



## THE APPLICATION OF MENGZI TO TODAY'S ETHICAL CRITERIA FOR MARITIME LEADERSHIP IN TAIWAN

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### ABSTRACT

*This study looks at 20 precepts of virtues based on the Mengzi of the ancient philosopher Mencius and relates them to a leader's moral spirit (LMS) and a leader's implementation of humane governance (IOHG) with today's ethical criteria as used in Taiwan. We have developed a scale of 20 virtues for LMS and IOHG, with desirable psychometric properties, and provide an empirical validation of those virtues, and explore theoretical and practical applications to Taiwanese maritime leadership. Linear structural equation modeling (SEM) was applied to measure the related components between LMS and IOHG, to help readers understand the two constructs. The virtuous aspects of LMS are defined in terms of Humaneness, Righteousness, Resolution, Goodness, Conformity, Selflessness, Discipline, Spirit, benefit, and Kindness. IOHG as related to a leader's moral strength is then described in terms of Achievement, Rule, Possession, Compassion, Courage, Tolerance, Principle, Endurance, Flood-like qi and Determination. Empirical evidence suggests that LMS has a significant effect on IOHG.*

**Keywords:** Mencius, Mengzi, Leader's moral spirit (LMS), Leader's implementation of humane governance (IOHG).

### INTRODUCTION

Recently, a series of corporate scandals has rapidly and dramatically influenced the behavior of maritime governors, business executives and policy makers. Bragues (2008) has looked at the relevance of ancient moral and ethical codes to the modern reality of complex commercial societies. The current study looks at a major Confucianism path from Mencius (371-289 BCE). Mencius and his students wrote a book called Mengzi, which records Mencius' lifetime of conversation; it is a medium containing his spiritual legacy and has been called a secondary sage. The book of Mengzi comprises seven chapters: King Hui of Liang, Gongsun Chou, Duke Wen of Teng, Lilou, Wanzhang, Gaozi and Jinxin. Characters in Mengzi engaging in dialogue with Mencius include feudal princes, high government officials, scholars and his disciples. Mencius inherited Confucius as a cultural hero. Mencius' position in Chinese history is similar to Plato's

position in western history (Feng, 2000). Chinese humanism was led primarily by Confucius and Mencius, who lived at the end of the Chinese Bronze Age and the beginning of the Chinese Iron Age, respectively (Li, 2007). Confucianism focuses on interpersonal harmony (Wang and Juslin, 2009), while Mencius is famous for claiming that human nature is good. As with most reductions of philosophical positions to bumper-sticker slogans, this statement oversimplifies Mencius' position. In his texts, Mencius treads a more careful path in order to arrive at his views. Graham (1989) sees Mencius' arguments as having three elements: teleology, virtue theory and moral psychology. This study quotes the most famous book of Mengzi on the frustratingly inscrutable philosophy of Mencius on Confucianism. This study believes that Mengzi can be regarded as a scripture that can instruct maritime leaders on how to interpret and interact with morals and ethics. There is a scarcity of in-depth studies addressing the moral spirit of Taiwanese maritime leaders and their most fundamental intentions with regard to moral governance from a Confucianism point of view. This study first emphasizes how the character of a leader reflects the views of virtuousness of the ancient philosopher Mencius. It then offers some empirical testing from the viewpoint of stakeholders in the maritime industry in Taiwan to evaluate a leader's moral spirit (LMS) and a leader's humane governance implementation (IOHG) according to Confucian philosophy.

**LITERATURE REVIEW**

The cultural distinctiveness of Asian and other emerging economies calls for entirely new theories that are built from the bottom up in management. When China opened up its economy, some Chinese scholars believed that Chinese ethics are different from the west, and so there was a need to invent Chinese theories (Li and Nair, 2009). Wang and Juslin (2009) argued that western moral concepts do not adapt well to the Chinese economic market because of Chinese physical reality, values and culture. This study argues for the Mengzi' precepts of the 'virtuous way' to be applied to a leader's moral spirit and defines ten measurements, as shown in Table 1.

**Table-1.** *Mengzi'* precepts defined in terms of a leader's moral spirit

Virtuous characteristic		Measurable characteristic
Humaneness	Humaneness is a root planted in the human heart, and is true morality based on natural feelings of the closeness of humanity ( <i>Mengzi</i> , Lilou, I 10)	A leader behaves with a human heart and humility
Righteousness	Humaneness is an even more fundamental virtue, and is assigned as the standard of behavior for the category of righteousness ( <i>Mengzi</i> , Jinxin, II 16)	A leader shows love and righteousness
Resolution	Fish is what I like to eat, bear palm is also what I like to eat. But if I cannot have them both, I would discard the fish and choose the bear palm. Life is what I like, righteousness is also what I like. If I cannot have them both then, of course, I would discard life and select righteousness ( <i>Mengzi</i> , Gaozi, I 10)	A leader is committed to the resolution of righteousness
Goodness	The heart of goodness is the psychological instinct of human and innate intelligence ( <i>Mengzi</i> , Gaozi, I 8)	A leader's mind shows goodness and morality

Conformity	Shun understood the principles of things and the original nature of humankind. Shun only acted in accordance with humaneness and righteousness, but was not implementing humaneness and righteousness ( <i>Mengzi</i> , Lilou, II 19)	From the perspective of accordance, a leader shows a moral mind
Selflessness	The basis of the world lies in the state, the basis of the state lies in the family, and the basis of the family lies in the individual ( <i>Mengzi</i> , Lilou, I 5)	A leader is selfless within society
Discipline	Ancient gentlemen made mistakes, such as with regard to eclipses of the sun or moon; this is something visible to the people ( <i>Mengzi</i> , Gongsun Chou, II 9)	A leader has great moral discipline
Spirit	If heaven above wanted to confer a great mission on someone, it would first test his resolve through trial: subject his body to hard labor, make him suffer starvation and water deprivation and cause him to lose all, with nothing going his way. In this way, it can shock his mind and spirit, make him determined of disposition, and make the most of his talents ( <i>Mengzi</i> , Gaozi, II 15)	A leader has a determined moral spirit
Benefit	The feudal lords possess three types of treasures: the land, the people, and politics. Yet precious jewels and fine jade are all disasters that threaten lives. Of course among these three precious things, what must be lent special emphasis are the people and the people's hearts ( <i>Mengzi</i> , Jinxin, II 28)	A leader sacrifices his own interests to benefit others
Kindness	A ruler who is able to receive admonition from a minister, and dispense kindness towards the people, when letting others escort him out of the state leaving his now non-essential post ( <i>Mengzi</i> , Lilou, II 13)	A leaders shows patience and peace of mind

Mencius expounded the theory that 'human nature is good', and the most important component of human nature endowed by heaven is morality. Of all the different types of virtuous conduct, Mencius selected humaneness, righteousness, ritual courtesy and wisdom. From this we may observe that humaneness and righteousness are the most fundamental components in the moral system, and wisdom and ritual courtesy show self-awareness and the practice of humaneness and righteousness, as well as providing a means by which to enter the moral realm of happiness (Xu and David, 2010). This study believes that great maritime leaders are similar to the saints and should use their humane governance to treat all people as one would treat oneself. This study argues that the *Mengzi* precepts of moral power are relevant to a modern leader's implementation of humane governance, and ten measurable items are described in Table 2.

**Table-2.** *Mengzi* precepts defined in terms of a leader's humane governance implementation

<b>Moral power</b>	<b>Precept</b>	<b>Measurable items</b>
Achievement	The human love shared by father and son, the duty between lord and minister, the ritual ceremony between host and guest, the wisdom possessed by the worthy, and the Way of Heaven observed by the sage, whether they can be achieved, all depends on fate. Therefore, the gentleman does not let love be disposed of by fate, rather he strives to achieve it by himself ( <i>Mengzi</i> , Jinxin, II 24)	A leader treats employees with respect regarding their culture and civil rights
Ruling	Wealth and honor cannot make me besotted or promiscuous; poverty or baseness cannot make me lose my integrity; power or military might cannot make me submit; this is called being a great man ( <i>Mengzi</i> , Duke Wen of Teng, II 2)	A leader pursues the goal of being a great man
Possession	Parents still alive and brothers safe with no calamities, these exemplify the first type of happiness. Being able to lift up one's head with no shame before Heaven, and lower one's head with no shame before men, these exemplify the second type of happiness. Obtaining talent from around the world and educating the world, these exemplify the third type of happiness. A gentleman possesses these three kinds of happiness, but the happiness of a lord ruling the world is not one of them ( <i>Mengzi</i> , Jinxin, I 20)	A leader has nothing to be ashamed before other men
Compassion	Everyone possesses feelings of compassion for others. Because the ancient sage kings possessed this kind of heart, they were able to carry out humane governance that took pity on the people ( <i>Mengzi</i> , Jinxin, I 21)	A leader cares for the global environment and prevents pollution
Courage	If one first considers strength or weakness, large numbers or small numbers before committing troops, or first considers victory or defeat, gain or loss, before joining in battle, this type of person would certainly be afraid of a strong enemy. So how could I ever be able to be victorious? I just concentrate on summoning up my own courage, and having no fears ( <i>Mengzi</i> , Gaozi, I 8)	A leader has no fears and has the courage to achieve a humane government
Tolerance	The people are the most precious, next are the spirits at the altars of soil and grain, and the position of the lord of state is the least important ( <i>Mengzi</i> , Jinxin, II 28)	A leader emphasizes staff health and a safe working environment
Principle	When internally a state lacks the rule of law and lacks ministers who are able to aid in government, and externally faces no strong enemies or invasions, still this type of state will often be destroyed or perish. From all of this we can discern a common principle: one survives in the midst of difficulty; one perishes amid ease and happiness ( <i>Mengzi</i> , Gaozi, I 15)	A leader takes care of a humane government
Endurance	If one lives in an environment of ease and indulgence, then one's disposition and mind will be lost, just like chickens or dogs that run off; only by living in a hostile, ill at ease environment will the	A leader inspires a mind that produces an enduring nature

	mind become self-aware, become enlightened, and be able to utilize the knowledge of goodness and the power of goodness (Mengzi, Jinxin, I 18)	
Flood-like <i>qi</i>	Flood-like <i>qi</i> is the greatest, the strongest; used correctly to be nurtured and not harmed, it will fill the space between heaven and earth. The <i>qi</i> , when co-ordinated with righteousness and the path, will circulate everywhere. It grows each day, but is something that is produced by a sudden revelation of righteousness used to control the mind ( <i>Mengzi</i> , Gongsun Chou, I 2)	A leader is produced by a sudden revelation of righteousness
Determination	When Mencius visited King Hui of Liang, the king said, 'Old master, you have not considered a thousand miles too far to come to our state of Wei, you certainly have some beneficial and profitable teachings for me', Mencius resolutely refuted him, saying, 'Great king! Why should the first words out of your mouth be about benefit and profit? It is enough to talk about humaneness and righteousness' ( <i>Mengzi</i> , Gaozi, I 10)	A leader is extremely dedicated to human governance

## RESEARCH DESIGN AND METHOD

The data for this study were collected from a survey questionnaire. In the process of determining the questionnaire items, it was crucial to ensure their content validity, which reflects survey instrumentation accuracy. First, the content of the questionnaire used in this study was established through *Mengzi* and interviews with two experts. One was an ethics professor and second was a 74th generation of Mencius who was dedicated to the study of the ancient philosophy of Mencius. Ten LMS items and ten IOHG items were selected. Next, the content validity of these 20 items was assessed by two ethical education professors, two stakeholders from the maritime industry, and one government officer from Ministry of Transportation and Communications in Taiwan. The judges were asked to edit and improve the items to enhance their clarity, readability and content validity, and to identify any items that might be objectionable to respondents. Finally, the 20 measurable items as depicted in Tables 1 and 2 were used to design the official questionnaire. Of all the scales used in questionnaire collection procedures, the seven-point Likert scale is the one most commonly used in measuring human perception (Driscoll *et al.*, 1994; Gallarza *et al.*, 2002; Meng *et al.*, 2011). Attitudes to each of the measurement items used in the questionnaire were therefore assessed using the seven-point Likert scale, where '1 = strongly disagree' and '7 = strongly agree'. Then the 20 items were pre-tested on 40 stakeholders from the maritime transport industry. After the pre-test, item analysis was carried out. The analysis results showed the validity of all 20 items to be very good.

Campbell (2007) suggested that researchers might use more subjective criteria and adopt the perspective of the stakeholders who interact with a corporation. Therefore, the sample population of the study consisted of a list of organizations representing a wide variety of operations within the maritime industry. After eliminating double listings, a total of 600 stakeholders were generated to serve as the base sample for the study. The study surveyed the stakeholder members listed by two

maritime associations between Kaohsiung and Taipei. The survey was distributed to 600 alumni connected with the maritime transport industry, and 325 questionnaires were returned. Fifty-four of the 325 questionnaires returned were discarded because of incomplete information. There were 271 usable responses in total, with an overall response rate of 45.2%. Statistical analyses and factor analysis were conducted using SPSS. To test relationships, we used structure equation modeling (SEM) on two structures between LMS and IOHG, which were explored by AMOS.

## RESULTS

Bartlett's test of SPERICITY was applied, resulting in an approximate value of  $\chi^2$  of 3741.219, and a corresponding P-value of less than 0.001; this meant there were common factors in the correlation matrix of the population. By applying the KAISER-MEYER-OLKI (KMO) test, the respective KMO values for LMS and IOHG were 0.741 and 0.812. This indicated that our data could be evaluated appropriately by factor analysis (KMO>0.5). A principal component was adopted to extract factors whose Eigen values were greater than one, and then the VARIMAX of orthogonal rotation was used to obtain rotated coefficients. Finally, two factors were extracted, and the accumulated variances explained for LMS and IOHG were 72.2% and 80.1%.

The adequacy of the measurement model was examined by confirmatory factor analysis (CFA). The conceptual model for the test included the two constructs of LMS and IOHG. All of the model fit indices from CFA indicated a good fit, with  $\chi^2=862.1$ , d.f. =195, comparative fit index (CFI)=0.821, goodness-of-fit index (GFI)=0.699, Tucker-Lewis index (TLI)=0.832, and root mean square error of approximation (RMSEA)=0.215. The results of the CFA satisfied the recommended level of goodness-of-fit, which indicated that the measurement model fit the sample data well. Composite reliability (CR) of the constructs was utilized to examine the internal consistency of the variables in the measurement model (Fornell and Larcker, 1981). According to Table 4, the CR of each construct ranged from 0.75 to 0.88; all the values exceeded 0.7, as recommended by Nunnally and Bernstein (1994). In addition, the Cronbach's alpha values of the two constructs were well above the threshold value of 0.7 that Nunnally (1978) recommends. The results showed that all scale items of the measurement model were internally consistent.

The discriminant validity of a construct is established when its square root of AVE is greater than the correlation coefficients between the construct and all other constructs (Fornell and Larcker, 1981). In addition, discriminant validity can be assessed for each pair of estimated constructs by constraining the estimated correlation parameter between them to one, and a  $\chi^2$  difference test was performed on the values obtained from the constrained and unconstrained models (Joreskog, 1971; Anderson and Gerbing, 1988).

**Table-4.** Standardized loadings, *t*-values, Cronbach's  $\alpha$ , CR and AVE of the model

Constructs	Item	Standardized loadings	<i>t</i> -values
<b>LMS (Cronbach's <math>\alpha=0.912</math>; CR=0.75; AVE=0.78)</b>			
	A leader behaves with human heart and humility	0.662	8.158
	A leader shows love and righteousness	0.681	7.957
	A leader is committed to the resolution of righteousness	0.718	8.442
	A leader's mind shows goodness and morality	0.652	8.179
	A leader's mind is good and moral	0.587	6.172
	A leader shows a moral mind from the perspective of accordance	0.733	7.543
	A leader is selfless within the society	0.833	8.454
	A leader has great moral discipline	0.648	7.128
	A leader has a determined moral spirit	0.617	7.417
	A leader shows patience and peace of mind	0.745	6.851
<b>IOHG (Cronbach's <math>\alpha=0.813</math>; CR=0.88; AVE=0.86 )</b>			
	A leader treats employees with respect regarding their cultures and civil rights	0.792	8.114
	A leader purses the goal of being a great man	0.698	8.213
	A leader has nothing to be ashamed of in front of other men	0.798	8.143
	A leader cares for the global environment and prevents pollution	0.865	8.912
	A leader has no fear and has the courage to achieve a humane government	0.726	8.265
	A leader emphasizes staff health and a safe working environment	0.876	8.345
	A leader takes care of a humane government	0.741	7.453
	A leader aspires to a mind that produces an enduring nature	0.765	7.653
	A leader is produced by a sudden seizure of righteousness	0.779	8.123
	A leader is extremely dedicated to human governance	0.755	8.120

\*\*\* $P < 0.001$

The relationship between LMS and IOHG was proved significant with this empirical study. From the statistics in Table 5, we found that LMS was positively linked to IOHG ( $\beta=0.839$ ,  $P < 0.001$ ).

**Table-5.** Results of the relationship between LMS and IOHG

Construct	← Construct	Loading	Standardized loading	SE	<i>t</i> -value	<i>P</i>
IOHG	← LMS	0.839	0.718	0.0814	10.307	0.000

## DISCUSSION

LMS exists with the virtues of Humaneness, Righteousness, Resolution, Goodness, Conformity, Selflessness, Discipline, Spirituality, Benefit, and Kindness. IOHG comprises the moral powers of Achievement, Ruling, Possession, Compassion, Courage, Tolerance, Principles, Endurance, Flood-like *qi* and Determination. Consequently, we can look to the ancient major path of Mencius' philosophy, following the ancient tradition of Confucianism, applying the ancient view to modern business leaders. The lessons of Mencius are similar to Plato's views, and attempt to improve human society through the selection and maximization of socially desirable genes in China (Rodgers, 1999). The empirical evidence provided here proves that LMS has a significant effect on IOHG, and also offers empirical results applicable to some of the ethical problems faced by human populations today and in the future. OECD (2004) annotation of corporate governance suggests that a board should apply high ethical standards in order to observe the interests of stakeholders. Leaders must make moral decisions that will benefit their company, but they must also think about how other people will be affected (Stansbury, 2009). Moral maritime leaders should uphold values and morals and disseminate them through their leadership style and actions. They need to communicate complete and accurate information when there is a personal, professional, ethical or moral obligation to do so. This paper concludes that stakeholders should expect to be led by the maritime leaders who are enlightened and pursue virtuous characteristics. This research proposes 20 virtues aimed at achieving the ancient goal of good character. These 20 virtues indicate that the character formation of maritime leaders should take place through an ethical education emphasizing role models.

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