of the circus for external goods against that of the practitioners for the excellence of their practices. For this, again the virtues of integrity and constancy are required and there are obvious parallels here with MacIntyre's concept of the unity of a human life in the form of the narrative quest. These examples of the German train manager and the circus ringmaster lead on to a further notion of MacIntyre's which needs to be reviewed here – that of compartmentalisation.

MacIntyre described this phenomenon in 1977 after he had been involved in a study on values within the US power industry:

"Power company executives tended to a significant degree to answer what were substantially the same question somewhat differently, depending on whether they took themselves to be responding qua power company executive or qua parent and head of household or qua concerned citizen. That is to say, their attitudes

varied with their social role and they seemed quite unaware of this" (MacIntyre, 1977)

He called this "a mild example of a peculiarly modern phenomenon" (MacIntyre, 1999a, p. 322) and stated that, whilst a differentiation of roles and institutional structures occurs in every social order, the late twentieth century was an extreme case of autonomy of activity spheres, each with its own norms and values insulated from each other, distinguished by an absence of an external sphere of activity from which the others could be evaluated. This lead to a situation characterised by agents with a divided self, without integrity and constancy, and therefore lacking the capacity for an appreciation of the tension or conflict between their different roles and a consequent diminished morality matching diminished powers of agency.

MacIntyre argued that the individual can never be completely dissolved into roles, with a consequent closing off of areas external to these roles, without complicity and stated that "'always ask about your social and cultural order, what it needs you and others not to know' has become an indispensable moral maxim" (MacIntyre, 1999a, p. 319). He considered that this complicity of the modern self was associated with the guilt of a whole social and cultural order and compared the partitioned morality of corporate modernity unfavourably with the integrated morality of practice based communities.

The good life within such communities can be contrasted with the incoherent nature of modern life, as demonstrated by another example used by MacIntyre – that of how the automobile industry can consider the financial value of a human life when making decisions about safety features on cost/ benefit grounds (MacIntyre, 1999a, p. 323). This example was also used by Anand, Ashforth and Joshi (2004) to demonstrate how not only managers, but also employees in a range of industries can be subject to compartmentalisation. They describe how the employees place significant psychological distance between themselves and people who are negatively impacted as a result of their actions, with the employees subsequently compartmentalising themselves by rationalisation and socialisation and the associated practice becoming institutionalised. In a further example and a return to Nazi Germany, E. C. Hughes (1962) in his paper *Good People and Dirty Work* reviewed how the atrocities of the concentration camps could happen, which members of the population could carry out such acts and why the rest of the population supported them. Discounting any argument of Germany having in this sense an exceptional nature, he argued that any society is a collection of in-groups and

out-groups, with individuals doing any 'dirty work' necessary on in-groups themselves but delegating the treatment of out-groups to others, in this case the S.S. (*Schutzstaffel* or 'Protection Squadron'). Any such specialised group is in some measure a sect with its own body of rules, but society is made up of groups with "smaller, rule-making and disciplinary powers" without which there is no society at all - "There would be nothing but law and police and this is what the Nazis strove for, at the expense of family, church, professional groups, parties and other such nuclei of spontaneous control" (E. C. Hughes, 1962, p. 11).

This observation leads on to the fact that, before leaving this discussion of virtuous agents, two further comments need to be made. The first of these concerns MacIntyre's concept of the self, which was reviewed above, disputing the implications of the autonomy attributed to the self by modern liberal individualism. This difference is also an important feature of institutional theory, which considers the extent to which the individual is independent of their environment, which will be reviewed in the next chapter and before this topic is then revisited in the discussion chapter.

The second comment concerns MacIntyre's description of managers and bureaucracy, which he made mainly in the context of larger corporations in the U.S.A. and the U.K. His view here follows Weber's idea of the iron cage of bureaucracy, where managers are stock characters with compartmentalised morality and authority based on the false premises of utilitarianism. However, his view here has been challenged on several fronts, which are summarised by Moore (2008b). These are that managers have legitimacy since the public generally approves of their function, that MacIntyre's view is too pessimistic since managers are more able to determine their goals than he proposes and that the managerial role is only a symptom of wider society. As described above, MacIntyre does tone down his criticism somewhat in *Ethics and the Conflicts of Modernity* (MacIntyre, 2016), where he gives examples of good management, albeit where the manager's role is strictly limited to enabling workers' discretion (Beadle, 2017b). However, his perception that managers are in part a product of the prevailing environment is important and will also be returned to in the discussion chapter.

In summary, the virtuous business organisation needs virtuous agents if the potentially corrupting demands of the institution for external goods are to be balanced with the needs of the internal good-producing practices housed within. These virtuous agents need to have moral agency, especially the virtues of integrity and constancy, if they are to be able

to avoid compartmentalisation, where the demands of their immediate social context override their other commitments and considerations of the more general common good. For this, a particular kind of social setting is required since moral agency is limited by the nature of the social and cultural order.

2.8.3   Conducive Mode of Institutionalisation

Nevertheless, having virtuous agents may not be enough if the mode of institutionalisation is also not suitable. This describes how power is distributed throughout the organisation, and includes the systems and processes in place so that decision-making is more likely to be rational, instead of being liable to excessive influence from individual parties, such as managers focussed on external goods. MacIntyre summarised this as follows:

> "practices are often distorted by their modes of institutionalization, when irrelevant considerations relating to money, power and status are allowed to invade the practice" (MacIntyre 1994, p. 289)

In this regard, Moore and Beadle (2006) draw attention to three points. Firstly, under (primarily Anglo-American) capitalism, public limited companies (plcs) are considered to have a fiduciary duty to shareholders to maximise the profits of the organisation and consequently the dividends payable to shareholders. This obviously tends to enhance the priority that managers will need to give to external goods at the expense of that given to internal goods. It should be noted here that this situation is specific to plcs and that other forms of organisation, such as public bodies and SMEs, may not be subject to such forces to the same extent. The example cited above of the contrast between the two types of fishing crew, one owned by capitalist corporations and the other practicing share fishing, is also of direct relevance here.

Secondly, the decisions being made by managers in the above scenario are made mostly under the influence of utilitarianism which, as discussed above, MacIntyre considers to be founded on false premises:

> "…the realm of management expertise is one in which what purport to be objectively-grounded claims function in fact as expressions of arbitrary, but disguised, will and preference." (MacIntyre, 1981/2007, p. 107)

Consequently, in business organisations where the mode of institutionalisation is not conducive to the virtuous business organisation, there is no internal discussion about the

ends or common goods, with the means of reaching these ends being subordinated to them. Decisions are made in the interest of efficiency and externalities are routinely ignored.

Thirdly, the conditions under which such decisions are made usually act against moral agency, in that the process tends to encourage the compartmentalisation described above. The majority of both people affected by and questions relevant to such decisions are routinely excluded, with the result that the narrative unity of human life is generally undermined. Consequently, the decision making process is such that it is difficult for the people involved to act with any degree of moral agency as considered above.

These three factors, the organisational form, the decision making process and the degree to which moral agency can be exercised, are all important in considering the environment within which the business organisation operates and how this environment can influence the degree to which the organisation can be considered virtuous.

2.8.4   Conducive Environment

The third precondition for Moore and Beadle's virtuous business organisation was a conducive environment, which equates to the 'social and cultural order' considered by MacIntyre to be a requirement for moral agency as described above. In this regard, it is again important to note that the focus of MacIntyre's argument in *After Virtue* was on Anglo-American capitalism and corporations whereas other authors, such as Keat (2008), have considered that there may be other environments which may be more conducive of a practice-type mode of production.

Whilst some authors argue that commercial society can be considered to be a moralising force (for example Maitland, 1997), Keat was explicitly considering MacIntyre's assertion that "capitalism is incompatible with the conduct of economic production as a genuine practice" (Keat, 2008, p. 1) and to this end, he looked at the organisational environment in countries such as Germany and Japan, where he described the influence of 'patient' capital and co-ordinated market economies as opposed to the 'impatient' capital and liberal market economies of countries such as the USA and UK. This consideration of different varieties of capitalism will be reviewed in more detail in the next chapters, but the important point here is that the macro-environment plays an important role in influencing the business organisation and the degree to which it can act in a virtuous manner.

From the above, it can be seen that business organisations can be thought of as 'practice-institution' combinations and so MacIntyre's concepts can be applied to them. Furthermore, the considerations of a virtuous business organisation can be used to describe the characteristics such an organisation can be expected to exhibit as well as the factors which might be important in this regard. This then enables a basis for empirical study to be developed, which will be reviewed in the next section.

2.8.5 Development of a Framework for Empirical Study

The above considerations were then further developed by Moore (2012b) who, perhaps in the interests of developing a framework suitable for empirical study, refined these points into three requirements for the virtuous business organisation. These are that firstly, the organisation has a good purpose, secondly that it is conscious of and encourages the pursuit of excellence in practices and thirdly, that it focuses on external goods only to the extent that the nurturing of practices is not damaged by these.

From these points, it was then possible to develop two empirical questions. Firstly, to what extent does the organisation have a good purpose and secondly, to what extent is there an appropriate balance between the internal and external goods produced by the organisation. Building on a method developed by Crockett (2005), Moore (2012b) then applied these questions in an empirical study in Europe, later followed by Fernando and Moore (2015) looking at two organisations in Sri Lanka and this study can be considered to be a continuation of this series. As stated in the first research question, the purpose of doing this is to see whether the concepts of MacIntyrean virtue ethics are applicable in a Confucian society and so to see whether there is support for the argument that these concepts are applicable in a non-Western society.

The first of the two empirical questions, that concerning the organisation's purpose, can be clearly seen to be linked to the concept of *telos.* As considered above, MacIntyre contends that the virtues help in the achievement of a person's *telos* of *eudaimonia*, and so the attainment of internal goods from practices contributes towards the good for the individual. However, Moore also considers that the common good at a communal level is also involved here and refers to McCann and Brownsberger (1990). As stated above, they argued that MacIntyre's notion of a practice was essentially social in that *telos* requires:

'…moral unity of life, given in the form of a narrative history that has meaning within a particular community's traditions; otherwise the various goods generated

by the range of social practices will remain disordered and potentially subversive of one another. Without a community's shared sense of telos, there will be no way of signifying 'the overriding good' by which various internal goods may be ranked and evaluated.' (McCann and Brownsberger, 1990, pp. 227 - 228)

This then enables empirical questions to be formulated on the goodness of purpose of the organisation, such as the extent to which the goods created by the organisation contribute towards the common good of the community. Furthermore, a social discussion is required here, both within the organisation and ideally between the organisation and the communities of which it is a part, since, as is the case at the level of the individual, the common good is not merely the aggregation of individual goods but also a considered ordering of these goods:

'In contemporary societies our common goods can only be determined in concrete and in particular terms through widespread, grassroots, shared, rational deliberation' (MacIntyre, 2010 quoted in Moore, 2012, p367).

The second empirical question developed by Moore (2012b) was directed at the balance between internal and external goods. From MacIntyre's concepts of practices housed in institutions and as depicted in Figure 2.1 above, it is clear that there is always a risk of the internal goods from practices being corrupted by the institution's dependence on external goods. However, these external goods are necessary for the survival of the institution and so there needs to be a balance maintained between the internal and external goods, with the emphasis ideally just on the side of the internal goods. As noted above, virtuous agents are important in this process, especially on the part of management, together with their associated moral agency and ability not to be subverted by compartmentalisation.

This then forms the basis of relevant empirical questions, concerning the goodness of the organisation's purpose and the balance between internal and external goods, as will be discussed further in the methodology section.

2.8.6   Empirical Studies

As mentioned above, two empirical studies have used this approach and these will now be reviewed briefly in turn. Moore (2012b) conducted empirical research into the private equity owned organisation Alliance Boots, which had been formed from a merger six years previously between Alliance UniChem plc., a European health care group, and Boots plc, a UK-based manufacturer and retailer of health and beauty products. In total,

21 semi-structured interviews were conducted, six with former Alliance UniChem employees, 12 with former Boots employees and three with 'outsiders' with experience of the organisation. Overall, it was found that the interviewees could distinguish between internal goods and the common good and also between internal and external goods, thus confirming the applicability of the conceptual approach and the presence of virtues and practices within the organisation. Also, identified was a degree of essential but complex circularity between internal and external goods, in that one was felt to be necessary for the other and the exercise also enabled a mapping of organisational virtue to be produced.

The same methodological approach was also used in a subsequent exercise in Sri Lanka (Fernando and Moore, 2015), this time involving 19 interviews across two organisation, one a local garment manufacturer and the other a subsidiary of a global pharmaceutical concern. The main conclusions were that the categories of MacIntyrean virtue ethics were meaningful in a non-Western business context, in terms of common goods, practices in institutions and internal and external goods, that differences in the content of these categories suggested an environment more conducive to a practice-like mode of production (Keat, 2008) and also that the role of tradition needed to be included in the framework. These studies will be revisited at various points in later chapters.

Apart from these two studies, a range of other empirical studies have been conducted using MacIntyrean concepts. Crockett (2005) conducted interviews in 4 consultancy firms in the oil industry in Scotland, in the course of which he developed the interactive joint inquiry exercise used by Moore (2012b), Fernando and Moore (2015) and in this study and described in Chapter 5. Concentrating on these SMEs as being suitable for a study of virtuous business due to their size and entrepreneurial nature, he proposed that a theory of virtue based on the Aristotelian concepts developed by MacIntyre could serve as the foundation for a new paradigm for business. This was due to the fact that "teleological virtue is seen to offer the best of consequentialist and non-consequentialist theories without the insufficiencies of either" (Macdonald and Beck-Dudley, 1994, p. 622). Beadle (2013) also conducted similar research with circus directors, concentrating on aspects of constancy, calling and management as a domain-related practice. He concluded that MacIntyrean concepts could serve as a useful bridge between organisational studies and business ethics and that if "goods as 'the good show' are *and can only* be the results of combinations of practices within institutions then it might be sensible to speak of goods internal to institutions themselves" (Beadle, 2013, p. 688). A. Robson (2015) also

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investigated constancy together with integrity in a study of Scottish bankers. Contrasting a MacIntyrean approach with one promoted by positive psychology, he concluded that the latter cannot reliably articulate virtue because of its preference for quantitative data rather than narrative. Constancy needs to be understood in terms of how "it pursues some good and how it works as part of a unified set of values" (A. Robson, 2015, p. 125). A further study involving banking is that by Van De Ven (2011), who looked into the role played by the compartmentalisation of managers in the financial crash of 2008. He concluded that a return to professionalism and the practice of banking was required together with recognition of the associated internal goods.

Other scholars looking into how MacIntyrean concepts can be used to support business ethics include Beadle and Moore (2011), who showed how a case study on Bristol Royal Infirmary by Weick and Sutcliffe (2003), using concepts from institutional theory, could be reworked using MacIntyre's framework in such a way as to reconcile the fields of organisational theory and ethics. Similarly Von Krogh et al. (2012) investigated the motivation of developers contributing to open source software, and proposed that existing theories such as self-determination theory could be improved by including a consideration of the MacIntyre concepts of institutions, goods and social practice. Also, Moore (2011) applied MacIntyre's framework to the church and considered how "the church may be re-described as an organisation in which the practices of faith are housed within the institution of the church. A further empirical study by Moore and Grandy (2017), involving 76 interviews with church practitioners in the north east of England, looked at how MacIntyre's framework could usefully be combined with institutional theory, and is reviewed further in Chapter 3.

2.9 Summary

As stated in the chapter overview, the aim of this chapter was to review the literature relevant to the first research question dealing with MacIntyrean virtue ethics. This took the form primarily of looking at the ideas presented in the book *After Virtue*, especially the three concepts central to MacIntyre's theory of the virtues – practices housed in institutions, the unity of a human life in the form of the narrative quest, and moral tradition. However, for the purposes of this thesis, these concepts need to be applied in the context of business organisations and here the work of Moore and Beadle (2006) is instructive. They considered characteristics of the virtuous business organisation, including virtuous

agents, a conducive mode of institutionalisation and a conducive environment, and Moore (2012b) then developed these further into a base for empirical studies.

A striking aspect of MacIntyre's work is the importance he gives to the social and cultural environment and its effect on the individual. This is shown by his consideration of not only moral tradition, but also how moral agency is limited by the nature of the social and cultural order. This attention given to the wider environment and its interaction with the individual is echoed by a complementary area of academic study, that of institutional theory, which will now be reviewed in the next chapter.

3. Chapter 3: Literature Review – Institutional Theory

3.1 Chapter Overview

Whilst the last chapter reviewed the literature relevant to MacIntyrean virtue ethics, which is related to the first two research questions, this chapter will review the literature associated with institutional theory, which is important for research questions three and four.

The next and last chapter of this literature review section, Chapter 4, will review the institutional environment of Taiwan, including Confucianism, and will also consider aspects which span across all three of the main areas of this literature review – MacIntyrean virtue ethics, institutional theory and Taiwan's institutional environment.

The structure of this chapter is as follows. First, a definition of institutions from the viewpoint of institutional theory will be given and the differences between this view of institutions and that of MacIntyrean virtue ethics will be considered. The literature relevant to institutional theory will then be covered before the more specialised area of institutional logics is reviewed, and finally the literature covering both areas of virtue ethics and institutional theory will be appraised.

3.2 Introduction

Institutional theory is a complex area of study and it is necessary to review the history of the relevant ideas since those of the present have been greatly shaped and influenced by those that preceded them. Although there does not seem to be consensus around a single definition, for present purposes the description given by Scott (2004, p. 408) will be used:

> "Institutional theory attends to the deeper and more resilient aspects of social structure. It considers the processes by which structures, including schemas, rules, norms, and routines, become established as authoritative guidelines for social behaviour".

Institutional theory does not only study how these elements are created, diffused, adopted, adapted over space and time and how they decrease or vanish, it also is concerned with how conflict and change happen in social structures (Scott, 2004).

Consistent with the nature of institutional theory, there is no one definition of institutions. Scott (2014) defines them as comprising "regulative, normative and cultural-cognitive elements that, together with associated activities and resources, provide stability and meaning to social life" (Scott, 2014, p. 56). Bondy, Moon and Matten (2012) describe institutions as powerful patterns of social action that influence how people think and act in relevant social contexts. Giddens states "institutions by definition are the more enduring features of social life…giving 'solidity' to social systems across time and space" (Giddens, 1984, p. 24), whilst Berger and Luckmann (1966/1991) take a broader approach and define an institution as 'a reciprocal typification of habitualised action by types of actors' (Berger and Luckmann, 1966/1991, p. 72).

The common factor between these descriptions and definitions is an ordering of activities and meaning in social life, and whilst this also is true for the definition of institutions given by MacIntyre as reviewed in the preceding chapter, it is clear that there are also important differences. MacIntyre focuses on institutions being primarily moral spaces, concerned not only with external goods but also with the maintenance of practices (Beadle and Moore, 2011, p. 103). Whilst institutional theory also considers practices, this is done as part of a broader view and is more concerned with the way in which institutions relate to a more value neutral social life. However, as noted above, institutional theory contains a variety of viewpoints, with there being important differences between 'old' and 'new' institutional theory as will be described below.

3.3 Early Institutional Theory

Scott (2014) provides a useful review of the history of institutional theory and identifies four major strands of thought in early institutional theory in sociology. The first of these started with Spencer (1879), who considered societies to be organic systems evolving through time, with adaptation occurring via specialised institutional subsystems. These concepts were then taken up by Sumner (1906), who described how individual actions evolved into 'folkways' and then into mores and institutions. "An institution consists of a concept (idea, notion, doctrine, interest) and a structure" (Sumner, 1906, p. 53), with the concept being the purpose or function and the structure providing the practical means by which the idea is put into action. The analogies from evolutionary biology were downplayed by later sociologists but the centrality of institutions was then further developed by Davis (1949) who defined institutions as "a set of interwoven folkways, mores and laws built around one or more functions" (Davis, 1949, p. 71). This concept of

institutions as being a central part of the division of social life into functionally specialised areas, such as kinship, politics, economics, religion, led on to the formation of the concept of institutional logics (Friedland and Alford, 1991), which will be reviewed in greater detail below.

The second strand of thought recognised by Scott is that represented by Cooley (1902/1956) and his followers Thomas and Blumer. They emphasised the micro-foundations of institutional processes in terms of the interdependence of individuals and institutions, of the self and social structure. Thus "the individual is always cause as well as effect of the institution" (Cooley, 1902/1956, p. 314) and "if men define situation as real, they are real in their consequences" (Thomas and Thomas, 1928, p. 572). This interdependence is reflected in the fact that Blumer is credited with developing an early form of structuration theory, where institutions provide a framework for human action but must be understood via a development of shared meaning through symbolic interaction (Scott, 2014, pp. 11-12).

The third group of influences is that originating in the thought of Marx, Durkheim and Weber, representing the European tradition in institutional analysis. Whilst Marx clearly developed a mass of ideas and theories which are beyond the scope of this thesis, those relevant in this context are based on his notion of the materialist world from which mankind is alienated by political and economic structures. Writing in the early decades of the industrial revolution when traditional working practices were being replaced by factory organised labour characterised by a greater division of labour, Marx (1867) developed a theory of value based on the exploitation of labour by capital supported by beliefs, norms and power relations which then appeared as external and objective. This description can be seen as an early argument for the social construction of reality, which is a theme which recurs throughout institutional theory. Marx also employed the concept of dialectics, that "conflict, antagonism, or contradiction is a necessary condition for achieving certain results" (Elster, 1986, p. 34), to argue that contradictions inherent in the macro-environment would lead to change. In this way, Marx was the first to emphasise the way in which broader social forces acted on and through organisations. He also developed a concept of society as a material base and a more abstract superstructure, and considered that changes in the base often outpaced associated changes in the superstructure.

In contrast to Marx's primarily economic stance, the French sociologist Durkheim focused more on the symbolic. Whilst his earlier work (Durkheim, 1893/1949) emphasised rational

action by individual actors (Scott, 2014), his later ideas stressed the role played by symbolic systems of belief and shared cognitive frames and schema, which can be considered as social institutions. The third early major theorist was Weber, whose work was concerned with how cultural rules define social structures and govern social behaviour, including the economic. His importance for later institutional theory can be seen by the fact that more contemporary institutional theorists cite him as an a more significant influence than any other early theorist (Scott, 2014). For example, his concept of an 'iron cage' limiting human action (Weber, 1905/1984) is clearly echoed in later important work by DiMaggio and Powell (1983) and also his theories of ideal types and value spheres with their different variants of reality are clear forerunners of later ideas of differing institutional logics (Weber, 1920/1958). Of importance here is his differentiation between different types of rationality (practical, formal, substantive and theoretical) and types of social action (instrumentally rational, value-rational, affectual and traditional) (Weber, 1922/1978), which were further examined by Kalberg (1980) and which will be returned to in the discussion chapter.

The fourth strand of thought depicted by Scott is that of Mead, Schutz, Bourdieu and Berger and Luckman, who stressed the importance of symbolic systems. Mead (1934) considered meaning to be created in interactions between individuals, particularly language, whilst Schutz widened this to the structure of the social world (Schutz, 1967). He developed the idea of the typification of others by means of ideal types as governing interactions between individuals leading to a highly institutionalised concept of meaning. In this vein, the French scholar Bourdieu (1971) looked at how some class groups use their power to impose knowledge frameworks and concepts of social reality on others and also developed the idea of a field, or social arena, which was later appropriated by DiMaggio and Powell (1983).

Finally in this area, Berger and Luckmann (1966/1991) argued for the social construction of reality. Starting with everyday life, they considered that human interactions are highly flexible but follow 'typifactory' schemes, which become more important as the degree of separation between the participants increase. Social structure is the sum total of these typifications and recurrent patterns of interaction with everyday objects, such as signs, symbols and most importantly language, forming semantic fields of meaning and representing enduring indices of these processes. Institutions are defined as 'reciprocal typifications of habitualised actions by types of actors' but are commonly not consistent with each other. In order for individuals to be able to make sense of the totality of the

institutional order, both across their various social roles at any one time but also throughout the different stages of their lives, legitimation occurs at various levels, ranging from linguistic objectifications of human experience through to the construction of symbolic universes. The process by which individuals come to experience such objective reality as subjective is one of simultaneous and ongoing externalisation, objectification and internalisation, with primary socialisation taking place during childhood and secondary socialisation occurring later in the form of the acquisition of role-specific knowledge associated with division of labour. Thus, they contended that the reality subjectively experienced by the individual is socially constructed as a result of their socialisation in their world and their ongoing participation in that world.

In summary, the roots of institutional theory come from a varied background covering a wide area of thought ranging from the economic to the social and a common theme that can be detected throughout is the way in which individuals and events need to be considered as part of a wider but complex whole. However, it can be seen that these earlier ideas did not pay much attention to organisations and so this will be the next area to be covered.

3.4 Organisations and Institutional Theory – Early Approaches

Scott describes how the early work done on institutional theory reviewed above did not include much consideration of the organisation, but that with the emergence of organisation studies in the twentieth century, four approaches to the combination of these two fields can be detected. These cover the period of the 1940s to the 1970s, when new institutional notions became prevalent, and are now outlined in turn.

The first approach, based around Columbia University, was centred around the work of Merton and Selznick. The translation of Weber's work from the original German triggered a renewed interest in bureaucracy and its effects on the organisation, with Merton describing how bureaucracy can result in officials following rules to the point where they even interfere with organisational goals (Merton, 1957). Selznick (1949), who was one of a number of Merton's students who carried out related empirical analysis, considered that organisations, although originally intended as structures to achieve specific goals, over time may become 'infused with value' as they become institutionalised. As this happens, they change from being expendable tools into the embodiment of a particular set of values and acquire a distinctive identity. The role of leadership then becomes to define and

defend these values and is subject to the influence of power and agency as made explicit by Stinchcombe (1968), one of Selznick's students. The work of these three scholars can be considered as forming the basis for the process model of institutions (Scott, 2014).

The second school of thought identified by Scott was the Chicago school, typified by Hughes. He defined institutions as an "establishment of relative permanence of a distinctively social sort" (E. C. Hughes, 1936, p. 80) and saw them as being made up of mores or formal rules as well as people acting together. Preferring the term 'going concern' to organisation, he widened the area of study to include more loosely bound social forms in varying stages of formation or decay and so anticipated later studies on the fusion of organisation and social movements.

Parsons (1937) from Harvard represents the third school of thought, who Scott describes as the most influential social theorist in sociology in the mid-twentieth century although he has been seen as less important since then. He translated works by Weber and synthesised his ideas with those of Durkheim and Freud to describe how individuals act according to normative frameworks external to the individual with institutionalisation being the extent of their orientation to these frameworks. As the frameworks become internalised, the individual's actions become more due to their conformity to the frameworks' values rather than self-interest. He also worked on the relation between the organisation and the social and cultural environment, especially on how organisations gain legitimacy from their alignment with wider cultural values in order to have access to resources. In this respect, he identified three vertical layers within organisations – the technical, involved with production activities, the managerial, involved with control and coordination, and the institutional, involved in the relation of the organisation to wider society.

Finally in this section, Simon from the Carnegie School studied how individuals in organisations have bounded rationality in that they are intentionally encouraged to limit their behaviour to conform to organisational values in terms of decision-making and factual premises. The organisation supplies rules, procedures and routines which restrict the discretion and agency of the individual – "the rational individual is, and must be, an organised and institutionalised individual" (H. A. Simon, 1945/2013, p. 111).

The above schools of thought demonstrate the interplay between institutional theory and organisation studies up to roughly the 1970s. However, around this time there emerged a grouping of ideas which has become termed as neoinstitutional theory, which, although

not a sharp break with the past, were sufficiently distinctive to warrant a separate classificational title.

3.5 Foundations of Neoinstitutional Theory

New institutionalism, or neoinstitutional theory as it generally became known, is now acknowledged to have started with a series of seminal works from the 1970s onwards. The most important of these include the works of Meyer and Rowan (1977), Zucker (1977), DiMaggio and Powell (1983) and these will now be reviewed in turn.

Following on from Weber's notion that organisational structure is influenced by concerns of how organisations gains legitimacy, Meyer and Rowan (1977) investigated why the formal structures of schools and associated artefacts, such as organisation charts, goals and policies, did not seem to correspond with their core educational activities. Instead, they were more to do with conformity to rationalised institutional rules, described as myths and ceremony, which originate from the elaboration of complex networks, collective organisation of the environment and leadership efforts of local organisations. Conformity to these institutional rules was felt to be needed to gain legitimacy, resources and stability and so enhance survival prospects. However, the attempt to be isomorphic with the institutional environment lead to a decoupling of the formal organisational structure from that needed for schooling and to decreased internal coordination and control.

Meyer and Rowan were analysing macro-environmental effects, whereas Zucker (1977), a student of Meyer, researched micro-environmental effects. In an empirical study involving contrived environments of varying institutional nature, it was demonstrated that taken for granted rules were transmitted between individuals and then perceived as facts, and that such factors as rewards and institutional sanctions need not be present for cultural persistence to occur. This showed that cognitive processes can lead to taken for granted behaviours and that institutionalisation can occur without internalisation, thus providing evidence contrary to theories dependent on the latter, such as those of Parsons (1951) and Selznick (1957).

Analogous to the work of Meyer and Rowan (1977) on cultural isomorphism and decoupling, DiMaggio and Powell (1983) researched why organisations took homogeneous forms where more diversity might be expected. Building on Weber's concept of the iron cage resulting from bureaucracy, they proposed that the observed structural isomorphism was not the result of bureaucratisation but rather that

bureaucratisation was a result of the structuration of organisational fields, which they proposed to be "those organisations that, in aggregate, constitute a recognised area of institutional life: key suppliers, resource and product consumers, regulatory agencies and other organisations that produce similar services or products" (DiMaggio and Powell, 1983, p. 148). This process of structural isomorphism was caused by three mechanisms, which they labelled coercive, mimetic and normative. Coercive processes are originated largely by the state and take the form of legal pressures, for example reporting obligations. Mimetic processes are mainly as a result of uncertainty and ambiguity in the market so that organisations model their form on others whom they judge to be more successful. Finally normative processes are primarily promoted by professionals and can result from either education or network factors. This recognition of differing sources of pressures for isomorphism originating in different areas of the institutional environment, together with the concept of organisational fields, resulted in their 1983 paper 'The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields' being well-cited and highly influential (Thornton et al., 2012, p. 25).

Together with a paper by Scott and Meyer (1983), who proposed that all organisations are shaped by both technical and institutional influences but that these two have unequal effects on different organisations, these early works were reprinted by Powell and DiMaggio (1991) as foundation works in their *New Institutionalism in Organisational Analysis*. This 'orange volume' is considered to be an important work in neoinstitutional theory (Scott, 2014) and marks a defining point between old and new institutionalism. In it, Powell and DiMaggio (1991) summarised the differences between these two and contend that the root of these lies in different notions of the cultural or cognitive foundations of institutionalised behaviour. Thus for old institutionalists, typified by Selznick (1957), salient cognitive forms were values, norms and attitudes whereas taken for granted scripts, rules and classifications are more important for new institutionalists. Instead of institutionalisation occurring at the organisational level, with organisations becoming 'infused with value' (Selznick, 1949), new institutionalism sees institutionalisation occurring in the environment of organisations, often at field level with institutions being macro-level abstractions, "rationalised and impersonal prescriptions" (Meyer and Rowan, 1977, p. 343) or shared typifications (Berger and Luckmann, 1966/1991). However, together with this greater level of abstraction, it is often felt that neo-institutionalism has downplayed the role played by values to such an extent that there have been calls for more emphasis to be placed in this area (Friedland, 2012; Moore and Grandy, 2017).

However, for present purposes, the most relevant work contained in the orange volume is that by Friedland and Alford (1991) – 'Bringing society back in: Symbols, practices and institutional contradictions'. In this work, they argued that the concept of society was being neglected in social sciences with too much emphasis being given to the utilitarian individual and to power-oriented organisations, with the former being prioritised by agency theory, rational-actor models and public-choice theory. However, such "notions of individual choice and agency are contingent modern products. …People in many of these [non-Western] societies are less likely to conceptualise themselves [as] individuals independently of the roles they occupy and the contexts in which they are situated" (Friedland and Alford, 1991, p. 239). Western individualism has been shaped by the emergence of capitalism, the state, democracy, the nuclear family and Christianity, and theories of society need to take these influences into account. Furthermore, any such theories also need to work at three levels of analysis, at those of the individual, the organisation and the institutional, both symbolic and material, with each level containing aspects of competition and interdependency. In order to bring these three levels together, they posit that the institutional level is crucial in linking symbols and practices but that this needs a new definition of institutions:

> "Institutions are supraorganizational patterns of human activity by which individuals and organizations produce and reproduce their material subsistence and organise time and space. They are also symbolic systems, ways or ordering reality, and thereby rendering experience of time and space meaningful." (Friedland and Alford, 1991, p. 243)

Building on this definition, Friedland and Alford (1991) were able to propose a more complete model which was able to address deficiencies of contemporary neoinstitutional theories in areas such as interests, power and agency. They argued that theories of the classical scholars Marx, Durkheim and Weber were all based on assumptions that the world was built 'from the ground up', that is on the real material structure of society, giving rise to materialist-idealist or base-superstructure dichotomies. However, cultural symbols can be both sources and carriers of individual behaviour and so these classical models require reconstruction to reflect the centrality of the symbolic in social life. To this end, they proposed:

> "each of the most important institutional orders of contemporary Western societies has a central logic – a set of material practices and symbolic

constructions – which constitutes its organizing principles and which is available to organizations and individuals to elaborate." (Friedland and Alford, 1991, p. 248)

Not only is this model powerful as a representation of the social world, it also provides a means by which institutional change can be explained. Cognitive psychology offers evidence for people recognising patterns and learning routines from their immediate environment which gives rise to bounded rationality so that institutions constrain both the means and ends of individuals. However, institutional transformations are associated with the creation of new social relations and new symbolic orders, but these need to be interpreted in the light of the politics of culture. Friedland and Alford (1991) describe how Foucault shattered subject-object duality with his materiality of discourse, but argue that he concentrated on the influence of power without that of agency, without the consideration of the individuals involved. Instead, they propose that individuals can reinterpret symbols and practices, drawing on differing institutional logics to do so, and so produce new truths and new behaviours and practices. This process is always influenced by power and so successful institutional change depends on the nature of power and on the institutional-specific rules for resources.

Friedland and Alford also contend that "the bases of individual and organisational autonomy, and some of their most characteristic internal tensions, derive from the contradictory relationships between institutions" (Friedland and Alford, 1991, p. 255). This implies a critique of both role theory and rational actor models in that both only consider the relevant prevailing institutional logic, whereas the totality of the individual's environment needs to be taken into account. Any activity can have multiple meanings and motivations and so any interpretation needs to be historically and socially situated. These contradictions between institutional logics can also be used to explain political conflicts - for example, class struggle can be interpreted as the contradiction between use-value, imported from the family institutional logic, and exchange-value, which originates from the capitalist institutional logic. Another example is that of the Confucian concept of *guanxi* (relationships), where individuals can make use of the family institutional logic to challenge that of the state.

The most important differences between this concept of multiple institutional logics and other contemporary theories is that the latter, typified by DiMaggio and Powell (1983) assume an institution-free conception of interest and power, so that the attributes of organisational fields can be considered independently of the influences of the institutional

domain where they are situated. In contrast, Friedland and Alford (1991) proposed that the relevant institutional logics need to be taken into account when analysing organisational fields and the behaviour of individuals.

3.6 Institutional Logics

However, this concept of multiple institutional logics lay dormant for almost a decade until it was picked up by Thornton and Ocasio (1999) who, together with Lounsbury, developed it further into a metatheoretical framework now known as the institutional logics perspective (Thornton et al., 2012). They describe that their aim in doing this was to transform neoinstitutional theory, both building on its strengths in the areas of how the macro-environment shapes organisations and addressing its weaknesses around agency, the micro-foundations of institutions, institutional heterogeneity and change. The result was "a new approach that incorporates macro-structure, culture, and agency, through cross-level processes (society, institutional field, organisation, interactions and individuals) that explain how institutions both enable and constrain action" (Thornton et al., 2012, p. vi). It is also interesting to note that they claim that this "represents a general model of cultural heterogeneity unbiased towards the Western world" (Thornton et al., 2012, p. 18).

The institutional logics perspective claims to be built on four principles; the duality of social structure and action, institutions as being both material and symbolic, institutions as being historically contingent, and institutions operating at multiple levels of analysis. Their definition of an institutional logic is given as follows:

> "the socially constructed, historical patterns of cultural symbols and material practices, including assumptions, values and beliefs, by which individuals and organisations provide meaning to their daily activity, organise time and space and reproduce their lives and experiences." (Thornton and Ocasio, 1999, p. 84)

For the purposes of this thesis, there are two main concepts that need to be reviewed here, since they will be used in subsequent chapters, and they are the interinstitutional system and the cross-level model of institutional logics.

3.6.1   The Interinstitutional System

The first of these, the interinstitutional system, is represented below in Table 3.1:

Y-Axis: Categories	X-Axis: Institutional Orders						
	Family	**Community**	**Religion**	**State**	**Market**	**Profession**	**Corporation**
Root Metaphor	Family as firm	Common boundary	Temple as bank	State as redistribution mechanism	Transaction	Profession as relational network	Corporation as hierarchy
Sources of Legitimacy	Unconditional loyalty	Unity of will & Belief in trust & reciprocity	Importance of faith & sacredness in economy & society	Democratic participation	Share price	Personal expertise	Market position of firm
Sources of Authority	Patriarchal domination	Commitment to community values & ideology	Priesthood charisma	Bureaucratic domination	Shareholder activism	Professional association	Board of directors Top management
Sources of Identity	Family Reputation	Emotional connection Ego-satisfaction & reputation	Association with deities	Social & economic class	Faceless	Association with quality of craft Personal reputation	Bureaucratic roles
Basis of Norms	Membership in household	Group membership	Membership in congregation	Citizenship in nation	Self-interest	Membership in guild & association	Employment in firm
Basis of Attention	Status in household	Personal involvement in group	Relation to supernatural	Status of interest group	Status in market	Status in profession	Status in hierarchy
Basis of Strategy	Increase family honour	Increase status & honour of members & practices	Increase religious symbolism of natural events	Increase community good	Increase efficiency, profit	Increase personal reputation	Increase size & diversification of firm
Informal Control Mechanism	Family politics	Visibility of actions	Worship of calling	Backroom politics	Industry analysts	Celebrity professionals	Organisation culture
Economic System	Family capitalism	Cooperative capitalism	Occidental capitalism	Welfare capitalism	Market capitalism	Personal capitalism	Managerial capitalism

Table 3.1: Interinstitutional System Ideal Types (Thornton et al., 2012)

It is evident that this builds on the five institutional logics suggested by Friedland and Alford (1991) as being influential in Western societies and develops the underlying concept into a more general theoretical model with seven ideal types of institutional order suggested. These institutional orders are shown on the X-axis, with an institutional order being defined as "a different domain of institutions built around a cornerstone institution that represents the cultural symbols and material practices that govern a commonly recognized area of life" (Thornton et al., 2012, pp. 53-54). However, all of these cultural subsystems may not be observed in any particular situation - for example, professions and corporations may be not well developed in non-Western and pre-modern societies (Scott, 2003). Each of the institutional orders is made up of fundamental categories which represent the cultural symbols and material practices particular to that order, with these being shown on the Y-axis. These intentionally use the conventional nomenclature of existing social science research, since they show the principles organising and shaping the interests and preferences of individuals and organisations, how they are likely to understand their sense of self and identity, how they act, their vocabularies of motive and salient language (Thornton et al., 2012). It should be noted that these categories, together with the contents of the individual X-Y cells shown in Table 3.1, are intended as didactic representative examples, which are not predetermined for every real-life scenario.

An important feature of the model is its demonstration of the partial autonomy of the institutional orders, which allows cognitive and organisational loose coupling. Individuals

and organisations have multiple identities and roles and are commonly exposed to multiple institutional logics. As described by Meyer and Rowan (1977), organisations may react to the conflict caused by the conflicting influences of these different logics by practicing loose coupling or decoupling, with different parts of the organisation reacting in different ways. This is obviously a similar situation to the compartmentalisation described by MacIntyre (MacIntyre, 1999a), whereby individuals may react in different ways and assume different roles dependent on the prevailing institutional logic. This is but one example of the use of the model, with the depiction of the seven ideal types of institutional orders being a tool aiding analysis of first-hand observations by providing a framework which helps the researcher to categorise what may be a confusing empirical situation.

3.6.2   A Cross-Level Model of Institutional Logics

The second institutional logics model to be considered is the cross-level model shown in Figure 3.1 below. This describes how institutional logics at the macro-level influence individuals at the micro-level, depending on the former's availability, salience and accessibility. At the micro-level, this influence triggers individuals' social identities, goals and schemas and then, through interacting with each other, the individuals collectively produce social practices and structures, including organisations. These practices then undergo a process of cultural evolution resulting in selective retention, and they influence the development and stability of institutional logics, again at the macro-level.
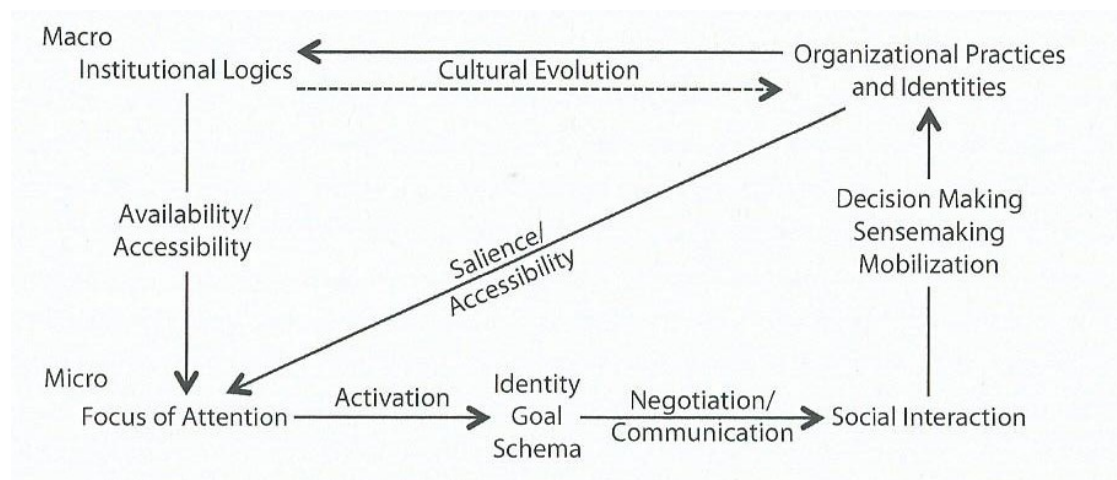
Figure 3.1: A Cross-Level Model of Institutional Logics (Thornton et al., 2012)

As per the claims of the institutional logics perspective, the model incorporates the different levels of society, those of the institutions at the top left corner of Figure 3.1, those

of the organisation at the top right and those of the individual at the bottom, whilst also integrating the material and the symbolic and showing the duality of structure and action.

The characteristics of institutional logics, shown at the top left of the model, have been reviewed in the section above, and the first process shown on the left hand side is how these influence the individual, which depends on the former's availability and accessibility. As stated above, not only will the individual institutional logics be present to varying extents in different societies and at different historical times, they will also be so for individuals depending not only on their own life stories but also on their specific situation at any particular time. Thus which particular institutional logic, or combination of logics, the individual perceives to be the most influential at any particular time and serves as the focus of their attention will govern their behaviour, determining which aspects of problems get attended to and which patterns of behaviour are deemed appropriate. This is also so in any organisational context, as represented by the diagonal arrow, showing the influence of organisational practices and identities on the individual in the relevant scenarios.

The prevailing institutional logic(s) will then provide building blocks for the individual's consequent bounded rationality through the set of social identities, goals and schema contained within that logic, which may be more specific in organisational scenarios. Identity, defined as "the distinctive characteristics of a person's character which relate to who they are and what is meaningful to them" (Giddens and Sutton, 2013, p. 1060) is not fixed but variable, with individuals having multiple social identities, which can be from group membership as per psychological social identity theory (Hogg and Abrams, 1988) or from identification with particular social roles as described by sociological identity theory (Stryker, 1980). Group identities include those from the individual's industry, profession, occupation, employer, geographical location, nationality, ethnicity and gender whilst role identities include owner, manager, employee, co-worker within or parent, spouse, friend or citizen outside of organisations. These identities are not equally available to the individual in all scenarios, but rather the prevailing institutional logic(s) influence which ones are more accessible and likely to be activated in any specific situation. Social actors interact with each other through symbolic exchanges in a process of identity verification and commitment which influences which social identities become dominant in that particular situation.

Analogous to individuals having multiple identities, they can also have multiple goals which may even be in conflict with each other. These goals are culturally embedded within alternative institutional logics so, for example, an employee, influenced by the market institutional logic, may prioritise staying at work to get a job done, whereas a parent, influenced by the family institutional logic, may want to get home at a reasonable time to spend time with their children before they go to bed. Which goals become prioritised in a specific situation depends on the prevailing institutional logic(s) and which identities become activated. Similarly, the situation also determines which schema, defined as learned and ordered cognitive structures which structure attention, construal, inference and problem solving (Nisbett and Ross, 1980), become activated and guide expectations of behaviour. In this context, scripts are also examples of schema which provide applicable courses of action and are "observable, recurrent activities and patterns of interaction characteristic of a particular setting" (Barley and Tolbert, 1997).

In this way, institutional logics at the macro-level influence which identities, goals and schema are adopted by individuals, but the individuals are acting in a social setting and interacting with each other, for example, by means of relevant scripts. This interaction, in the form of negotiation and communication primarily through language as described by symbolic interactionism (Mead, 1934), produces changes in the focus and content of attention and is socially regulated so that adjustments based on power differences may occur. The result may be cooperation or conflict depending on the degree to which the participants' identities, schema and goals are aligned and this will obviously play a large part in determining the success of the resulting social interaction, represented at the bottom right of Figure 3.1.

The importance of language in the process of decision-making, sensemaking and mobilisation, whereby organisational practices and identities are produced on the right side of the model, should not be underestimated, since it provides an explicit link between culture, categories and collective meaning:

> "Language, socially built and maintained, embodies explicit exhortations and social evaluations. By acquiring the categories of a language, we acquire the structured 'ways' of a group, and along with the language, the value-implicates of those 'ways'….A vocabulary is not just a string of words; immanent within it are societal textures – institutional and political coordinates. Back of a vocabulary lie sets of collective action" (Mills, 1939, p. 677)

As shown in Figure 3.2, institutional logics at the macro-level act at cognitive and social levels so that their categories and schema are translated and adopted resulting in theories, frames and narratives. Theories are at the most abstract level and provide general guiding principles and explanations for institutional structures and practices, whereas frames are more concrete "schema[s] of interpretation" that allow individuals "to locate, perceive, identify and label" events within their own life space and their world at large (Goffman, 1974). Linking these two with specific practices are narratives, which are accounts organising specific events and actions into a whole, attributing significance, and so combining material and symbolic elements of institutional logics.

At a more elemental level are vocabularies of practice, which are key building blocks linking semantic representations and practices and can be regarded as "systems of labelled categories used by members of a social collective to make sense of and construct organising practices" (Thornton et al., 2012, p. 159). Examples given from the United States include 'share price', 'S.E.C.' and 'institutional investors' and it can be seen vocabularies of practice guide attention, decision making and mobilisation, provide members of social groups with a sense of their collective identity, and are critical to communication and sensemaking (Weick, 1995). This enables practitioners to establish a common ground, defined as "the set of knowledge, beliefs, and suppositions that they believe they share" (Clark, 1996), which is critical for coordination and collective action.
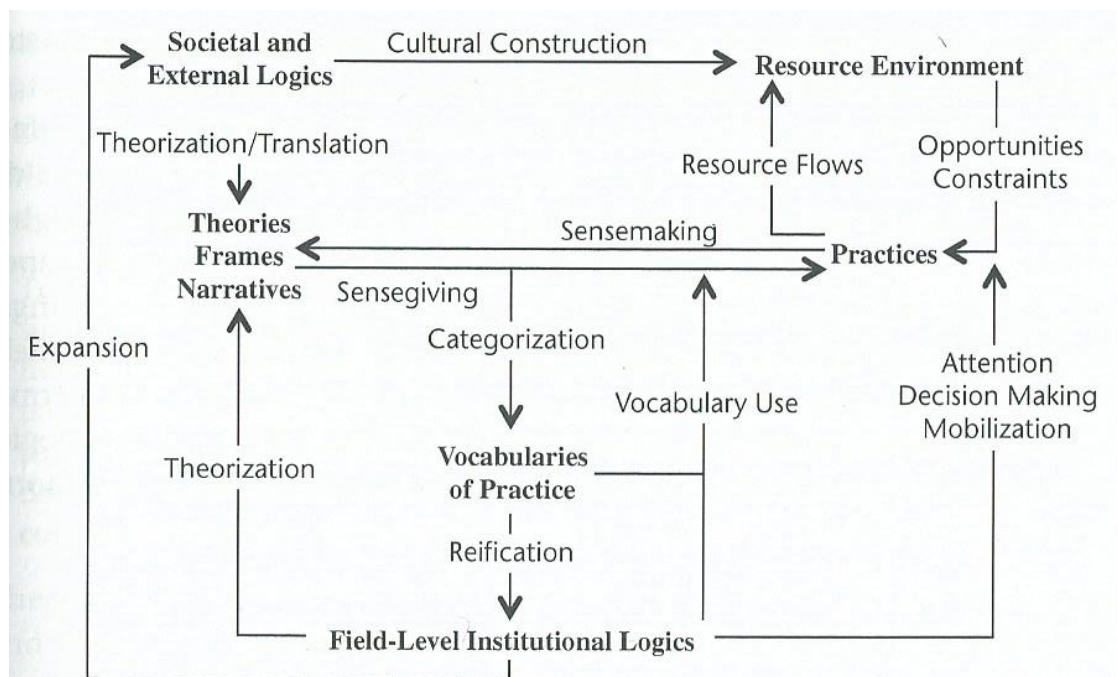
Figure 3.2: Cultural Emergence of Field-Level Institutional Logic (Thornton et al., 2012)

In this way, it can be seen that language, especially in the form of frames, narratives and vocabularies of practice, is critical for the processes of decision-making, sensemaking and mobilisation which lead to organisational practices and identity, and these final two components of the cross-level model will now be described.

Thornton et al. (2012) state that "practice refers to forms or constellations of socially meaningful activity that are relatively coherent and established (see, e.g. MacIntyre 1981)" (Thornton et al., 2012, p. 128). The overlap and contrast between institutional logics and MacIntyrean virtue ethics will be reviewed later in this chapter, but the citation of MacIntyre is noteworthy. An explicit distinction between practices and activities is also made, with activities referring to mundane behaviours which are generally devoid of social meaning and are not informed by wider cultural beliefs. 'Pounding a nail' is an activity whereas carpentry is a practice providing order and meaning to a set of otherwise banal activities. A fundamental premise of the institutional logics perspective is that there is a fundamental duality between logic and practice with groups of practices being capable of being classed as expressions of institutional logics (Friedland, 2009) and similarly, changes in practices can be related to shifts in institutional logics.

In an analogous fashion, Glynn (2008) considered that institutions provided organisations with a set of possible legitimate identity elements that can be used to construct, give meaning to and legitimise organisational identities involving a patterning of symbols across organisational fields. This elaborated on concepts from Albert and Whetten (1985), who considered that organisational identity may consist of three claims – that of a character central to the organisation, that making the organisation distinctive, and that providing temporal continuity. For the first of these, Glynn contended that institutionally-based categories describe repertoires of meaning that organisations can appropriate to answer the question 'who we are' and classify themselves as members of one organisational field as opposed to any other. In this way, organisational identity can be seen as a form of institutional *bricolage*, with organisations selecting components already available in their institutional environment. Glynn also points out that identity is closely aligned with performance, providing guidance on questions such as 'what does a person like me do in a situation like this?' and so argues that while institutional logics can be seen as restricting organisational behaviour, for example by means of bounded rationality, they can also be seen as enabling action. In this sense, Barley and Tolbert (1997, p. 96) describe institutional logics as "shared rules and typifications that identify categories of social actors and their appropriate activities or relationships".

Finally in the cross-level model, organisations can influence institutional logics in that changes in symbolic representations or field-level practices may lead to changes in institutional logics, as represented by the relationship at the top of Figure 3.1. These can be in response to both external events and contradictions within and between multiple institutional logics, enabling the exercise of both agency and power, typically taking place over extended periods of time.

In summary, the cross-level model of institutional logics provides a powerful framework for interpreting observations of both the material and symbolic made at different levels of society – at the individual, organisational and institutional logics levels. Furthermore, it is also a "model of social actors whose identities and goals are not only embedded in institutional logics, but also situated in organisational practices" (Thornton et al., 2012, p. 102). Both automatic taken-for-granted behaviour and agency and reflexivity are possible, governed by bounded rationality and scripts on the one hand and the activation of components from other institutional logics on the other.

3.7 Multiple Institutional Logics

Having introduced the main frameworks of the institutional logics perspective, it is now relevant to consider the literature on multiple institutional logics and their impact on organisations. For this, papers by Greenwood, Raynard, Kodeih, Micelotta and Lounsbury (2011) and Besharov and Smith (2014) will be considered and, whilst there are other relevant papers which also cover Taiwan, these will be appraised in the next chapter once Taiwan's institutional environment has been reviewed.

Greenwood et al. (2011) recognised that organisations face complexity from potentially conflicting institutional logics and proposed that two main factors – field-level structures and organisational attributes – influenced how organisations responded in terms of strategies and structures. In their review of the associated literature, they state that most studies only consider the impact of two conflicting institutional logics which they find to be restrictive, not only because most organisations will be influenced by a greater number of institutional logics, but also because the impact of mutually reinforcing institutional logics needs to be considered.

The second article from the literature on multiple institutional logics to be reviewed here is by Besharov and Smith (2014), who argued that multiple institutional logics can be classified by their compatibility and centrality and that predictions can then be made from

this classification, for example, of the degree of internal conflict to be expected within the organisation. They defined compatibility as "the extent to which the instantiations of logics imply consistent and reinforcing organizational actions" (Besharov and Smith, 2014, p. 367) and centrality as "the degree to which multiple logics are each treated as equally valid and relevant to organizational functioning" (Besharov and Smith, 2014, p. 369). Once these two factors have been assessed, they can be used to make predictions such as that represented in Figure 3.4 below.
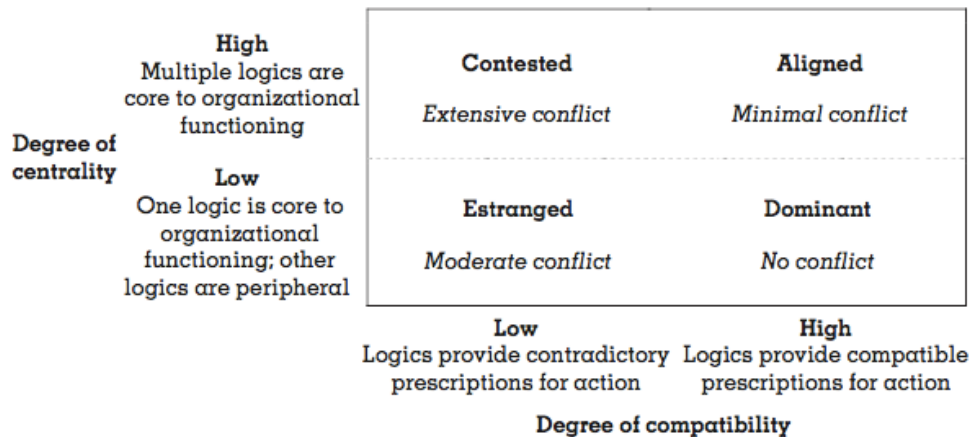
Figure 3.3: Types of Logic Multiplicity within Organisations (Besharov and Smith, 2014)

The above two articles are examples of how the institutional logics perspective has been extended to consider the effect of multiple institutional logics. Both agree that there is more empirical work that needs to be done in this area and so the author's empirical study presented in this thesis can be considered to be a contribution in this area. The results of the empirical study will be presented in the relevant chapters and will be reviewed in the light of the above two papers in the discussion chapter.

3.8 Critiques of Institutional Logics

Thornton et al. (2012) themselves state that "arguably the most salient critique of the institutional logics perspective is its treatment of the concept of power" (Thornton et al., 2012, p. 64), which reflects a more general criticism of institutional theory that it does not give adequate consideration to power, its sources and its effects. This is demonstrated by papers such as Munir (2015) – "A Loss of Power in Institutional Theory" and by Clegg (2010) – "The State, Power and Agency – Missing in Action in Institutional Theory?" Although Clegg's assertion that institutional entrepreneurs as creators of institutional

change are a functionalist theory-saving device is partially answered in the institutional logics perspective by actors being able to recombine elements from different institutional logics, it is clear that more work needs to be done on how to situate power more convincingly within the interinstitutional system.

As an author of one of the most important foundational papers for the institutional logics perspective (Friedland and Alford, 1991), the critique by Friedland (2012) in his review of Thornton et al. (2012) is perhaps closer to home. Although he makes points about the paradox of near-decomposability of institutional orders and missing institutional objects, his comments on value are of most relevance here. Whilst noting that the omission of value might be a desire to avoid the 'normative legacy' of old institutionalism, he argues that "value is central to an institutional logic: a presumed product of its prescribed practices, the foundation stone of its ontology, the source of legitimacy of its rules, a basis of individual identification, a ground for agency, and the foundation upon which its powers are constituted" (Friedland, 2012, p. 585). Whilst acknowledging that there is a link to the concept of legitimacy presented in the institutional logics perspective, it is clear that the importance of this factor should be emphasised more strongly. In this way, Friedland contends that "an institutional value founds the ontology of the central object or state of being, around which normatively enforced practices are organized through constellations of roles and hence constitute the resources through which powers are afforded" (Friedland, 2012, p. 586).

Furthermore, the micro-foundations of institutional logics lack feeling and passion, a factor which "Weber once attended in his treatment of the "value spheres," and we appear to have forgotten (Weber, 1920/1958). Aristotle recognized this long ago when he pointed to virtue as a direction of desire, "desiring reason," without which practical rationality vis-a-vis justice could not function (MacIntyre, 1988, pp. 136-137)" (Friedland, 2012, p. 594) and also "To put it baldly, institutional logics depend upon love (Friedland, 2013, 2014)" (Friedland, 2012, p. 594).

A related point is made by Moore and Grandy (2017), who argue that institutional theory does not adequately account for the role of morality at the organisational level. They point out that Selznick's important work on how organisations could become infused with value (Selznick, 1949) did include some of this consideration but state that since then "new institutional theory has adopted an assumption of organizations as amoral entities" (Moore and Grandy, 2017, p. 2). They propose that morality can be reintroduced by incorporating

the work of MacIntyre - for example, whilst institutional theory acknowledges the central role played by practices, the definition commonly used lacks MacIntyre's richness and attention to moral considerations. Furthermore, although the institutional logic's concept of legitimacy does provide a consideration of ethics, this is only from a 'satisficing' perspective (Deephouse and Suchman, 2008). Moore and Grandy (2017) contend that institutional logics are intertwined with individual and collective *telos* and that legitimacy is associated with organisational purpose. In this respect, they differentiate between internal legitimacy, closely tied to practices, internal goods and identity, external legitimacy related more to external goods, and also moral legitimacy, which is dependent upon practices and the way in which they contribute to practitioners' and the community's *telos*. By such a consideration of MacIntyrean notions, they argue that institutional logics' lack of moral considerations can be addressed. Moore and Grandy (2017) support their argument by empirical data gained from a study of a group of Christian churches in northeast England and, whilst noting that they acknowledge the limitations that this specialised area of study may involve, the author considers that these do present problems for their argument's wider applicability. In this respect, it is hoped that this thesis may address this concern and provide a notion of a combination of MacIntyrean virtue ethics and institutional theory which has wider applicability. This will be addressed in the discussion.

3.9 Institutional Theory and Virtue Ethics

The work by Moore and Grandy (2017) described above is an example not only of a critique of institutional logics but also of a study combining institutional theory and virtue ethics. Other work in this area which will now be considered includes Fernando and Moore (2015), Weaver (2006) and Nielsen and Massa (2012).

The paper by Fernando and Moore (2015) built on research by Moore (2012b), which was reviewed in the previous chapter, and investigated whether MacIntyrean virtue ethics were applicable to organisations in Sri Lanka. The findings in this respect will be reviewed later in the discussion chapter, but the relevant point here is how the authors interpreted the results using institutional theory. To explain the differences found between the business culture of the Sri Lankan organisations and Alliance Boots studied by Moore (2012b), they considered various attributes of Sri Lankan culture, especially that of Buddhism, to be influential. They then used the concept of reciprocal opposition (Nelson and Gopalan, 2003), where an oppositional group adopts the use of symbols and social structures which are the reciprocal opposite of those in use by the dominant group, to interpret the impact

of global influences on the Sri Lankan organisations. This reciprocal opposition required the exercise of agency in a virtuous manner, which in turn entailed a conducive environment, but the author considers that the institutional logics perspective may be a more relevant and powerful model in this respect. Instead of actors consciously choosing between alternative groups of structures and symbols, the institutional logics perspective provides a framework for the consideration of the influence of multiple institutional logics and allows for a duality of social structure and action. This allows for a more holistic view of the institutional environment to be taken and provides a more nuanced account of agency and so will be a model used for the interpretation of results in this thesis.

A second instructive paper dealing with aspects of institutional theory and virtue ethics is that of Weaver (2006), who looked at virtue in organisations by means of a consideration of moral identity, or self-concept, as a foundation for moral agency. Starting with a review of key philosophical themes, virtue theories are considered to be teleological, requiring a social narrative which is dependent on the micro- and macro-sociological contexts within which identities are formed. Consequently, relevant aspects of social theory can be valuable to a consideration of how moral agency can be sustained in organisations since "identities provide readily available schemas for processing information and formulating, and thus guiding and evaluating, courses of action" (Weaver, 2006, p. 346). Social cognitive theories deem identity to be complex and composed of multiple elements and that the salience of an identity in a particular situation is important in its influence on behaviour. However, in an organisation this salience is in turn influenced by interactions with other people, especially managers, as well as the organisational environment so that there are opportunities for both positive and negative influence by reward structures, collectively shared scripts and schemas and leader behaviour. Compartmentalisation and the related process of moral detachment can occur when an individual's moral identity lacks salience relative to another identity to such an extent that the moral identity is subordinated to the alternative identity defined in the workplace. It is also interesting to note that the paper also considered how various organisational attributes, such as organisational size and the degree of bureaucratisation, would impact on moral identity.

At a higher level of abstraction, Weaver (2006) then argued that institutional logics also have an effect on moral identity. The influence of the stable social units of traditional societies, such as families and communities, was considered to have declined and to have been replaced by that of abstract social systems and their representatives, such as mass media and professionalised expertise, which had an effect on the types of identities

that are conceivable (much as the notion of an autonomous and reflexive self is itself a product of modernity; (Giddens, 1990, 1991)). However, uncertainties around identities in macro-sociological contexts and frequent changes in interpersonal networks can lead to moral identities losing coherence and organisationally defined identities becoming more salient. Consequently, "the more constant are the nonmarket practices that people engage in — and the familial, communal, and practice- based 'mediating structures' that sustain them (Fort, 2001) — the less that stability will be needed in any given work organization" (Weaver, 2006, p. 356). In summary, Weaver reflected that the moral agency considered by virtue theory could be informed by concepts from institutional theory with organisational and institutional contexts playing an important role on the degree to which moral agency would be salient and influential.

Finally in this section, a paper by Nielsen and Massa (2012) on 'reintegrating ethics and institutional theories' will be reviewed. Beginning with a consideration of relevant literature, they traced the splitting of ethics from institutional performance to Schumpeter (1947), but argued that many other scholars, ranging from Aristotle, Weber and Veblen to Selznick disputed this 'separation thesis'. The main argument for joining considerations of ethics and institutional analysis is that ethical issues can have their roots at the institutional level, which has important implications for policy making. For example, they compared the institutional logics of the more finance capitalistic U.S. institutional system with the more social democratic Northern European institutional system and the implications this had for interventionist policy after the 2008 market crash, as illustrated by the infamous quote of Charles Prince, the former CEO of Citigroup, ''… as long as the music is playing, we have to dance, and the music is still playing.''

In summary, it can be seen that there are several proponents and arguments for considering virtue ethics and institutional theory together, which include bringing an aspect of values and morality back into institutional logics and a consideration of moral identity. These ideas will be revisited in the methodology and discussion chapters.

3.10   Institutions for MacIntyre and Institutional Theory

At the start of this chapter, brief consideration was given to a comparison of institutions as described by MacIntyre and institutional theory. Now that the relevant parts of institutional theory have been reviewed, it is worth revisiting this comparison, especially in the light of the more abstract view of institutions taken by new institutional theory. As described in the

previous chapter, examples of institutions given by MacIntyre include chess clubs, laboratories, universities and hospitals (MacIntyre, 1981/2007, p. 194) and it can be seen that these are more comparable to the institutions of old institutionalism, for example, Selznick's organisations infused with value, than the more abstract institutions of new institutionalism. To become more comparable with the latter, for example the macro-level abstractions or "rationalised and impersonal prescriptions" of Meyer and Rowan (1977, p. 343) or the shared typifications of Berger and Luckmann (1966/1991), the narrative and tradition from MacIntyre's narrative quest and moral tradition need to be introduced, disregarding the teleological nature of the quest and the morality of the tradition. Only then do the concepts become more equivalent, although it must be noted that this involves a certain amount of combining MacIntyrean concepts originally applied at the individual and societal levels. In this way, it can be argued that the areas of concern for MacIntyrean virtue ethics and institutional theory have much in common. Although they are principally interested in different aspects, it is not unlikely that they will in some ways complement each other, which is the subject of the fourth research question, and is revisited in the gap section of the next chapter.

3.11   Levels of Analysis

One obvious aspect of Figure 3.1 is the institutional logics perspective operates across different levels of society, which also is the case with MacIntyre's framework. MacIntyre considers individuals with virtues co-operating together in the communal level of institutions and clearly also has an appreciation of a societal level. Practices within institutions have an inter-organisational aspect in that standards of excellence are not just determined with individual institutions but between them. These levels clearly correspond to the cross-level model of the institutional logics perspective as shown above, with individuals at the micro-level coming together in organisations at the macro-level and with individuals being influenced by societal level institutional logics. Furthermore, the concept of the organisational field can also be related to the inter-organisational aspect of MacIntyre's institutions and practices.

3.12   Summary of Chapter

In this chapter, ideas from institutional theory have been appraised, their application to organisations considered and their relevance to virtue ethics reviewed. Starting with a review of the ideas informing early institutional theory in the nineteenth and early twentieth

centuries, concepts from old institutionalism from the 1940s to the 1970s regarding organisations and institutions were then covered. This lead on to the ideas from new institutionalism from the 1970s onwards up to those of the institutional logics perspective proposed by Thornton et al. (2012). The essential difference between these three is that, whereas old institutionalism was deemed to have overstated the rational actor model, new institutionalism did the same for the constraints imposed on the individual by the institutional environment and so the framework offered by the institutional logics perspective, with its duality of structure and action, provides a more balanced position. Building on this, the impact of multiple institutional logics was described before consideration was given to the overlap of virtue ethics and institutional logics, ending with a comparison of MacIntyre's view of institutions with that of institutional theory.

Having in this way introduced the concepts of institutional theory, the review of the relevant literature will now be completed in the next chapter with a review of Taiwan's institutional environment, thus laying the foundations for research question three to be addressed.

4. Chapter 4: Literature Review – Taiwan's Institutional Environment

4.1 Chapter Overview

The previous two chapters have reviewed the literature relevant to MacIntyrean virtue ethics and institutional theory but, in order to be able to answer the research questions adequately, especially research question three, an appreciation of Taiwan's institutional environment is also required. This will be attempted by generally following the structure of the interinstitutional system reviewed in the previous chapter, due to its suitability for helping categorise observations, sharpen questions and its claims for general global applicability (Thornton et al., 2012). Therefore, the instances of the ideal types of institutional logic occurring in Taiwan will be reviewed. However, since the institutional logics perspective is a metatheoretical framework that offers a typology of ideal types, these may or may not correspond to those observed in empirical analyses. Consequently, in this respect the author has judged that, although it can best be termed a moral tradition rather than a religion, Confucianism is best described under the religion institutional logic. Similarly, the empirical observations described in the findings chapters found that national identity was an important factor and the author has grouped this under the community institutional logic.

As a result, after a brief introduction, the institutional logics of the state, the community in the form of national identity, the market in the form of the economic environment, the family, religion in the form of Confucianism, and the corporation in the form of SMEs will be considered.[2] Obviously these themes can be somewhat overlapping and so, whilst this is the general structure that will be used, aspects from the different institutional logics will be reviewed as best suited to the narrative flow. Finally, the chapter will be summarised leading to recognition of areas not adequately covered by existing work and so identification of the research gap to be addressed by this study.

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[2] As suggested may be the case by Scott (2003), the profession institutional logic was not apparent in the field of analysis of this study and so this institutional logic has been omitted from this literature review.

4.2 Introduction

Taiwan is an island lying on the Tropic of Cancer off the south-east coast of Mainland China with a population of 23 million people. The official language is Mandarin Chinese, with more than 95% of people being Han Chinese including Hakka and other groups originating from Mainland China and the rest of the population being made up mostly by indigenous Austronesian people and immigrant residents. Although Buddhism and Taoism are the major religions (Taiwan Government, 2017), Confucianism is more influential as a moral tradition as will be reviewed below. The information and communications technology sector makes up around one-third of Taiwan's gross domestic product and SMEs are the backbone of the nation's economy, especially in the export sector (SME Administration, 2017).

4.3 The State

From a historical point of view, Taiwan was first incorporated into China as a province around 400 years ago. Significant immigration from Mainland China to Taiwan occurred after this initial integration with the result that both the governing system and society developed according to Confucian ethical norms and values during the seventeenth and eighteenth centuries, especially the focus on the family, which became seen as the primary social unit central to national culture (Gates, 1987). It remained as a Chinese province until ceded to Japan for the period 1895 – 1945 after the 1st Sino-Japanese war, although during the occupation Taiwan's political system was kept separate from that of Japan. After the Second World War, Taiwan was returned to China but the origins of Taiwan's current political environment can be considered to have started in 1949 when the Nationalist leader of China, Chiang Kai-shek, lost the Chinese civil war to Mao Zedong, the leader of Chinese Communist Party and moved to Taiwan with the remains of the Nationalist army. Since his main priority at that time was to use Taiwan as a military base to regain control of Mainland China, rather than to have a long-term economic development plan for Taiwan, Chiang concentrated on asserting authority over the island, which created a major division between the approximately 6 million local Taiwanese people and the 2 million newcomers from China. This had major consequences for the organisation of the economy and for control over economic activities (Whitley, 1999) since domestic policy mainly benefited his supporters from the mainland and the resulting lack of trust between his Chinese National Party (Kuomintang, or KMT) and the local Taiwanese population caused tension within the island. Although Chiang and the KMT

eventually developed different policies and settled down in Taiwan, the attitude towards the establishment of large privately owned wealth remained one of suspicion, being regarded as a potential threat to KMT power.

Consequently, rather than encourage small business to grow, the state was more concerned with preventing the growth of large Taiwanese enterprises developing into political power and one of the main results of this was the exclusion of most Taiwanese from the state bureaucracy and political leadership as well as from the management of the large publicly owned industrial sector (Gold, 1986; Fields, 1995). It can be concluded that after the Second World War, Taiwan was a divided society and that it developed into a divided economy (Whitley, 1999). As late as 1999 the state continued, on the one hand, to maintain ownership of the larger, upstream and capital intensive sectors, agriculture and new industries of the economy (Gold, 1986, 1988) whilst, on the other hand, the state attitude towards the small firms who dominated Taiwan's export sector was one of laissez-faire (Wade, 1990).

This view was partially legitimised by the political economy, especially the 'principle of people's livelihood', of the national father of Mainland China, Dr. Sun Yat-Sen (1866 – 1925), who was concerned that workers would be treated unfairly under the natural evolution of modern capitalism, especially when looking at the example provided by the industrial revolution in the West. He emphasised the need for a strong state protecting the economic system through state ownership, preferring a small firm economy, avoiding direct involvement in the financing of private firms and maintaining control of large-scale heavy industry and public infrastructure (Wade, 1990). His approach was to nationalise natural monopolies, such as the railways, public utilities, canals and forests, and to use all the income from these public enterprises to meet administrative costs and to finance social welfare programs. In this way, it was intended that society would become more egalitarian. The influence of Confucianism can be seen in his view that a concentration of capital in private hands would cause inequality, which was influenced by the Confucian saying 'when equality prevails, there is no poverty' (K. Lam, 2003).

After Chiang Kai-shek's death in 1975, leadership passed to his son Chiang Ching-Kuo and Taiwan underwent a gradual peaceful political transition out of dictatorship, becoming a liberal democracy in late 1986. One significant event was the lifting of martial law in 1987, after it had been in place for nearly four decades. About the same time, South Korea, which also inherited a Confucian political culture, also undertook a similar peaceful

transition to democracy and Huntington (1995) called this the 'third wave' of global democratisation. These events can be seen as expanding the sphere of liberal democracy in East Asia and as symbolically demonstrating that people believed that a Confucian political culture of paternalistic authoritarianism was incompatible with modern democracy. Between 1987 and 2000 Taiwan's political system continued to be transformed into a liberal democracy (Fell, 2011) and in 1996, for the first time in Taiwanese and Chinese history, Taiwanese people were able to vote and so select their president. Four years later, in 2000, a similarly historic transition of power happened as the KMT's monopoly on power ended with the election of a president from the opposition Democratic Progressive Party (DPP) and since then power has changed hands between these two parties with the DPP winning the last election in 2016.

4.4 Community – National Identity

As noted in the chapter overview above, national identity was identified in the findings as a significant influence on how people view and share practices, and the author judges that this is best considered in the institutional logic of community due to the obvious common boundary, which is the root metaphor for this institutional logic described by Thornton et al. (2012).

Over the past two decades, Taiwan's national identity and sovereignty has become the major political argument, not only within the island between the two political parties with the DPP favouring formal independence, but also externally with Mainland China (Fell, 2011). The People's Republic of China (PRC) claims Taiwan as a part of its sovereign territory, arguing that the majority of people who live in Taiwan are ethnic Chinese, that Taiwan has been part of China for many centuries and that, after the Second World War, it was formally returned to Chinese sovereignty. Also, the PRC is recognised as the legitimate government of China under the principles of international law whilst the state of Taiwan is seen as a rebellious body which lost the civil war. Therefore, Beijing insists that Taiwan should be integrated into the state system of the PRC as a special autonomous region along the lines of the 'one country, two systems' model that has been applied to Hong Kong (Fell, 2011).

The KMT also essentially subscribed to something close to this viewpoint in the period after the Second World War and during its dictatorship used the education system to sinicise the population, via the teaching of Chinese literature, history and geography,

whilst supressing the learning of local history, culture and the use of the Taiwanese dialect (C. R. Hughes, 2011). Confucian education was also an important part of this sinicisation with the teaching of Confucianism forming the essential core of early teaching (Wilson, 1970) and the Taiwanese were not permitted to debate their identity. However, the DPP has a different view on Taiwan's national identity and argues that the people of Taiwan are, and view themselves to be, different from Chinese people, so that Taiwan has the right to be recognised as a nation and a state separate from China. This view started increasing in the 1990s during the transition to democracy, and has intensified since 2000 when the DPP won power, with Fell (2011) describing the occurrence of severe polarisation between the two parties' policies in terms of identity and sovereignty during the second half of the 2000s. In a national survey in 2016, as shown in Figure 4.1 below, almost 60% of people identified themselves as Taiwanese rather than Chinese (Election Study Center, 2018), as opposed to 17% in 1992. During the same time frame, the percentage of people claiming a Chinese national identity declined from 25% to 3%, whilst that for a joint Chinese/Taiwanese identity also declined from 46% to 34%. Of those who are 29 or younger, born after martial law ended in 1987, 78% say they have an exclusively Taiwanese identity — as do nearly 70% of people younger than 40. If this trend continues, a solely Taiwanese identity will become the consensus, but the status quo between Mainland China and Taiwan is never static and how Taiwanese people perceive the relationship necessarily constrains the political position of Taiwan's politicians (Chen, Yen, Wang and Hioe, 2017).
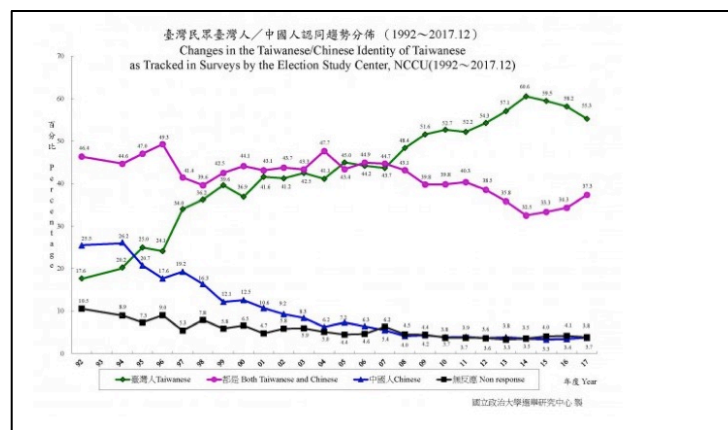
Figure 4.1: Survey Results for Taiwanese/ Chinese National Identity (Election Study Center, 2018)

Within Taiwan, it can be seen from the above that there is a division between Taiwanese and Mainland Chinese in terms of ethnicity, linguistics and cultural experience. In terms of Taiwan's population of 23.5 million people, 85% of the ethnic Chinese population are people whose ancestors migrated to Taiwan from Southern China prior to Japan's acquisition of Taiwan in 1895 and they speak dialects of Chinese such as Fujianese and Hakka. The remaining 15% of the ethnic Chinese population speak Mandarin Chinese and are mainlanders and their descendants who fled Chinese Communist Party (CCP) rule and sought refuge in Taiwan in 1948–50 (Fell, 2011; Lee, 2011). In terms of cultural history, the Taiwanese have been through multiple foreign invasions, by both Holland and Spain in the seventeenth century, as well as civil wars before the Japanese colonisation during which they were heavily influenced by Japanese culture, living style and customs. In contrast, the Chinese who moved to Taiwan did not experience there the instabilities that the Taiwanese have been through but rather a relatively steady and orderly environment (Fell, 2011).

Chang (2003) investigated the sources and changes in Taiwanese national identity. Stating that the latter was usually described as 'feelings, sentiments and bonds that people feel for their own country or nation', he considered that the national identity was always associated with a narrative discourse and moral-political claims and so could be an instrumental tool used by a nationalistic elite. On the same subject, C. R. Hughes (2011) considered the recent de-sinicisation process of attempting to reduce Chinese influences, including the removal of Confucianism from the national school curriculum, to be more deep-rooted than just a contemporary struggle between the KMT and DPP, but rather a reflection of the rift between Chiang Kai-Shek and his supporters from Mainland China on the one hand, and the previous Taiwanese population on the other.

4.5 The Market

Up to and including the period of Japanese colonisation, Taiwan's economy was overwhelmingly agricultural (Fell, 2011) with industrialisation occurring after 1949 when the large-scale movement of the Chinese Nationalist government and its followers to Taiwan took place. During the next decade Taiwan went through substantial economic transformation by means of import substitution industrialisation with strong government intervention (Lee, 2011) and, by 1960, Taiwan had adopted a more liberal but still state-dominated approach to economic management with a strategy of export-led industrialisation (Fell, 2011; Lee, 2011). This resulted in a period of exceptionally high

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economic growth, with an average of around 9% per year over the four decades up to 2000 (J. Gray, 2002), and lead to Taiwan being known as one of the four Asian Tigers, along with Hong Kong, Singapore and South Korea. In the late 1980s, Taiwan underwent another significant degree of deregulation and privatisation and joined the World Trade Organisation (WTO) in 2002. This loosening of what could be described as state capitalism lead to its economy being far more open to global economic forces than previously, with a corresponding intensification of market competition (Chung and Luo, 2008a), although this has not led to Taiwan adopting Anglo-Saxon capitalism but rather a divergent form of capitalism. Thus, despite the growth of international investment and capital flows throughout most of the world, the distinctive Taiwanese business system continued to be unlike those already developed in Europe and the Americas, due to significant differences in societal institutions and agencies such as the state, capital and labour markets and prevailing views on trust, loyalty and authority (Whitley, 1999).

At this point it is relevant to consider the work of Keat (2008), who also looks into varieties of capitalism but does so from a MacIntyrean angle. Starting with a central premise of *After Virtue* that capitalism is incompatible with a practice-like mode of economic production, Keat compares the liberal market economies (LME) of the U.S. and U.K. with the coordinated market economies (CME) of Germany and Japan. Using a framework developed by Hall and Soskice (2001) , such factors as ownership and finance, internal governance of firms and inter-firm relationships are analysed and the resulting 'complementarities' or behaviour reviewed. Subsequently, for example, it was found that LMEs often come under more pressure from shareholders to react to short-term drops in profitability by shedding labour, LMEs tend to compete on price, whereas quality is more important for CMEs and cooperation between firms is more prevalent in CMEs. From this analysis, the conclusion is that, whereas in LMEs the situation is found to support MacIntyre's claims, other types of economy, such as CMEs represented by Germany and Japan, can be more supportive of a practice-like mode of production.

Returning to the case of Taiwan, Low (2006) described the Taiwanese economy as being essentially dualistic, composed of cooperative networks of densely interconnected SMEs, which are, however, dependent on larger firms for their success in exporting. This network paradigm can be seen as an alternative to the neoclassical free market and that the economy is not distorted by state intervention but rather by the strong influence of these family enterprises and their networks. In this way, SMEs not only have a significant influence on the economy, they also constrain the actions of the state and MNCs in

demand-responsive, buyer-driven networks (Low, 2006). As a result, the Taiwanese economy is less rigid in its structure and more adaptable to the changing conditions of global trade and technology (Economist, 1998a; Low, 2006). J. Gray (2002) described how Taiwan's indigenous modernisation of its economy offers Mainland China a Chinese model of modernity, radically different from that in the West where 'capitalism develops by displacing family and personal relationships from centrality in economic life…disembedding itself from its parent society' (J. Gray, 2002, p. 184) making the economy a separate, autonomous domain. In contrast, the influence of the family on Chinese business culture reflects that of Chinese society, with trust outside the family being weak and so Chinese capitalism has more in common with Italian capitalism with its strong family-based firms than it does with capitalism found in America or other Asian countries such as South Korea and Japan (Orru, 1991).

However, before the SME sector of the Taiwanese economy can be considered in more detail, it is necessary to have an appreciation of the relevant features of the Chinese[3] family and so the family institutional logic will be reviewed next before the corporate institutional logic as represented by SMEs is considered.

4.6 Family

Taiwanese small businesses thrive and are predominantly run by families due to historical, political and traditional factors in Taiwan, as has been discussed by various sources (Economist, 1998b; Redding, 1990; Whitley, 1999; Hamilton and Kao, 1990). The influence of the Chinese family led to it becoming the basic unit of economic action and consumption and this, together with the distinctive authority structure of the family, is a vital element in the development of Taiwanese society and its business system (Gates, 1987; Greenhalgh, 1988; Hamilton, 1997; J. Gray, 2002; Redding, 1990). In particular, traditional patterns of subordination and obedience within families and acceptance of the dominant authority of the father, in keeping with Confucian doctrines as will be reviewed below, remain influential in Taiwan and play an important role in the structure of authority relations within family-owned businesses. The family thus plays a pivotal role within

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[3] The author has adopted the approach taken by Ip (2011b) and uses the term 'Chinese' here not in the political, but in the cultural and ethnic sense, as the majority of the inhabitants of Taiwan are Han Chinese.

society, with the interests of the family being seen as far more important than other interests or individual interests (Ip, 2009a).

Redding (1990) stated that role compliance is so strong in China that the family is regarded as the only reliable social structure outside that of the state, and so families are the basic building block of society, whose organising principles govern relations between them and the central state. In contrast to the West, household heads historically owed their loyalty directly to the state without any intermediaries such as feudal lords serving as foci of loyalty and commitment. This in itself is a consequence of the Confucian state ideology, designed to leave welfare as primarily a family issue and to concentrate people's loyalties on the family as a means of stabilising the state. The consequence is competition with other families in an attempt to control and accumulate scarce resources, and so trust tends not to be extended to outside the limits of the family, restricting social cohesion beyond family units and discouraging a wider spirit of community (Whitley, 1999; Hamilton and Kao, 1990; Ip, 2009a). This has been strengthened by the Confucian, and particularly the Taiwanese state's, aversion to alternative power bases, founded on privately owned wealth and large-scale control of resources (Beattie, 1979; J. A. Hall, 1988; Mann, 1987), and this pattern still survives strongly in Taiwan.

Another important feature of the Chinese family that has influenced the development of the Taiwanese business system towards SMEs is the practice of equal male inheritance (S.-l. Wong, 1985, 1988), which divided up the estate equally between sons. This tendency towards fragmentation of the family firm is further increased by the desire of each son to establish his own patriarchal household business (Tam, 1990), and this strong preference for self-employment over working for someone else (S.-l. Wong, 1985, 1988) is demonstrated by a Taiwanese proverb "it is better to be the head of a chicken than the tail of a cow". These two elements can be seen to promote the frugal, savings conscious, hard working lifestyle of traditional Chinese families (Gates, 1987). There is a stark contrast here to the history of primogeniture in Anglo-Saxon societies, whereby the family firm tends to be inherited intact by the oldest son in each successive generation and so can more easily grow out of its SME status (Macfarlane, 1978).

The strong influence of the familial institutional logic in the East was also reported by Bhappu (2000), albeit in Japan. As stated by Greenwood et al. (2011), Bhappu described how the structure of Japanese corporate networks and their management practices "persisted in the face of widespread efforts to emulate Western organisational models"

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and showed how the profound impact of the institution of family insulates Japanese organisations from the full pervasiveness of the market logic. However, in an analysis of 100 business groups in Taiwan between 1997 and 1998, Chung and Luo (2008a) found that second generation leaders were more likely to reduce family presence in the face of market-oriented transitions and highly diversified business groups if they had been educated abroad, especially in the U.S.. This could be due to their motivation and awareness of alternatives but equally, it could be seen as evidence of the salience of the family institutional logic being weakened by exposure to other, more market oriented, institutional logics. The validity of taking an institutional logic approach was also found by Reay, Jaskiewicz and Hinings (2015), who looked at the combination of family, community and market institutional logics in a Western context of the wineries in Western Canada and analysed how these influenced organisational behaviour, with different combinations of logics causing firms to take action that altered the field to support their own legitimacy and sustainability.

These approaches supported the importance of the familial institutional logic, but its centrality in the Taiwanese institutional environment needs to be understood before its effect on the corporate institutional logic, as exemplified by SMEs, can be appreciated.

4.7 Corporation - SMEs

The factors reviewed above, such as equal inheritance and strong preference for self-employment, combined with the state domination of commercial activities during the period of rapid economic growth in the 1960s, led to many Taiwanese becoming engaged in waged employment or in small-scale commerce and industry (Whitley, 1999), and consequently the economy developed into what has been described as familial capitalism based on SMEs (Gerlach, 1992). In the early 1980s, SMEs accounted for 98% of the total number of businesses, workers in SMEs made up 78% of the total labour force and SMEs produced nearly 77% of all exports. This was despite the fact that the government had not implemented policies to support SMEs and, indeed, it was only in the 1980s that the government recognised their role, both in increasing exports and in general economic development, and so introduced policies to support them (Lee, 2011). Unlike other countries, such as Japan or South Korea, where companies relied on the banking system, Taiwan's SMEs' source of finance was usually through family, friends and acquaintances without government support. SMEs are still the backbone of the nation's economy today, especially in the export sector and are still the major employer in Taiwan, with 78% of

employees working for SMEs (SME Administration, 2017) compared with 58% in OECD countries (OECD, 2017). Although most SMEs are family-run businesses with traditional roots, partnership businesses are also significant in number (Yuan, Bruton and Lan, 2004). This prevalence of SMEs in Taiwan and their contribution is summed up by the phrase 'SMEs represent the spirit of Taiwan', which has been accepted by the government and wider society as a reflection of the importance of SMEs within the economy.

It is a common characteristic of Taiwan's SMEs that employers apply a paternalistic management style rooted in Confucian values since, by doing so, employers hope to secure the loyalty of their employees and prevent a high staff turnover. Usually employers or managers develop personal ties with employees and create a harmonious atmosphere in their companies or departments with employer authority stemming from their leadership position rather than competence (S. J. Chen, Roger Ko and Lawler, 2003; Wilkinson, 1994). However, despite this attempt, SMEs in Taiwan have high staff turnover compared with large companies and there are several reasons for this. Firstly, SMEs have fewer resources than large companies and so they are less able to spend resources on the formal training of their employees. Secondly, SMEs are often managed by the owner or a member of the immediate or extended family, resulting in low organisational commitment to workers who are not family members due to trust usually not being extended outside of the family. In addition, SMEs usually pay less than large firms and offer less opportunity for advancement (Farh, 1995). Finally, the introduction of regulations requiring employers to make much higher contributions for their employees' medical insurance may be one of the factors leading to SMEs in Taiwan having more family - and acquaintance - based workers since employers may be less likely to pay such contributions for these people (Lee, 2011). However, this can be seen to be exploitation of family members, as described by Greenhalgh (1994) below.

As stated above, Whitley claimed that Taiwan is an example of a divergent form of capitalism, whereby historical events create different environments in different countries, leading to the development of specific institutional arrangements during industrialisation (Whitley, 1999). At a macro-level, there are several factors – historical, political and social-cultural – that have all contributed to the formation of an institutional environment which encourages SMEs and has led to their prevalence in the Taiwanese economy. The defeat of the KMT in Mainland China, ethnic divisions and an authoritative government have all played their part in this and this different development is also emphasised by J. Gray

(2002), who argues that capitalism in different countries will inevitably develop in different forms. Institutional factors are seen here to play a critical role in shaping the economy.

This view is supported by a study by Orru (1991), who found that, despite having very different political and historical backgrounds, the economies of Italy and Taiwan have perhaps surprising similarities. Using an institutional organisational approach in an analysis of economic structures, Orru stressed the part played by institutional factors and the social embeddedness of economic activities in an attempt to correct restrictive models of Eastern versus Western economic action. The evidence showed the two countries' economies to be similar in terms of the near absence of large-scale industrial corporations, a strong state presence in heavy industry and myriad SMEs, despite the fact that they have very different cultural and socio-political histories. The key values affecting individual behaviour in organisations in both countries were familism, offering alternative values to the individualistic pursuit of profit, a cultural preference for being one's own boss as described above, the importance of personal ties and business networks and patterns of personal savings and investment. There were also similarities in small firm economies and social structures for factors such as economic and legal incentives for SMEs, state ideology, distrust of the system, the absence of central planning and the rigidity of the financial system. The conclusion was that Italy and Taiwan have similar small-firm economies but very different contexts and this is caused by no single factor, but rather historically specific sets of factors. Thus there is no single pattern of capitalism in the East or in the West, and so a market explanation of economic structure can be rejected in the absence of social forces – not just political factors such as the state - since the market, state and culture all affect each other.

Similarly, Orru et al. (1991) considered new institutionalism as an alternative to more conventional theories, such as resource dependency or population ecology, for the study of organisational environments. In a comparison of Taiwan, South Korea and Japan they found intra-societal isomorphism but inter-societal variation in contradiction to the predictions of the orthodox theories and anthropological perspectives looking at solely such aspects as a Confucian work ethic. Instead, they claimed that institutional factors provided a more convincing explanation, with those in Taiwan including the prevailing ownership pattern of private family control, 'curb' sources of finance from family and friends, loose integration and short-lived subcontracting relations within SME networks, equal inheritance between sons, the centrality of family relations and a state policy of non-interference in the private sector. As a result, institutional factors could be seen to be

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related to the relatively isomorphic intra-societal economic structures of Japan, South Korea and Taiwan, which could not be considered to be corruptions of Western ideal forms.

In the same vein, Hamilton and Biggart (1988) investigated the reasons for differences in the prevalent organisational structure of business enterprises found in Taiwan, South Korea and Japan, with Taiwan characterised by the prevalence of the SME sector, South Korea by large hierarchical firms (*chaebol*) with a degree of state management, and Japan by networks of large firms (*zaibatsu).* They concluded that conventional Western economic market explanations were insufficient and that while market and cultural factors best explained organisational growth, authority and legitimation strategies best explained organisational structure. Using a political authority approach based on Weber's principles of domination (Weber, 1922/1978), they describe how Taiwan has a "strong society model of state/ business relations" (Hamilton and Biggart, 1988, p. 78), where the state controls heavy industry and finance but does not implement effective economic plans, creating "virtually free trade conditions" (Little, 1979, p. 475) for the export business sector.

However, whereas Western economic theory would predict rapid concentration and the development of managerial capitalism, almost the opposite occurred with a low level of business concentration and decentralised development. The reason they propose for this is based on the rationale chosen by the political leaders to legitimise their rule after the Second World War. Chiang Kai-Shek could have followed the path he took in Shanghai in the 1930s where he supported a strong business class. However, after deciding to create a long-term stable government instead of returning to Mainland China, he encouraged an updated Confucian state based on the model of the late imperial system in order to advance his own claims for legitimacy, advocating moral values, no corruption or unfair wealth and a system that "leaves the people at rest". This enabled businesses to develop on the basis of small family-run firms with personal networks due to the nature of the Chinese family system and this represents the situational adaptation of pre-existing organisational forms to specific political and economic conditions.

Biggart and Guillén (1999) drew some interesting conclusions in their comparative study of the development of auto industries in South Korea, Taiwan, Spain and Argentina. Aiming at providing a critique of previous development theories, they describe how Taiwan's state policy in the post-war period up to deregulation led to the failure of an export-oriented auto assembly sector but that subsequently Taiwan developed as a world

class component exporter. The success of the latter is attributed to the demand-driven and responsive nature of the cooperative SME sector, which is ideal for producing capital-light but knowledge intensive products, and in turn this is due to the institutional nature of Chinese society "allowing the people to prosper" as argued by Hamilton (1997, p. 245), although this is often mistakenly understood as a laissez-faire policy (Wu, 1978). They conclude that economies are organised institutional arenas, historically developed, causally complex and difficult to change in fundamental ways, with the internal coherence of the organising logics constraining the ability of countries to copy different development strategies. M. F. Hsieh (2011) similarly looked into the different patterns of development of Taiwan and South Korea and explained these in terms of variations in the social structures causing different state– society relationships, which subsequently resulted in different paths of development. By means of an empirical study of the bicycle manufacturing industry, it was evident that the efficiency of Taiwan's decentralised SME sector, combined with the absence of state interference, has resulted in Taiwan becoming a world-leader in the export of bicycles.

However, the narrative version of Chinese family firms benefitting from benevolent paternalism as described by Redding (1990) is challenged by Greenhalgh (1994), who considers this to be a political construction that ignores a division of labour based on gender and generational disparities and a reliance on unpaid family labour. Based on an empirical study of 25 Taiwanese SMEs, she argues that this construct came from the necessity of the family heads needing to legitimise their exploitation of family resources in the face of various features of the national and global economies. Furthermore, this is in the context of, and supported by, a very conservative politics that "lent support to a new, flexible form of capitalist accumulation that is based on exploitation of gender and other social inequalities" (Greenhalgh, 1994, p. 746).

4.8 Religion - Confucianism

4.8.1　Introduction

As described above, Taiwan's institutional environment has been greatly influenced by Confucianism and so it is important to review this philosophy. The fact that this is being done under the religion institutional logic may be considered to be questionable, but the author considers that this is acceptable for the following reasons.

Although Confucianism is often characterised as a philosophy rather than a religion, it was "built on an ancient religious foundation to establish the social values, institutions, and transcendent ideals of traditional Chinese society" and so has many characteristics of a religion (Berling, 1982, p. 5). In this sense, it has been considered to be a religion by various scholars, for example Bellah (1992) described it as a 'civil religion', "the sense of religious identity and common moral understanding at the foundation of a society's central institutions" (Berling, 1982, p. 5) and, similarly, Confucianism is one of the main subjects covered in Weber's *The Religion of China,*[4] along with Taoism. Ames (2011) has also described it as "atheistic human-centred religiousness" and a moral tradition and so it is in the sense of Confucianism as a 'civil religion' (Bellah, 1992) that this paper proceeds.

Confucius (551 – 479 BC) was a Chinese philosopher who lived at a time when China was undergoing civil war, known as the 'Warring States' period. His philosophy emphasised harmony, personal and governmental morality, appropriate social relationships, justice, and sincerity (Yen, 2003), with its original aim being to establish stability in a hierarchical social system and so achieve peace. Its foundation was a system of institutional rites and norms that defined and regulated political and social behaviour (*li*), previously developed and implemented in the Zhou dynasty (1122-771 BC) and so Confucianism incorporated many common Chinese traditions and beliefs such as strong family loyalty, ancestor veneration, respect for elders and virtuous behaviour. This concept of the family was taken as the basis for government and the principle "do not do to others what you do not want done to yourself" as the golden rule (Lau, 1979). Confucius' singular contribution to this tradition was to provide a philosophical account of the true nature of *li* (etiquette) by invoking two quintessential Confucian notions - *ren*, human benevolence and *yi*, moral appropriateness - as the foundation of its legitimacy.

Confucian thought continued to be developed and refined by his followers after his death (Yen, 2003), so that none of the body of written work now known as the Confucian Classics, comprising 13 main texts in addition to the Analects and the book of Mencius,

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[4] Weber's title in the original German was *Konfuzianismus und Taoismus*, i.e. Confucianism and Taoism, but the translator, Hans Gerth, stated "we have named this volume *The Religion of China* to avoid the isms." (Weber, 1915/1951, p. ix)

was actually written by Confucius himself (Li, 2008). All these teachings become the base of the moral tradition of Confucianism, which received official sanction during the Han dynasty (206 BC – 220 AD). At about this time, the two religions of Daoism and Buddhism also started to grow in importance and, whilst they and Confucianism influenced each other significantly, Confucianism was prominent due to its adoption by the state and resultant influence throughout the different levels of society including the family (Yen, 2003). Consequently, throughout many of the dynastic cycles of China's imperial period, Confucianism was the dominant official ideology and provided significant stability and legitimacy to the ruling regime and to society (Ip, 2011a; De Bettignies, Keung Ip, Bai, Habisch and Lenssen, 2011). Therefore, Confucianism can be seen as the summation of the development of Chinese civilisation (Tu, 2003).

To this day, Confucianism continues to have a strong influence on Eastern societies, such as Mainland China, Taiwan, Hong Kong, Singapore, Japan and Korea. Its wider importance and relevance is shown by the fact that it has been studied from such different fields as philosophy (Ivanhoe, 2002; Sim, 2007; J. Yu, 2007), cross cultural research (Hofstede, 1980; Hofstede and Bond, 1988; Franke, Hofstede and Bond, 1991), business ethics (Ip, 2009a; Romar, 2004), organisational studies and business systems (Whitley, 1999; Hamilton and Biggart, 1988; Redding, 1990) and psychology (Hwang, 2000). Additionally, Confucianism has often been compared to Aristotelian thought and it can be considered as a moral tradition.

Confucianism stresses that a person's moral traits need to be consciously cultivated and so can also be described as a character-based ethical system (G. K. Y. Chan, 2008; Ip, 2009b), which emphasises interpersonal relationships and harmony at personal, family, societal and state levels. (Ip, 2009a; Ivanhoe, 2002; Sim, 2007; Tiwald, 2010; J. Yu, 2007). Its cardinal virtues of *ren* (compassion), *yi* (appropriateness) and *li* (etiquette) act together to constrain self-interest and to promote harmony in a hierarchical social structure (L. H. Lin et al., 2012). The importance of social relations is also stressed by Rosemont and Ames (2016) in their proposal that Confucianism can be better understood as a role ethic (*lunli*) rather than a form of virtue ethics, which better characterizes Western autonomous individualism. They argue that Confucianism accepts that association is a fact since "everything we do – physically, psychologically, socially – is resolutely transactional and collaborative" (Rosemont and Ames, 2016, p. 12). Confucianism is concerned with the *dao* (way) for a person to become good, which is approached by focusing on the cultivation of *de* (virtue). This enables the person to

become a *junzi*, translated as an excellent (J. Yu, 2007) or cultivated person (Y. Yu, 2013), who is a moral person having not only a purposeful life constrained and directed by virtue but also with an essentially social nature, helping others in the pursuit of the virtues in order to achieve social harmony (L. H. Lin et al., 2012; J. Yu, 2007). In this way, Confucianism emphasises both internal development and external engagement in a continuous process of mutual reinforcement (Ip, 2009a).

The primary concern is the human condition and how well-being is maintained in society (W. Chan, 1963; Ip, 1996, 2004, 2009b), and the morality of human conduct is mainly expressed in terms of role-based obligations and obligation exchanges. Collective values and interests are prioritised over those of the individual (Ip, 2009a) so it is important that a person knows their position in the social hierarchy (Ip, 2009b, 2009a). Therefore, Confucian ethics are very much concerned with hierarchy, *guanxi* (relationships), social traditions and harmony (G. Chan, 2008) and consequently with authority and paternalism, which provides moral legitimacy and stability to the state, society and family via a top-down system of social interaction. Confucianism informs, guides and prescribes the rights and wrongs of thoughts and so has influence not only on people but also on institutions and practices (Ip, 2009a).

4.8.2 Harmony and the Doctrine of the Mean (*Zhongyong*)

The concept of harmony (*he*) is probably the most cherished but also undervalued idea in Chinese culture (Li, 2006) and is prominent throughout Confucian teaching up to the present day (Li, 2008). This notion of harmony presupposes the existence of difference and implies the creation of a favourable relationship between disparate elements. Therefore, harmony is not to be understood in the sense of sterile sameness, but rather in the sense of bringing together diverse components to make a harmonious whole. For example, delicious food cannot be made from similar ingredients but instead requires a blending of different ones. Similarly, music cannot be made from just one note but needs a mixture of notes and tunes, some of which may be discordant, but which are resolved to be in harmony with each other. It is not difficult to see how the notion of *he* as the harmonious interplay of sounds or flavours was expanded to other things and become a general theme (Sim, 2007; Li, 2008; Yao, 2000).

Confucian harmony is both a metaphysical and a moral concept. At the metaphysical level, the philosophy of *yin yang* (dark and bright) from Daoism became incorporated into Confucianism at the time of the Han dynasty as the process of harmonisation, where

'female' *yin* elements, such as the moon, water and darkness are balanced by 'masculine' *yang* elements, such as the sun, fire and light. The resulting Confucian concept of harmony describes how the entire universe constitutes a 'grand harmony', in that it comprises different components that harmonise as they go through continuous change and this notion of 'grand harmony' sets the stage for all other Confucian ideas, being applicable to heaven and earth, the natural world as well as to society and individuals. Thus, harmony is the principle and right path of heaven[5] and "when *yin* and *yang* are balanced, energy (*qi*) flows well, things get generated" and disharmonies are transformed into harmonies (Li, 2008, p. 427).

As a moral concept, the principle of harmony is for a person to be a *junzi* (excellent person), who harmonises but does not seek sameness and should be able to respect different opinions and be able to work with different people in a harmonious way. In this respect, a major function of *li* (etiquette) is precisely to achieve this harmony by informing the individual how to act according to their role and to harmonise with others at all levels, those of the individual, society and the natural world (Sim, 2007). The concept of *li,* together with the direct connection between *li* and harmony, will be reviewed later in this chapter but the key point here is the centrality of *li* to harmony - following *li* results in a person being harmonised and regulated. Harmony between people is seen as the most important matter in human affairs - "good timing is not as good as being advantageously situated, and being advantageously situated is not as good as having harmonious people" (Mencius 3B.1). In order to achieve a major goal in social affairs, all three elements are needed – good timing (*tian shi*), being advantageously situated (*di li*) and having harmonious people (*ren he*) – with the latter being the most important.

Subsequently, the concept of achieving harmony has become the ultimate goal and a fundamental value throughout Confucian teaching (Li, 2006). Harmony is the "underlying principle of all relationships, the reason why all virtues can be fully realised" (Yao, 2000, p. 173) and the basic and overlapping goal at different levels – individual, familial, organisational, societal and at that of the state and the natural environment (Ip, 2009a). Practicing *ren-yi-li* and exercising virtuous acts are the ways to achieve harmonious

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[5] Rosemont and Ames (2016) recognise that this translation of *tian* as 'heaven' is overly Christianised but also note that more secular attempts result in a dismissal of Confucianism's "profoundly religious dimensions" (Rosemont and Ames, 2016, p. 24).

personal and interpersonal lives. Family and clan patriarchs treating their family members with the virtues produce harmonious families. Kings and princes practicing *ren-yi-li* and implementing virtue-driven policies create harmonious relationships with their subjects, thus achieving harmonious governance. The undertaking of virtuous acts and policies between states helps to develop a harmonious inter-state environment conducive to peace and prosperity for all humanity (Ip, 2009b), and there should also be harmony between human society and the natural world. The ultimate goal is to achieve the 'grand harmony' throughout the universe as described above (Li, 2006; K. Lam, 2003).

This sense of harmony and its emphasis on Chinese individual-family-society relationships can be seen in one of the most important Confucian classics, *The Great Learning* (Y. Lin, 1938):

> "…those who wish to order their national life, would first set about to regulate their family life. Those who wish to regulate their family life would set about cultivating their personal life"

> "There is no one who fails in teaching the members of his own family and yet is capable of teaching others outside the family. Therefore the gentleman spreads his culture to the entire nation by merely remaining at home. The teaching of filial piety is a preparation for serving the ruler of the state; the teaching of respect to one's elder brothers is a preparation for serving all the elders of the country; and the teaching of kindness in parents is a training for ruling over people".

It is evident that there are notable similarities between Aristotle's doctrine of the mean and a substantial train of thought in Confucianism concerning *zhongyong*, which is also translated as the doctrine of the mean. Both Aristotelianism and Confucianism associate virtue with the mean so that, for Aristotle, virtue is a disposition, "a mean between two vices", one of excess and one of defect (Aristotle, 1934, p. 95) and in Confucianism, achieving the mean is the supreme virtue (Lau, 1979). This concept was also explored by Sim who, whilst contending that Confucian harmony often functions as the equivalent of Aristotle's *meson*, or 'mean', considered that harmony is distinct but not separable from the concept of the mean (Sim, 2007, p. 11). The mean is "the universal basis of every harmony" (Sim, 2007, p. 103) and the goal of the mean is to maintain balance and harmony (Gardner, 2007). Harmony is accomplished when human feelings are regulated according to the mean and are ordered according to the norm (*zhong*).

4.8.3   Cardinal Virtues - The Core Components of Confucianism

Among all Confucian virtues, *ren*, *yi* and *li* are the most important and are relevant to all situations in human life. They are interrelated and complementary to each other, defining "what is morally acceptable in human society" (Ip, 2009a, p. 464). They are also known as the whole virtue that defines basic human morality (Cua, 2007), and are the foundation for a person to learn and to develop moral character in order to become a *junzi* (an excellent person) (J. Yu, 2007). In this way, the system of Confucian virtues is practical with a clear focus on the practice of excellence by ordinary people.

4.8.3.1   Ren - Compassion

Ren is the capacity of a person for compassion or benevolence towards others and society as a whole, fundamentally expressed by way of social relationships (J. Yu, 2007, p. 34; Ip, 2009a; Hwang, 2012). *Ren* can be regarded as virtue in its totality, comprising other specific virtues such as knowledge, courage, filial piety, loyalty, respectfulness, tolerance, trustworthy and generosity (J. Yu, 2007, p. 34). In other words, this central element of Confucianism is the practice of benevolence to achieve human excellence. The social character of *ren* was described by W. Chan (1955, p. 311) - "*ren* becomes meaningless unless it is involved in actual human relationships" and "*ren* is essentially social, active, and dynamic" (W. Chan, 1955, p. 310). Therefore, *ren* represents an important affective dimension of social relations and interaction (Yunxia Zhu, 2015).

Etymologically, the Chinese character "*ren*" is structurally made up of the words "human" and "two", and so the symbol of *ren* relates to the idea of a person along with his/ her affective connection and interaction with others (W. Chan, 1955; Ip, 2009a). The stress on *ren* as love of people also involves emotions conducive to morality (Yunxia Zhu, 2015) and the exercise of *ren* results in an improved mind-set and in improved moral sentiments (Ip, 2009a; L. H. Lin et al., 2012). Furthermore, the affective connection is also shown in the five Confucian relationships (*wu lun*), those between father and son, emperor and subjects, husband and wife, elder brother and younger brother and between friends, which are socially embedded broad relationship patterns based on *ren* (Lau, 1979, 1995). The *wu lun* are often taken as the basis of modern day *guanxi* (relationships), but the modern version of *guanxi* is not identical to the traditional Confucian form, but instead is more of a strategic tool to achieve business goals (Leung and Wong, 2001), being the most effective and efficient marketing tool (Luo, 1997).

4.8.3.2   Yi - Appropriateness

Yi is usually translated as 'appropriateness' or 'rightness' and is the capacity to assess appropriateness and the right direction in actions, relationships and other human matters (Ip, 2009b; Sim, 2007; J. Yu, 2007; Ip, 2009a). According to the Analects (Lau, 1979), appropriateness is "the virtue of judging and doing what is appropriate" or "what sets things right and proper" understood as "what is appropriate to do" (J. Yu, 2007, p. 144). In the former sense, it is the intellectual quality of the agent and so is internal whereas, in the latter sense, appropriateness is an attribute of ethical action overlapping significantly with social rites (*li*) and so is external. These two aspects are closely related and inseparable. It is inner qualities that enable a virtuous agent to decide what is appropriate to do in external action and so feelings and action should be harmonious in a virtuous agent. Therefore, *yi* can be seen to be rooted in tradition and influencing people's choices and actions so that reason and emotion are in harmony (J. Yu, 2007).

Appropriateness has also been considered to be the most important factor for being an excellent person (*junzi*) (J. Yu, 2007), which requires the mean (balance) together with *ren-yi-li*. *Yi* influences how a *junzi* uses the morality of rightness to guide and constrain personal self-interest and to select only those actions that meet the demand of rightness (Ip, 2009a). To act and think appropriately relies on good judgement and Confucianism emphasises the development of good decision-making powers in individuals as part of becoming a *junzi*. Judgement of what is appropriate emerges from human development and the growth of character (Van Norden, 2004). Virtue is partly an inclination to act well, but also an ability developed from personal experience to judge what is right (Provis, 2010). Consequently, it is about morally correct or virtuous decision-making in various situations in everyday life.

Provis (2010) considered that this process of decision-making is based on cognition and incorporates general value-related considerations in judgements about specific circumstances. He suggested that virtue ethics such as Aristotelianism and Confucianism have a holistic approach, in that they map stimuli onto complex cognitive structures. Even though such a context-based approach relies on personal experience, this is not sufficient for the development of good decision-making capabilities since it also needs to be complemented by other processes, such as reflection and coaching (Provis, 2010). Moral decision-making can be improved by reflection on experience, since it is the combination

of thought and experience that echoes the Confucian view that "learning without thought is labour lost; thought without learning is perilous" (Lau, 1979).

4.8.3.3   *Li - Etiquette*

'Ritual' or 'etiquette' are the most commonly used terms to translate *li*. The character of *li* was denoted in many passages of the Analects as the proper customs, acts or established social norms, the purpose of which is to govern religious sacrificial acts or sacred ceremonies appropriately. However, all Confucian moralities are represented and regulated by *li*, since *li* controls the norms, protocols, rites and regulations governing action in every respect of daily life on personal, institutional and state levels (Ip, 2009b, 2009a). Thus, *li* is far more than what is seen in traditional religious ceremonies, since it includes governing, codes of conduct, filial attitudes, friendship, gift giving, types of dress, forms of speech and repeated actions (Kim and Strudler, 2012). It is through social relationships, governed by *li*, that humans become who they are. The rules govern the proper way a person conducts themself towards to others, with a person's role dictating how to act appropriately in various situations (Fingarette, 1983).

It is also evident in the classic Confucian texts that *li* is closely connected to respect. Fingarette (1972) explained that, in Confucianism, to respect a person is to value him as sacred, and sacredness emerges from participation in rituals, which form the basis for well-mannered behaviour and civility. Kim and Strudler (2012) viewed that rituals, by their nature, are conventional in the same way as language is conventional. Both ritual and language depend for their meaning on the shared understanding and purpose of the participants. Rituals are essential for expressing respect in the same way as prosaic language is essential for expressing prosaic thought. Respect emerges from the relationship between people acting together and both parties must collaborate in ritual for meaningful respect to occur (Kim and Strudler, 2012). In a business context, they viewed that managers and workers should understand that there is a broad range of morally important rituals in organisational life and that managers should preserve and develop the intelligibility and integrity of many of these rituals. Fingarette (1972) discussed extensively how *li* are ways in which people express respect for one another since they are powerful phenomena. Groups that participate in rituals can be elevated from the normal into the "status of the sacred" when their relationships are conducted according to secular *li* (Kim and Strudler, 2012, p. 565).

People cultivate themselves to be truly *ren* (excellence) through participating in social intercourse governed by proper social conventions. Therefore, members of a group are truly *ren* through their action in carrying out *li*, thereby genuinely cultivating themselves. People then become "players in the harmony" (Neville, 2000, p. 34) by committing to a "beautiful and graceful coordinated interaction with others according to conventionally established forms that express mutual respect" (D. Wong, 2008, p. 9). Ritual is a collaborative endeavour, with each person playing a role that accommodates the others involved and depending on their participation. Collaboration in such complexity requires communication and acknowledgement from all participants about the nature and value of each other's roles. Such communicative acts comprise civility and the normative authority of *li* lies not in ritual itself, but in the fact that ritualistic actions, which otherwise would be mere chaotic behaviour, become communal, coordinated and meaningful, allowing people to realise their most excellence human qualities. Consequently, it is through *li*, within a given social environment, that people are led to see what is good. Ritualisation is a process that involves assimilation of social values and emotional training, with the state and the family having indispensable roles for the cultivation of virtuous dispositions, and so the self is shaped and transformed through such repeated practice (J. Yu, 2007).

In this way, actions such as bowing and shaking hands can become infused with value and so come to mean much more than the simple action itself. There are clear parallels here between *li* and concepts from institutional theory - for example, Q. Zhang (2016) explicitly compares *li* with primary and secondary socialisation as proposed by Berger and Luckmann (1966/1991) and the latter's definition of an institution as the reciprocal typification of habitualised action by types of actors is also germane in this respect.

In summary, the concepts of *ren*, *yi* and *li* form the basis of Confucian virtue ethics. *Ren* is the internal attitude of compassion needed towards others, with *yi* guiding how it is appropriate to put this into action and *li* governing the norms of behaviour for interaction. They act together so that for a Confucian individual, how to act and how to behave is to constantly constrain self-interest.

4.8.4   *Guanxi* (Relationships)*, Renqing* (Empathic Reciprocity) and *Mianzi* (Face)

Hwang (2000) analysed Chinese social concepts critical for the maintenance of personal ties, such as *guanxi* (relationships), *renqing* (empathic reciprocity) and *mianzi* (face), and described how these are closely related to *ren*, *yi* and *li* using a psychological approach. *Guanxi* generally refers to relationships or social connections based on mutual interests

and benefits (M. Yang, 1994). It is a special type of relationship that bonds the exchange partners through reciprocal obligations, enabling them to obtain resources through continual cooperation and exchange of favours, as referred to by Friedland and Alford (1991) in the previous chapter. *Renqing* refers to emotional responses to the various situations of daily life that are guided by sets of social norms for getting along with others (Guo, 2001) and has three main meanings. Firstly, it indicates the emotional response that an individual has in various situations in daily life; a person who is versed in *renqing* is well equipped with empathy. Secondly, *renqing* can be considered as the principle of reciprocity, as a resource that an individual can present to another person as a gift in the course of social exchange with implication of mutual obligation. Finally, *renqing* connotes a set of social norms governing social relations in Chinese society, covering how to interact well with other people and maintain good interpersonal relationships (Hwang, 1987; Y. Wong, Leung, Hung and Ngai, 2007). It can be seen that the Confucian cardinal virtues of *ren-yi-li* embody *renqing. Mianzi* (face) denotes an individual's social position or prestige, gained by successfully performing one or more specific social roles that are well recognised by others (Hu, 1944a).

	REN	YI	LI
	instrumental ties	equity rule	Objective decision making
	mixed ties	renqing rule	dilemma of renqing
	expressive ties	need rule	conflicts inside family

1. Judging the guanxi
2. Rule for social exchange
3. Psychological conflict

☐ expressive component
☐ instrumental component
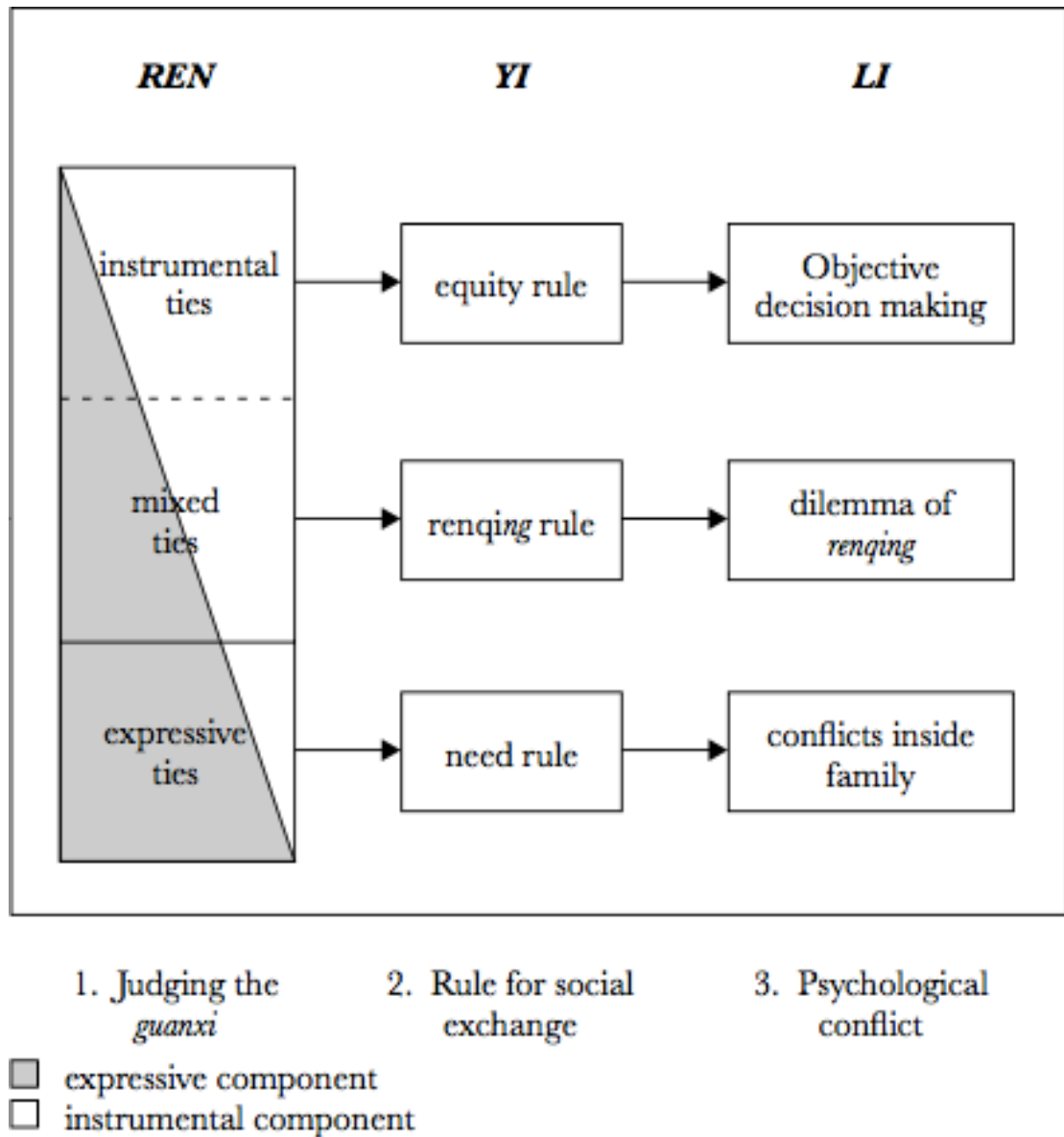
Figure 4.2: Confucian Ethical System of *ren, yi* and *li* (Hwang, 2000)

Hwang suggests that interpersonal relationships in Chinese society can be termed 'Chinese relationalism' and, as shown in Figure 4.2, divides *guanxi* into three types: expressive, instrumental and mixed (Hwang, 2000, 2012). Expressive ties occur between members of primary groups, such as family and close friends, and are governed mostly by the expressive component of *ren,* with decisions being made (*yi*) on the basis of need. On the other hand, instrumental ties occur between strangers for the accomplishment of goals of common interests with much less affection and are governed by instrumental aspects of *ren*, with decisions (*yi*) being made on the basis of equity. Between these two, mixed ties refer to relationships between people known to each other and so a certain level of *ren*,

with decisions (*yi*) following the rule of *renqing* (empathic reciprocity). This demonstrates that the moral principle of *ren* applies to different sorts of relationships to varying extents. However, these ties also are also associated with different types of psychological conflict as they involve different types of social interaction, rules of resource exchange and affection. Thus, whilst the actions involved with relations with strangers are as a result of objective decision-making, those with family members may result in conflicts within the family and those between people known to each other in a certain degree of dilemma due to the reciprocity expected according to *renqing*. These patterns of interactions and their related conflicts were addressed by empirical study by Yunxia Zhu (2015), which demonstrated how the decision making in Chinese SMEs involve different types of ties relating to *guanxi*.

4.8.5   The Influence of Familial Relations

4.8.5.1   *Roles and Hierarchy*

As mentioned above, *ren* is embedded within the *wu lun (*five relationships) – relations between father and son, emperor and subject, husband and wife, elder brother and younger brother, and between friends. These five relations are largely familial in nature (G. Chan, 2008) and embody the values people have come to endorse through socialisation concerning their role in society (Farh, Earley and Lin, 1997). That between emperor and subject has a familial aspect as discussed below and even that between friends is conceived as one between brothers. This is reflected in the Chinese popular saying 'people are brothers within the four seas' - everyone is a member of a big family connected by blood-ties or in some other way. This demonstrates that, even though social relationships are complex, they are primarily dominated by these familial roles (Ip, 2009a).

However, even within the family, relationships are hierarchical and hierarchical status in social relations has always been considered as a part of traditional Chinese society (Hwang, 1987). This means that, when vertical relationships are regarded as the model, a person's worth is a function of their position within the relationship, with those at the top possessing more worth than those at bottom (Ip, 2009a) and so interactions and exchanges between people in such vertical relationships are typically asymmetrical. For example, emperors, fathers and husbands, being in the dominant position, can demand submission, compliance and obligations from subordinates, such as subjects, sons and wives, but, whilst they are not obliged to reciprocate in kind, they are constrained by the responsibilities of their role. This asymmetrical reciprocity from obligation exchanges is a

result of the embedded hierarchical human relationships endorsed and supported by Confucianism (Ip, 2009a). Such concepts are socially embedded and ethical standards are to be found in the societal rituals and codes of behaviour - a person's life is bounded by their relationships and the obligations of their consequent roles. Within such a value framework, Confucianism enforces concepts of authority, paternalism and hierarchy and these provide moral legitimacy and stability to the state, society and family based on seniority and authority via a top-down system of social interaction. Respect for authority is the key element to maintain interpersonal harmony (H. Yang, 1989) and, in this respect, Koehn and Leung (2004) note that *li* means that the concept of human dignity is not equal for everyone but is based on societal roles as well as family background and occupations, and that the notion of 'role-based dignity' is prevalent in East Asian countries.

4.8.5.2   *Filial piety*

One consequence of this framework of roles and hierarchy is the key concept of filial piety, acknowledged as the first among all virtues of human relationships (Ip, 2009a) and seen as fundamental to *ren* (G. Chan, 2008; Ip, 2009b; J. Yu, 2007). Traditionally, family patriarchs demanded filial piety from sons and daughters, and similarly emperors, rationalising their legitimacy by means of the 'mandate of heaven', ruled the state like a family. As a result, emperors were often called 'Father Kings' and demanded absolute loyalty, the political variant of filial piety. Having this paramount importance in both family and the state life, filial piety defined and dominated all other human relationships in traditional China and still legitimises top-down hierarchical relationships (Hamilton, 1990b; Ip, 2009a).

In this way, filial piety is elevated as an all-encompassing virtue and transfers legitimacy to the underlying hierarchy (Hamilton, 1990b). The individual is subordinate to their role within their relationships and should seek fulfilment from submitting to their role (Hamilton, 1990b). This concept of filial piety applies to the *wu lun* (five relationships) and extends to younger people's relations with older people and to people's relations to their superiors, both within organisations and wider society, and so has nurtured and sanctioned a hierarchical structure of human relationships, resulting in an unequal society (Ip, 2009a).

The related concept of paternalism simulates the way a father takes care of his children and is based on the assumption that the father always acts with the children's best interests in mind and has the knowledge and capacity to protect their interests. When beneficial human relationships are conceived using the family as a model, it is easy to see

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paternalism as a natural consequence of familial collectivism (Ip, 2009a) and so parental authority smoothly morphs into authoritarianism to govern all human relationships, since the family patriarch at the top of the relationship hierarchy possesses all the power and authority needed to make decisions for the family. However, this authoritarian aspect can result in the unequal social structure noted above that is detrimental to the individual's self-esteem and autonomy (Ip, 2009a).

However, it is important to appreciate that Chinese patriarchy is fundamentally different to that in the West, since Western patriarchy emphasises the ultimate supremacy of the person whereas Chinese patriarchy emphasises that of the role. Hamilton (1990b) suggested that this difference implies that, for each society, there are distinctive sets of meanings and procedures for enacting an ordered society. Western patriarchy traditionally emphasised the personal power of the superordinate, the *pater familias*, giving him the right of command, and identified a jurisdiction, for example the extended household, within which the right of command was deemed legitimate, strengthened by the concept of primogeniture. This personalised, jurisdictional form of patriarchy was in turn justified by the patriarch's link to transcendental powers, whether religious or magical. By contrast, Chinese patriarchy places the stress on the subordinate's duty to obey (*hsiao*), assigns role obligations that signify their submission to duty, and restricts legitimate acts of power and obedience to behaviour in the role sets of *wu lun*. Hamilton (1990b) suggested that this was because the Chinese state did not traditionally maintain order by jurisdiction, since the ruling elite was small in number and needed to control a vast area of land where civil law was underdeveloped. Instead, a system grew up whereby the social order could operate by itself with a minimum of assistance from the formal political structure (Y. Yang, 1956). There were two components needed for this to work – having people understand their prescribed roles and implementing punishment so that the prescribed role behaviour was maintained. The former was achieved by Confucianism being deeply embedded in the social system with specific sets of social roles and processes of family socialisation. The latter was achieved by severe and widely promoted punishment for deviation (Redding, 1990).

In summary, Confucian patriarchy can be seen as impersonal, non-intentional and harmony seeking, justified by the belief that it is the duty of all individuals to conform to their roles in order to maintain the harmony of the whole. This consequently has implications for how individuals view the self, which will now be reviewed.

4.8.5.3   Collectivism and the Self

Confucian collectivism stems from the concepts of *ren-yi-li* by means of which a person practices benevolence and care towards others, using the morality of rightness to constrain their personal self-interest so that they act appropriately according to their role and show respect to others within hierarchical relationships. This inhibits the tendency of individualism (L. H. Lin et al., 2012) and promotes the interests of the group, especially those of the family, by placing collective interests above those of the individual. Consequently, family interests and goals are prioritised and ideally there are no individual interests independent from those of the family. Both need to be aligned for harmony to be maintained and so individual well-being is only possible by means of the realisation of the well-being of the group (Ip, 2009a).

Within such a tradition, the individual is interpreted in connection with the community of which they are a part. Their cultivation of the inner self is assessed by their external behaviour and their social relationships within the community and their identity and place in the community are to be understood through their social attachments and positions in the social hierarchy (G. Chan, 2008; Ip, 2009a; Yao, 1996). An individual is seen as a social being - there is no individual identity in the egoistic sense with individual rights as conceived by liberal thinking in the west (Ip, 2009a; MacIntyre, 2004).

Confucianism thus emphasises social relatedness and social roles in its concept of the self - the 'relational self' - in the dimension of self-other demarcation and individual identity, and the Confucian individual is interpreted in connection with the community of which he or she is a part (G. Chan, 2008). "The self is not an independent entity in Chinese culture; Chinese people have no distinctive awareness of their own existence, uniqueness, direction, goals, or intention. Because there is no clear-cut boundary between oneself and others, the Chinese self can be termed the *relational self*." (Hwang, 2012, p. 192 emphasis in original). This relational self is a very different self from that of the more liberal and individualistic West (Ho, 1995; J. Yu, 2007; Hwang, 2000) in that whereas the Western self regards the individual as standing alone against the world, the relational self is embedded in a social network. Fei (1948) likened Western individuals to wooden sticks, which can be bound together into a bundle by social organisation, whereas Confucian individuals are more like the ripples caused by throwing a stone into a pond, with each individual at the centre of a series of concentric rings. Hwang (2000) sums up the difference between the Confucian and Western concepts of the self well

when he refers to the former as being Galilean whereas the latter is Ptolemaic – i.e. in the West everything revolves around the individual self whereas in the East, the relational self revolves around the rest of society. This concept has been discussed at the conceptual level in fields such as philosophy (J. Yu, 2007; Sim, 2007) and psychology (Ho, 1995; Hwang, 2012), but has not received much coverage in organisational studies. In this respect, models, such as that on Chinese relationalism proposed by Hwang (2000) and reviewed above, can be of value.

4.8.6 Implications for Organisational Studies

This section covers relevant studies that explore the influence of the Confucian ethical approach on business organisations. From a historical point of view, traditional Confucian ethical values were deeply embedded with Chinese merchants and Confucianism as such did not consider there to be a conflict between the pursuit of internal and external goods, as exemplified by statements such as "Virtue (*de*) is the root, while wealth is the branch" (Lau, 1979) and "the goods of fortune are acceptable if their attainment is in conformity with what is appropriate" (J. Yu, 2007, p. 187). However, this view is that Confucianism per se is not against wealth creation whereas various scholars have considered that the consequences of Confucianism have generally had a negative impact on business and economic development. Weber (1915/1951) considered that Confucianism was the main reason why capitalism did not develop autonomously in China - the practice of the 'magic rituals' of the Emperor, the emphasis on tradition, the reliance on the moral cultivation of the scholar-bureaucrat and the maintenance of hierarchical relationships all tended to hinder the mercantile entrepreneurship required for capitalism to develop.

As a result, Confucianism hampered economic growth in Chinese economy and did not encourage capitalistic innovations amongst businessmen (G. Chan, 2008; Tamney and Chiang, 2002). In a similar vein, D. Lam, Paltiel and Shannon (1994) contended that, whilst the Taiwanese institutional environment as a whole has generally been seen to be part of the reason for Taiwan's economic success, Confucianism is only one part of this environment and indeed may have had a negative influence. Following Weber's view, they contend that Confucianism is hostile to entrepreneurship for four reasons – the historical view which considers merchants to be below peasants in the social hierarchy, the fact that ritualised behaviour is counter to the initiative and flexibility required by entrepreneurs, that education involving rote learning of classical documents does not promote the systematic application of learning to the economy, and finally the

subordination of the economy to bureaucratic purposes. They argue that Confucianism is more applicable as the ideology of large organisations where profitability comes from the 'brute force' of scale economies and that SMEs are more inspired by the heterodoxy of Taoism, which encourages challenges to the established order.

Ip (2008, 2009a) is similarly sceptical about the contribution of Confucianism to economic development. Using survey findings on the development of business ethics in corporate Taiwan, Ip (2008) concludes that Confucian familism is the dominant culture in Taiwan society and that this promotes a Taiwanese version of crony capitalism because the interests and values of the family are prioritised. In another study, Ip (2009a) examines whether Confucianism can be used as a sound base for business practices and as a management model for Chinese corporations in the contemporary business world, especially for the development of Corporate Social Responsibility (CSR) in China. The core elements of Confucianism, such as the moral person (*junzi)*, *ren-yi-li*, *guanxi* and harmony, were reviewed and expressed in terms of the organisation and the findings suggest that norms and rules are needed for effective CSR but that Confucianism does not provide these and that, furthermore, Confucian familial collectivism has negative implications for individual equality and rights.

This last point was also made by MacIntyre (2004), who argued that the modern nation-state was much more intrusive in the lives on individuals than in the day of Confucius and that the Confucian concept of individual rights was insufficient to protect the individual from the modern nation-state. This is partially a response to Ihara (2004), who uses examples of ballet dancers and basketball teams to illustrate that each person has sequences of movement to perform in order to play their part. Even though each dancer and player has individual roles and responsibilities, they don't use their individual rights against each other. Ihara argued that this is identical to MacIntyre's view on practices, where participants have roles and responsibilities and there are socially established criteria of good and bad performance, but he additionally draws on the Confucian orientation of human dignity, rooted in a sense of belonging to a community, where everyone has a role to play, just like in a sports team or a ballet group. MacIntyre (2004) retorts that this is really a covert introduction of a conception of rights but concedes that these rights then belong to the role rather than the individual.

However, not all scholars share this negative view of the impact of Confucianism on economic and business development. G. Chan (2008) maintains a neutral position in an

assessment of the applicability of Confucian ethics to modern Western business ethics by comparing viewpoints and approaches towards business activities within the modern capitalist environment, the principle of reciprocity and the concept of human virtues and the mean. He concludes that there are some parallels in respect of ethics versus profit making and Aristotelian human virtues and the mean, but also some divergence. Confucian ethics lays more importance on hierarchy, *guanxi*, social traditions and harmony and, in comparison with Aristotle, a greater emphasis on the material individual moral actor rather than a metaphysical self.

K. Lam (2003) comes to a more positive conclusion from a macro-level study of the impact of Confucian ethics on the development of public administration and market institutions. She examines how Confucianism developed at different stages throughout Chinese history, from classical Confucians in an agrarian economy through to modern Confucians in the global economy, and summarises that Confucianism's emphasis on harmony promotes equality and sustainability and so can act as a counterweight to some of the extremes of capitalist economic development. Tu is also approving and considers that the role of Confucian ethics is "to establish others for the sake of establishing oneself, to enlarge others for the sake of enlarging oneself" (Tu, 1988, p. 43) as the philosophical basis for organic group solidarity, minimising conflicts in the organisation (K. Lam, 2003).

Redding (1990) is also generally positive in an empirical study of 'the spirit of Chinese capitalism' interviewing 72 overseas Chinese SME owner-managers in Hong Kong, Singapore, Taiwan and Indonesia. Drawing on parallels with Weber (1905/1984), he attempted to find an explanation for the historical development of the unique growth experienced by South East Asia but concluded that Bonini's paradox applied, whereby the model built to explain reality became as complex and incomprehensible as that reality. He surmised that the fundamental beliefs and values of the interviewees were mainly based on the tenets of Confucianism as described above, and also stressed the uncertainty of the environments within which they were living. In these environments, the Confucian emphasis on the family, with the consequences this has for paternalism, trust and loyalty, results in the stabilisation of the economic system at the level of the family business enterprise. However, it must be noted that Redding has been criticised on several fronts. For example, W. K. Chan (1992) argues that Redding does not pay enough attention to the historical context and the influence of the state, and overemphasises the overseas nature of his study, since the cultural values and traditions he ascribes to the 'overseas Chinese' originated in Mainland China. Also, Godley (1991) considers Redding to make

sweeping generalisations about Chinese culture that do not stand up to academic scrutiny.

In a similar vein to Redding, Cheung and King (2004) interviewed 41 contemporary Confucian merchants in Mainland China, Taiwan, Hong Kong, Singapore and Malaysia. Their study centred on the perceived conflicts experienced by them with respect to business practices that adhere to Confucian ethics and the maximisation of material gain. The authors conclude that the pursuit of moral principles can be costly but is an end in itself, not undertaken for the sake of generating profit. This shows a way of life organised around the search for meaning and a sense of commitment in contrast to one of profit or utility maximisation as assumed by western economic theory, which clearly has parallels with MacIntyre's concept of internal and external goods.

Perhaps one of the most influential studies in this area is that of Hofstede (1980) which collected data from 53 international IBM subsidiaries and produced four dimensions of national cultural variability – those of power distance, uncertainty avoidance, individualism and masculinity. Unsurprisingly, China, Taiwan and Hong Kong all scored low in individualism (Hofstede, 2007; Yeh and Lawrence, 1995) since Chinese traditional thought does not pay much attention to the values of individualism, but instead Confucianism leads to the integration of people into strong and cohesive groups (Hofstede, 2007) and the use of personal criteria and relationships as a basis for decision and action (Farh et al., 1997).

In subsequent works (Hofstede and Bond, 1988; Franke et al., 1991), a fifth dimension was proposed – that of 'Confucian dynamism', also described as long-term orientation, which was considered to portray several principles of Confucianism, such as benevolence, righteousness, decorum, and seeking harmony within a hierarchical social structure. It was argued that this fifth dimension correlated well with the economic growth of East Asia countries and similar characteristics have been identified in related business studies, for example, long-term orientation (Franke et al., 1991), collectivism (Hofstede, 1980) and the Confucian Dimension (Bond, Akhtar, Ball, Bhanthumnavin, Boski and Carment, 1987; Ralston, Gustafson, Elsass, Cheung and Terpstra, 1992). S. Zhang et al. (2012) carried out an empirical study to investigate the relationship between the Protestant work ethic and Confucian dynamism in Mainland China and concluded that all the dimensions of the Protestant work ethic were positively related to Confucian dynamism, but negatively related to *guanxi* orientation. Consequently these two work

ethics are not culturally specific (Hofstede and Bond, 1988; Robertson, 2000; Robertson and Hoffman, 2000; S. Williams and Sandler, 1995) and respondents with high Confucian dynamism tend to emphasise self-enhancement, making a contribution to society, stability and rewards and openness to change simultaneously, but limit themselves within social norms (Lu, Rose and Blodgett, 1999; Ornatowski, 1996).

However, Hofstede's work has received much criticism (McSweeney, 2002; Ailon, 2008; Fang, 2003). Fang (2003) points out that the characteristics used to denote the opposite ends of the Confucian dynamism dimension are unclear and even contradictory, for example persistence and personal steadiness and stability are offered as opposing characteristics, and cites Kalé (1996) in noting that conceptual and empirical support for this dimension is not very convincing. Furthermore, in addition to methodological flaws, Fang's most important argument is philosophical in that Chinese culture is inherently opposed to extremes, as exemplified by the principle of *yin yang* described above. Even the Chinese name for China, *zhong guo*, translated as 'middle kingdom', refers to the principle of being in the middle and maintaining balance and harmony amongst opposites.

Fang's argument for the Confucian emphasis on harmony has been also used by other scholars to draw attention to the contribution that Confucianism can make to organisational studies (Romar, 2004; Li, 2006; Ip, 2009a; Drucker, 1981). For example, L. H. Lin et al. (2012) showed that the behaviour of Chinese business leaders is still heavily influenced by traditional values, such as those from Confucianism and Daoism, with characteristics such as harmony, benevolence and collectivism being valued and applied to in-group and family members. There is a tendency for these leaders to create a familial atmosphere within the organisation, with a consequent emphasis on harmony and loyalty. However, followers are not encouraged to participate in decision making, since this implies a challenge to leaders' authority and so detracts from the harmony in organisations.

Romar (2004) considers the similarities between the work of Peter Drucker and Confucian thought. Both view power and the management of interdependent roles and relationships as central ethical issues in human relations and both emphasise authority, leadership, legitimacy, hierarchy, interdependence and individual ethical responsibility in their analysis of human affairs. Drucker (1939) explored the failure of capitalism, socialism and fascism to solve the social challenges of industrialisation and considered that capitalism's elevation of economic considerations to dominance had led to the destruction of social

bonds. In response, management has three main responsibilities – corporate strategy, the harmonious integration of its members into the hierarchical organisation, and the relationship between corporate function and social responsibility. Business organisations are primarily hierarchical social organisations made up of specialised people carrying out specialised tasks, but the essence of the corporation is social (Drucker, 1983). Drucker suggests that Confucianism is the most appropriate ethical approach applicable to organisations and their activities and, whilst some notions such as *wu lun* may need updating, the Confucian concepts of reciprocity, benevolence, sincerity and harmony are directly relevant to modern day business organisations (Romar, 2004). When all the roles and relationships are performed correctly, those within the firm as well as those between firms, and between firms and society, will be organised correctly and mutual benefit and harmony will result (Li, 2006; Romar, 2004). Li (2008) takes an even wider perspective and extends the concept of harmony to the market with monopoly and hegemony being in conflict with the spirit of harmony and conditions of more fair economic competition being more harmonious.

4.9 Summary

Up to this point, the literature relevant to Taiwan's institutional environment has been reviewed, primarily to help address research question three, concerning how this environment can be understood with the aid of institutional logics. This was done by loosely using the ideal types offered by the interinstitutional model from the institutional logics perspective and adapting them for use in the current context. Consequently, these sections reviewed the literature concerning the relevant institutional logics, those of the state, community in the form of national identity, market, family, religion in the form of Confucianism and the corporation in the form of SMEs, with that of Confucianism being strongly influential throughout. The application of these to organisational studies was then assessed and this chapter will conclude with a brief summary of the literature review chapters, followed by a consideration of how this thesis will address areas not covered sufficiently by the literature – the research gap.

4.10   Summary of Literature Review Chapters

The literature relevant to this study has now been reviewed over three chapters. Chapter 2 considered MacIntyrean concepts, especially those presented in *After Virtue* concerning practices housed in institutions, the narrative quest and moral tradition, leading to the

application of these to organisational studies in terms of the virtuous business organisation. Chapter 3 looked into institutional theory, especially the institutional logics perspective and how this can be applied to virtue ethics and this chapter subsequently used this perspective to describe Taiwan's institutional environment. In this way, Chapter 2 was concerned with research questions one and two, Chapter 3 with questions three and four and Chapter 4 with question three.

It should be noted that some new literature sources were introduced in the discussion chapter to answer research question 4. It could be argued that these should have been introduced in the relevant literature review chapters but the author felt that, on balance, these were better placed in the discussion chapter since otherwise the flow of the discussion would have been too disjointed.

4.11   The Research Gap

The above review of the relevant literature in the areas of MacIntyrean virtue ethics, institutional theory and Taiwan's institutional environment, as analysed by means of the institutional logics perspective, has served to help recognise areas that have not been addressed sufficiently by previous studies - the research gap - and so allows identification of where this study's contribution lies. The following section will discuss this in relation to the four research questions in turn.

4.11.1   1st Gap – MacIntyrean Virtue Ethics in a Confucian Society

In relation to the first research question, that of the applicability of MacIntyrean virtue ethics within a Confucian society, it is evident from the literature that no studies have yet been undertaken to assess whether MacIntyrean virtue ethics are applicable in a Confucian society at the organisational level. Moore has applied MacIntyre's framework in empirical studies of organisations in different institutional environments with different types of capitalism, such as Europe (Moore, 2012b) and Sri Lanka (Fernando and Moore, 2015), a country strongly influenced by Buddhism, with the latter study demonstrating that MacIntyrean virtue ethics are applicable outside the Anglo-Saxon countries of the U.S and U.K. However, no such work has been conducted in a country in this Confucian tradition. Confucianism is influential in many countries in the Asia-Pacific rim, such as China, Hong Kong, Taiwan, Japan, South Korea and Singapore and so this work aims to extend knowledge by such an empirical study. Additionally, if MacIntyrean virtue ethics are applicable in a Confucian society, any differences found may also offer useful insights.

4.11.2 2nd Gap – SMEs are Different from Larger Corporations

From his comments on compartmentalisation within corporations, it is clear that MacIntyre has a generally negative view of corporations and it can be argued that his arguments here relate mainly to larger organisations. It is also the case that the previous studies in Europe and Sri Lanka have been in the context of relatively large organisations and Fernando and Moore (2015) pointed out that organisational size may well have an effect on the application of MacIntyrean virtue ethics. In this regard, it is clear that SMEs may be different in nature to large organisations and so a study of the application of MacIntyrean virtue ethics in SMEs is an area where empirical data is lacking. SMEs also have other unique characteristics and the choice of SMEs as the unit of analysis will be reviewed in the methodology.

4.11.3 3rd Gap – an Institutional Logics Analysis of Taiwan

The institutional logics perspective is a relatively new approach evolved from institutional theory "that incorporates macro-structure, culture, and agency, through cross-level processes (society, institutional field, organisation, interactions and individuals) that explain how institutions both enable and constrain action" (Thornton et al., 2012, p. vi). It is also interesting to note the claim that this "represents a general model of cultural heterogeneity unbiased towards the Western world" (Thornton et al., 2012, p. 18). Although some work has been done in this area (Chung and Luo, 2008b; Greenwood, Díaz, Li and Lorente, 2010 for example), there is generally a lack of empirical studies on the impact of multiple institutional logics and the current study, which crosses micro, macro, societal and organisational levels in Taiwan, is well suited to this end.

Furthermore, it may well be the case that some form of adaptation of the institutional logics perspective needs to be made since, despite the claims of a lack of bias towards Western concepts cited above, it is clear that the model originates in the West and so may well be subject to various assumptions which are not applicable in the Eastern Confucian society of Taiwan. For example, Confucianism is more of a moral tradition than a religion in both the conventional sense and that meant by MacIntyre (2004) so, whilst the author has reviewed it under the heading of the religion institutional logic for the purposes of this chapter, it is clear that this is not a perfect fit. This thereby demonstrates an area where the interinstitutional system offered by the institutional logics perspective may need to be reviewed. Similarly, aspects such as national identity in Taiwan and the Confucian relational self are other examples where aspects of a non-Western culture may throw light

on areas of the institutional logics perspective which may benefit from an alternative viewpoint.

4.11.4   4ᵗʰ Gap – MacIntyre's Framework and the Institutional Logics Perspective Can Learn from Each Other

A striking aspect of MacIntyre's work is the importance he gives to the social and cultural environment and its effect on the individual. This is shown not only by his consideration of moral tradition, but also of how moral agency is limited by the nature of the social and cultural order. This attention given to the wider environment and its interaction with the individual is echoed by the concept of institutional logics from institutional theory, but it is clear that the institutional logics framework may be capable of improvement in some areas. For example, as contended by Moore and Grandy (2017), it does not explicitly consider the moral dimension offered by MacIntyre nor does it seem to be able to easily accommodate MacIntyre's notion of a moral tradition, as exemplified by Confucianism. Consequently, it may well be possible for MacIntyre's framework to be of benefit here, especially in the area of organisational practice since this is an area discussed at length by MacIntyre. Conversely, it may well be the case that institutional logics can help with the issue of incommensurability, cited by MacIntyre to be a fundamental issue when comparing the differing traditions of East and West. Thus, it is hoped that the unique nature of this study, in its application of the two frameworks of MacIntyrean virtue ethics and the institutional logics perspective, can address a current research gap and illustrate how the areas of business ethics and organisational studies may complement each other. Furthermore, social relations play a critical role within Confucianism and, although MacIntyre does acknowledge the importance of social relations, he considers them to be weakened by the consequences of the Enlightenment project and does not discuss them in any great detail. In contrast, the emphasis Confucianism places on human relations, especially their ethical dimension, is potentially something that could be beneficially adopted by MacIntyrean virtue ethics.

Having thus completed the review of the relevant literature and considered the gaps in current research which this study hopes to address, the next chapter describes the methodological considerations which shaped this study, including a consideration of incommensurability, and provides evidence and justification as to why qualitative methods are appropriate in researching our understanding of whether MacIntyrean virtue ethics are applicable in a Confucian society.

5. Chapter 5: Methodology

5.1 Introduction

This chapter reviews the methodological considerations which shaped the research approaches adopted for this study. These were exploratory and mainly qualitative, in order to empirically investigate aspects of organisation virtue in SMEs in Taiwan by means of 39 semi-structured interviews. The reasons for why a qualitative approach was chosen to answer the research questions will be explained and the sampling strategy and the methods used for data collection, analysis and presentation will be described. Methodological options and their implications are also discussed to justify the chosen methods.

Following the model proposed by Crotty (1998), the epistemology, theoretical perspective, research methodology, data collection and analysis methods will be described before aspects of validity, reliability and trustworthiness are considered and ethical considerations are reviewed. Crotty's model is composed of four layers as shown in Figure 5.1 below.
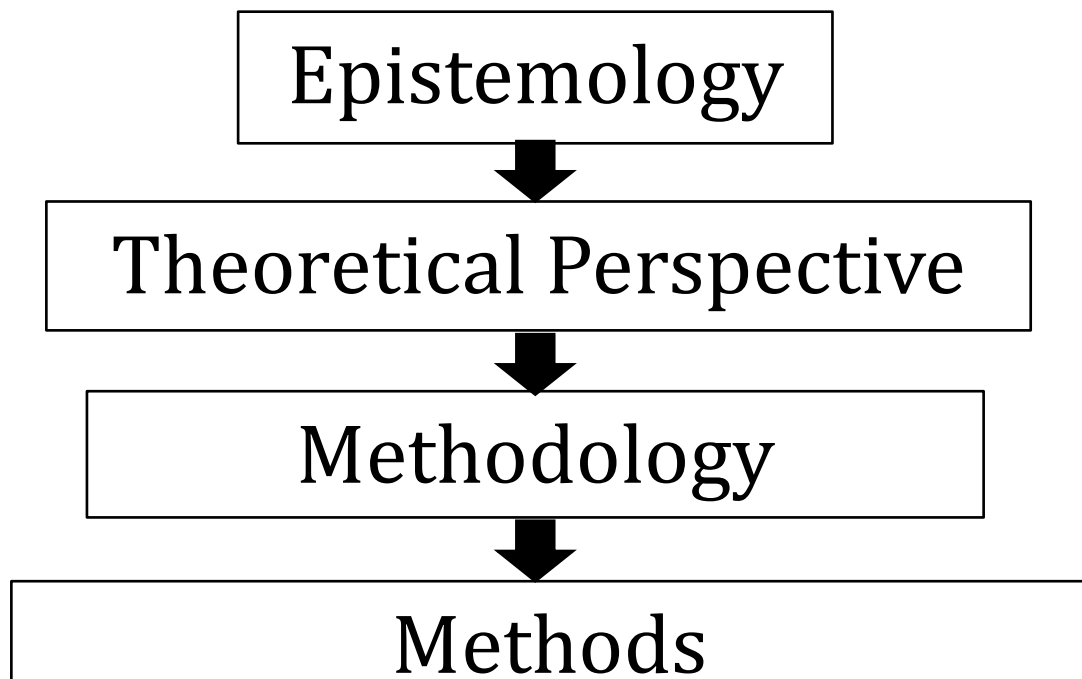
Figure 5.1: Crotty's Model (Crotty, 1998)

The foundation layer is that of epistemology, the theory of knowledge which underlies the research, with examples being objectivism, constructionism and subjectivism (Crotty, 1998). The theoretical perspective is the next level, with possible examples being interpretivism, feminism, postmodernism and positivism. The third level is methodology, where the broad approach to the actual research being undertaken is defined, such as survey research or ethnography, and then the fourth is the method to be used, for example sampling, interviews, questionnaires and focus groups.

The strength of this model is that it encourages and enables the researcher to take a clear conceptual approach to the research to be undertaken. Not only must thought be given to how the research is to be undertaken, it is also necessary to justify why particular methods are more suitable than others. By being grounded at the epistemological level, the researcher needs to consider their own epistemological standpoint and to make sure that this is reflected throughout the research. On this basis and that of the theoretical perspective, an appropriate methodology and research methods can then be justified.

5.2 Epistemology – Social Constructionism

For this study, at the initial epistemological level the objectivist stance was rejected, since, it is evident that the way that people perceive reality is dependent on their social environment. As described by institutional theory, "it is not possible to understand … behaviour without locating it in a societal context" (Friedland & Alford, 1991, p. 232). A subjective epistemology was also rejected since it is held that meaningful reality is not purely created by the individual but also partly by externalities (Crotty, 1998).

Consequently, this study followed a constructionist epistemology, since it is argued that the way in which individuals view and make sense of their world is strongly influenced by the culture in which they live (Schwandt, 1994). Truth and meaning do not exist in some external world, but are created by the subject's interactions with that world. Meaning is constructed not discovered, so subjects construct their own meaning in different ways, even in relation to the same phenomenon (D. E. Gray, 2009, p. 18). Furthermore, this is strongly influenced by the social environment, so that a further qualification can be made and the epistemology called 'social constructionism'. This strongly mirrors MacIntyre's approach when he argues that a narrative is needed to make sense of a person's life, with tradition being of the utmost importance (MacIntyre, 1981/2007). Furthermore, in his later works as described below, he puts forward the Thomist position that truth is tradition-

constituted and that, through the argumentative nature of traditions, it may be possible for truth as such to be known. This is also consistent with institutional theory – individual action can only be explained in a societal context (for example Friedland and Alford, 1991; Thornton et al., 2012; Berger and Luckmann, 1966/1991).

Crotty's model does not have an explicit ontological layer, but Crotty argues that "ontological and epistemological issues tend to merge together" (Crotty, 1998, p. 10). Whilst a critical discussion of this statement is beyond the scope of this thesis, it should be noted that the stance being taken here is one of an objective ontology but a non-objective epistemology. Things that cannot be measured or observed may still be real, corresponding to a metaphysical ontology. This differs from a subjective ontology, where the truth is dependent on the observer, but is still an objective ontology with the assumption that there is truth to be discovered, although we may not be clever enough to ever know much about it (Bhaskar, 2008). However, there is a clear distinction between ontology and epistemology. As stated above, a constructionist epistemology will be used, which is more subjective than objective since it is accepted that different people may apprehend the same reality in very different ways. Thus there is a clear refutation of the concept of a neutral language and a correspondence theory of the truth. Also, the Cartesian concept of the researcher being completely able to divorce their own subjective view of the world from their observations is similarly rejected (Schwandt, 1994).

5.3 Theoretical Perspective – Critical Realism

Within the social sciences, there has been a long-standing debate on the theoretical divide between positivism and interpretivism. The positivist position is situated within the epistemological tradition of objectivism, where objects in the world have meaning that exists independently from any subjective awareness of them (King and Horrocks, 2010). This approach to research is exemplified by the deductive approach of the scientific method, whereby knowledge is arrived at through the gathering of facts that provide the basis for laws and consequent theory allows the generation of testable hypotheses (Bryman and Bell, 2015). However, it has been criticised in that some of its assumptions about scientific inquiry are fundamentally flawed (J. A. Hughes and Sharrock, 1997). Science is interested in producing theoretical explanations not only on the basis of what can be observed, but mostly relying on theory, in that science does not begin from observations but from theory making observations intelligible (D. E. Gray, 2009).

Additionally, it fails to adequately account for the dynamics of social phenomena, casting doubts on its suitability for research involving people (Gill and Johnson, 2010).

In contrast, interpretivism has an opposing epistemology to that of positivism, since it looks for "culturally derived and historically situated interpretations of the social life-world" (Crotty, 1998, p. 67). The subject matter of the social sciences is fundamentally different from that of natural science and so the study of the social world requires a different logic, one that reflects the distinctiveness of humans from the natural world (Bryman and Bell, 2015). Interpretative research generally describes aspects of the social world by offering a detailed account of specific social settings, processes or relationships (King and Horrocks, 2010). This is achieved via the collection and analysis of knowledge from parts of a phenomenon by getting inside situations and involving the actors in the everyday flow of life (Gill and Johnson, 2010). The emphasis is on uncovering how people feel about the world and make sense of their lives from their particular vantage points, which may yield surprising results. However, this approach is open to criticism since variations in individuals' experience may result in excessively subjective interpretations and less rational conceptualisations (Myers, 2013).

Realism is situated between these two positions in that it provides another account of the nature of scientific practice, especially in the form of critical realism (Bryman and Bell, 2015). Realism shares with positivism the view that there is a real world that exists independently of people's perceptions, theories and constructions. At the same time, it also accepts a form of epistemological constructivism and relativism, which is that people's understanding of the world is inevitably a construction from their own perspectives and standpoint (Maxwell, 2012). There are two types of realism – empirical realism and critical realism. Empirical realism asserts that reality can be understood through the use of appropriate methods. In contrast, critical realists, whilst retaining an ontological realism meaning that there is a real world that exists independently of our perceptions, theories and constructions, also accepts a form of epistemological constructivism and relativism, meaning that our understanding of this world is inevitably a construction from our own perspectives and standpoint (Maxwell, 2012).

The theoretical perspective employed in this thesis is that of critical realism following Bhaskar (2008), who rejected empirical realism as an example of the epistemological fallacy of thinking that what we can know determines our notion of what can exist. Critical realism is a specific form of realism, the aim of which is to recognise the reality of the

natural order and the events and discourses of the social world and holds that "we will only be able to understand…the social world if we identify the structures at work that generate those events and discourses…. These structures are not spontaneously apparent in the observable pattern of events; they can only be identified through the practical and theoretical work of the social sciences" (Bhaskar, 2008, p. 2). Since the general aim of this research is to investigate the relationship between virtue within organisations and the institutional environment in a Confucian society, it is essential to understand people's views, values and beliefs. From a realist perspective, the mental and physical entities are interacting parts of a single real word. The meanings, thoughts, beliefs, emotions, values and intentions of individuals are neither abstractions from behaviour nor reducible to neurological or other physical phenomena (Maxwell, 2012). Similarly, Putnam (1990, 1999) argued for the legitimacy of both 'mental' and 'physical' ways of making sense of the world and for a distinction between the mental and physical perspectives or languages, both referring to reality, but from different conceptual standpoints. He believed that there is a 'double aspect' to our understanding of the world. Concepts, meanings and intentions are as real as rocks, they are just not as accessible to direct observation and description as rocks (Maxwell, 2012). Therefore, Putnam argued that 'mental' statements about someone's beliefs, reasons, motives and so on can be valid explanations of that person's actions and mental phenomena as causes of behaviour (Putnam, 1999, p. 149). Individuals' meanings have consequences in that how they act is influenced by how they think about and make sense of what is occurring. This view of intentions, beliefs and meanings as causes is fundamental to common sense explanations of actions, as well as to psychology as a science (D. Davidson, 1997), and has been affirmed not only by critical realists but by MacIntyre (1967a) as well.

Critical realism is well suited to this study since it supports the idea that individuals' physical contexts have a causal influence on their beliefs and perspectives. In this respect, the suitability of this approach for this research is supported by the fact that MacIntyre has been considered by Achtemeier (1994) to be a critical realist, and this view is also supported by others (Beadle and Moore, 2006; Moore, 2012b). On the one hand, MacIntyre's approach to social science maintains the existence of an objective reality and exhibits a realist ontology. On the other hand, he also employs a critical epistemology, being sceptical of our ability to understand it. Thus, actors' motives are historically rooted in social roles and ideologies and there is a tradition-constituted pursuit of truth (Beadle and Moore, 2011). For MacIntyre, intelligibility requires narrative and narrative requires historical awareness (MacIntyre, 1990b, p. 206; 1981/2007, p. 210) and such

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"commitment to historical understanding of the development of ideas is bound up with his critical realism" (Beadle and Moore, 2011, p. 3).

After Virtue, the main work by MacIntyre dealt with in this thesis, does not go into a great amount of detail regarding the nature of truth. Furthermore, as remarked by Coleman (1994) in the section dealing with critiques of MacIntyre's works in Chapter 2, MacIntyre was not a committed Thomist at the time of writing *After Virtue* as is evident from statements such as "we have every reason to reject Aristotle's physical and biological science" and "the part of Christian theology which concerns man's true end and which is not Aristotelian metaphysics is on Aquinas' own account a matter of faith, not of reason" (MacIntyre, 1981/2007, p. 179). Aquinas' view of the truth is briefly described as "a form of knowledge in which every item can be placed in a deductive hierarchy in which the highest place is taken by a set of first principles the truth of which can be known with certainty" (MacIntyre, 1981/2007, p. 179), but this is not expanded upon at this stage.

As has been described, MacIntyre developed his Thomist views later on, with works dealing with a Thomist view of the truth (for example MacIntyre, 1990c, 1994b, 2002) clearly appearing after the original edition of *After Virtue* in 1981. However, Reames (1998) argues that the points made in MacIntyre's *First Principles* (MacIntyre, 1990c) fit in with the project started in *After Virtue* and indeed play a vital role in that project. Reames summarises MacIntyre's view of the truth as "the adequacy of the mind to its objects, in which the mind knows those objects as they would be understood in a perfected science" (Reames, 1998, p. 426), with a perfected science being "fairly certain in its claim to have reached the correct understanding of the nature of the relevant aspects of the world" (Reames, 1998, p. 425) - the *telos* of rational enquiry. Most current areas of enquiry can be regarded as imperfect sciences, with those studying within them having to argue dialectically towards first principles, but also with insight. Any first principles posited have then to be verified and tested against first principles from other sciences within a hierarchy "and the highest science, concerned with Being as such, is of course theology or metaphysics" (Reames, 1998, p. 424). Consequently, necessary first principles are intelligible only within a perfected body of theory and the relation of truth to rational justification cannot be understood without understanding the entire teleological scheme of inquiry, which must be finally understood as part of a moral and political project.

Viewed in this light, it can be seen how MacIntyre's view of the truth corresponds to a critical realist approach. An objective ontology is justified by the fact that whilst most sciences are imperfect without an understanding of the relevant first principles, these do

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exist and will be clarified when/if the science reaches a state of perfection. However, the imperfect nature of the sciences allows for epistemological constructivism, since our understanding of this world is imperfect and therefore it is unavoidably a construction from our own perspectives and standpoint.

More importantly, taking the position of critical realism can also be argued to benefit qualitative research since a realist perspective can provide a framework for better understanding the relationship between actors' perspectives and their actual situations (Maxwell, 2012). This issue has been a prominent concern in the philosophy of social science for many years (Gellner, 1973; MacIntyre, 1967a; Menzel, 1978), and is central to critical approaches to qualitative research. Critical realism treats both actors' perspectives and their situations as real phenomena that causally interact with one another and emphasises the influences that social and economic conditions have on beliefs and ideologies. Sayer (1992) describes how the objects of interpretive understanding, such as meanings and belief, are influenced both by the material circumstances in which they exist and by the cultural resources that provide actors with ways of making sense. This understanding is compatible and supportive of interpretive approaches to qualitative research.

5.4 Methodology – Case Study

In terms of the methodology layer of Crotty's model, this study can be considered to have employed the qualitative case study due to the highly contextual nature of the issues being studied (D. E. Gray, 2009), although it was also supported by quantitative methods. The merits of quantitative and qualitative approaches are considered in this section before the researcher's role is reviewed and finally the case study approach is described.

5.4.1 The Qualitative Approach

As reviewed above, positivism takes a deductive approach in that the emphasis is on generating quantitative data from structured research instruments, such as experiments and surveys, in order to establish causal relationships between variables. However, this approach leaves little opportunity for the researcher to understand effectively how people interpret and behave in a social context (Bryman and Bell, 2015). For example, presenting participants with predefined questions may restrict their description of their views and expressions.

In contrast to this, the qualitative and inductive approach involves the researcher attempting to understand what is happening and why it is happening (Philip Lewis, Saunders and Thornhill, 2009). It gives researchers the opportunity to get beyond initial conceptions and go far beyond the what or how many and to emphasise how and why things happen by interaction, either via conversation or observation, enabling people to share their experiences and understandings (Bryman and Bell, 2015; King and Horrocks, 2010). In this way, a qualitative approach provides a deeper understanding of social phenomena than would be obtained from purely quantitative methodologies (Silverman, 2013).

However, there are concerns regarding qualitative research since the connection between theory and research is more ambiguous than in quantitative research (Bryman and Bell, 2015). To some extent, this is because the data from qualitative research is less codified than that from quantitative research, which leads to challenges in establishing the reliability and validity of data collected (D. E. Gray, 2009) and how such concerns can be addressed is reviewed below. Miles and Huberman (1994) also justify the use of qualitative research to discover and validate causal explanations, and argue that it is important to recognise that different perspectives can add different and meaningful layers without necessarily conflicting or contradicting others. This is because qualitative researchers "seek answers to questions that stress how the social experience is created and given meaning" (Denzin and Lincoln, 2008, p. 8) and so can provide a deeper understanding of social knowledge (Silverman, 2013), since how individuals respond to a situation cannot be known except through that person's point of view and background (Sherman and Webb, 1988). This study accepts that the social world is constructed and that the explanation of social phenomena can only be achieved by taking the participants' own perspectives into account. The qualitative approach is particularly suitable for this and is coherent with critical realism.

In addition, the role of the qualitative approach in seeking and providing exploratory investigations is widely recognised within a range of different epistemological approaches (Lofland and Lofland, 1955). An exploratory and qualitative approach was preferred for this research due to the highly contextual nature of the issues being researched (D. E. Gray, 2009). It was necessary to explore in depth the participants' views on practices within the organisation since people's perceptions and opinions need to be discovered and interpreted within a holistic overview. Studies with a contextualist view emphasise the interpretation of personal experience in its social context. This is the predominant stance

adopted in this study and it fulfils the aim of narrowing the gap represented by the lack of knowledge on how people view organisational virtue in SMEs in the Confucian society of Taiwan. In addition, a qualitative approach allowed the author to gain a broad and rich description of the individual's meanings, which was vital to explore their views on organisational purpose, practices within the organisation and the influence of the macro environment influence on practices.

To date much of the research into the influence of Confucianism at the organisational level has been conducted using quantitative methods (Hofstede and Bond, 1988; L. H. Lin et al., 2012; S. Zhang et al., 2012). However, no research has yet been undertaken to explore whether Western virtue ethics concepts are applicable in a Confucian context. A research subject like this, rooted in the cultural and historical context, cannot solely rely on the scientific approach commonly adopted in the social sciences (Bandura, 1999) and needs to be an integration of the critical epistemology and ontological realism. This echoes MacIntyre's view, since he acknowledges the value of empirical work analysing his concepts (MacIntyre, 2008, p. 6), leading to a consideration of intelligibility, narrative, social structure and agency in empirical studies and offering a wide range of choices for researchers in the MacIntyrean tradition (Beadle and Moore, 2011), whilst he rules out only 'positivist conceptions of observability and verifiability' (MacIntyre, 1958/2004, p. 6).

5.4.2   The Researcher's Role and Reflexivity

Researchers are seen as important within the interpretive paradigm because they use their knowledge and methods to implement contextual inquiries. While the importance of listening to the stories of individuals needs to be emphasised, researchers also need to pay attention to what they think the interviewee is trying to tell them within the context of that social world, since the researcher is within the story-telling process, being the person who makes choices about what to emphasise and what to disregard (Guba and Lincoln, 1994). Mauthner and Doucet (1998) state that the centre of the qualitative research process is to recognise the researcher's role in keeping respondents' voices and perspectives alive and how this shapes the research process and results. Therefore, it is important to keep a balance between the researcher's seeking to keep participants' voices alive while recognising their own role in shaping the research for academic purposes (Edwards and Ribbens, 1998).

In this way, qualitative research is seen as a 'co-production' between the researcher and the researched. The researcher needs to adapt a stance of 'theoretical sensitivity', which

means being insightful and having the ability to understand and differentiate between what is important and what is not (Glaser and Strauss, 1967; Strauss and Corbin, 1990). The researcher not only needs to theorise respondents' accounts and lives and locate them within wider academic and theoretical debates, she also needs to understand how her own theoretical stances influence the theoretical accounts she gives concerning respondents' lives (Mauthner and Doucet, 1998). Furthermore, researchers must be able to perceive of situations holistically and be responsive to environmental cues in the field, such as the need to be sensitive to situations where there is a risk of biasing the responses of people being interviewed (D. E. Gray, 2009).

It is understood that the researcher's theoretical stances may be influenced by the theoretical accounts within the research as researchers can consciously or unconsciously locate themselves in some particular theoretical and ontological framework. As a result, the researcher may focus attention only on certain issues and ignore others. Therefore, reflexivity is particularly relevant for the qualitative researcher when considering her contribution to the construction of meaning (King and Horrocks, 2010). Gough (2003) stated that reflexivity should focus on revealing 'hidden agendas' as these will have a direct impact not only on how the research is undertaken but also on the whole research process from start to finish.

5.4.3 Case Study

As stated above, the case study methodology was chosen for this study and has been defined as "an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident" (Yin, 2008, p. 18). It is one example of a methodology, with other examples including surveys and experiments. Each has its advantages and disadvantages, depending on the type of research questions, the control that the researcher has over actual events, and the degree of focus required on contemporary phenomena (Yin, 2008). The case study can be used in both quantitative and qualitative approaches but, as can be seen from the definition above, it is not surprising that it is more often felt to be of use for qualitative studies (D. E. Gray, 2009; Buchanan, 2012; Yin, 2008). Case studies also attempt to attribute causal relationships and not just provide a description of a situation (D. E. Gray, 2009; Yin, 2008; Maxwell, 2012), which is particularly useful for researchers who are trying to uncover a relationship between a phenomenon and the context in which it is occurring. According to Stake (2000), case

studies can prove invaluable in adding to understanding, extending experience and increasing conviction about a subject.

However, concerns have been expressed about this method, including such issues as reliability, objectivity and legitimacy (D. E. Gray, 2009), which have been described as giving rise to misunderstandings (Flyvbjerg, 2006) or 'traditional prejudices' (Yin, 2008). Also, it is often difficult to generalise from a specific case, although this is true too for empirical scientific research (Gummesson, 2000; Flyvbjerg, 2006; Yin, 2008). Another criticism is the amount of time required and the volume of documentation generated (Feagin, Orum and Sjoberg, 1991) although Yin (2008) counters that this relates more to ethnographic or participant observation studies. Consequently, the conducting of case studies has been recognised as an art (Stake, 1995) or as an 'uncommon skill' (Yin, 2008).

The author selected the case study as the methodology for this study since the aim is to find out whether MacIntyrean virtue ethics are applicable in SMEs in a Confucian context, which is a contemporary phenomenon over which the author had little control. Empirical work citing MacIntyre as inspiration demonstrate an emphasis on 'thick descriptions' created through narrative (Beadle and Moore, 2011; Moore, 2012b; Coe and Beadle, 2008) and the case study is especially suited to the application of narrative due to the highly contextual nature of the issues being researched (Crotty, 1998; D. E. Gray, 2009). Narrative is an important element of MacIntyre's concepts, with story-telling being part of humanity and history being essential in interpreting a person's actions (Flyvbjerg, 2006; Beadle and Moore, 2011). Narrative inquires do not start from explicit theoretical assumptions but begin with an interest in a particular phenomenon that is best understood narratively and then develop descriptions and interpretations of the phenomenon from the perspective of participants, researchers and others (Flyvbjerg, 2006). Similarly, understanding the history of people and organisations, their 'story', is an important part of this research.

Another reason for the case study being chosen as the methodology for this study is that it follows on from a series of previous case studies (Crockett, 2005; Moore, 2012b; Fernando and Moore, 2015). In Chapter 6, the author will first demonstrate how the seven organisations in Taiwan can be considered as a single case study and then the findings will be compared with the two related studies (Moore, 2012b) (Moore, 2012; Fernando and Moore, 2015), and so the methodology needed to be consistent. However, there were

also two quantitative questions, a rating of the goodness of organisational purpose and whether the firm focuses on excellence or success, again for purposes of comparison with the other two case studies, which are explained below in more detail.

In summary, the case study was considered to be the most suitable method for this study, not only for reasons of consistency but also since it was the most appropriate approach for the exploration of virtue in business organisations (for example Moore and Beadle, 2006; Beadle and Moore, 2011; Moore, 2012b; Fernando and Moore, 2015).

5.5 Methods

For the reasons given above, a qualitative approach was adopted for this study but there was also a quantitative aspect for reasons both of generating "socially useful knowledge" (Feilzer, 2010, p. 6; Moore, 2012b, p. 368) and for comparability with the two related studies. The qualitative method chosen was that of semi-structured interviews whilst the quantitative method was based on a study by Crockett (2005). Both of these will now be described.

5.5.1   Semi-Structured Interviews

For qualitative research, there are a variety of methods available, including semi-structured interviews, observations and document analysis and for this study, data collection was mainly accomplished by means of semi-structured interviews. The criteria for selecting a particular method rest on the purpose of the study, the nature of research inquiries and consideration of the strengths and weaknesses of each relevant method. Using this logic, the author chose the semi-structured interview because of its ability to generate data interactively with participants and explore matters in depth. As Kvale (1996) argues, qualitative in-depth interviews offer the potential to capture a person's perspective of an event and the meaning of their experiences in their own words. As such, the perceptions of the individual are explored by a method that is "attuned to the intricacy of the subject matter" (Denscombe, 2007, p. 174). Since the objective of this research was exploratory, being to examine people's attitudes to practice, the semi-structured interview was judged to be the best approach (D. E. Gray, 2009).

A variety of research interview styles can be utilised for collecting in-depth qualitative data, since different traditions of qualitative research have produced a diversity of perspectives on interviewing. Research interviews can be classified along a continuum

ranging from fully structured interviews to the completely unstructured form (Bryman and Bell, 2015). The former may be seen as being too constrictive whereas the latter, whilst allowing the interviewer to deal freely with a certain range of topics and simply respond to points deemed worthy of follow up (Patton, 2002), may lead to losing continuity or missing useful information (Bryman and Bell, 2015).

There are two reasons why the primary data collection method adopted in this study was the in-depth, semi-structured interview technique - the ability to follow divergent themes emerging from interviews (J. Mason, 2017) and the enabling of the interviewer to gain communicative validation (C. Robson, 2002). This type of interview is widely used in flexible designs to allow the researcher gain insights into informants' perspectives on particular subjects (Flick, 2002). Its flexibility helps the researcher lead the conversation into areas which have not previously been considered but are significant for the study (Philip Lewis et al., 2009), to probe beyond the answers given and to request expansion when required (Bryman and Bell, 2015; Gill and Johnson, 2010). At the same time, the format can provide control of the flow of the conversation, avoiding over long descriptions of the life situation of those interviewed whilst ensuring an appropriate focus on issues and topics relevant to the research questions (J. Mason, 2017). Such an approach can explore people's views and their perceptions of and relationships with society, suitable for the aim of this study.

Critics of this method suggest that interviewer bias may affect the quality of the information collected (Marshall and Rossman, 2006), since interview participants may provide responses that accord with the interviewer's views simply because they are unwilling to contradict them (J. Mason, 2017). Also, the researcher is unable to know in advance what answers they will receive and so what questions to ask but this is not seen as a problem since participants are encouraged to lead the interview and discuss issues that they perceive as relevant and important. In an effort to maintain a natural conversational flow and to get interviewees to open themselves up, leading follow-up questions can be used to obtain a deeper and fuller understanding of their meaning. In this way, leading questions allow the interview to "explore new paths which were not initially considered" (D. E. Gray, 2009, p. 373).

This approach sets no limits on the range or length of responses and allows participants to explain their position, feelings, concerns or experiences in an in-depth manner. Indeed, to retain as much of a conversational style as possible, leading questions and information

on the themes are not necessarily asked in a particular sequence, depending on the flow of the conversation. At the same time, to control bias and ensure reliable data (Philip Lewis et al., 2009), the author should listen to the audio recording again after the interviews and summarise the main points raised by the participants to secure the reliability and validity of the data collected.

Good qualitative interviewing is hard work, as it involves complex tasks to plan and carry out an interview. The interviewer's skills play an important role in contributing to the comprehensiveness and quality of the information that participants provide (Bryman and Bell, 2015). The aim of the interviews was to gather the rich and detailed data necessary for qualitative analysis and so, as discussed below, a list of questions was formulated to stimulate the flow of details and impressions and to cover a wide range of key topics. These give the researcher a sense of order from which to draw questions from unplanned encounters (David and Sutton, 2004) and were certainly found to be of great use during the actual interviews. The author also improved the quality of the questions by means of a scoping study, which is described in more detail below. For present purposes, it is suffice to note that this approach helped reduce the number of unanticipated problems, such as lack of understanding or unclear questions, as the author had the opportunity to gain feedback and ensure that the questions were generally interpreted in the way intended. It also provided ideas, questions and clues which may not have otherwise been foreseen before conducting the main study (D. E. Gray, 2009).

5.5.2   Quantitative Data - Crockett's Method

In addition to the questions devised for the qualitative semi-structured interviews described above, specific questions aimed at eliciting quantitative answers on organisational purpose and internal and external goods were also asked, although qualitative data was also collected as discussed below. For the former, the interviewees were asked to rate the goodness of their organisations purpose on a scale of -10 (e.g. a Nazi concentration camp) to +10 (e.g. a charity). For the latter, the interactive joint enquiry exercise from Crockett (2005) was adopted. This involved asking the interviewees to state some words or phrases relating to how their organisation viewed excellence and then success, which the author noted on a piece of paper in positions #1 and #2 respectively.

The Interactive Joint Inquiry Exercise

#5) Correlation & Causation

#1. *What does excellence look like in your organisation?* ('Internal Goods')
#2. *How does your organisation measure success?* ('External Goods')

Answers for questions #1 and #2 are placed on either side of a see-saw

#3. Present Balance: (Score 1-10)   (Score 1-10) —must sum to 10
#4. Ideal Balance: (Score 1-10)   (Score 1-10) —must sum to 10

#5. *Is there any correlation between the two sides, and if so, which comes first?*

Figure 5.2: The Excellence-Success Model (Crockett, 2005)

At this point, the author drew in a see-saw balance between the two sets of words and asked the interviewees to score both the current and ideal positions of their organisation in terms of a balance between excellence and success using a scale of 1 to 10. In this way, the scores given for both had to add up to 10, which forced the interviewees to take into account the theoretical balance between these two and prevented them from simply awarding high scores to both. Finally, the interviewees were asked about their views on the connection between excellence and success, for example, on which came first and whether one caused the other. In this way, quantitative scores for organisational purpose and the balance between excellence and success were obtained, which were analysed statistically as described below. Furthermore, these scores also allow a mapping of organisational virtue to be made as shown in Figure 5.3. Virtuous organisations can be expected to have good purpose and also a balance between the pursuit of excellence and success, but with the emphasis on excellence. Consequently they would be expected to appear in the top right quadrant of Figure 5.3, but near the Y-axis. This also allows the results from different organisations to be compared, as described in Chapter 6.
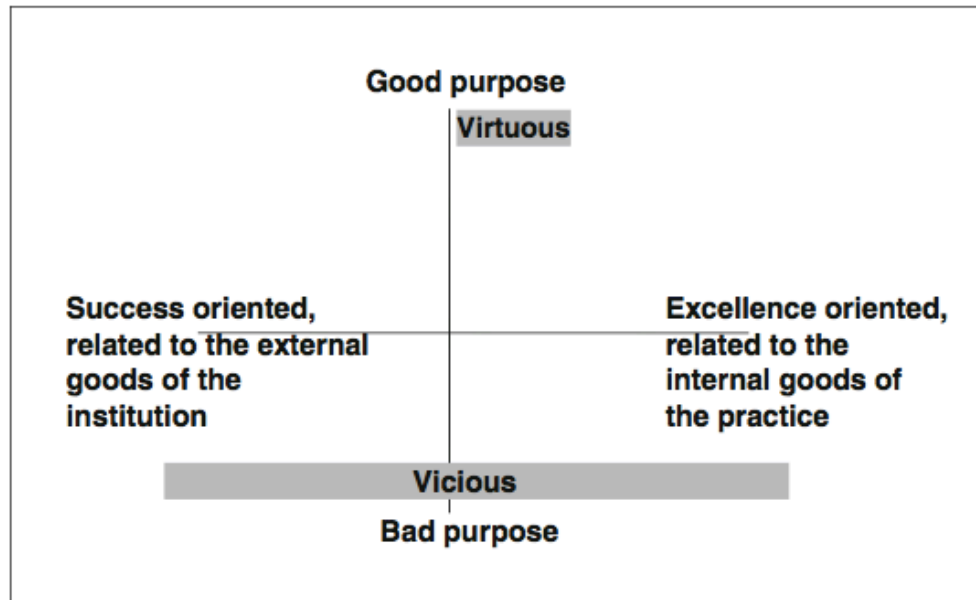
Figure 5.3: Mapping the Virtuous Organisation (Moore, 2012b)

5.5.3 Sampling

However, before the interviews could be conducted, it was necessary to select a sample of people to be interviewed and how this was achieved will now be described.

5.5.3.1 *Purposive Sampling*

It is important to recognise that the emphasis of the qualitative approach is on quality rather than on the quantity of the sample size (Silverman, 2013). For this reason, a purposive sampling strategy was used to select this study's sample and to generate data that could lead to rich and accurate explanations of people's view on organisational practice. Purposive sampling is a form of non-probability sampling where the choice of people to be included in the sample is not by random selection. Qualitative research often uses non-probability samples for selecting the population, rather than a more statistically representative approach (J. Lewis and Ritchie, 2003). It establishes good correspondence between the research question and the sample, with the objective of yielding insights into and understanding of the phenomenon under investigation (Streubert and Carpenter, 1995). This is in contrast to the random sampling procedure based on statistical probability within a value-free framework (Patton, 2002) and so qualitative sampling criteria go against the grain as far as conventional survey approaches are concerned (J. Lewis and Ritchie, 2003). The purposeful selection of research participants allowed the

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researcher to interview people who were relevant to the research questions, and could not easily be selected through any other techniques. Methods such as random sampling may have targeted inappropriate respondents and not allowed real-life situations appropriate to the area of study to unfold (Denzin and Lincoln, 2000, p. 370).

In order to seek the data that could lead to richer and more accurate explanations of people's view on practice and how the institutional environment influences people's view at the organisational level, this study purposefully selected various sizes of organisation – micro and small to medium - across a range of business sectors. There are three reasons why the SMEs were chosen for this research. Firstly, the proportion of SMEs in the Taiwanese is nearly 98% of all enterprises (SME Administration, 2017), which is significantly higher than most other developing and developed countries, and is therefore deemed to be representative of Taiwan. Secondly, SMEs have different characteristics compared with large organisations due to the difference in size. SMEs are typically lacking in both physical and time resources (Spence, 1999) and because the ownership and management are not separated to the extent that they are in large multinational firms (Crockett, 2005; Spence and Rutherfoord, 2001). Finally, SMEs are generally understudied in the areas of business ethics and CSR compared with large firms or corporations (Spence, Schmidpeter and Habisch, 2003).

Different economic sectors were deliberately included in the sample of firms chosen since the focus of analysis was SMEs and having all the firms from one economic sector would run the risk of the results being unduly biased by any distinctive characteristics of that sector. Using a range of sectors, driven more by availability than conscious choice, meant that the results were more representative of SMEs as a whole and thus more representative of this important part of the economy in Taiwanese culture. Furthermore, given the definition of practices and from previous empirical studies, there was enough reason to believe that the chosen sectors would contain practices. This was then to be confirmed by the empirical work by means of asking questions about the company purpose and the interviewees' views on excellence. It was to be expected that some companies would be more representative of MacIntyre's notion of practices than others, and indeed this is likely to be the case in any broad selection of organisations. Nevertheless, despite the fact that the explanatory power of MacIntyre's framework is most applicable in practice-institution combinations where the workers are practitioners, it was thought that even the views of any not apparently engaged in practices would be of some value since they were still organisations in a Confucian society, the subject of the

first research question. An alternative approach, discounting such organisations *prima-facie,* would inevitably skew the results, which was judged to be even more disadvantageous. Any selection method has its pros and cons and it is for the researcher to be aware of these and decide accordingly.

It was noted above in Chapter 4 that the professional IL is characteristically weak in the SME sector. This could be a point of criticism if it is thought that this leads on to SMEs corresponding less to communities of practitioners in the MacIntyrean sense than larger organisations. However, this may be due to a misunderstanding of 'professional' in the institutional logic sense, where it is taken to mean a greater influence of such factors as membership of a professional association as a source of authority and as a basis of personal norms. Indeed, MacIntyre's use of the example of fishing crews to demonstrate the contrast between internal and external goods shows how activities do not need to be 'professional' in the above sense to qualify as practices.

The study also purposefully targeted Taipei, the capital of Taiwan, and the surrounding area of Greater Taipei as the main source for data collection due to the fact that Taipei and its environs have long been the foremost industrial area of Taiwan and have the highest density of SMEs in the country (SME Administration, 2017). Also the author has contacts in the business community there which meant that the research was possible within the time available. This allowed the author to attract a suitable pool of participants and to ensure a sufficient breadth of experiences, which was essential for the purpose of this study.

The crucial and defining characteristic of purposeful sampling is to verify that participants meet the criteria for being in the sample (Miles and Huberman, 1994). It allows the selection of participants whose qualities or experiences permit an understanding of the phenomena in question. This is the strength of purposive sampling. The primary goal of this study was to obtain people who had been working in their organisations for at least one year, so they could answer questions such as the history of the firm, organisational purpose, and how the firm viewed practice. Furthermore for the micro firms, the author talked to everyone who worked in the organisation. For the small and median size firms, the author tended to select participants representing a variety of positions within the firm, of a kind that could be expected to provide meaningful differences in experience.

5.5.3.2   *Snowball Sampling*

Participants were recruited by means of the author's personal network and the snowballing technique was used to approach organisations potentially willing to participate in this study. With this approach to sampling, the researcher makes initial contact with a small group of people who are relevant to the research topic and uses these to establish contact with others (Bryman and Bell, 2015). The author used contacts which she has in Taipei, asked them to introduce her to owners of SMEs they know and then asked these firms to introduce her to other firms from different sectors. Initially, the research sample design aimed to interview 25 to 30 interviewees from five firms, bearing in mind the purpose of the study and the need to seek in-depth information from a number of individuals. However, as the research investigation was progressing, the collection of new data shed further light on the phenomena under investigation. New data continued to emerge after 30 interviews in five firms had been completed and consequently the author asked the owners who had been interviewed if they could introduce her to other firms in different fields. In this way, two more firms were included and the total number of interviews reached 39, at which stage the author felt that no new information or themes were emerging so that a state of data saturation had been reached (Bryman and Bell, 2015). As a result, the 39 participants were from different hierarchical positions within 7 different companies in different industries. This process is represented in Figure 5.4, which shows a snowball map of the companies interviewed.
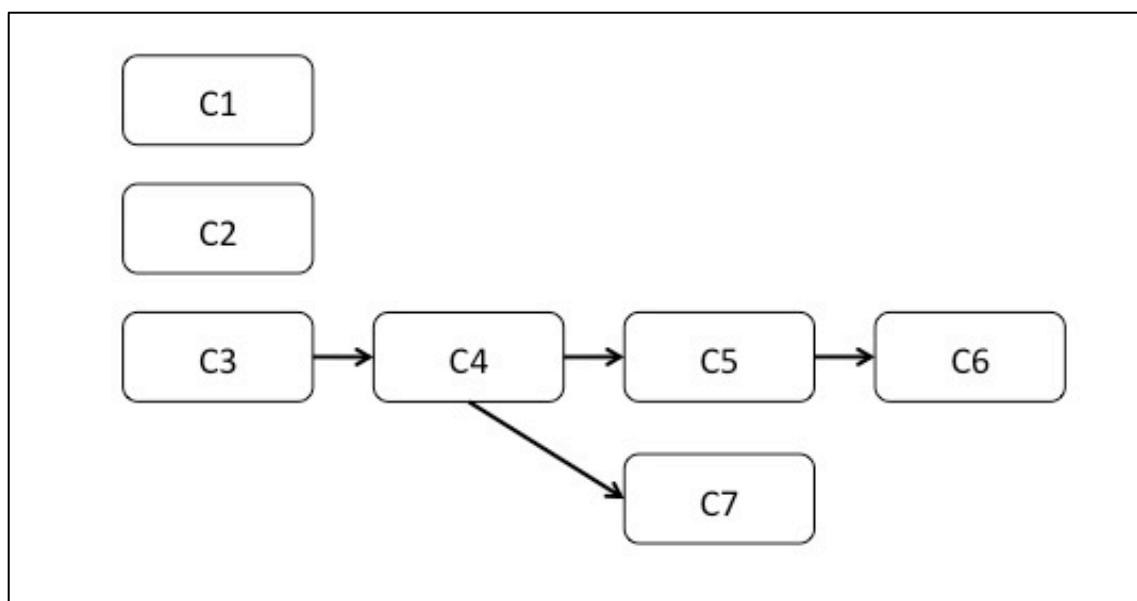
Figure 5.4: A Snowball Map of the Companies Interviewed

5.5.3.3 Sample Size

An appropriate sample size for qualitative research is an area of considerable difficulty and challenge (Bryman and Bell, 2015). The richness of data should be the primary concern, rather than the number of interviews (Fossey, Harvey, McDermott and Davidson, 2002; Brinkmann, 2013; Langdridge, 2007) and qualitative researchers should "interview as many subjects as necessary to find out what you need to know" (Kvale and Brinkmann, 2008, p. 113). At the same time, practical constraints also need to be considered in the form of the time needed for both the interviews themselves and the analysis of the data (P. T. Knight, 2002). The duration of each interview was 60 to 90 minutes and the transcription of each in Chinese and subsequent translation to English required approximately 24 hours. Also, an important issue in terms of the sample size was the very practical factor of the availability and willingness of people to participate and assist in the research.

In this way and as described in the snowball sampling section above, seven SMEs were selected for the study. Relevant background information for them, such as the business sector, size and company age is shown in appendix A.1.

Having portrayed the sampling method, the data collection method will now be described.

5.5.4 Data Collection

5.5.4.1 Phase 1: Scoping Study

Scoping studies "aim to map rapidly the key concepts underpinning a research area and the main sources and types of evidence available, and can be undertaken as standalone projects in their own right, especially where an area is complex or has not been reviewed comprehensively before" (Mays, Roberts and Popay, 2001, p. 194). One of the several aims of the scoping study was to identify whether the influence of Confucianism is ongoing so that Taiwan can still be categorised as a 'Confucian society'. The study was conducted in the summer of 2013 in order to validate the approach and took the form of 7 semi-structured interviews in Taiwan with interviewees from organisations across a range of business sectors.

Confirmation bias was guarded against by the questions being purposefully designed to elicit views on influences on the social and business environment but not referring to Confucianism either directly or indirectly. The scoping study also aimed to make an initial

assessment of the concepts surrounding organisational practice and the influence of the institutional environment on practice. Additionally, it was intended to pilot possible interview questions to be used in the main study as well as to practice the interview methods and means of analysing the data. Finally, the scoping study enabled the author to start on the selection of possible organisations for the primary research in the following year[6]. The interviews were conducted in Mandarin Chinese, lasted around 60 minutes and were the translated and transcripted into English. The resulting texts were subsequently analysed using the qualitative data analysis computer software NVivo, a software tool for qualitative data analysis which allows the researcher to organise, store and retrieve the data in a systematic and coherent way.

The main aim was achieved in that it was confirmed that Taiwan is still strongly influenced by Confucianism. Furthermore, two further aspects were identified which were helpful for the primary research. The first of these was the time needed for the translation and transcription of each interview, which was found to be about 22 hours. As a part-time PhD candidate with a time constraint, this could have been a major problem but, after discussion with the author's supervisors, a solution was found which was to recruit international MA students who were Chinese native speakers. The author's employing institution was conducting a project promoting 'students as assistant researchers' and so the students were employed as academic assistant researchers. Nevertheless, it was still necessary to ensure that the quality of the translations was consistent and accurate and so the author interviewed possible candidates, giving them a short audio recording to translate. In this way, three students were recruited to finish the remaining four interviews after which the quality of translation was checked. Two points were learned from this exercise. Firstly, the students suggested that transcription in Chinese should be done before the translation into English, since this would make the process more accurate and efficient (C. Davidson, 2009). Secondly, it was apparent that such help would be needed later for the primary research phase, especially due to its intended larger sample size of around 25 to 30 targeted participants.

The second aspect of importance for the primary research phase involved the analysis method of the resulting transcripts. In the scoping study, both template analysis and open

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[6] None of the participants of the scoping study were carried forward to the main data collection.

coding methods (to be reviewed in more detail in the second stage of the data analysis section below) were employed in order to practice the coding techniques and to identify the method more suitable and useful for the author. It was found that open coding was preferable, since it disclosed themes running through the interviews which were not so clearly apparent with template analysis (D. E. Gray, 2009). The main theme identified and confirmed by both methods was the importance of the role played by Confucianism from the personal and organisational levels up to that of the state. Additionally, the theme of change was identified, which was somewhat surprising to the author - it was emphasised by all interviewees in relation to Taiwan's social and economic history but was not designed for in the questions. This was strongly apparent from open coding, but not from template analysis and so played an important part in indicating the suitability of the former for the analysis of the primary data.

In summary, the author confirmed that Taiwan is still strongly influenced by Confucianism and so could validate Taiwan as a location suitable for the study of a Confucian society. In addition, it was decided to incorporate the theme of change into the research design. These two findings fulfilled the purpose of the scoping study and the author was able to select the open coding method for data analysis because of its ability to identify unexpected themes.

5.5.4.2   *Phase 2: Primary Research*

Building on the experience gained in the scoping study, the questions to be used in the primary research interviews were refined. As described above, further questions were added, based on the model developed by Moore (2012b) and Crockett (2005), which were intended to explore people's perceptions of organisational purpose and the balance between excellence and success, and so external and internal goods, at the organisational level. The scope of the questions was also extended to include wider environmental influences so that the research explored not only the influence of virtue, but also that of the component parts of the institutional environment, including the state, global influences and tradition. As in the scoping study, no questions referred to Confucianism either directly or indirectly due to concerns of validity, reliability and trustworthiness, which will be reviewed below. A complete list of questions is included in appendix A.2.

The questions formed the basis of the semi-structured interviews for the primary research. This took place from July to August 2014 in the form of interviews with 39 people – eight

founders, ten managers and 21 employees – from a total of seven SMEs. Each interview took 1 – 1.5 hours and was conducted in Mandarin Chinese and the list of interviewees' characteristics such as gender, age, and position is shown in appendix A.3, which are recorded in the order in which the interviews were conducted.

Interviews were conducted at a time and place of the subject's choosing, mainly at their offices. Since the physical location in which an interview is conducted can have a strong influence on how it proceeds (Bryman and Bell, 2015), attention was given to ensuring a conducive environment. Meeting rooms were booked in order to avoid any factors that would possibly cause distractions during the interview process and all interviews were digitally recorded. A minimum of 30 minutes setting-up time was scheduled to ensure that everything was ready, including a revision of the interview questions and a check of all the essential materials such as the digital recorder, the ethics form and the interview questions. Also all the potential participants were invited to a quick face-to-face conversation in advance to ask whether they were willing to take part in the research and so to gain their consent.

On the arrival of a participant, the author's first priority was to create an environment of trust by avoiding the research topic until the interview began. The first minutes can be crucial for establishing the relationship between researcher and participant and so are important for successful in-depth interviews (J. Lewis and Ritchie, 2003). Some participants may feel anxious or even slightly hostile before the interview and so it is important to establish rapport so that the participant will share personal information. The author tried to be quietly confident and relaxed and to establish rapport by identifying commonality, sharing feelings and making polite conversation. Kvale and Brinkmann (2008) also suggest that a good rapport can be established by the interviewer listening attentively, showing interest, understanding and showing respect for the participant, and the author followed this advice.

Once the participant seemed comfortable, the author started to direct the interaction by introducing the research topic and restating the nature of the interview. Confidentiality of the data was reaffirmed and formal permission was sought to proceed and record the interview by reading out the consent form and asking for verbal agreement. The author also gave the interviewee the opportunity to ask questions regarding the process of the interview. During the interview process, the author's main responsibility was to listen and pay attention to key responses, which is one of the most difficult aspects of the in-depth

interviewing process. Active listening and a patient approach are used by researchers to improve the quality of the in-depth interview experience for both the researcher and the respondent (Kvale, 1996). At the same time, care was taken not to influence the interviewees which was achieved by not explaining what kind of answers were sought, avoiding biased responses, using neutral and indirect questions free of preconceptions, not guiding how complete the response should be and not raising issues to lead to desired responses. To close the interview, the author asked the participants if there was anything they wanted to add and they were also invited to ask questions about the research. In one case, after the main interview, the participant brought up the topic of Confucianism and the conversation continued for another 30 minutes and was recorded and included in the interview transcript.

Overall, the researcher said very little during the interviews and acted primarily as an attentive listener. Although this method did not record participants' gestures, body languages or facial expressions, the quality of the interview was improved by the author observing participants' expressions and reactions to better pick up on topics they were interested in and so to guide them to discuss these areas further, by using probing techniques to elicit underlying information. For example, the author noticed in the early stages of the interviews that one of the participants explained why she used the familial title '*ge*' and '*jie*' in the office. The author noted this and paid attention during later interviewees to note whether such titles were used. This became an important part of the theme 'family'.

The questions relating to Crockett's exercise were asked at the end of the interview as described above. In this way, quantitative scores for current and ideal success were obtained after the detailed preceding discussions.

5.5.5   Data Analysis

As described above, the majority of the data collected was of a qualitative nature, but quantitative answers had also been gathered to the two questions on organisational purpose and the balance between excellence and success. The analysis of these two data types will now be described in turn.

5.5.5.1 Qualitative Analysis

The process of bringing order, structure and interpretation to a mass of collected qualitative data is challenging as well as creative. One of the main difficulties in the process of moving from raw interviews to evidence-based interpretation is to find an analytic pathway that will make sense of large amounts of data and translate the intangible ideas into comprehensive frameworks (Creswell, 2007). This process of creating meaning requires several analytic methods to ensure the maximum utilisation of the data collected and to secure the originality and authenticity of the interview outcomes. It is from this process that questions on validity, reliability and trustworthiness stem (Bryman and Bell, 2015), and these are considered below. Therefore, different analytic procedures were adopted to organise the data and to uncover the individual views on practice at the organisational level as well as factors influencing perceptions and attitudes at the macro and societal levels. The following Figure 5.5 summarises the process of data analysis employed.

Stage One	Stage Two	Stage Three	Stage Four
Transcription, Translation , Quality Checking Familiarisation & Data Management	Initial Data Coding	Coding Evaluation and Consolidation	Formulation of Themes
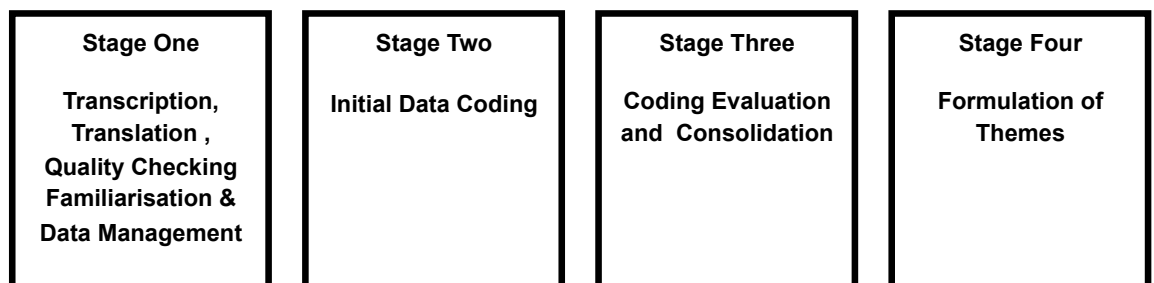
Figure 5.5: The Data Analysis Process

The analysis of data is a crucial stage in the research process and has been considered to be the most difficult one, since there are no clear-cut rules about how a qualitative data analysis should be conducted (Bryman and Bell, 2015). Among the different general approaches and perspectives, Miles and Huberman (1994) provide a systematic approach through the provision of analytic practices, whereas Madison (2005) describes the need to create a point of view that signals the theoretical perspective taken in the study. The approach adopted was that proposed by Wolcott (1994), who discusses the importance of forming a description from the data and relating the description to the literature. This illustrates that the process of analysis, classifying, comparing and interpreting the interview data has several guiding characteristics.

Given the nature of this study, the approach chosen was that of induction, which is the most widely used in qualitative data analysis and is the "systematic examination of similarities within and across cases to develop concepts, ideas, or theories" (Pascale, 2011, p. 62). It involves inductively coding data to identify patterns and further explain these patterns in detail. Data-driven open coding was applied whereby the author started the analysis without any initial codes and these were developed upon reading the interview transcriptions. There are no clear cut rules about what should be coded in the inductive analysis approach, it all depends on the research interest (Brinkmann, 2013; Gibbs, 2008).Therefore, whilst inductive analysis was adopted as the broad data analysis strategy, thematic analysis was chosen to provide the author with clearer guidelines for the detailed analysis of the data and can be described as follows.

5.5.5.1.1 First Stage: Transcription, Translation, Quality Checking, Familiarisation and Data Management

The first stage covers the transcription and translation, including quality checking, familiarisation of the data and its management. The author decided to use full verbatim transcriptions for the purpose of examining the interviewees' personal experiences in depth, even though this was a very time consuming process (King and Horrocks, 2010). As described above, from the experience of the scoping study it was known that approximately 22 hours would be required to process each interview and so it was decided to recruit Chinese-speaking students studying for masters' degrees in linguistics as assistant researchers. These students transcribed the interview recordings in Mandarin Chinese and then translated and transcribed them into English (see appendix A.4 for an example).

The author then carried out quality checks, which involved listening to the audio recordings again, following the transcripts to make sure that all the conversation had been translated accurately and making any corrections necessary. Common issues with translation, such as back translation, culture and language were considered which will be reviewed below in the section on validity, reliability and trustworthiness.

To ensure the systematic and transparent analysis of data, after transcription all interviews were listened to several times to familiarise the author with the text. This had several benefits - for example, the researcher heard the voices of the participants and relived the interviews, which is likely to lead to an accurate interpretation of the data (Miles and Huberman, 1994). Familiarisation is a crucial activity, the value of which became fully

apparent in the later stages of data analysis. In this way, the author became thoroughly familiar with the data, which was necessary to get a feel for the participants' perceptions, their emotional involvement with aspects of those perceptions and the meanings they ascribed to them. The final corrected versions of the interview transcripts were imported into NVivo.

NVivo is one of the most well-known qualitative software program among the various available, the main benefits of which are data management and the speed and rigour of analysis which they enable (Flick, 2002; Silverman, 2013; Harding, 2013). Such software programmes facilitate more complex forms of analysis and present the researcher with a clearer picture of the results than would be possible with purely manual means. The NVivo software allowed the manipulation of qualitative data, made possible a more objective analysis and more rigorous picture of the subject and minimised the risk of codes or themes being missed. NVivo also has functions which show how codes are developing, and the relationship between each code. It enabled the researcher to store, categorise, retrieve and compare collected data and so helped the author's thinking in preparation for writing, enabling a deep level of analysis and examination of complex relationships within the data.

5.5.5.1.2   Second Stage: Initial Data Coding

The second stage in the process is the development of the coding categories and the clarification system (Maxwell, 2012), which enabled the author to identify all the key issues, concepts and themes by which the data could be examined and referenced. As described above, the scoping study trialled two approaches to coding, those of template analysis and open coding. Open coding was found to be the most suitable for this study and so was selected as the method to be used for the analysis of the data from the primary research phase.

In template analysis, the researcher first creates their own template of codes, based on their previous knowledge of the subject matter. This template is then used for the initial coding of the source material, which enables the coding process to get off to a relatively quick start. However, the researcher should then amend the coding template as necessary as she becomes acquainted with the source material, so that it becomes a true reflection of the content of the source material. Clearly, it is possible to question whether the initial subjective nature of the coding template can be changed sufficiently during the process to become sufficiently objective, but at least this approach recognises the

inherent subjective nature of such qualitative research methods (King, 2012). As such, template analysis is positioned between 'bottom-up' approaches, such as open coding and the 'top-down' style of the matrix approach (King and Horrocks, 2010).

In contrast, in open coding the researcher does not create an initial template but rather creates codes purely from the data being analysed. As such, it is adapted from grounded theory and is an inductive approach to the source data, being "the process of breaking down, examining, comparing, conceptualizing and categorizing data" (Strauss and Corbin, 1990, p. 61). Two analytical procedures are involved – the making of comparisons for similarities and differences between each event and the asking of questions about the data. Both help towards the labelling of phenomena in terms of concepts or categories (Flick, 2002). In practice, the author initially coded the text line by line and sentence by sentence, assigning codes such as the political environment, people's attitudes to conflict and filial piety to meaningful segments of data. Concurrently, the author made constant comparisons in that each time an instance of a code was found, it was compared with previous instances. If the new instance did not fit the original definition, then either the definition was modified or a new code created (Flick, 2002). This is clearly a time consuming process so that, for example, the coding of an hour-long interview typically produced around 90 nodes, which resulted in over 2,600 nodes as shown in appendix A.5. However, the value of this process was apparent from the scoping study where it enabled the author to identify themes, such as the difference between young and old, which did not emerge under template analysis. Mainly for this reason, it was decided to use open coding for the analysis of the primary data.

5.5.5.1.3   Third Stage: Coding Evaluation and Consolidation

Due to the volume of data collected, the number of codes, or nodes as they are called in NVivo, would have quickly become unmanageable without some sort of grouping into higher level headings, e.g. 'differences between young and old'. Sometimes these headings were as a result of the design of the interview questions, but some emerging groupings were independent of the design and were clearly topics that several interviewees raised without prompting.

After all the statements made by interviews had been mapped to nodes, it was necessary to review the nodes created and to carry out a degree of 'tidying up'. This involved not only correcting mistakes, such as the removal of duplicates, but also the allocation of some nodes to groupings where previously this was not clear. This resulted in some

groupings being merged together or being renamed and when complete, the original c.2,600 nodes had been reduced to c.1,800, grouped into 45 headings. The NVivo software was particularly useful at this stage of data analysis as it enabled the author to review all data belonging to a particular node and to be reviewed several times. This procedure ensured that scattered pieces of information on the same sub-topic were put together for a complete review (Esterberg, 2002).

5.5.5.1.4   Fourth Stage: Formulation of Themes

As mentioned earlier in this section, thematic analysis allows the researcher to determine themes within the transcribed data, described as "recurrent and distinctive features of participants' accounts, characterising particular perceptions and/ or experiences, which the researcher sees as relevant to the research question" (King and Horrocks, 2010, p. 150). To decide what counts as a theme can be difficult because the researcher cannot define a theme dependent on quantifiable measures. Braun and Clarke (2006) offer practical advice on creating codes which helped the author to check created codes in a more systematic and transparent way and to decide on what counted as a theme in this study. They describe how the researcher always has to make choices about what to include, discard and how to interpret participants' words. Researchers need to be consistent in how to decide on the themes within any particular analysis since themes imply some degree of repetition, usually across two or more interviews, but it can be argued that sometimes it is useful to identify themes unique to an individual case. Furthermore, themes must be distinct from each other, although they can have some degree of overlap and the contents of themes can be amended within the on-going data collection and analysis process.

For this research, the 45 headings described above were merged into 12 themes, with themes emerging both deductively from pre-existing concepts as well as inductively from the data. In this way some themes were based on the research questions which had been incorporated into the design of the interview questions, for example organisational purpose, excellence and success, and the macro environment. These related the findings to the broader context and established whether the data addressed the research questions and also enabled comparison with the previous two studies by Moore (2012b) and Fernando and Moore (2015). In contrast, several inductive themes were identified on the basis of topics mentioned frequently by interviewees. Whilst these were partially influenced by the questions asked, some themes emerged which were not directly driven

by the questions, e.g. social responsibility, differences between old and young, and China. These included 'unique' topics where a small number of interviewees made statements which were interesting in their own right and which appeared to merit further consideration, for example, the familial titles '*ge*' and '*jie*'.

The above steps left the researcher with 12 themes, with most themes bearing some relation to some of the other themes. To gain an overview, it was felt necessary for the themes to be reviewed and brought into some sort of order. To do this, general concepts were used - the themes were divided into those occurring at the macro, organisational or micro-levels or those relating to change processes. This resulted in the following high-level schema:

Macro Level	Confucianism
	Traditional Values
	Civil Society
	Foreign Influences
Organisational Level	Organisational Purpose
	Success and Excellence
	SMEs
	Family Orientation
Micro Level	The Self
Change Processes	Differences between Young and Old Generations
	Political change
	Societal change

Table 5.1: Major Themes from the Primary Data

This categorisation of themes can be related to MacIntyre's concepts but also to the cross-level model of institutional logics from Thornton et al. (2012) described in Chapter 3. The author found it useful to use an existing theoretical framework as an organising

mechanism since this enabled the themes emerging from the empirical data to be related easily to concepts from the literature review. Various topics, such as foreign influences, globalisation and technological change could be considered to be themes at the macro level, but also could be considered as change processes operating across different levels. This demonstrates how viewing themes from different viewpoints shows up different aspects, leading to further potentially valuable insights.

Throughout this process, items of interest were noted down for consideration at a later stage. For example, some interviewee statements seemed to contradict the findings of Hofstede's power-distance relationship (Hofstede and Bond, 1988) and also some of MacIntyre's views, such as conflict. Trains of thought produced from analysis of the interviewees' statements were continually compared and contrasted with relevant concepts from the literature review, especially during consideration of the major themes.

In this way, the final seven themes were selected as organisational purpose, success and excellence, traditional values, Confucianism, family orientation, SMEs and change.

5.5.5.2   *Quantitative Analysis*

5.5.5.2.1   Statistical Testing

In order to analyse the quantitative data collected for organisational purpose and the balance between excellence and success, statistical tests were employed. Student's t-test can generally be used to test for differences where the data is divided into two categories, such as family run businesses and partnerships. However, this test assumes that the data is distributed normally but this assumption was not valid for the empirical data gathered here. Consequently, a variation of Student's t-test, known as Welch's test, was used.[7] Where there were more than two categories to be analysed, for example where company size was categorised as being either micro, small or medium, a different test was needed to avoid having to test repeatedly for differences between each individual category pair. Normally, the Anova (analysis of variances) test can be used for this purpose but, similar

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[7] This was achieved by using the Microsoft Excel t test function, but using a value of '3' for the 'type' parameter. To quote from the relevant help text - "This parameter is the kind of t-test: paired = 1, two-sample equal variance (homoscedastic) = 2, two-sample unequal variance = 3."

to the t-test, the Anova test assumes that the data is distributed normally. Consequently, the Kruskal-Wallis test was used, which is a non-parametric alternative to the one-way Anova test and which should be used in preference to the Anova test when a normal distribution cannot be assumed.

In this way, tests were conducted to see whether there were any statistically significant differences between the seven individual companies for the three scores on organisational purpose, and current and ideal balance between success and excellence. Similar analyses were carried out to see whether there were any differences in the scores when the companies were categorised by company type (family run or partnership), company size (micro, small and medium)[8] and company focus (internal or external). In summary, no statistically significant differences deemed worthy of further investigation were found and so it was justifiable to group the seven companies together for the purpose of further discussion (see appendix A.6).

A further statistical test performed on the data was a comparison of the relative proportions of the categories of statements made by the interviewees on success and excellence. As described above, these statements were analysed in NVivo and grouped into categories so that a comparison could be made with the previous studies in Sri Lanka and Europe. The categories identified, such as people, financial and customers, were found to be largely the same as in the previous studies although some categories, such as virtue, subsequently included under people due to its connection with role ethics, were found to be unique to Taiwan. In this way, the relative proportions of these categories could then be compared with those from the other studies to see whether there were any statistically significant differences. This was done firstly by means of the chi-squared test to see whether there were statistically significant differences and then by a variation of two-tailed Student's T distribution known as Welch's test[9] to see in which categories these

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[8] Defined as micro – less than 10 people, small – 10 to 50 people, medium – more than 50 people

[9] Welch's test was achieved by using the Microsoft Excel t test function, but using a value of '3' for the 'type' parameter. To quote from the relevant help text - "This parameter is the kind of t-test: paired = 1, two-sample equal variance (homoscedastic) = 2, two-sample unequal variance = 3."

differences occurred. The detailed analyses can be found and the findings are discussed in detail in Chapter 6.

5.5.6   Data Presentation

Once the data had been analysed in this way, the final method is that of the presentation of what was found through the exploration of the 39 interviews, which is different for qualitative and quantitative data. The analysis of the qualitative data was organised on a thematic basis, drawing from the themes and perspectives which emerged. For Braun and Clarke (2006), qualitative data presentation involves the development of a coherent, logical and interesting narrative which should include sufficient and appropriate supporting evidence of the themes. As a result, for this study the data was presented systematically and transparently, by use of direct quotations from the transcripts of the interviews to facilitate discussion of the themes identified through this analysis. Data extracts were chosen which illustrated the point appropriately (Braun and Clarke, 2006).

Baxter and Eyles (1997, p. 508) suggest that using direct quotations is important because it shows "how meanings are expressed in the respondent's own words rather than the words of the researcher". Extensive use of data extracts demonstrating the essence of the responses from the interviewees can help to strengthen credibility (Patton, 2002). However, the author was aware that variations in individuals' experiences may result in excessively subjective interpretations and less rational conceptualisations (Myers, 2013). Consequently, whilst considering possible alternatives to the dominant explanation, some statements were not chosen on the basis of the evidence provided by the data. Throughout the process, consistency and neutrality were used to ensure the trustworthiness and credibility of data, and these aspects will be discussed in the next section.

For quantitative data, different methods of data presentation are needed. Descriptive statistics, such as mean values and data ranges, can be displayed graphically with suitable methods including graphs, charts, and box plots as presented in Chapter 6. Histograms are also useful in this respect, especially for the display of relative values as required in this study to show corresponding statistical measures from the studies in Sri

Lanka and Europe. On the other hand, inferential statistics used to evaluate whether significant differences are present between different samples of data are better suited to tabular presentation (D. E. Gray, 2009).

In this way, the methods used for this study have been described, being mainly the semi-structured interview providing qualitative data analysed by means of open coding in NVivo, but also supported by some quantitative data collected by the rating of organisational purpose and Crockett's method and analysed by the use of suitable statistical tests. Next in this chapter, aspects of validity, reliability and trustworthiness will be discussed before ethical considerations are reviewed.

5.6 Validity, Reliability and Trustworthiness

Validity and reliability are two issues which any qualitative work should consider when designing the study, analysing results and judging the quality of the data. These two concepts were originally developed in the quantitative tradition and are rooted in a positive paradigm (Bryman and Bell, 2015; Golafshani, 2003). Consequently, the validity and reliability of qualitatively derived data can be seen as unscientific, subjective and lacking generalisability due to the use of case studies and small samples (D. E. Gray, 2009). Another criticism is that the research is so personal that another researcher may come to very different conclusions with the same data (Mays and Pope, 1995). However, it can be counter-argued that qualitative studies produce findings not arrived at by means of statistical procedures or other means of quantification (Strauss and Corbin, 1990, p. 17). Therefore, validity and reliability achieved through the selection of appropriate methodology will now be examined to address these quality concerns.

In its broader conception, validity concerns the accuracy of the questions asked and the appropriateness of the tool used (Denscombe, 2007), while reliability is defined as the ability of the tools used to produce consistent results (Gray 2009). In seeking to determine the reliability and validity of qualitative studies, Guba and Lincoln (1994) argue for the parallel concept of 'trustworthiness', containing the four aspects of credibility, conformability, dependability and transferability. The criterion of credibility suggests whether the findings are accurate and consistent (J. Lewis and Ritchie, 2003) and Seale (1999) compared the concept of dependability with the concept of reliability in quantitative research. The argument is that inferences made are not statistical but nonetheless logical

(Kennedy, 1979) and that trustworthiness is achieved if the data reflects the reality of the experience (Guba and Lincoln, 1994).

Validity also refers to whether a researcher is observing, identifying or measuring what they claim they are and can be divided to two parts: external validity and internal validity (J. Mason, 2017). External validity refers to the degree to which findings can be generalised to other social or organisational settings, which may be difficult to achieve in qualitative research because of the tendency to use case studies and small samples. However, Guba and Lincoln (1994) argued for 'naturalistic generalisation', a more intuitive approach based on personal and direct experience, where researchers use the results from individual cases to build working hypotheses that can subsequently be tested as a way to address such concerns. Internal validity refers to whether there is compelling evidence that the researcher has achieved a strong link between their evidence and the theoretical ideas they develop from it (D. E. Gray, 2009). Researchers can use a range of techniques, such as member checking, expert checking, writing memos and performing a literature review, to enhance the internal validity of their results (Whittemore, Chase and Mandle, 2001).

For this research, two previous case studies (Moore, 2012b; Fernando and Moore, 2015) had found that MacIntyrean virtue ethics are applicable not only in Western society but also in the non-Western context of Sri Lanka. The aim of this research was to find out whether MacIntyrean virtue ethics are also applicable in a Confucian context and, as described above, the author used the same method to examine people's views on excellence and success in organisations and then compared the results. This is in line with the suggestion that underlying theories can be tested through the use of multiple case studies (Miles and Huberman, 1994) although, as argued by Dey (1993), qualitative analysis is more likely to be suggestive than conclusive for such generalisations.

For this study, the author ensured validity, reliability and trustworthiness through the application of checks on the quality of the data and its interpretation (Strauss and Corbin, 1990). From the beginning, the fieldwork was carried out with consideration and consistency, with the scoping study being used to improve the quality of the interviews to allow participants to express their views fully. The interview themes and questions were cross-checked with the author's supervisory team to refine and justify the research inquiries and to enhance the reliability of the study. On the one hand, since this study was conducted in Taiwan, a country with a different socio-cultural setting, the author was

closely involved in the research without attempting to remain 'neutral' and so the impact of the author as a potential outsider on the participants as insiders (Hage, 2006) needs to be considered. On the other hand, the fieldwork needed to be carried out consistently and to allow all participants to portray their experiences and perceptions as fully as possible. During the data collection process, all the interviews were recorded in order to allow the checking of the accuracy and credibility of the data when reading the transcribed and translated interviews. Afterwards, as described above, the author produced an initial analysis of the data (appendix A.6), which allowed the supervisory team to check the quality of the analysis and ensure that the findings could be compared and contrasted with the corresponding previous studies.

Furthermore, the author made great efforts to influence the interviewees to the least extent possible, by not explaining what kind of answers were sought and by avoiding the use of potentially confusing academic language, such as virtue or role ethics. For example, the terms excellence and success were used instead of internal and external goods and also the word Confucianism was not included in the interview themes and questions about tradition. Moreover, the terminology used during the interviews was carefully considered in order to establish certain criteria for addressing rigour and to ensure the quality of the data. The aim was to gain deeper understanding rather than examining surface features and to facilitate an in-depth exploration of how people working in SMEs view organisational practice and the influence of tradition.

Concerns about cross-language and cross-culture research have been raised by various scholars, especially concerning the quality of translation and back-translation (Temple, 1997, 2006; Brislin, 1970, 1986; Sechrest, Fay and Zaidi, 1972). The model of the latter was created by Brislin (1970) to ensure the quality of translation and involves one expert translating from the source language into the target language before a second independently translates back into the source language. If an error in meaning is found in the back-translated version when compared to the original, the terms in question are retranslated and back translated until no error in meaning is found (Jones, Lee, Phillips, Zhang and Jaceldo, 2001).

The author loosely followed this model for the purpose of checking the reliability of the translations, but was unable to use independent experts due to time and budget limitations. However, as noted above, all 39 interviews were transcribed into Chinese first by native speakers before the author listened to the recordings to ensure that all the

responses, including hesitations, laughs etc., had been transcripted correctly. Only then did the recruited students translate the interviews into English before the quality of the translation in terms of sense and grammar was checked by a third party, a native English speaker unrelated to the subject. The author then checked that the translations were accurate by comparing the interview recordings with the final translations, which minimised the need for back translation, with the total process taking over 800 hours.

Many issues with translation have been identified (Rosemont and Ames, 2016; Sechrest et al., 1972) and a big challenge for this research concerned semantics where expressions in Mandarin had no precise equivalent in English. For example, during the final checks the author noticed that the familial titles '*ge*' and '*jie*', commonly used at the individual, organisational and societal levels in Taiwan, had been used by several interviewees but had been missed by the Chinese translators. This finding did not seem to be significant at first but later emerged as an important manifestation of SMEs as a family and so demonstrates the importance of checking translations thoroughly. According to Sechrest et al. (1972), such issues occur even within single cultures, with different subcultures and the use of scholarly rather than indigenous language as well as regional and dialect differences in informal speech contributing to potential subcultural research problems. Similarly the author found that some words in Mandarin Chinese have no equivalent in English, such as '*mianzi*', '*guanxi*' and '*renqing*' and needed to use relevant literature reviews to find the closest words in English. Derrida (1976, 1987) agreed that all translation depends on context, as further explained by S. Simon (2003):

> "Translators must constantly make decisions about the cultural meanings which language carries… These are not technical difficulties… They demand the exercise of a range of intelligences. In fact the process of meaning transfer has less to do with finding the cultural inscription of a term than in reconstructing its value" (S. Simon, 2003, pp. 137 - 138).

To achieve credibility, the author tried to ensure that her values and beliefs did not influence the collection of the data and its analysis. Consequently open coding was adapted for the analysis of the data and the subsequent codes, categories and themes as well as the analysis process itself were discussed with the supervisory team. The author was asked to document these as well as the 'top down' and 'bottom up' approaches discussed in the previous section (see appendices A.7 - A.9). In this way, bias in the

results was minimised and as reliable a description as possible was given of the phenomena (Bell, 2006).

A good qualitative researcher moves back and forth between design and implementation to ensure congruence between the question formulation, literature, data collection strategies and analysis (Morse, Barrett, Mayan, Olson and Spiers, 2002). This approach helped the author to identify when to continue, stop or amend the research process in order to achieve reliability and validity and to ensure qualitative rigour. An important question is whether the findings are consistent with the data collected, with the aim being not to eliminate inconsistencies but to ensure that the researcher understands when they occur (Guba and Lincoln, 1994). The reliability of the findings depends on the way the original data has been collected and interpreted and, as previously discussed, the author used several checks to ensure a systematic and comprehensive analysis, such as having full transcriptions of the interviews. More importantly, the author checked that the analysis could be put together in a story not only plausible in itself but which also could be related to the picture drawn in the literature review (Miles and Huberman, 1994). At the same time, the author was aware that theory can influence data interpretation and so, to present a reflexive account of research findings, it was important that the analysis was sensitive to the data so that unexpected findings not in line with previous understandings were not neglected. In this regard, the NVivo software used was a vital tool to ensure the consistency of the data and to establish confidence in the findings.

5.7 Ethical Considerations

The interests of the research participants were considered at all stages of the research project since, as argued by Bryman and Bell (2015), ethical issues cannot be ignored because they relate directly to the integrity of the piece of research. Ethical risks involved in research with human participants must be considered to ensure the professional integrity of the researcher (Seale, 2004) and, in this study, ethical issues involved informed consent and confidentiality. Following the principles laid out in the Research Ethics Review Checklist of Durham Business School's Sub-Committee for Ethics, ethical approval for this research was formally granted in July 2014 (see appendix A.10).

Informed consent has been viewed in the literature as a focal point in any discussion of research ethics in social science (Bryman and Bell, 2015) and acts as a safeguard for the rights of the human subjects (Ali and Kelly, 2004). Potential participants have the right to

know what may happen to them by being provided with a written document containing the complete details of the study, covering the purpose, procedures, benefits, risks and expectations (Bryman and Bell, 2015). For these reasons, all the moral principles guiding the planning and conduct of research, the publication of outcomes, and post-project care and/or disposal of records or materials were included in the Participant's Information Sheet (see appendix A.11).

Participation in this study was entirely voluntary and subjects were free to decide not to participate or to withdraw at any time without consequences of any kind. The Participant's Information Sheet was prepared in English and required verbal rather than written consent[10]. Prior to the interview, the author explained the ethical issues, including privacy and confidentiality, to all participants in Chinese and permission was obtained before the conversation was recorded. Participants were made aware that interview recordings would be transcribed and that they would have the opportunity to review and amend the transcripts. By agreeing to take part in the interview, the participant agreed to these conditions.

Issues of anonymity need to be considered since phenomenological enquiry is often personal and intimate (D. E. Gray, 2009). All the participants were assured that the information they gave would be confidential and would not be made known to others. They were assured that care would be taken to ensure that personal details could not be identified in the final report and, for this reason, a code was assigned to each research participant,[11] to preserve anonymity in the final report. Access to raw data was considered necessary only for the supervisory team and examiners (if required) and, to further promote confidentiality, no personal information will be made available to anyone apart from the people responsible for this study without the participants' agreement. On a practical level, all interview documents have been stored in a safe place and all digital recordings and documents in a secure computer file.

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[10] Although the form in the appendix includes a place for signature and date, these were not used as agreed in advance with the supervisory team.

[11] Cxly where x is the number of the company and y is the number of the interviewee

5.8 Summary

This chapter has described the methodological considerations which shaped the research approach deployed in this study. It has provided answers to critical questions about the nature of the data collected, the sampling strategy and the techniques, methods and procedures that were used to further explore the subject under investigation. It also discussed the critical realist approach this study has taken with regard to methodology and in particular establishing why a qualitative rather than quantitative approach was considered appropriate to answering the research questions. In brief, this exploratory research was conducted on the basis of a qualitative case-study approach with the semi-structured interview method employed to yield the key findings which will be presented in the next two chapters.

6. Chapter 6: Findings 1

6.1 Chapter Overview

Having described the research methodology, the empirical findings will now be presented over the next two chapters. The most relevant research questions for this chapter are the first and second, concerning the applicability of MacIntyrean concepts and SMEs, although findings relevant to the other research questions will also be reviewed. Consequently, this chapter will focus on organisational purpose, success and excellence before selected themes are further developed in the next chapter.

The structure of this chapter is, firstly, a consideration whether the scores given for the seven companies can be treated together as a case study, or whether differences between them mean that they need to be considered in separate groupings. Secondly, the findings on the first requirement for virtuous business organisations, that of organisational purpose, will be described. Thirdly, the findings on the second and third requirements probing views on success and excellence will be presented. Finally, the findings will be compared with those from comparable studies in Sri Lanka and Europe, before the chapter is summarised.

6.2 Homogeneity between the Companies

6.2.1   Introduction

First of all, it was important to establish whether the scores given by the interviews could be treated homogeneously so that the companies could be considered altogether, or whether there were significant differences between the responses given by interviewees from different companies. If there were significant differences, then this would mean that the companies would need to be split into smaller groups before the findings could be considered.

As described in the methodology chapter, the test for homogeneity was carried out using the Kruskal-Wallis statistical test to see whether there were any statistically significant differences between the scores for organisational purpose and current and ideal success given by the interviewees from the seven companies.

6.2.2 Findings

Figures 6.1 to 6.3 show the data for the three scores for the seven companies represented as box plots, which display the distribution of the data, allowing visualisation of several parameters at once – sample minimum and maximum values, the upper and lower (1st and 3rd) quartiles, the median and mean values. The box for each company shows the interquartile range, with the bottom and top of the box representing the 1st and 3rd quartiles respectively. The blue line inside the box is the median value and the red line is the mean. The vertical lines extending vertically from the boxes (or 'whiskers') reach to the minimum and maximum values.

Although it may be argued that the usefulness of such box plots is reduced by the fact that the sample sizes were relatively small, the author contends that such a visualisation of the data gives a valuable first impression of the data and its distribution. To this end, Figure 6.4 is also included, which shows the three scores for each company.
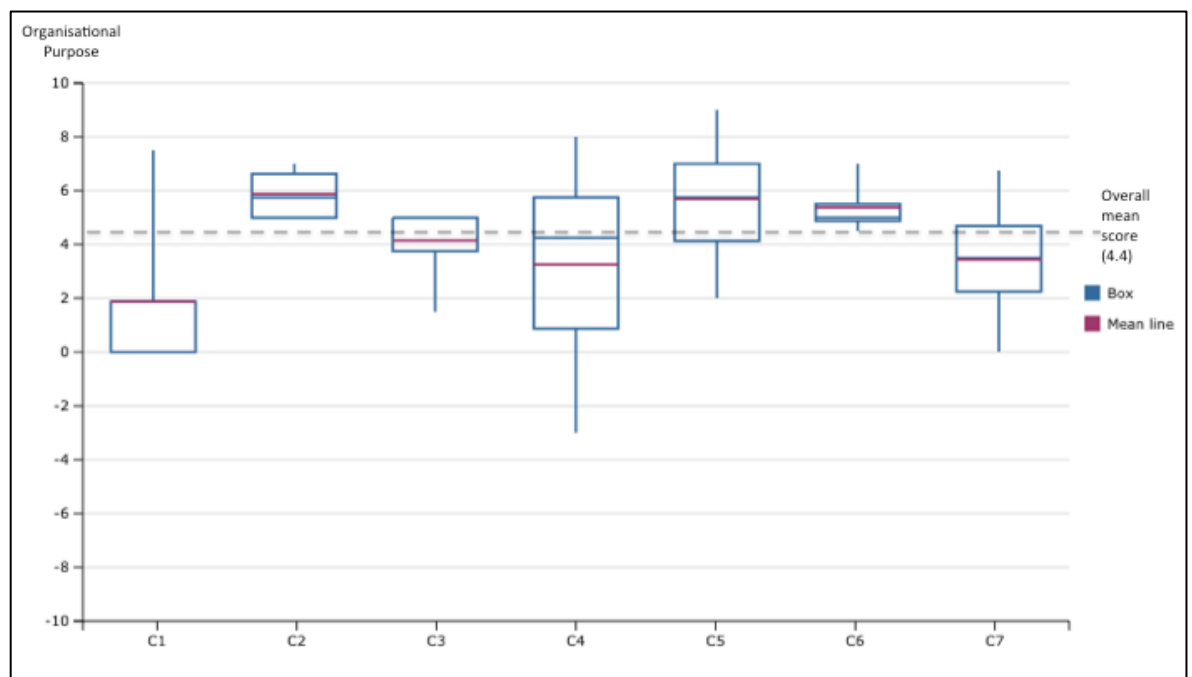
Figure 6.1: Box Plots of Company Purpose Scores
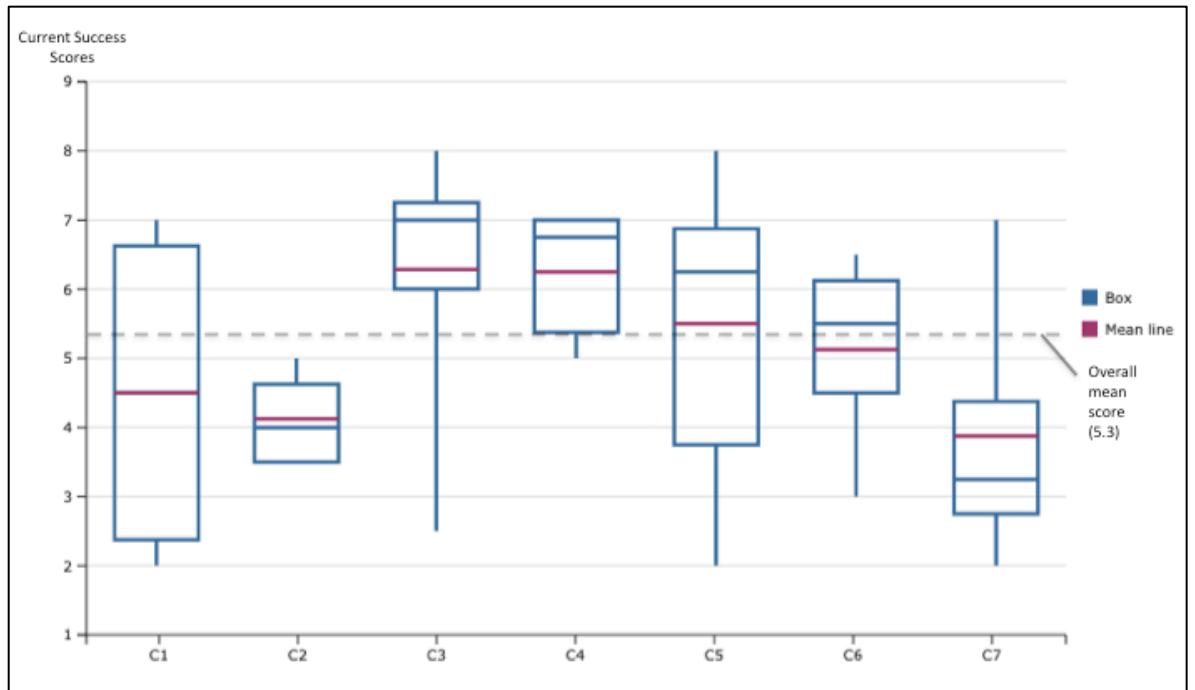
Figure 6.2: Box Plots of Current Success Scores
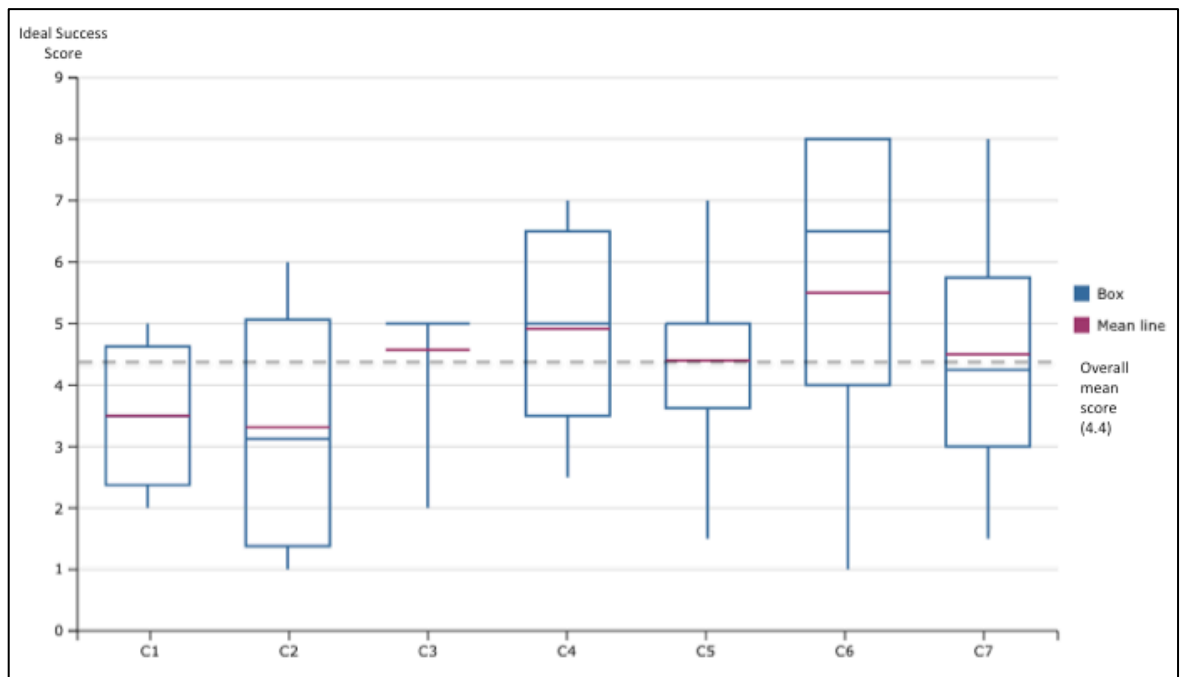
Figure 6.3: Box Plots of Ideal Success Scores
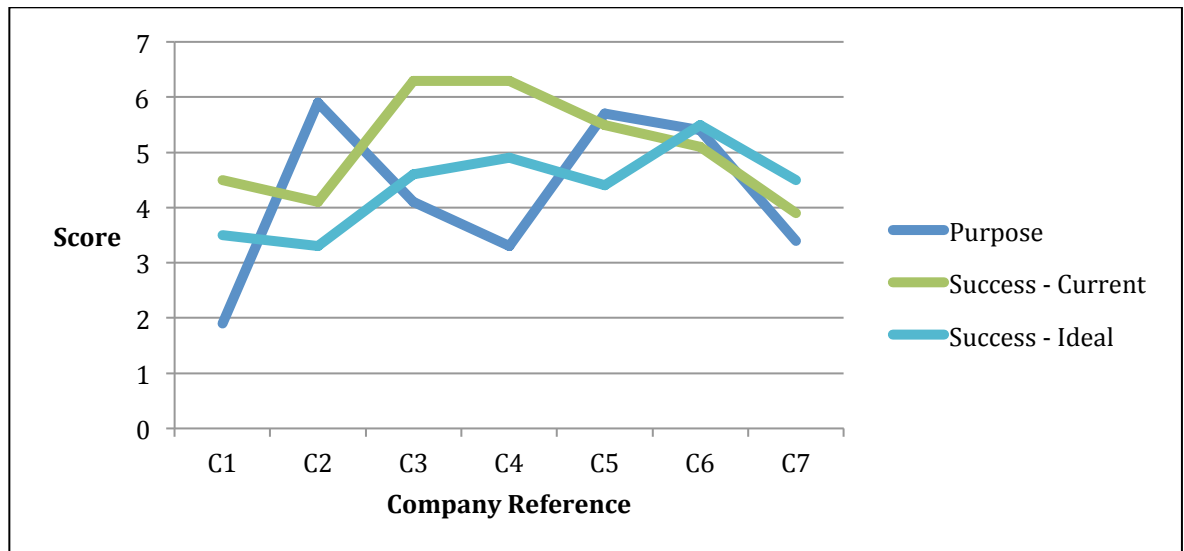
Figure 6.4: All Three Scores Shown Per Company

The main observation to be made from the figures above is that they suggest that, for all three scores, the variation within the individual companies is such that it could result in the variation between them being statistically insignificant.

This observation was confirmed by using the Kruskal-Wallis test, which is a non-parametric alternative to the one-way Anova test and which should be used in preference to the Anova test when a normal distribution cannot be assumed, to see whether the differences between the companies were statistically significant. It can be seen from Table 6.1 below that no statistically significant differences (at the 5% level) were found.

	Purpose		Success - Current		Success - Ideal	
Company Ref.	Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation
All	4.4	2.7	5.3	1.9	4.4	1.9
C1	1.9	3.8	4.5	2.6	3.5	1.5
C2	5.9	1	4.1	0.8	3.3	2.4
C3	4.1	1.3	6.3	1.8	4.6	1.1
C4	3.3	4.1	6.3	1	4.9	1.9
C5	5.7	2.1	5.5	2.1	4.4	1.5
C6	5.4	1.1	5.1	1.5	5.5	3.3
C7	3.4	2.8	3.9	2.2	4.5	2.7
p-level	0.28		0.27		0.63	
Significance	NS		NS		NS	

Table 6.1: Mean, Standard Deviation and Kruskal-Wallis Significance Values at the Company Level

The fact that there were no significant differences between these three scores for the seven companies indicates that they can be grouped together for the purposes of further data analysis, not only for the evaluation of general themes in the interviewees' statements but also for comparison with equivalent data from studies undertaken in other countries.

Having established that the companies can be treated homogeneously, the findings on organisational purpose will now be presented.

6.3 Organisational Purpose

6.3.1 Introduction

As stated in the introduction above, a good organisational purpose is important since it is one of the aspects considered by Moore (2012b) to be necessary for organisational virtue to flourish.

Four main themes emerged from interviewees' discussion of organisational purpose. Firstly, the interviewees had not considered the question before and then answered generically. Secondly they were pragmatic in that the main purpose of their companies was to make a profit. Thirdly, however, the companies also have a social responsibility not only to make a profit but also to make a contribution to wider society. There was consensus on this need for a contribution to the community good across both managers and employees. Finally, there was a notion of a need for balance between making a profit and contributing to society.

These findings will now be considered in more detail. Firstly, the quantitative findings will be presented before the qualitative findings are then introduced. Lastly, the main findings will be summarised and the some general observations will be outlined.

6.3.2 Quantitative Findings

In order to have a quantitative measure of organisational purpose, the interviewees were asked to score their own organisation's purpose on a scale on -10 to +10, with the former being represented by an evil organisation such as a Nazi concentration camp, and the latter by a virtuous organisation such as a charity.
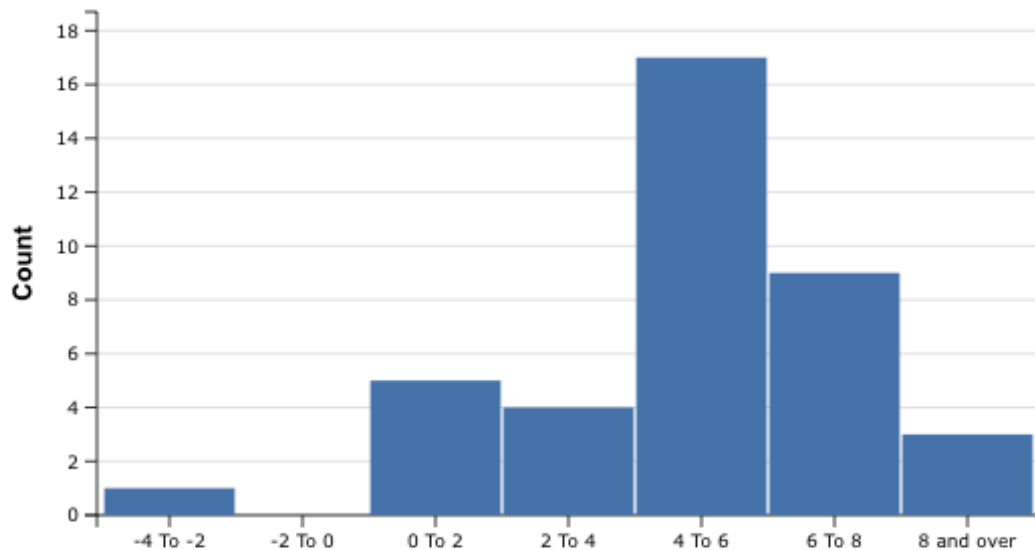
Figure 6.5: Histogram of Scores for Organisational Purpose

The distribution of the resulting scores from all 39 interviewees is shown above in Figure 6.5. The lowest score was -3, which was given by an interviewee who stated that they gave the low score because their organisation did not have known core values. It should be noted here that none of the seven companies had a mission statement and only two claimed to have explicit core values. The highest score of 9 was awarded by one interviewee and a further two gave scores of 8.

The most important finding from the quantitative scores is that the average score for all 39 interviewees from the seven organisations was +4.4, reflecting the fact that the company purpose was generally seen to be virtuous, as opposed to non-virtuous.

6.3.3   Qualitative Findings

6.3.3.1   1st theme – purpose not considered previously and generic answers

Four themes emerged from the analysis of the qualitative data. The first theme was that many interviewees did not seem to have thought about this previously when asked about organisational purpose:

"Hmm, to be honest, I don't know. I didn't even think about asking this question." (C4I9)[12]

Several interviewees stated that they did not know their company's purpose, even though they had been working in the firm for some years. This happened especially in both family-run business firms:

"I have been working for this company for six to seven years now....I don't know..... I am not clear with my company purpose.... I didn't see any written one." (C1I1)

"I'm not sure. But I know it (the firm) has been established for a long time." (C3I11)

The reaction from interviewees showed that they had not previously thought about the purpose of the firms for which they were working. This kind of attitude was common among most of the interviewees. This is different to the case studies from Europe (Moore, 2012b) and Sri Lanka (Fernando and Moore, 2015), where it was found that interviewees generally could identify quickly the purpose, even though some of them mixed the purpose with the mission statement. This may have been because, as documented in Chapter 5, none of the SMEs in the Taiwanese case study had a clear mission statement and only one had core values, regardless of whether they were family-run or partnerships. However, this can be interpreted as an aspect of assumptions taken for granted under one or more of the institutional logics prevailing within Taiwanese SMEs and this will be discussed later in the discussions chapter.

Once they had thought about it, the interviewees then mostly used generic terms to describe the purpose of their organisations, such as serving people and making a contribution to society:

"I think the purpose is to provide good service to the customers and to put the customers first." (C1I2)

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[12] The notation 'C2I8' refers to interviewee 8 from company C2 and this notation will be used for all quotations from the interviews hereafter.

This is in contrast to answers given to the equivalent question in comparable studies in Sri Lanka and Europe, where interviewees talked more explicitly about specific products and services and the direct effect that these had on society.

For example, from the European study the interviewee below could clearly give the purpose of the organisation as being about health care:

"We deliver about more than 100,000 pharmacies at least twice a day across Europe and that's a huge logistical exercise. And we are conscious that it's about people's health, right? Us delivering the right drugs at the right place at the right time can be life-saving and so excellence in that area is so key because, in the end, it could be the life of a patient." (Moore, 2012b, p. 11)

From Sri Lanka, an interview talked about the machine operators

"The foundation of this company is the machine operators." (Fernando and Moore, 2015)

There are three possible explanations for this difference. Firstly, none of the firms in Taiwan had a vision or mission statement, although companies C3 and C5 had documented core values of which most of the employees were aware. Secondly, the case study in Taiwan focussed on SMEs, whereas the other two studies involved larger companies. This could be significant since the environment within large and small companies is likely to be different. Finally, as discussed by Fernando and Moore (2015), there are differences in the institutional environment. These points will be revisited in section 6.6 below where the three case studies are compared.

6.3.3.2   2nd theme – pragmatism in that the main purpose is to make a profit

However, once the interviewer had clarified the question and the interviewees had collected their thoughts, most of them could clearly express their views and the second theme that emerged was that the interviewees were generally pragmatic about the main purpose of their companies:

"After all, our company is not a non-profit organisation or a charity. We need to consider the profits. We try our best to meet high standards and to make sure we are on budget. But first of all, we need to make sure our company makes a profit." (C2I6)

"After all, this is not a big company and it's not aiming for public welfare. Of course its main purpose is to make money. I think it is fine as long as it's not a negative number (the score)." (C4I11)

From the above quotations, it could be seen that the interviewees were clear that the main purpose of their companies was to make a profit.

6.3.3.3   3rd theme – social responsibility[13]

Nevertheless, the third theme that became apparent was that, although profit was the main aim, there was a widespread feeling that companies also need to look after their employees and make a wider contribution to society.

Some saw this as serving customers well:

"I think we have a purpose to serve customers as well. In fact many people have to rely on our company to make money. I think this kind of service is bidirectional. Making a profit doesn't mean we are not serving people...We can make a profit and serve customers well at the same time." (C5I25)

Others saw it also as taking care of the employees:

"Unlike traditional small companies, where the salesmen could only depend on themselves, our company actually spends time and energy on them, teaching them what to do and how to do it. Despite the fact that we are not as great as a charity organisation, our company makes a great effort to take great care of our staff[14]" (C3I17)

This responsibility to employees was also seen as extending more widely to their families:

"In fact, at first we were just like the other SMEs – we aimed at making a profit. We didn't expect that we would expand our business to the current scale. X and I

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[13] The Chinese words used translate literally as 'social responsibility', with two connotations - looking after employees and also making explicit contributions to wider society, e.g. training employees, providing jobs and paying tax.

[14] For example, by means of training, bonuses and company trips.

started to think that we should be responsible to society. Anyway, there are more than one hundred employees in our company. Every employee has his own family, meaning that we should help our employees to support their families. That's why I think we need to take some responsibility for our society." (C7I37)

As shown by the last sentence of the above quotation, for some interviewees the company's responsibilities went further and involved wider society, for example by making charitable donations:

"Our company has done some good things to some degree. For example, we donated money to Laos, colleagues collected funds voluntarily for Christmas and collected second hand clothes for charity." (C5I21)

Or it can be by cultivating people's talent for the industry in general so that they can make a contribution to society:

"We are not a charitable organisation…but our main purpose is cultivating talent for the IT industry in Taiwan and hoping someday these people can make a contribution to society and our country." (C6I33)

Furthermore, there were some interviewees, including employees, senior managers and especially owners, who used the phrase "social responsibility", shifting the discussion from the purpose of the organisation to the purpose of business in general, which they talked about enthusiastically:

"Taiwanese like advocating the idea of social responsibility...I always think it (social responsibility) is not mature enough in Taiwan, this needs a long-term plan. Sometimes it will be a burden for the SMEs, but for big companies, they can get a tax discount. When they make big money, they can establish a foundation. But SMEs can't. The cost will be a part of the budget." (C5I21)

"The staff and the family of our staff can be taken care of - it is the company's success. As our supervisor said, the company has a social responsibility to take care of every single worker in the company. Actually, this is a unique characteristic of SMEs. Big companies won't have such a mission but the small ones can do it much better." (C3I17)

There are two points which can be drawn from the above quotations. Firstly, the interviewees - employees, managers and owners – clearly expressed the view that

organisational purpose is linked to the community good by using the phrase 'the social responsibility' of firms is to look after employees' welfare and make a contribution to wider society. It is interesting to note that several interviewees, without prompting, compared SMEs with larger companies and pointed out that they have different attitudes on this. They opined that the corporate social responsibility as followed by larger companies is more to do with such factors as tax advantages and marketing opportunities, whereas SMEs view this more as a moral issue and fulfil their responsibility more enthusiastically.

The second point is that there was a wide degree of agreement across the interviewees – employees, managers and owners - on the role business should play within wider society. People stated that this wider social responsibility existed, regardless of their role within the companies. Furthermore, no-one voiced the opposite view, that the role of the company is only to make a profit and nothing more. This is in contrast with MacIntyre's notion of there inevitably being a tension between the pursuit of internal and external goods and will be returned to in the discussion chapter.

6.3.3.4   4th theme – balance is required

The fourth theme, which become more apparent than is evident in the quotations shown for the third theme above, is that there was generally a sense of seeking balance. On one hand, most of the interviewees were pragmatic about the purpose of their companies being to make a profit. On the other hand, they emphasised that the companies also need to make a contribution to society.

> "Personally, I hold the belief that most businesses have both the goals of serving people and making money. There is no company that is founded to help other people only without making money, except for charity organisations such as foundations. It is impossible to require all the businesses to take serving people as their sole purpose…What we could do is to try to have a balance." (C3I19)

Another interviewee, who was an owner, used an example to show that he took into account the balance between employees' well-being and taking on too much work:

> "I'm talking about the quality of a healthy life. I definitely hope my business can get better and better, but I also hope they (employees) have a quality life….

Many people will take on as many projects[15] as they can. But I won't..... Normally, if I have two big projects in process, it's very likely that I'll turn down a third project…I want to ensure the quality of the first two projects and I also need to assure my employees' lives and working qualities." (Interviewee identifier withheld to preserve anonymity)

The quotation here demonstrated that the interviewee is not only aware of the tension between profit and employees' welfare in terms of working-life balance but also when seeking the balance between these two it means the profit would be sacrificed. It should also be noted that this sense of a need for balance was also found when the interviewees were talking about success and excellence and so will be returned to later in this chapter.

6.3.4   Summary of Findings on Organisational Purpose

Overall, in common with the Sri Lankan and European studies, it was clear that the interviewees associated organisational purpose with the community good, demonstrating 'an ability among respondents to frame the moral purpose of the enterprise in a way that does not value its internal goods only for the external goods they produce' (Fernando and Moore, 2015), which will be considered in the discussion chapter.

The main findings on organisational purpose were as follows:

1. The interviewees seemed not to be able to articulate their thoughts on organisational purpose straightaway and then described organisational purpose generically in contrast to what was found in Sri Lanka and Europe.

2. The interviewees generally recognised that their companies' primary purpose was to make a profit, since they were not charitable organisations.

3. However, it was generally felt that making a profit is not the only purpose of the companies since they also have a social responsibility to employees and to make a wider contribution to society and thus to the community good. There was consensus on this point across all levels – owners, managers and employees.

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[15] This interviewee works in the advertising field, so 'projects' are new commissions to make adverts.

4. There was a notion of the need for seeking a balance between the pursuit of profit and social responsibility. As will be seen later, a similar finding occurred for excellence and success and so this will be revisited below.

From these four main findings, three more general observations can be made:

Firstly, there is support for the contention that MacIntyre's concepts of virtue ethics are applicable in a Confucian society, which is the topic of research question one. It is clear that the way the interviewees saw the necessity of making a profit can be related to external goods and that they considered that this needed to be balanced by the provision of community goods.

Secondly, the interviewees expressed the need for balance. The aspects of the pragmatic attitudes towards profit, the need for balance between profit and social responsibility, consensus across management and employees and organisations having a role to play in wider society can all be seen as evidence of this.

Thirdly, differences were noted between the studies in Taiwan and those in Europe and Sri Lanka as regards the initial hesitancy of the Taiwanese interviewees and their generic descriptions of organisational purpose. Possible reasons for these differences include the fact that the different institutional environments may occur within Taiwanese SMEs due to their size and/or the fact that they are in different countries with different histories and traditions.

All three of these observations will be considered further, both in the summary of this chapter and in the discussion chapter.

It should be noted that, while it would seem unlikely that success / excellence and purpose were concepts that would have no meaning in a Confucian context (and so give a negative answer to RQ1), the observation that they did have meaning allowed RQ1 to be answered in the affirmative. Although this thesis does make use of statistical analyses, these are more in the nature of complementing the qualitative analysis than following a positivist approach. The author is aware of the fact that the relatively small sample sizes involved mean that any statistical significance found needs to be treated with caution and certainly the conclusions drawn in this thesis do not rely on statistical significance for their validity. As a further safeguard, the results were checked to see whether relaxing the limit of statistical significance to 80% caused any meaningful change but this was found not to

be the case. Therefore, despite the small sample sizes, conventional measures of statistical significance were employed.

Having presented the findings on organisational purpose, those related to success and excellence will now be considered.

6.4 Success and Excellence

6.4.1   Introduction

As discussed in the methodology chapter, the interviewees were asked questions about success and excellence as a way of finding out their views on internal and external goods. The quantitative findings for excellence will first be discussed before those for success are considered. The qualitative findings on the relationship between the two will then be presented.

6.4.2   Quantitative Findings

6.4.2.1 Excellence

Overall, 230 statements were made by all interviewees on excellence. As described in the methodology chapter, these were grouped into categories and the relative proportions of these categories are shown in Figure 6.6 below. This shows that the category of statements about people was by far the most numerous (58%), followed by customers (11%), recognition (9%), financial (8%), principles (4%), trust (4%), visionary (leader) (2%) and other (2%).
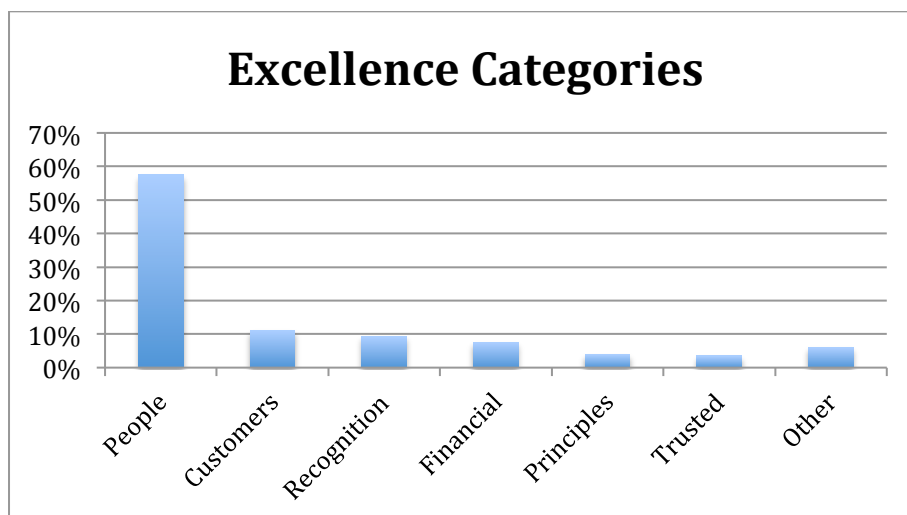
Figure 6.6: Relative Proportions of Excellence Categories

As shown in Figure 6.7 below, the people category contained five sub-categories – doing a good job (20%), getting along with others (12%), team (11%), learning & development (10%) and employees (4%).
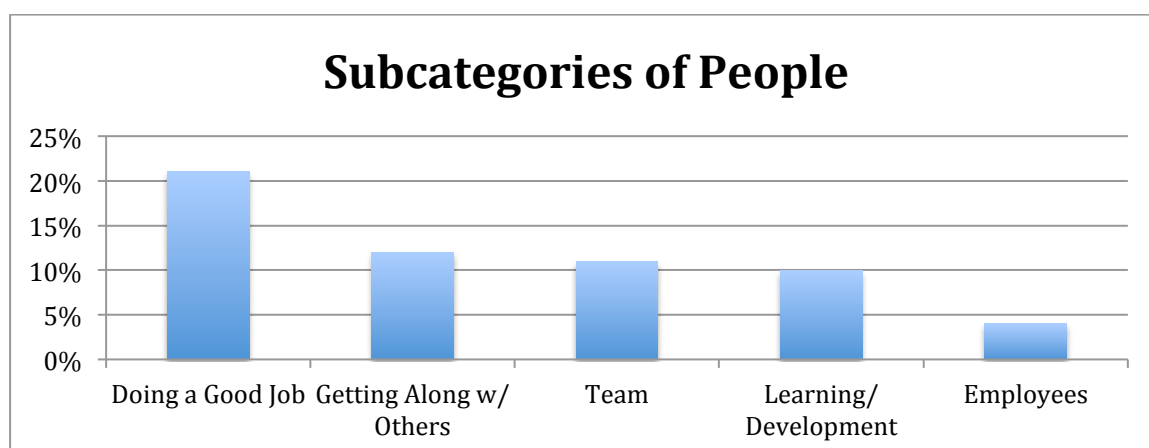
Figure 6.7: Subcategories of People

Overall, it can be seen that the interviewees associated excellence with people, such as the individual, customers and the team. Phrases such as good teamwork, doing my job well as my duty, serving customers well, coaching and learning, getting along with others and being recognised by others were used by people to describe how their organisations viewed excellence.

The statistics show that statements in the people category were made far more often than statements in the other categories. The discussion of the qualitative findings below will

illuminate further how this particular category dominated discussions of excellence but those about getting along with others will be reviewed in more depth in the next chapter, since this will yield more valuable insights.

6.4.2.2 Success

In total, 167 statements were made by all interviewees regarding success and, as with the statements on excellence, these were grouped into relevant categories, as shown in Figure 6.8 below.
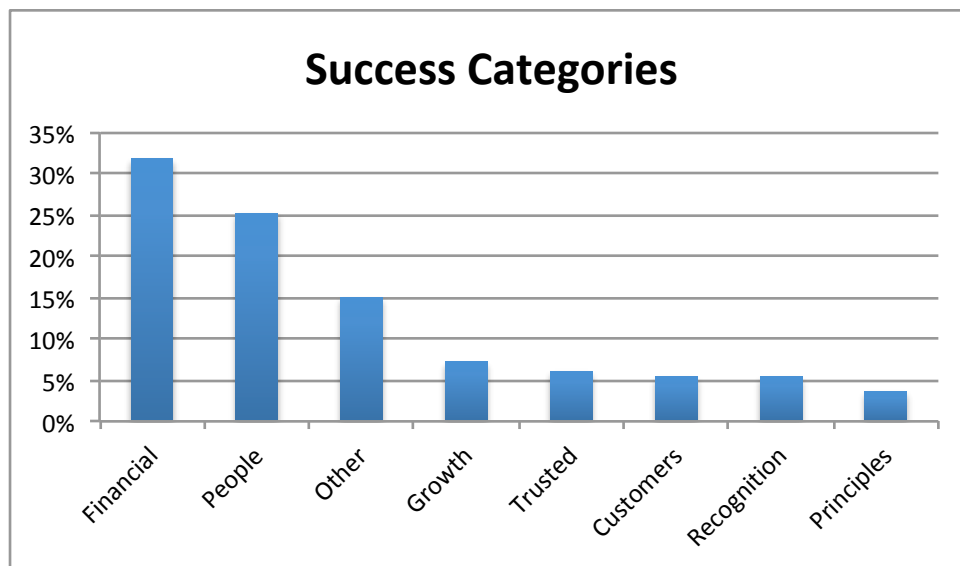
Figure 6.8: Relative Proportions of Success Categories

This figure shows that, compared with excellence, which was dominated by people, the categories of success were spread out more evenly. The financial category (32%) was the most often mentioned of the 13 categories. People (25%) was the second highest, followed by other (15%) and growth (7%), trusted (6%) customers (5%), recognition (5%) and principles (4%). It should be noted that recognition here was not meant in the sense of MacIntyre's external good of fame, but rather in the sense of other people recognising that a job is being well done so that the obligations of the role are being fulfilled. This will be discussed in the next chapter.

The statistics indicated that interviewees identified success mostly with financial matters but statements about people formed the second highest-ranking category.

6.4.2.3 Summary of Quantitative Findings

In summary, statements made about excellence were predominantly about people, whereas financial matters were mentioned most often for success, although people were also often mentioned. Furthermore, it was noted that several other categories, occurred in discussions of both success and excellence, such as principles and recognition.

6.4.3   Qualitative Findings - The Relationship between Excellence and Success

Five main themes were found from the analysis of the statements made on success and excellence

6.4.3.1   *1st theme – Overlapping terms used for both success and excellence*

The first theme was that a significant number of the categories, such as people, financial, customers, principles, trusted, visionary, reputation, recognition and socially responsible, occurred in discussions of both success and excellence with different interviewees. Furthermore, some interviewees talked about the same headings in overlapping discussions of both.

For example, a small number of interviewees, mostly owners, were confused at the point of the discussion where they were asked about where the ideal balance point between success and excellence should be for their firms. This is in contrast to the fact that they had been able to define success and excellence clearly:

"Excellence or success? I don't understand the distinctions between them." (C4I20)

When the author pursued this, most of the replies were in the sense that these two categories were complementary or very close to each other:

"Q: So they are the same to you? No distinction?

A: Not absolutely. They are overlapping to some extent." (C7I35)

One possible interpretation is that the owners may have been concerned about how they would be judged by the author, but the author does not think that this was the case, due to their body language and facial expressions, and sensed that these owners genuinely felt that the definitions of these two categories were inseparable.

Similarly, there were different opinions about which came first – excellence or success. Some felt that excellence was needed first, and then success would follow:

> "I define this side [excellence] as more individual, it is in the range of excellence. I think we need to achieve this side first, then we can achieve success. Because I think if most people feel excellent[16] at work, happy to do their jobs and enjoy it, then the company tends to achieve success." (C5I26)

Others saw the relationship the other way round, with success being needed before excellence could exist:

> "I think, for a profit-making organisation, success should be the priority…..If you want to be excellent, you have to succeed. You must earn enough money. Let me put this way, if there is no success, excellence doesn't exist, because for me, success is based on the figures….If we are very successful … then slowly that will make our company excellent." (C5I25)

> "Excellence is for myself, but success is a fact that you have to help the company to achieve. If the company doesn't succeed today, then I won't have excellence." (C3I19)

A small minority saw excellence as being a short-term or smaller target but success as the long-term goal or the final objective. In contrast, another small group saw success as the short-term goal, being easy to achieve, but not lasting long without excellence whereas excellence is the basic fundamental principle that will be long lasting:

> "If everybody focuses on excellence when they do their work, I think success will come eventually. It depends on where you set the timeline for both. Success is for short term, the immediate target, it can be the quantifiable benefit or turnover that we focus on, we can see it in a short time." (C5I30)

This finding mirrors, to some extent, those of both Moore (2012b) and (Fernando and Moore, 2015), that the relationship between success and excellence is complex and not

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[16] Although there can be considered to be a theoretical difference between feeling excellent and being excellent in MacIntyrean terms, other quotations below support the MacIntyrean nature of the responses in general.

always seen as one of direct causality. This could be taken to indicate that the concepts of success / excellence, and so of internal / external goods, were not seen as conceptually distinct by the interviewees. However, the author does not think that this is the case and agrees with the conclusions from similar findings in the European (Moore, 2012b, p. 380) and Sri Lankan (Fernando and Moore, 2015) studies that this is evidence for the 'essential but complex circularity between internal and external goods', a point which will be returned to in the discussion chapter.

6.4.3.2   2nd theme – recognition of the difference between success and excellence

Despite the points made above involving a small number of interviewees, the second theme was that it was generally clear that the majority of interviewees could recognise the difference between the two concepts of excellence and success in the sense of internal and external goods.

As mentioned in the quantitative section above, when speaking about excellence, statements about people dominated other categories, with doing a good job being the most commonly occurring sub-category:

> "For me, I am doing an accounting job, so all that I have to do is to do my job well, do my duty and I will feel the excellence if the financial report I make can be a reference for the manager to make a decision." (C4I16)

> "I think I will try my best to be dutiful. Yes. It's my idea...it is important for me both to my job and family...I think we need to be dutiful and do a good job when we are at work. Besides working, we also need to have the ability to take care of our family." (C3I9)

The common point from the above interviewees is that they all emphasise being dutiful and fulfilling the responsibilities of their role within the organisation. To many interviewees, doing a good job and being dutiful by fulfilling the expectations of the role is part of excellence. As mentioned in the section on organisational purpose above, the role function is emphasised in Confucianism and the fact that the interviewees expressed such views is consistent with the strong influence of Confucianism at the organisational level.

Excellence was also associated with being professional, again in the sense of being dutiful and fulfilling the relevant role properly:

"Be professional in what you do…what I mean is that when you are a student, you need to study hard and don't just think about having fun. When you are working, you should have a professional working attitude to do your job well." (C3I14)

Other statements about people included a number about getting along with others and working as a team which will be explored in the next chapter. Also, another group of statements were made about learning and development, in the sense of learning from others in the team.

In contrast, financial matters were the most frequently mentioned category when the interviewees were talking about success, as can be seen from the quantitative results. Many interviewees recognised that success means that the company needs to make a profit in order to be able to sustain itself:

"For an SME, the most important thing is that the company is able to continue to run, so achieving the business target is a must, a basic requirement, so success is the ultimate goal so that it can survive. If a company can't guarantee that it can achieve success, don't even mention excellence." (C3I17)

From the last sentence of the above quotation, it can be seen that the interviewee thought that success should come first before excellence can be pursued, although as noted above, some other interviewees thought the relationship was the other way round. This view is in accordance with MacIntyre's view that institutions need to achieve external goods in order to survive and be able to house practices.

Other interviewees expressed a similar view on success as providing the external goods necessary for the continuing existence of the company, but explained further about excellence being more about an internal sense of achievement:

"Success can bring the benefit of sustaining the company's operation while excellence brings a feeling to the staff that what they have done is worthy. It is recognition of the progression they've made and their contribution to the company." (C5I23)

"My definition towards success tends to be vulgar, I define success as money. But my lifetime goal is not money. I want to finish a lot of things, and that's the goal of my life. This is the sense of excellence, but not success. I think that

excellence entails success...but excellence indicates that I've finished something, and this is more important…I want to do something and make a contribution, but not just earn money." (C6I31)

It can be seen that excellence was related to the quality of both the work being done and the person doing the work's internal sense of achievement whereas success was related to financial aspects enabling the survival of the organisation.

6.4.3.3   3rd theme - excellence related to the self whereas success is communal

The third theme was that most interviewees saw excellence as being related to the self, for example, being a good dutiful employee and fulfilling the responsibilities of the role within the company. In contrast, success was felt to be communal, being associated with financial factors at the company level such as performance, profit, targets and company survival:

"I think the sense of the excellence is just my personal feeling, but the success is related to the whole company." (C2I5)

"Excellence is the feeling of your heart but success is a fact, so they are inseparable…I think excellence usually refers to individual and success refers to the company…Since excellence is just a feeling while success stands for a fact, a matter, which means we make it." (C3I19)

Thus success was described as being related to the whole organisation and as something more communal, because everyone made a contribution. It was also furthered by excellence throughout the whole organisation, corresponding to MacIntyre's concept of standards of excellence being extended in a community of practitioners and also contributing towards the perfection of the practitioners.

"…success is accumulated by many people's efforts, the company will grow better and better when everyone has a strong sense of excellence. When your employees have a strong sense of excellence, the rate of your company being successful will also be very high. It is just like a herd of horses, if they are just walking, then it is of course very slow. But when some horses are running, they are also leading other horses to run after them. As an employee, I think as long as we have excellence, it is easier for us to achieve success." (C5I24)

Some interviewees stated that they wanted their firms be successful even though they personally prefer excellence. They indicated throughout the interviews the need to be pragmatic – to first achieve success in order to be able to then pursue excellence:

"For the company, I will choose success. For myself, I think excellence has the priority. But as to the company, after all it aims at making a profit." (C7I37)

"I prefer excellence but our task is to achieve success. We must treat success as the priority in our job. But I myself pursue the other one (excellence)." (C4I14)

This finding of excellence being related to the self whereas success was more at the organisational level links to the concept of agency in that, although the interviewees saw the necessity of success at the organisational level, they still felt able to decide for themselves to pursue excellence at the personal level. This will be discussed further in the discussion chapter.

6.4.3.4 4th theme - excellence at individual, organisational and industrial levels

A fourth theme that emerged from the interviews was that the notion of excellence could apply at different levels – the individual, organisational and also at the industry level. Several quotes above, for example from interviewees I5 and I19 cited for the third theme, serve as examples of excellence at the individual level, exemplified as follows:

"Excellence is a more subjective view……In other words, excellence might be self-affirmation." (C5I30)

However, excellence was seen to be important at the organisational level as well:

"It doesn't matter if we make a good advert or not, that's the end. But it is even more important to make our customers, people who work with us, such as photographers and directors, feel our attitude and spirit and how we handle things." (C2I7)

One interviewee also viewed excellence as a part of the organisation's identity as well:

"The development of a company not only needs success, but also need excellence as a sense of identity. Like what I said, the company might be successful, but if people don't have a sense of identity, how far will we go?" (C5I30)

The role of the industry as a whole was also mentioned by many of the interviewees. This included how competitors were viewed negatively in relation to how they could corrupt the practice and consequently lower standards:

> "…Consumer disputes are the biggest problem in our industry, but we seldom have these problems. When it happens, we always follow the regulations to solve the issue…even quicker than the days set by the regulations….but other companies do not follow them. So customers do not know the facts, do not know the effort we have made, it makes no difference to them. Those companies advertise themselves positively. There is nothing we can do to deal with this. The companies who have clear conscience have to be at least three times as strong as those companies in order to survive." (C6I32)

But on the other hand, the industry itself can influence how people view excellence and success:

> "For me, the ideal position for the company is towards excellence. Although making advertisements is very commercial, it is also an art. There are different perspectives about the art...I think being excellent is more important in this industry[17], because you are not able to measure success in this industry...I work in this industry so I have been influenced by this industry. I would be different if I worked in a different industry..different standards and requirements for different industries, also different purposes to achieve." (C2I7)

The interviewee emphasised that the advertising industry was more excellence focused, and this had influenced him/ her to be more excellence driven.

Furthermore, several interviewees held the view that the company can exceed or raise standards within the industry:

> "Let's go back to fundamentals (excellence). Our company achieved the capability to work with technology, people and processes. Only first-class companies combine technology and processes in order to increase efficiency now, SMEs have no way to do so. Though my company is an SME, we can reach the level of a first-class company in terms of combining the two elements. This is what I mean by excellence...we elevate the standard to another level" (C6I31)

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[17] The interviewee worked in the advertising industry.

This evidence for how excellence can be applied at different levels corresponds with MacIntyre's view that excellence is associated with the perfection of the practitioner, the community of practitioners and the institutional. More generally, the above points again offer support for MacIntyre's concepts of virtue ethics and their applicability in a Confucian society.

6.4.3.5   5th theme – balance is required

The fifth theme to emerge was that the majority of interviewees thought that it was important for their firm to have a balance between excellence and success, with success at the organisational level and excellence at the individual level both being considered. As shown by the histogram in Figure 6.9 below, although there was a wide spread of scores ranging from 1 to 8, nearly half of the interviewees gave a score of 5, the central point, for the firms' ideal balance point.
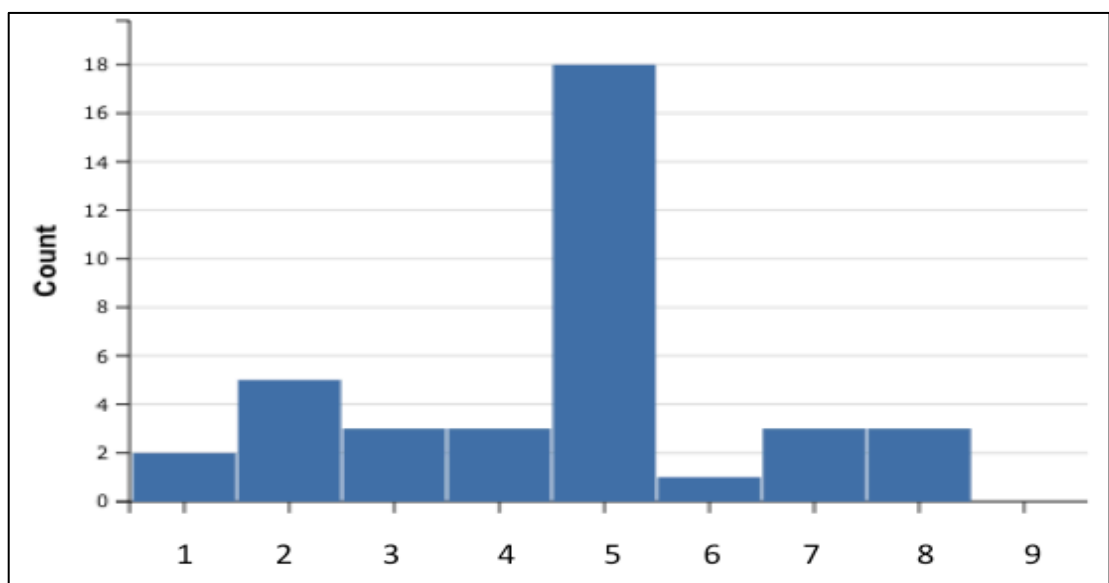
Figure 6.9: Histogram of Ideal Success Scores

When asked why they gave this score, many of them expressed the same view that to be balanced is important or that a balance is required:

> "Both [excellence and success] of them should be our pursuit...the balance point in the middle - 5, I wish it would be balance, neither much nor less. Both of them are important. Excellence derives from success and success is based on excellence…So the two parts complement to each other. The point is that they have different ways to be demonstrated." (C3I19)

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Very often, the respondents described the relationship between the two as being complementary:

"They are complementary. Success is the target for the company and excellence is the task that your company assigns to you. If you feel a sense of achievement, you will have cohesion for your company and enjoy working in this company. You may feel a sense of achievement when you complete a task. They are both important for my company because I think everyone will enjoy working if they have a sense of excellence." (C3I18)

"You may achieve success as long as you have a sense of excellence because people are very important. Employees will work hard and achieve success for you as long as you satisfy their senses of excellence. I think they are side by side." (C4I14)

Consistent with the above two points is the fact that most of the respondents did not see a conflict between success and excellence. On the contrary, the two were seen to be complementary to each other, had a mutual relationship and a balance between them was required. Thus, nearly half of the interviewees believed that the ideal status for their firms was in the middle when they pursued excellence and success, which links to the doctrine of the mean. This will be compared with the findings from the other two case studies in section 6.6 below.

Another important point is that it was evident that there was no difference between how owners, management and employees viewed success and excellence, as demonstrated from the quotations above, which are from interviewees from a mixture of these three groups. This consensus about the valuation of success and excellence corresponds to a relative lack of conflict in the pursuit of external and internal goods. It is also consistent with the finding that there was consensus that organisational purpose needed to be balanced between the pursuit of profit and social responsibility.

There is a contrast here with MacIntyre's view that there will always be a tension between the pursuit of internal and external goods. However, the context of MacIntyre's observations was that of Anglo-Saxon capitalism, especially that of larger corporations. Taiwan has been described as an example of 'divergent capitalism', in that it has own differing style of capitalism, which is not just a replica of capitalism as found in Western countries due to its unique history (Whitley, 1999). Also, it can certainly be expected that

there is a difference between large companies and SMEs generally, which will also be discussed in more detail later in the discussion chapter.

6.4.4   Summary of Success and Excellence

The main findings for success and excellence were as follows:

1. Some categories were used to describe both success and excellence.

2. The interviewees could clearly differentiate between success and excellence.

3. Excellence was felt to relate to the self whereas success was seen to be more communal.

4. Excellence was also stated to occur at three levels – the individual, the organisational and also at an industry-wide level.

5. A balance was felt to be needed between success and excellence.

Drawing together these findings, the following three general observations can be made. Firstly, there is continuing support for the contention that MacIntyre's concepts of virtue ethics are meaningful in a Confucian society in the context of SMEs. The interviewees could clearly distinguish between success and excellence, although there was a degree of overlap and evidence for a complex circularity. Whilst acknowledging the necessity of success for their companies' survival, they understood the value of excellence, not only at the personal level relating to the 'perfection of the practitioner' but also as per MacIntyre's notion of standards being raised in a community of practitioners. However, as was seen for organisational purpose, there was consensus around the need for a balance between success and excellence, which contrasted with MacIntyre's view that tension inevitably exists in this area.

The second observation concerns the influence of role ethics. For example, the fact that the interviewees often referred to the need to be dutiful and to fulfil the responsibilities of their roles within the organisation reflected their acceptance of and identification with their roles' obligations. This is a characteristic of Confucianism, as is the association of excellence with the self whereas success is more related to the organisational level. The author views this as a manifestation of the Confucian relational self, where the individual is not paramount in the centre of their social world as in the West, but can only be fully considered as part of their social relationships. Additionally, the relative lack of conflict

and degree of consensus around the need for a balance between the pursuit of internal and external goods can be considered to be an example of the Confucian concept of the golden mean.

The third observation is around how these findings can be related to concepts from institutional theory. There was evidence for the interviewees being able to exhibit a degree of agency in that they were able to choose excellence for themselves, i.e. to prioritise the pursuit of excellence, whilst acknowledging the necessity of success at the organisational level. Also, a potential explanation for differences between the Taiwanese interviewees and their counterparts in the Sri Lankan and European case studies could be differences in the prevailing institutional logics. Finally, the description of excellence as applying at the three levels of the personal, organisational and the industry-wide level suggests that MacIntyre's concept may be able to be extended to include the notion of organisational fields.

6.5 Overall Mapping of Purpose Against Excellence/ Success for Seven Companies

6.5.1 Introduction

The mean scores for the seven companies can be summarised in the schematic mapping shown below in Figure 6.10. This plots the mean scores for the seven companies for organisational purpose against those for current and ideal success/ excellence.

6.5.2 Findings
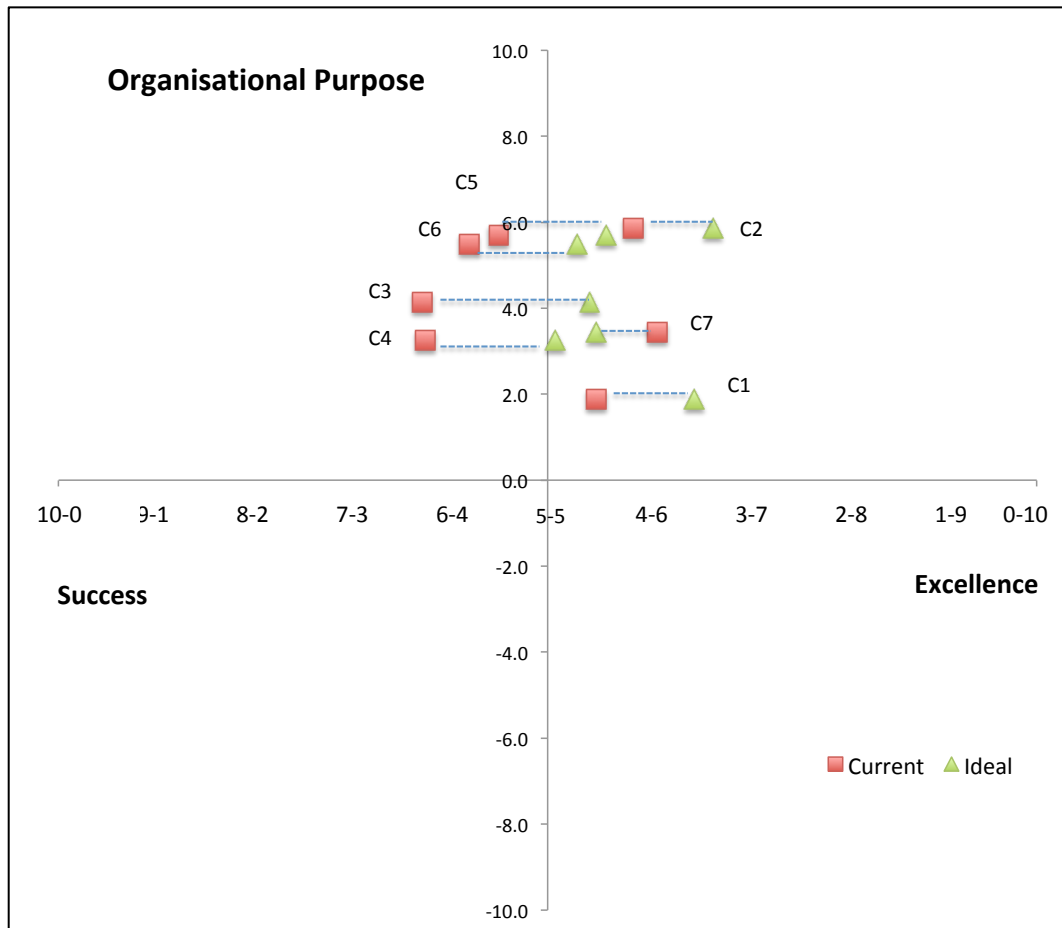
Figure 6.10: Mapping of Scores for the Seven Companies

There are three main findings that can be clearly seen from the mapping, which are a confirmation of previous findings.

- All the mean scores for organisational purpose are positive.

- In general, the ideal scores are more in the direction of excellence than the current scores for six out of the seven companies (once an outlier for company C6 was removed[18]). More importantly, all the ideal scores are on the side of excellence. It is of note that the differences between the current and ideal scores are reasonably

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[18] After consultation with the supervisory team, it was agreed that this outlier could be removed since the interviewee clearly did not understand the question.

consistent, allowing for the exception of C7. Thus, most firms acknowledged that they had a similar 'distance' to travel to arrive at what was a reasonably commonly accepted ideal position.

However, both the current and ideal excellence scores are not too far away from the y-axis representing the balance point between success and excellence. This reflects the notion of seeking a balance between success and excellence as has been discussed above.

6.6 Comparison of Taiwan with Europe and Sri Lanka

6.6.1   Introduction

The results from Taiwan were compared with those from previous studies in Sri Lanka and Europe for two reasons. The first reason was to contribute to the answer to research questions three and four, which are whether MacIntyre's concepts are meaningful in a Confucian society, especially within SMEs since the previous case studies focussed on larger organisations. The case study in Sri Lanka found that MacIntyre's concepts were applicable in that non-Western society and so, if the notions were found to be valid in Taiwan, then this would also provide support for MacIntyre's concepts to be globally valid.

Secondly, such comparisons are often useful in that possible explanations of differences can then help to provide insights, which would not otherwise be apparent if the results from Taiwan were being considered in isolation. These insights might then be used to enhance MacIntyre's framework so that it may be more universally applicable. This is shown by some of the findings discussed below.

Two different comparative tests were carried out. In the first test, all of the statements made by the interviewees on the themes of success and excellence were grouped into general categories. The relative frequency of each category could then be compared to those found in the other studies and statistical differences could be assessed using the chi-squared test to test for differences in the overall frequency distributions at a country level and then the two-tailed Student's t-test to test for differences between individual category results for country pairs.

It should be noted that the value provided by such statistical methods is limited, in that they can only indicate where differences occur but then the exploration and interpretation of the differences needs to be done mainly with the help of the qualitative data. That is

why it is important to consider the quantitative findings together with the qualitative results before coming to conclusions.

The second method of comparison was to map the scores for organisational purpose against those for current and ideal excellence, as was done for the seven Taiwanese companies in the preceding section, but this time using the mean scores for the three studies.

The findings from these two comparisons will now be presented separately before being summarised at the end of this section.

6.6.2 Findings

For the first comparison of the data, the first step was to test for significant differences between the relative proportions of the categories at a country level, using the chi-squared test. The results from this are shown in Table 6.2 below and the detailed tests are shown in appendix A.12.[19]

	Excellence		Success	
	p Value	Significance	p Value	Significance
Europe vs Sri Lanka	0.00001	***	0.00015	***
Europe vs Taiwan	0.00000	***	0.00006	***
Sri Lanka vs Taiwan	0.00000	***	0.00539	**

Table 6.2: Chi Squared Tests for Excellence and Success Categories at a Country Level

These results show that there were highly statistically significant differences between the distribution of the categories used to describe excellence and success between each pair of studies. The only exception is that the difference between the Sri Lankan and Taiwan categories for success was only significant, as opposed to highly significant ($p < 0.05$ rather than $p < 0.005$). This suggests that there are differences between the three studies

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[19] In these tables, high statistical significance ($p \leq 0.005$) is denoted by '***', statistical significance ($p \leq 0.05$) by '**' and $p \leq 0.1$ by '*'. The author is aware that statistical significance is usually related to 5% and 0.5% levels, not 10% as here. However, since 10% was used in the Sri Lanka study, it has also been used here for consistency.

which are worthy of further investigation, and the subsequent findings will now be considered separately for excellence and success.

6.6.2.1   Excellence Categories
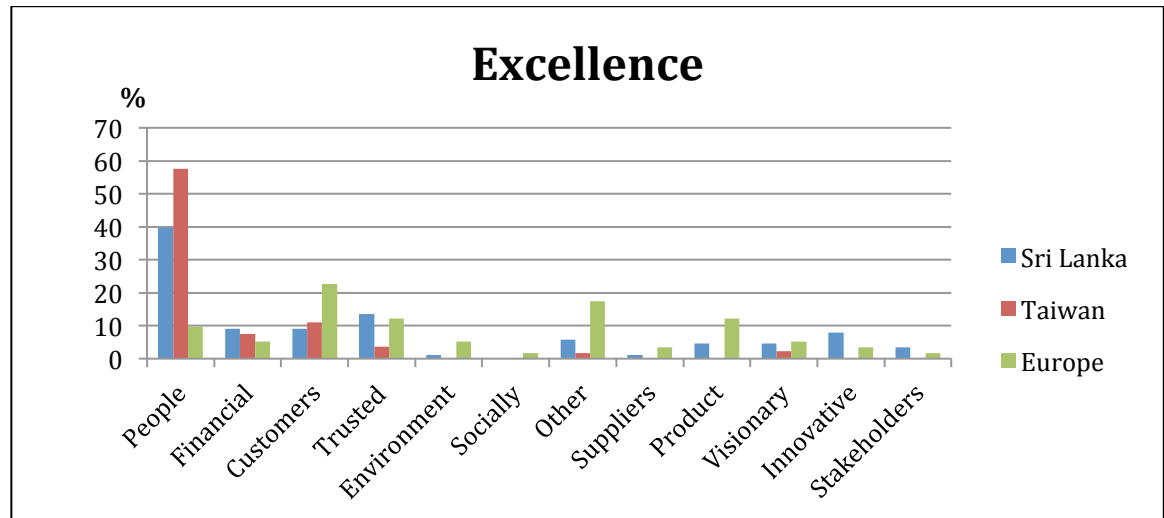
Figure 6.11: Graph of Relative Frequencies of Excellence Categories

Excellence	Category %						
Items	EU	SL	TW	EU>TW	SL>TW	TW>EU	TW>SL
Trusted	12	14	4	**	**		
People	10	40	58			***	**
Product	12	5	0	***	**		
Innovative	3	8	0	**	***		
Other	17	6	2	***			
Visionary	5	5	2				
Customers	23	9	11	**			
Financial	5	9	8				
CSR	2	0	0				
Suppliers	3	1	0	**			
Stakeholders	2	3	0		**		
Environment	5	1	0	**			

Table 6.3: Excellence Categories with Statistical Differences

Figure 6.11 above shows a graph comparing the frequency of statements made about excellence for the three countries. The same data is shown in tabular form in Table 6.3, which also shows a summary of the statistical differences found using Student's t-test between pairs of countries for individual categories. The more detailed tables can be found in appendix A.13.

From these, it can be seen that the most important difference is that the category of people was by far the most mentioned by the interviewees in relation to excellence in Taiwan, statistically significantly more than in Europe ($p < 0.005$) and Sri Lanka ($p < 0.05$).

In contrast, in Europe and, to a lesser extent in Sri Lanka, other categories, such as trusted, product, innovative, customers, suppliers, stakeholders, and environment were frequently mentioned but hardly or not at all in Taiwan. This reflects the greater emphasis on people in Taiwan, with customers and stakeholders being seen generically rather than as separate categories.

6.6.2.2   Success Categories
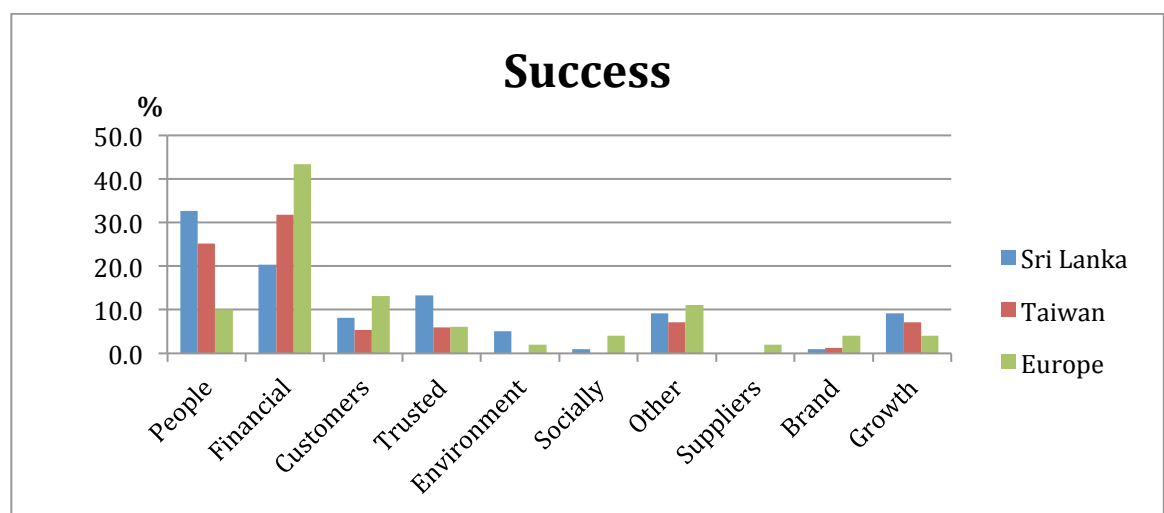
Figure 6.12: Relative Frequency of Success Categories

Success	Category %						
Items	EU	SL	TW	EU>TW	SL>TW	TW>EU	TW>SL
People	10	33	25			***	
Financial	43	20	32	*			**
Trusted	6	13	6		*		
Growth	4	9	7				
Other	11	9	7				
Brand	4	1	1				
CSR	4	1	0	**			
Customers	13	8	5	**			
Environment	2	5	0		**		
Suppliers	2	0	0				

Table 6.4: Success Categories with Statistical Differences

Figure 6.12 and Table 6.4 above show the equivalent data for the success categories and this time the differences are not so pronounced as for excellence. The financial category occurs most frequently in Europe and Taiwan, but is second to the people category in Sri Lanka. Again, the other relatively minor categories occur less often or not at all in Taiwan with statistical differences found in the categories of CSR, customers and environment. The difference for customers between Europe and Taiwan again perhaps reflects the fact that these were seen more generically as people in Taiwan, but as a separate category in Europe.

From the analysis of the data for both excellence and success, four broad themes can be seen.

Firstly, in contrast to the differences described above, there were also commonalities between the three countries. The financial category was prominent in the success categories, although exceeded by the people category in Sri Lanka. Also, there was a wide degree of overlap between the categories occurring in all three countries. Furthermore, in all three countries there are some categories that occurred in discussions of both success and excellence, as was observed for Taiwan above in section 4.3 - the qualitative analysis of the relationship of success and excellence.

Secondly, the people category occurred significantly more often in Taiwan. For excellence it is significantly higher than both Sri Lanka and Europe whilst for success it is significantly higher than Europe, with no significant difference between Sri Lanka and Taiwan. This emphasis on human relations can be related to the influence of Confucianism in Taiwan and Fernando and Moore (2015) also referred to the influence of Buddhism in Sri Lanka in this context.

Thirdly, it should be noted that a smaller number of categories were discussed in Taiwan than in the other two case studies. The fact that various categories for both excellence and success occurred in Europe and Sri Lanka but not in Taiwan could be explained by the observation that, as has been described in relation to organisational purpose, the interviewees in Taiwan mostly used more generic terms. Statements tended to be more related to people than to specific terms such as stakeholders or CSR, perhaps reflecting the emphasis on social relations in SMEs in a Confucian society. Furthermore, statements were made explicitly about doing a good job, principles, and recognition in Taiwan, but this was not reported in Sri Lanka or Europe. Doing a good job was related to fulfilling the obligations of the role, an important aspect in role ethics. The category of 'principles' was

used for statements about excellence being the principle embedded either in personal belief or organisational purpose. Although there were not many of these statements, it is noteworthy that they did not seem to occur in the European or Sri Lankan studies and this will be revisited in the next chapter.

Fourthly, in by far the majority of cases, the statements made in Taiwan about excellence and success could be grouped into similar categories as those found in the studies in Sri Lanka and Europe. This does not mean that Confucianism is irrelevant in this regard, but rather that it accords with a MacIntyrean virtue ethics context. The interviewees could also, as noted above, clearly discuss organisational purpose and its association with communal goods and so the findings support the assertion that the categories of MacIntyrean virtue ethics are meaningful in a Confucian society.

6.6.2.3 Organisational Purpose, Success and Excellence Scores

The second comparison of the results involved mapping the scores for organisational purpose against those for current and ideal success (the score for excellence being 10 minus the score for success) for the three countries and the result is shown in Figure 6.13 below, with the mean scores shown in Table 6.5.
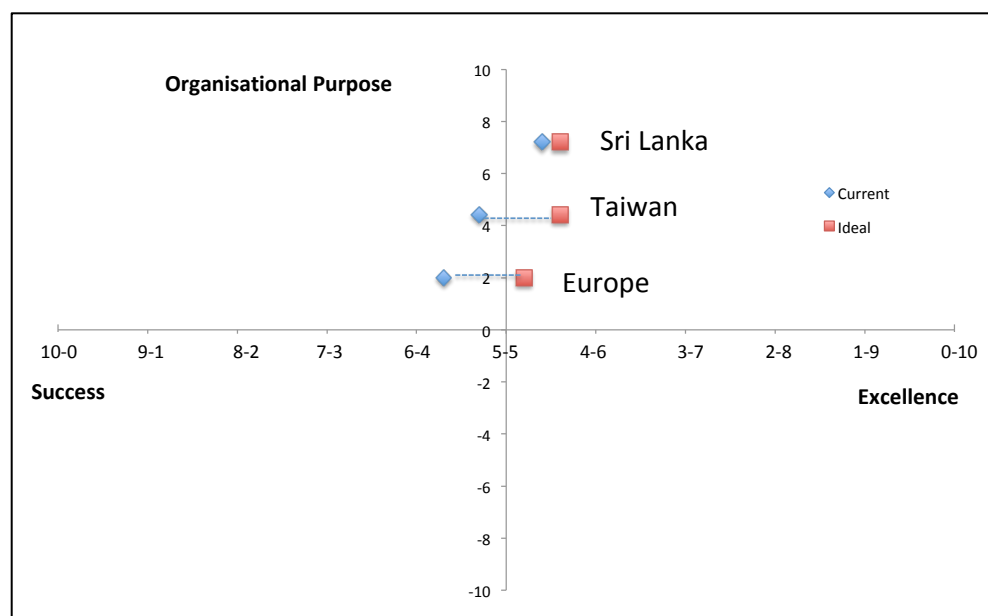
Figure 6.13: Mapping of Organisational Purpose against Current and Ideal Success/ Excellence Scores for 3 Studies

	Company Purpose	Success Scores	
		Current	Ideal
Europe	N/A	5.7	4.8
Sri Lanka	7.2	4.6	4.4
Taiwan	4.4	5.3	4.4

Table 6.5: Purpose & Success Scores for the Three Studies

Statistical analysis showed that the interviewees in Sri Lanka scored company purpose significantly higher than those in Taiwan (at the 0.5% level). Note that comparisons with Europe are not possible here since the relevant question was not asked directly. However, the researcher has confirmed that a score of around 2.0 can be used for the purposes of the mapping shown above (personal conversation, 12 July 2016).

There are three main observations that can be drawn from the results.

Firstly, the organisational purpose from all three studies is positive, reflecting the fact that the interviewees viewed their organisations to be virtuous.

Secondly, Taiwan's position can be seen to be generally between that of Europe and Sri Lanka for all three scores, the only exception being that for ideal success where the scores for Taiwan and Sri Lanka are equal. As has been discussed above, the interviewees in Taiwan emphasised the need for balance, not only for organisational purpose but also for success and excellence.

Thirdly, interviewees in both Europe and Taiwan rated the current position of their companies to be on the side of success, with Europe more on the side of success than Taiwan, whereas the Sri Lankan interviewees scored on the side of excellence. However, all three scored the ideal position on the side of excellence. The fact that all three countries are positioned relatively close to the y-axis reflects the fact that the optimal position is not in the top right hand corner of the chart but rather in the top right hand quadrant but not too far away from the balance point between success and excellence (Moore, 2012b). This point will be discussed further in the discussion chapter.

6.6.3 Summary of Comparison of the Three Studies

The preceding discussion on the two comparisons of the three studies can be summarised into three main findings:

Firstly, the findings support the contention that MacIntyre's concepts are applicable in a Confucian society within SMEs, as evidenced by the commonalities between the three studies. However, the emphasis on people found in both the Taiwan and Sri Lanka case studies indicates an area potentially not sufficiently covered by MacIntyre's framework.

This emphasis on people is the second main finding and is considered to be evidence of the influence of Confucianism. The interviewees in Taiwan talked generally much more about people than the other studies for both excellence and success. As partially a consequence, some categories, which were found in the other studies, were not found in Taiwan.

Thirdly, the three mean scores for Taiwan can be generally described as being between those for Sri Lanka and Europe as is shown by Figure 6.13. The author contends that this is related to the prevailing institutional logics relevant for the three studies and this will be discussed further in the discussion chapter.

6.7 Summary

To summarise the chapter as a whole, the findings presented provided information that can be used towards the answering of all four of the research questions. The findings around MacIntyre's concepts, Confucianism and institutional theory will now be summarised in turn, including how they relate to the research questions.

For research question one and two, the author contends that there was a significant amount of evidence to support the view that the concepts of MacIntyre's virtue ethics as applied within organisations – practices housed in institutions – are meaningful within the Confucian society of Taiwan.

In terms of the first of the three prerequisites for virtuous business organisations, it was generally felt that, whilst the purpose of the organisations was primarily to make a profit and so provide the external goods necessary for survival, it was also to meet the obligations of the organisations' wider social responsibility. Thus there was a clear connection between organisational purpose and the provision of community goods and consequently the organisations were judged to be virtuous (as opposed to non-virtuous).

Secondly, the interviewees could differentiate between success and excellence and were not only aware of the need for the sustenance of excellence but also why its pursuit needed to be encouraged. This ranged from the internal sense of achievement from a job

done well through the perfection of the practitioner to the raising of standards in a community of practitioners.

Thirdly, as mentioned in the first point above, the need for success for both survival and the ongoing support of excellence was fully recognised but there was widespread consensus around the need for balance. This was balance not only between success and the provision of community goods but also between the pursuit of success and excellence. This latter point is in contrast to MacIntyre's statements about there inevitably being a tension between the pursuit of internal and external goods (success and excellence), implicitly in Western organisations.

This leads on to the findings around Confucianism, which relate to both research question one, as discussed above, and research question three, concerning the institutional environment in Taiwan. Confucian influences were evident in the pragmatic attitude towards businesses needing to make a profit whilst also having a wider social responsibility (Cheung and King, 2004), related to the Aristotelian notion of *telos*, and needing to fulfil the obligations of their role. This phenomenon at the organisation level was mirrored at the individual level, in that the interviewees had a clear sense of needing to be dutiful and fulfil their roles within the organisation. In addition to this notion of roles, emphasised by Confucianism, was support for the validity of a second Confucian notion that of the golden mean. This was shown by the clear sense of the need for balance between internal and external goods, as expressed in terms of profit and social responsibility as described above, and also between the pursuit of success and excellence within the organisation. Lastly, aspects of the Confucian relational self were exhibited by the declarations around excellence being related to the self but success being a communal matter, thus stressing the importance of social relationships under Confucianism.

The findings relating to institutional theory were found to be related not only to research question three, Taiwan's institutional environment, but also to research questions two, concerning SMEs. Furthermore, there were indications of how MacIntyre's concepts can be complemented by institutional theory, which is research question four. Thus, the author contends that the variations between the findings from Taiwan and the other two case studies can be best explained using concepts from institutional theory, involving different prevailing institutional logics not only because of the different countries but also because those prevailing within SMEs may well not be the same as those within larger companies.

For example, this may well explain the difference between the degree of compartmentalisation observed by MacIntyre and the apparent lack of compartmentalisation that evident in the Taiwanese SMEs. Additionally, the descriptions of excellence occurring at three levels – the individual, the organisational and industry-wide – points to a possible area where MacIntyre's concepts may benefit from the application of a concept from institutional theory, that of the organisational field.

To conclude, the findings around organisational purpose, success and excellence clearly provided evidence that can be applied to the research questions and these have been recapped in terms of MacIntyre's concepts, Confucianism and institutional theory. These findings will be more fully analysed in the discussion chapter.

In the next chapter, the author will further explore SMEs to discuss the departure from MacIntyre's view on bureaucratic organisations, how the moral tradition of Confucianism influences the environment within SMEs and aspects of change.

7. Chapter 7: Findings 2

7.1 Chapter Overview

In the previous chapter, the empirical findings focused on the applicability of MacIntyrean concepts in Taiwan, especially within SMEs, which is of most relevance to research questions one and two - the applicability of MacIntyrean concepts to the Confucian society of Taiwan and within SMEs. It was found that there were significant amounts of evidence to support the view that the concepts of MacIntyre's virtue ethics – practices housed in institutions - were meaningful within SMEs in Taiwan. The findings also indicated that MacIntyre's concepts can not only be complemented by institutional theory but can be enriched as well. These points are more associated with research questions three and four, and this chapter will focus on the findings more relevant to these two research questions - how the framework of institutional logics can be used to understand the key influences of Taiwan's institutional environment and how institutional logics and MacIntyrean virtue ethics complement each other.

The findings have been grouped into four areas – traditional values, family orientation, SMEs and change – as these were the main themes of interest which emerged from the open coding of the interviews. Traditional values will consider aspects mainly from the religion IL, used to cover Confucianism in this context, and family orientation is obviously concerned with aspects of the family IL. The section on SMEs, whilst considering the SME IL will also include aspects of the state and profession ILs and finally, the section on change will cover influences from the market IL, as well as considering the changes in influence of the relevant ILs.

7.2 Traditional Values

7.2.1   Introduction

In this context, traditional values will be taken to mean elements of Confucianism from the religion IL that were mentioned in statements made by the interviewees, and these were found to mainly be in the area of social relations. As seen in the previous chapter, people were found to be very significant in Taiwan, being the main category by means of which the interviewees described excellence and success. Furthermore, it was apparent that it was also very important how people were viewed by others, as demonstrated by the

concept of the relational self, and so it is necessary to review the social relations which existed in the contextual environment. This topic was identified as important from the analysis of the qualitative data.

This section will describe the findings around traditional values, based on the statements made by the interviewees. These are presented in three themes, those of *renqing* (empathic reciprocity), *heshie* (harmony) and *tuanjie* (solidarity with others).[20]

7.2.2   1st theme - *renqing* (empathic reciprocity)

Renqing was regularly mentioned explicitly by interviewees when they were asked to give examples of traditions evident in their firms:

> "Our boss holds the belief that the management, or the business culture, should have, as we Taiwanese say it, more of *renqing*. Therefore, I believe that, in the future, our business culture will still be maintained to the largest extent.… For example, he takes care of the staff who have been working here for a long time with him …to make sure they have a position here until they retire." (C7I38)

From the above quotation, it can be seen that *renqing* was involved in the interpersonal relations within the organisational culture and involved care and consideration. Another interviewee from the same organisation, whose main business is the manufacture of high-technology laser equipment, explained this in more detail:

> "Our purpose is to let them [older employees] do some easy work, after which they can retire from the company. This kind of move is beneficial for them, meaning that, before they are 45 years old, they can accumulate experience and then do precision optics after they are 45. This is a win-win process, both for themselves and for the company…It is difficult for them to continue to work, and their eyesight is not as good as before…This is the logic for the design of our internal structure." (C7I35)

This lengthy quotation described in detail thoughts of consideration and empathy for others, which are clear manifestations of *renqing*. It also indicated that empathy and a

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[20] The transliteration system used for Chinese terms, such as *renqing, heshie* and *tuanjie,* is based on the pinyin system.

certain level of social exchanges were involved in both the decision-making process and in the design of organisational practices, with a win-win situation being the outcome in that both parties benefitted from such consideration. This aspect of effort being taken to design organisational practices for the benefit of all will become more apparent when the theme of harmony is described below.

The view was also expressed that *renqing* was rooted in SMEs:

> "Many bosses of the present SMEs are in their fifties. They have gone through hard times and…they must have kept the virtue that helped them to conquer the hard times…They believe they are deeply rooted in Taiwan, so that they are eager to do something to keep their business in Taiwan, even at the cost of losing profit. They want their products to be labelled 'Made in Taiwan'. Maybe that's why they are unwilling to give up their staff in Taiwan, which embodies their *renqing*." (C3I19)

The above quotation demonstrates how *renqing* also influenced organisational practices and decision-making at the macro or societal level. The interviewee used this example to illustrate that SME owners felt a strong emotional attachment, devotion and commitment to society, and were even willing to sacrifice profit. This depiction of SMEs will be demonstrated in more detail in the section on SMEs below.

The following quote also demonstrates how *renqing* influenced decision-making at the organisational level:

> "When Taiwanese companies want to lay off an employee, according to Chinese culture, we consider *renqing*. We tend to consider a lot of issues, such as if the employee will feel bad, if it will be bad for our reputation, whether this may bring negative emotions to our employees internally etc. But in the West…they are more matter-of-fact about things… However, when it comes to dealing with employee issues, it usually takes more time and energy for Taiwanese companies to handle these issues because we are more people oriented." (C5I24)

The above quote showed how the concept of *renqing* prevented companies taking a particular course of action out of consideration for the personal impact on staff members. The same interviewee then goes on to link the family and *renqing* at the institutional level, illustrating that there can be a substantial degree of overlap between different ILs, in this instance those of family and religion (Thornton et al., 2012):

"I think Taiwanese culture is mainly about family culture. I should say that the whole of Chinese culture is mainly about the family, such as giving precedence to others, being filial. Most of time we are restricted by human factors, so called *renqing*, so we can't do things as we wish." (C5I24）

The above reinforces the point that decision-making and consequent organisational practices were clearly influenced by *renqing*, but also suggests that a degree of conflict exists, in that people want to do something else but they are restrained by *renqing*. In this instance, they consider that economic factors from the market institutional logic are creating conditions where staff should be made redundant but that *renqing* is acting against this. This is also evident in the following quote:

"I think, in general, Taiwanese are full of *renqing*. In this respect, 'people factors' may influence a lot of business behaviour. For example, many family businesses will help each other, but they won't consider whether the help they offer might bring themselves trouble." (C6I32)

The statements quoted above demonstrate that *renqing* was a social norm linked to emotional feelings with an emphasis on empathy. The interviewees recognised that *renqing* is people orientated, in that the interpersonal factors were an important factor in organisational decision-making and subsequent organisational practices. However, it was felt that it could also be a constraint and could limit the courses of action open to people.

It is clear that *renqing* was influential at different levels – at those of the individual, family, organisation and society. In this respect, it can be considered to be an important part of the family, religion and SME institutional logics as was illustrated by statements made by the interviewees.

This leads on to the second theme, that of harmony or getting along with others.

7.2.3   2nd theme – *heshie* (harmony & social relationships)

Since Taiwanese culture is very people oriented, it was not surprising to find that harmony, in the sense of getting along with people, was often mentioned by the interviewees. Although other cultures no doubt also value harmony, it should be noted that, as described in the literature review, it is "probably the most cherished ideal in Chinese culture" (Li, 2006, p. 583) and also has a significant moral dimension. This

importance of getting along with others was often emphasised by the interviewees. One view on it is from the perspective of humans as social beings with needs:

> "It is also very important to get along with colleagues. I think humans are social animals. We share our life with others." (C5I26)

The interviewee's view here indicated that the office was not only a place of work but also provided a social platform where people socialised and shared their lives with others.

Getting along with others not only fulfilled a social need, but it also provided a motivation for people to work harder:

> "I think relationships, socialising with others is very important.… It makes me feel good if I'm popular in the company, I think it motivates me to work harder." (C5I28)

From the above quotation, it can be seen that the interviewee was aware that socialisation was not necessarily just related to work performance, but that a people-oriented attitude was essential in the organisation. It suggested that getting along with others reflected a desire to be popular and increased self-esteem. This indicated that some people were very conscious of how they were viewed as an individual by others, which is a manifestation of the Confucian relational self.

The following interviewee echoed this view:

> "It is very important to get along with colleagues because, besides making money, we also need to make sure we enjoy working in this company – otherwise you won't work here for any length of time. Actually, the relationship between colleagues is quite harmonious in this place." (C4I12)

This shows that there was an awareness of the importance of harmony, as in getting along with others, and that collective relations influenced whether staff would stay working in the organisation in the long term. Additionally, it indicated that there was a pressure to conform and fit into the prevailing social norm, which is related to *renqing*.

The idea of harmony can also be seen to influence pragmatic attitudes. It produces tangible benefits for the organisation as well people, as demonstrated by the following:

> "I think it's necessary to ensure sales performance, but it's also very important to get along with your colleagues. It's good for the values of the company and the

sales performance if all the colleagues can get along well with each other and have the same goal to work together." (C4I9)

Here, there is consideration of the benefit to the company from harmony within the organisation, which was the positive effect on performance of people working towards the same goal. This unity from strong social relationships was seen as a beneficial tool for the organisation, which echoed the win-win situation described above in the *renqing* section. This will again be seen be in the following section on solidarity with others or *tuanjie*.

A similar view came from another interviewee:

"I think we are more motivated when everyone is in a harmonious relationship in the company. It makes our work more efficient - good communication. A few days ago, we had a colleague who left…one of the reasons is that I think colleagues didn't get along with him…. being harmonious is important to me. Taiwanese people advocate harmony." (C1I3)

From the above example, it can be seen that harmony in the office could be a motivational factor for people, with benefits such as better communication and improved efficiency. Furthermore, it may seem that lack of harmony lead to people being excluded, even to the extent of them leaving the company. However, this picture of harmony as one of enforcing sameness is a common misconception and the Confucian concept of harmony is more correctly to be understood as the process of uniting divergent views:

"I think moderate conflict is good for the growth of a company...When we have meetings, it is fierce, the arguments are all about the company's policies…. but we can still get along with each other after that, so we have a good relationship." (C7I35)

This quotation demonstrates that being harmonious does not imply sameness but that it involved the process whereby different views were expressed and brought into line with each other. Harmony involved tension or even conflict, but these could be seen as part of the process of harmonisation, i.e. achieving harmony. This was reinforced by the following interviewee who explained the importance of getting along with colleagues:

"Well, this is what I've learnt so far since I started working. If you can't get along with your colleagues, it means you can't integrate…If you don't know how to negotiate, compromise and integrate with others' different ideas or opinions, then

you won't be able to be a leader in the future…I learnt this at school...No one wants to get along with a self-centred person. (C4I12)

This interviewee described the importance of being flexible and had learnt skills, such as compromise and negotiation, at school in order to get along with others. This demonstrated how people need to use these qualities in order to integrate with others. Furthermore, the quote also touched on the ethical elements of harmony in that people could be seen as self-centred if they did not use the principles of *ren-yi-li* to constrain their self-interest and fit into the group, which demonstrated the forces acting on people to behave according to social norms and also how people viewed the self.

In summary, as described in the literature review, harmony in the workplace was important and relied on people acting according to *ren-yi-li* to constrain their self-interest. This will be considered further in the discussion chapter. People believed that not only would the firm benefit from staff being more harmonious but that they, as individuals, also would feel better. Related to this was the fact that it can also be seen that there was pressure on people to be assimilated within the organisational culture in SMEs.

7.2.4   3rd theme – *tuanjie* (solidarity with others)

As noted in the literature review, *tuanjie* (solidarity with others) and *xianxinli* (cohesive force) are interlinked phrases and both are commonly used by Chinese / Taiwanese people to express the wish that people can be united and work together with good team spirit to achieve a common goal. Although originally from Chinese culture, they are now considered to be Confucian as they are commonly considered to be in support of harmony (Jochim, 1992). Both phrases were used by management and employees and either can be seen as one of the main elements underpinning organisational culture:

"From the management level, when a policy is carried out, we hope it can go smoothly in the whole company. We also hope it can lead the company to develop in a positive direction of organisational culture, which also indicates that the employees agree with our culture. They can introduce this good culture to their new colleagues. The *tuanjie* of the company is very vigorous. Even though this is a small company, it has a big influence." (C5I24)

Then the same interviewee continued:

"There are two aspects to measuring success - one is invisible, the other one can be quantified. The sales performance can be quantified, such as achieving the sales target and where we are the market leaders. As to the invisible aspect, the *tuanjie* and *xianxinli* between employees is invisible. This is also how our CEO thinks about success when we were talking about how to promote our company culture and core values." (C5I24)

This view corresponds with the finding from the previous chapter that, even though finance was the largest category in relation to success, the people factor was the second largest and so still very important.

The following quote described *tuanjie* as a component of the prevailing organisational culture:

"Small as our company is, it can also be positive and united among employees so we have *tuanjie*. This kind of organisational culture comes from communication with the staff." (C3I20)

These interviewees identified *tuanjie* as a means by which a positive organisational culture can be promoted, leading to better results, motivated employees and a more unified organisation.

As well as managers, these concepts were talked about by employees, who stated that how much they identified with the organisation depended on *tuanjie*.

"The development of the company lies in the staff's *tuanjie*. If this is a good company, the staff's *xianxinli* (cohesive force) will be very high. Well, if our company provides good services but lacks staff *xianxinli* and they can't identify with the company, then it is a big problem for our company." (C5I30)

Furthermore, solidarity with others was linked to excellence by a few interviewees as well.

"If you feel excellence, you will be attached to your company via *xianxinli* (cohesive force) and enjoy working in this company. You may feel a sense of achievement when you complete a task." (C3I18)

From the above quotations, it can be seen that these traditional concepts of *tuanjie* and *xianxinli*, linked to working as a united team, were again influential at the organisational

level and lead to relatively frictionless sense-making and mobilisation by means of promoting common identity, goals & schemas.

7.2.5   Summary

Overall, it can be seen that traditional values were dominated by Confucian concepts from the religion IL, such as *renqing* (empathic reciprocity) and *heshie* (harmony), as well as *tuanjie* (solidarity with others). These notions were highly influential within SMEs and this can be considered as evidence of aspects of the religion IL permeating and overlapping with the SME IL. It was clear that they had an important influence on sense-making, decision-making and mobilisation within SMEs and so had a consequent impact on organisational practices and identity. Furthermore, there was also evidence that they could also sometimes work in an opposing direction to that of the market IL, in that sometimes decisions were felt to be constrained by a need to consider social relations to an extent which might not happen in less people-oriented cultures. On a practical level, these concepts produce real benefits, such as staff motivation and better results, which echoes the pragmatic attitudes towards organisational purpose described in the previous chapter.

Having thus considered traditional values, the next topic of findings on family orientation will now be presented.

7.3 Family Orientation

7.3.1   Introduction

The family is one of the archetypal ILs identified by Friedland and Alford (1991) and retained in the framework proposed by Thornton et al. (2012) and is also one of the main elements in Confucianism. It was one of the main topics that emerged from the empirical study and the relevant statements made by the interviewees can be ordered into three main topics – moral tradition being passed down by the family, the organisation as a family and filial piety.

7.3.2   1st theme - moral tradition passed down by the family

The first theme, that of moral tradition being passed down by the family, came out strongly when the interviewees discussed the moral tradition in Taiwan:

"Family orientation is another traditional virtue we have…Whatever I do, and the traditional virtues I mentioned to you earlier, my parents and grandmother taught me and showed me how they do it…I think the family influences children's values…*daode* (the way to be virtuous) are the long term effects. It means that if a family has many good virtues, then their children tend to keep these virtues." (C2I8)

The interviewee emphasised that the family was the way in which traditional virtues were passed down and also the influence of this both at home and in the working environment. They used the Confucian term *daode*, which showed that people were aware of being virtuous as part of normal daily life.

This role played by the institution of the family was also stressed by the following interviewee, who also raised the concern that the institution of the family in current society was declining so that its role in preserving the moral tradition would be weakened:

"I think Taiwan still has a strong sense of *lunli*. But what I'm afraid of is that… I think the sense of ethics is from the institution of the family. But this institution has been breaking up in Taiwan, the conditions here…many more single parent families or other family issues. I think the family should be responsible for this phenomenon." (C5I21)

7.3.3   2nd theme - the organisation as a family

Nevertheless, the same interviewee then went on to express how the collectivism of family values was reinforced in the organisation:

"The younger employees have a strong sense of individualism whereas, in the past, we (i.e. older employees) emphasised collectivism. That's why, when we established our company system, I cared about whether we have more teamwork activities and collectivism in our company - having company dinners together regularly is one of the examples. I don't ask employees to get rid of their personal identities, but I value collectivism in my company. Because we are a small company, I care about the family feeling. As an entrepreneur, we need to stimulate our employees' sense of *lunli*. That's why, no matter how busy I am, when there are wedding and funeral invitations from my employees, I will definitely attend. I want to make my employees feel that I care about them, like

the head of their family at home. I think we need to stimulate their sense of *lunli* in this way." (Interviewee identifier withheld to preserve anonymity)

There are three points can be drawn from the above quotation. Firstly, the interviewee identified a difference between the younger and older employees in terms of individualism and collectivism. Secondly, collectivism was seen to be a core value for this organisation and was linked to the concept of the family. Finally, the interviewee actively reinforced this sense of family within the organisation by acting as a responsible parent, encouraging ethical values in his employees and attending different social events.

It worth noting that regular company dinners and social events are important symbolically for Chinese societies to enhance social relations and bring people together. The interviewee used these two examples here to demonstrate the sense of family gathering at dinner and attending these important events for employees in terms of *renqing* (empathic reciprocity) and the family.

This equating of the organisation to the family can also be seen from other interviewees of managerial level:

"I think my employees should enjoy working in their positions and get what they deserve. I hope everyone can get along well with each other just like a big family." (C3I15)

"I want to make sure that my employees have good welfare and they work together like a big family." (C1I4)

The phrase 'big family' was mentioned by both of the above and it was evident that they viewed the organisation as an extended family, including the associated responsibility towards to their employees. This tendency for SMEs owners to see their company as an extended family was also noted in the literature review (Redding, 1990).

Employees also expressed the feeling that their company could be compared to a family:

"I think I am more suitable for the SMEs.… I can be myself here. I did not have this perception when I worked for a big company. Here is not strict, as long as I am doing my job properly, my boss leaves me alone. Besides, we are like a family here." (C4I11)

The sense of feeling at home in the organisation was clear here, together with the acknowledgement of needing to do the job well, i.e. fulfilling the expectations of the role in the organisation as in the family, which can be linked to role ethics (Ames, 2011).

The above section illustrated the concept of the organisation acting like a family, together with the fact that this was also actively promoted. The following theme, that of respect for seniors, will further exemplify how concepts related to the family are displayed at the organisational level.

7.3.4   3rd theme - filial piety and respect for seniors

Respect for seniors is related to the Confucian concept of filial piety, which is pervasive throughout Taiwanese society. This was illustrated by the following interviewee:

"We show filial piety to our parents…We certainly deferred to the ideas of our parents when we were young and to those of our teachers in school and even to the senior staff and our supervisors when we started work. Anyhow, everyone has such a concept." (C3I19)

Thus, filial piety is a concept operating not only at the family level, but can also be extended to other relationships, especially to senior people and superiors at the organisational level. The quotation shows the role-based nature of filial piety as discussed in the literature review together with *wu lun* (five relationships). The following quotation also clearly shows how this concept applied within the organisation:

"Filial piety is one of the traditions that I can see in my company. Taiwanese people have their own attitudes and principles on *lunli*…. our attitudes towards seniors and parents are respectful…. Not only to our parents, we also show our love and devotion to the old. Even in the company, we use respectful words to

address more experienced employees. For example, we call our boss 'Lee *ge*'[21]
(older brother) to show our respect.[22]" (C2I6)

The above quote shows how people at work have adopted the concepts of filial piety and
li (etiquette) to show their respect to the more experienced employees and act
appropriately, in this instance using the example of the way of greeting others. "*Ge*"
means older brother, with the implication that the organisation should be considered to be
like a family, with the staff acting like family members. This can also be considered to be a
reinforcement of the concept, discussed in the literature review, that people have a role to
play within a Confucian *wu lun* hierarchy, which they are expected to fulfil by acting
appropriately using *li* (etiquette). These points obviously reinforce the observations made
in the preceding theme of the organisation as a family.

The observation was also echoed by younger employees:

"Respecting seniority is one of our virtues and traditions, from older to younger in
that order…. I was taught by my grandmother to greet the old…. I will say '*wuan
an*' (greetings)[23] to all employees at my company because I'm a freshman…we
greet each other with words like '*jie*' (older sister) and '*ge*' (older brother) to show
our respect. It is important to show respect to others in the company because

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[21] *'ge'* means older brother in the familial sense. Instead of using official titles, such as
'Mr', 'Mrs' or 'Ms', the unofficial title of '*ge*' for males or '*jie*' for females, meaning older
sister, is commonly used at societal and organisational levels in Taiwan.

[22] As was noted in the research methodology chapter, the author did not notice at first
when this interviewee used the familial title in this way until one of the interviewees from
the same organisation explained in the later stages of their interview. The author then
noticed that other interviewees had used these phrases in this and two other
organisations. It is clear to the author that people used these phrases habitually and took
them for granted.

[23] To greet in this sense is an inquiry made by younger people into older people's health.

they are more experienced than me…I also need to learn from them in the company." (C2I8)

This new inexperienced member of staff recognised the importance of respecting seniority and saw it as a virtue and a tradition. Furthermore, they acknowledged their identity as a new, younger and inexperienced employee, who knew how to behave and needed to show respect towards seniors by greeting them with these unofficial respectful titles. This additionally emphasised their inexperience and need to learn from more senior people.

Not only did younger staff acknowledge their identity or role by greeting senior staff in this way, but also senior staff were aware that being called '*ge*' or '*jie*' was respectful. They accepted their status of being older and more experienced:

"Q: I've noticed that other staff called you '*xxxxx ge*' at the end of your name….

A: Yes, they call me '*xxxxx ge*', that's an appellation. The staff's average age is young here, but I'm a bit older than them. They are imperceptibly influenced by what they constantly see and hear. They see other people doing it so they follow them and do it... I think this title creates a specific atmosphere that differs from that in other traditional large local companies[24] that use job positions to greet their colleagues." (C5I30)

Two points are evident here. Firstly, this use of titles like '*ge*' or '*jie*' to create a sense of a family-like atmosphere was acknowledged as being very different to other traditional firms that use people's positional titles to greet each other, and so have a more hierarchical, formal and official atmosphere in the office. Secondly, the interviewee was aware of the fact that the younger staff were influenced by the behaviour of the older staff. However, whereas in the above example this influencing was more unconscious and subtle, another interview stated that younger employees may need to be explicitly educated in this respect:

"Some young people don't have much experience…. but they are more individualistic. Work *lunli* is very important and the senior staff like us should educate the young employees and communicate with them. Still, there are some

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[24] The interviewee is here referring to companies which are influenced by the Japanese period of colonisation and have a more formalised culture.

things that are not what they take for granted. They have to consider the seniors' or supervisors' feelings. The most important point of the work *lunli* is respect for others, I believe. You have to respect senior colleagues, you have to respect your boss, your line managers, because the company is more like a big family as I mentioned before. Some of the young employees forget their duties or positions - they cross the line and act like friends rather than employees to their boss or superiors. So, the young people need to be educated." (C5I29)

The above shows that younger staff were explicitly reminded that the correct work ethos was one of respect for seniors, knowing your position and of being dutiful. This reflects the influence of work *lun li* and role ethics in the workplace, which was evidenced implicitly in discourse or explicitly taught. Additionally, they also needed to be reminded to do so, which is evidence of the changing culture. Furthermore, the aspect of role orientation was also mentioned in the previous chapter and will be considered further in the discussion chapter.

7.3.5   Summary

In summary, it was clear that the family played an important part in the institutional environment and there were overlaps between the ILs of the family, religion and SMEs. The family was felt to play a key role in the passing down of moral traditions from young to old and was central to the Confucian concept of filial piety, which was influential not only within the family but also at the organisational and societal levels.

Many of the aspects of the family were also present within the SMEs, even to the extent that familial titles were used reinforce the family-like atmosphere in clear contrast to other organisations using more formal titles. The interviewees acknowledged that this reinforced their roles within the organisations and also signalled their acceptance of these roles and can be seen to be a manifestation of the cardinal Confucian concept of *li* – acting appropriately and also secondary socialisation from institutional theory (Berger and Luckmann, 1966/1991). Nevertheless, there was evidence for a feeling that the strength of the family as an institution was declining and active steps were taken to maintain and promote the familial influence within the SMEs and to educate younger staff, which will also be discussed in the section on change below.

7.4 SMEs

7.4.1   Introduction

Since SMEs as organisations were the central unit of analysis of the empirical study, it is evident that many of the statements made by the interviewees were about them. Those of relevance here have been formed into three themes – why there are so many SMEs in Taiwan, SMEs as representing the spirit of Taiwan and contrasts with larger companies.

7.4.2   1st theme - why so many SMEs?

Two main reasons were given by the interviewees to explain why there were so many SMEs in the Taiwanese economy. The first of these was that it was commonly accepted that people wanted to be their own boss:

> "Taiwan is different. We have more small and medium sized companies. I think it's because of our national sentiments or maybe we don't like to have big companies. We prefer not to work for other people - "better the head of a chicken than the tail of an ox". This is one of the main features of Taiwan. Many people would like to be independent and be the boss of their own companies. Taiwanese prefer and adore people being their own boss, no matter if you own a small or big company, it's more for *mianzi*[25]." (C2I5)

The interviewee quoted a traditional Chinese saying "better the head of a chicken than the tail of an ox", referring to the fact that Chinese people prefer not to work for other people, which is a common trait in Taiwanese society (Anderson, 1998). In addition to this, having a title like 'boss' has been seen to provide *mianzi* which, as discussed in the literature review, is related to recognition by others of one's position and this can be linked to the Confucian concepts of relational self and social relations.

The second reason given was the weakness and incomplete nature of the state:

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[25] *mianzi* – this is a widespread Confucian concept, which translates as 'face' as in the sense of 'losing face'. An individual's *mianzi* is a function of perceived social position and prestige awarded by a person's social network (Hu, 1944b)

"Speaking bluntly, because our government doesn't do a good job…the government doesn't have strategies to support potential SMEs becoming large enterprises like in South Korea. So, most companies in Taiwan are small and medium sized." (C5I21)

"I think Taiwanese are tough and have the innovation to find a way out of the condition of an incomplete government system. That's why we have so many SMEs in Taiwan." (C3I15)

Both interviewees stressed that the government lacked a strategy and a holistic plan to support SMEs. As described in the literature review, this point is the same as that made by Anderson (1998) on how the Taiwanese government's laissez faire principles combined with weak central planning created an environment where the entrepreneurial potential of its people was encouraged by default.

In summary, two factors were mentioned as reasons for the large number of SMEs in Taiwan – a cultural desire to be your own boss and a weak state leading to favourable macro-environment. The importance of SMEs in Taiwan was widely acknowledged, as is further explored by the next theme.

7.4.3   2nd theme - SMEs represent the spirit of Taiwan

The slogan 'SMEs represent the spirit of Taiwan' was created and promoted by the Taiwanese state some years ago to show its appreciation of SMEs' contribution to the country. This slogan was widely known and its sentiment was agreed to by most of the interviewees. SMEs were recognised by many interviewees as the economic foundation of the country:

"SMEs are in the majority in Taiwan. They account for 80% of all enterprises. SMEs cover a wide scope of industries and they play an important role in the economy of Taiwan. They can endure hardship, do things steadily, step by step, are down to earth and start from scratch." (C5I24)

"I really can feel that SMEs are working down to earth, step by step. Taiwan is an island country, so many things are imported. Thanks to SMEs, which are organised like an indestructible shelter that sustains millions of families...it is like forming a dense net, a strong spider's web. In

fact, there are limited big enterprises in Taiwan. It is the SMEs that support
Taiwanese people's life and give us such a comfortable life style." (C3I19)

Both interviewees acknowledged that SMEs strongly support Taiwan's economic activity
in a wide range of sectors. In addition to this, they described SMEs' characteristics, such
as doing things step by step, being down to earth and starting from scratch, with a sense
of appreciation and pride. Here is one of the explanations of where this spirit came from:

"The so-called 'represent the spirit of Taiwan' might be its grass-roots. These
companies can survive in the tough environment in Taiwan and are steady,
despite the fact that they don't yield unusually brilliant results. The grass-roots of
Taiwan is reflected in the fact that older Taiwanese are willing to bear hardship,
just for an opportunity to make a living, rather than for great wealth." (C3I17)

Here, the spirit was described as "grass-roots", which is an analogy commonly used in
Taiwan, referring to the fact that grass is insignificant but can be seen everywhere – even
in the toughest environment. The sense of hardship that SMEs went through can be felt.
Furthermore, the grass-roots analogy was reflected in the traditional Taiwanese SMEs,
which were seeking survival rather than wealth. This corresponds to findings on
organisational purpose as being a balance between making a profit and social obligations,
as described in the first findings chapter.

It is not surprising that many interviewees also linked SMEs' characteristics to those of
Taiwan as a country:

"SMEs work hard, they are industrious no matter whether they are new or old
businesses. All they want is to survive and develop, no matter what kind of
environment they face. I think this matches Taiwan's situation. It has always been
like this; no matter if it is the international sovereign identity or other problems.
Taiwan has always been like this." (C5I30)

The sense of SMEs' fight for survival was reflected in how Taiwan fights for recognition on
the global stage. In addition to this, the metaphor of the small fighting against the large
can be identified from the following quotation:

"SMEs usually have limited resources, but they have a strong desire to develop,
which is no less than that of big companies. For development within the same
field, the small ones can rival the big ones in terms of ambition. We say that

Taiwan's spirit is that we are willing to work hard. This reflects Taiwan's situation, which is that, in a tough condition, we can ensure that we make excellent achievements in a harsh environment." (C5I23)

From the above, it can be seen that there was a clear comparison between the national situation of Taiwan and that of SMEs. Both were described in terms of the same characteristics – being tough, hard-working and fighting step by step from scratch to survive. These characteristics were felt to persist in SMEs today, in contrast to those found in larger companies, which is the subject of the next theme.

7.4.4   3rd theme - contrast with larger companies

Throughout the interviews, many comparisons were made between SMEs and larger companies. These fell into two main areas – firstly bureaucracy and power and secondly staff.

7.4.4.1   Bureaucracy and Power

One generally agreed point was that SMEs were flexible whereas larger companies were more bureaucratic:

"I used to work for company xxxx[26]. It was a very large traditional local company and it was also very bureaucratic. I think many large Taiwanese corporations have this problem. There are too many unnecessary and superfluous procedures, very inefficient." (C5I27)

"My partner and I both used to work for different organisations, both of them were big companies, but to us, metaphorically, we were like small cogs. And although we might have had higher positions, we would still be small cogs. When you wanted to develop something new, and you handed in your proposal, my line manager would always make you feel that you were going to succeed. However, what you had to accept in the end was a simple 'no' from top management. Then you were suffocated by a feeling of frustration." (C7I35)

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[26] Company name removed to preserve anonymity.

Both interviewees identified that bureaucracy not only caused inefficiency within the large organisations, but also made them become followers rather than innovators. More importantly, it made the interviewees feel frustrated and insignificant – like small cogs in a big machine. This may not be a phenomenon restricted to Taiwan but will be considered further in the discussion chapter in connection with MacIntyre's views on corporations. It is also coherent with the first theme in this section – why there are so many SMEs in Taiwan – in that many people prefer to set up their own companies.

In contrast, SMEs were seen as being able to offer more personal development and fulfilment:

> "SMEs are a good platform for people who are capable and know how to bring their advantages into play, whereas big enterprises emphasise the division of labour more where people can only work in a certain area, where they might not bring their expertise into full play. However, in SMEs, where there is lack of personnel, funds or resources, employees can have comprehensive personal development." (C5I23)

Although SMEs were seen to lack capital and resource, this also created an environment in which employees needed to be flexible and able to multi-task and which enabled them to develop more diverse skills.

> "SMEs tend to be very conservative and cautious with capital. But in most cases, people in SMEs are easy to work with and to communicate with. It is very convenient to work in an SME, not like in big enterprises where you have to go through those tedious procedures. SMEs tend to be more flexible." (C3I39)

Besides bureaucracy being more prevalent in larger firms, the people factor was seen as another important element which tended to result in SMEs being more flexible. This suggests that aspects of power might also have been involved and some interviewees commented on this within their organisations:

> "You don't see the internal fighting for power in the SMEs, maybe there are not so many people, maybe the division of labour is not so detailed…. unlike big companies, which are full of intrigues. Here in our company, we are not interested in fighting with others in order to gain power." (C5I23)

The respondent here identified that there were fewer power struggles in their SME compared with larger firms and, furthermore, that people were not interested in fighting to gain power. They suggested that this was down to the size of their companies being small so that there was not a large degree of division of labour. However, there was another possible answer given:

> "There are internal conflicts in every company, but very few in our company. My staff once asked me for the reason. I think we have good communication and people are honest with each other. However, with the expansion of our company, we can't avoid conflicts, but we will try our best to reduce them. The fact is that our office seldom falls into conflicts because they know I don't like it." (C7I35)

The theme of conflict was identified in the theme of harmony above and the same interviewee acknowledged here that conflict would increase if the organisation continued to expand. Furthermore, the employees were aware that the manager did not like conflict and they did not want to upset them, which indicated that they were aware of where the power lay. This top-down style is very much a reflection of the parental, familial style within SMEs, which was identified in the family orientation section above. There is an interesting contrast here to MacIntyre's views on bureaucracy and power, where he considers management 'expertise' to be less a matter of effectiveness but one of social control (MacIntyre, 1981/2007). This aspect will be discussed further in the discussion chapter. The importance of the family orientation was also a factor in the third theme identified as a contrast between SMEs and larger companies, which was to do with the relative lack of employment of professional staff.

7.4.4.2 Staff

The relative lack of funding in SMEs was seen to have implications for the type of staff who could be employed:

> "It is relevant to the people they hire. If those companies (SMEs) want to hire an expert or professional staff, then the salary they provide will be lower than that offered by large companies. So it is a big problem for SMEs to keep talent." (C5I28)

As per the literature review, compared with larger enterprises, SMEs' relatively smaller budgets meant that they were unable to afford professional staff and it was also difficult for them to keep talented staff. However, this was not the only issue in this regard:

"The problem is that most Taiwanese SMEs are family businesses - the boss usually decides everything. It would be difficult for him to listen to and accept professional managers' opinions." (C1I3)

Most SMEs in Taiwan are family-run businesses, with the owners usually being the decision makers and staff tend to be selected from family members and acquaintances. Recruiting professional managers meant transferring decision making and trust to an outsider, whereas these are usually kept with the family circle (Ip, 2009a). Also it could be seen as a power shift in that the owner was acknowledging the professional manager as being more capable:

"If you want to expand your business fast, you can hire some professional people to take charge of your company. But these people are difficult to manage, because either they don't want to work for SMEs or SMEs don't believe these professional managers….The boss needs to recruit someone who is even better than themselves and must acknowledge that the person is more capable them…Or maybe the SME's own resources are very limited, so they are afraid of using these professional people." (C5I21)

These factors combined resulted in professionals generally not working in SMEs, not only because of financial factors but also because of trust and power implications.

In contrast, managers knew whom they did want to recruit:

"When choosing young employees, we are inclined to choose those who are easy to communicate with and those who have traditional Taiwanese characters… I think that Taiwanese are quite honest and seldom clash with other people directly. We are quite introverted and polite. This is the common personality for Taiwanese. We prefer young people from the rural parts of Taiwan… Actually, in our company, more than half of the young employees are from central and south Taiwan. I think that young people who are from there maintain this kind of traditional personality." (C7I35)

The respondent here stressed that the characteristics of the young employees they preferred to recruit were identical with traditional Taiwanese characteristics, which were identified in the section above on SMEs representing the spirit of Taiwan. In addition to this, there were also other factors taken into consideration:

"We recruit people with experience or no experience… It is very important for those with no experience to have a good attitude towards work, such as taking the initiative and being willing to learn. We are willing to teach more and help them if they want to learn in order to gain more experience and development. So we can say the attitude towards work is the most basic thing. Another principle is the ability to get along with people. This is relevant to the work *lunli*. Someone may have a strong working ability but he may prefer to work alone and not want to interact with his colleagues. He cannot work collectively with a group so he may have a limited future in the group. A company is like a small community, so teamwork is important. These are the principles." (C4I20)

This interviewee identified the criteria for recruiting inexperienced employees, such as them being willing to learn and having good social skills in order to interact well with others, which was seen as part of the ethos in the workplace. This supports the observation made in the section on harmony above, that the organisation is not only a place to work but also a smaller version of the community as a social space. The ability to be able to get along with others has been seen as a part of a virtuous character.

The above examples showed that the interviewees identified several areas where SMEs differed from larger companies. The main areas were the bureaucratic and limiting nature of larger companies together with more power intrigues and conflicts. In contrast, SMEs were more flexible and had more open communication leading to less conflict. However, this latter fact could also have been due to other factors, such as power dimensions and the nature of staff employed. Since most SMEs are family run businesses with trust and power tending to be kept within the family, professional staff tended not to be employed by SMEs whereas more traditional and hard-working people with good social skills were preferred.

7.4.5   Summary

From the statements made by the interviewees about SMEs, it was apparent that there were clear influences from the national culture and from Confucianism, i.e. from the community and religion ILs. This was evident from the preference of people to work for themselves and the common characteristics used to describe both SMEs and the national situation. It was also evident that the influence of the state was weak, leaving SMEs largely to themselves and not promoting their growth into larger companies.

Clear differences were found between SMEs and larger companies. The latter were seen as being more bureaucratic and more limiting in terms of what staff were allowed to do, whereas SMEs promoted and needed flexibility and multi-tasking. Power conflicts and intrigues were felt to be more characteristic of larger companies whilst better communication within SMEs acted against this. However, there were indications that other factors could be at play here in that the managers and owners of SMEs clearly had the authority and were less open to challenge. This was further supported by the weak influence of the profession institutional logic in that professional staff tend not to be employed within SMEs, either because they are too expensive, would tend to work for themselves or would be too much of a challenge for SME owners and managers. Similarly, SMEs seemed to prefer to employ people with other characteristics, such as being more traditional and hard-working.

7.5 Change

7.5.1   Introduction

Most interviewees were aware that there had been a period of rapid change in Taiwan in the past three decades. Three major aspects of this change will be addressed here – increased competition, a decline in traditional values and differences in values between young and old.

7.5.2   1st theme - increased competition

One of the aspects of change commented on by some interviewees was that of increasing competition in terms of the speed and the numbers of competitors. The main factors contributing to this increase in competition were identified as the rise of China, globalisation and the Internet:

> "I think…the rise of China, globalisation and the development of the Internet. These have all brought more competition. In the old days, when you started a business in Taipei, your competitors were mainly in Taipei or in Taiwan. But because of the factors mentioned, now your competitors can be from all over the world…The development of the Internet has caused unprecedented competition and the development is getting faster and faster. The whole world is becoming like the winner takes all." (C3I20)

The interviewee above described how competition had changed in Taiwan, both internally and externally. Internally, enterprises no longer competed only with local firms but also with others from rest of the world. Externally, the competition was getting fiercer and the feeling was that 'the winner takes all' – that large firms had more resources to drive smaller ones out of the market. This 'game changer' had not only influenced the dynamics of business within the island but had also changed how Taiwanese viewed the relationship with other countries like China:

> "The most prominent influence is from China since we opened our market to them. Before the policy of globalisation had been fully implemented, we had to compete with each other domestically. So you would feel good if you were in the top 3 domestically in this sector[27]. But later, during the past 2 decades, since the full implementation of globalisation and opening up to more countries, especially to China, then we used to have more cooperation with them…We now feel more pressure and greater competition with them." (C5I23)

The above two quotes illustrate in more detail local businesses' attitude towards competition before and after deregulation. Before deregulation, business accepted competition but felt that they could live together, which indicated a more harmonious market relationship before deregulation. However, such relative harmony was disrupted by foreign competition after deregulation, and initial cooperation with companies from Mainland China had turned into competition. There were seen to be two possible outcomes - the first one was for small companies who could not compete to be driven out of business. The second one was for some SMEs to be pushed into being more ambitious in order to become market leaders. In this respect, there is clearly the possibility that companies may change how they view the balance between internal and external goods in the face of these increased competitive forces.

Nevertheless, there was another way to combat such fierce competition – cooperation:

> "… but we cooperate with other different type of small enterprises, such as interior design and PR promotion companies, to work on the same project so I don't have to recruit more employees myself. This can reduce my costs. Different small enterprises cooperate to bid and win a project. One project can have

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[27] This company is in the marketing sector.

several different enterprises sharing or cooperating. This is a distinguishing feature of SMEs…This is how we compete with big enterprises or foreign companies." (C2I5)

This strategy of forming alliances showed that SMEs saw other enterprises in different fields as potential partners in order to be competitive when faced with other competitors from the same field, especially large and foreign ones. It also indicated that there were alternative responses to the increasing competition which incorporated more of a pragmatic attitude and harmonious approach – that of cooperation.

Overall, it was clear that the interviewees felt that competitive forces were increasing, and had done so especially since deregulation had opened up the Taiwanese market. Other factors, such as the continuing rise of China, had changed what was previously a cooperative situation into a competitive one and technological factors such as the Internet were also cited.

7.5.3   2nd theme - decline in traditional values

Another change that the interviewees had also noticed was that traditional values were seen to be declining:

 "…good traditions such as being frugal, industrious and thrifty, being tolerant and accepting diversity. But we are becoming very blind as well…. if we are too open to accepting other things, then we are being ourselves less and we tend to forget who we are and lose our identity." (C4I11)

Traditional values, such as those cited in the quote above, were seen as a part of the national identity. However, one of the concerns voiced here was that the moral tradition was being threatened by the opening up of the market and that, eventually, the national identity would be endangered. The following view reinforces this concern, especially that the state was also felt to be playing a part in this:

"Now these so-called cultural traditions are actually disappearing…. the activities during the traditional festivals… are no longer important…. but instead, we follow the trend in Western countries, especially the United States. The paradox is that our government seems to care more about Western festivals than supporting our own traditional activities. The City Municipal Council spent a lot of money on Halloween parties and choral concerts for Christmas, but did not arrange parties

for the Spring Festival[28]…We have paid too much attention to Western festivals but not to our own festivals. We are lost." (C7I35)

The interviewee above expressed frustration with the government, whose attitude seemed to follow Western trends rather than promoting Taiwan's own traditional festivals. It should be noted here that the traditional festivals named in the quote are valued by all Chinese societies and so the sense of loss is not only to do with traditions, but also to do with identity.

Furthermore, the traditional value of *tuanjie,* solidarity amongst staff, could not be maintained in the face of the prevailing high speed of society and increasing self-interest promoted by the profit-drive:

> "Self-interest is a problem I have seen recently. I feel most people focus too much on how to speed things up. Because when I observe the sales department, I see that the manager has some difficulties, he couldn't possibly tell his staff that they need solidarity with others first and to put aside the profit-drive to fight for the company together. To cultivate this solidarity requires time. However, the pace of society is too fast and people don't want to take time to do things. I find that the young people are so utilitarian. The world really goes too fast, both the speed and pace. It takes more time for the team to be more cohesive and to ignore the concept of being profit driven." (C3I16)

The above shows that the respondent felt that the concept like solidarity needed to be built up over time. They identified that young people were more utilitarian, that self-interest was a problem, the pace of society too fast and the organisation was too profit driven for solidarity to develop. Altogether, these factors resulted in a sense of pessimism about whether solidarity with others could be established or maintained in these conditions. The link here to MacIntyre's internal and external goods will be reviewed in the discussion chapter.

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[28] This is a festival where people visit their ancestors' burial places to commemorate them and also to dust and clean their graves.

The decline in traditional values made some of the interviewees pessimistic about the spirit of SMEs:

"I think SMEs used to represent the spirit of Taiwan before, because it seemed that a group of people used to struggle and fight together for a company before. But now, as I said earlier, many young people today, their perceptions and beliefs are different. They tend to take easy jobs." (C4I14)

"The Taiwanese entrepreneurs, especially in the early times, they were ambitious and they wanted to be a boss, and they thought that if they had new ideas or creativity, that will bring them the better future. In contrast, many young people now often take things for granted. They want to get a position in a big company or think that they can do an easy job in the company set up by their parents or the previous generations." (C7I35)

The traditional characteristics that most interviewees valued about SMEs, such as working hard, being able to bear hardship and building businesses up from scratch, seemed to be disappearing in the younger generation. Both interviewees described how the younger generation's attitude towards to work in SMEs had changed and that the young lacked ambition.

In summary, these examples demonstrate a clear feeling that traditional values were declining with a corresponding loss of identity. Various reasons were given for this, such as being open to foreign influences, state influences and increasing commercial values. Coupled with the decline in traditional values, some interviewees expressed pessimism about whether the 'SME spirit' would be maintained. In a MacIntyrean sense, there was evidence of the external good of profit corrupting the internal good of team solidarity with others.

7.5.4   3rd theme - value differences between young and old

These concerns around the decline in traditional values were reflected in views on differences between the younger and older generations as well:

"As for moral education…at least my generation has strong morals, *lunli*, self-identity and national sentiments. But I'm not sure about our next generation. I think our generation is very traditional in some ways. We still have a concept of being Chinese. But the next generation, they will only admit that they are

Taiwanese. In our generation, the education we received very much emphasised that we (Taiwan) represented the real China - we are Chinese. That's why I think we have kept the Chinese traditions and some good virtues…But the younger generation, they compete with each other, they tend to care only for themselves but not for others, they don't put others first. You see, people in our generation care about collectivism and tend to have the honour of the collective. We emphasise teamwork and team prestige. I think this is probably the gap we have been talking about between them and us." (C2I5)

From this lengthy quotation, not only can the conflict in terms of value differences between young and old generation be clearly seen, but also that in terms of national identity. Older people still identified themselves as Chinese and cherished traditional virtues such as collectivism. In contrast, younger people were identified as wanting to be Taiwanese and as being more individualistic. One of the confusions that can be seen here is about identity, which was described in the literature review on how tradition and Taiwan's national identity has gradually changed throughout history. Such changes inevitably impact on how young and old view and share practices at the organisational level and this will be reviewed further in the discussion chapter.

There were some possible explanations as to why the younger generation were more individualistic:

"…in several respects, the younger generation is more individualistic.…people nowadays tend to have fewer children compared to the past. We used to have siblings and live together and help each other. Some nowadays are from single parent families and they are used to being alone. All these factors have had some influence on children nowadays. They get the concept of the group from the Internet - quite narrow. In some ways, they have a good capacity for the Internet. But as to getting along, interacting with colleagues and moral principles, it seems that they don't do very well." (C5I21)

The respondent here identified two major types of change in the macro environment – demographic and technological. On one hand, demographic changes in the societal environment had resulted in a low birth rate and more single parent families, resulting in younger people not knowing how to socialise with others. On the other hand, there had been rapid technological change, with people more reliant on the virtual world of the Internet rather than interacting with people in the real world. The consequences were that

the younger generation were seen to lack social skills and moral traditions, which was alarming to the interviewee.

Inevitably, the perceived change in the moral traditions of the younger generation also had an impact on organisations. The perceived change in their working attitudes was felt to be weakening the previously held views on SMEs:

> "Nowadays, because of the low birth rate, young people today can't endure hardship like those in the past...I have noticed that their values are quite different from those in the past. They ask you directly if they can get better pay and welfare, they take things for granted…It is totally the opposite of before. They usually ask for what they want first…. When they can't get what they want to meet their requirements, they slam the door very loudly or hang up the phone heavily. They don't care about what other people or their line managers think about them…It was not like this in the past." (C5I24)

The interviewee above described in detail the contrast in the working attitude between younger and older employees. More importantly however, they contrasted how the self was demonstrated by younger and older people in their organisations. The older ones demonstrated a stronger relational self and would consider how others felt, in contrast to the younger ones who showed a self-centred attitude and did not care how others viewed them. Furthermore, these two different age groups demonstrated different ways of managing conflict in the office. Older ones tried different ways to find a solution, but the younger ones had more negative ways of expressing their frustration. This is very much related how the concept of harmony was viewed differently by younger and older groups and is evidence that the Confucian concept of harmony was weakening.

The same interviewee identified political factors as being one of the factors responsible for this:

> "I think political factors are responsible for this phenomenon. We can always see from the media that people from these two parties (DPP & KMT) quarrel with each other as long as they can't reach consensus. Sometimes they even use physical fighting to express their dissatisfaction. In our generation, we might have only protested with speech. We are not like people nowadays in that they protest on the street with physical fighting. It is a really bad influence on young people.

They tend to follow suit when they are not mature enough. They bring this bad culture into their jobs." (C5I24)

There are two main points to be drawn here. Firstly, political change at the macro level was identified here as a factor. The example used by the interviewee vividly portrayed how two opposing political parties could not reach consensus and ultimately resorted to violence. The incidents mentioned occurred in 2014[29], immediately before the interviews were conducted and this style of protest was unfamiliar to Taiwanese society. This leads to the second point which is the perceived growing difference between younger and older generation in terms of resolving differences.

In summary, it can be seen that clear differences between younger and older people were identified. These reflected a decline in the Confucian concepts of harmony and the relational self, and also in traditional social values and collectivism. A concurrent change in national identity was also observed and reasons for these changes were cited, such as political, demographic and technological changes.

7.5.5   Summary

Overall, it was clear that the interviewees identified change as an important factor within the environment, with increases in competition, declining traditional values and differences between young and old being presented as the major relevant categories of change. These can be linked with the corresponding institutional logics - increased competition is related to the market IL increasing in influence and declining traditional values are linked with the family, community and religion ILs decreasing in influence.

Change can also be linked to MacIntyre's view on moral tradition, in that he views tradition to be socially embodied since traditions are lived in communities. In this respect, the decreasing influence in the relevant ILs of the family, community and religion can be linked to a declining moral tradition, Also, traditions, if they are living and changing, always embody "continuities of conflict" (MacIntyre, 1981/2007, p. 222) not only between

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[29] This relates to the 'Sunflower' student movement, which was part of continued change since then, notably the DPP winning the 2016 presidential election over the KMT (Economist, 2016). This does not fundamentally affect the findings reported here but reflects continued change in the direction already evident.

supporters of the tradition and its opponents, but also internally among those who would interpret its central beliefs in different ways. These points will be discussed further in the discussion chapter.

7.6 Summary

As stated in the chapter overview, the main aim of this second findings chapter was to present the findings that related mostly to research questions three and four. Relevant statements from the interviewees were grouped into themes and these were presented under the headings of traditional values, family orientation, SMEs and change. In order to relate these back to the relevant ILs, the interinstitutional system of multiple separate ILs, based on those proposed by Thornton et al. (2012), is being used to form the theoretical lens. The table shown in appendix A.14 presents the findings in tabular form, ordered against the seven ILs (family, community, religion, state, market, profession and SME), which are shown in the first column, with the second and third columns showing respectively the strength of the influence of the individual IL within the SMEs studied and whether the influence is increasing or decreasing, where relevant. Columns four to seven then summarise the findings from the four headings of traditional values, family orientation, SMEs and change against each of the ILs, with those against the SME IL in the bottom row being the most important for the present purpose.

In relation to research question three, there are four main findings and the first is that the ILs of family, religion and the market were found to have a strong influence on SMEs, whereas the ILs of the state and profession were found to have only a relatively weak influence. The evidence for this observation was taken directly from the statements made by the interviewees, as shown in the quotes presented above, as well as from the interviewees knowledge of the total content of the interviews, which cannot be presented here in full for obvious reasons of space.

The second main finding, the evidence for which was presented mainly under the headings of traditional values and family orientation, was that the individual ILs of the family and religion could be seen to be overlapping, with many of the relevant concepts being found to have a strong influence within SMEs. For example, the Confucian concepts of *renqing,* harmony, *tuanjie* and relational self from the religion IL were clearly evident within SMEs as were that of wanting to be your own boss from the community IL and that of familial titles and atmosphere from the family IL.

The third main finding is that SMEs were felt to be significantly different from larger companies. Whilst larger companies were not the research subject and no empirical data about them was collected directly, it was clear from the statements made by the interviewees that they felt that this was the case. Examples cited included organisational practices, with those in larger companies being bureaucratic in support of a greater division of labour, resulting in a sense of frustration amongst employees. In contrast, SMEs required a greater degree of flexibility and offered more opportunities for staff to develop a range of skills. Furthermore, larger companies were judged to have more intrigues and power conflicts, which may have been due to better communication within SMEs, a greater acceptance of the fact that power lay with the SME owners or due to the characteristics of staff within SMEs.

Fourthly, the findings presented under the heading of change, reflecting demographic, technological and political factors, can be used as the main evidence for whether the influence of the individual ILs was felt to be increasing or decreasing, which is summarised in the third column titled 'Change in Influence'. As stated in the chapter overview, an overall value will not be given for change in the community IL, since, in the context of independent national characteristics used here, some factors, such as Taiwanese nationalism, were increasing whereas others were felt to be decreasing. This was partly because foreign influences including globalisation were felt to be increasing and younger people were being less affected by traditional values and becoming more individualist and utilitarian[30]. This latter fact was felt to be partly caused by the rising influence of the market IL, which was becoming less harmonious, and clashing with Confucian values such as *tuanjie*. Similarly, the family IL was felt to be weakening under the impact of demographic changes, such as more single-parent families, and the religion IL was also declining, with younger people being more self-centred (in contrast to the

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[30] It is interesting to note that MacIntyre (1967b) addressed a similar situation from the standpoint of England 50 years previously. His central argument was that the religious practices of the different social classes had not survived the migration to cities that industrialisation had entailed and so this does have similarities with the findings from Taiwan. However, MacIntyre's analysis is based on social class, and since the class system of England and Taiwan is very different, it is very difficult to draw any conclusions here without a great deal of further consideration out of scope of this thesis.

relational self) and less influenced by concepts such as harmony. Overall, it was felt that these changes were impacting the original spirit of SMEs but the continuing wish to be your own boss was felt to counteract this.

These four points are the main findings from the empirical data collected which lay the foundations for the discussion around research question three, which will be presented later in the discussion chapter.

Research question four is concerned with how institutional logics and MacIntyrean virtue ethics can be seen to complement each other and here there were three main findings. Again, these findings here only serve as evidence to be used in the discussion chapter later, but they can be summarised as follows.

The first main finding is at the level of internal and external goods and the tension between them. There were clear similarities between the characteristics of the two ILs which strongly overlapped with the SME IL, those of the family and religion, and the virtues described by MacIntyre in terms of internal goods. For example, empathic reciprocity (*renqing*), working hard, thrift, familial piety – all can be regarded as having links to internal goods which were valued and promoted by the family and religion ILs. In contrast, MacIntyre's external goods of fame and fortune did not seem to be as relevant within Taiwan's SMEs. As seen in the previous findings chapter, fame does not correspond to the Confucian concept of recognition as in the relational self and profit was seen to be balanced by social obligations. Consequently, the tension between internal and external goods seemed to be less apparent within Taiwan's SMEs, a fact which was emphasised by the observation that the Confucian concept of harmony was being eroded by the increasing influence of the market IL. In this respect, it was also noted that the latter could also result in a change in how SMEs view the balance of internal and external goods.

Secondly, the empirical data showed the importance of traditional values and social relations within Taiwanese SMEs, demonstrating the influence of the overlap of the family and religion ILs, and this suggests that this is an area potentially underestimated by MacIntyre. Although it is clear that MacIntyre recognised the importance of social influences, their demonstrated strong influence within Taiwanese SMEs hints at the fact that this may be a beneficial area to analyse in more detail. For example, harmony has an exalted position within the religion IL as a strategic end in itself, bringing in its train pragmatic benefits. It promotes a win-win environment as opposed to that of win-lose

under the market IL, as exemplified by the pragmatic attitude to profit within Taiwanese SMEs. The fact that MacIntyre recognised their importance but declined to consider them more in detail indicates that the empirical study may have produced important insights in this respect and these will be considered more fully in the discussion chapter.

Finally, although the IL frameworks can provide a powerful framework to help with the interpretation of the wider environment and its influences on organisational practices, it does not include any explicit aspect of moral dimensions. MacIntyre's framework – that of modern virtue ethics including practice, narrative and moral tradition – may be of use here to make up this deficit.

Having presented the findings from the empirical data over the last two chapters, these will now be discussed in the discussion chapter.

8. Chapter 8: Discussion

8.1 Chapter Overview

This chapter discusses the findings from the empirical study, presented in Chapters 6 and 7, in the light of the theories, models and ideas from the literature reviewed in Chapters 2, 3 and 4. This will be done by addressing the four research questions in turn, so that the first section considers whether MacIntyre's concepts are meaningful in a Confucian society and the second considers this in the context of SMEs. The third discusses Taiwan's institutional environment and the fourth considers what MacIntyrean virtue ethics and the institutional logics perspective can learn from each other. The chapter then concludes with a brief summary of the major findings of the study.

8.2 Are MacIntyrean concepts meaningful in Taiwan?

The primary aim of the study was to investigate whether the categories of MacIntyrean virtue ethics are meaningful in a non-Western Confucian society and, if they are meaningful, whether there are differences in the content of these categories. As discussed in Chapter 5 under critical realism, concepts that are meaningful to people are real to them, which is in line with notions such as the social construction of reality (Berger and Luckmann, 1966/1991) from institutional theory. The first point to note from the empirical findings is that no significant differences were found between the seven organisations studied, meaning that the data from all seven could be grouped together as a single case study for the purpose of analysis and comparison with the previous two studies. After this was done, the interviewees' answers to the two main empirical questions – whether the organisations were considered to have a good purpose and whether there was an appropriate balance between the internal and external goods produced by the organisations – could be analysed. After a short summary, these two will be considered briefly in turn before the main conclusions from both are discussed.

In summary, when the findings from this study in Taiwan were compared with those from Europe (Moore, 2012b) and Sri Lanka (Fernando and Moore, 2015) in Chapter 6, it was found that there are clear commonalities as well as interesting differences. The most important point in common is that there is support for the fact that MacIntyre's concepts are meaningful in all three studies, thus providing evidence for the contention that his

framework is generalisable "and so can be used to characterise problems of organisational virtue and vice around the world" (Fernando and Moore, 2015, p. 185).

For the first empirical question, as discussed in the first literature review chapter, Moore (2012b) considers the first requirement for a virtuous business organisation to be a good organisational purpose. This was taken as the extent to which the internal goods produced by the organisation's core practices contribute to the overriding good of the community, with internal goods being taken to include both the excellence of the product or service and the perfection of the practitioners in the process. In all three studies, the interviewees did feel that their organisations contributed to the common good. Whilst this link could perhaps be more easily identified for the healthcare companies involved in the other two studies in Europe and Sri Lanka, the employees of the remaining Sri Lankan company involved in garment manufacture identified such aspects as providing employment, attracting foreign exchange and low levels of environmental pollution. The main conclusion to be drawn from the findings in Taiwan is that, whilst the interviewees were clear that the main purpose of their organisations was to make a profit and so secure the external goods necessary for survival, they were also able to identify the *teleological* nature of their organisations in terms of the need for this to be balanced by the contribution being made to the community good by means of fulfilment of a wider social responsibility. This shows that not only were the employees explicit about their perception of their companies not existing only to make a profit for the benefit of the owners, but also that this was a viewpoint shared by the managers and owners themselves.

The second question posed to the interviewees about the requirements for a virtuous business organisation concerned the relationship between internal and external goods. In this regard, the virtuous organisation is expected to maintain a balance between the two with the emphasis slightly on the side of internal goods (Moore, 2012b). Noting that the terms excellence and success used in Chapter 6 can now be considered to be proxies for internal and external goods respectively, the first main finding was that the same terms were used to describe both internal and external goods, as was also found in the preceding studies (Moore, 2012b; Fernando and Moore, 2015; Crockett, 2005). This could be seen as evidence for the fact that the interviewees could not distinguish between internal and external goods, but Moore (2012b) considers how this is rather support for the 'essential but complex circularity' between them. MacIntyre did note that there are some goods which are valued both for their own sake and for the fact that they can enable a further good, although he did not incorporate these further into his framework

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(MacIntyre, 1988, p. 34). This was echoed in the empirical study by some interviewees stating that excellence was not possible without success occurring first, so that the external goods of financial resources were needed for the practices to be able to flourish and so enable internal goods. Conversely, statements about excellence being needed before success was possible can be interpreted as meaning that internal goods not only have their own reward but also can lead to the external goods needed to sustain practices. As such, it was apparent that most interviewees were able to clearly differentiate between internal and external goods. Internal goods, in terms of excellence, were recognised as being reflected in both the quality of the products and services being produced and the perfection of the practitioner in the process, whilst external goods, in terms of success, were seen as being more to do with the ongoing survival of the company. Consequently, the author concludes that the overlapping use of terms for both internal and external goods is not considered to be evidence against MacIntyre's concepts being meaningful in a Confucian society but is in fact supportive of the circular nature of the relationship between them.

8.2.1 But there are differences – Confucianism and the Relational Self

However, the differences between the studies provide valuable insights, with the main two being that the Taiwanese study found consensus around the explicit need for balance and also that the importance of people and social relations within the organisation was more pronounced. These will now be discussed in turn.

The interviewees expressed the need for balance between the pursuit of internal and external goods, as well as between the pursuit of profit and wider social responsibility. This is taken to be evidence of the Confucian concept of the golden mean and harmony and mirrors the Confucian view of business being pragmatic and charitable (Cheung and King, 2004) and also the connection between internal and external goods – "virtue (*de*) is the root, while wealth is the branch" (Legge, 2009). It is also associated with "seeking harmonious human relationships and relation-enhancing action" (Sim, 2007, p. 11). This emphasis on harmony and balance is a vital component of Confucianism, stemming from its origins during the warring states period of Chinese history and will be revisited below in connection with research question three.

It is also connected to the second main finding, that of the importance of people and harmonious relationships. Excellence, and so the concept of internal goods, was strongly associated with people to a significantly greater extent than in the studies in Sri Lanka and

Europe and this was connected with one of the findings for internal and external goods – that excellence was related to the personal level, whereas success was seen to be more at the communal level. There are three discussion points associated with this last finding. Firstly, it is clear that there needs to be an appreciation of the fact that these phenomena occur at different levels of society, in this case at that of the person and of the organisation. This is an important point and clearly also associated with the finding that excellence occurs at different levels, which relates back to the relevant ideas reviewed in Chapter 3. The second discussion point concerns agency, in that the interviewees were distinguishing their own personal goals from those of the organisation to some extent, and this will also be addressed by research question four. Thirdly, this finding is considered to be an aspect of the Confucian relational self.

The interviewees made statements on their concern about doing a good job, being dutiful and accomplishing the obligations of their role, explicitly using vocabulary associated with the family, such as the use of the greetings *jie* and *ge*, to invoke the social relations involved in *wu lun* (five relationships) according to role ethics. These observations can be interpreted as being aspects of the Confucian relational self, whereby individuals see themselves more in terms of their social relations than in the West, reflecting the greater emphasis placed on these social relations by Confucianism. These role-based relationships not only impose obligations and responsibilities on those within them, they also demand that individuals constrain their self-interest to achieve harmony according to the principles of *ren-yi-li,* being benevolent and sincere (*ren),* considering what is the right thing to do (*yi*) and then performing appropriate actions (*li).* This is reflected in the Chinese saying "sacrifice the small self in order to achieve the big self", meaning that personal interest should be constrained in order to achieve the common goal.

This importance of roles is also recognised by MacIntyre, so that in *After Virtue* he argues that "according to that [classical Western] tradition to be a man is to fill a set of roles each of which has its own point and purpose; member of a family, citizen, soldier, philosopher, servant of God. It is only when man is thought of as an individual prior to and apart from all roles that 'man' ceases to be a functional concept" (MacIntyre, 1981/2007, p. 59). Consequently, it is through the rise of modern liberal individualism that the centrality of these roles has been replaced by the primacy of the individual. Drucker also acknowledges the importance of roles and the parallels between business organisations and Confucian principles, noting that business organisations are essentially social

organisations made up of a series of human relationships between specialised roles (Drucker, 1981; Romar, 2004).

The empirical study found that the interviewees in the Taiwanese SMEs were very conscious of their roles and human relations within the organisation and, furthermore and importantly, the responsibilities that were part of these roles. Thus employees explicitly talked about their duties and doing a good job for their managers, whilst owners also explicitly acknowledged their social responsibility to employees' families and to wider society. This shows an important contrast to the compartmentalisation of moral agency in the West described by MacIntyre (MacIntyre, 1999a, 1981/2007), since under Confucianism each role of *wu lun* has moral obligations and responsibilities associated with it. For example, the supervisor has a responsibility for the worker and only if this is discharged is the trust and loyalty of the worker justified. Furthermore, the observed sense that excellence was individual whereas success was communal was also evidence of people working together for the communal goal and of consensus around roles and goals within the organisation. This consensus also obviously needs to extend to an acceptance of the decisions made by those in influential positions and in this regard in the West analogies of circus ringmasters (Beadle, 2013) or orchestra conductors (Moore, 2017) have been made. In the Taiwanese SMEs studied, it was clear that the SME owners were acknowledged to be in this position and acceptance of their legitimacy was evident as was their acknowledgement of the wider moral obligations of their role. Also of relevance here is the finding that the interviewees used generic descriptions of their organisation's purpose, such as providing a good service to customers, possibly indicating a perception that the companies also had a role within society, complete with obligations to be fulfilled.

This criticality of social relations within the organisation is emphasised by Confucianism but, despite some scholars, such as MacIntyre, Drucker and Romar as described above, recognising this importance of social relations, current studies in Western virtue ethics focus more on whether the organisation is virtuous, the characteristics of the virtuous organisation (Moore and Beadle, 2006; Beadle and Moore, 2006) or the characteristics of virtuous leaders, such as practical wisdom (Beabout, 2012). For example, Moore's discussion of orchestras (Moore, 2017) and Beadle and Könyöt's circus (Beadle and Könyöt, 2006) touch on harmony in terms of how the conductor and ringmaster coordinate the group so as to perform harmoniously, balancing internal and external goods, and MacIntyre's fishing crews is another such example. However, these studies do not explicitly discuss the nature of the relationships existing between these people – for

example, trust, benevolence, righteousness (in the sense of the ability to make the correct moral decision), appropriateness, care and affection. It is in this respect that Romar (2004) suggested that Confucianism, with its focus on aspects of social relations such as reciprocity and mutual benefits, can offer a moral foundation to both intra-firm and inter-firm arrangements in the contemporary Western business world. Confucian social relations have an ethical dimension in that they rely on people practicing *ren-yi-li*, thereby constraining their self-interest based on the role that each individual has according to the five foundational relationships - *wu lun*. In this way, the son's relationship to the father is one of filial piety, the subordinate's to the emperor is one of loyalty, the husband's to the wife is one of mutual help, the older brother to the younger brother is one of caring and respect and between friends it is one of helping each other. In this respect, Drucker (1981) may be right to make the critique that the Confucian *wu lun* are outdated in some ways and need to be adapted to the current social context to be more suitable for Western use, for example customer/firm, society/firm, manager/employee, employee/employee, and firm/ supplier. Each party to the relationship has to fulfil their role according to the tasks that they were given and needs to act or perform appropriately with compassion, not only as an individual but also as part of the group as a whole, which means, for example, compromising, prioritising and helping each other. What is important here is the kind of relationships existing within the organisation and whether its members can act based on *ren-yi-li*, as explored by Hwang's model of *ren-yi-li* and *renqing* reviewed in Chapter 4 (Hwang, 2000). For an organisation or a group of people to function smoothly and fulfil a common goal, social relationships are crucial. Otherwise, the situation is analogous to a machine which, without the lubricating effect and warmth of human relationships, will cease to function effectively.

8.3 How does this apply to SMEs?

Having found that MacIntyre's concepts are meaningful in Taiwan, research question two considers SMEs in this respect. Clearly the size of SMEs makes them different from larger organisations as was described in Chapter 1, where the rationale for choosing SMEs as the focal point of this study was described including the fact that they were more likely to reflect the founders' viewpoints.

The findings specific to SMEs were presented in Chapter 7 and can be summarised as their familial nature, factors causing their prevalence within Taiwan, SMEs representing the spirit of Taiwan and the contrast with larger companies. The first three of these are

considered mainly to be the result of Taiwan's institutional environment and so will be discussed below under research question three. This leaves the remaining point, that of differences from larger companies and the main findings under this theme were found to be connected with bureaucracy, power and staff, with larger companies judged to be more subject to bureaucracy and internal power disputes. This can be considered to be a direct consequence of an increase in size of organisations, in that internal processes inevitably become more governed by standardised processes overseen by managers and that power needs to be delegated throughout the organisation in order that localised decisions can be made where appropriate. As reviewed in Chapter 2, MacIntyre is especially scathing about the role played by managers in government and private corporations, describing them as one of the stock characters of modernity embodying emotivism which entails the "obliteration of the distinction between manipulative and non-manipulative social relations" (MacIntyre, 1981/2007, p. 25). As described by Weber, bureaucratic rationality is the rationality of matching means to predetermined ends efficiently and indeed MacIntyre describes Weber as an emotivist (ibid, p. 26) in this connection since there is a lack of any judgement of ends in terms of values apart from those subjectively held by the individual. The manager's claims to legitimacy depend on the application of specialised social scientific knowledge to perform this matching of means to ends efficiently, but in the chapter 'The Character of Generalizations of Social Science and Their Lack of Predictive Power' in *After Virtue*, MacIntyre demonstrates the invalidity of this claim. He shows how it is based on a chain of thinking linking the Enlightenment to modern business schools and so bringing the distinguishing between facts and values by the former into the teachings of the latter. The manager's claim to status and reward is thus undermined due to the "weakness of the predictive power available to him" (ibid, p. 106) and "the concept of managerial effectiveness is after all one more contemporary moral fiction and perhaps the most important of them all" (ibid, pp. 106 – 107). Thus the manager's legitimacy is not based on his ability to organise efficiency but rather on a will to power – "Whenever those immersed in the bureaucratic culture of the age try to think their way through to the moral foundations of what they are and what they do, they will discover suppressed Nietzschean premises" (ibid, p. 114).

It can certainly be argued that MacIntyre's generally negative view of business organisations and especially managers is more directed at larger companies than small. For example, there will generally be less bureaucracy in SMEs than in larger organisations since, although standardised procedures may still be important, there is more capacity for human interaction and more flexibility needed from employees. Weaver

(2006) proposes that small organisations will be more supportive of the moral identity of the individual. Also, the description of bureaucratic managers is far more suited to larger corporations than to SMEs since often SME managers are the founders or owners of their organisations. Consequently, the recent partial and qualified endorsement of management as a practice (MacIntyre, 2016), which can be interpreted as being when it can be considered to be a domain-relevant practice (Beabout, 2012), is more likely to apply to smaller companies where management is relatively close to and so has an appreciation of the core practices of the organisation. This degree of closeness may also have the effect of reducing the tendency of management running the company in pursuit of external goods to the possible detriment of the practices producing the internal goods, since they may well be involved in these practices as practitioners, either currently or in the not too distant past. This is similar to the example of the Danish share fishing crews given by MacIntyre, where they resisted the temptation to sell their allocated fishing quotas not only to sustain the practice of share fishing but also the associated way of life (MacIntyre, 2016, p. 179).

The power aspect reported by the interviewees also corresponds to MacIntyre's view, where the legitimacy of managers in larger organisations is based on their claims to objective knowledge about increasing efficiency whereas this is only a mask for their claim to manipulative power. Consequently, as reported in Chapter 7, managers in larger companies will be more likely to indulge in intrigues to contest the decentralised power within their organisations. In contrast, the legitimacy of SME managers is largely based on the fact that they are either the owners or have been directly appointed by the owner(s), and so their legitimacy is more apparent and accepted.

Nevertheless, it may be the case that there may also be other reasons for the relative lack of power being contested. For example, the conscious cultivation of the familial nature of SMEs was described in Chapter 7 under 'the organisation as a family'. This corresponds to the observations made by L. H. Lin et al. (2012) that SME owners in Confucian/ Taoist societies deliberately promote a familial atmosphere to encourage harmony and loyalty, to discourage their decisions and power being challenged and so firm up their legitimacy and power within the organisation. Alternatively, the nature of the staff employed may be a factor in that people categorised as professionals tend not to work in SMEs but in larger companies. Findings presented in Chapter 7 related how this may be because of cost factors, in that SMEs will not be willing or able to pay the higher salaries demanded by such people, or alternatively because SME owners do not like to employ them because it

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may lead to a challenge to how the owner's competence is viewed by staff, so leading to legitimacy challenges.

However, there is also the possibility that the smaller nature of SMEs enables a different balance of institutional logics to coexist in the organisation than is the case in larger organisations. Crockett (2005) considered that SMEs were suited to the study of virtue within organisations due to the fact that the values of the founder were more likely to be influential within the organisation due to their small size and the ongoing influence of the founder. Similarly, the empirical findings presented in Chapter 7 suggested that the influences of the goals of the market institutional logic may not be so dominant in smaller organisations and so may be countered to some extent by those of other institutional logics, such as that of the family or the community. For example, the fact that SME owners in Taiwan often act like parents in their companies was discussed in the literature review and reported in the findings and this balance of institutional logics will now be explored under the third research question.

8.4 Harmonious Institutional Logics in Taiwan

Chapter 3 reviewed the literature concerning institutional theory and Chapter 7 presented the main findings from an institutional logics perspective. Most important here was the overlapping nature of the institutional logics of religion in the form of Confucianism, family and the corporation in the form of SMEs, which acted together and to some extent acted against the influence of the market institutional logic. These factors will now be discussed in turn.

The importance of Confucianism within Taiwan's institutional environment was one of the main findings from both the scoping study reviewed in Chapter 5 and the main collection of empirical data. This was seen not only in the direct relevance of Confucian concepts but also in their effect on other institutional logics. As described in Chapter 4, *ren*, *yi* and *li* are cardinal concepts of Confucianism, relating respectively to compassion, decision-making and appropriate action. Together with the concepts of harmony, role ethics (*wu lun*) and the relational self, they form a conceptual framework which can be mapped on to that of the institutional logics perspective as shown below in Figure 8.1.
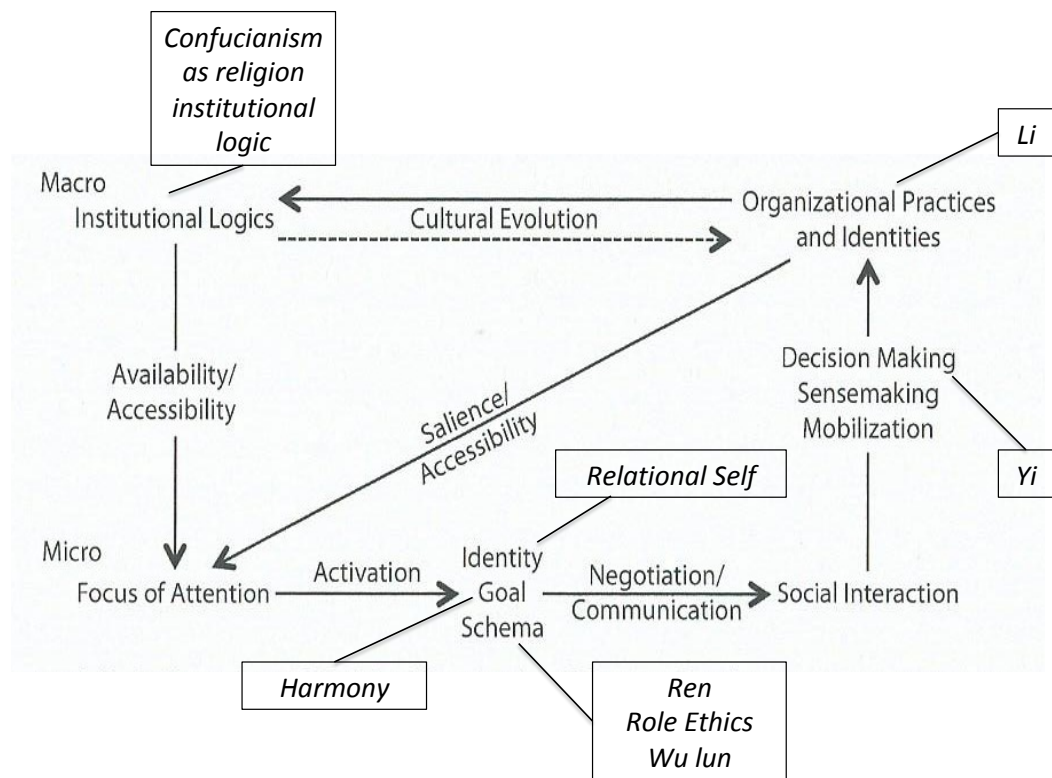
Figure 8.1: Cross-Level Model showing Confucian Concepts adapted from Thornton et al. (2012)

This shows how role ethics, *ren* and *wu lun* can be considered to be part of the schema of individuals acting under the influence of the religion institutional logic represented by Confucianism, since this schema is the way in which people see the world. Similarly, harmony can be considered to be the goal towards which they are guiding their actions and the relational self constitutes their identity or how they see themselves. With these factors acting at the individual level, *yi* is then an important part of how decisions are made, being the virtue of judging what is appropriate, and *li* is then associated with the resulting practices. Within the SMEs studied, it was clear that such Confucian concepts influenced social relationships as well as decisions and practices, examples including *renqing* (empathic reciprocity) being important when making decisions about job allocations, relocating premises and laying off staff. Similarly, *tuanjie* (solidarity) and *xianxinli* (cohesive force) were important to organisational culture and identity and were actively encouraged in order to promote organisational harmony. However, Confucianism does not act on its own but together with other institutional logics. In this regard, Taiwan's

history showed that the state under Chiang Kai-shek actively promoted Confucianism, potentially in order to boost his own legitimacy, but that this has declined since with national identity as considered under the community institutional logic becoming less Chinese and more Taiwanese. These aspects will be returned to below but more important in terms of other institutional logics is that of the family.

The findings showed that the family was seen as playing an important role in how traditional values were passed down, which corresponds to the concept of primary socialisation from Berger and Luckmann (1966/1991). These include Confucian values, such as filial piety and role ethics, as reviewed in Chapter 4, and it was found that aspects of the family were deliberately promoted in the SMEs studied. Both SME owners and employees referred to the sense of family, such as collective values, 'family feeling' and filial piety, and perhaps the most striking demonstration of this was the use of the terms *'ge'* and *'jie'*. This can be considered as a vocabulary of practice as described in Chapter 3, representing how a 'frame' or 'schema of interpretation' can be imported and translated from the family institutional logic into the corporation institutional logic as instantiated by the SMEs (Goffman, 1974; Thornton et al., 2012; Mitchell, Agle, Chrisman and Spence, 2011). In this way, the individuals within the SMEs can then be further influenced by other aspects relating to the family institutional logic, such as communal striving towards shared goals involving *tuanjie* (solidarity) and *xianxinli* (cohesive force) with this explicit invocation of the family within Taiwan SMEs acting against the tendency for thinking in the workplace to be dominated by schema from the market institutional logic. The familial atmosphere was also commented on in relation to younger employees learning from older ones and this can also be related to the concept of secondary socialisation from Berger and Luckmann (1966/1991). All the above clearly show that there was a significant adoption of the family institutional logic within the workplace of the SMEs studied, which is the next aspect to be discussed.

As described in Chapter 4, SMEs play a more important role in the economy of Taiwan than in most other countries, which is due to a combination of reasons. From a historical point of view, Confucian factors together with their influence on the development of the Taiwanese state hindered the growth of large-scale enterprises and created conditions in which SMEs could prosper. Culturally, the tradition of equal inheritance, the preference for self-employment and the relative absence of trust outside the limits of the family also reinforce this effect. Also ongoing economic factors, such as the fact that funding is usually not via commercial banks and the short lived nature of demand-driven responsive

cooperative groupings, mean that it can be said that a combination of factors from the state, market and religion institutional logics all come together to promote SMEs as a major instantiation of the corporation institutional logic in Taiwan, a fact recognised by the state promotion of the phrase 'SMEs represent the spirit of Taiwan'. In this regard, the observations made by Orru (1991), noting extensive similarities between SMEs in Italy and Taiwan are of interest, with a combination of institutional logics within both countries contributing to similar situations despite very different histories. Thus both have a strong familial institutional logic combined with weaker state and market institutional logics, compared with other more capitalistic countries such as the USA and UK. Furthermore, this importance of SMEs within the Taiwanese economy serves as a source of identity for the organisations and the people working within them as described by Glynn (2008) under the concept of *bricolage*. There was identification of the SME characteristics of thrift and hard work with the tradition and history of Taiwan and also of the situation of small companies competing against large ones with the instance of a small island being in competition with much larger countries, including Mainland China. This resulted in a sense of 'who we are' as well as 'who we are not', i.e. larger companies, as described by Albert and Whetten (1985).

Throughout the interviews, it was clear that the importance of the market institutional logic was acknowledged by the interviewees since there was consensus that the goal of the organisations was to make a profit in order that they could survive. However, it is also of importance to note that the SME identity may also be a factor behind the fact that it is not always the goal of SME owners to expand their business to increase market share, as is usually considered to be the case for larger companies, especially those with shareholders to satisfy. Obviously, this tendency may also occur in SMEs in other countries but it is clear that the variety of capitalism occurring in Taiwan has features as described above which result in a prominent SME sector. Also, it is typically the case that Taiwanese SMEs splinter into multiple firms if they do prosper, with family members managing the resultant offshoots. These factors combined may provide reasons for the fact that there was consensus among interviewees that the aim of the company was not just to make a profit, but also to fulfil what were seen to be wider social responsibilities, such as providing welfare for the employees and a degree of support for the community. However, the author contends that there is another more probable explanation, that of the Confucian concept of harmony.

As described in the Chapter 7, the institutional logics of the family, religion in the form of Confucianism, the community and the market were found to be influential within the corporation institutional logic in the form of SMEs, with those of the state and profession being of less importance. Furthermore, the logics of the family, religion, community and corporation were all found to have overlapping and mutually supportive features, with those of the market being held at best in creative tension with them. This tension can be represented by the fact that the market institutional logic is mostly concerned with the production of external goods whereas the other logics are more driven by the pursuit of internal goods. Consequently, the individuals within the organisations could be considered to be pursuing different goals and usually this can be expected to result in the tension considered to be inevitable by MacIntyre (1981/2007) or the internal conflict predicted by the model proposed by Besharov and Smith (2014). However, in the organisations studied, this tension was much less than could have been expected, although it was clear that it did exist as was described in Chapter 7.

The author contends that the best explanation for this lies in the Confucian concept of harmony. As described above and in Chapter 4, Confucianism is strongly influential in Taiwan with harmony being one of its main concepts stressing the importance of balance at all societal levels from that of the individual up to and including that of the state. Moreover, it should be noted that the Confucian concept of harmony is metaphysical as well as ethical. In the absence of an anthropomorphic God as creator, the Confucian world has no preordained fixed order and consequently order has to be maintained by mankind through deliberate and conscious acts of harmonisation (Li, 2006). Furthermore, the Confucian understanding of the notion of truth is also different from that in Western societies in that it is seen as a way of being, for example being a good person, rather than correspondence with an objective fact in the world. If a choice needs to be made between flexibility and principle, Confucian philosophy tends towards flexibility and an aesthetic order whereas Christian theology tends towards principle and a logical order (Li, 2006). This approach also means that Confucian harmony is not an acceptance of bland uniformity but rather is an active incorporation of disparate and even contradictory elements into a harmonious whole (Li, 2006). In this way, harmony presupposes multiple parties with differences between them but these differences-as-tension are constrained without being eliminated in an ongoing dynamic process of compromise and negotiation rather than confrontation and conquest (Li, 2006). Consequently, fundamental differences, such as the parallel pursuit of internal and external goods, can be balanced and accommodated in a Confucian society. In contrast, in a Western society the rationalistic

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tendency drives more towards resolution of such conflicts, resulting in one or the other becoming dominant with a balance being possible only if there is a continuing exercise of virtues such as courage and justice.

One of the main ways in which this is achieved in a Confucian society is by the virtuous influence of *ren-yi-li* acting to constrain self-interest and promote the relational self. As depicted in Figure 8.1, role ethics, *ren* (compassion) and *wu lun* (five relationships) form part of the schema of individuals influenced by the religion institutional logic of Confucian. Similarly, their sense of identity is mainly that of the relational self, whereby the self of the individual is subordinated to one principally formulated by its relations to others. Although the *wu lun* are primarily familial in nature, as described above familial constructs are borrowed from the family institutional logic in Taiwanese SMEs so that social relations within the organisation are also seen as familial. Consequently, not only might the individual employee be more willing to strive for the collective good, but also the owner may see themselves as being more responsible for the welfare of their employees in the same way as the head of the family is responsible for the wellbeing of the other family members. These considerations were supported by statements made by the employees, for example, the finding that success is communal whereas excellence is personal relates to the former and the sense of *renqing* and its constraining influence on decisions exhibited by the owners is support for the latter. The compassionate schema from *ren* is then interpreted in terms of morally appropriate decision-making influenced by the concept of *yi* (appropriateness), resulting in morally appropriate behaviour in the form of practices resulting from *li*. However, the most important Confucian concept guiding the process is that of harmony as described above. In the institutional logics perspective, it can be said to be shaping the role of the goal of the individual and it is important that this is not just occurring within the corporation institutional logic of SMEs, but also within other institutional logics such as that of religion and the family.

However, it was also evident that there were significant changes occurring within Taiwan's institutional environment, which will now be addressed. In *After Virtue,* MacIntyre describes how in the West *telos* was replaced by divine will, which in turn was displaced by the rationality of the market during the rise of capitalism in parallel with the Enlightenment (MacIntyre, 1981/2007, p. 62). As discussed by Romar (2004), Drucker stated that:

"Capitalism as a social order and as a creed is the expression of the belief in economic progress as leading toward the freedom and equality of the individual in the free and equal society... Capitalism has therefore to endow the economic sphere with independence and autonomy, which means that *economic activities must not be subjected to noneconomic (sic) considerations, but must rank higher*" (Drucker, 1939, pp. 37 - 38 emphasis added).

Romar then goes on cite Flaherty (1999), arguing that this prioritisation of the market lead directly to negative effects on the social nature of Western society:

''The elevation of economics as the dominant value of capitalism divorced capitalism from ethics, making it inevitable that the centrifugal forces of narrow self-interest would produce wealth within the state only *at the price of rupturing the centripetal social bonds that provided society with a cohesive sense of community*'' (Flaherty, 1999, p. 24 emphasis added).

From the perspective of institutional logics, this can be interpreted as the market institutional logic coming to dominate and even disrupt the other institutional logics, such as that of the community, family and religion, and this corresponds to MacIntyre's view of the emotive world, where no distinction is drawn between manipulative and non-manipulative social relations so that people are seen as means, rather than ends.

However, this was not found to be the case to the same extent in Taiwan and it can be argued that this is again due to Confucian harmony, which enabled people to balance these contradictory institutional logics to a greater extent than is possible in Western societies. Also, the overlapping nature of different institutional logics in the SMEs studied may have played an important role, as demonstrated by the fact that the idea of the organisation as family was actively promoted, exemplified by the use of familial titles such as '*ge*' or '*jie*' forming a vocabulary of practice. A similar observation was made by Greenwood et al. (2011) who, in a review of studies on the impact of multiple institutional logics on organisations, stated that Bhappu (2000) "demonstrated how the profound respect for the institution of family insulates Japanese organizations from the full pervasiveness of the 'market' logic" (Greenwood et al., 2011, p. 321). In a similar way in Taiwan, the partially overlapping and mutually supporting logics of the family, religion and community acted together to mitigate the contradictory logic of the market, with the Confucian concept of harmony enabling people to maintain these in a greater degree of balance than would otherwise be possible.

This is mirrored by MacIntyre's example of two fishing crews (MacIntyre, 1994a, 1999b, 2016). The first fishing crew exemplified the primacy of the market institutional logic, mainly pursuing external goods, that is the financial benefits of carrying out what was to them essentially 'just a job'. In contrast, for the second fishing crew the influence of other institutional logics, such as community, was stronger and the focus was more on the internal goods associated with the practice of fishing and the exercise of such virtues as courage, bravery and patience. In times of economic hardship, the first crew would be more likely to stop fishing and find a new way of earning money, whereas the second crew would be more likely to tolerate a worse financial return in order to continue gaining the internal goods of fishing. Kay (1997) commented that the virtues developed by the second fishing crew would also be of value to the wider community and MacIntyre also notes that it was of importance that the second crew represented an association of families as well as individuals.

However, it was evident that changes were occurring in Taiwan's institutional environment. There seemed to be a weakening of the appreciation of harmony and the relational self, with an increase in individualism among the younger generation being cited by older interviewees as being associated with a decline in traditional values such as working attitude, harmony and collectivism. Allied with this was a perceived increase in global influences, such as competition in the market, with the rise of China, globalisation and the Internet all being cited as being influential and a feeling that previous, more harmonious cooperation was being replaced by a more competitive 'winner takes all' mentality. Concurrently, there was a sinophobic move towards people feeling less Chinese and more Taiwanese, coupled with a decline in the influence of Confucianism, linked to political factors. Therefore, although it did not seem to have occurred to the same extent as in the West, the same phenomenon of an increase in the importance of the market institutional logic allied with an apparent weakening of the influence of other institutional logics did appear to be taking place.

The importance of harmony in Confucianism was reviewed in Chapter 4 with it being described as the most cherished but also the most undervalued idea in Chinese culture (Li, 2006). Its importance perhaps stems from the fact that Confucius lived in a time of conflict known as the warring states period when one of the main objectives was to establish peace and security. Subsequently, Confucianism has also been described as being pivotal in maintaining the stability of the country during the time of imperial China and beyond (Ip, 2011a; De Bettignies et al., 2011). In contrast to the situation within

Ancient Greece during the time of Aristotle, when the *polis* of Athens provided an environment which can be argued to have been one where the community institutional logic was dominant, Ancient China has often been described as one where society was basically composed of the family and the state with little in between (Whitley, 1999; Redding, 1990). Various factors are important here, such as the relevant absence of trust outside the family and actions taken by the state to discourage a spirit of community, but whether these are cause or effect is not so relevant as the fact that the role played by the community remained weak. Therefore, it is maybe not surprising that whilst the concept of *telos* and the concept of man-as-he-could-be was being proposed by Aristotle in the community or *polis* of Athens, the idea of harmony being developed by Confucius was gaining influence in China.

As MacIntyre describes, the concept of *telos* in the West no longer significantly affects society (MacIntyre, 1981/2007) but, in the East, Confucianism has remained influential up to the present day, with its close ties with the family and the national culture of the Taiwan examples of its continuing significance. The important point here is that this pervasive influence of Confucianism, its central concept of harmony and the associated idea of balance also inform the goals of individuals within other institutional logics than that of religion as represented by Confucianism. As described below under research question four, this results in a more consistent set of goals occurring throughout different institutional logics, such as those of the family, religion and corporation as instantiated by SMEs, so that it can be argued that harmony is playing a role in Confucian society that can be considered similar to that described for *telos* by MacIntyre. For example, the concept of the *junzi* (excellent person) was described in Chapter 4 as a person who harmonises with other people, respecting different opinions and acting according to *li* to be in harmony with their role and with others at all levels, including those of the individual, society and the natural world (Sim, 2007). This also provides the individual with a concept which, consciously or unconsciously, may guide their goals and actions throughout the different roles which they play throughout their lives. Consequently, to view this from the institutional logics perspective, harmony may provide a unifying form to the goals and schema of the individual across differing institutional logics which, in terms of MacIntyrean concepts, can be expressed as providing a degree of narrative unity to their lives.

8.5 Bringing Institutional Logics and MacIntyrean Virtue Ethics into Conversation each other

From the areas covered in the literature review chapters on MacIntyre and Institutional Theory, it seems clear that there is a *prima facie* case for MacIntyre's concepts and the institutional logics perspective having enough points in common to warrant a closer comparison. For example, both consider such aspects as institutions, practices and narratives and both insist that the individual cannot be understood without a consideration of their social context. Although there are obvious differences as described in Chapter 3, nevertheless, the points in common do suggest that a more detailed consideration may be of value. In doing this, the author does not propose a thoroughly watertight conceptual framework but rather an outline of what could become possible with further elaboration, involving an enhancement of models proposed by Thornton et al. (2012) and Moore and Beadle (2006).

8.5.1 *Telos* and Rationalities

The clearest area of discrepancy between MacIntyre's concepts and the institutional logics perspective is the former's contention that there must be some *telos* to human life, whereas this aspect is almost completely lacking in the latter. Although the latter does have a concept of the individual's goals within each institutional logic, this is a relatively minor factor within the framework and this lack was the subject of the criticism made by Friedland (2012) as described in Chapter 3. Friedland concentrates on the term 'value' in this respect and notes that its absence in the institutional logics perspective probably results from "the authors' desire to avoid the normative legacy of the 'old' institutionalism" (Friedland, 2012, p. 585). Both he and Moore and Grandy (2017) recognise that the closest the institutional logics perspective comes to this is the inclusion of legitimacy as a property of the various institutional logics. In order to rectify this omission, Friedland suggests that Weber's concept of 'value spheres' is relevant and indeed this does go some way to supply the missing components needed to bridge the gap.

In his article *God, Love and Other Good Reasons for Practice: Thinking Through Institutional Logics,* Friedland (2013) reviews this concept, which appeared in *Religious Rejections of the World and their Directions* (Weber, 1920/1958). This essay has been described as "a key text, perhaps the key text in Weber's entire corpus" (Bellah, 1999, p. 2) and Friedland also considers it to be 'extraordinary' with Weber having "a century

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before, laid out a way to conceptualize institutional logics" (Friedland, 2013, p. 4). There are two key points for current purposes. Firstly, Weber describes the social world as being composed of a multiplicity of 'value spheres', sometimes also referred to as 'life-orders', which he classifies as the religious, economic, political, aesthetic, erotic and intellectual, with Bellah also including that of the family or community named as 'kinship' (Bellah, 1999, p. 6). There are clearly obvious parallels here with the ideal types of institutional orders proposed by the institutional logics perspective (Friedland and Alford, 1991; Thornton et al., 2012).

Secondly, Weber also differentiates between different types of social action – instrumentally rational, value-rational, affectual and traditional - with instrumental rationality guiding actions where other people or objects are used as the means for the "actor's own rationally pursued and calculated ends" and value rationality being "determined by a conscious belief in the value for its own sake of some ethical, aesthetic, religious, or other form of behaviour, independently of its prospects of success" (Weber, 1922/1978, pp. 24 - 25). Friedland describes value-rationality as being located in each of the value-spheres, so that action within each is "oriented towards determinate, incommensurable, ultimate values: divine salvation in religion, aesthetics in art, power in politics, property in capitalist markets, erotic love, knowledge in science" (Friedland, 2013, p. 5). Friedland also conceives the term 'institutional substance' in this respect – "What Weber calls the 'gods' of the value spheres I have termed institutional 'substances', the unobservable, but essential, 'value' anchoring an institutional logic" and also "a substance is the metaphysical foundation of the institutional logic, which provides the *telos* of the subject, the basis of her identity" (Friedland, 2013, p. 8 emphasis added).

The types of social action are also associated with Weber's types of rationality; Kalberg (1980) links value-rational action to substantive rationality and instrumentally rational action to practical and formal rationality, with different rationalisation processes taking place in the different value-spheres (Kalberg, 1980, p. 1150). Consequently, although value rationality is present in each of the spheres and so also in each institutional logic, instrumental rationality is more dominant in some of them, for example, in that of the market and the state (Friedland, 2013, p. 20). Thus it can be seen that Weber's value-spheres and institutional logics can be linked, with each logic being driven by types of social action associated with types of rationality. However, in the cause of clarity following the example of Friedland (2013), the terms instrumental and value rationality will be used

throughout the following discussion (in place of instrumentally rational behaviour linked to practical or formal rationality and value-rational behaviour linked to substantive rationality).

If these concepts are then combined, it can be argued that, since each of the individual institutional logics has its own driving rationality, a "logical or teleological consistency" that exercises a "power over man" (Friedland, 2013, p. 5; Weber, 1920/1958, p. 324), it is plausible then to suggest that there is a link to MacIntyre's *telos.* Everyday life is lived under the continual influence of multiple institutional logics, with the influence of each in any particular situation being influenced by its salience and availability, as described within the cross-functional model presented in Chapter 3. The rationalities at the level of each of the institutional logics are internalised into the goals and schema of the individual via the process of institutionalisation and so can be said to shape the goals of the individual within that situation. Putting this into the context of MacIntyre's child learning to play chess, for example, the child's choice between cheating to get the external goods of sweets or valuing playing for its own internal goods can be reformulated as the child being either swayed by instrumental rationality in the former case or by the value rationality of the aesthetic or intellectual value-sphere in the latter. Similarly, the two fishing crews often referred to by MacIntyre can also be described in these terms so that the first is following the instrumental rationality of the market whereas the second is more influenced by the value rationality of the community. This is similar to Kay's consideration of professional and instrumental behaviour when he considers the former to be associated with MacIntyre's practices more to do with the pursuit of internal goods whereas the latter is directed at the external good of making a profit in the market (Kay, 1997).

It is clear, however, that this comparison should not be taken too far, since *telos* is concerned with man-as-he-could-be whereas rationality is concerned with man-as-is, which is one of the key arguments in *After Virtue*. Indeed, as described above MacIntyre criticised Weber as being an emotivist since "while he holds that an agent may be more or less rational in acting consistently with his values, the choice of any one particular evaluative stance or commitment can be no more rational than that of any other" (MacIntyre, 1981/2007, p. 26). However, this view has been refuted by Tester (1999), who considers that MacIntyre misreads Weber's sociological project since Weber not only analyses the condition of emotivism but also rejects it. In this regard, it may be that if the goals of the various institutional logics could be brought into alignment with each other and so form more of a common goal, then this can be argued to be more similar to MacIntyre's notion of *telos* guiding the individual's life. Nevertheless, for the current

purposes of considering how MacIntyre's concepts and those of the institutional logics perspective can complement each other, it is sufficient to be aware of both the similarities and the differences.

8.5.2   Practices, Goods and Rationalities

In this context, it seems also plausible that internal goods can be associated with value rationality and external goods with instrumental rationality. For example, K. Knight (2007, p. 164) states that MacIntyre "had identified instrumental rationality predominantly with the bureaucratic state and managerial institutions of corporate capitalism" and similar linkages have also been made by other scholars (Fisher and Byrne, 2012, p. 80; Warneryd, Grunert and Thogersen, 2005, p. 138; Dobson, 1999, p. 139). Internal goods are those gained from engaging in practices, such as internal satisfaction, engagement with the community of practitioners, advancement of the standards of excellence and so on, whereas external goods are typically means to a further end. As such, it can be argued that internal goods can function as the reward of the individual as a result of their value rationality driven action, the fulfilment of the goals of the related institutional logic together with an increase in its salience and the satisfaction of the associated values. In contrast, external goods are more to do with the achievement of goals driven by instrumental rationality. Linking together these ideas in diagrammatic form results in Figure 8.2 below, which summarises the notions presented so far.
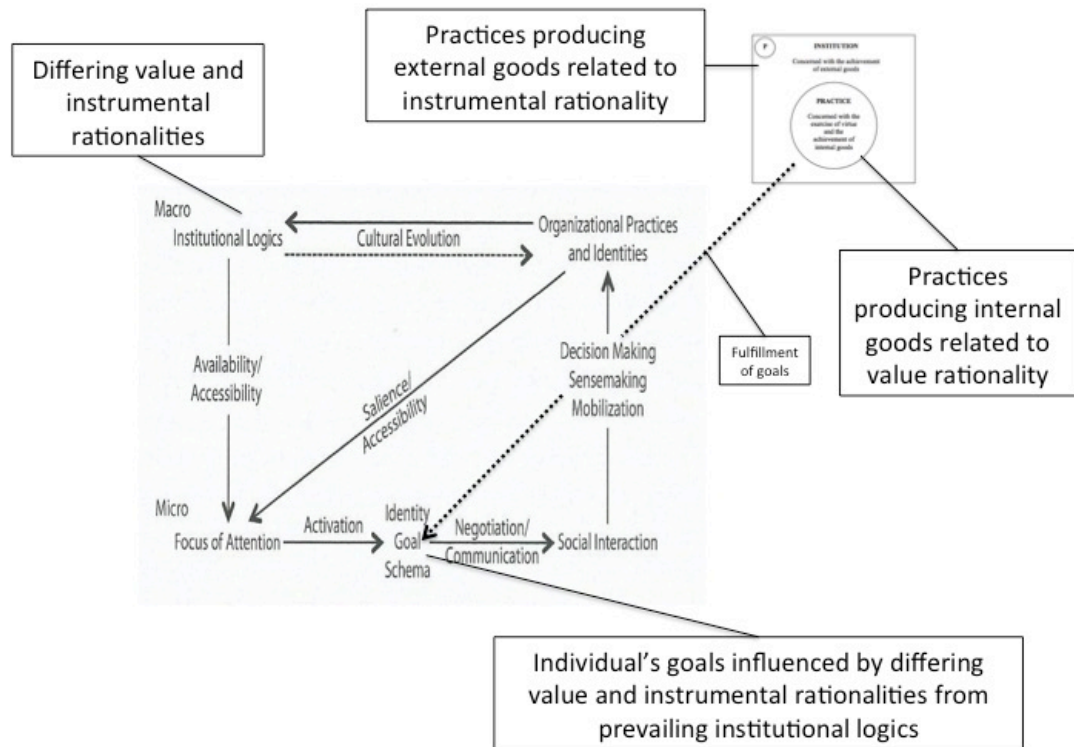
Figure 8.2: Cross-Level Model adapted from Thornton, Lounsbury and Ocasio (2012) and Moore and Beadle (2006)

8.5.3 Organisations and Institutions

Building further on these concepts, it is then possible to revisit the differences in MacIntyre's and institutional theory's definitions of institution. For MacIntyre, the institution houses practices and so, in this sense, if the activities being carried out by an organisation cannot be considered to be practices, then the organisation is not an institution. The institutional logics perspective also differentiates between practices and activities so that, for example, carpentry is a practice, whilst pounding a nail is not (Lounsbury and Crumley, 2007, p. 995). Selznick's idea from 'old' institutionalism of organisations becoming 'infused with value' (Selznick, 1949) is also relevant here. Bringing these concepts together, it can then be argued that practices are those activities which are driven by value-rational action, motivated by "the value for its own sake of some ethical, aesthetic, religious or other form of behaviour" (Weber, 1922/1978). In this sense, the question of whether management is a practice can also be recast in terms of whether management is being conducted as an instrumental or value-rational action, with it only being a practice in the latter case. This would seem to fit in with MacIntyre's qualified acknowledgement of the role of

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management in his latest work (MacIntyre, 2016), management as a domain-relative practice (Beabout, 2012) and also ring-masters and orchestra conductors bringing together and balancing conflicting requirements in order to produce a unified whole of value for its own sake and not just for financial ends.

8.5.4   MacIntyre's Tension and Contested Organisations

With this model of the organisation housing practices being an institution, it should not be forgotten that the individuals carrying out the activities will be under the influence of differing institutional logics, being motivated by different goals and acting under different types of rationality. Consequently, despite being potentially partially driven by value-rationality as considered above, management will still be primarily concerned with the production of external goods, driven by instrumental rationality and being primarily influenced by the market institutional logic (or economic value-sphere). In contrast, the employees carrying out the core practices may well be more influenced by other considerations, being more concerned with internal goods and the value rationality of producing excellent products or services. This corresponds to Weber's aesthetic or intellectual value-sphere but does not seem to correspond to any of the ideal types currently proposed by the institutional logics perspective. The closest would seem to be that of the profession and this is perhaps an area where the institutional logics perspective could be improved. With this conception in mind, MacIntyre's tension between the pursuit of internal and external goods and the contested nature of organisations influenced by multiple institutional logics central to their core functioning and of low compatibility (Besharov and Smith, 2014) can be considered to be essentially the same. As shown in Figure 8.3 below, both are describing how there can be friction when a group of people are working together but have different motivations and different goals, since they are describing how, for example, management may be driven by the instrumentally rational market institutional logic whereas employees may be more influenced by the value rationality of the professional institutional logic.
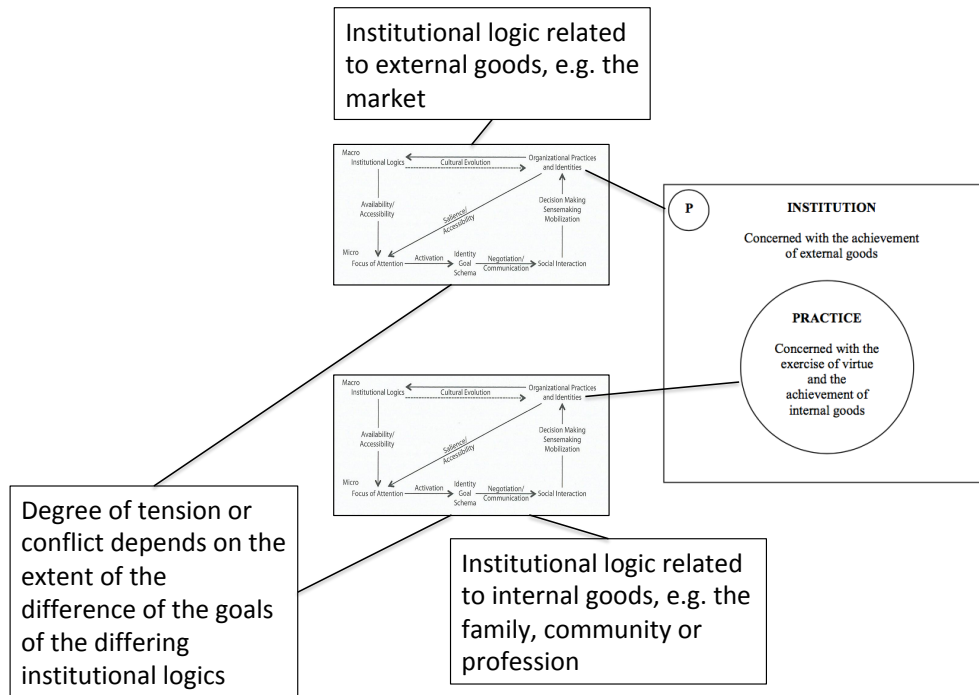
Figure 8.3: Tension or Conflict from Differing Institutional Logics adapted from Thornton et al. (2012) and Beadle and Moore (2011)

8.5.5   MacIntyre's Three Levels of Virtue

As described in Chapter 2, in *After Virtue* MacIntyre proposed a three level framework for the virtues – those associated with the internal goods produced by practices housed within institutions, the narrative unity of a human life and moral tradition. Each of these can be reconsidered in the light of the concepts presented above as follows.

MacIntyre's first level of virtue was given as:

"A virtue is an acquired human quality the possession and exercise of which tends to enable us to achieve those goods which are internal to practices and the lack of which effectively prevents us from achieving any such goods." (MacIntyre, 1981/2007, p. 191)

Thus virtues can be considered to be aspects of the individual which enable and reinforce value rationality. As well as being personal characteristics, such as honesty, courage and so on considered by MacIntyre, these can also be helped by parts of the identity, goals

and schema of the individual as depicted in the cross-level model. These are intimately linked to the influencing institutional logics within any particular situation, which links into the second of MacIntyre's levels, that of the narrative quest:

> "The virtues therefore are to be understood as those dispositions which…sustain us in the relevant kind of quest for the good, by enabling us to overcome the harms, dangers, temptations, and distractions which we encounter, and which will furnish us with increasing self-knowledge and increasing knowledge of the good." (MacIntyre, 1981/2007, p. 219)

C.S. Lutz (2012) considers this second level to be raising the level of focus from that of the individual in individual situations to that of their whole lives, where they move from one situation to another, acting out different social roles and so experiencing different influences upon them. MacIntyre illustrates this negatively in terms of the compartmentalisation of the power company executives and proposes that the whole person needs to be considered using "a concept of a self whose unity resides in the unity of a narrative which links birth to life to death as narrative beginning to middle to end" (MacIntyre, 1981/2007, p. 205). This narrative is related to theories and beliefs, with human actions being enacted narratives (MacIntyre, 1981/2007, p. 211) and so there seems to be a clear link here to the schema of the institutional logics perspective cross-level model. As the individual moves from one situation to another, they are influenced by different institutional logics with consequent changes in their activated identities, schema and goals. The dispositions sustaining them are then those enabling a degree of constancy between these differing scenarios with integrity being reflected in value rationality. Thus, as shown in Figure 8.4 below, the degree of commonality of the individual's identity, schema and goals throughout the differing institutional logics they function within will act against compartmentalisation and promote consistency, integrity and a unity of narrative supporting the achievement of their value-rational goals.

However, it is clear that this constancy also needs to be evident throughout the individual's life over time and this can be provided by the concept of identity from institutional theory. As discussed in Chapter 3, Albert and Whetten (1985) proposed that one of the three aspects of identity was the provision of temporal continuity and, although they were discussing organisational identity, this aspect also can also be argued to be applicable to the individual. In a related fashion, Weaver (2006) considered moral agents to have a moral identity which is strongly influenced by the prevailing institutional logics

and he describes how it is the stability, i.e. the enduring aspect, of non-market entities, such as the family and the community, which is important in providing this moral identity. MacIntyre (1981/2007, pp. 216 - 218) also considered identity to be an important concept in the narrative unity of a human life, dependent on social and historical factors – "the self has to find its moral identity in and through its membership in communities such as those of the family, the neighborhood, the city and the tribe" (MacIntyre, 1981/2007, p. 221). Consequently, it can be argued that it is this moral identity, formed from the individual's institution environment, which can provide the constancy and integrity of the individual over time, and so narrative unity throughout their lifetime.
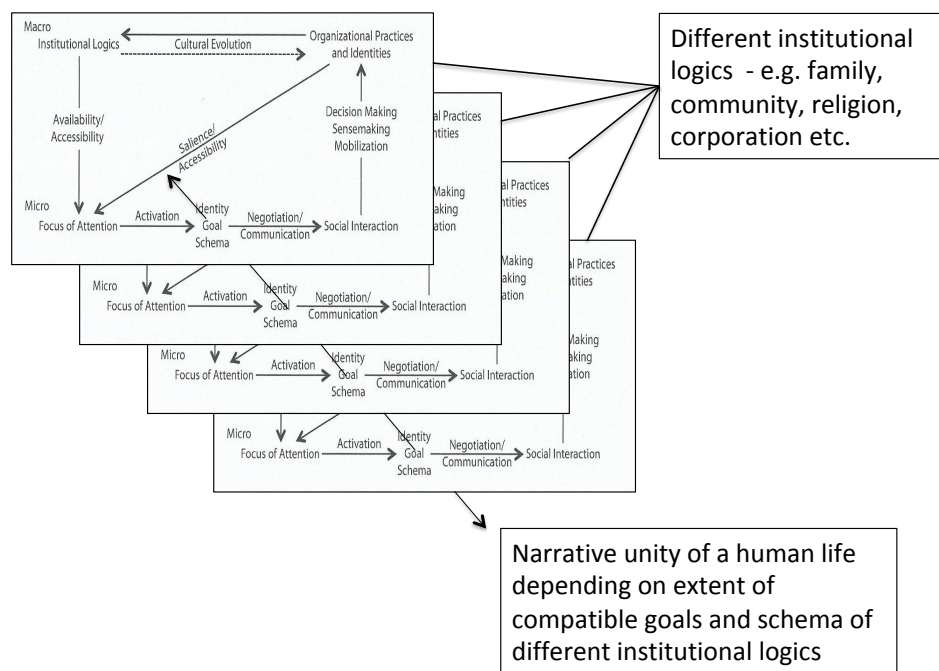
Figure 8.4: Consistency across different Institutional Logics providing Narrative Unity of Human Life adapted from Thornton et al. (2012)

This clearly leads on to MacIntyre's third level of virtue, that of moral tradition:

"The virtues find their point and purpose… in sustaining those traditions which provide both practices and individual lives with their necessary historical context." *(MacIntyre, 1981/2007, p. 223)*

with tradition defined as "an historically extended, socially embodied argument, and an argument precisely in part about the goods which constitute that tradition" (MacIntyre, 1981/2007, p. 222). In this respect, institutional theory presents tradition as the result of a process of 'sedimentation' whereby aspects of the prevailing culture over time become incorporated into tradition and so have an ongoing influence over future generations (Berger and Luckmann, 1966/1991, pp. 85 - 89). In terms of the institutional logics perspective, culture can be seen as particular constellations of individual institutional logics, and so tradition can also be seen as sets of institutional logics which have arisen as a result of the sedimentation process. Consequently, MacIntyre's moral tradition can then be represented as those constellations of individual institutional logics which over time have promoted the particular identities, schema and goals which enable individuals to act in value-rational ways in order to achieve the internal goods of practices.

These three levels can then be represented in the cross-level framework as shown in Figure 8.5:
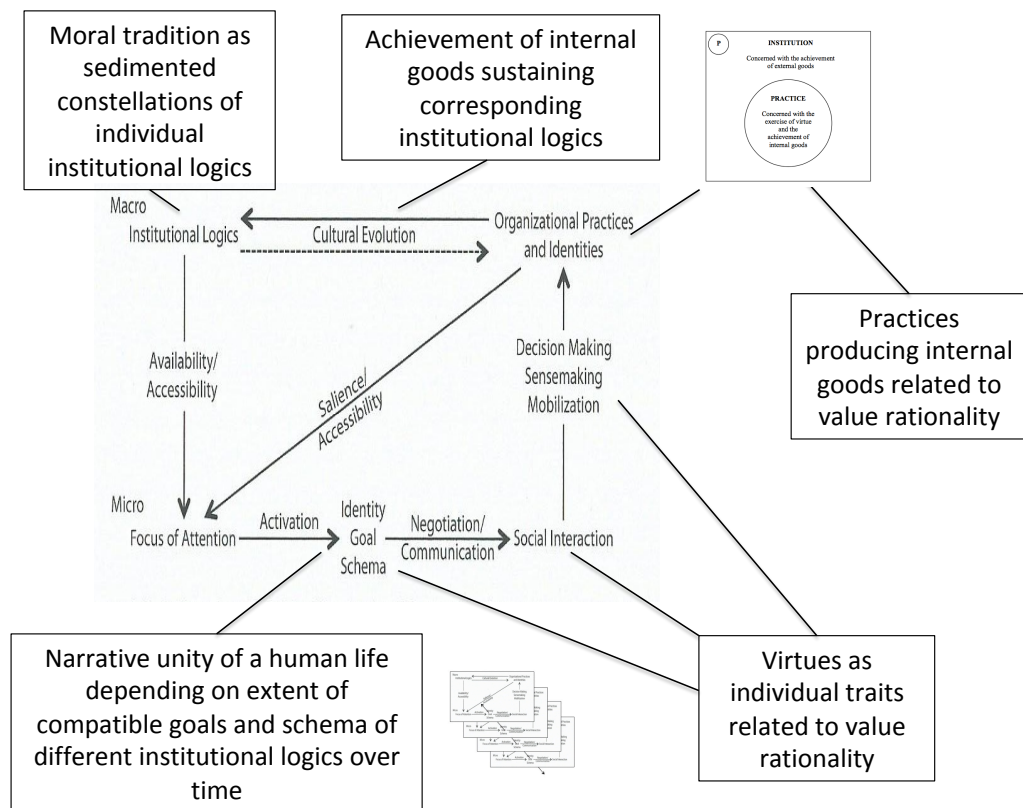
Figure 8.5: Cross-Level Model Showing MacIntyre's Virtue Layers adapted from Thornton et al. (2012) and Moore and Beadle (2006)

8.5.6   The Virtuous Business Organisation

Just as MacIntyre's three levels of virtues can be complemented by concepts from the institutional logics perspective, Moore and Beadle's consideration of the virtuous business organisation (Moore and Beadle, 2006) can also be treated in a similar manner. For example, having a good organisational purpose can be related to the extent to which the organisation not only is influenced by and operates within the market institutional logic, but also and conversely to the extent to which it produces goods which conform to the goals of other institutional logics, for example whether satisfying the goals of the family, community or profession as discussed above. Similarly, the extent to which practices are nurtured shows whether the considerations of non-market institutional logics and value rationality are respected. This also applies to the balance between internal and external goods, the mode of institutionalisation and the supportive organisational character. Likewise, a conducive environment can be related to whether the prevailing institutional logics allow such a balance to be possible.
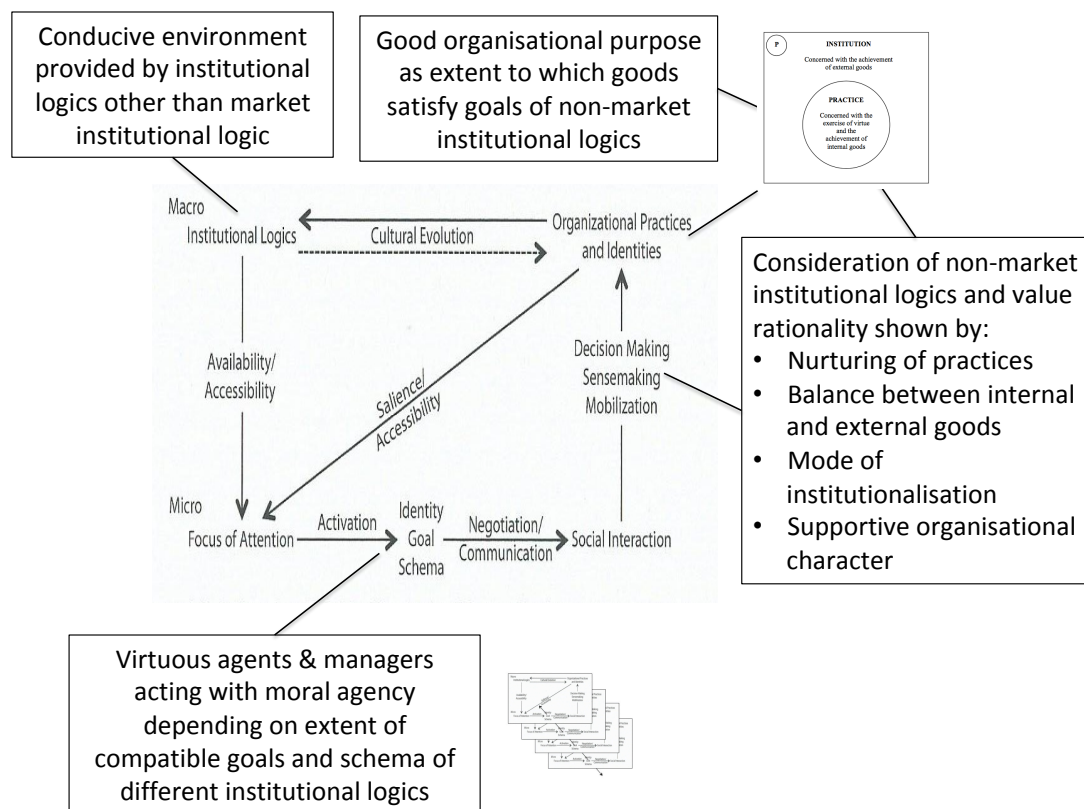
Figure 8.6: The Virtuous Business Organisation mapped to the Cross Level Model

8.5.6.1 *Moral Agency, Roles and Identities*

However, perhaps the most interesting aspect here for present purposes is that of the degree to which agents can act with moral agency. MacIntyre considered that "moral agency requires the application of a consistent moral code…and such consistency is rarely evident in the modern social order" (MacIntyre, 1981/2007, p. 23). This can be related to the above consideration of the narrative quest and compartmentalisation, with moral agency being to do with the individual being able to have compatible schema and goals across multiple institutional logics. This is consistent with the concept of agency developed within the institutional logics perspective whereby "an individual is also guided by his or her social identities and identification…Individuals have multiple social identifications" (Thornton et al., 2012, p. 79) so that they are able to apply aspects of their goals and schema predominant under one institutional logic to situations dominated by another. This was essentially the situation proposed by Weaver (2006) reviewed in Chapter 3 and is also compatible with MacIntyre's consideration of the self in *Social Structures and their Threat to Moral Agency* (MacIntyre, 1999a). Here he describes how the individual has different roles in what are essentially situations influenced by different institutional logics, "playing one part in the life of the family, quite another in the workplace, yet a third as a member of a sports club and a fourth as a military reservist" (MacIntyre, 1999a, p. 322). If such an individual cannot maintain a degree of integrity and constancy across these different situations, MacIntyre considers that they themselves must be found guilty of complicity but that furthermore this is "the guilt of a whole social and cultural order" (MacIntyre, 1999a, p. 329). This can be equated back to the institutional logics perspective in that individual cultures can be considered to be particular constellations of institutional logics so that MacIntyre's 'social and cultural order' is similarly a set of institutional logics where instrumental rationality is predominant, incompatible with the value rationality of other institutional logics, with the contemporary Western world clearly being such a case. This is similar to the contention made by E. C. Hughes (1962), where he considers that the institutions of the family, church and professional groups were suppressed in Nazi Germany since they supplied alternative sources of identity, schema and so also moral agency to those of the state and so challenged its control.

MacIntyre views the individual as being intimately connected with their social roles – for example "… in much of the ancient and medieval worlds, as in many other premodern societies, the individual is identified and constituted in and through certain of his or her

roles, those roles which bind the individual to the communities in and through which alone specifically human goods are to be attained; I confront the world as a member of this family, this household, this clan, this tribe, this city, this nation, this kingdom. There is no 'I' apart from these" (MacIntyre, 1981/2007, p. 172). Similarly, in the modern world "power company executives …. responding qua power company executive or qua parent and head of household or qua concerned citizen. That is to say, their attitudes varied with their social role and they seemed quite unaware of this" (MacIntyre, 1999a, pp. 321 - 322). There are obvious parallels here to the institutional logics perspective concept of the individual having different identities, goals and schema under the influence of different institutional logics, so that the executives described above were successively answering from the perspective of the corporation institutional logic, the family institutional logic and the community institutional logic respectively.

8.5.7 Change

A final area where MacIntyre's notions complement those of institutional logics is that of historical change. As described above, MacIntyre describes how concepts of the self and morality changed over time, with Aristotelian *telos* becoming replaced by divine will in the twelfth century, which then became displaced by the rationality of the Enlightenment (MacIntyre, 1981/2007, p. 62). This can be related to the initial influence of the family and community institutional logics declining under the rise to dominance of a specific form of the religious institutional logic in Western Europe, which was then itself replaced by the emerging market institutional logic associated with the rise of capitalism. This was essentially the view of Weber (Weber, 1905/1984, 1920/1958) and MacIntyre's critical argument in *After Virtue* closely mirrors this depiction of the world – "The contemporary vision of the world, so I have suggested, is predominantly, although not perhaps always in detail, Weberian" (MacIntyre, 1981/2007, p. 109).

One aspect of MacIntyre's description of historic change is his emphasis on the importance of the community, both historically in terms of Aristotle's *polis* and also in terms of the social environment needed for discussions on and the pursuit of the good life - "reasoning about ends and evaluating given purposes occurs within a community" (Beabout, 2012). This point is emphasised in *Dependent Rational Animals* where MacIntyre considers that, whilst the state can provide security for communities and family goods need to be achieved within the community, neither the state nor the family can provide the structure needed for deliberation and decision-making (MacIntyre, 1999b, pp.

132 - 135). Examples given include the fishing community previously discussed in Chapter 2, Welsh mining communities and farming cooperatives in Donegal (MacIntyre, 1999b, p. 143). This is clearly comparable to aspects of the institutional logics perspective, with MacIntyre considering the importance of communication and social interaction leading to sense-making, decision making and mobilisation within the community institutional logic. In this case, the latter is protected by the institutional logic of the state and interacting with that of the family, with the influence of the market institutional logic being subordinated - "economic considerations will have to be subordinated to social and moral considerations" (MacIntyre, 1999b, p. 145).

The preceding discussion has shown that there are several areas where MacIntyre's concepts and those of the institutional logics perspective complement each other. These are summarised in Figure 8.7 below, which shows how the addition of concepts from MacIntyrean virtue ethics can complement the institutional logics perspective. The institutional logics at the macro-level are no longer abstract, ethically neutral concepts but can form a moral tradition in the form of sedimented constellations of logics from that community's past which promote a mixture of instrumental and value rationalities. These will be related to a mixture of market and non-market institutional logics which will influence the degree to which an environment can be considered to be conducive to virtue. Where there can be considered to be a moral tradition which promotes an environment conducive to virtuous behaviour, the market institutional logic will not be dominant but will be balanced by others, such as the community, resulting in a balance of instrumental and market rationalities. These macro-level factors will influence individuals, whose goals in turn will be influenced by a mixture of instrumental and value rationalities. The degree to which they are able to act virtuously, with integrity and constancy in various different situations, and have narrative unity in their lives will be in part determined by the degree to which their goals, schema and identities are compatible and harmonious with each other. This will in turn affect their subsequent social interactions, communal sense-making and decision-making and consequently the balance of internal and external goods produced by the resulting organisational practices.

Virtuous organisations will be influenced by a balance of the market institutional logic and non-market institutional logics and so be influenced by both instrumental and value rationalities and so pursue a balance of external and internal goods. They will have good organisational purpose in that they will also have goals informed by non-market logics, and this influence of value rationalities will also be reflected in the fact that the internal
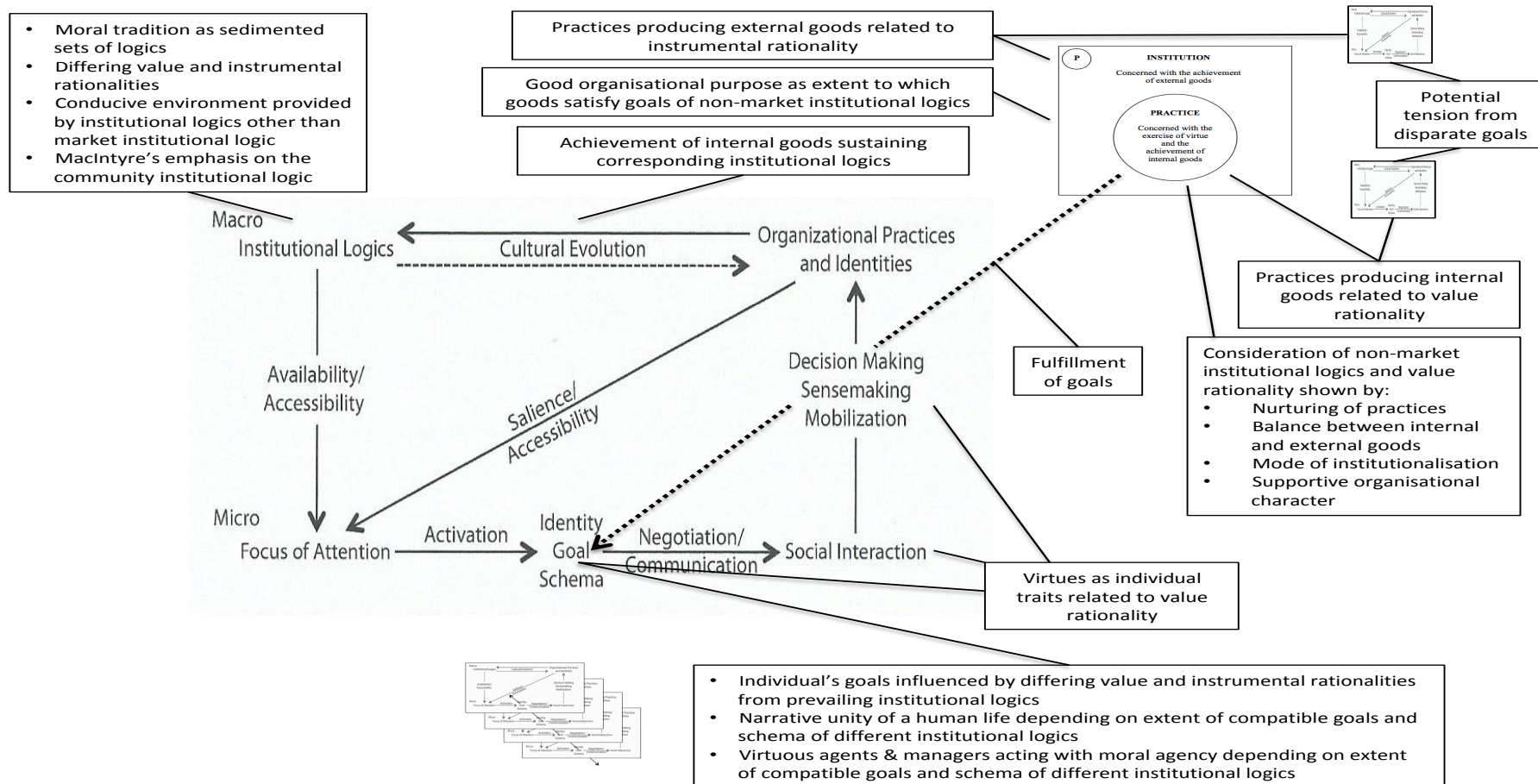
Figure 8.7: Summary of MacIntyre's Concepts mapped onto the Cross-Level Model adapted from Thornton et al. (2012) and Moore and Beadle (2006)

practices are nurtured and valued for their production of both internal and external goods. This balance will also affect the mode of institutionalisation such that there is a supportive organisational character and the balanced influence of the different institutional logics and consequent instrumental and value rationalities will result in a pursuit of internal and external goods which does not result in tension or conflict. The production of goods will in turn have various effects. Clearly the external goods produced will serve to promote the ongoing survival of the organisation, but the internal goods will act to both fulfil the goals of the individuals caused by the value rationalities of the non-market institutional logics and so also sustain the influence of these institutional logics in what can be regarded as a positive feedback loop. This also reflects the finding that excellence occurs at different levels, at those of both the individual and the organisation, and so for the former, it is important that the individual's values are satisfied since this is an important part of their motivation.

In this way, a degree of MacIntyre's virtue ethics can be brought into the institutional logics perspective and this goes some way to address the criticism, summarised at the start of this section, that institutional logics does not incorporate the concept of morality sufficiently. Obviously this description is a somewhat idealised view, but the author hopes that it demonstrates the fact that MacIntyrean virtue ethics can be factored into the cross-level model from the institutional logics perspective in such a way that a harmonious balance of institutional logics, instrumental and value rationalities and external and internal goods can be related to each other. The above discussion has also highlighted other areas where the institutional logic could potentially be enhanced. For example, the fact that there does not seem to be an ideal type of institutional logic relevant to the internal goods resulting from doing a job well suggests that Weber's aesthetic or intellectual value-spheres need to have an equivalent in the institutional logics perspective. Similarly, national or even regional identity is currently best situated in the community institutional logic, but this seems to be at best an uneasy fit.

These are areas where the institutional logics perspective can learn from MacIntyre's virtue ethics, but what about the opposite direction – what can MacIntyrean virtue ethics learn? While largely beyond the scope of this study, the author would suggest that the framework offered by the interinstitutional system of ideal types, together with the cross-level model, provides a structure which can be used more clearly to tease apart MacIntyre's notions. Hopefully it has been shown in the discussion above that a combination of the two enables a clearer picture to emerge and this will now be further demonstrated in the application of the hybrid model to the case study in the next section.

8.6 Application of the Hybrid Model to the Case Study

The use of the new hybrid model can be demonstrated by the depiction of the institutional environment of Taiwanese SMEs as shown below in Figure 8.8. Starting at the top right of the figure, the institutional environment of Taiwan is strongly influenced by a combination of the institutional logics of Confucianism as a religion and the family, helped by historical factors involving the state, acting together to form a moral tradition, supporting the concept of harmony and balance. Other partially overlapping historical and cultural factors have resulted in SMEs being a significant part of the Taiwanese economy, with significant differences between them and larger corporations. These macro-level factors combined result in an overall environment in which harmony is a general concept, acting to promote balance between disparate elements such as value and instrumental rationality so that there can be considered to be a balance of market and other institutional logics within society, providing a backdrop conducive to virtuous organisations. However, it was generally felt that the influence of the market institutional logic is increasing, due to factors such as globalisation and increasing competition, resulting in a rise in individualism and a disruption of social relations.

Nevertheless, at the micro-level the influence of the Confucian concept of harmony is still important in shaping the goals of individuals and so balancing those from different institutional logics with different value and instrumental rationalities. This also provides a degree of narrative unity between the different roles that individuals play, so acting against the compartmentalisation described by MacIntyre (MacIntyre, 1999a). These roles are also informed by the relational self, which is important in forming the identity of individuals and also the way in which they see the world through the associated schema. Consequently, the obligations and responsibilities of these roles from role ethics, together with the relatively compatible goals and schema of the differing institutional logics, result in individuals being able to act with a degree of moral agency since actions informed by other institutional logics will be relatively aligned. The emphasis on harmonious social relations is reinforced by people constraining their self-interest through the influence of *ren-yi-li*, the obligations of role ethics and considerations from such factors as *renqing*, resulting in an organisational culture with an emphasis on harmony and *tuanjie,* relatively undisturbed by power conflicts and bureaucratic factors.
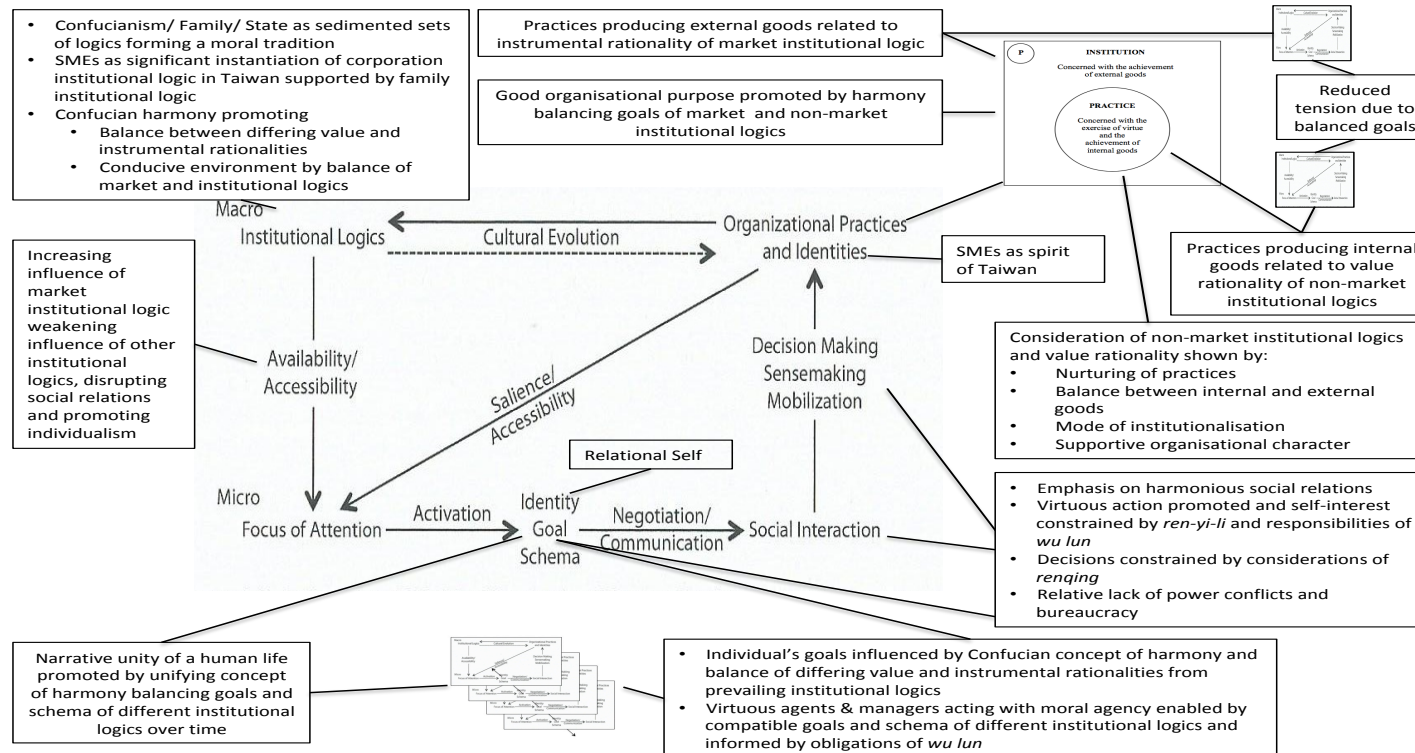
Figure 8.8: Summary Mapping of Taiwan's Institutional Environment using the Hybrid Model adapted from Thornton et al. (2012) and Moore and Beadle (2006)

The result is a strong sense of organisational identity as an SME, reinforced by the same factors which lead to the prevalence of SMEs in the Taiwanese economy. Again the influence of the Confucian concept of harmony means that organisational purpose can be relatively balanced between the instrumental goals of the market institutional logic and the value rationality of other institutional logics, so that there can be both a balance between the pursuit of profit and wider social responsibility as well as between internal and external goods. This balance is reflected not only by reduced conflict and tension but also by an organisational culture which is more conducive to the nurturing of the practices housed within. In this way, the people working within the organisation can benefit from both the internal goods resulting from the pursuit of excellence at the individual level and the external goods from the communal success of the enterprise.

8.7 Summary

The discussion above proceeded through a consideration of the four research questions in turn, and these will now be drawn together. In the first section, it was found that MacIntyrean virtue ethics are meaningful in the Confucian society of Taiwan but also that there were some differences from previous studies. The main ones concerned the importance of balance and of people in terms of social relations, with Confucian concepts such as the relational self, role ethics, *wu lun* and *ren-yi-li* being influential.

The second area of discussion considered the specific situation of SMEs and concluded that there were reported differences from larger organisations and that these could be explained in terms of bureaucracy, power and staff. However, there was also an alternative interpretation involving the Confucian concept of harmony and this was explored further in the third section discussing the institutional environment of Taiwan. Here, the institutional logics of religion in the form of Confucianism, the family, community and corporation in the form of SMEs were found to be mutually supportive and overlapping forming more of a balance with that of the market. It was proposed that this was enabled by the Confucian concept of harmony, which promoted a blending together of disparate elements into a harmonious whole as opposed to the instrumental rationality of the market being dominant as in other countries such as the UK and USA.

This idea was then explored further in the fourth section, which considered how concepts from MacIntyrean virtue ethics and the institutional logics perspective could be brought together with aspects of Weber's original value-spheres to produce a more complete framework. This was then used to demonstrate how the concept of harmony could then be applied at different stages of the cross-level model by means of the associated idea of

balance. Consequently, moral tradition, in the form of a balance of institutional logics and their associated rationalities, could influence individuals, with the degree to which influential institutional logics have compatible goals and schema being reflected in the narrative unity of their lives in the form of them being able to act with consistency, integrity and moral agency. The subsequent social relations of these individuals, involving sense-making and decision-making, result in organisational practices where again the notion of balance is important. Virtuous organisational purpose is dependent on a balance of goals from the market and non-market institutional logics, and the balance between the pursuit of external and internal goods is similarly one between different logics and their associated rationalities.

Now that the main discussion points have been summarised, the conclusions of the study will be presented in the next and final chapter.

9. Chapter 9: Conclusion

9.1 Chapter Overview

This chapter forms the conclusion of this PhD thesis. It firstly reviews the research questions to ensure that the research gaps associated with them have been addressed. The contribution made to research is then assessed, together with subsequent implications and recommendations for future research. The limitations of the study are then considered before the chapter, and indeed the study as a whole, is concluded.

9.2 Review of the Research Questions

9.2.1 RQ1: Are MacIntyre's 'goods-virtues-practices-institutions' concepts as applied within organisations meaningful in a Confucian society or do they need to be adapted in some way?

As part of the research gap discussed in Chapter 4, it was identified that no studies into MacIntyrean virtue ethics had been undertaken in a Confucian environment. MacIntyre's concepts of virtue ethics were reviewed in Chapter 2, especially the three levels described in *After Virtue* – practices housed in institutions, the narrative unity of a human life and moral tradition. The application of these concepts to business organisations, developed by Moore and Beadle (2006), resulted in a characterisation of the virtuous business as requiring virtuous agents, a conducive mode of institutionalisation and a conducive environment and Moore (2012b) refined these further into a base for empirical studies as described in Chapter 5, the research methodology. The relevant empirical results from the case study were presented mainly in Chapter 6. The general answer to this first research question is that MacIntyre's concepts as applied within organisations are indeed meaningful in a Confucian society. There was clear evidence from the empirical study that the interviewees were able to distinguish between the internal and external goods produced by the practices within their organisations and also that they were able to recognise the purpose of their organisations and how this related to the common good of the community. The terms used for success and excellence could be categorised as per the studies in Sri Lanka and Europe and so there is support for the contention that MacIntyre's conceptual framework is generalisable outside its original context of the UK and USA.

Returning to the research gap, whilst the preceding discussion draws the immediate conclusion that MacIntyre's concepts are meaningful, it is the contrast with the previous studies which the author considers to be equally significant. The main differences in the findings were the greater importance of people and social relations and the need for balance and harmony, both of which are important aspects of Confucianism, and are best explained by means of the differing institutional logics in operation, at both organisational and country level. The first of these differences, the greater importance of people and social relations, was connected to the Confucian concept of the relational self where the individual is defined more in terms of their relations with others. The roles associated with *wu lun* are important and self-interest is constrained by the practice of *ren-yi-li*. The second important difference, the need for balance and harmony, was also found in connection with the third research question and so will be considered below.

9.2.2 RQ2: Given the preponderance of SMEs in the Taiwanese economy, are the concepts of modern virtue ethics meaningful within small enterprises?

The research gap identified with regard to this research question was that MacIntyre's generally negative view of business organisations was mainly in relation to larger corporations. Previous empirical studies in Europe (Moore, 2012b) and Sri Lanka (Fernando and Moore, 2015) had investigated relatively large organisations whereas organisational size may well have some influence on the application of MacIntyrean virtue ethics. The findings from the empirical study confirmed that MacIntyre's concepts were meaningful within SMEs and there was evidence that SMEs differ in important ways, such as conflict, bureaucracy and power, from larger organisations as was discussed in the previous chapter. Also, it is more likely that management in SMEs will be more of a domain-relevant practice (Beabout, 2012) due to the relative closeness of managers to the practices being undertaken, and also that SMEs will be more amenable to the exercise of individual's moral identity (Weaver, 2006). These differences were indeed part of the rationale for using SMEs as the unit of analysis for the study, as considered in Chapter 5, the research methodology, as well as their importance in the Taiwanese economy. However, the main point here is the contention of the author that it is the smaller size of SMEs that results in a different institutional environment being in operation, with a different balance of institutional logics. It was found that the institutional logics of the family and religion in the form of Confucianism were strongly influential in SMEs in Taiwan which, given the prominence of SMEs in the Taiwanese economy, indicates the general importance of Confucianism within the country as a whole.

9.2.3   RQ3: How can institutional theory, especially institutional logics, be used to understand the key influences, such as Confucianism and capitalism, on the institutional environment in Taiwan?

The research gap identified in Chapter 4 was that there was a lack of empirical studies into the influence of multiple institutional logics, especially in non-Western contexts. The author considers institutional theory, and especially the institutional logics perspective as reviewed in Chapter 3, to be a powerful tool for the analysis of the institutional environment. The framework offered by the seven ideal types of institutional logics enabled a holistic description of Taiwan's institutional environment at both macro- and micro-levels as presented in the literature review in Chapter 4. Furthermore, it also provided a means of analysing and conceptualising the large quantity of empirical data collected as presented mainly in Chapter 7. The resulting findings were that the institutional logics of the family, religion, community and the market were found to be strongly influential within Taiwanese SMEs whilst those of the state and profession were weaker. Those of the family, religion and community could be considered to be overlapping and mutually supportive, acting together and balanced against that of the market. However, when changes in the institutional environment were considered, it was felt that the influence of the logics of the family, religion and community were declining whereas that of the market was rising. Perhaps the most important finding in this area was that, whilst the institutional logics perspective allowed the identification of the various institutional logics in operation within SMEs, the suggestion from the literature was that these multiple influences could be expected to result in a degree of internal conflict within the organisation (Besharov and Smith, 2014). However, the fact that this conflict was not observed lead to the conclusion that some other influences might be at work. This prompted the author to consider other factors and resulted in the identification of the Confucian concept of balance and harmony, which had emerged as an important theme from the empirical data. This enables disparate and even contradictory elements to be held together to a greater extent than is possible in the West, where a more utilitarian than aesthetic rationality tends to lead to one element becoming more dominant than the others. Furthermore, the similarity of the relative absence of conflict caused by the influence of different institutional logics and of tension in the pursuit of internal and external goods predicted by MacIntyre suggested that there might be some connection here and this was then borne out by the results of work done under research question four.

9.2.4 RQ4: How do institutional logics and MacIntyrean virtue ethics complement each other?

The research gap in Chapter 4 discussed how it was felt that institutional theory and MacIntyre's concepts could benefit from each other since they seemed to have clear areas of overlap. One of the striking aspects of MacIntyre's work is his consideration of the wider aspects of society and history and the framework provided by the institutional logics perspective is an effective way of conceptualising these factors. This synthesis was presented in the discussion chapter and resulted in the hybrid model shown in Figure 8.7 and reproduced below as Figure 9.1. The author considers that this combination of the two frameworks is extremely valuable since, as is often the case where concepts from different areas are brought together, it enables valuable insights to be brought to light. For example, MacIntyre's argument that the centrality of the role played by *telos* in the *polis* of ancient Athens came to be replaced by divine will and then by the instrumental rationality of the Enlightenment can be equated to the importance of the community institutional logic being replaced by that of religion and then the market. Similarly, the resulting hybrid model can be used to illuminate case studies as was demonstrated by Figure 8.8, reproduced here as Figure 9.2, and the associated discussion.

In this way, the author contends that the research questions were answered in all cases and the contributions made to research will now be described, together with their implications and recommendations for future research.

9.3 Research Contribution

This study can be considered to have made a contribution to research in three main ways, which are presented below although not necessarily in order of importance.

The first research contribution concerns the insights provided by the empirical investigation into the Confucian context of Taiwanese SMEs and the consequent identification of the importance of the Confucian concepts of harmony and social relations. As described in Chapter 4, research gaps had been identified in that no empirical studies had previously been conducted on the subject of MacIntyrean virtue ethics in a Confucian context or on SMEs, with that by Crockett (2005) into the latter being the exception. Confucianism continues to play a significant role in the Far East and so such research is important, especially since most previous research has tended to use quantitative
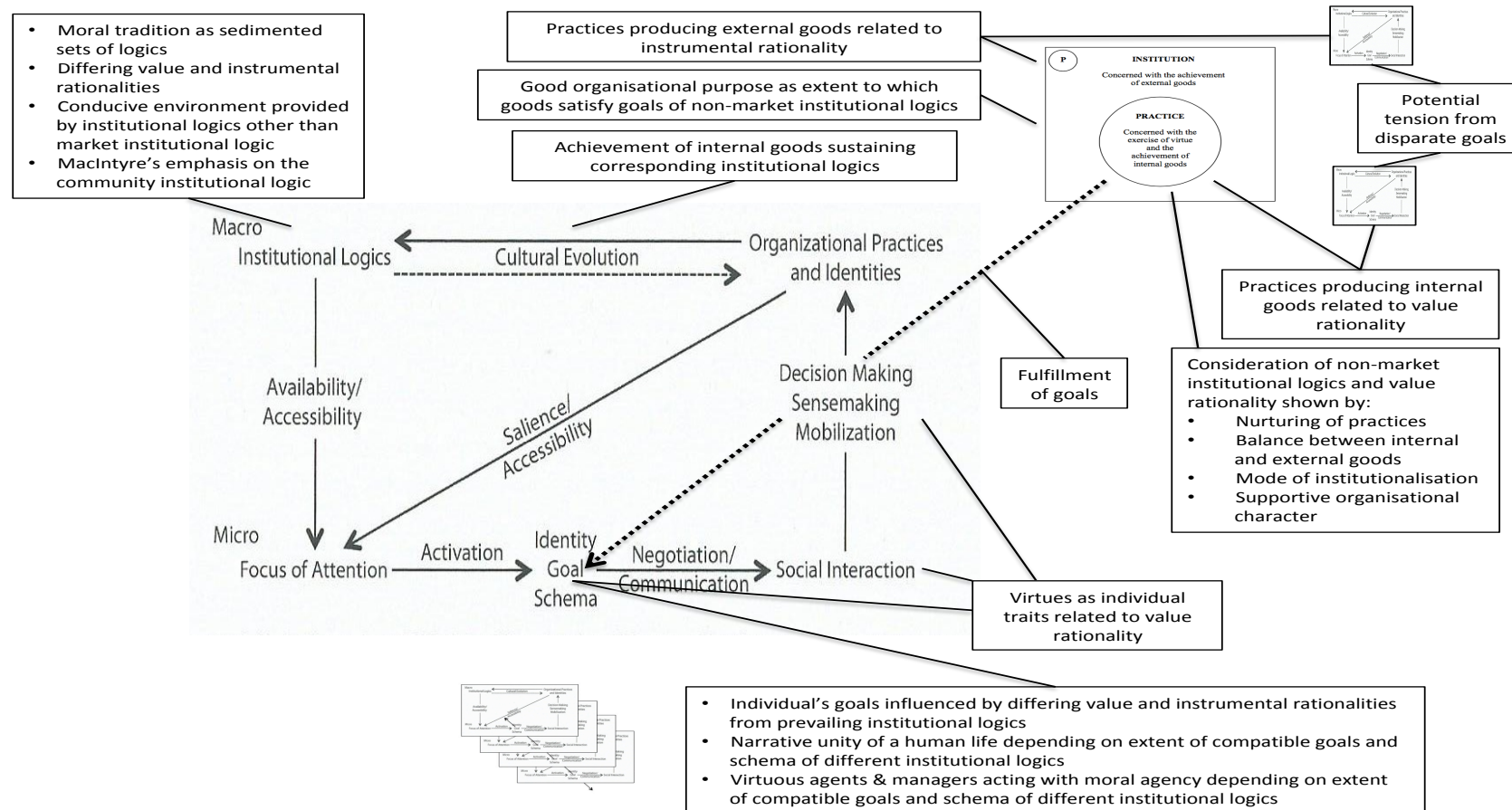
Figure 9.1: Summary of MacIntyre's Concepts mapped onto the Cross-Level Model adapted from Thornton et al. (2012) and Moore and Beadle (2006)
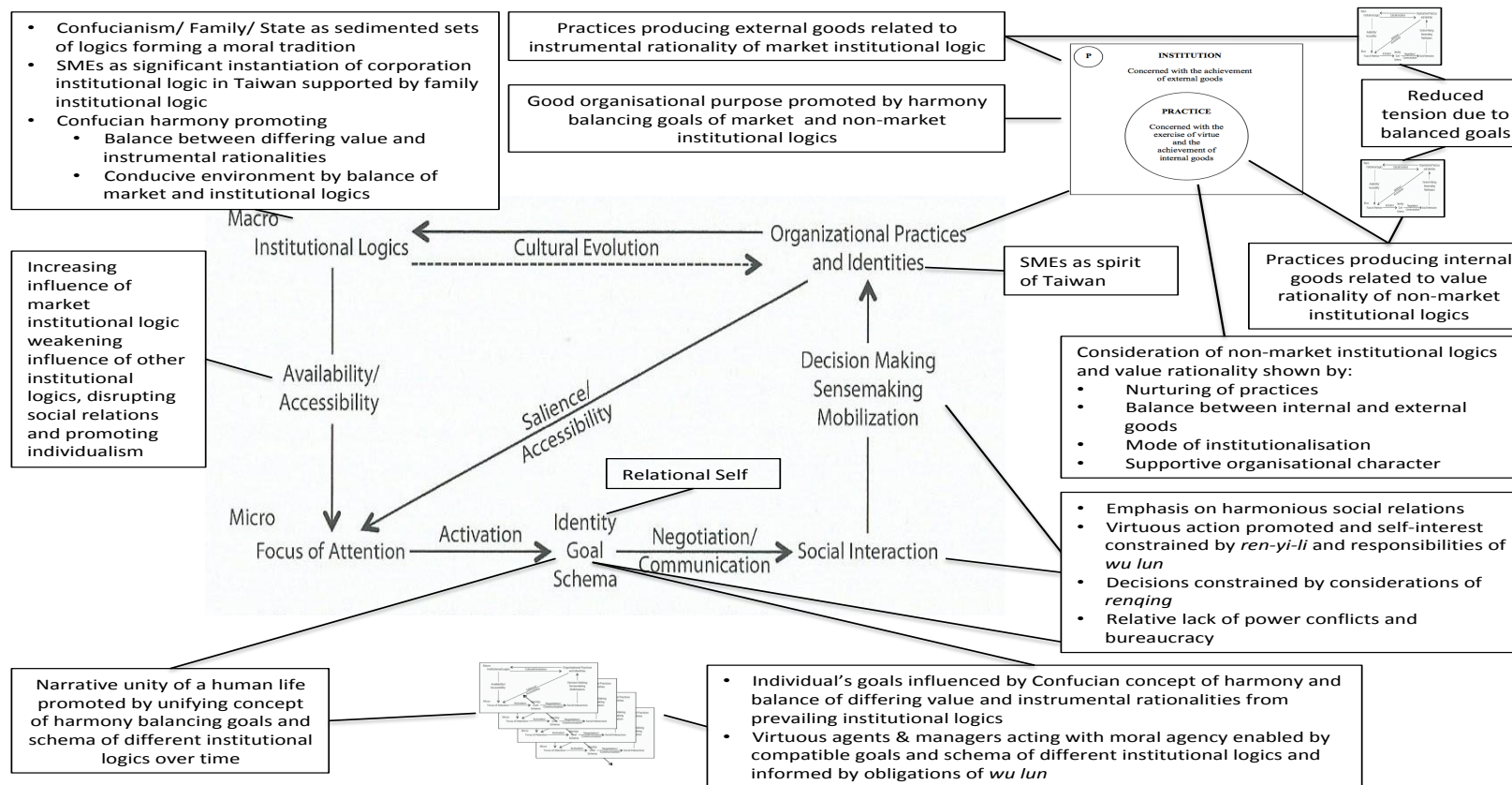
Figure 9.2: Summary Mapping of Taiwan's Institutional Environment using the Hybrid Model adapted from Thornton et al. (2012) and Moore and Beadle (2006)

approaches whereas this study is qualitative and so better able to explore people's perceptions, values and beliefs. This study clearly addressed the research gaps and the conclusion that MacIntyre's concepts are valid is a research contribution. Perhaps more significant here is the fact that this study also found that there were differences from the previous comparable studies (Moore, 2012b; Fernando and Moore, 2015), which were mainly in the areas of Confucian influences on social relations and harmony. How the concept of harmony promotes the balancing of disparate elements such as instrumental and value rationalities is important in areas such as macro-level institutional logics, the goals of both individuals and organisations and the pursuit of internal and external goods. Harmony is also influential on social relations, on how people interact under the obligations of role ethics, constraining their self-interest by means of *ren-yi-li* and *renqing*. Both of these features can be considered to be additional research contributions.

The second research contribution is the application of the institutional logics perspective to Taiwanese SMEs, which enabled an analysis of Taiwan's institutional environment and provided a framework by means of which the themes emerging from the empirical data could be identified and evaluated. The analysis of Taiwan's institutional environment is in itself a research contribution which has not been previously done to the author's knowledge. Similarly, such analyses of the institutional environment of SMEs are also uncommon (but see Reay et al., 2015 as an example) and this is another way in which this study can be considered to make a contribution to research, which is especially important given the prevalence of SMEs worldwide. This is especially the case in terms of the number of institutional logics considered since, as described in the literature review (Greenwood et al., 2010; Greenwood et al., 2011), most studies restrict themselves to two institutional logics whereas this study considered six.

However, one of the main benefits of this approach was that it provided one of the main clues which led on to the third research contribution, that of the synthesis of MacIntyrean virtue ethics with the institutional logics perspective resulting in the new hybrid model. Besharov and Smith (2014) proposed that organisations influenced by multiple non-compatible institutional logics generally experience internal conflict, whereas the SMEs studied were found to be relatively harmonious. Similarly, MacIntyre stated that there will inevitably be tension within institutions between the pursuit of internal and external goods and the combination of these two notions suggested that the pursuit of internal and external goods might be conducted under the influence of different and conflicting institutional logics. This idea then prompted the author to combine the depiction of separate practices within the organisation from Moore and Beadle (2006) with the

practices in the cross-level model from Thornton et al. (2012). Further ideas utilised included that of the lack of *telos* in institutional logics, discussed by Friedland (2013), who brings in Weber's differing rationalities and links them to the individual institutional logics, and also that of tradition as the result of a process of sedimentation (Berger and Luckmann, 1966/1991). The result was the model presented in the discussion chapter, which is a synthesis of MacIntyre's three levels of virtue with the cross-level model of institutional logics from Thornton et al. (2012). The author considers this to be a valuable research contribution since, in bringing together ideas from different disciplines, not only does it enable them to be applied more easily outside their areas of origin but also it extends each in previously unexplored directions.

In this regard, one of the main strengths of the institutional logics perspective is that it promotes consideration of non-market institutional logics, such as those of the family and religion, and so allows them to be more easily included in the analysis of specific situations. When combined with MacIntyre's three levels of virtues, the result is a more holistic way of representing and analysing actual situations as exemplified in Figure 9.2, which combines the hybrid model with relevant aspects from the case study, thus showing how the influence of various aspects of Confucianism, especially harmony and balance, can be considered to be promoting virtue within Taiwanese SMEs. This combination is in itself a research contribution, since it shows how the Western concepts from MacIntyre and institutional logics can be combined with Eastern concepts such as Confucianism, resulting in a fuller and more inclusive conceptualisation which provides a framework for the consideration of business ethics. Furthermore, this can be done not only as a static snapshot in time, but also in consideration of changes in the influences of the various institutional logic over time. For example, from the case study it was evident that the influence of the various institutional logics within Taiwan is changing, but that people generally thought that the influence of Confucianism would endure and the hybrid model provides a framework by means of which these changing influences can be viewed. In this way, the author contends that this new hybrid model is a valuable research contribution which has important implications for future research which will now be considered.

9.4 Implications and Recommendations for Future Research

Having identified the contributions made to research by this thesis, their implications and so the consequent recommendations for future possible research will now be discussed.

The first contribution concerned the applicability of MacIntyrean virtue ethics to Taiwanese SMEs and this has two main implications. The first of these is that, if MacIntyre's concepts are generally valid as is now supported by empirical studies in three areas very different geographically and culturally, his analysis of the conditions of modernity can generally be considered to have more weight and applicability. Although more empirical studies in different countries could be of use here, the author contends that the suggestion that SMEs have better opportunities than larger organisations to be virtuous is more significant, which suggests that future studies into this area would be more fruitful. Consequently, research into Western SMEs, designed to be able to compare the findings with those from larger Western companies, would be valuable to establish whether the effects of size found in this study are more generally applicable. Similarly, this research could also take the form of research into larger Taiwanese companies to see whether the findings of this study that size is important for organisational virtue can be confirmed. The second implication stems from the finding of the importance of harmony and social relations and this could lead to further research in two ways – firstly in terms of the development of a Confucian model and secondly in terms of how these can apply in the West. The former point is especially important since, as identified below in the limitations section of this chapter, the author used a Western theoretical lens to evaluate organisations in the East, which encourages the author in the development of a more Eastern or Confucian model. The latter point is also significant and could lead to revisiting and extending work by Drucker and Romar in this area of social relations (Drucker, 1939; Romar, 2004).

The main implication of the second research contribution is that this study found that the ideal types of institutional orders proposed by Thornton et al. (2012) may require some adaptation for non-Western societies. Such factors as Confucianism as a religion and national identity as part of the community institutional logic point to areas where the interinstitutional model could be capable of being improved. Furthermore, the fact that the internal goods derived from practices do not seem to line up with any of the institutional orders proposed by Thornton et al. (2012) lends weight to the suggestion made by Friedland (2013) that thought be given to the inclusion of factors such as the intellectual, aesthetic and even erotic value-spheres described by Weber (1920/1958).

This work could then merge into that connected with the third research contribution which was the synthesis of MacIntyre's concepts with the institutional logics perspective, since it is clear that the resultant hybrid model proposed in this thesis requires further

development and validation. This could initially take the form of further consideration of some of Weber's concepts, such as his rationalities and action types (Weber, 1922/1978). Another potentially promising area of future research is to consider how the model fits in with existing models in similar fields of study, such as that proposed for CSR in developing countries (Jamali, Karam, Yin and Soundararajan, 2017), the triple bottom line (Elkington, 1997) and Carroll's pyramid of corporate social responsibility (Carroll, 1991). The latter two do not currently explicitly incorporate any concepts from the institutional logics perspective, but clearly refer to different aspects of society and so, whilst they can be reinterpreted in terms of the hybrid model, it is hoped that this reinterpretation may throw up some further insights. In this way, it is hoped that the model can be validated and developed and also by applying it to both situations described by previous case studies and those to be produced by future research. Furthermore, how the model was employed in the case study showed how the Confucian notion of harmony acts to connect together otherwise disparate institutional logics. For MacIntyre, this unification was achieved via the shared *telos* of the community and although Confucian harmony is clearly not the same as *telos*, it can provide a degree of unification between different situations or institutional logics the individual finds themselves within in this respect. The result is a factor which acts against the emotivism and compartmentalisation criticised by MacIntyre, since the individual then has a common point of orientation. How this Confucian concept can be used more generally in this respect is also a potentially valuable area for future research, for example into the interaction between organisational culture and narrative unity following on from the work done by A. Robson (2015). Consequently in summary, by bringing together concepts from MacIntyrean virtue ethics, the institutional logics perspective and aspects of Confucianism such as harmony and balance, the hybrid model suggests how virtue ethics can be more easily applied to organisational studies and so provides a framework for the study of business ethics.

9.5 Limitations

Obviously any study such as this has various limitations and these can be grouped into three main areas - the collection of the empirical data, the scope of the research design and cultural factors.

The first limitation concerns data collection and can be considered to be a consequence of the fact that it is clearly impossible for all the relevant SMEs in Taiwan to be included in such a study. Consequently, the limitations which apply to case studies in general are also

relevant here. Thus, whilst 39 interviews in seven organisations are generally considered to be sufficient for such a study, it is also clear that these can only be a sample of the overall population. All of these organisations were in the northern capital city of Taiwan and so the inclusion of other organisations in other more rural areas of the country may have produced different results. Furthermore, only one medium sized company was interviewed with the other six being either small or micro-sized and no larger companies were studied. Although this was outside the scope of the study, it did mean that SMEs could not be directly compared with larger companies in terms of the primary empirical data collected.

The second limitation is the fact that the research design was not such as to readily enable a thorough analysis of aspects of narrative, defined here as that which contextualises intentions and gives meaning to the life of the individual. The interview questions were trialled in the scoping study and, whilst including specific questions on organisational purpose, excellence and success so as to enable comparison with previous studies, were deliberately designed to elicit views on Taiwan's institutional environment. However, it is only with hindsight that it can be seen that it would also have been valuable to have included questions which would have provided more information on the interviewees' deeper motives and influences, not only in situations subject to different institutional logics, but also over time. This would have made possible a more qualified examination of the interviewees' statements in regard to MacIntyre's second level of virtue – that of the narrative unity of a human life. The author contends that some analysis was still possible without this explicit design but that, with hindsight, this aspect could have been improved.

The third limitation concerns the cultural origin of the theoretical lens provided by the research methodology since it provides an interpretation of Confucianism from a neo-Aristotelian position. It therefore follows that other studies of organisations are needed before more general conclusions may be made in relation to a synthesis of traditions. These are studies involving using a Confucian perspective and looking at organisations operating within a Confucian tradition and of organisations operating within a western tradition. Indeed, this is an area for potential future research as described above.

9.6 Concluding Remarks

This study set out to evaluate whether MacIntyrean virtue ethics are applicable in the Confucian context of SMEs in Taiwan. The rationale for the study was that whilst MacIntyrean virtue ethics provide a concept of how achievement of the good life can be fostered by means of the internal goods produced by practices housed within institutions, whether this concept can generally be applied to business organisations, and so inform a concept of business ethics, is contested. Consequently, the aim of the study was to assess the applicability of MacIntyre's concepts in the context of SMEs in Taiwan, not only to test the general validity of the concept but also to see whether the differences between the institutional environment of East and West are such that these concepts need to be adapted in some way.

The reason for choosing SMEs as the unit of analysis was twofold. The first of these was their importance within the Taiwanese economy and the second was that, whilst there is evidence that SMEs may differ from larger organisations in this respect (Crockett, 2005), previous studies have been at the level of larger organisations (Moore, 2012b; Fernando and Moore, 2015). Taiwan was selected mainly due to the fact that it is the author's place of birth and upbringing but also, and more importantly, because its Confucian environment is markedly different from that of the West and has not been investigated in this way before. However, before any empirical study could be conducted, it was necessary to have a conceptual understanding of the environment within which Taiwanese SMEs operate and this came in the form of reviewing the related literature and so, in addition to that concerning MacIntyre, that relevant to Taiwan and institutional theory was appraised.

Having laid the necessary theoretical groundwork, it was then possible to formulate the questions to be used in the empirical study. Based on critical realism, this was designed so as to enable comparison of the results with those found in the previous aforementioned studies. Consequently, it employed a mixed methods, but mainly qualitative, approach based on Crockett's interactive joint inquiry exercise (Crockett, 2005) together with open-ended questions enabling a case study with in-depth exploration of perceptions and opinions. The questions were verified and refined by means of a scoping study involving seven interviews in Taiwan, which confirmed the pervading influence of Confucianism and enabled further refinement of the research method before the main collection of data took place a year later. This took the form of thirty-nine semi-structured interviews of approximately one hour's average duration, as a result of which a wealth of rich data was

collected. After transcription and translation from Mandarin Chinese into English, followed by thorough checking to ensure the validity and reliability of the translations, this data was analysed by means of open coding, which enabled the underlying themes to be identified.

The findings can be summarised as not only confirming the general validity of MacIntyrean virtue ethics, but also providing further valuable insights. There was evidence to support the argument that SMEs provide a more virtuous environment than larger organisations, but this proposition needs further research. More significantly, it was found that the Confucian concepts of social relations and of balance and harmony were important in promoting an environment where different aspects of organisational life can be reconciled more easily than in the West, thus enabling a balance of internal and external goods to be achieved. The Confucian social relations and role ethics entailed a constraining of self-interest under the influence of *ren-yi-li, wu lun* and the relational self and fostered a harmonious working environment. Furthermore, this influence of Confucianism was supported by the atmosphere of the organisation as a family and an analysis of the institutional environment using the institutional logics perspective showed that the institutional logics of Confucianism as a religion and that of the family and the community were acting together to balance that of the market. However, the effects of change within Taiwan's macro-environment were also evident, with the influence of Confucianism and the family felt to be declining and that of the market to be increasing, thus potentially threatening this balance.

The use of the institutional logics perspective to analyse Taiwan's institutional environment also enabled a further important outcome of the study, that of the development of a hybrid model of the cross-level model of institutional logics from Thornton et al. (2012) with MacIntyrean concepts, supported by Moore and Beadle's (2006) representation of the organisation as a practice-institution combination. This provides a conceptual framework in which aspects of morality can be brought into the institutional logics perspective and so offers a way in which business ethics can be more easily integrated with organisational studies. Furthermore, the Confucian concept of harmony also informs how organisational virtue can be enhanced by a balancing of disparate factors such as internal and external goods together with instrumental and value rationality.

In conclusion, the author considers that there are three main themes which can summarise this study and these fall into the general categories of culture, size and

morality. Firstly, the analysis of the Confucian culture of Taiwan revealed important differences from Western societies, especially in the areas of social relations and harmony. The author hopes that further development of relevant Eastern models of social interaction will be valuable, not just in the analysis of Eastern societies but in their application to those in the West.

Secondly, the study showed how the smaller size of SMEs seems to allow a different balance of institutional logics to operate than is the case for larger organisations. As described in the book *Small is Beautiful* (Schumacher, 1973), it is not always the case that large scale enterprises produce the best results for society as a whole and smaller scale enterprises are often able to achieve a more balanced approach in terms of how they operate and the goals they are able to pursue. This could be especially important in the area of corporate governance and the author considers that this also has important lessons for the teaching that occurs in current day business schools, which tends to emphasise the importance of large-scale organisations and underplays that of smaller scale SMEs, despite the fact that they make up the majority of enterprises in most countries, not just in Taiwan but also in the West.

Thirdly and finally, it is hoped that, following on the work done by Moore and Grandy (2017), this study showed how morality can be brought back into organisational studies. The synthesis of virtue ethics with the institutional logics perspective, together with the notion of harmony and balance, shows how consideration of different rationalities and goals is possible. Although it is clear that the model needs further development, the author hopes that it is a foundation upon which further research can build a framework which allows contemplation of more than just commercial aspects of organisations and society. The Confucian concept of harmony was found to be an important way in which a degree of narrative unity is present within Taiwan and it can be argued that ethics can similarly act as a means of promoting a balance between opposing influences. Consequently, ethics ,as a way of providing narrative unity to the actions of individuals and organisations, can also provide a common factor between different institutional logics. In this way, the author hopes it may inspire research into practice by providing a concept of balance between the otherwise contrary instrumental market institutional logic and the value rationality of other institutional logics, such as the family, community and religion. This would go some way to redressing the problems caused by the separation of fact and value, to which MacIntyre attributes much of the damage done by the Enlightenment, but do so in a way which might be more acceptable to modern liberal individualism.

10. Appendix

10.1 Appendix A.1: Company Characteristics

Company Reference	Sector	Size (No. Employees)	Size (Category)	Age (Years)	No. Interviews	Internal/ External Focus
C1	Import/ Export of 2nd Hand Machine Goods	6	Micro	20	4	External
C2	Advertising	5	Micro	8	4	Internal
C3	Wholesale of Sportswear	14	Small	5	7	External
C4	Retail	20	Small	16	6	Internal
C5	Marketing	43	Small	8	10	External
C6	IT Training	7	Small	11	4	Internal
C7	Manufacture of Laser Equipment	130	Medium	8	4	External

Table 10.1: Company Characteristics

Internal/ external focus relates to whether the main focus of the business is internal, i.e. the domestic Taiwanese market, or the external international market.

10.2 Appendix A.2: Semi-Structured Interview Questions

10.2.1 Introduction

- (For employees and founders) Please can you tell me something about yourself such as your background, working experience, time in this job and your current role?
    - (For founders) what lead you to start your own business?
- What would you say that the purpose of your company is?
- On a scale of -10 (e.g. concentration camp) to + 10 (e.g. charitable organisation), where would you place the purpose of your organisation?
- Do you have a mission statement in your company?
    - If yes, ask what it is, why they have a mission statement, if it has been changed lately and why it has been changed?
    - If no, ask why not?

10.2.2 RQ3 - What are the key influences on the institutional environment in Taiwan?

10.2.2.1 Institutional environment questions, including change

- Can you describe the history of your organisation?
    - (If necessary) When was it started? Who started it, where did the funding come from, has the purpose changed since then, who your customers were/ are?
    - (If necessary) Has your organisation changed in the past few years? If so, in what ways?
- What do you think have been the major changes in Taiwanese society since (deregulation in) the 1990s? These may include foreign influences and changes in society itself.
    - (If necessary) How would you describe these changes?
    - (If necessary) How have these changes affected your industry?
    - (If necessary) What has been the impact of foreign influences on your industry?
- How and in what ways has the government influenced the business environment, for example in regulation & taxation?
    - (If necessary) Do you think this has changed over the past 25 years?

10.2.2.2 Tradition questions

- What do you understand by the term 'tradition'?
- What do you think are the main aspects of tradition in Taiwan?
- How do these (answers) impact on your organisation?
    - (If necessary) Do you think that individualism is becoming more important?
    - (If necessary) How important is it for you to get on with people at work?

10.2.2.3 Tension questions

- Do you think Taiwan has managed to maintain its own culture? Which aspects have been maintained and which have changed?

- Do you think there have been changes caused by globalisation? Do you feel these changes are positive or negative?
- Do you think that people's expectations have changed, either in terms of how companies operate or of how people are treated at work? Has the way they see work and the workplace changed?
  - (If necessary) What changes have happened in terms of management and employee relationships in your organisation?

10.2.2.4   SME Questions

- What effect do you think that all these changes have had on SMEs?
- What pressures or challenges do SMEs face in Taiwan? How, it at all, have these changed in the past few years?
- (If necessary) Have you heard the phrase 'SMEs represent the spirit of Taiwan'? What does this phrase suggest to you?
- What kind of support/ pressures do SMEs receive from the government?

10.2.3   RQ1 - Are MacIntyre's 'goods-virtue-practices-institutions' concepts as applied within organisations meaningful in a Confucian society or do they need to be adapted in some way?

10.2.3.1   Following Crockett's interactive joint enquiry exercise – excellence versus success (p. 96, p.246-7, p.323-4)

- What does excellence look like in your organisation? What makes you feel that you have done a good job? (Write down on paper in column 1)
- How does your organisation measure success? (Write down on paper in column 2)
- (Draw the see-saw under the 2 columns above)
- If placed on either side of a balance, what's the balance now for your organisation on a 1-10 scale? (Mark the answer on the see-saw scale)
- Where do you think the balance should be ideally? (Mark the answer on the see-saw scale)
- Is there any link or relationship between the two sides? If so, which comes first?
  - (If necessary) How is your answer to the past 2 questions influenced by Taiwan's tradition (Confucianism)?

10.3 Appendix A.3: Interviewee Characteristics

Person Reference	Gender	Age Group	Time In Job (Yrs)	Position	Founder/ Senior Manager / Other (F/S/O)	Company Reference	Company Name	Company Sector	Company Size	Internal/ External Focus?	Type	Company Purpose	Excellence Current	Excellence Ideal
P1	F	46-55	6	Accountant	O	C1	Linden A.A. Industrial Co.	Import/ Export	External	4	Family Business	0	3.5	7.5
P2	F	26-35	<1	Merchandiser & Shipping Officer	O	C1	Linden A.A. Industrial Co.	Import/ Export	External	4	Family Business	0	3	5
P3	M	26-35	5	Merchandising & New Market Development	O	C1	Linden A.A. Industrial Co.	Import/ Export	External	4	Family Business	0	7.5	5.5
P4	F	46-55	8	Founder	F	C1	Linden A.A. Industrial Co.	Import/ Export	External	4	Family Business	7.5	8	8
P5	M	36-45	8	Founder	F	C2	Fresh Film Production	Advertising	Internal	4	Partnership	6.5	5.5	5.25
P6	F	26-35	7	Accounting Manager	O	C2	Fresh Film Production	Advertising	Internal	4	Partnership	7	6.5	8.5
P7	M	16-25	2	Assistant Producer	O	C2	Fresh Film Production	Advertising	Internal	4	Partnership	5	6.5	9
P8	F	16-25	1	Assistant Producer	O	C2	Fresh Film Production	Advertising	Internal	4	Partnership	5	5	4
P9	M	26-35	4	Online Merchandiser	O	C4	Sporting Square	Retail	Internal	6	Family Business	-3	3	5
P10	F	26-35	10	Store Manager	S	C4	Sporting Square	Retail	Internal	6	Family Business	8	5	3
P11	M	26-35	4	Shop Assistant	O	C4	Sporting Square	Retail	Internal	6	Family Business	0	3	7.5
P12	F	16-25	2	Sales Assistant (part time)	O	C4	Sporting Square	Retail	Internal	6	Family Business	6	3	3
P13	F	36-45	20	Founder	F	C4	Sporting Square	Retail	Internal	6	Family Business	5	5	7
P14	F	26-35	9	Store Manager	S	C4	Sporting Square	Retail	Internal	6	Family Business	3.5	3.5	5
P15	M	36-45	2	Deputy General Manager	S	C3	Well Power Sports	Wholesale	External	7	Family Business/ Partnership	3.5	7.5	5
P16	F	36-45	4	Accountant	O	C3	Well Power Sports	Wholesale	External	7	Family Business/ Partnership	5	4	8
P17	M	26-35	2	Sales	O	C3	Well Power Sports	Wholesale	External	7	Family Business/ Partnership	5	3	5
P18	F	26-35	2	Buyer & Sales	O	C3	Well Power Sports	Wholesale	External	7	Family Business/ Partnership	5	3	5
P19	F	26-35	1	Marketing	O	C3	Well Power Sports	Wholesale	External	7	Family Business/ Partnership	4	2	5
P20	M	46-55	5	General Manager & Founder	F	C3	Well Power Sports	Wholesale	External	7	Family Business/ Partnership	1.5	2.5	5
P21	M	36-45	7	CEO & Partner	F	C5	Dotmore Media	Marketing	External	10	Partnership	7	7	8.5
P22	M	26-35	1	Film Producer	O	C5	Dotmore Media	Marketing	External	10	Partnership	2	3	5
P23	M	26-35	4	Head Engineer	O	C5	Dotmore Media	Marketing	External	10	Partnership	4	3.5	5
P24	F	26-35	4	Managing Director	S	C5	Dotmore Media	Marketing	External	10	Partnership	4	4	7
P25	F	26-35	<1	Chief Editor	O	C5	Dotmore Media	Marketing	External	10	Partnership	6.5	4	6.5
P26	M	26-35	1	Web Page Design Director	O	C5	Dotmore Media	Marketing	External	10	Partnership	5	7	5
P27	F	26-35	1	Assistant Marketing Manager	O	C5	Dotmore Media	Marketing	External	10	Partnership	8	2	5
P29	M	26-35	1	Sales & Marketing Director	S	C5	Dotmore Media	Marketing	External	10	Partnership	7	8	5
P28	M	26-35	5	Project Manager	O	C5	Dotmore Media	Marketing	External	10	Partnership	4.5	3	3
P30	M	36-45	4	Director of Engineering and Information Desi	S	C5	Dotmore Media	Marketing	External	10	Partnership	9	3.5	6
P31	M	46-55	7	Founder	F	C6	Geego	IT Training	Internal	4	Partnership	5	5	9
P32	F	26-35	3	Sales	O	C6	Geego	IT Training	Internal	4	Partnership	7	4	2
P33	M	26-35	2	Software Programmer	O	C6	Geego	IT Training	Internal	4	Partnership	4.5	3.5	5
P34	F	26-35	1	Marketing	O	C6	Geego	IT Training	Internal	4	Partnership	5	7	2
P35	M	36-45	7	President & Founder	F	C7	Brimo	HiTec	External	4	Partnership	4	6.5	8.5
P36	F	36-45	7	Chief Financial Officer	S	C7	Brimo	HiTec	External	4	Partnership	0	8	6.5
P37	M	36-45	8	Founder	F	C7	Brimo	HiTec	External	4	Partnership	3	3	2
P38	M	26-35	6	Research & Development Director	S	C7	Brimo	HiTec	External	4	Partnership	6.75	7	5

Table 10.2: Interviewee Characteristics

10.4   Appendix A.4 Example Interview Transcript

Interview 8

Q: Are you clear with the participant information sheet?
2   A: Yes.
Q: Do you have any questions?
4   A: No.
Q: Do you give your consent to participate in the study?
6   A: Yes.
Q: Ok. Thank you. Please can you tell me something about yourself, such as your
8   background, working experience, time in this job and your current role?
A: Ok. Well, my name is XuJie. I just graduated last year. I have worked for this company
10   for about one year. I got this job last October. My current role is production assistant.
Q: So can you tell me some details about your job?
12   A: My job is mainly about collecting preliminary information for our company's advertising
business. I take part in shooting the advert and I join in the last period of the advert
14   production.
Q: So, is this your first job?
16   A: Yes. It is.
Q: Ok. Do you know the purpose of establishing this company?
18   A: The purpose?
Q: The purpose. What would you like to say that the purpose of this company is?
20   A: I do not really know. But I think maybe the purpose is that my boss wants to shoot
more adverts.
22   Q: Shooting more adverts?
A: Yes.
24   Q: Ok. On a scale of -10 (e.g. concentration camp) to +10(e.g. charitable organisation),
where would you place the purpose of your organisation? For example, you know Hitler?
26   He built up the Nazi-era concentration camps. One of its aims was to kill Jews. We place
this on the scale at -10 which is the lowest score. However, we put the charity
28   organisations at +10 where the purpose is to serve the people. Well, where would you
place the purpose of your company?
30   A: I think I prefer +5.
Q: +5?
32   A: Yes.
Q: Why?
34   A: Because I think the purpose of shooting adverts is also to serve people.
Q: Oh, really? Can you tell me more about that?
36   A: Because we need to shoot the adverts the way that our customers want. During the
shooting process, we also need to consider the ideas of our customers. We may have
38   meetings before starting the shooting in order to know what our customers want. During
the shooting, we will try our best to serve them and to make the adverts. Because our
40   customers are like our employers, they pay us.
Q: So you think your company is not only aiming for the profit but also for serving the
42   people?
A: Yes, I think so.

44   Q: Ok, would you tell me what you know about your company? For example, when was it established? Who established it? Do you know the shareholders of this company?

46   A: I know there are shareholders in my company, as my boss sometimes will have meetings with them. If I remember correctly, our company was established in 2009.

48   Maybe it wasn't. I'm not very sure.

Q: Ok, do you know the purpose of establishing this company?

50   A: I don't know.

Q: Ok. Is there any difference between your customers now and in the past?

52   A: I think the type of advert is quite different. For the past two years, we have mainly been shooting women's products. But in the past, we used to shoot adverts for Carrefour and

54   some foundations. They are different adverts for different clients. However, the adverts we make now tend to be for women's products.

56   Q: Do you think this change is good or bad?

A: I don't think it's bad. It's good that we have some regular customers. But I think it will

58   be more interesting if we can have more different products.

Q: Have you heard about any changes made to this company by Karen or Shawn?

60   A: Changes?

Q: Yes. Did they mention any changes to this company in the past??

62   A: No. Not really. I just know we have different clients. Some are very regular while some come and go very often. They can change a lot. I haven't noticed any other changes so

64   far.

Q: Do you think this industry has changed since last year?

66   A: I don't know whether it has changed or not.

Q: For example, your clients. What measures did your company take in order to deal with

68   the customers? What about your competitors?

A: I don't think it has changed too much. Clients usually look for the production company

70   based on their previous cooperation. I don't know too much about this.

Q: Can you tell me when you were born?

72   A: 1990.

Q: Were you born in 1990?

74   A: Yes.

Q: Ok, 1990.So now you are 24 years old?

76   A: Yes.

Q: Right. Have you ever heard about deregulation?

78   A: Yes. I have

Q: Where have you heard about this?

80   A: From the textbooks.

Q: Textbooks?

82   A: The history textbooks.

Q: Oh, really?

84   A: We were taught in school.

Q: Ok, it happened in 1988?

86   A: No.

Q: 1998?

88   A: No. It happened in 1989.

Q: 1989, in 1978 Republic of China. Besides learning from the textbooks, did your parents

90   ever talk about any changes in the past?

A: I have heard about some from the older generation.

92   Q: What did they say?

A: They didn't talk about it in detail. They just mentioned that in the past they couldn't do
94   many things. In the past, people might go to bed before 8pm. Yes, I know about this.

Q: Did they prefer the old days? Maybe more quiet?

96   A: Yes. My aunt mentioned that. She said that, although they didn't have too much freedom in the past, it was quite safe. Sometimes, they just left the door open.

98   Q: Yes.

A: Right.

100   Q: Where are you from?

A: I'm from Tainan, but my father is from Jinmen, so I go back to Jinmen sometimes.

102   Q: So you grew up in Jinmen, Jinmen is always in the frontier

A: Yes. It was a little bit sensitive. But now it is ok.

104   Q: How about when you were young?

A: Because I was born in Tainan, I go back to my hometown during the summer and
106   winter holiday.

Q: Right. What do you think have been the major changes in Taiwanese society since
108   (deregulation in) the 1990s? You may have heard about it from the older generation or from your own observations after 1995 or 1996.

110   A: I just think the rich people are getting richer and richer. Yes. But actually, there are still many poor people at the bottom of the society. Nowadays, some people may spend
112   several thousand Taiwanese dollars on a meal. In the past, the price gap was not very big. But now, with the great gap in prices, the gap between rich and poor has also increased a
114   lot.

Q: So you think the gap between rich and poor is becoming larger?

116   A: Yes.

Q: And you think that rich people are getting richer. What do you think makes this happen?

118   A: I think the rich people have good brains so they make more money. They know how to use their own resources. Those people who live at the bottom of society may not be
120   working very hard or some of them may work extremely hard but only get enough money for food and clothes.

122   Q: Have you ever thought who should be responsible for this?

A: I think it's hard to say. Many things are just like circles that have been evolving all the
124   time. Some people are satisfied with the existing state of affairs and reluctant to move forward.

126   Q: Ok. So you have mentioned this change that you have observed, we also had the open door policy to the foreign countries. How have these changes affected Taiwanese society?

128   A: Yes. More or less.

Q: In which aspect?

130   A : I don't think I know. I think many companies have started having an international outlook. We would be blocked in our little world if we didn't open the door to foreign
132   countries. I think it is a good interaction if we can have some foreign customers or products coming to Taiwan. They can stimulate the way we see things.

134   Q: You don't think that our local products might be wiped out?

A: Oh. Yes. It might happen.

136   Q: Do you think it's ok?

A: To be honest, no. But it's unavoidable because it is not good for us to isolate ourselves
138   from other countries. We need to think about some ways to protect our local products.

Q: OK. You mentioned that we have been influenced by the West and you thought it was
140   mostly positive. What do you think of your own industry? Do you think it has been influenced by these changes?

142   A: Has it been influenced?
Q: Yes. Or these changes might be influencing your industry now.

144   A: Yes. In our industry, I think we are starting to have opportunities to cooperate with some international brands. It's a cool experience for us. I think it's good to work with some

146   foreign directors and teams. It will be beneficial for our company.
Q: Do you think it will be hard for you? Because you may have to compete with these

148   foreign companies, some local companies might be eliminated by the fierce competition.
A: Yes.

150   Q: Do you know of any examples?
A: No.

152   Q: But you think some companies might be eliminated?
A: Yes. Sometimes I think we already have many customers in Taiwan. But we are still

154   looking for other customers abroad. I think it will be very difficult because our English is only good for daily communication. Actually it will be a problem to work with foreign teams.

156   Q: Really?
A: Yes.

158   Q: That's why you want to learn English?
A: Yes. I need to improve myself. I studied English when I was young. But I'm afraid of

160   speaking out. I don't think there are many opportunities for us to speak out or show ourselves in Taiwan.

162   Q: Yes. You mean the environment?
A: Yes. I want to learn well. I also want to go abroad. I just want to prove myself no matter

164   whether looking for a job or studying abroad.
Q: You mentioned the gap between rich and poor, but you didn't say who should be

166   responsible for this. What do you think of our government?
A: Yes. I think they need to do something. It seems that many things are happening in

168   society. Everyone wants the government to take action. The government has the power but they just haven't done a good job yet.

170   Q : What do you think of the government?
A : I think they may try their best but they may also neglect some small details.

172   Q: What do you mean by small details?
A : I mean subsidies.

174   Q: OK.
A : I don't think they did a good job at protecting vulnerable groups. But it's difficult for

176   them to change in a comprehensive way. Everyone needs to work together in order to change.

178   Q: What do you mean by a comprehensive way?
A: I think it means some things like public transport. The main direction.

180   Q: Ok. You said that subsidies are small details. What about the main direction?
A: Education.

182   Q: Education?
A: Yes.

184   Q: Why?

A: We used to have a policy when I was at university. We would be investigated every
186 four years. So our department would try to produce good works to promote itself in order to get a subsidy. But they didn't care about producing good works for us when we were
188 not being investigated.

Q: Did you experience the educational reform?
190 A: Yes.

Q: Really?
192 A: Yes.

Q: Do you have siblings or relatives who didn't experienced this reform?
194 A: Yes. One of my cousins.

Q: Do you know the gap of teaching reform?
196 A: No. I don't know.

Q: How did you know about this educational reform?
198 A : I only know that recently the junior high school has been very chaotic.

Q: Can you talk about it?
200 A : I think the school doesn't want to give students too much pressure. But students' exam grades, team performances and their volunteer hours are inspected by the school if
202 they want to go to high school. This is all I know. It was very controversial because many students were not willing to do volunteer jobs. I don't think they were happy because they
204 were forced to do them. Those students who really want to study may have no time for volunteer jobs. It's not good for the enrolment rate.
206 Q: So the students are encouraged to do some volunteer jobs? Will they get bonus points?

A: Yes. Some may get bonus points. But they are not doing the jobs spontaneously.
208 Q: Ok. Is there anything that made you think that the government has done a good job?

A: Yes, of course. But I can't think of anything. But there are always good and bad sides.
210 Q: What about regulation or taxation?

A: Tax? I'm not sure. I haven't experienced too much because I have just stepped into
212 society.

Q: Have you ever heard about tradition?
214 A: Yes.

Q: What's your own definition of tradition?
216 A: Tradition means the old culture, thoughts and customs from the older generation.

Q: Ok. Do you know our old traditions?
218 A: Old traditions?

Q: Yes. What do you think?
220 A: Taiwanese culture?

Q: Yes. Taiwanese tradition. You just mentioned the customs and thoughts from the older
222 generation.

A: Worshiping our ancestors?
224 Q: Worshiping ancestors?

A: Yes.
226 Q: Respecting our ancestors?

A: Yeah.
228 Q: OK. Yes. What else?

A : I can't think of any more.
230 Q: What about our values?

A: What are our values?

232   Q: For example, do we have some virtues?
         A: We are very frugal.
234   Q: Do you think Taiwanese are frugal?
         A: Yes. I think so.
236   Q: Why?
         A: We have savings because we are frugal.
238   Q: So you think because Taiwanese are frugal, they have savings?
         A: Yes.
240   Q: OK. What else?
         A: Respect for seniority.
242   Q: Why?
         A: Because I have many relatives, I was taught by my mother to greet the old. I think it's
244   manners.
         Q: Ok. You have mentioned three virtues now. What else?
246   A: Family orientation?
         Q: Family Orientation?
248   A: Yes.
         Q : Ok. You have mentioned four virtues. How are they reflected at your company? How
250   have these virtues affected your company?
         A: Yes.
252   Q: How are they reflected at your company?
         A : I will greet the experienced employees at my company because I'm a freshman. And it
254   is also manners. I will also try to call my parents once a week so that they don't worry
         about me. I will text them if I'm very busy and I will report what happened in my day to
256   them. I think I will always have my parents in my heart no matter how far I'm going.
         Q: What about the frugal aspect?
258   A : I am trying to be frugal. My parents didn't put a limit on my pocket money when I was
         young. But they wanted to know what I had spent the money on. So now, I will always
260   think if it's worth buying before I buy something. I won't buy it if it's not a necessity for me.
         Q: What about worshiping the ancestors?
262   A: We would burn incenses and kowtow to our ancestors on special days when I was
         young. But nowadays, many people don't keep this tradition. We used to burn paper
264   money for our ancestors too. But nowadays we don't because of environmental problems.
         My mother always prepares food for our deceased ancestors on the special days.
266   Q: Ok. I have noticed that people greet each other with words like sister and brother.
         A: Yes.
268   Q: Why?
         A: To show our respect.
270   Q: Is it important to show respect to others in the company?
         A: Yes. Because they are more experienced than me, it's respect for them when I call
272   them brother or sister. I also need to learn from them in the company.
         Q: What do you think of individualism in your company?
274   A : I think it's ok.
         Q: Ok?
276   A: Yes.
         Q: You don't think so?
278   A: No. I don't.

Q: How do you get along with each other in the company? How do you work? What is
280   your working mode?
A: The producer will assign work for me and Agang. So we will look for information about
282   our projects. We will assist our colleagues during the shooting procedures. Brother Jie will
assign other jobs to us during the post production period. Sometimes, I will go out to
284   follow the project. And Agang will stay at the company to assist brother Jie.
Q: Ok. So you guys will work together?
286   A: Yes.
Q: So is it important to get along well with each other in the company?
288   A: Yes. It's very important. Our job will go more smoothly if we get along well with each
other.
290   Q: Do you think we have our own culture?
A: Taiwanese culture? No. I don't think so.
292   Q: What do you think of our features?
A: Our features?
294   Q: Yes. The tradition you just talked about is also a part of our culture.
A: Taiwanese are very passionate.
296   Q: Passionate?
A: Yes.
298   Q: Do you think it's our culture?
A: Yes.
300   Q: Ok. You mentioned that Taiwanese are frugal. What do you think of your generation?
Or do you think that your parents' generation is more frugal?
302   A: Yes. I think my generation is frugal too. But we are influenced by our parents'
generation. And it also depends on our own values. Some people think they deserve a
304   good life because they work so hard for money. I think it depends on our different values.
Q : Has tradition or culture changed after so many years?
306   A : Yes. Worshiping the ancestors has changed nowadays.
Q : Is that all?
308   A : I think it's a change.
Q: Is it because people nowadays don't care about it anymore?
310   A: Yes. I think people nowadays are busy and maybe it's not very popular nowadays.
Q: Oh. Really?
312   A: Yes. Maybe they don't have enough time.
Q: Really? But we have the tomb-sweeping day?
314   A: Oh. Yes. But we used to worship our ancestors on the special days. But sometimes we
don't because my parents are quite busy now. I think it's just a change of the form.
316   Q: You think it's just a form? What about the fact?
A: Some people only eat vegetables on the special days because they know it's for
318   worshiping the ancestors.
Q: Will your grandparents be unhappy if your parents forget to worship the ancestors?
320   A: No. They are fine. My grandma is very open-minded. She won't force other people to
do things they don't like.
322   Q: Is there any gap between your generation and your grandma's generation?
A: Yes.
324   Q: What kind of gap? Do you have different expectations?

326 A: Everything is changing so fast nowadays. My grandma didn't know what I studied before even when I told her I studied broadcasting. I showed her my work but she still didn't know what I do. But she knew that I was doing something that I like.

328 Q: Have you heard of a word called globalisation?

A: Yes.

330 Q : Do you think there have been changes caused by globalisation?

A: Yes.

332 Q: What kind of influences?

A : I don't know. I can't think about any.

334 Q: What's your interpretation of globalisation?

A: There are no boundaries between countries. We can get information from everywhere.

336 Q: Has Taiwan been affected by the advanced technology?

A: Yes.

338 Q: Can you explain it?

A : I think we can get access to other countries very easily through the internet. For
340 example, we just need to type a certain state of the US, there will be a lot of information such as its culture and so on.

342 Q: Ok. Have these changes affected our local culture or tradition?

A: Yes.

344 Q: What do you think?

A : I think we will forget our fundamentals.

346 Q: Has this happened in Taiwan?

A: Yes. I think so.

348 Q: Can you give me some examples?

A: For example, I think children nowadays tend to… Hmmm… I need to think about it.
350 Excuse me, can you repeat it again?

Q: Has globalisation affected Taiwanese culture and tradition? And you mentioned
352 children nowadays.

A: Ok. I think western festivals such as Christmas Day are magnified in Taiwan. It was not
354 that obvious when I was young. But nowadays, festivals such as Valentines Day and Christmas Day are magnified. Maybe a part of the reason is commercial speculation, so
356 nowadays people may go to Disneyland or Hong Kong to celebrate Christmas. Yes.

Q: So do you think Taiwanese people are losing their own traditions and culture? For
358 example, you mentioned our passion, being frugal and respect for seniority.

A: Yes. I think so.

360 Q: Why?

A: My own feelings.

362 Q: Do you think we are losing our traditional culture because you mentioned that many people would travel to other countries to celebrate Christmas or Valentines Day?

364 A: Yes.

Q: Can you explain it?

366 A: For example, I mentioned worshiping the ancestors earlier. I think many people in my generation know this tradition. We also know the tomb-sweeping day and we sweep the
368 tomb on that day because it's for commemorating the deceased. But in fact, not everyone knows those rituals. We only follow what the adults do such as kowtowing and laying
370 flowers. Actually, we are still not very familiar with these rituals. Then I think we are also

influenced by the West. It's a lot easier to celebrate Christmas Day as we just need to have fun instead of following those old rituals.

Q: Do you think cultures like being passionate, friendly, frugal and respect for the seniority have been influenced too?

A: No. Not really.

Q: Really?

A: Yes.

Q: OK. So you mean those traditions that require ceremonial forms tend to be influenced, but our virtues won't be influenced by the West?

A: Yes.

Q: Why?

A : I think these are our values. We are obliged to teach the next generation to be passionate and friendly. Yes. And maybe we didn't care a lot about the forms to worship the ancestors when we were being taught by our parents. But other virtues such as being passionate and frugal, I think they are the long term effects. It means that if a family has many good virtues, then their children tend to keep these virtues.

Q: Are your friends starting working now?

A: Yes.

Q: OK. What are your expectations of your jobs or the way the company treats you?

A: The basic welfare.

Q: What do you mean by the basic welfare?

A : I mean holidays. If we need to work at weekends, then we deserve two days off for rest. Yes. We don't have high expectations of the salary because we think we are young and we need to get some experience first. Yes. I care about welfare, such as holidays and trips.

Q: What do you mean by trips?

A: The company needs to organise some trips for the employees. It's a good way for the colleagues to get to know each other.

Q: So you think it's important to get along well with your colleagues?

A: Yes.

Q: Do you have trips in your company?

A: Yes. We have.

Q: Ok.

A: Right.

Q: So you like this type of trips?

A: Yes.

Q: What about your friends?

A: They like these trips too.

Q: So, many companies will organise trips for their employees?

A: Some may. Some may not.

Q: So those who have trips may think it's good?

A: Yes.

Q: What about those who have no trips?

A: Well, they have no choice.

Q: Have your friends ever complained to you before? For example, they may complain about the way the company treats them and if there are any problems in communicating with other colleagues?

418   A : I don't think we have communication problems so far. But I have friends who used to work for the TV station. They had to work very hard because many employees were

420   dismissed, sometimes they needed to work at weekends. The TV station owed them a lot of holidays. I think they complained more about the holidays.

422   Q: So, to have a holiday is very important for you?

    A: Yes. We want our private life.

424   Q: And your personal time?

    A: Yes.

426   Q: What do you think of your parents' generation? Do they complain about their holidays too?

428   A: No.

    Q: Do you think this is a difference?

430   A: Yes.

    Q: Has anyone ever complained that your generation always wants to have holidays?

432   A: Yes. Some people might. But I think it's necessary to have two days off since we have already worked for five days and you can have a good rest and relax yourself on the

434   weekend.

    Q: So it is important for you?

436   A: Yes. We need proper holidays.

    Q: OK. You mentioned holidays, traditions, the gap between the rich and the poor, the

438   social changes and getting along with colleagues. How have these affected small and medium sized companies?

440   A: The influences on small and medium sized companies?

    Q: Yes. You said you like to have holidays. Do you think it's more difficult to have holidays

442   in small and medium sized companies compared to big companies?

    A: No. I think actually we have advantages in allocating people because we have less

444   employees in small and medium sized companies. We are more flexible with time.

    Q: Oh. Really? Why do you think so? Do you have friends working for big companies?

446   A: Yes. One of my classmates works at a TV station. He is so busy and always called to work by his company suddenly.

448   Q: Really?

    A: Yes. And he hates it. But he still works for that company. He always complains about

450   this when we chat.

    Q: So they always have to work overtime?

452   A: Yes. For example, they may have training during holidays. I think small and medium sized companies are more flexible with the time.

454   Q: Do you think small and medium sized companies are good at dealing with their employees regarding holidays?

456   A: Yes.

    Q: Ok. You mentioned that we are very friendly, passionate, frugal and have respect for

458   seniority. And you also mentioned that you are influenced by the West. How have these affected small and medium sized companies?

460   A: Yes. I think my company gives me a good feeling. Because I think our boss emphasises employees' leisure time and his principle is that employees should work hard

462   with a positive attitude. Yes. I'm always willing to deal with things with a positive attitude because it's my job. And I also enjoy working with other colleagues. But my classmate

464   who works at the TV station is a little bit tired of his job. He has been doing his job for one year just like me. And he also complains that he is tired of facing the same job and

466 working environment every day. His company doesn't give him a good feeling. His superiors usually ignore him every time he tries to report to them. They may think that he

468 is just a low level employee. Besides these points, the welfare in his company is not very good. I have noticed some differences when I compare my company with his company.

470 Q: What pressures or challenges do small and medium sized companies face?

A : I think how to be in line with international standards will be a pressures and a

472 challenge for us.

Q: Can you explain it?

474 A: Because we need to work with a foreign team on a certain project currently, but I don't think we know a lot about the foreign culture. In this case, we need to find more

476 information to be fully prepared.

Q: Does the government give any support to small and medium sized companies?

478 A: No.

Q: No?

480 A: Yes.

Q: Do you have friends or relatives that run their own companies or businesses?

482 A: No.

Q: OK. Why do you think the government doesn't give any support to the small and

484 medium sized companies?

A: I'm not sure.

486 Q: Not sure?

A: Yes.

488 Q: OK. Have you ever heard a phrase 'small and medium sized companies represent the spirit of Taiwan? '

490 A: Yes.

Q: What does this phrase suggest to you?

492 A: I think small and medium sized companies are the economic fundamentals of Taiwanese society.

494 Q: Right. What else? Why do small and medium sized companies represent the spirit of Taiwan?

496 A: Represent the spirit of Taiwan?

Q: Yes.

498 A: Because although there are a limited number of employees in small and medium sized companies, we still work very hard. I think.

500 Q: OK. How do you define a good job? What do you think if someone thinks that you have done a good job? What makes you feel that you have done a good job? What does your

502 company think of a good job?

A: A good job?

504 Q: Yes. What brings you a sense of achievement?

A : I think when we finish a project and our customers are satisfied with it, I will feel a

506 sense of achievement.

Q: The customers are satisfied?

508 A: Yes.

Q: Can you explain this?

510 A: It means that after finishing the project and editing the film, our customers feel very satisfied with the product.

512 Q: OK, what else?

A: The agency and directors are satisfied with the information that I find.

514 Q: Does it mean working efficiently?

A: Yes.

516 Q: What else?

A: Trying my best to prevent any emergency and working carefully to ensure that

518 everything gets done during the shooting procedures.

Q: What do you mean by everything? Can you describe it? Or can you illustrate an

520 emergency with an example?

A: Because sometimes we may forget to bring some cleaning tools, some floors need to

522 be cleaned before shooting. We were reprimanded once because we forgot to bring the cleaning tools to clean the floor. And it was our fault. Yes. I think in fact we need to be

524 more careful about these small things.

Q: So you think that making full preparations before the work will smooth the whole

526 procedure?

A: Yes.

528 Q: What else?

A: No. Whatever is worth doing in the company should be done well.

530 Q: What do you think of getting along with your colleagues?

A: Getting along with my colleagues?

532 Q: Yes. You just mentioned this earlier. Ok. How do you define success? How does your company define success? What makes you think you are successful?

534 A: Very successful?

Q: Yes.

536 A : I think I feel successful when we finish a project perfectly and we don't have any projects that are delayed.

538 Q: What else?

A: The budget. We need to control the budget but ensure product quality.

540 Q: Do you mean not to go over budget?

A: Yes.

542 Q: What else?

A: Our adverts can have a good effect or bring a good sales performance for our

544 customers.

Q: OK.

546 A: That's it.

Q: That's it? You don't think making more money and getting along well with colleagues

548 also makes you feel successful or excellent?

A: Getting along with colleagues?

550 Q: For example, when you are doing a certain thing, you just said that you and Agang will do what you have been told by the producer.

552 A: Yes.

Q: If you can achieve a certain goal together, just like teamwork, do you think it's a

554 success?

A: Yes.

556 Q: What about salary? Does it count?

A: Salary? I think maybe bonuses. We get a bonus when we finish a project.

558 Q: Bonus?

A: Yes.

560 Q: Where do you place the bonus?

A: Success.

562 Q: Ok. If placed on a scale of 1-10, the balance is here, where would you place your company? If the balance is 5, where is your company? Which side do you focus on more?

564 A: Company?

Q: Where is your company on this scale in your own opinion?

566 A: In the middle.

Q: Middle?

568 A: Yes.

Q: So it is balanced. Ok. What is the ideal status of your company?

570 A: Ideal status?

Q: Yes. What do you think?

572 A : I think it will be towards to the success.

Q: Really?

574 A: Hang on. Let me take a look. Hmm… Yes.

Q: Excellence means that you can complete a project and your customers are satisfied

576 with your product. It also means good working efficiency, a smooth procedure, full preparation. As to this side, it means you can control the budget and complete the project

578 on time and bring good effects for your customers. You have a good team and you can also get a bonus. What is your score now?

580 A: What is the score?

Q: Yes. From 1-5.

582 A: You asked the ideal statue of my company?

Q: Yes. What do you think?

584 A : I think it should be at least 4.

Q: So you think it will be close to 5.

586 A: Yes.

Q: So in fact it's not far to reach this side?

588 A: Yes.

Q: OK. Do you think these two sides are connected?

590 A: Do you mean success and excellence?

Q: Yes.

592 A: Yes. I think they are connected.

Q: Why?

594 A: I think the main direction is for our projects, for the company.

Q: Which one you will take as the priority?

596 A: What is the priority?

Q: Which one do you think is more important?

598 A: Ok.

Q: Which one do you choose?

600 A : I choose excellence.

Q: Excellence?

602 A: Yes.

Q: Why?

604 A: Speaking about my part of the job, I think I will try my best to make full preparations and ensure the whole procedure is smooth. Yes. I think I need to achieve this.

606 Q: Why do you emphasise that you need to do a good job? Where does this principle come from? Why do you have this principle?

608 A : I don't know. But I believe that the whole project will become easier if I do a good job on my part. It also ensures that the shooting procedures won't be delayed. It's all linked
610 with one another.
     Q: OK. Why do you have this principle? Has anyone taught you before?
612 A : I don't know. Maybe.
     Q: When you were little? Did your parents or your teacher teach you this when you were
614 in school?
     A : I think my father taught me about this.
616 Q: So your family, your father has influenced you to have this principle?
     A: Yes. I think so.
618 Q: OK. Good. Thanks.

10.5   Appendix A.5: NVivo Node List

Name	Sources	References
Attitude	39	294
Big firms	17	30
Business risk	4	6
Challenges for SMEs	39	174
Civil society	33	113
Companies	39	103
Conflicts	5	6
Confucianism	6	30
Definie company position	39	41
Deregulation	31	68
Difference between East & West	19	43
Doing business need to adapt change with environment	7	9
Education system	19	44
Excellence	39	220
Expectation in work	17	27
Generations differences	35	254
Globalisation	28	70
Government	39	246
Institutional level	31	117
Mission statement	36	48
Motivation	7	9
Other Chinese societies	7	8
Overall business environment in Taiwan	32	92
Practice	13	24
Purpose - company	28	62
Purpose - personal	4	4
Reasons for business moving out	1	3
Regulation	17	40
SMEs	39	235
SMEs reflects on Taiwan's spirit and culture	39	138
Social relation	21	47
Social responsiblity	21	41
Strategy to run SME	20	83
Success	39	167
Taiwan	24	90
Taiwanese business competency	13	30
Taiwanese culture	39	175
Taiwanese tradition	39	209
The difficulty to start up the business	8	35
The interviewee is aware of economic changed to compare with before	39	131
The interviewee is aware of foreign influences	27	69
The interviewee is aware of political change	24	80
The interviewee is aware of societal change	35	198
The interviewee is aware of technological change	27	91
The last question	36	54
The phases SMEs has been through	1	4
The relationship between excellence & success	39	162
Tradition (definition)	26	48
Tradition (overall)	25	96
Tradition impact on the organisational level	39	128
Working attitude	39	294
Working environment	21	44

Table 10.3: NVivo Node List

10.6   Appendix A.6: Data Analysis at the Organisational Level

10.6.1 Introduction

In the summer of 2014, semi-structured interviews were conducted in Mandarin with 39 people from seven organisations in Taipei, Taiwan. Each interview was roughly one hour in length and the resulting recordings were transcribed, translated into English and then analysed using the qualitative data analysis tool NVivo,

This document summarises the results of the analysis at the organisational level of the empirical data gathered, using both quantitative and qualitative methods.

- The interviewees' responses at the organisational level are reviewed by means of analyses of the data, both quantitative and qualitative, from the individual companies and are then analysed by company type (family run or partnership), company size and whether internally or externally focussed.
- The findings from this study are then compared with similar studies conducted in Europe and Sri Lanka.

10.6.2 Background information

- 39 people from seven organisations were interviewed. As shown in Table 10.4 below, the organisations were from various sectors and were either family-run businesses or partnerships.
- In terms of size, two companies (C1 and C2) were micro-sized (less than10 people), four (C3, C4, C5 and C6) were small (10 to 49 people) and one (C7) was medium-sized (50 people or more) with 30 people working in the office and around 100 people working in two factories. (It should be noted that these size definitions are those used in Taiwan, which are based on U.S. values).
- Two companies were family run businesses (C1 and C4) and the remaining five were partnerships (C2, C3, C5, C6 and C7).
- The firms have been categorised as having either an internal or external focus, indicating whether the firm focuses on either the domestic or overseas market.
- None of the firms had a mission statement, but company C4 had documented core values of which most of the employees were aware.

Reference	Sector	Size (No. Employees)	Age (Years)	No. Interviews	Internal/ External Focus?	Micro/ Small/ Medium	Type	Mission Statement
C1	Import/ Export	6	20	4	External	Micro	Family Business	No
C2	Advertising	5	8	4	Internal	Micro	Partnership	No
C3	Wholesale	14	5	7	External	Small	Partnership	No
C4	Retail	20	16	6	Internal	Small	Family Business	No
C5	Marketing	43	8	10	External	Small	Partnership	No, but has core values
C6	IT Training	11	11	4	Internal	Small	Partnership	No
C7	HiTec	30+ (100+)	8	4	External	Medium	Partnership	No

Table 10.4: Company Characteristics

10.6.3 Note on Statistical Tests Used

Student's t-test can generally be used to test for differences where the data is divided into two categories, e.g. family run business and partnerships. However, this test assumes that the data is distributed normally, and this assumption cannot be made for the empirical data gathered here. Consequently, a variation of Student's t-test, known as Welch's test, can be used in such cases. This was achieved by using the Microsoft Excel t test function, but using a value of '3' for the 'type' parameter. To quote from the relevant help text - "This parameter is the kind of t-test: paired = 1, two-sample equal variance (homoscedastic) = 2, two-sample unequal variance = 3." Where there were more than 2 categories to be analysed, a different test was needed to avoid having to repeatedly test for differences between each individual category pair. Normally, the Anova (analysis of variances) test can be used for this purpose but, similarly to the t-test, the Anova test assumes that the data is distributed normally. Consequently, the Kruskal-Wallis test was used, which is a non-parametric alternative to the one-way Anova test and which should be used in preference to the Anova test when a normal distribution cannot be assumed.

10.6.4 Data Analysis

10.6.4.1   Quantitative Analysis by Company

First of all, the data was analysed to discover whether there were any significant differences at the company level between the interviewees' scores for company purpose and current and ideal success.

Figures 10.1 to 10.3 show the data for the 7 companies represented as box plots, which display the distribution of the data, allowing visualisation of several parameters at once – sample minimum and maximum values, the upper and lower (1st and 3rd) quartiles, the median and mean values. The box for each company shows the interquartile range, with the bottom and top of the box representing the 1st and 3rd quartiles respectively. The blue line inside the box is the median value and the red line is the mean. The vertical lines extending vertically from the boxes (or 'whiskers') reach to the minimum and maximum values.
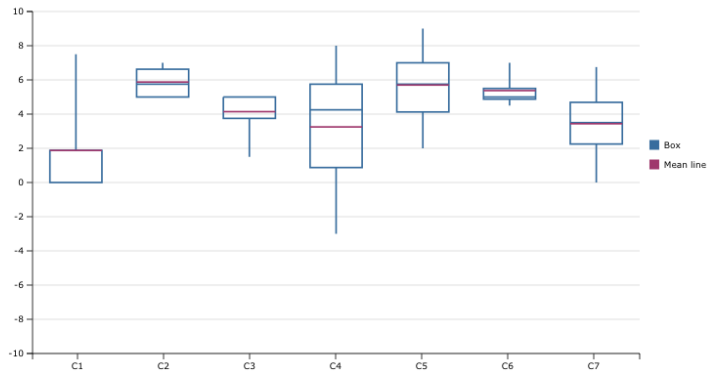
Figure 10.1: Box Plot of Company Purpose Scores
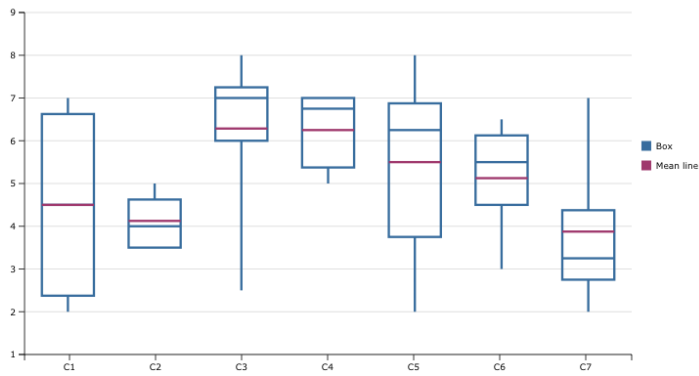
Figure 10.2: Box Plot of Current Success Scores
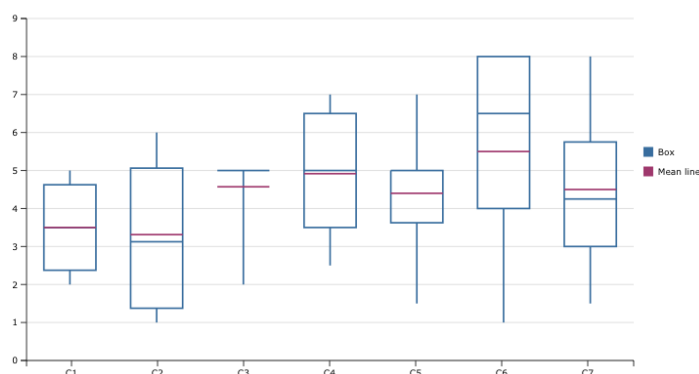
Figure 10.3: Box Plot of Ideal Success Scores

The main observation to be made from these three figures is that the variation within the individual companies is such that it results in the variation between the companies being statistically insignificant.

This observation was confirmed by using the Kruskal-Wallis to see whether these differences were statistically significant. It can be seen from Table 10.5 that no statistically significant differences were found.

Company Ref.	Purpose		Success - Current		Success - Ideal	
	Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation
All	4.4	2.7	5.3	1.9	4.4	1.9
C1	1.9	3.8	4.5	2.6	3.5	1.5
C2	5.9	1.0	4.1	0.8	3.3	2.4
C3	4.1	1.3	6.3	1.8	4.6	1.1
C4	3.3	4.1	6.3	1.0	4.9	1.9
C5	5.7	2.1	5.5	2.1	4.4	1.5
C6	5.4	1.1	5.1	1.5	5.5	3.3
C7	3.4	2.8	3.9	2.2	4.5	2.7
p-level	0.28		0.27		0.63	
Significance	NS		NS		NS	

Table 10.5: Mean, Standard Deviation and Kruskal-Wallis Significance Values at the Company Level

Analysis was then carried out to test whether there were any significant differences in the three scores between family firms (C1 and C4) and non-family firms (C2, C3, C5, C6 and C7).

330

Figure 10.4 shows box plots for company purpose, current and ideal success scores respectively and Table 10.6 shows the results of the statistical analysis.
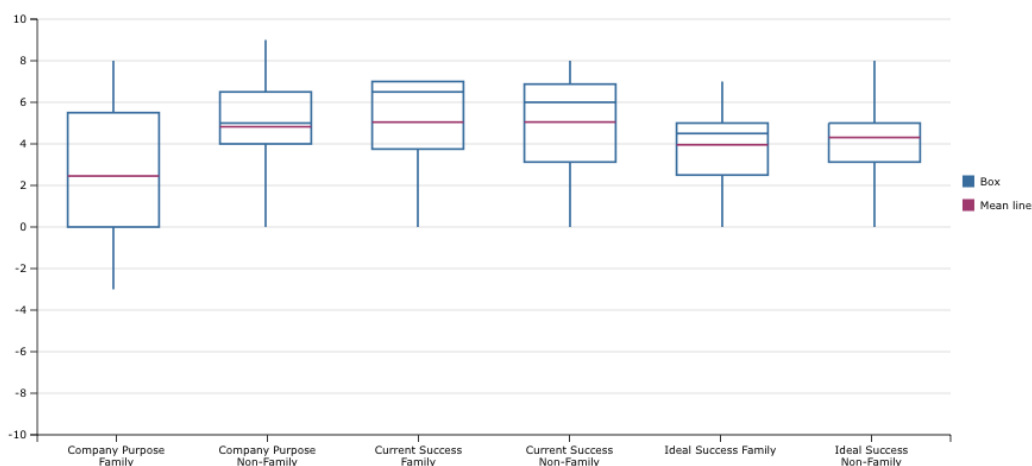
Figure 10.4: Box Plot of Company Purpose, Current and Ideal Success Scores by Company Type

Company Type	Purpose		Success - Current		Success - Ideal	
	Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation
Family	2.7	3.8	5.6	1.9	4.4	1.8
Non-Family	5.0	1.9	5.2	1.9	4.5	2.0
p-level	0.10		0.65		0.88	
Significance	*		NS		NS	

Table 10.6: Mean, Standard Deviation and T-Test Significance Values by Company Type

The results show that there are no significant differences at the 5% level in the three scores between family and non-family firms. The most significant difference found is for the company purpose score where people in non-family companies score the purpose of their companies higher (5.0) than their counterparts in family firms (2.7). However, the p-level is just under 10%, which is not normally considered to be statistically significant.

10.6.4.2   Qualitative Analysis by Company and Company Type

From the qualitative analysis of the interviewees' statements, it was found that, regardless of gender or job responsibility, the interviewees generally saw the main purpose of the company as being not only to make a profit but also to help or serve others, such as customers and the wider society.

10.6.4.2.1   Family-Run Businesses

- The interviewees from company C1 gave the lowest score for company purpose – the mean was 1.9 compared an average of 4.6 for the other six companies. All four interviewees, including the owner, stated explicitly that the purpose of the company is to make a profit, and some of them mentioned that they needed to serve customers well. One interviewee stated she was not clear about the purpose at all, apart from making a profit, even though she had been working there for six years.

- The mean score for company purpose for company C4 was 3.3, which was the second lowest score for the seven firms. Most of the interviewees stated that the purpose was to make a profit. They also emphasised that the firm cared about customers and participated in some charitable events. It should be noted that one interviewee gave a negative score, the only one for all 39 interviewees. The main reason given for this was that the firm had no core values and did not have a stable structure to support employees.

10.6.4.2.2   Partnership Businesses

- Company C2's mean score for company purpose was 5.9, which was the highest mean score among the seven firms. There were three partners in company C2 including interviewee 5, who was the active partner running the business with the other two being silent partners (who were not interviewed in this study). The main reason given by interviewee 5 for wanting to run his own business was so that he could apply the good practices he learned from his previous jobs, such as producing high quality adverts, investing more money in employees, putting the right people in the right jobs and being long-term driven. He also mentioned that he did not consider making a profit in the first couple of years and that the company had struggled to survive. His attitude towards profit at the time of the interview was more practical, but he still cared about the principles he had from the very beginning. The other employees who were interviewed all recognised and agreed with the owner's principles - they talked about this by themselves without any prompting from the author. On the one hand, the purpose was to make a profit; on the other hand, they had better practices than other firms in the same industry, such as producing high-quality products (adverts). All four interviewees stressed that "quality is more important than quantity".

- Company C3 was a wholesale company, which imported sports accessories from the USA and sold them to local sports retailers. The mean score was 4.1 and all the interviewees stated that the purpose of the company was to make a profit. Compared with other firms, more interviewees from C3 emphasised the importance of "being balanced" between making a profit and being charitable. Only if the firm were able to survive by making a profit could it provide a better quality of life for its employees" or sponsor athletes and sport events.

- Company C5 was an on-line marketing company which also provided an on-line platform for bloggers. It had expanded from micro to small to medium size and the score given for company purpose score of 5.7 was the second highest. There were three partners in the company, including interviewee 21, who was the active partner

running the business. He believed that the company had responsibilities to wider society besides making a profit, such as participating in charitable events, looking after employees and creating job opportunities for others. The company aimed to change the industry, by means of such measures as working with other external stakeholders and leading the industry. The other interviewees advocated and agreed with such views in their interviewees.

- Company C6, with a mean score of 5.4, provided IT training for unemployed people or those seeking a career change. The founder was born and raised in Taiwan but then went to USA to study for a masters degree and then worked and lived there for some years. He saw that there was a gap in the Taiwanese market in that it lacked training programmes in IT software and he decided to set up a business with other partners. He talked about his view on excellence, how it is far more important than success and how this was influenced by his family and working experience. This personal view influenced how he ran the business. Therefore, he was determined to have good practices in the industry, such as refusing to exploit his employees, e.g. expecting unpaid overtime which is common in the Taiwan's labour market, not exaggerating in adverts and being responsible to customers. Other employees also recognised and agreed with his ideas throughout their interviews. All four interviewees, including the owner, did not mention profit but emphasised helping people and making a contribution to wider society.

- Company C7 had a mean score of 3.4. All the interviewees (two owners and two senior managers) stated that their company is "not a charitable organisation, but aimed at making a profit like other SMEs". However, both owners emphasised that the firm had a responsibility to society, and how to achieve this was to look after the employees' welfare and their families. The other two senior managers echoed this view throughout their interviews as well. Furthermore, one of them stated that "our boss holds the belief that management, or business culture, should have more *renqhinwei* (human interaction), as we Taiwanese say."

10.6.4.3   *Overall view*

- Most of the employees from the small family firms C1 and C4 stated that the purpose of their companies was to make a profit and several of them also mentioned the importance of serving customers well. This differed from the managers of these two companies, who said that they not only focussed on making a profit but also looked after the employees and participated in charitable activities.

- In contrast to this, both employees and management from the partnerships were more consistent with their scores and views on the purpose of the business. Whilst they clearly stated that the purpose is to make a profit - after all they are "profit-driven organisations" - there were also other functions that organisations had to fulfil, such as serving customers, looking after employees, providing working opportunities for people and making a contribution to society.

- This finding is consistent with the statistics for company purpose in that, whilst there is no statistically significant difference at the commonly used 5% level, the difference is significant at the 10% level, indicating that this difference could be worthy of further exploration.

- The type of the business may have also played a part in how interviewees viewed the purpose of the business. C1 was a trading company and C4 was in the retail business, so both companies' main business function was trading. In contrast, C6 provided IT training for unemployed people or those seeking a career change - three out of four interviewees including the owner did not mention profit but emphasised helping people and making a contribution to society. This aspect remains to be analysed further.

- It can be seen that the employees of non-family firms or partnerships were influenced by the founders or owners' principles for starting up the business, so they used similar phrases in their answers. In contrast, none of the interviewees from family-run business firms could describe the owners' principles - their descriptions were more focused on profit and customer service.

- It should also be noted that four out the five partnership firms emphasised that they wanted to "exceed or raise the standard for the industry" (C5, C6), "have a better practice than other firms in this industry" (C2) or "be in the top grade in our industry" (C7). Interviewees from these firms (all the owners and some employees) mentioned this either when they were talking about the purpose of the company or about what excellence meant to them.

- The employees from the partnership businesses (C2, C3, C5, C7) also generally felt that they are better looked after by their firms, in aspects such as welfare, training opportunities and support, compared with other SMEs.

- The above points, showing that people working in SMEs see their firms as having a responsibility to their stakeholders and wider society, can be linked directly to the theme of 'social responsibility' at the macro level. Furthermore, it can be argued that individuals not only see themselves as needing to fulfil their duties in their roles, but they also unconsciously see firms as also having a role with obligations which they (the firms) need to fulfil.

10.6.4.4 Analysis by Company size

Having investigated the empirical data at the individual company level and by company type, the scores for company purpose, current success and ideal success were then analysed, again using the Kruskal-Wallis test, to see whether there were any significant differences between company sizes in terms of number of employees. 3 categories were used for this – micro (less than 10 employees), small (10 to 49 employees) and medium (50 or more employees). As per Table 10.1, this meant that companies C1 and C2 were micro-sized, companies C3, C4, C5 and C6 were small and company C7 was medium sized.

Figures 10.5, 10.6 and 10.7 show box plots for the three scores categorised by company size and Table 10.7 shows the results of the Kruskal-Wallis test. From this, it can be seen that there were no significant differences between the scores at the 5% level. (The p-level for current success was 0.08, which is significant at the 10% level. Further analysis shows that the most important difference here is between micro and small-sized companies, with a p-level of 0.06).
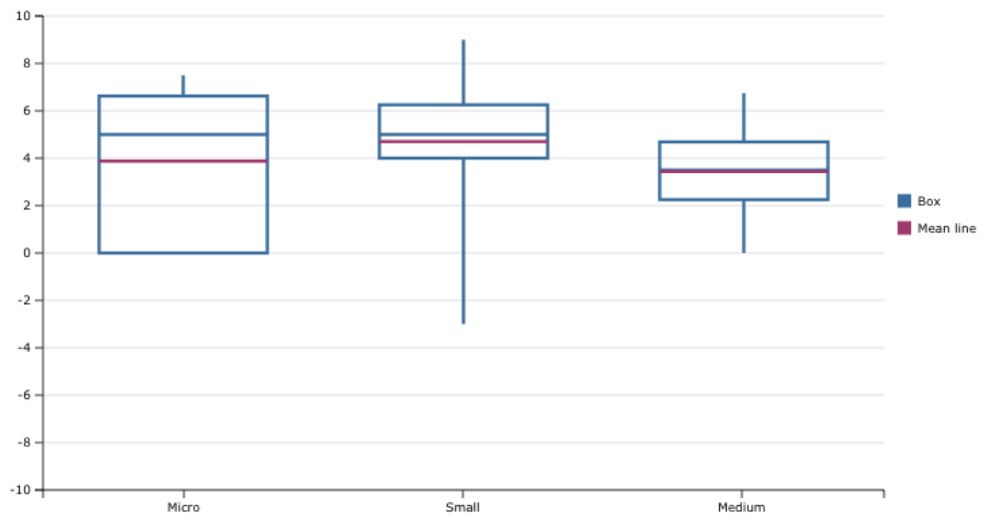
Figure 10.5: Box Plot of Company Purpose by Company Size
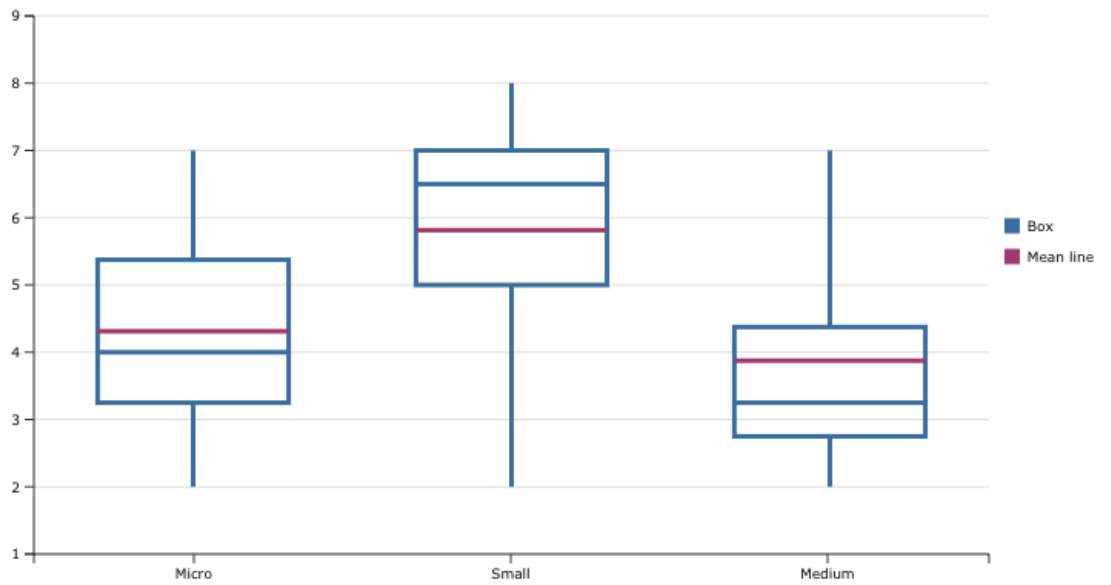
Figure 10.6: Box Plot of Current Success by Company Size
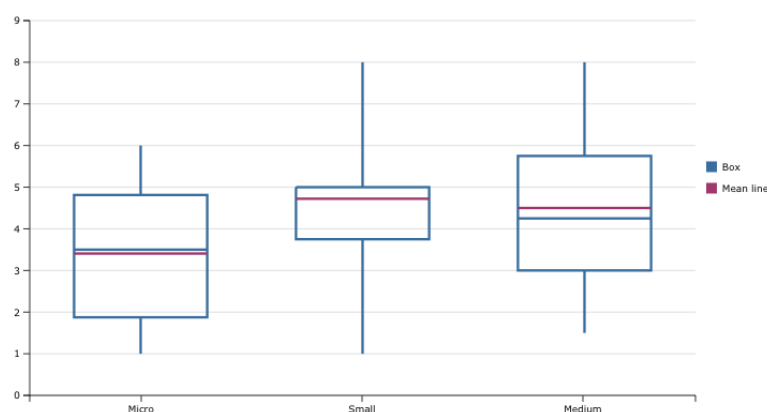
Figure 10.7: Box Plot of Ideal Success by Company Size

Company Size	Purpose		Success - Current		Success - Ideal	
	Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation
Micro	3.9	3.3	4.3	1.8	3.4	1.9
Small	4.7	2.5	5.8	1.7	4.7	1.8
Medium	3.4	2.8	3.9	2.2	4.5	2.7
p-level	0.54		0.08		0.17	
Significance	NS		*		NS	

Table 10.7: Mean, Standard Deviation and Kruskal-Wallis Significance Values for Company Size

10.6.4.5 Analysis by Internal/ External Focus

The scores were then analysed for significant differences between interviewees in companies with an internal or external focus. As per Table 10.1, internally focussed companies were C2, C4 and C6, which were respectively in the advertising, retail and training sectors. Externally focussed companies were C1, C3, C5 and C7, which were respectively in the import/export, wholesale, marketing and high tech. sectors.

Figure 10.8 shows box plots for company purpose, current and ideal success scores and Table 10.8 shows the results of the statistical analysis.
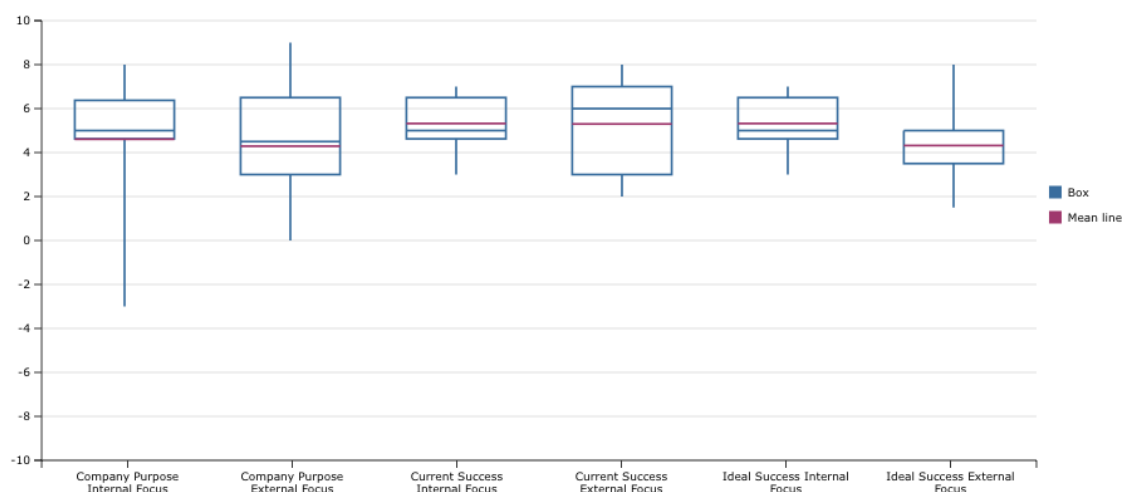
Figure 10.8: Box Plot of Three Scores by Internal/ External Focus

Focus	Purpose		Success - Current		Success - Ideal	
	Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation
Internal	4.6	2.9	5.3	1.4	5.3	1.4
External	4.3	2.6	5.3	2.1	4.3	1.6
p-level	0.74		0.97		0.05	
Significance	NS		NS		**	

Table 10.8: Mean, Standard Deviation and T-Test Significance Values for Internal/ External Focus

As shown in Table 10.8, a difference was found between the ideal success scores, significant at the 5% level, with the internally focussed companies giving higher scores than the externally focussed companies. However, no significant differences were found for company purpose and current success scores.

It is difficult to know how to interpret this finding for a significant difference in the ideal score between internally and externally focussed companies. When expressed to 3 decimal positions, the value is 0.048, which is close to the borderline value of 0.500. It should also be noted that a result of significance at the 5% level can be expected to be found on average in one out of twenty tests, and so should be expected when multiple analyses are carried out as is here the case. However, the fact remains that the result was statistically significant and this needs to be investigated further.

It should be noted that the qualitative analysis also revealed no major differences between companies of different size or whether internally or externally focussed.

10.6.4.6   *Summary of Analyses at the Organisational Level*

In general, no significant differences in the quantitative scores given for company purpose, current and ideal success were found when the companies were analysed by individual company, company type and size and whether internally or externally focussed. The only exception to this was that there was a significant difference between the ideal success scores given by internally and externally focussed businesses, with internally focussed businesses giving higher scores. This finding needs to be investigated further. Although differences at the 10% level were found for current success between small and medium-sized companies and for company purpose between family businesses and partnerships, these are not statistically significant.

10.6.5   Mapping the relationship between purpose and excellence/ success for Taiwan at the organisational level
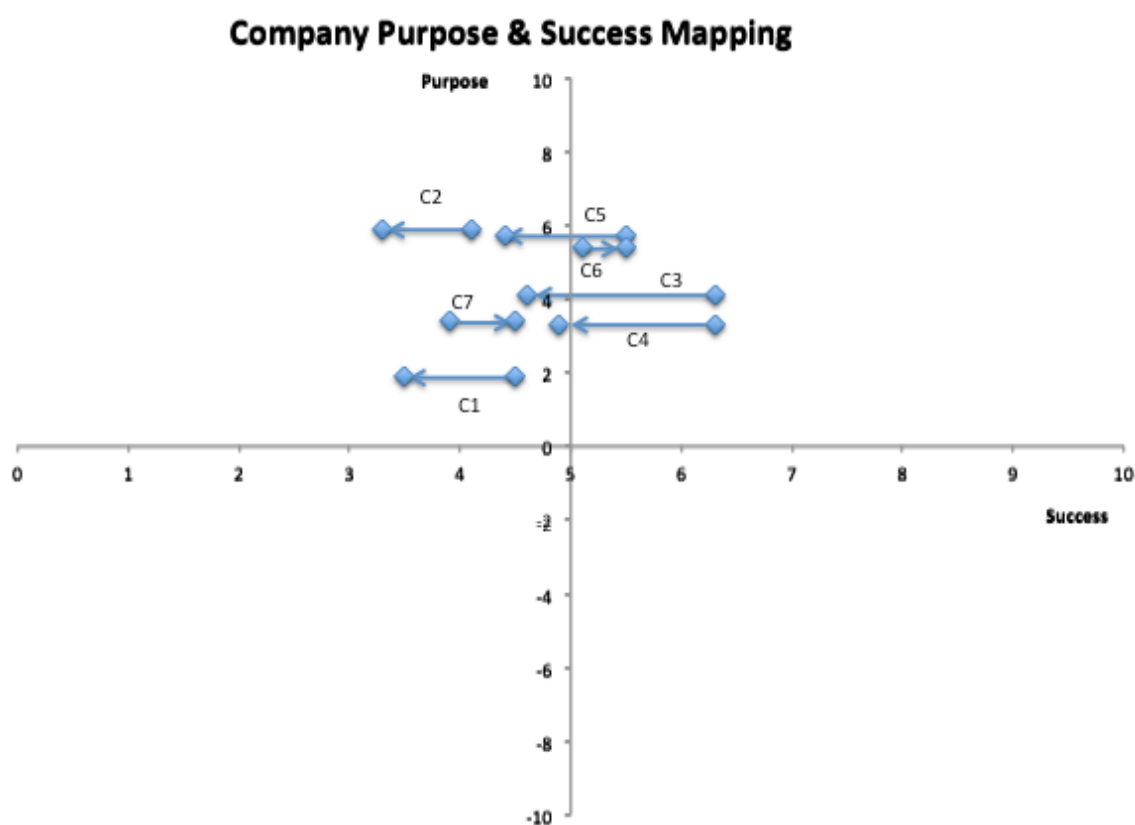
Figure 10.9: Company Purpose & Success Mapping for the 7 Companies in Taiwan

Figure 10.9 shows a mapping of the change from the mean current to the mean ideal success scores (y-axis) mapped against the mean company purpose scores (x-axis) at the company level. The following observations can be made on the information shown:

•   Four of the seven companies have mean current success scores on the side of success, i.e. greater than 5. However, only one company (C6) has an ideal success

score on the side of success (but also see below). The other six companies all have mean ideal success scores on the side of excellence.

• Five of the seven companies move in the direction of less success/ more excellence. Only two companies (C6 and C7) move in the direction of more success/ less excellence.

• When the scores for the individual interviewees from company C6 are considered, it can be seen that the overall position is heavily influenced by interviewee 34, who gave scores for current and ideal success as 3 and 8 respectively, On further analysis of the transcription of the interview, it is clear that there was a degree of confusion which influenced the scores given. If these scores are disregarded, then the mean current and ideal scores change from 5.1 and 5.5 respectively to 5.8 and 4.7 respectively, i.e. they fall into the same pattern seen for the other companies moving in the direction of less success/ more excellence.

• When the interviews from company C7 are reviewed, it is evident that two out of the three interviewees, who scored ideal success higher than current success, did so because they considered that the company was not focussing enough on success at that time. It is remarkable that both mean current and ideal success scores are less than five, i.e. on the side of excellence.

10.6.6 Comparing Taiwan, Europe and Sri Lanka
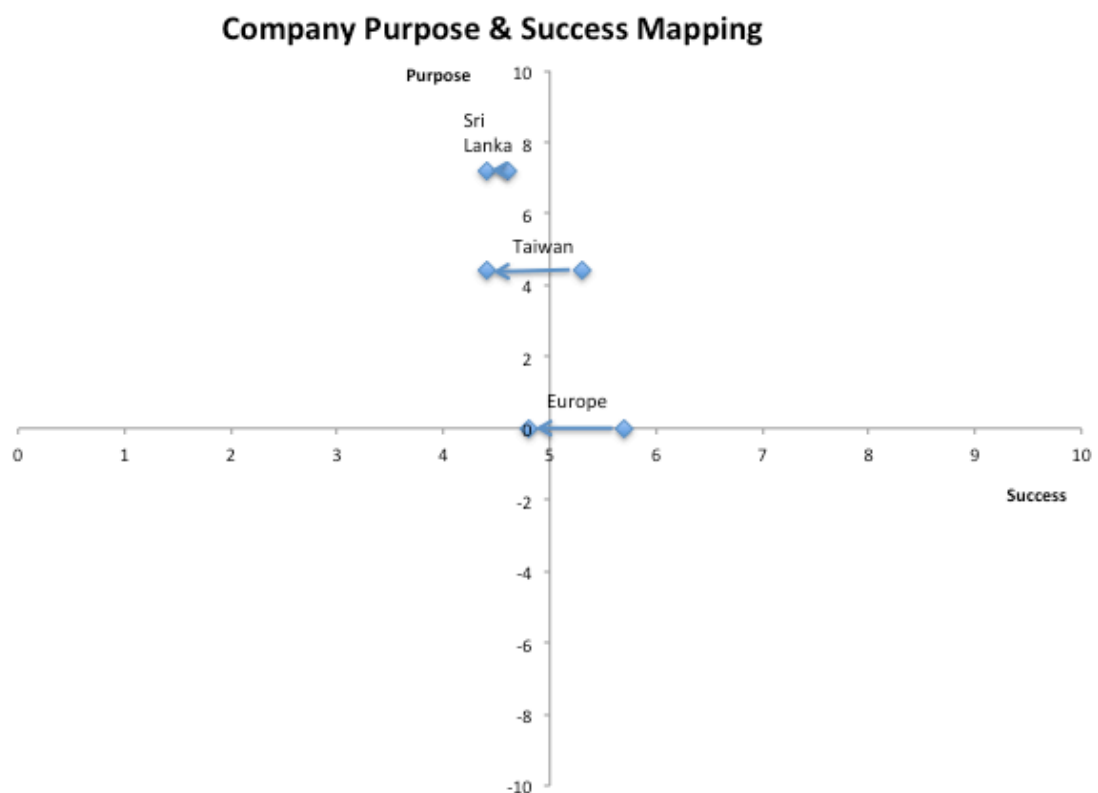
Figure 10.10: Company Purpose and Success Mapping for Europe, Sri Lanka and Taiwan

Please note that figure 10.10 above shows the score for company purpose for the Europe study as zero, since the relevant paper does not explicitly state the value of the score. The equivalent mapping diagram could be taken to indicate a score of approximately 2 to 3 but, since this is an assumption, it was felt that representing the score as zero as above would be more correct in avoiding a misrepresentation.

The following observations can be made from figure 10.10 above:

- It can be seen that the scores from all three nations move in the direction of excellence and that their ideal scores are all on the side of excellence.
- The mapping shows that overall Taiwan is positioned in between Europe and Sri Lanka at the organisational level. This finding is consistent with the finding from the previous report that, when excellence and success categories are compared, Taiwan is between Europe and Sri Lanka in most categories. The exception to this was for the category of people in relation to excellence, where Taiwan is far higher than the other two nations.
- From the qualitative analysis of Taiwan, it was noticeable that, in general, the interviewees had a pragmatic attitude towards the purpose of the business. Most of them used generic terms, such as "serving customers", "looking after employees" and "making a contribution to society", but there were few explicit statements on the nature of their businesses, except for C6. This was very different from European and Sri Lankan studies, where the interviewees' statements were more focussed on the impact of their companies' products (health care) on the end customer. There are several elements which should be considered for further analysis here, such as the characteristics of SMEs, Taiwanese SMEs generally not having a mission statement, the type of business and the wider significance of roles (institutional logics) in Confucian society.

10.6.7 Conclusion

The analysis of the data at the organisational level shows that there are no significant differences between the seven individual companies or between the categories of company size or type. The only significant difference found was in ideal success scores between internally and externally focussed companies, which needs to be considered further.

Overall, the findings support the argument that the seven companies can be considered to be sufficiently homogenous for their data to be grouped together when comparing with equivalent studies in Europe and Sri Lanka. Such a comparison indicates that Taiwan's scores fall in between those from the two other countries.

10.7 Appendix A.7: Open Coding and Template Analysis

- The purpose of this memo is to summarise the key themes found in the Scoping Study – Confucianism, MacIntyrean concepts, the institutional environment, including SMEs, and change.

- The results from both open coding and template analysis are included.

- There were seven interviews, each roughly one hour in length.

10.7.1 Confucianism

Although the interviewer did not ask any direct questions on Confucianism and did not mention the word itself or any other relevant phrases, such as guanxi (network) or 'the doctrine of the mean', several interviewees did talked about Confucianism.

10.7.1.1 Open coding

Four interviewees (1-1, 2-1, 3-2, 4-1) mentioned the word "Confucianism" themselves and talked about how it is influential at the organisational level, in the education system and in the social sphere.

- Organisational level in terms of employee and management behaviour:
    - Taiwanese employees would use the term 'we did', 'we perform' or 'we succeed', rather than 'I did' or 'I succeed' and they 'will share with their colleagues' (3-2).
    - Taiwanese employees 'don't know how to show (or present) themselves' in contrast to employees of other nationalities (4.1) or 'they won't compete with others when they go abroad for international meetings' (3.2).
    - There is a contrast between Taiwanese managers and managers of other nationalities in foreign companies - 'we are not good at showing off and being direct', 'you do a lot of work … but sometimes you may find it may not be necessary to mention it……it is a very different culture'(3.2)
- Education system:
    - 'The doctrine of the mean' philosophy is influential in terms of how students discipline themselves, following the textbook to produce standard answers rather than giving their own thoughts, which could lead to them being seen as 'trouble makers' (4.1).
    - Many parents and teachers 'only care about children's study and class ranking' and they prefer students who are good at studying and obeying. The interviewee (4-1) believed these values are rooted in the education system.
- Social-cultural sphere:
    - One interviewee (3-2) believed that society is 'very much influenced by Confucianism' so people don't like to take advantage of others, they are kind and are more long-term orientated.
    - Another interviewee (3-2) thought that, because Confucianism was taught previously taught in the education system to his and previous generations,

Taiwan is 'the best country and the only country to maintain the essential Confucian culture'.

- o Two interviewees (1-1, 2-1) both discussed the importance of '*guanxi* (network/ relationship/ contact)' in their working domain. The owner of a small enterprise (2-1) emphasised that 'the network is the most important resources for us… we don't have a big brand but we have a lot of contacts.'

10.7.1.2   Template analysis

All seven interviewees either directly or indirectly to touched on Confucianism in their interviews, and it was referenced 107 times. All the key elements of Confucianism were identified in the interviews, such as:

- collectivism (13 references)
- family (4 references)
- communal (9 references)
- *guanxi* (5 references)
- benevolence (5 references)
- obey hierarchical (9 references)
- people oriented (12 references)
- prefer to follow rather than taking initiative (5 references)
- don't like to be different or innovative (4 references)
- patriarchy (4 references)
- the importance of having good reputation (4 references)
- the doctrine of the mean (5 references)
- trust (4 references)

10.7.1.3   Literature review

From both open coding and template analysis, Confucianism can be seen to not only exist in Taiwan's institutional environment but also to strongly influence its environment. It is consistent with the literature that Confucian societies emphasise interpersonal relationships and harmony at personal and societal levels (G.K.Y. Chan, 2008; Ip, 2009a, 2009b).

Confucianism concentrates on humanistic, obligation-based behaviour and is collectivistic in nature (W. Chan, 1963; Ip, 1996, 2004, 2009a). The primary concern is with the human condition and how well-being is maintained in society. There is a focus on the obligation of a person's role, so it can be seen as very communally based ethics. It is also important that a person knows their position in the social hierarchy. Therefore, Confucian ethics are much concerned with hierarchy, *guanxi*, social tradition and harmony (G.K.Y. Chan, 2008; Ip, 2009a, 2009b).

Because of this socially embedded nature, a person's life is bounded by the relationships they have and which they are obliged to fulfil. An individual is seen as a social being - there is no individual in the egoistic sense with individual rights as conceived by liberal thinking in the west (Ip, 2009a; MacIntyre, 2004). As a form of familial collectivism, Confucianism always ranks collective values over individual values. Within such a value framework, Confucianism enforced concepts of authority, paternalism and hierarchy.

These provide moral legitimacy and stability to society, family-based seniority and authority via a top-down system of social interaction.

It should be noted that the unique elements such as *guanxi* and harmony within Confucianism are fundamentally relationship-oriented compared with Western individualism. *Guanxi* is usually loosely translated as 'relations' or 'connections' in English, but there is no precise translation in English, and there is not even a precise definition in the Chinese literature. The emphasis on implicit mutual obligations, reciprocity and trust has formed the foundation of *guanxi* (Luo, Huang, Wang 2011). The author would argue that trust and harmony should be considered or included within MacIntyre's general theory of virtue-goods-practices-institution. MacIntyre's concept of virtues is very much communally based, since it involves people who have similar goals working together and setting the standards of excellence. Such practices would not survive without trust and harmonious relationships.

The fact that interviewees view Confucianism in different ways mirrors some of the descriptions of Confucianism in the literature. On the one hand, the fact that Confucianism is no longer being taught in schools, so people may lose their sense of the doctrine of the mean, was seen negatively (3-2). On the other hand, another three interviewees considered Taiwan's lack of creativity, innovation or critical thinking to be partly due to Confucianism.

10.7.2 MacIntyrean Concepts

The author tried to identify whether the concepts of MacIntyre's general theory of virtue-goods-practices-institution are meaningful in a Confucian business context and whether they are generally applicable and valid.

The author did not mention MacIntyre or practices directly in any of the seven interviews, but took MacIntyrean concepts such as 'internal goods', 'external goods' and transformed into questions about 'being successful' and 'doing a good job' and then asked the interviewees to discuss these terms. They were asked to explain the differences between doing a good job and being successful and to identify the factors which motivated them to do a good job or do their job satisfactorily.

However, it is apparent that there were difficulties with communicating these questions adequately - 'doing a good job' is not a common phrase in Chinese. This will need some further thought before the main empirical research interviews are conducted. Similarly, although fame is cited as an external good by MacIntyre, many interviewees said that a better reputation was a consequence of doing their job well. It is questionable whether this corresponds to fame as meant by Macintyre, especially in the context of the Confucian concept of *guanxi*.

10.7.2.1 Open coding

- Being successful/ doing a good job
  - Six interviewees (1-1, 2-1, 3-2, 4-1, 6-1, 7-1) gave similar answers:
    - 'I feel I can help people', including colleagues, line managers, clients, people in the society) (1-1, 2-1, 3-2, 4-1, 7-1)

- ▪ 'to work with the team', 'to support my teammates' (3-2)
- ▪ 'to have a good reputation' (2-1, 3-2, 7-1)
- ▪ 'being recognised by / get positive feedback from my line manager, clients' (1-1, 2-1, 6-1)
- ▪ 'it's my duty to do a good job' (6-1).
  - o Interviewee 3-2 commented that these two questions are very similar so that he could not tell much difference between them.
  - o Two interviewees (1-1, 7-1) stated that being rewarded by money is important. However, one (7-1) also said that the money is not the most important reward after to a certain level, and that positive feedback from customers is more important.

- Factors providing motivation to do a good job (job satisfaction):
  - o 'to fulfil my dream to change…' (3-2, 4-1)
  - o to support others such as family (7-1), line manager (6-1) and colleagues (3-2, 6-1)
  - o 'to be a model for others' (5-1)
  - o 'to be responsible for others' (3-2, 5-1)
  - o 'the reputation you make for yourself'
  - o Wages were mentioned only by one interviewee (5-1)
  - o These answers were similar to those for 'being successful/ doing a good job'.

10.7.2.2   Template analysis

- Practices (including internal goods and external goods, doing a good job, being successful) were referenced a total of 81 times.
- Key elements mentioned in the category of internal goods:
  - o fulfil the dream (4 references)
  - o the importance having a customer orientated attitude (7 references by 6 interviewees)
  - o communal (7 references)
  - o recognition from others (line managers, clients, colleagues etc.) / a good reputation / gain trust from customer (12 references by 7 interviewees)
  - o good team work / communication (5 references)
  - o 2 interviewees thought that doing a good job takes time.
- Key elements mentioned in the category of external goods – e.g. profit, money, titles, passive attitude - were referenced 20 times.

- Again there were overlapping answers for being successful and doing a good job.

- Aspects of the 'narrative quest' were referenced 4 times by 2 interviewees (3-2 & 4-1), mainly how Taiwanese employees are strongly influenced by Confucianism, so that the national culture does not emphasise individualism, which has an effect on employees' behaviour in organisations. Also, social expectation makes employees – especially males - want a better title or higher position (4-1).

- Moral tradition was referenced 26 times, 'change' being the key theme in most contexts. All 7 interviewees identified that society has changed much more quickly

since deregulation in late 1980's. Traditional ways of working have changed, in terms of business competition, management style (especially in local firms), technology development, communication, working attitude, younger generation's attitude, the power of the government becoming weaker and the gap between government and the civil society becoming larger. However, Confucianism is still influential - how things are done, social expectations, the bureaucratic system and education have not changed very much. There were a few interviewees who stated that, although traditions may change, fundamental things like national culture will not change that much.

- Institution (including managers and bureaucracy) was referenced 19 times.
    - o 'Bureaucracy' was referenced 5 times by one interviewee (1-1), who works in the public sector and talked about how civil servants are not willing to be innovative in his institution.
    - o Managers/ management teams were referenced 11 times by 6 interviewees, the most common expression is that 'management level is more influential' (4-1, 6-1, 7-1), they are the one who make decisions and create bureaucratic procedures.

10.7.2.3   Literature review

The findings could be said to reflect MacIntyre's views on practices, narrative quest and tradition.

Practices have four distinctive characters according to MacIntyre's definition. They are socially established and cooperative activities (Moore, 2011, 2012a) which make available internal goods, with internal goods being more important than external goods. They have historically determined standards of excellence, and their standards are systematically extended by practitioners over time (Kallenberg, 1997).

According to MacIntyre (2007), practices need to be protected because otherwise they will not be sustained. However, the institutions in which they are housed need to be concerned with external goods, such as success, reputation and profit, to be able to sustain not only themselves but also the practices of which they are the bearers (MacIntyre, 2007, p. 194). Consequently, there will always be a tension in maintaining the balance between external and internal goods, and the virtues are needed for the practices not to be corrupted.

Moore and Beadle (2006) discussed three preconditions necessary for practices not to be corrupted by institutions – virtuous agents, a conducive mode of institutionalisation and a conducive environment. It can be seen from the findings above that managers are seen as important agents. They have a substantial amount of power within the organisation and play an important role in maintaining the bureaucracy.

This echoes MacIntyre's criticism of bureaucracies, bureaucratic organisations and how utilitarianism and cost benefit analysis dominates organisational decision making within capitalism. The role of bureaucratic managers is very much focussed on utilitarian calculations to enhance organisational effectiveness and they compartmentalise themselves between business and private spheres. However, it can be argued that

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MacIntyre was referring to larger organisations and that this criticism may not apply to SMEs to the same degree, if at all.

MacIntyre believes that human actions are to be understood by embedding them in an on-going narrative that gives them meaning and point (MacIntyre, 2007, pp.208-219; Porter, 2003), and this requires considering the context of the relationships in which the person is involved. All social life is narrated, so that even though the individual's narrative gives meaning to their individual life, we live our lives within a social and historical context. Therefore, we are intertwined with community, society and history (Hatch and Cunliffe, 2006) .

Moral tradition is the third important element the MacIntyre discussed in relation to virtues. He described tradition as 'an historically extended, socially embodied argument, and an argument precisely in part about the goods which constitute that tradition' (MacIntyre, 2007, p222). Of the three important elements, the first is that tradition is the logical extension of narrative, an on-going open-ended inquiry. Secondly, traditions are socially embedded since they are lived out in communities and finally they always involve a degree of conflict, not only between the tradition's supporters and opponents but also between practitioners interpreting them differently.

It should be noted that tradition could be considered to influence the institutional environment in two ways. Firstly, it plays a normative role in shaping people's conscious expectations and secondly it influences the more unconscious cultural-cognitive aspects of what people take for granted. In this sense, MacIntyre's description of tradition falls more into the conscious normative sphere.

10.7.2.4   Findings

MacIntyre's concepts (practices, narrative quest and moral tradition) are meaningful, generally applicable and valid in a Confucian society like Taiwan although the terms of modern virtue ethics are not at all familiar to Taiwanese people.

10.7.3 Institutional environment

The interviewer asked general questions regarding Taiwan's macro environment such as foreign influences, globalisation, the role of state and if society has changed since deregulation occurred in the late 1980s - early 1990s.

10.7.3.1   From both open coding (OP) and template analysis (TA)

- 'Civil society' (4 interviewees, OP 8 references, TA 10 references) – the most common view is 'civil society is more powerful or influential than the state in the political sense' (2-1, 5-1, 7-1)
- Government / state (7 interviewees, OP and TA 36 references each)
  - o 'we need the government to intervene', 'to be more tough' (1-1)
  - o 'the government cares about elections much more' (2-1, 7-1)
  - o 'the government should be responsible for the whole social environment' (5-1)

- - o 'the government acted like a father to take care of people, acted like a big government' (7-1)
    - o Several interviewees think government makes the system more bureaucratic and the bureaucracy causes government to act more slowly in response to change (1-1, 4-1, 7-1)
- 5 references from the above two points were mapped to normative factors in TA
- Change (7 interviewees, OP 55 references, TA 46 references) – deregulation, China's economic rise and the 2008 financial crisis - the macro environment in the following aspects:
  - o Political
    - the political party in power should be changed more often (1-1)
    - tension between civil society and the government
      - 'civil society is more influential' (2-1, 5-1, 7-1)
      - 'the gap between the government and civil society is getting bigger' (1-1)
  - o Social-cultural
    - concerns with younger generation such as
      - 'young employee have different working attitude to compare with my generation' (2-1, 3-2, 5-1, 7-1)
      - 'younger people are more individualistic' (3-2, 4-1)
    - employees' working attitude such as
      - 'employees' working attitude changed a lot after '87, they don't work very hard' (5-1, 7-1),
      - 'employees are expected to be more active' (4-1)
    - the education system changed after '90
      - 'Confucianism is no longer being taught in school' (3-2)
  - o Economic
    - 4 interviewees raised the concern that Taiwan is losing its economic competitiveness over the past decade because of the rise of China (1-1, 2-1, 5-1, 7-1)
    - after '87 'many traditional industries moved out of Taiwan' (5-1, 7-1)
    - Taiwanese firms react to change quickly 'in order to survive' (3-2, 5-1, 6-1)
  - o Technological – information is more available on line so 'we need to change how we do business' (2-1)
  - o Legal – the regulations and law were changed
- Globalisation, including foreign influences (5 interviewees, OP 18 references, TA 14 references) – various statements on employability, Taiwanese management style, local firms need to adapt change more quickly and current regulations have difficulty to react to change
- SMEs were referenced by 5 interviewees (OP 31 times, TA 41 times)
  - o 3 interviewees (4-1, 6-1, 7-1) believe that the management team is more important in the organisations
  - o 2 interviewees (2-1, 5-1) who are owners of small firms think that the government's attitude towards to SME is very 'laid back'
  - o 2 interviewees (2-1, 3-2) believe that 'SMEs represent Taiwan's spirit' which is to keep changing
  - o the advantage of SMEs is 'being flexible, customer orientated and adapting to change much quicker than big firms' in order to survive (2-1, 3-2, 7-1).

10.7.3.2   Literature review

The findings are very much in line with institutional theory, which not only analyses how social structure, including schemas, rules, norms and routines, is created but also how conflict and change happen in the social structure (Scott, 2004).   The external environment not only makes demands that require organisations to produce and exchange goods and services, but also requires organisations to play particular roles in society and to establish and maintain certain external appearances through social, cultural, legal or political demands (DiMaggio & Powell, 1983). The social and cultural basis of the external influences on organisations pressure them to conform to the values, norms, rules and beliefs upheld by social institutions such as government, religion and education (Hatch & Cunliffe, 2006).   Therefore organisations should be viewed in the context of the wider society of which they are a part.

Scott (2014) proposed a three-pillar framework, which is useful for analysing the institutional environment. The pillars are regulative, normative and cultural-cognitive factors, which can be seen to encompass DiMaggio and Powell (1983) three pressures for institutional isomorphism.

Regulative factors - Deregulation in the later 1980's, Sun Yat-sen and later Chang Kai-Shek's policies of keeping heavy industry under state control, relative lack of focus on SME sector.

Normative factors – egalitarian agricultural historical background (Hsieh, 2011), tendency for SMEs to split rather than grow, funding from family and friends rather than formal sources such as banks

Cultural-cognitive factors – people don't want to stand out from the crowd, Confucian emphasis on stability and harmony within society.

The fact that interviewees often talked about the role of government supports the view of Clegg (2010), who argued that mainstream institutional theorists have overlooked the role of the state. His view could be identified with Taiwan in that Taiwanese people have a higher expectation for the state to play a significant role to serve society compared with the Anglo-Saxon model. This supports the view that Taiwan has developed a different form of capitalism due to its history, political system and social structure (J. Gray, 2002, pp. 183-184; Whitley, 1999), with the state playing a dominant role. This expectation of the state is supported by the influence of Confucianism (Lam 2003) from the Chinese historical trajectory. The view that a strong state acts as the guardian of the economic system was espoused by Chinese national father Sun Yat-sen.

Wong (1985, 1988) argued that the practice of equal male inheritance, together with the strong preference for self-employment rather than working for someone else, plays an important role in the creation and maintenance of Taiwan's strong SME sector. Whitley (1999) also cites the importance of the Chinese family unit as the basis of economic action, and Orru (1991) goes on to argue that familial values lead to alternative values to the individualistic pursuit of profit, which Siu-Kai Lau termed 'utilitarianistic familism'. Hsieh (2011) argues that the legacy of a relatively egalitarian rural social structure also plays an important role.

10.7.4 Change

Many of the interviewees talked about change, although to some extent this could have been prompted by the questions asked.

The theme of 'change' can be seen throughout the above analysis of the organisation, society, tradition and the macro environment. See also the above sections on MacIntyrean concepts and the institutional environment.

10.7.4.1   Open coding and Template analysis

(The points below have been collected from the sections above in order to have collected together in this section).

- Moral tradition was referenced 26 times, 'change' being the key theme in most contexts. All 7 interviewees identified that society has changed much more quickly since deregulation in late 1980's. Traditional ways of working have changed, in terms of business competition, management style (especially in local firms), technology development, communication, working attitude, younger generation's attitude, the power of the government becoming weaker and the gap between government and the civil society becoming larger. However, Confucianism is still influential - how things are done, social expectations, the bureaucratic system and education have not changed very much. There were a few interviewees who stated that, although traditions may change, fundamental things like national culture will not change that much.

- Several interviewees think government makes the system more bureaucratic and the bureaucracy causes government to act more slowly in response to change (1-1, 4-1, 7-1).

- Change (7 interviewees, OP 55 references, TA 46 references) – deregulation, China's economic rise and the 2008 financial crisis - the macro environment in the following aspects:
    - o Political
        - ▪ the political party in power should be changed more often (1-1)
        - ▪ tension between civil society and the government
            - • 'civil society is more influential' (2-1, 5-1, 7-1)
            - • 'the gap between the government and civil society is getting bigger' (1-1)
    - o Social-cultural
        - ▪ concerns with the younger generation such as
            - • 'young employee have different working attitude to compare with my generation' (2-1, 3-2, 5-1, 7-1)
            - • 'younger people are more individualistic' (3-2, 4-1)
        - ▪ employees' working attitude such as
            - • 'employees' working attitude changed a lot after '87, they don't work very hard' (5-1, 7-1),
            - • 'employees are expected to be more active' (4-1)
        - ▪ the education system changed after '90

- • 'Confucianism is no longer being taught in school' (3-2)
  - o Economic
    - ▪ 4 interviewees raised the concern that Taiwan is losing its economic competitiveness over the past decade because of the rise of China (1-1, 2-1, 5-1, 7-1)
    - ▪ after '87 'many traditional industries moved out of Taiwan' (5-1, 7-1)
    - ▪ Taiwanese firms react to change quickly 'in order to survive' (3-2, 5-1, 6-1)
  - o Technological – information is more available on line so 'we need to change how we do business' (2-1)
  - o Legal – the regulations and law were changed

- • Globalisation, including foreign influences (5 interviewees, OP 18 references, TA 14 references) – various statements on employability, Taiwanese management style, local firms need to adapt change more quickly and current regulations have difficulty to react to change

- • SMEs were referenced by 5 interviewees (OP 31 times, TA 41 times)
  - o 3 interviewees (4-1, 6-1, 7-1) believe that the management team is more important in the organisations
  - o 2 interviewees (2-1, 5-1) who are owners of small firms think that the government's attitude towards to SME is very 'laid back'
  - o 2 interviewees (2-1, 3-2) believe that 'SMEs represent Taiwan's spirit' which is to keep changing
  - o the advantage of SMEs is 'being flexible, customer orientated and adapting to change much quicker than big firms' in order to survive (2-1, 3-2, 7-1)

10.7.4.2   Literature review

Although the literature review to date has not explicitly addressed change, parts have already covered it, e.g. Scott (2014) who considers institutional change to be the gradual replacement of one institutional logic by another (p. 167). In this case, this would correspond to an institutional logic with Confucian concepts forming a dominant role in the cultural-cognitive dimensions of the institutional environment being replaced by a second featuring more capitalist concepts.

However, the author noticed that a Confucian society like Taiwan is not afraid of economic change, and even embraces such change willingly. Although this may seem to be counter to the Confucianism emphasis on stability, it can be argued that such stability is desirable in the social sphere, but that Confucianism has nothing against economic change. In terms of Scott's three pillars (2014), this would correspond to Confucianism promoting relative constancy in the cultural-cognitive and normative pillars.

10.8 Appendix A.8: Initial Themes

10.8.1 Macro Level

10.8.1.1 Confucianism

- Confucianism was directly mentioned by a small minority of interviewees (4) and was used in relation to different levels of social life – that of the person, family, organisation and society. Elements related to Confucianism such as filial piety, respect seniors, human relation and family were the most frequently mentioned by many interviewees.
- Filial piety refers not only to parents and family members but also to older people in society and to the working environment, such as more experienced staff or those in higher positions. Roughly one third of interviewees think that this is a Taiwanese tradition.
- Three firms' employees use the respectful titles '*ge*' (meaning older brother) or '*jie*' (older sister) when they talk about senior employees in the office. To use a respectful form of address to senior staff in Taiwanese firms is so common that people don't even pay attention to it - people take it for granted. It only came to the author's attention when she was listening to the audio recordings and realised that with these terms were one of the ways that staff (younger, those with less experience or in a lower position) show their respect to more senior staff.
- However, Confucianism can also be seen as a constraint both at the family and the organisational level, which was pointed out by one interviewee. At the family level, children (especially sons) have an obligation to look after their parents when they are getting older. Consequently, children can feel a financial burden, especially if they are married and have their own family. At the organisational level, the sense of propriety and respect of seniority can have negative side effects. If younger employees point out mistakes made by older ones, then it can be seen as being disrespectful. This kind of concern can make employees be silent since they don't want to be seen as causing trouble.
- Nevertheless, a few interviewees believe that filial piety is one of the elements that will not be changed even though other traditions may do so. The reason they think this is because this tradition is embedded within society, for example in schools, the education system and parents. This concept has been taught to people since they were children.
- Family influences are important. There are some interviewees (6) who state that "family" and "family education" play a very important role in the transmission of traditions, such as filial piety and respect for seniors. At the organisational level, the concept of "being a family" can also be seen from some interviewees (5).
- Although only a small minority mentioned that Confucianism can cause conflict, the author thinks it is worthwhile to take note of this. These conflicts can be seen at the organisational level as acting as a damper on creativity in favour of stability and harmony. For example, senior staff may not coach or share their knowledge with younger employees in order to maintain their seniority. Senior staff may say that things should be done in a certain way due to experience whereas younger staff prefer logical explanations. Senior staff may deal with junior employees prioritising '*ren qing*' (concern for human interaction and social relations) as opposed to facts.

10.8.1.2   Tradition

When asked about tradition and how traditions are reflected in organisations, three categories stood out in interviewees' answers –Confucianism, social relationships and Taiwanese characteristics – with all three being connected to each other to some extent. Confucianism has been covered above, so this section concentrates on reviewing social relations and Taiwanese characteristics.

• People care strongly about social relations at the personal, organisational and societal levels. This can be seen by the fact that the majority of interviewees mentioned '*ren qing*' (human interactions) and '*ren qing wei'* (close human relationships) at the societal level. Furthermore, some of the interviewees see this is the "basis of human relationships" and of "virtue". This is very consistent with phrases used, such as 'the need to get along with others', 'relationships' and 'being harmonious' in the office. One of the examples that the author noticed is that, when talking about their family and working background, many of the interviewees mentioned that how they or their family members get jobs is through introductions from family or friends. However, a few interviewees said that '*ren qing*' in the office can be a burden – they may not be able to discuss or manage matters in a factual way, but need to consider relationships first, making it difficult for them to handle matters objectively.

• Furthermore, a few interviewees believe that the younger generation don't care so much about social relationships like 'ren qing', and that such traditions will be gradually lost, mainly because the younger generation is more self-centred, individualistic and westernised. This concern was also reflected at the organisational level. One interviewee thinks that nowadays organisations see profit as the priority and that, as a result, the younger generation is more short-term orientated and profit driven.

• 'Hard-working' and 'industrious' were mentioned as characteristics associated with Taiwanese tradition by one third of the interviewees across all age groups. Interestingly, when people talked about being 'industrious', most of them stated that this quality is more associated with previous generations, such as their parents or grandparents, and can hardly be seen in people nowadays, especially the younger generation. They thought that this quality is declining and does not fit with current society because the economic situation now is very different to that in the past.

10.8.1.3   Civil Society

• The role of the media was mentioned by some of the interviewees. Generally, people view the role of media as being to oversee government. Some interviewees see this positively, in that the media is no longer state controlled but has been allowed to compete in a free market since deregulation. This free competition has made the media more open and more liberal. In contrast, some people have a more negative view, citing the media as being responsible for creating unrest in society by taking sides and not reporting objectively. Also, a few interviewees blamed the media for not fulfilling its role of promoting Confucianism and reporting on more virtuous aspects of the news.

• Some people stated that civil society is now more powerful than the state, in contrast to the situation before deregulation when the state was more powerful and was more

in control. The government is seen as powerless and indecisive in terms of making policies, especially in economic areas such as CSSTA and introducing payments regulations. It was civil society which forced the government not to sign up to CSSTA and to introduce regulations on payments. One interviewee commented that younger people become interested in politics because the government is not doing a good job.

- One interviewee stated that society is tolerant on the surface but underneath there is pressure on people to conform.

10.8.1.4   Foreign Influences

- The majority of the interviewees are aware of the effect of exposure to foreign influences, especially that of China, which was often used as an example. The West (predominantly USA), Japan and South Korea were also mentioned frequently. A small group of people think that how Taiwanese adapt to foreign elements or influences, by merging them with Taiwanese culture, is a trait of the Taiwanese character. Half of the interviewees believe that, even though foreign influences will certainly have an impact on Taiwanese society, the essence of Taiwanese culture and tradition won't be changed. However, there were a few people who did state that Taiwan's culture would change as a result, as evidenced by the younger generation not maintaining the traditional culture.

- The majority of interviewees are aware that Taiwan is being influenced by globalisation. 'Competition' is one of the words commonly used by the majority. Some of the interviewees commented that globalisation has had a great impact on Taiwan because there is now more competition. However, views on its impact on the country vary. There is a small group of people who see the process as being positive for their industry or for the country. People can learn how others do things differently, so they can make progress with their horizons being broadened by competition. In contrast, there is another small group of people who see a negative impact on Taiwan, such as young people becoming more utilitarian and materialistic and the gap between rich and poor becoming larger. Another small group think that Taiwan's reaction to globalisation is not fast enough - mainly because the government is reacting too slowly and also regulations are kept in force by people who are afraid of or who resist free market competition.

10.8.1.5   Information Technology and the Internet

- The changes brought about by information technology (IT) is one of the factors that a large majority of the interviewees noticed. The majority recognised that IT, especially the existence of the Internet, has changed the business model of their organisations in that people can access information much more easily nowadays. Some of the interviewees also mentioned that social media, for example Facebook, is very popular - not only as a tool for personal use to stay in touch with friends, but also as a tool for business to do online marketing promotion. Furthermore, there is a small group of people who noticed that there is a gap between the younger and older generations regarding IT. Younger interviewees stated that the older generation don't know how to utilise it and older interviewees stated that the younger ones in the office rely too much on IT, especially the Internet, to get information and that they don't communicate enough with people face to face nowadays.

10.8.1.6   *China*

The words 'mainland' and 'China' were mentioned by the vast majority (36 out of 39) of interviewees, and it is to be noted that this occurred across a wide range of different topics such as 'challenges for SMEs', 'foreign influences', 'globalisation', 'government and regulation', 'Taiwan related', 'the political and economic environment', 'Taiwan's tradition' and 'the overall business environment'. To sum up the main points:

- Some interviewees (8) recognised that Taiwanese traditions stem from China. Chinese traditional virtues, such as taking care of the family, filial piety and remembering the ancestors, can be seen to be well preserved in Taiwan.
- Many interviewees noted that there is a tension between Taiwan & China, in both the political and economic arenas. This is reflected by the different political viewpoints of the two political parties in Taiwan towards China and their different approaches to economic policies on how far Taiwan should go in cooperating with or being open to China. This results in domestic conflict both in parliament and within society.
- The different political viewpoints of the two political parties towards China is reflected in their different approaches to economic policies on how far Taiwan should go in cooperating with or being open to China. This results in domestic conflict both in parliament and within society.
- From the above discussions, it can be seen as perhaps inevitable that Taiwan's national identity was seen as one of the major challenges in the future, although only by a small minority of interviewees. The two nations have been run by different political systems for nearly 60 years. Taiwanese people generally feel that Taiwan has been suppressed by China since China has become more powerful politically and economically. It is frustrating to some, including some politicians, that Taiwan has been seen as a part of China and not as an independent country on the global stage. The uncertainty in Taiwan's future and its effect on identity can also be seen in the discussion of 'SME represents the spirit of Taiwan'.
- One interviewee, aged about 45, stated that he is confused about his identity. In his generation and that of his parents, people were taught that they were Chinese, but now the younger generation only admit to being Taiwanese.
- China was also been mentioned as an example of foreign influence and in relation to globalisation with various aspects, such as its mass market and its competence and advantages as a nation, being cited.
- Taiwan used to be numbered among the 'four Asian dragons'. However, Taiwan's economic position is declining, with many people's view being that this is mainly because of China opening its market in the 1990s. Nearly half of the interviewees noted that the economic environment had changed greatly since 1990; many Taiwanese firms moved to China and set up business there, especially in traditional industries such as textiles and machinery. Furthermore, a lot of foreign investment also has gone to China. This phenomenon had created some concerns, such as more talented people moving to China, China's infrastructure being far better than that of Taiwan now and industries that Taiwan used to be very well-known for, such as IT, now being behind those of China. Taiwanese firms now want to extend their business to China because Taiwan's market is saturated.

10.8.2 Organisation Level

10.8.2.1   SMEs

A small minority of interviewees who are owners stated that Taiwanese people like to start their own businesses as entrepreneurs. One of the interviewees thought that the main reason for this lies in the social environment. Taiwanese prefer not to work for others but to be their own boss, as is reflected by the Chinese saying – "better the head of a chicken than the tail of an ox". This is one of the main features of Taiwan. He stated that this is a national sentiment, that society admires people who are a *'lao ban'* (boss) and that being a *'lao ban'* is good for *'mientsu'* (face). One of the interviewees stated that a frequently occurring scenario in Taiwan is for talented or capable employees to leave the company in order to run their own business, which means that SMEs have difficulties keeping hold of talented staff.

- Owners play a vital role for organisational culture. Several interviewees think that the "owner is the mission statement".
- One of the biggest challenges for SMEs is to recruit and maintain talented staff. This is not only because of talented people leaving to set up their own business as stated above, but also because younger people prefer to work in large and well-known firms, due to them offering better salaries and fringe benefits, and the employees being regarded as having *'mientsu'* (face) by others.
- One of the options that firms can take to react to such challenges is to recruit 'second rate' employees, according to two interviewees who are owners or partners of two different organisations. This means that they lower their standards to recruit graduates without top grades but who are humble and willing to learn, making it easier for senior staff to teach them.
- A small numbers of interviewees (8) said that money is not the main or only objective when choosing where to work, with two of them being owners. The remaining six prefer to work in their current organisations mainly because of the workplace environment, for example because people are friendlier, people get along like a family, less bureaucracy and more flexibility in the workplace.
- A different small set of interviewees (4) mentioned that they like to work in SMEs mainly because conflicts or power struggles in the office occur very rarely or not at all, and that there is more of a human touch (*ren qing wei*) so people get along relatively easily with more harmony.
- The theme of 'social responsibility' can also be seen here, which was part of the design of the interview questions. All seven employers felt a responsibility to look after their employees' welfare and five of them make contributions to charitable activities or are involved in public welfare. They were aware that, because of the small size of their firms, the contribution they could make was limited but nevertheless they were committed to doing so. Employees from five firms recognised that their companies looked after them well, although this was not designed in the interview questions. Several interviewees (3) also stated that they know many SME owners who look after their employees well. Overall, both employers and employees felt that firms have a responsibility to their employees and to society and should 'do something good'. Furthermore, one interviewee, who is an SME owner, stressed that new entrepreneurs nowadays care more about social responsibility than in the past.

10.8.2.2   'SME represent the spirit of Taiwan'

- Most of the interviewees agreed with this phrase - even the small number who had never heard of the phrase before agreed as well. They are seen as the foundation of the economy. Some interviewees recognise that SMEs make up the majority of firms in Taiwan and the concept of being an entrepreneur and running your own business is common and popular in Taiwan.
- SME characteristics parallel those seen to be related to Taiwanese tradition and character. Nearly half of the interviewees used phrases such as "starting from scratch", "bearing hardship", "hard working", "diligent", "keeping your feet on the ground" and "being flexible" to describe SMEs. The author believes that interviewees associate SMEs with these national Taiwanese characteristics.
- Furthermore, SMEs can also be seen as a metaphor for Taiwan's current situation at the international level. A few of the interviewees pointed out that SMEs are small and unknown with few resources but that they need to compete with big firms in order to survive. They link this image to Taiwan's current situation, which is important for its identity, in that it is unrecognisable as a country but has been seen as a part of China. So, as a nation it is struggling in an ambiguous position, which reflects how SMEs are fighting for survival and development.
- However, some interviewees (8) felt pessimistic that this sprit is in decline. Two reasons for this were mentioned. Firstly, the threat from big firms, which sell or compete with the same products as small firms but have more resources to invest in marketing. Secondly, the younger generation's working attitude was mentioned - since the economic environment is now far better, the younger generation has little motivation to make money for a better living.
- The majority of interviewees think that government provides no or very limited support to SMEs. Some interviewees think that big firms have benefited more from government policies. Several interviewees mentioned that the government in Chiang Kai-shek's era before deregulation was more supportive of SMEs in terms of policies such as taxation. Since deregulation, government policies are seen more as a constraint on small business. They don't feel that they need help from government – they want to be self-reliant.

10.8.2.3   The Relationship between Excellence and Success

- When interviewees talked about the relationship between these two, the concept of excellence was strongly associated with the personal level. Phrases such as 'it is a feeling for myself' and 'self-affirmation' were used in relation to it. Also, excellence can be seen as part of organisational identity, being a good company needs excellence. On the other hand, success was seen as something more materialistic, as 'the final goal of the process'. It also related to 'the whole company', it was seen as something more communal.
- People recognise that the organisation must firstly be able to survive, i.e. to be successful. Only then can firms pursue excellence. Success is the prerequisite; excellence can then be built on the base of success. Some interviewees stated that they want their firms be successful even though they personally prefer excellence. Only when the firm has achieved success do the employees have the correct conditions in which they can pursue excellence.

- Many interviewees prefer their firm to have a balance between excellence and success, with success at the organisational level and excellence at the individual level both being considered.
- Some interviewees considered that excellence was the means to achieve the goal of success, whereas others saw success as being the way in which excellence could be achieved.

10.8.2.4   Teaching & Learning, Experience

- The author noticed the terms 'to learn' and 'learning' were used regularly by about one third of interviewees. This was often seen when employees talked about their current jobs, previous working experience and their expectations in the workplace. Several interviewees in their early 20s stressed the importance of learning things from more experienced colleagues or line managers. They didn't have high expectations about wages, but felt that gaining experience was far more important. One of the interviewees referred to her line manager as her role model for learning, especially in relation to management skills and working attitude.
- Two medium size organisations offer their employees external training courses. Nevertheless, they emphasise the importance of senior experienced employees sharing their knowledge and teaching younger, more inexperienced staff. The other five organisations, micro or small size firms, solely rely on such internal knowledge transfer. Furthermore, a small of group of senior employees believe that not only can knowledge and experience be passed on to young and inexperienced staff, but also traditional virtues, such as respecting seniors, work ethic, manners and professionalism. As one of the interviewees said "their behaviour will be imperceptibly influenced by what they constantly gradually see and hear in the environment" (interviewee 30).
- The author found that all of the firms showed evidence of the process of assimilating new members of staff into their organisational culture. For example, in three firms employees used the honorific titles 'ge' (meaning older brother) or 'jie' (meaning older sister) at the end of the names of senior staff. When asked about this, it was apparent that people (including the researcher initially) took this for granted and it was part of the organisational culture. In the same vein, interviewees from four companies, interviewees claimed they were directly or indirectly influenced by their line managers or senior staff in such things as being professional and being a team player in the workplace.

10.8.2.5   Virtue at Organisation Level

- C2 owner emphasises work/ life balance, provides fringe benefits and trips, recognised and agreed by staff
- C3 treats employees fairly, staff happy with bonuses, fringe benefits
- All owners (C2, C3, C5, C7) feel responsibility for staff
- Emphasis on harmony within the organisation
- C4 owner wants long term employees to become partners
- No-one said anything bad about their company

10.8.3   Micro Level

10.8.3.1   Self

- Seen in relationship to others
- To be developed further.

10.8.4   Change Processes

10.8.4.1   Differences between Young and Old Generations

It is remarkable that, although there were no questions specifically designed for this topic, it started emerging in the very early stages – in interviews with the first company. The vast majority of interviewees touched on this theme when speaking about various subjects and the main points were as follows:

- The most common point from older interviewees is that they see younger people as more being more individualistic, self-centred and westernised (with being westernised seen as equivalent to individualistic). They thought that younger people don't know how to compromise with other people of differing opinions in order to maintain the golden mean and consequently harmony was lost. This kind of attitude can be seen not only in wider society but also in the workplace. An example cited from wider society was that of university students and people younger than 20 years of age protesting on the streets. In the workplace, the most commonly given example was that young, newly recruited employees are more self-centred and not willing to follow suggestions from senior staff or openly make demands for what they want.
- Most of these interviewees believe that, because a majority of families nowadays in Taiwan only have one child, these single children are spoiled. Also, it was felt that the conflicts between the two political parties set a bad example for the younger generation. The DPP party is known for using street protests and encourages others to do so in order to get media exposure. Interviewees think that using such tactics instead of negotiating and compromising does not set a good example to the younger generation on how to achieve harmony and follow the golden mean.
- However, a small group of younger interviewees believe they differ from the older generation in that they are more creative, they dare to purse their dreams and are not afraid of change. Some older interviewees also saw this as positive whilst also being critical of some other aspects of the younger generation.
- A small group of older interviewees think that their generation or older ones are more collectivist, they appreciate 'the honour of teamwork' and are more willing to follow orders. They have been taught since they were children in schools to get on well with others and to follow orders and they have continued with these concepts in the workplace. In contrast, younger ones don't think that following orders is important. A few of them believe that it is good that they have their own ideas and they prefer logical thinking and explanations compared with older people who mainly rely on experience.
- Attitudes toward work, fringe benefits and the work-life balance such as holidays is different. The older generation has been seen to be able to bear hardship, be more hard working and more work-oriented than the younger generation. Older people

think they have done this as part of their responsibility to support the family. However, the younger generation has been labelled as the 'strawberry generation', which means they look good on the surface level but are very weak under pressure and are easily bruised. They think younger generation has a weaker working ethic, are very passive towards doing their work, prefer to take easy jobs and not willing to learn. They spend their wages on leisure pursuits and demand more fringe benefits, especially holidays.

- There are several younger interviewees who emphasised the importance of their companies organising office trips, work-life balance and 'having their own time'. They think that the older generation make work their priority, sacrifice other things such as leisure and view spending time with the family as less important.

- Many older interviewees said that the younger generation prefer to have an easy job with good wages. However, as mentioned in the themes 'SMEs' and 'teaching, learning & experience', many younger interviewees said that they choose to work in SMEs not for money but for the working environment and the opportunity to learn and gain experience. These two viewpoints are obviously contradictory.

- The older or more senior staff find it difficult to communicate with younger staff in the workplace. They commented that the younger staff do not listen, can't multi-task and can't be told off if they made mistakes. It seems very difficult to motivate them and to keep them concentrating on their work. Therefore, several people said that they needed to change the way in which they communicate. They felt they couldn't say 'you do what I tell you', which was common when they were younger. They need to repeatedly explain and show them how to do things. If the younger staff have different ideas, the older staff need to listen and to explain why they can't do things their way. They also need to use more short-term targets to motivate these young staff in order to keep them interested.

- A few older interviewees recognise that they were more individualistic when they were younger, and there are a few younger ones who believe the older people have been through what they are going through and that they will be the same as the older ones when they are get older.

- One interviewee commented that 'older generations always criticise younger generations'. The author also noticed that when interviewees review the differences between the young and old generations, most of the comparisons and criticisms are from older interviewees (aged around 30 or above) rather than from the younger ones. This can be seen as legitimate and associated with aspects of filial piety, whereby older people can criticise younger people if the latter do not act appropriately.

10.8.4.2   Change vs. Stability

All the nodes touch lot about "change" directly or indirectly.

- Confucianism emphasise the importance of "being stable". What kind of challenges this philosophy is facing?
- Foreign influences, globalisation and technological change (internet) and China?
- Attitude, generation differences, civil society, the relationship with China, attitude towards to traditions, working attitude, macro environment, individualism vs. collectivism etc.
- One thing Taiwanese has not changed is "have your own business", "be the boss"

10.9 Appendix A.9 Alternative Themes

10.9.1 Filial Piety

- Filial piety refers not only to parents and family members but also to older people in society and to the working environment, such as more experienced staff or those in higher positions. Roughly one third of interviewees think that this is a Taiwanese tradition.
- Three firms' employees use the respectful titles '*ge*' (meaning older brother) or '*jie*' (older sister) when they talk about senior employees in the office. To use a respectful form of address to senior staff in Taiwanese firms is so common that people don't even pay attention to it - people take it for granted. It only came to the author's attention when she was listening to the audio recordings and realised that with these terms were one of the ways that staff (younger, those with less experience or in a lower position) show their respect to more senior staff.
- A few interviewees believe that filial piety is one of the elements that will not be changed even though other traditions may do so. The reason they think this is because this tradition is embedded within society, for example in schools, the education system and parents. This concept has been taught to people since they were children.

10.9.2 Conflicts

10.9.2.1 Confucianism

- Confucianism can be seen as a constraint both at the family and the organisational level, which was pointed out by one interviewee. At the family level, children (especially sons) have an obligation to look after their parents when they are getting older. Consequently, children can feel a financial burden, especially if they are married and have their own family. At the organisational level, the sense of propriety and respect of seniority can have negative side effects. If younger employees point out mistakes made by older ones, then it can be seen as being disrespectful. This kind of concern can make employees be silent since they don't want to be seen as causing trouble.
- Although only a small minority mentioned that Confucianism can cause conflict, the author thinks it is worthwhile to take note of this. These conflicts can be seen at the organisational level as acting as a damper on creativity in favour of stability and harmony. For example, senior staff may not coach or share their knowledge with younger employees in order to maintain their seniority. Senior staff may say that things should be done in a certain way due to experience whereas younger staff prefer logical explanations. Senior staff may deal with junior employees prioritising '*renqing*' (concern for human interaction and social relations) as opposed to facts.

10.9.2.2 China

- Many interviewees noted that there is a tension between Taiwan & China, in both the political and economic arenas. This is reflected by the different political viewpoints of

the two political parties in Taiwan towards China and their different approaches to economic policies on how far Taiwan should go in cooperating with or being open to China. This results in domestic conflict both in parliament and within society.

10.9.2.3   Young and Old

- It is remarkable that, although there were no questions specifically designed on the topic of differences between young and old people, it started emerging in the very early stages – in interviews for the first company. The vast majority of interviewees touched on this theme when speaking about various subjects with the main points as follows:
- The most common point from older interviewees is that they see younger people as more being more individualistic, self-centred and westernised (with being westernised seen as equivalent to individualistic). They thought that younger people don't know how to compromise with other people of differing opinions in order to maintain the golden mean and consequently harmony was lost. This kind of attitude can be seen not only in wider society but also in the workplace. An example cited from wider society was that of university students and people younger than 20 years of age protesting on the streets. In the workplace, the most commonly given example was that young, newly recruited employees are more self-centred and not willing to follow suggestions from senior staff or openly make demands for what they want.
- Most of these interviewees believe that, because a majority of families nowadays in Taiwan only have one child, these single children are spoiled. Also, it was felt that the conflicts between the two political parties set a bad example for the younger generation. The DPP party is known for using street protests and encourages others to do so in order to get media exposure. Interviewees think that using such tactics instead of negotiating and compromising does not set a good example to the younger generation on how to achieve harmony and follow the golden mean.
- However, a small group of younger interviewees believe they differ from the older generation in that they are more creative, they dare to purse their dreams and are not afraid of change. Some older interviewees also saw this as positive whilst also being critical of some other aspects of the younger generation.
- A small group of older interviewees think that their generation or older ones are more collectivist, they appreciate 'the honour of teamwork' and are more willing to follow orders. They have been taught since they were children in schools to get on well with others and to follow orders and they have continued with these concepts in the workplace. In contrast, younger ones don't think that following orders is important. A few of them believe that it is good that they have their own ideas and they prefer logical thinking and explanations compared with older people who mainly rely on experience.
- Attitudes toward work, fringe benefits and the work-life balance such as holidays is different. The older generation has been seen to be able to bear hardship, be more hard working and more work-oriented than the younger generation. Older people think they have done this as part of their responsibility to support the family. However, the younger generation has been labelled as the 'strawberry generation', which means they look good on the surface level but are very weak under pressure and are easily bruised. They think younger generation has a weaker working ethic, are very passive towards doing their work, prefer to take easy jobs and not willing to learn. They spend their wages on leisure pursuits and demand more fringe benefits, especially holidays.

- There are several younger interviewees who emphasised the importance of their companies organising office trips, work-life balance and 'having their own time'. They think that the older generation make work their priority, sacrifice other things such as leisure and view spending time with the family as less important.
- Many older interviewees said that the younger generation prefer to have an easy job with good wages. However, as mentioned in the theme 'teaching, learning & experience', many younger interviewees said that they choose to work in SMEs not for money but for the working environment and the opportunity to learn and gain experience. These two viewpoints are obviously contradictory.
- The older or more senior staff find it difficult to communicate with younger staff in the workplace. They commented that the younger staff do not listen, can't multi-task and can't be told off if they made mistakes. It seems very difficult to motivate them and to keep them concentrating on their work. Therefore, several people said that they needed to change the way in which they communicate. They felt they couldn't say 'you do what I tell you', which was common when they were younger. They need to repeatedly explain and show them how to do things. If the younger staff have different ideas, the older staff need to listen and to explain why they can't do things their way. They also need to use more short-term targets to motivate these young staff in order to keep them interested.
- A few older interviewees recognise that they were more individualistic when they were younger, and there are a few younger ones who believe the older people have been through what they are going through and that they will be the same as the older ones when they are get older.
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- 'Hard-working' and 'industrious' were mentioned as characteristics associated with Taiwanese tradition by one third of the interviewees across all age groups. Interestingly, when people talked about being 'industrious', most of them stated that this quality is more associated with previous generations, such as their parents or grandparents, and can hardly be seen in people nowadays, especially the younger generation. They thought that this quality is declining and does not fit with current society because the economic situation now is very different to that in the past.

10.9.3 Harmony

- A small set of interviewees (4) mentioned that they like to work in SMEs mainly because conflicts or power struggles in the office occur very rarely or not at all, and that there is more of a human touch ('*ren qing wei*') so people get along relatively easily with more harmony.
- A small numbers of interviewees (8) said that money is not the main or only objective when choosing where to work, with two of them being owners. The remaining six prefer to work in their current organisations mainly because of the workplace environment, for example because people are friendlier, people get along like a family, less bureaucracy and more flexibility in the workplace.

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- Furthermore, a few interviewees believe that the younger generation don't care so much about social relationships like '*ren qing*', and that such traditions will be gradually lost, mainly because the younger generation is more self-centred, individualistic and westernised. This concern was also reflected at the organisational level. One interviewee thinks that nowadays organisations see profit as the priority and that, as a result, the younger generation is more short-term orientated and profit driven.

- One of the biggest challenges for SMEs is to recruit and maintain talented staff. This is not only because of talented people leaving to set up their own business as stated above, but also because younger people prefer to work in large and well-known firms, due to them offering better salaries and fringe benefits, and the employees being regarded as having '*mientsu*' (face) by others.

10.9.5 Responsibility and Roles

- The role of the media was mentioned by some of the interviewees. Generally, people view the role of media as being to oversee government. Some interviewees see this positively, in that the media is no longer state controlled but has been allowed to compete in a free market since deregulation. This free competition has made the media more open and more liberal. In contrast, some people have a more negative view, citing the media as being responsible for creating unrest in society by taking sides and not reporting objectively. Also, a few interviewees blamed the media for not fulfilling its role of promoting Confucianism and reporting on more virtuous aspects of the news.

- Some people stated that civil society is now more powerful than the state, in contrast to the situation before deregulation when the state was more powerful and was more in control. The government is seen as powerless and indecisive in terms of making policies, especially in economic areas such as CSSTA and introducing payments regulations. It was civil society which forced the government not to sign up to CSSTA and to introduce regulations on payments. One interviewee commented that younger people become interested in politics because the government is not doing a good job.

- The theme of 'social responsibility' can also be seen here, which was part of the design of the interview questions. All seven employers felt a responsibility to look after their employees' welfare and five of them make contributions to charitable

activities or are involved in public welfare. They were aware that, because of the small size of their firms, the contribution they could make was limited but nevertheless they were committed to doing so. Employees from five firms recognised that their companies looked after them well, although this was not designed in the interview questions. Several interviewees (3) also stated that they know many SME owners who look after their employees well. Overall, both employers and employees felt that firms have a responsibility to their employees and to society and should 'do something good'. Furthermore, one interviewee, who is an SME owner, stressed that new entrepreneurs nowadays care more about social responsibility than in the past.

10.9.6 Individual vs. Communal

- One interviewee stated that society is tolerant on the surface but underneath there is pressure on people to conform.
- When interviewees talked about the relationship between excellence and success, the concept of excellence was strongly associated with the personal level. Phrases such as 'it is a feeling for myself' and 'self-affirmation' were used in relation to it. Also, excellence can be seen as part of organisational identity, being a good company needs excellence. On the other hand, success was seen as something more materialistic, as 'the final goal of the process'. It also related to 'the whole company', it was seen as something more communal.
- People recognise that the organisation must firstly be able to survive, i.e. to be successful. Only then can firms pursue excellence. Success is the prerequisite; excellence can then be built on the base of success. Some interviewees stated that they want their firms be successful even though they personally prefer excellence. Only when the firm has achieved success do the employees have the correct conditions in which they can pursue excellence.
- Many interviewees prefer their firm to have a balance between excellence and success, with success at the organisational level and excellence at the individual level both being considered.
- Some interviewees considered that excellence was the means to achieve the goal of success, whereas others saw success as being the way in which excellence could be achieved.

10.9.7 Change

10.9.7.1 Foreign Influences

- The majority of the interviewees are aware of the effect of exposure to foreign influences, especially that of China, which was often used as an example. The West (predominantly USA), Japan and South Korea were also mentioned frequently. A small group of people think that how Taiwanese adapt to foreign elements or influences, by merging them with Taiwanese culture, is a trait of the Taiwanese character.

10.9.7.2 Globalisation

- The majority of interviewees are aware that Taiwan is being influenced by globalisation. 'Competition' is one of the words commonly used by the majority. Some of the interviewees commented that globalisation has had a great impact on Taiwan because there is now more competition. However, views on its impact on the country vary. There is a small group of people who see the process as being positive for their industry or for the country. People can learn how others do things differently, so they can make progress with their horizons being broadened by competition. In contrast, there is another small group of people who see a negative impact on Taiwan, such as young people becoming more utilitarian and materialistic and the gap between rich and poor becoming larger. Another small group think that Taiwan's reaction to globalisation is not fast enough - mainly because the government is reacting too slowly and also regulations are kept in force by people who are afraid of or who resist free market competition.

10.9.7.3 Information Technology

- The changes brought about by information technology (IT) were noted by a large majority of the interviewees. They recognised that IT, especially the existence of the Internet, has changed the business model of their organisations in that people can access information much more easily nowadays. Some of the interviewees also mentioned that social media, for example Facebook, is very popular - not only as a tool for personal use to stay in touch with friends, but also as a tool for business to do online marketing promotion. Furthermore, there is a small group of people who noticed that there is a gap between the younger and older generations regarding IT. Younger interviewees stated that the older generation don't know how to utilise it and older interviewees stated that the younger ones in the office rely too much on IT, especially the Internet, to get information and that they don't communicate enough with people face to face nowadays.

10.9.7.4 China

- China was also been mentioned as an example of foreign influence and in relation to globalisation with various aspects, such as its mass market and its competence and advantages as a nation, being cited.
- Taiwan used to be numbered among the 'four Asian dragons'. However, Taiwan's economic position is declining, with many people's view being that this is mainly because of China opening its market in the 1990s. Nearly half of the interviewees noted that the economic environment had changed greatly since 1990; many Taiwanese firms moved to China and set up business there, especially in traditional industries such as textiles and machinery. Furthermore, a lot of foreign investment also has gone to China. This phenomenon had created some concerns, such as more talented people moving to China, China's infrastructure being far better than that of Taiwan now and industries that Taiwan used to be very well-known for, such as IT, now being behind those of China. Taiwanese firms now want to extend their business to China because Taiwan's market is saturated.

10.9.8 Identity

- Some interviewees (8) recognised that Taiwanese traditions stem from China. Chinese traditional virtues, such as taking care of the family, filial piety and remembering the ancestors, can be seen to be well preserved in Taiwan.
- Taiwan's national identity was seen as one of the major challenges in the future, although only by a small minority of interviewees. The two nations have been run by different political systems for nearly 60 years. Taiwanese people generally feel that Taiwan has been suppressed by China since China has become more powerful politically and economically. It is frustrating to some, including some politicians, that Taiwan has been seen as a part of China and not as an independent country on the global stage. The uncertainty in Taiwan's future and its effect on identity can also be seen in the discussion of 'SME represents the spirit of Taiwan'.
- One interviewee, aged about 45, stated that he is confused about his identity. In his generation and that of his parents, people were taught that they were Chinese, but now the younger generation only admit to being Taiwanese.
- A small minority of interviewees, who are owners, stated that Taiwanese people like to start their own businesses as entrepreneurs. One of the interviewees thought that the main reason for this lies in the social environment. Taiwanese prefer not to work for others but to be their own boss, as is reflected by the Chinese saying – "better the head of a chicken than the tail of an ox". This is one of the main features of Taiwan. He stated that this is a national sentiment, that society admires people who are a '*lao ban*' (boss) and that being a '*lao ban*' is good for '*mientsu*' (face). One of the interviewees stated that a frequently occurring scenario in Taiwan is for talented or capable employees to leave the company in order to run their own business, which means that SMEs have difficulties keeping hold of talented staff.
- Most of the interviewees agreed with the phrase 'SMEs represent the spirit of Taiwan'; even the small number who had never heard of the phrase before agreed as well. They are seen as the foundation of the economy. Some interviewees recognise that SMEs make up the majority of firms in Taiwan and the concept of being an entrepreneur and running your own business is common and popular in Taiwan.
- SME characteristics parallel those seen to be related to Taiwanese tradition and character. Nearly half of the interviewees used phrases such as "starting from scratch", "bearing hardship", "hard working", "diligent", "keeping your feet on the ground" and "being flexible" to describe SMEs. The author believes that interviewees associate SMEs with these national Taiwanese characteristics.
- The majority of interviewees think that because government provides no or very limited support, SMEs need to be independent. Some interviewees think that big firms have benefited more from government policies. Several interviewees mentioned that the government before deregulation was more supportive of SMEs in terms of policies such as taxation. Since deregulation, government policies are seen more as a constraint on small business.
- SMEs can also be seen as a metaphor for Taiwan's current situation at the international level. A few of the interviewees pointed out that SMEs are small and unknown with few resources but that they need to compete with big firms in order to survive. They link this image to Taiwan's current situation, which is important for its identity, in that it is unrecognisable as a country but has been seen as a part of China. So, as a nation it is struggling in an ambiguous position, which reflects how SMEs are fighting for survival and development.

- However, some interviewees (8) felt pessimistic that this sprit is in decline. Two reasons for this were mentioned. Firstly, the threat from big firms, which sell or compete with the same products as small firms but have more resources to invest in marketing. Secondly, the younger generation's working attitude was mentioned - since the economic environment is now far better, the younger generation has little motivation to make money for a better living.

10.9.9 Teaching and Learning, Experience

- The author noticed the terms 'to learn' and 'learning' were used regularly by about one third of interviewees. This was often seen when employees talked about their current jobs, previous working experience and their expectations in the workplace. Several interviewees in their early 20s stressed the importance of learning things from more experienced colleagues or line managers. They didn't have high expectations about wages, but felt that gaining experience was far more important. One of the interviewees referred to her line manager as her role model for learning, especially in relation to management skills and working attitude.
- One of the options that firms can take to react to such challenges is to recruit 'second rate' employees, according to two interviewees who are owners or partners of two different organisations. This means that they lower their standards to recruit graduates without top grades but who are humble and willing to learn, making it easier for senior staff to teach them.
- Two medium size organisations offer their employees external training courses. Nevertheless, they emphasise the importance of senior experienced employees sharing their knowledge and teaching younger, more inexperienced staff. The other five organisations, micro or small size firms, solely rely on such internal knowledge transfer. Furthermore, a small of group of senior employees believe that not only can knowledge and experience be passed on to young and inexperienced staff, but also traditional virtues, such as respecting seniors, work ethic, manners and professionalism. As one of the interviewees said "their behaviour will be imperceptibly influenced by what they constantly gradually see and hear in the environment" (interviewee 30).
- The author found that all of the firms showed evidence of the process of assimilating new members of staff into their organisational culture. For example, in three firms employees used the honorific titles 'ge' (meaning older brother) or 'jie' (meaning older sister) at the end of the names of senior staff. When asked about this, it was apparent that people (including the researcher initially) took this for granted and it was part of the organisational culture. In the same vein, interviewees from four companies, interviewees claimed they were directly or indirectly influenced by their line managers or senior staff in such things as being professional and being a team player in the workplace.

10.10 Appendix A.10 Research Ethics Review Checklist

"DBS SCE" refers to Durham Business School's Sub-Committee for Ethics throughout. The Law School comes within the purview of that Sub-Committee.

This checklist should be completed for every research project that involves human participants. It is used for approval or to identify whether a full application for ethics approval needs to be submitted. Where human participants are NOT involved, it is sufficient to submit the Durham Law School Ethics and Data Protection Process Flow Chart.

Before completing this form, please refer to the University's "Ensuring Sound Conduct in Research" available at:

 http://www.dur.ac.uk/research.office/local/research_governance/good_conduct/ – all researchers should read Sections A, B and F; Principal Investigators should also read Section D. The researcher and, where the researcher is a student, the student and supervisor are responsible for exercising appropriate professional judgement in this review.

This checklist must be completed before potential participants are approached to take part in any research.

Section I: Project Details

   1.   Project title: MacIntyrean Virtue Ethics in a Confucian Context

   2.   Start date: 17 July 2014   Expected End date: 10 January 2015

Section II: Applicant Details

   3.   Name of researcher (applicant)

           Or student: Irene Chu

   4.   Status (please delete those which are not applicable)

           Postgraduate Research Student

   5.   Email address

   6.   Contact address:

   7.   Telephone number:

Section III: For Students Only

8.   Programme title: PhD

9.   Mode (delete as appropriate)

Part Time

10.   Supervisor's or module leader's name: Geoff Moore, Peter Hamilton

11.   Aims and Objectives: Please state the aims/objectives of the project

The aims of the project is to investigate whether the categories of MacIntyrean virtue ethics are meaningful in a non-Western Confucian society and, if so, whether there are differences in the content of these categories.

12.   Methodology: Please describe in brief the methodology of the research project

13.   Will data be collected from participants who have not consented to take part in the study e.g. images taken from the internet; participants covertly or overtly viewed in social places? If yes, please give further details.

*Does the research take place in a public or private space (be it virtual / physical)? Please explain: In a private space - in the office of the companies involved.

Explain whether the research is overt or covert: It is overt.

Explain how you will verify participants' identities: They will be identified by the organisations' owners, managers and documentation.

†Explain how informed consent will be obtained: Participants will be provided with a Participant Information Sheet, which will be read out to them in Mandarin. They will be asked to consent verbally to the interview, and this consent will be recorded.

*Ethical guidelines (BPS, 2005) note that, *unless consent has been sought, observation of public behaviour takes place only where people would reasonably expect to be observed by strangers.*

†It is advised that interactive spaces such as chat rooms and synchronous and asynchronous forums be treated as private spaces requiring declaration of a research interest and consent.

Additional guidance on internet research can be obtained at:

http://www.bps.org.uk/sites/default/files/documents/conducting_research_on_the_internet-guidelines_for_ethical_practice_in_psychological_research_online.pdf

14. Risk assessment: If the research will put the researcher(s) into a situation where risks to the researcher(s)' health and safety are greater than those normally incurred in everyday life, please indicate what the risks are and how they will be mitigated. (Please note that this also includes risks to the researcher(s)' health and safety in cases of international research and in cases where locally employed Research Assistants are deployed).

Research which will take place outside the UK requires specific comment. (Note that research outside the UK is not automatically covered by the University's insurance.

The research is taking place in Taipei, Taiwan, which is generally a safe place to live and work in. Since Taiwan is the interviewer's native country and the organisations have been recommended by trusted contacts, the risk level of the work is judged to be very low.

For student research the supervisor should tick the following, as appropriate. The study should not begin until all appropriate boxes are ticked:

☐ ✓ The topic merits further research

☐ ✓ The participant information sheet or leaflet is appropriate (where applicable)

☐ ✓ The procedures for recruitment and obtaining informed consent are appropriate (where applicable)

Comments from supervisor:

> The proposed research continues a line of conceptual and empirical research that has been undertaken over the last 12 years, and extends it in appropriate directions. The methods are appropriate, following and extending previous methods used in this line of research.

Section IV: Research Checklist

> Research that may need to be reviewed by NHS NRES Committee or an external Ethics Committee (if yes, please give brief details as an annex)

YES   NO

1 Will the study involve recruitment of patients or staff through the NHS or the use of NHS data or premises and / or equipment?[31]   ☐ ☑

2 Does the study involve participants age 16 or over who are unable to give informed consent? (e.g. people with learning disabilities: see Mental Capacity Act   ☐ ☑

Footnotes

[31] Research in the NHS may be classified as "service evaluation" and, if so, does not require NHS research ethics approval. In such cases, prior written confirmation that the research is considered to be service evaluation is required from the appropriate authority, and on receipt of this the "No" box may be ticked and this form used for ethics approval. Advice and assistance is available from dbs.ethics@durham.ac.uk

(MCA) 2005).

Please note: - That with regard to 1 and 2 on the previous page, all research that falls under the auspices of MCA must be reviewed by NHS NRES.

Research that may need a full review by Durham Business School Sub – Committee for Ethics (DBS SCE)

3 Does the study involve other vulnerable groups: children, those with cognitive impairment, or those in unequal relationship e.g. your own students? [2]

☐ ☑

4 Will the study require the co-operation of a gatekeeper for initial access to the groups or individuals to be recruited? (e.g. students at school, members of a self-help group, residents of a Nursing home) [3]

☐ ☑

5 Will it be necessary for participants to take part in the study without their knowledge and consent at the time? (e.g. deception, covert observation of people in non-public places)

☐ ☑

6 Will the study involve discussion of sensitive topics? (e.g. sexual activity, drug use)

☐ ☑

7 Are drugs, placebos or other substances (e.g. food substances, vitamins) to be administered to the study participants or will the study involve invasive, intrusive or

☐ ☑

potentially harmful procedures of any kind?

| Research that may need a full review by Durham Business School Sub – |
| Committee for Ethics (DBS SCE) (continued) |

☐ v

☐ v

8 Will tissue samples (including blood) be obtained from participants?

9 Is pain or more than mild discomfort likely to result from the study?

_____

Footnotes

[1] Research in the NHS may be classified as "service evaluation" and, if so, does not require NHS research ethics approval. In such cases, prior written confirmation that the research is considered to be service evaluation is required from the appropriate authority, and on receipt of this the "No" box may be ticked and this form used for ethics approval. Advice and assistance is available from dbs.ethics@durham.ac.uk

[2] Vulnerable persons are defined for these purposes as those who are legally incompetent to give informed consent (i.e. those under the age of 16, although it is also good practice to obtain permission from all participants under the age of 18 together with the assent of their parents or guardians), or those with a mental illness or intellectual disability sufficient to prevent them from giving informed consent), or those who are physically incapable of giving informed consent, or in situations where participants may be under some degree of influence (e.g. your own students or those recruited via a gatekeeper - see footnote 3). Where students are perfectly able to choose to be involved and to give informed consent then, so long as there is no impact on assessment, the "No" box may be ticked.

[3] This applies only where the recruitment of participants is via a gatekeeper, thus giving rise to particular ethical issues in relation to willing participation and influence on informed consent decisions particularly for vulnerable individuals. It does *not* relate to situations where contact with individuals is established via a manager but participants are willing and able to give informed consent. In such cases, the answer to this question should be "No."

YES   NO

10   Could the study induce psychological stress or anxiety or cause harm or negative consequences beyond the risks encountered in normal life?

11   Will the study involve prolonged or repetitive testing?

12   Will the research involve administrative or secure data that requires permission from the appropriate authorities before use?

13   Does the research involve members of the public in a research capacity (participant research)?

14   Will the research involve respondents to the internet or other visual / vocal methods where methods are covert, intrude into privacy without consent, or require observational methods in spaces where people would not reasonably expect to be observed by strangers?[4]

15   Will the research involve the sharing of data or confidential information beyond the initial consent given?

16   Will financial inducements (other than reasonable expenses and compensation for time) be offered to participants?[5]

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Section V: What to do next

If you have answered 'No' to all of the questions:

Undergraduate and Postgraduate taught students should discuss this with their supervisor, obtain his or her signature and submit it with their project or dissertation.

Where an Undergraduate module includes an empirical research element, then

MJur/PhD students should discuss this with their supervisor, obtain his or her signature and submit it as part of the transfer / 9 month review process and with their thesis.

Work that is submitted without the appropriate ethics form may be returned un-assessed.

Members of staff should retain a copy for their records, but may submit the form for approval by the Law School if they require approval from funding bodies such as ESRC. *In such cases, the letter of invitation to participate, Participant Information Sheet, Consent Form and, where appropriate, the access agreement should also be submitted with this form.*

Please note that the Law School or DBS SCE may request sight of any form for monitoring or audit purposes.

If you have answered 'Yes' to any of the questions in Section IV, you will need to describe more fully how you plan to deal with the ethical issues raised by your research. This does not mean that you cannot do the research, only that your proposal will need to be approved by the DBS SCE.

You will need to submit your plans for addressing the ethical issues raised by your proposal using the

ethics approval application form REAF, which should be sent to the committee

via law.researchsecretary@durham.ac.uk.

_____

Footnotes

[4] This does not include surveys using the internet providing that the respondent is identifiable only at their own discretion.

⁵ In experiments in economics and psychology in particular it is common to pay participants. Provided such payments are within the normal parameters of the discipline, the answer to this question should be "No."

_____

The REAF form can be found at http://www.dur.ac.uk/law/research/ethicspolicy/

If you answered 'yes' to Questions 1 or 2 in Section IV, you will also have to submit an application to the appropriate external health authority ethics committee, but only after you have received approval from the DBS SCE. In such circumstances complete the appropriate external paperwork and submit this for review by the DBS SCE via law.researchsecretary@durham.ac.uk.

Please note that whatever answers you have given above, it is your responsibility to follow the University's "Ensuring Sound Conduct in Research" and any relevant academic or professional guidelines in the conduct of your study. This includes providing appropriate participant information sheets and consent forms, abiding by the Data Protection Act and ensuring confidentiality in the storage and use of data.

Any significant change in research question, design or conduct over the course of the research project should result in a review of research ethics issues using the Durham Law School Ethics and Data Protection Process Flow Chart and completing a new version of this checklist if necessary.

Declaration

Signed

(staff only, students insert anonymous code):

Date:

Student / Principal Investigator

Signed:

Date: 4ᵗʰ July 2014

Supervisor

10.11   Appendix A.11 Consent Form

Research Consent Form (to be translated into Mandarin Chinese for the interviewees)

The overall aim of my Ph.D research is to understand whether western concepts of ethics in business organisations are applicable in a non-western society with very different traditions. This will involve understanding how business organisations are affected by changes in the macro environment, the role the government plays and how business organisations contribute to society To accomplish this, I will be critically evaluating Taiwan's regulative, normative and cultural aspects of society and the tensions which are created when tradition is challenged by modernity.

This study is being carried out by means of interviews being conducted in Taipei, Taiwan in order to understand how people in small enterprises view the above.

If you (the interviewee) consent to participate, you will be agreeing to the following:

- The research will involve an interview. The interview is semi structured and will be recorded on a digital recorder with your consent. Additionally, written notes may be taken.
- As the interviewee, you have the right not to answer any question posed during the interview and to withdraw from this study at any time without having to provide an explanation.
- Every effort will be made to ensure anonymity; your name and any other information that could be used to identify you will not be published.
- You will be offered the opportunity to receive a full transcript of the interview. You may add comments and amend or remove any part of the transcript.
- The interviewee understands that anonymised transcripts may be viewed and discussed by other academics.
- The interviewee understands that anonymised excerpts from the interview may be published as a result of this study.
- The interviewee understands that the interview transcripts may be archived both on paper and digitally for future research.

The above information has been adequately explained to me and I freely give my consent to participate in this research study.

Signature: …………………………………………………………………..

Date: …………………………………………………………………………...

Note – the above 2 lines were not needed since the interviewees gave their consent orally.

10.12 Appendix A.12 Tables of chi-squared tests for overall success/ excellence category comparisons for country pairings

Success Sri Lanka vs Europe						
	Actual			Expected		
Categories	SL Freq.	Eu. Freq.	Total	SL Freq.	Eu. Freq.	Total
People	32	10	42	21	21	42
Financial	20	43	63	31	32	63
Trusted	13	6	19	9	10	19
Growth	9	4	13	6	7	13
Other	9	11	20	10	10	20
Brand	1	4	5	2	3	5
CSR	1	4	5	2	3	5
Customers	8	13	21	10	11	21
Environment	5	2	7	3	4	7
Suppliers	0	2	2	1	1	2
	98	99	197	98	99	197
p value		0.00015	***			

Table 10.9 : Chi Squared Test for Sri Lanka vs. Europe Success Categories

Success Taiwan vs Europe						
	Actual			Expected		
Categories	TW Freq.	Eu. Freq.	Total	TW Freq.	Eu. Freq.	Total
People	42	10	52	30.46	21.54	52
Financial	53	43	96	56.23	39.77	96
Trusted	10	6	16	9.37	6.63	16
Growth	12	4	16	9.37	6.63	16
Other	12	11	23	13.47	9.53	23
Brand	2	4	6	3.51	2.49	6
CSR	0	4	4	2.34	1.66	4
Customers	9	13	22	12.89	9.11	22
Environment	0	2	2	1.17	0.83	2
Suppliers	0	2	2	1.17	0.83	2
	140	99	239	140	99	239
p value		0.00065	***			

Table 10.10: Chi Squared Test for Taiwan vs. Europe Success Categories

Success Taiwan vs Sri Lanka						
	Actual			Expected		
Categories	TW Freq.	SL Freq.	Total	TW Freq.	SL Freq.	Total
People	42	32	74	43.53	30.47	74
Financial	53	20	73	42.94	30.06	73
Trusted	10	13	23	13.53	9.47	23
Growth	12	9	21	12.35	8.65	21
Other	12	9	21	12.35	8.65	21
Brand	2	1	3	1.76	1.24	3
CSR	0	1	1	0.59	0.41	1
Customers	9	8	17	10.00	7.00	17
Environment	0	5	5	2.94	2.06	5
Suppliers	0	0	0	0.00	0.00	0
	140	98	238	140	98	238
	p value	0.02982	**			

Table 10.11: Chi Squared Test for Taiwan vs. Sri Lanka Success Categories

Excellence Sri Lanka vs Europe						
	Actual			Expected		
Categories	SL Freq.	Eu. Freq.	Total	SL Freq.	Eu. Freq.	Total
Trusted	12	14	26	11	15	26
People	35	11	46	20	26	46
Product	4	14	18	8	10	18
Innovative	7	4	11	5	6	11
Other	5	20	25	11	14	25
Visionary	4	6	10	4	6	10
Customers	8	26	34	15	19	34
Financial	8	6	14	6	8	14
CSR	0	2	2	1	1	2
Suppliers	1	4	5	2	3	5
Stakeholders	3	2	5	2	3	5
Environment	1	6	7	3	4	7
	88	115	203	88	115	203
	p value	0.00001	***			

Table 10.12: Chi Squared Test for Sri Lanka vs. Europe Excellence Categories

Excellence Taiwan vs Europe					
	Actual			Expected		
Categories	TW Freq.	Eu. Freq.	Total	TW Freq.	Eu. Freq.	Total
Trusted	8	14	22	14	8	22
People	130	11	141	88	53	141
Product	0	14	14	9	5	14
Innovative	0	4	4	2	2	4
Other	4	20	24	15	9	24
Visionary	5	6	11	7	4	11
Customers	25	26	51	32	19	51
Financial	17	6	23	14	9	23
CSR	0	2	2	1	1	2
Suppliers	0	4	4	2	2	4
Stakeholders	0	2	2	1	1	2
Environment	0	6	6	4	2	6
	189	115	304	189	115	304
p value	0.00000	***				

Table 10.13: Chi Squared Test for Taiwan vs. Europe Excellence Categories

Excellence Taiwan vs Sri Lanka					
	Actual			Expected		
Categories	TW Freq.	SL Freq.	Total	TW Freq.	SL Freq.	Total
Trusted	8	12	20	14	6	20
People	130	35	165	113	52	165
Product	0	4	4	3	1	4
Innovative	0	7	7	5	2	7
Other	4	5	9	6	3	9
Visionary	5	4	9	6	3	9
Customers	25	8	33	23	10	33
Financial	17	8	25	17	8	25
CSR	0	0	0	0	0	0
Suppliers	0	1	1	1	0	1
Stakeholders	0	3	3	2	1	3
Environment	0	1	1	1	0	1
	189	88	277	189	88	277
p value	0.00000	***				

Table 10.14: Chi Squared Test for Taiwan vs. Sri Lanka Excellence Categories

10.13 Appendix A.13 Tables of Student's t-test results for individual success/ excellence category comparisons for country pairings

Excellence - Taiwan vs Europe Items	TW	%	Eur	%	p value	Signif.	SL vs Eur	Signif.
Trusted	8	0.04	14	0.12	0.009	**	0.760	
People	130	0.58	11	0.10	0.000	***	0.000	***
Product	0	0.00	14	0.12	0.000	***	0.046	**
Innovative	0	0.00	4	0.03	0.043	**	0.186	
Other	4	0.02	20	0.17	0.000	***	0.007	**
Visionary	5	0.02	6	0.05	0.192		0.826	
Customers	25	0.11	26	0.23	0.010	**	0.007	**
Financial	17	0.08	6	0.05	0.397		0.299	
CSR	0	0.00	2	0.02	0.155		0.158	
Suppliers	0	0.00	4	0.03	0.043	**	0.257	
Stakeholders	0	0.00	2	0.02	0.155		0.469	
Environment	0	0.00	6	0.05	0.013	**	0.087	*
Totals	189	0.84	115	1.00				

Table 10.15: Comparison of Excellence Categories - Taiwan & Europe

Excellence - Taiwan vs Sri Lanka Items	TW	%	SL	%	p value	Signif.	SL vs Eur	Signif.
Trusted	8	0.04	12	0.14	0.008	**	0.760	
People	130	0.58	35	0.40	0.012	**	0.000	***
Product	0	0.00	4	0.05	0.020	**	0.046	**
Innovative	0	0.00	7	0.08	0.002	***	0.186	
Other	4	0.02	5	0.06	0.130		0.007	**
Visionary	5	0.02	4	0.05	0.351		0.826	
Customers	25	0.11	8	0.09	0.646		0.007	**
Financial	17	0.08	8	0.09	0.687		0.299	
CSR	0	0.00	0	0.00	N/A		0.158	
Suppliers	0	0.00	1	0.01	0.252		0.257	
Stakeholders	0	0.00	3	0.03	0.045	**	0.469	
Environment	0	0.00	1	0.01	0.252		0.087	*
Totals	189	0.84	88	1.00				

Table 10.16: Comparison of Excellence Categories - Taiwan & Sri Lanka

Success - Taiwan vs Europe								
Items	TW	%	Eur	%	p value	Signif.	SL vs Eur	Signif.
People	42	0.25	10	0.10	0.001	***	0.000	***
Financial	53	0.32	43	0.43	0.059	*	0.000	***
Trusted	10	0.06	6	0.06	0.981		0.088	*
Growth	12	0.07	4	0.04	0.265		0.148	
Other	12	0.07	11	0.11	0.295		0.656	
Brand	2	0.01	4	0.04	0.188		0.179	
CSR	0	0.00	4	0.04	0.043	**	0.179	
Customers	9	0.05	13	0.13	0.044	**	0.260	
Environment	0	0.00	2	0.02	0.155		0.246	
Suppliers	0	0.00	2	0.02	0.155		0.158	
Total	140	0.84	99	1.00				

Table 10.17: Comparison of Success Categories - Taiwan & Europe

Success - Taiwan vs Sri Lanka								
Items	**TW**	**%**	**SL**	**%**	p value	Signif.	SL vs Eur	Signif.
People	42	0.25	32	0.33	0.198		0.000	***
Financial	53	0.32	20	0.20	0.038	**	0.000	***
Trusted	10	0.06	13	0.13	0.063	*	0.088	*
Growth	12	0.07	9	0.09	0.573		0.148	
Other	12	0.07	9	0.09	0.573		0.656	
Brand	2	0.01	1	0.01	0.893		0.179	
CSR	0	0.00	1	0.01	0.316		0.179	
Customers	9	0.05	8	0.08	0.398		0.260	
Environment	0	0.00	5	0.05	0.023	**	0.246	
Suppliers	0	0.00	0	0.00	N/A		0.158	
Total	140	0.84	98	1.00				

Table 10.18: Comparison of Success Categories - Taiwan & Sri Lanka

10.14 Appendix A.14 Chapter 7 Topics Mapped against Individual Institutional Logics

Institutional Logic	Strength	Change in Influence	Traditional Values	Family Orientation	SMEs
Family	Strong	Decreasing	- *renqing* evident	- important for passing down of moral tradition - strong influence of Confucian concepts, e.g. filial piety, collectivism - being weakened by younger people's individualism, demographic changes	- strong influence of family IL, e.g. vocabulary => reinforcement of roles (incl. education of young) & power
Community	Strong	Decreasing	- *renqing* & harmony evident - *tuanjie* is a traditional value	- strong influence of family IL	- wanting to be own boss is part of Chinese culture - overlap of national & SME characteristics - selection of staff with traditional values
Religion	Strong	Decreasing	- *renqing* & harmony are Confucian concepts	- filial piety, collectivism are Confucian concepts	
State	Weak	-			- state is not a strong influence
Market	Strong	Increasing	- *renqing* can clash with market IL (e.g. organisational practices)		- market is more competitive, cooperation & harmony declining
Profession	Weak	-			- professional people tend not to work in SMEs
SME	N/a	N/a	- *renqing* evident, influences decision-making & practices - harmony evident, incl. how conflict is managed - *tuanjie* evident, important for mobilisation - harmony linked to relational self	- strong influence of family IL, e.g. vocabulary => reinforcement of roles (incl. education of young) & power	- differences from larger companies (bureaucratic practices, mianzi titles, division of labour, frustration from being small cog/ "no" from top management showing no common decision making, sense-making or mobilisation, degree of conflict)

Table 10.19: Summary of Chapter Seven Topics against Individual Institutional logics

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