

Application of Confucianism in Human Resource Management for State-own Enterprises in China

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Abstract

The objectives of this research were: 1) to study the characteristics of Confucianism leadership and its influence on employee behavior in state-owned enterprises (SOEs) in China; 2) to investigate the organizational culture's influence on employee behavior in SOEs; and 3) to analyze the impact of employee behavior on job performance within SOEs. In this study utilized mixed methods (qualitative and quantitative), data were collected using a questionnaire distributed to a sample of 385 employees from multiple state-owned enterprises across China. A non-probability sampling method was used to select respondents, targeting those with relevant experience in SOEs. The questionnaire was carefully designed to ensure reliability and validity in measuring key variables such as Confucian leadership qualities (Ren, Yi, Li, Zhi, and Xin), organizational culture, employee behavior, job satisfaction, and promotion. Reliability was assessed using Cronbach's alpha which is all more than 0.7, and content validity was ensured through expert reviews. The researcher also find that all the hypotheses are significant due to the p value less than 5 percentage. The results of this study showed that: 1) Confucianism leadership significantly influences employee behavior through the promotion of virtues such as benevolence, righteousness, propriety, wisdom, and trustworthiness. Confucianism fosters an environment of ethical behavior and harmony within the organization. 2) Organizational culture plays a key role in reinforcing positive behaviors, emphasizing respect, collaboration, and integrity, which contribute to job satisfaction and higher organizational performance. 3) Employee behavior, shaped by leadership and organizational culture, has a direct impact on promotion opportunities and job satisfaction within SOEs.

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Introduction

Confucianism originated in China during the Spring and Autumn period (770-476 BCE) and became a dominant philosophy during the subsequent Warring States period (475-221 BCE). Its development can be traced back to the teachings and writings of Confucius (551-479 BCE), a Chinese philosopher and educator (Ayi T & Korang, 2024).

Confucianism is based on the belief in the inherent goodness of human nature and the importance of maintaining social harmony and moral virtue. It emphasizes the cultivation of personal virtues such as benevolence, righteousness, propriety, wisdom, and faithfulness. Confucius believed that individuals who cultivate these virtues will contribute to the well-being of their families, society, and, ultimately, the nation.

Throughout Chinese history, Confucianism has influenced various aspects of Chinese society, including politics, education, social relationships, and ethics (Gotsis & Grimani, 2023). Confucian values and principles have shaped the moral and ethical standards of Chinese society and have had a profound impact on the Chinese people's beliefs, attitudes, and behaviors.

Moreover, SOEs struggle with the issue of corruption and unethical behavior. The lack of transparency and accountability in many SOEs creates an environment conducive to corruption and unethical practices. This undermines the effectiveness of HRM practices, as employees may prioritize personal gain over organizational goals and objectives.

Overall, these problems and challenges faced by SOEs highlight the urgent need for effective HRM strategies and practices. By incorporating the principles and concepts of Confucianism into their HRM practices, SOEs can potentially address these challenges and improve their overall performance. The next section will further explore the relevance and potential impact of Confucianism in HRM for SOEs in China.

Research Objectives

1. To study the characteristics of Confucianism leadership influence on the employee behavior in State-owned enterprises (SOEs) in China



2. To investigate the organizational cultural influence on the employee behavior in State-owned enterprises (SOEs) in China
3. To analyze the employee behavior influence on the job performance in State-owned enterprises (SOEs) in China

Literature Review

Characteristics of Confucianism leadership

Confucianism has a profound influence on leadership within state-owned enterprises (SOEs) in China. In Confucian philosophy, the concept of leadership is based on the notion of ren (benevolence) and junzi (virtuous person). According to Confucian teachings, leaders are expected to embody and practice moral virtues, including integrity, benevolence, righteousness, and filial piety.

Confucianism emphasizes the role of leaders as moral exemplars who lead by example and inspire their subordinates through their virtuous conduct. Confucian leaders are expected to prioritize the common good over personal interests and to act with humility and selflessness. They are also expected to foster harmonious relationships within the organization and to prioritize the well-being and development of their employees.

In the context of SOEs, where organizational stability and social harmony are highly valued, Confucian leadership principles are particularly relevant. Confucianism promotes a paternalistic leadership style characterized by a high degree of involvement in the personal and professional lives of employees. Confucian leaders are expected to provide guidance, support, and care to their subordinates, ensuring their well-being and professional development (Seow Wah, 2010).

Furthermore, Confucian leadership emphasizes the cultivation of trust and loyalty within the organization. Leaders are expected to establish strong personal relationships with their subordinates, based on mutual trust, respect, and loyalty. This fosters a sense of belonging and commitment among employees and promotes organizational cohesion and stability.

However, it is important to acknowledge the challenges and limitations of Confucian leadership in the modern context. Chen et al. (2024) mentioned that the hierarchical nature of Confucianism may hinder bottom-up communication and innovation within SOEs.

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Moreover, the emphasis on loyalty and respect for authority may discourage constructive criticism and hinder organizational adaptability.

In conclusion, Confucianism significantly influences leadership practices within SOEs in China (Cheng, 2011). Confucian leaders are expected to embody moral virtues, prioritize the common good, and foster harmonious relationships within the organization. While Confucian leadership principles promote stability, trust, and loyalty, they may also pose challenges in terms of communication, innovation, and adaptability. Recognizing these complexities is crucial for the effective implementation of Confucian leadership principles in the context of SOEs. Further research is needed to explore how Confucian leadership can be adapted to meet the evolving needs and challenges of contemporary organizations. They said it includes Ren, Yi, Li, Zhi, and Xin.

Organizational cultural

Confucianism has a profound influence on the organizational culture of state-owned enterprises (SOEs) in China. The values and principles advocated by Confucianism are deeply embedded in the Chinese society and have a significant impact on workplace behaviors and norms (Zreik, 2024).

One of the key aspects of Confucianism that affects organizational culture is the emphasis on hierarchy and respect for authority. Confucius believed in the importance of maintaining social order through a hierarchical structure, which is reflected in the organizational structure of SOEs. In these enterprises, there is a clear chain of command and a strict adherence to authority, with decision-making power concentrated at the top. Employees are expected to show respect and deference to their superiors, and obedience to authority is highly valued. This hierarchical culture creates a sense of order and stability within SOEs, but it can also lead to a lack of innovation and flexibility.

Another aspect of Confucianism that influences organizational culture is the emphasis on harmony and collective well-being. Confucius stressed the importance of maintaining harmonious relationships within the society, and this value is also reflected in the workplace culture of SOEs. Harmony is regarded as essential for productive teamwork and cooperation, and conflicts are often avoided or quickly resolved. The emphasis on harmony can foster a culture of consensus-building and collaborative decision-making in SOEs, leading to stable and cohesive work environments (Bui, 2024). However, it can also

result in a reluctance to challenge the status quo or voice dissenting opinions, which may hinder innovation and critical thinking.

Employee behavior

The influence of Confucianism on employee behavior is an important aspect to consider in the context of human resource management (HRM) for state-owned enterprises (SOEs) in China. Confucianism emphasizes the importance of social harmony, hierarchy, and respect for authority. These values shape the behavior of employees in organizations (Xia et al., 2023).

One key aspect of Confucianism's influence on employee behavior is the concept of filial piety, which promotes respect for elders and superiors. In Chinese organizations, this can manifest as deference to authority figures and a strong hierarchical structure. Employees are expected to show obedience and loyalty to their superiors, and this can influence their behavior in the workplace.

Another aspect is the emphasis on collectivism in Confucianism. Collectivism promotes the idea of prioritizing the needs of the group over individual needs. In the context of SOEs, this can mean that employees prioritize the goals and interests of the organization over their personal goals. They may be more willing to make sacrifices for the collective benefit and show strong commitment to the organization (Xia & Shannon, 2024). Confucianism also emphasizes the importance of moral values such as honesty, integrity, and loyalty. These values can influence employee behavior by promoting ethical conduct and a strong sense of responsibility towards the organization. Employees may be more inclined to adhere to rules and regulations, show dedication to their work, and demonstrate loyalty to the organization.

Job performance

Human resource management (HRM) strategies and practices in state-owned enterprises (SOEs) are crucial for effectively managing and developing the workforce in these organizations. SOEs are unique entities in the Chinese economy due to their government ownership and the specific social and economic objectives they are designed to achieve. In HRM strategies and practices in SOEs, there are several key aspects to consider. Firstly, talent acquisition and retention strategies are important for ensuring the right individuals are recruited and retained to contribute to the organization's goals. This may involve developing

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recruitment processes that assess candidates based on their alignment with the values and principles of Confucianism, as well as their skills and qualifications.

Secondly, performance management systems in SOEs should align with Confucian principles and values. This includes setting clear performance expectations for employees, providing regular feedback and coaching, and establishing performance appraisal systems that focus on the holistic development of employees (Zreik, 2024). Confucianism emphasizes the importance of cultivating virtuous individuals, and SOEs can incorporate this philosophy into their performance management practices.

Thirdly, training and development programs in SOEs should take into account the Confucian values of self-cultivation and lifelong learning. These programs should focus on developing employees' skills and knowledge, as well as fostering their personal and moral development. By nurturing employees' professional and ethical growth, SOEs can enhance their overall competitiveness and contribute to the sustainable development of the organization. Additionally, compensation and benefits systems in SOEs should be designed to align with Confucian principles. Fairness and equity should be emphasized in these systems, recognizing employees' contributions and providing them with just rewards. This can help to motivate employees and promote a harmonious working environment.

Lastly, employee relations and engagement are crucial aspects of HRM in SOEs. Building positive relationships between management and employees based on trust and respect is essential for maintaining a healthy organizational culture. SOEs can also promote employee engagement by creating opportunities for employees to contribute to decision-making processes and actively participate in the organization's governance (Zheng & Ahmed, 2024).



Conceptual Framework

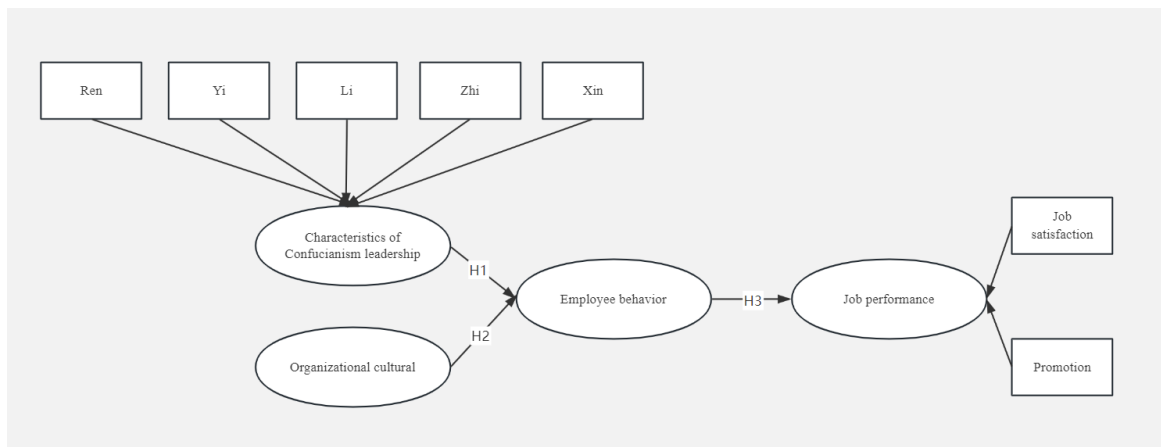


Figure 1 Research Conceptual Framework

Research Methods

The researcher used the mixed methods to analyze the data. This study's primary objective was to investigate and get a better understanding of the ways in characteristics of Confucianism leadership in terms of Ren, Yi, Li, Zhi, and Xin, employee behavior, and job performance in terms of job satisfaction and promotion in State-owned enterprises (SOEs) in China. The sample size for the study would depend on the specific research objectives, the desired level of confidence, and the margin of error. Given the potentially large number of SOEs in China and the diversity of HRM practices across different organizations, a sample size of at least several dozen SOEs would likely be necessary to ensure the results are statistically significant and representative of the population. However, the exact sample size would need to be determined based on statistical calculations (Adcock, 1997). After calculating the formula, the researchers find that this study needs to at least have 385.

Research Results

The researcher has presented results of data analysis and interpretation for the purpose of this research in order to study the opinions of key informants in relating to find the characteristics of Confucianism leadership influence on the employee behavior in State-owned enterprises (SOEs) in China; To investigate the organizational cultural influence on the employee behavior in State-owned enterprises (SOEs) in China; To analyze the employee behavior influence on the job performance in State-owned enterprises (SOEs) in China.

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The exploration of various aspects of organizational dynamics—ranging from leadership styles rooted in Confucian principles to the intricacies of organizational culture, employee behavior, and job performance—reveals the intricate interplay of factors that shape the effectiveness and success of organizations. Confucian leadership emphasizes values such as humaneness, righteousness, propriety, and wisdom, providing a moral and ethical foundation that fosters a positive organizational culture. This culture, in turn, serves as the bedrock for shaping employee behavior, which is crucial for maintaining a harmonious and productive work environment. Understanding the determinants of employee behavior and job performance, including personal attributes, work environment, and organizational support, allows for the implementation of targeted strategies that enhance these behaviors and outcomes.

Table 1: The table of the reliability test

Variable	Cronbach's	AVE	Level of significance
Ren	.870	0.687	Strong
Yi	.817	0.632	Strong
Li	.903	0.721	Very strong
Zhi	.874	0.667	Strong
Xin	.771	0.632	Great
Organizational Culture	.902	0.765	Very strong
Employee behavior	.886	0.654	Strong
Job satisfaction	.927	0.766	Very strong
Promotion	.797	0.612	Great

From the table, we find that the characteristics of Ren, Yi, Li, Zhi, and Xin have a good level of significant which are .870, .817, .903, .874, .771 respectively. Moreover, the researchers also find that the organizational cultural, employee behavior, job satisfaction and promotion have strong level of significant which are .902, .886, .927, and .797 respectively. We find that all the reliability values are more than 0.6 which we can make sure all the variables have a good value to study in this research.

Besides, the researchers also test the AVE. Based on the Fornell & Larcker (1981) found that the AVE value should be more than 0.5. In our study, the researchers have found that all the value is more than 0.5 which it means that its indicators relative to the overall variance of its indicators.

The result of the Correlation Metrix

Table 2: the table of the correlation

	REN	YI	LI	ZHI	XIN
REN	1				
YI	.505**	1			
LI	.687**	.547**	1		
ZHI	.536**	.415**	.639**	1	
XIN	.466**	.675**	.597**	.523**	1

** . Correlation is significant at the 0.01 level (2-tailed).

The researchers also test the Correlation Metrix. From the table, we can find that all the independent variables have a weak connection but not quite strong, which we can use it to study in our research.

The result of hypothesis test

Table 3: the result of the hypothesis

Hypotheses	Estimate	P	Supported (Yes/No)
H1	0.475	<.001	Yes
H2	0.763	<.001	Yes
H3	0.272	<.001	Yes

Research Discussion

Confucianism has long been a guiding philosophy in Chinese society, emphasizing virtues such as benevolence, righteousness, propriety, wisdom, and integrity. These virtues not only shape individual behavior but also influence leadership styles and organizational practices within State-owned enterprises (SOEs) in China. This essay explores the impact of Confucianism leadership, organizational culture, and employee behavior on Chinese SOEs and provides recommend.

Confucianism-influenced leaders in Chinese SOEs embody virtues such as Ren (benevolence), Yi (righteousness), Li (ritual propriety), Zhi (wisdom), and Xin (trustworthiness). These leaders prioritize ethical conduct, harmony, and integrity, creating a work environment that fosters positive employee behavior. By promoting these virtues, leaders can inspire

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employees to exhibit similar behaviors, leading to a more cohesive and productive organization. The culture within Chinese SOEs plays a crucial role in shaping employee behavior. A culture that values respect, harmony, and collaboration encourages employees to work together towards common goals. This positive culture not only improves employee satisfaction but also contributes to organizational success. Organizations should strive to create a culture that aligns with Confucianism values, as this can have a significant impact on employee attitudes and behaviors. Employee behavior in Chinese SOEs is influenced by both Confucianism leadership and organizational culture. Employees who exhibit positive behaviors, such as teamwork, communication, and adaptability, are more likely to be satisfied with their jobs and to be considered for promotion. By promoting these behaviors, organizations can create a work environment that supports employee growth and organizational success.

To leverage the influence of Confucianism leadership, organizational culture, and employee behavior, organizations should invest in leadership development programs, create a positive organizational culture, provide training opportunities for employees, align performance management systems with Confucianism values, ensure promotion and career development opportunities are based on merit, and continuously improve HRM practices. Given the influence of Confucianism on Chinese culture and organizations, organizations operating in China or with Chinese partners should invest in cross-cultural training to better understand and appreciate the cultural nuances that impact leadership, organizational culture, and employee behavior.

Research Suggestions

Organizations should invest in leadership development programs that emphasize Confucianism virtues such as Ren, Yi, Li, Zhi, and Xin. These programs can help leaders develop the skills and qualities necessary to inspire ethical behavior, promote harmony, and cultivate a positive organizational culture. Organizations should strive to create a positive organizational culture that values respect, harmony, and collaboration. This can be achieved through clear communication of values, fostering a sense of belonging among employees, and promoting open and honest communication at all levels of the organization. Employees should be provided with training and development opportunities that help them understand

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and embody the values of Confucianism in their work. This can include workshops on ethics, teamwork, and communication skills, as well as opportunities for personal and professional growth. Performance management systems should be aligned with the values of Confucianism, emphasizing the importance of ethical conduct, teamwork, and continuous improvement. Managers should provide regular feedback to employees and recognize and reward positive behaviors that align with these values.

By implementing these recommendations, organizations can create a work environment that is conducive to employee satisfaction, organizational growth, and long-term success in the context of Chinese SOEs.

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