

The Impact of Confucianism and Daoism on Sustainable Leadership Among Chinese Business Executives

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Introduction

Sustainability has become an integral part of corporate strategies encompassed as part of firms' Corporate Social Responsibility or ethical principles in companies all around the world (Latapi-Agudelo et al., 2019; Bohlmann et al., 2018; Žak, 2015; Porter & Kramer, 2011). Not only are they considered vital for society and the environment, but they are also essential for the long-term development of businesses and organisations, as well as their stakeholders.

Drawing on Upper Echelons Theory (Hambrick & Mason, 1984) Scholars have proposed that a senior executive's Responsible Leadership style and value orientation play a significant role in influencing the extent and nature of corporate engagement in sustainability activities, and that a senior executive's value orientation is influenced by their life experiences, personality, and values. (Maak et al., 2016; Stahl & Sully de Luque, 2014).

The sustainability ideas gained renewed international attention after the 1987 UN Summit of the World Commission on Environment and Development held in Nairobi. This commission raises concerns primarily, but not only, about the critical damage to the environment and the health of populations at a global scale caused

by human activity. It provided a widely accepted definition of sustainability: "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (Brundtland et al., 1987, p. 51).

Similarly, the 2015 UN Summit on Sustainable Development can be considered a historic event in the conceptualisation of sustainability as a framework for integrating environmental policies and societal development strategies. The 17 Sustainable Development Goals (SDGs) and the 2030 UN Agenda for Sustainable Development called for an urgent collaborative effort to tackle global problems that require systemic and organisational solutions (George et al., 2016; Välikangas, 2022). Sachs and Sachs (2021) still consider the 2015 UN report a pivotal moment for many businesses and corporations, which marked the beginning of their understanding of their indispensable and valuable role in implementing the SDGs.

However, understandings of what constitutes effective implementation of sustainable practices vary across cultures, and the extant literature suggests that minimal research has explored the influence of diverse cultures and traditional Asian philosophies on corporate social responsibility (Li et al., 2023; Li & Ding, 2024; Zhang et al., 2024).

This paper suggests that while Chinese and Western ideas on sustainability share many similarities, there are also differences relating to their specific and unique cultural and philosophical backgrounds. The aim of the paper is to explore how Confucian and Daoist philosophies influence the sustainability practices of senior executives in Chinese businesses. Understanding these influences is crucial for

developing effective and culturally sensitive sustainability strategies. This research provides valuable insights into the cultural underpinnings that shape leadership behaviours and decision-making processes, which can lead to more responsible and ethical business practices. Three main questions guide this research:

- 1) In what ways do Chinese sustainable leadership models differ from Western frameworks of leadership?
- 2) How does traditional philosophy inform sustainable practices in business in China?
- 3) How can the Western and Chinese approaches be integrated to achieve sustainable goals in the business context?

The research conducted semi-structured interviews with Chinese decision-makers in state-owned enterprises (SOEs), senior executives in multinational companies, and private business owners to contribute to academic discussions on the impact of culture and philosophies on sustainable leadership. The paper offers practical implications for global businesses operating in or with China, highlighting values, attitudes, and a specific vocabulary aligned with opportunities to develop sustainable practices in this particular culture and context.

Theoretical framework

Sustainability in the Western Context

Sustainable development in the Western context can be understood through the concepts of Grand Challenges (GCs) and Triple Bottom Lines (TBL), which include people, planet, and profit. Achieving sustainability requires integrating economic, social, and environmental aspects.

The term Grand Challenge gained popularity in the 2000s when international foundations endorsed the need for institutional support to tackle global challenges (Välikangas, 2022). GCs are defined as “specific critical barrier(s) that, if removed, would help solve an important societal problem with a high likelihood of global impact through widespread implementation” (George et al., 2016, p. 1881). Management research has developed studies to identify the mechanisms and contexts that influence how organisations can tackle GCs.

The managerial conceptualisation of sustainability extends beyond the simple idea of sustainable development as part of a green market economy model, where governmental institutions play a key role in coordinating and regulating business activities. A managerial perspective using TBL includes improving energy efficiency, optimising industrial structure, and increasing sustainable investments to achieve conservation and ecological protection that support green market developments (Li & Song, 2022). A successful managerial TBL approach also extends beyond creating indicators to track progress on environmentally friendly

innovation and productivity, as well as the creation of qualified jobs and public services, including health and education, all of which are aligned with the UN SDGs (Xu et al., 2022). Indicators and actions are relevant for planning sustainability, but they miss the attitudes, beliefs, and behaviours of the populations implementing policies and business (Zheng et al., 2021).

Scholars have proposed that factors such as senior executive Responsible Leadership style and value orientation play a role in influencing the extent and nature of corporate engagement in sustainability activities, alongside wider contextual factors. (Bansal & Roth, 2000; J. Howard-Grenville et al., 2008; J. A. Howard-Grenville, 2005, 2006; Maak et al., 2016; Stahl & Sully de Luque, 2014). This framework proposes that most senior executives tend to espouse one of two Responsible Leadership styles: either an Instrumental or an integrative approach to Responsible Leadership. The espousal of one or other style is influenced by the senior executive's value orientation, specifically, their perception of the nature of their moral obligations toward shareholders and other stakeholders (a Fiduciary Duty orientation or a Social Welfare orientation). The core of their argument is that the extent to which senior executives feel a sense of moral obligation primarily to shareholders, or conversely to a wide range of varied stakeholder groups, will have a degree of influence over whether and to what extent organisations will engage in ambitious sustainability and CSR activities. Organisations are more likely to engage in ambitious sustainability and CSR activities where senior executives exhibit an Integrative Responsible Leadership Style. Whether a senior executive exhibits an Instrumental or Integrative

Responsible Leadership Style, and the associated value orientation, is influenced by life experiences, personality, and values. (Maak et al., 2016).

Confucianism and Daoism

Confucianism and Daoism, fundamental components of Chinese philosophy, offer distinct yet complementary perspectives (Lai, 2015; Ames, 1994). Confucianism emphasises social harmony, moral development, and hierarchical relationships. It advocates for a structured society where individuals fulfil their roles and responsibilities, guided by virtues like filial piety and benevolence. Confucian thought places significant importance on education, ritual propriety, and the cultivation of moral character to achieve a well-ordered society. In contrast, Daoism emphasises harmony with the natural world, spontaneity, and non-action (wu-wei). Daoism values simplicity, humility, and living in accordance with the Dao (the Way), representing the fundamental principle underlying the universe. Daoism encourages individuals to align with the natural flow of life, emphasising inner peace and personal freedom over societal obligations.

Despite these differences, both philosophies share a holistic view of the individual within a larger context, which is derived from the Yin-Yang Principle, serving as a philosophical origin for all schools of Chinese philosophies, including Confucianism and Daoism, illustrating how seemingly opposing forces can coexist and complement one another (Wang, 2022). In the context of sustainable leadership, Yin represents the Daoist qualities of receptivity, intuition, and harmony with nature, while Yang embodies the Confucian ideals of structure, responsibility, and moral cultivation. Together, they form a dynamic equilibrium

that reflects the dual nature of leadership—balancing internal self-cultivation with external social responsibility. Confucianism and Daoism seek harmony, whether through social order or alignment with nature. Their complementary approaches offer a comprehensive understanding of how to live a balanced and fulfilling life, integrating ethical behaviour with a deep respect for the natural world (Lai, 2015; Ames, 1994).

The conceptual, ideological, and historical foundations of sustainable development in China and the West share many similarities, but also some differences due to their unique cultural and philosophical backgrounds. The 1987 Brundtland Report defines sustainable development as meeting current needs without compromising the needs of future generations. This Western perspective emphasises ecological sustainability, social justice, and active participation in development decisions. In contrast, Confucian thought in China, particularly the concept of a "harmonious society," focuses on harmony between people and nature (Ren et al., 2022; Rošker, 2013). This approach emphasises ecological balance and social harmony, reflecting a deep-rooted cultural value system that aligns with sustainable development principles but from a different philosophical standpoint.

Sustainability in the Chinese Context

China is motivated to forge a new national identity rooted in harmonious development, integrating traditional Chinese philosophies and values into its contemporary governance (Li et al., 2016). The slogan "harmonious society" is

derived from Confucian values that aspire to achieve cleaner growth, personal prosperity, and social stability. Ren et al. (2022) argue that Confucian harmony aligns with sustainable development by emphasising balance and interdependence, highlighting the importance of protecting resources to ensure continuous growth. Restricting access to flourishing forests and banning fishing during reproductive periods prevents resource depletion. Seasonal and cyclical agricultural practices, such as ploughing in spring and harvesting in autumn, align with natural cycles to achieve sustainable yields. These principles of balance, coordination, and respect for natural cycles provide a strong foundation for sustainable development, promoting a harmonious and sustainable future.

The Chinese principles for an ecological civilisation are part of the national government plan released by the Development and Reform Commission of China (2018) (Wei et al., 2021). They include the 17 Sustainable Development Goals outlined in the 2030 UN Agenda (Ministry of Foreign Affairs of the People's Republic of China, 2016), with incremental progress aimed at achieving sustainability (Xu et al., 2022).

Considering Different Cultures in Sustainability

Li and Ding (2024) conducted a multicultural study, suggesting that Western and Chinese philosophies have a significant influence on business practices and sustainability. Western philosophy of action, with roots in ancient Greece and Europe, focuses on analytical reasoning, individualism, and critical thinking. This ethos promotes personal autonomy and addresses ethical dilemmas as part of

stakeholders' will and agency to agree on accomplishing sustainable goals that are valuable to society. In contrast, Chinese philosophy, shaped by Confucianism, Daoism, and Buddhism, emphasises relational harmony, moral cultivation, and alignment with the natural and social order. Rather than centring on individual autonomy, it views ethical action as emerging from one's role within relationships, be it familial, societal, or cosmic. These philosophies emphasise a holistic, context-sensitive approach to action that values balance, interconnectedness, interdependence, and the cultivation of inner and outer harmony.

In comparison with Western sustainability, which focuses on TBL of people, planet, and profit, the Chinese philosophy of the "Unity between Heaven and Man" aims to reach the harmony and coexistence of man and Nature (Chen, 2016), focusing on people, planet, and nature.

Zheng et al. (2021) identified a gap in the field and emphasised the need for further research on the relationship between sustainability and local cultures. Zhang et al. (2024) conducted a study on formal and informal institutions to understand how the values of Confucianism in local areas of Chinese firms may link to initiatives related to environmental sustainability in green innovation. They

suggested a positive association between the promotion of green innovation and Confucianism.

This study expands on this line of research and undertakes a qualitative investigation to understand how traditional Chinese philosophies influence attitudes and practices related to sustainability.

Leadership in a Confucian context emphasises hierarchical relationships, moral integrity, and collective harmony (Rarick, 2007; Schenck & Waddey, 2017; Wang, 2025; Zhang et al., 2012). Confucian values such as respect for authority, filial piety, and cultivating virtue significantly influence leadership styles. Leaders are expected to act as moral exemplars, guiding their followers through ethical behaviour and benevolence. This approach contrasts with Western leadership models, which often prioritise individualism and innovation. Integrating Confucian principles can lead to a more harmonious and stable organisational environment, though it may also pose challenges in adapting to dynamic and competitive global markets. Further research is needed to develop hybrid leadership models that blend Confucian and Western practices.

Conceptualising Chinese Sustainable Leadership

Chinese sustainable leadership (CSL) can be conceptualised as a culturally embedded leadership paradigm that integrates the ethical, relational, and ecological wisdom of Confucianism and Daoism. Confucianism contributes a framework of moral leadership grounded in hierarchical harmony, virtue

cultivation, and social responsibility. Leaders are expected to act as moral exemplars, fostering collective well-being through benevolence, propriety, and the fulfilment of societal roles. In contrast, Daoism offers a complementary vision that emphasises alignment with natural rhythms, non-coercive governance (wuwei), and the pursuit of balance through simplicity and humility. Together, these philosophies form a dual foundation for sustainable leadership that values both social order and ecological harmony. This model departs from Western individualistic and profit-driven leadership by prioritising relational ethics, long-term harmony, and the interconnectedness of human and natural systems. As China advances its ecological civilisation agenda, this hybrid leadership model is rooted in the “Unity of Heaven and Man” (天人合一) (Chen, 2016). — provides a culturally resonant approach to guiding sustainable development and organisational stewardship in the 21st century.

Western Responsible Leadership vs Chinese Sustainable Leadership

The concept of Responsible Leadership (RL), as articulated by Maak et al. (2016), offers a nuanced framework for understanding leadership behaviour through instrumental and integrative styles, each shaped by a leader’s moral orientation toward shareholders or broader stakeholders. When examined through the lens of Chinese Sustainable Leadership (CSL) based on Confucianism and Daoism, distinct parallels and divergences emerge. Confucianism aligns closely with integrative leadership through its emphasis on moral cultivation, hierarchical harmony, and social responsibility; however, its structured societal roles contrast with the inclusive stakeholder engagement characteristic of integrative leadership.

Daoism, on the other hand, resonates with sustainable leadership ideals, particularly in its advocacy for harmony with nature, simplicity, and achieving without interference. While RL emphasises strategic engagement and ethical decision-making, Confucian and Daoist philosophies contribute complementary perspectives rooted in cultural values of balance, interconnectedness, and self-cultivation. Together, these frameworks enrich the discourse on sustainable and ethical leadership in cross-cultural contexts.

This argument was further clarified in Table 1, which directly addresses the first research question regarding how Chinese sustainable leadership models differ from Western frameworks of leadership by offering a structured and comparative analysis of the two leadership paradigms. The comparison between RL and CSL reveals a nuanced interplay between Western and Eastern leadership philosophies, particularly in the context of sustainability and ethical governance.

Shared Foundations: Both RL and CSL emphasise a holistic perspective, recognising the interconnectedness of systems, people, and nature. They share a moral foundation, where leadership is not merely a function of authority but a responsibility rooted in ethics. Additionally, both models aim for harmony—RL through inclusive stakeholder engagement and CSL through social and ecological balance. The importance of self-cultivation is also mutual, highlighting that effective leadership begins with personal growth and moral integrity.

Cultural and Philosophical Divergences: Despite sharing these values, the two models diverge significantly in their cultural foundations and operational logic. 1)

Leadership Style: RL often oscillates between instrumental (profit-driven) and integrative (stakeholder-driven) approaches, reflecting the dual pressures of Western capitalism. CSL, however, is deeply embedded in Confucian traditions, emphasising hierarchy, virtue, and non-interference. 2) Decision-Making Logic: RL relies on deliberative reasoning and frameworks, such as the “logic of appropriateness” or “business case logic.” In contrast, CSL follows a more ritualistic and intuitive path, guided by Confucian propriety and the natural emergence of things. 3) Stakeholder Engagement: RL promotes dialogue and inclusivity, while CSL emphasises role-based duties and minimal interference, reflecting a more structured and harmonious social order. 4) View of Nature: RL treats nature as a stakeholder within sustainability frameworks. CSL, however, sees humans as integral to nature, advocating for a deep ecological respect and alignment with natural rhythms.

Table 1: Responsible Leadership (RL) vs. Chinese Sustainable Leadership (CSL)

Dimensions of Similarity		Dimensions of Difference	
Holistic Perspective: Emphasis on systems thinking and interdependence		Leadership Style: Western models vary in their intent; Chinese models vary in their tradition and context.	
RL: Integrative leaders consider the broad interests of stakeholders and the long-term societal impact.	CSL: Emphasises social interconnectedness and harmony with nature.	RL: Instrumental (profit-driven) vs. Integrative (stakeholder-driven).	CSL: Hierarchical, virtue-based and achieving without interference
Moral Foundation: Leadership is rooted in ethical and moral responsibility.		Decision-Making Logic: Western logic is deliberative, whereas Chinese logic is often ritualistic or intuitive.	
RL: Leadership is driven by moral obligations—fiduciary or social welfare.	CSL: Emphasises virtues	RL: “Logic of appropriateness” or “business case logic.”	CSL: Guided by ritual propriety, emerges naturally and avoids force.
Harmony as a Goal: Shared goal of achieving harmony, though through different means.		Stakeholder Engagement: Western model emphasises dialogue; Chinese model emphasises roles or detachment	
RL: Seeks stakeholder harmony and inclusive decision-making.	CSL: Seeks social harmony as well as harmony with nature.	RL: Inclusive and dialogical engagement.	CSL: Role-based duty (e.g., ruler-subject); and Minimal interference, natural flow
Self-Cultivation: Leadership effectiveness is tied to personal development.		View of Nature: The Chinese align closely with nature; the Western view is instrumental	
RL: Leaders must develop cognitive and social complexity	CSL: Stresses moral self-cultivation and emphasises inner peace and alignment with nature.	RL: Nature as a stakeholder, framed in sustainability terms	CSL: Nature is central and to be respected, and humans are part of it.

Methodology

Research Setting

Interviewing senior executives is essential for researching sustainability practices in business operations because they are their organisations' primary decision-makers and implementers. They have a comprehensive understanding of their company's strategic goals, operational challenges, and the broader industry context. Their insights are invaluable in assessing how sustainability initiatives are integrated into business strategies and day-to-day operations.

As decision-makers, senior executives set the vision and direction for sustainability within their organisations. They allocate resources, establish policies, and drive the adoption of sustainable practices. Their commitment and leadership are essential for cultivating a culture of sustainability and ensuring that these practices are consistently implemented and sustained over the long term.

Moreover, senior executives often engage with external stakeholders on sustainability issues, including investors, regulators, and customers. Their perspectives provide a holistic view of how sustainability is perceived and prioritised both within the organisation and in its external interactions. By interviewing these key individuals, we can gain deep insights into the motivations, challenges, and successes associated with implementing sustainability practices,

thereby contributing to a more nuanced and comprehensive understanding of sustainable business operations.

To ensure diversity, we interviewed senior executives from various business sectors, including state-owned enterprises (SOEs), Western multinational companies (MNCs), and private business owners (PBs). The selected senior executives held senior managerial positions for over one decade. To successfully reach them, we used our connections through Chinese participants in executive education programs combined with a snowball strategy.

Data Collection

The Mandarin-speaking author conducted 30 semi-structured interviews in their native language, Mandarin, for 40 to 90 minutes each, as detailed in Table 2, with informants from SOEs, MNCs, and PBs. The gender distribution consisted of 20 males and 10 females, all aged between 40 and 60. Interviews were conducted in Mandarin, lasting 40 to 90 minutes each. Interviewees were asked about their understanding and practices regarding sustainability, including the influence of Chinese traditional philosophies.

Table 2. Informants

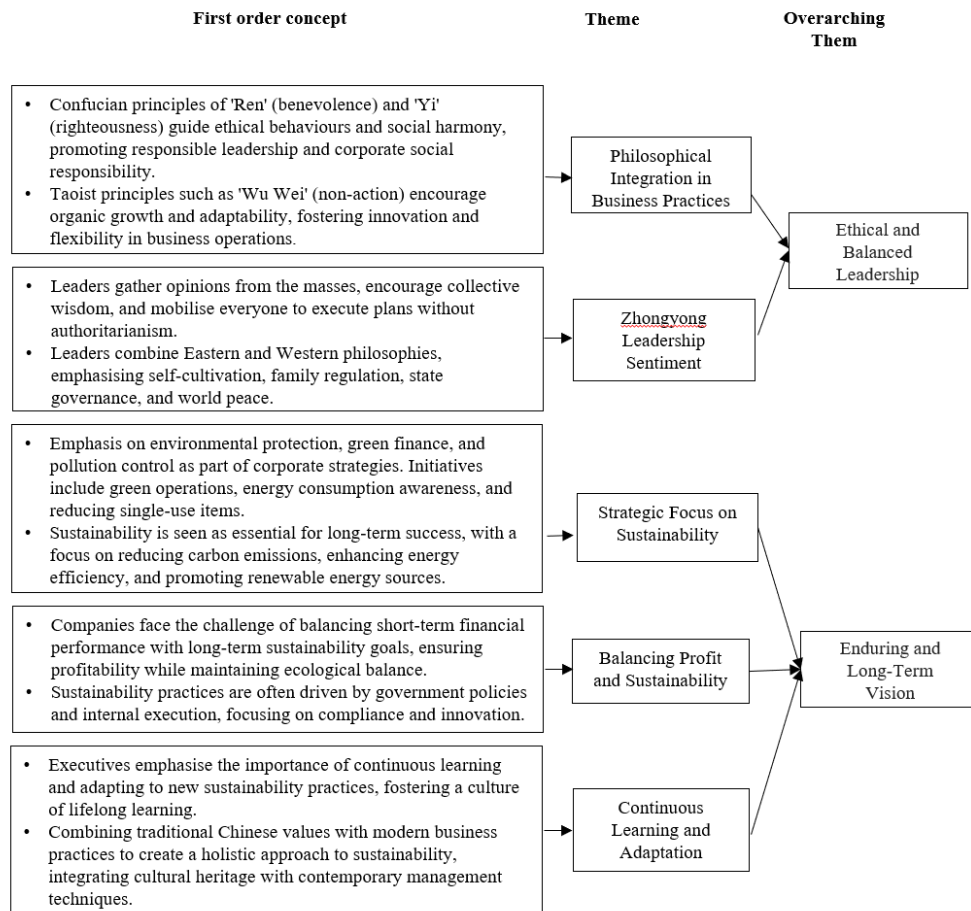
Informant ID	Business Type	Gender	Managerial Position	Age Group
1	SOE	M	S	40s
2	SOE	M	S	40s
3	SOE	M	S	40s
4	SOE	M	S	40s
5	SOE	M	S	40s
6	SOE	M	S	40s
7	SOE	M	S	40s
8	SOE	M	S	40s
9	SOE	M	S	50s
10	SOE	M	S	50s
11	SOE	M	S	50s
12	SOE	M	S	50s
13	SOE	M	S	50s
14	SOE	M	S	50s
15	MNC	M	S	50s
16	MNC	M	S	50s
17	MNC	M	S	50s
18	MNC	M	S	50s
19	MNC	M	S	50s
20	MNC	M	S	50s
21	PB	F	S	50s
22	PB	F	S	50s
23	PB	F	S	50s
24	PB	F	S	50s
25	PB	F	S	50s
26	PB	F	S	50s
27	PB	F	S	50s
28	PB	F	S	50s
29	PB	F	S	50s
30	PB	F	S	60s

Data Analysis

Interviews were conducted via Zoom and WeChat, transcribed, and analysed using grounded theory to develop concepts, categories, and themes. We reviewed

the data and tagged relevant excerpts from interviews with codes. The codes were grouped into concepts and then into categories. These categories served as the basis for developing the theory. Through open coding, we identified initial concepts in the data and grouped them into categories. We used sentences as coding units and labelled each textual expression with descriptive and straightforward phrases. We established links among codes in the next round of axial coding, wherein we searched for relationships between and among these categories, which facilitated assembling them into higher-order themes. Finally, we gathered similar themes into several overarching dimensions that make up the basis of the emergent framework. The final data structure is illustrated in Figure 1, which summarises the second-order themes on which we built the process model of leading sustainability in Chinese Business.

Figure 1: Data Structure



How does traditional philosophy inform sustainable practices in business in China?

We integrate three sets of observations, visually summarised in displays. Figure 1 illustrates the code structure resulting from our initial analysis, Figure 2 presents the emergent theoretical framework, and Table 3 provides additional supporting data.

Figure 2. A Model of Leading Sustainability in Chinese Business

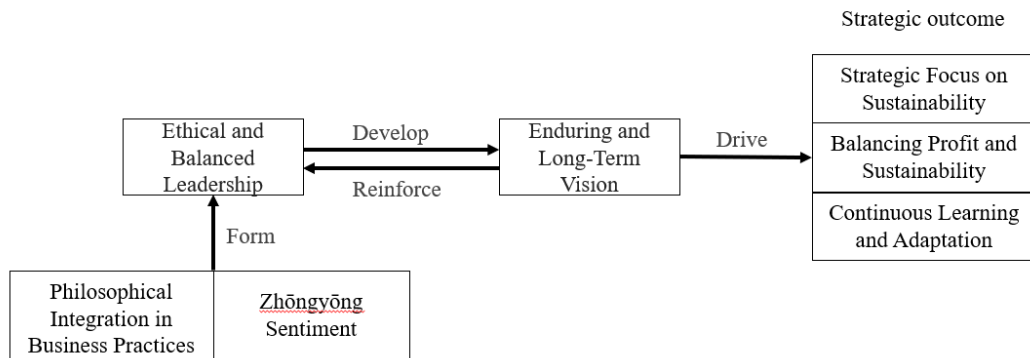


Table 3: Data Supporting Interpretation of Leading Sustainability in Chinese Business

Theme	Representative Quotations
Ethical and Balanced Leadership	
<i>Philosophical Integration in Business Practices</i>	I believe in managing a company with Confucian principles such as 'Ren' (benevolence) and 'Yi' (righteousness), which emphasise ethical behaviour, social harmony, and respect for hierarchy. Leadership is based on democratic centralism, gathering opinions from the masses, encouraging collective wisdom, and mobilising everyone to execute plans without resorting to authoritarianism. Confucian principles have a significant influence on our business practices. We emphasise hierarchical respect and collective harmony within our team Traditional philosophies will continue to guide business leaders in making decisions that prioritise long-term sustainability, promoting a culture of harmony and balance essential for sustainable development.”
<i>Zhongyong Sentiment</i>	My company aims to align profitability with harmony, seeing it as essential for global development. We advocate harmony in our workplace by recognising that no one is perfect

Enduring and Long-Term Vision	
<i>Strategic focus on sustainability</i>	Personal and company development should align with the Dao, aiming for long-term, sustainable growth. We follow the 14th Five-Year Plan issued by the central government, which includes initiatives such as green finance, investing in green economies and industries, meeting pollution control standards, promoting green operations, raising energy consumption awareness, establishing green offices, and reducing single-use items in our training centres.
<i>Balancing profit and sustainability</i>	Corporate responsibility is not profit-driven but aims for long-term goals and enduring success. In the financial industry, long-term should be considered 10 to 20 years, not just five. Confucianism and Taoism will continue to provide a moral and ethical framework that guides business leaders in making decisions that prioritise long-term sustainability over short-term gains.
<i>Continuous learning and adaptation</i>	My company continuously innovates value, builds ecosystems, and focuses on our own efforts to contribute to the private sector. We conduct regular reviews and audits of our sustainability practices, benchmark against industry standards, and seek feedback from employees and customers. Continuous learning and adaptation are crucial for my company. As the global landscape evolves, so must our approaches to sustainability, always guided by the timeless wisdom of our traditional philosophies Business growth and social value are intertwined, focusing on mission, values, technology, talent, and product reserves.”

Figure 2 presents the foundational constructs of an emerging theory on how traditional Chinese philosophy informs sustainable business practices.

The model begins with two core philosophical elements—Philosophical Integration in Business Practices and Zhōngyōng Sentiment, which together establish the basis for Ethical and Balanced Leadership. This leadership approach fosters the development of an Enduring and Long-Term Vision, which in turn

drives three key strategic outcomes: Strategic Focus on Sustainability, Balancing Profit and Sustainability, Continuous Learning and Adaptation. Importantly, the model incorporates a feedback loop that continually reinforces and strengthens ethical and balanced leadership over time. Below, we discuss the evidence and theoretical insights associated with each element of the model's construct.

Ethical and Balanced Leadership

Ethical and Balanced Leadership is an approach that emphasises integrating ethical principles and balanced decision-making in guiding organisations. This leadership style is rooted in the belief that leaders should not only focus on achieving business goals but also consider the broader impact of their decisions on society and the environment. (Naeem & Syed, 2024).

One key aspect of ethical and balanced leadership is the incorporation of philosophical principles from both Eastern and Western traditions. For instance, Confucian values such as 'Ren' (benevolence) and 'Yi' (righteousness) promote ethical behaviour and social harmony, encouraging leaders to act with integrity and responsibility. Similarly, Daoist principles like 'Wu Wei' (non-interference) advocate for organic growth and adaptability, fostering an environment where innovation and flexibility can thrive.

From the Western tradition, leadership ethics are deeply influenced by Greek philosophy, particularly the works of Plato and Aristotle. Plato emphasised the role of the philosopher-king—leaders guided by wisdom, justice, and the pursuit of the common good (Zyglidopoulos, 2021). Aristotle introduced the concept of

virtue ethics, where moral character and practical wisdom (phronesis) are central to ethical leadership (Moss, 2011). Leaders are expected to cultivate virtues such as courage, temperance, and justice, and to act in ways that promote human flourishing (eudaimonia). In more modern Western thought, Kantian ethics stress the importance of duty and universal moral laws, encouraging leaders to act according to principles that respect the dignity and autonomy of all individuals (Timmermann, 2014). Meanwhile, utilitarianism, as developed by thinkers like Jeremy Bentham and John Stuart Mill, promotes decision-making that seeks the greatest good for the greatest number—an approach often reflected in stakeholder-oriented leadership models (Kelly, 1990). Together, these philosophical traditions offer a comprehensive ethical framework that supports leadership practices grounded in integrity, inclusivity, and sustainability.

Most Chinese business executives (CBE) described that they involved diverse stakeholders, encouraged collective wisdom, and mobilised teams to execute sustainability initiatives collaboratively. This integrative approach ensures that decisions are well-rounded and considerate of various perspectives, reducing the risk of authoritarianism and promoting a culture of mutual respect and cooperation.

Philosophical Integration in Business Practices. CBEs gather opinions from the masses, encourage collective wisdom, and mobilise everyone to execute plans without authoritarianism. This integrative leadership style blends Eastern and Western philosophies, emphasising self-cultivation, family regulation, state governance, and world peace. Such a balanced approach ensures that leadership is ethical, responsible, and aligned with broader societal values. One informant is the vice president of SOEs, quoted:

"Leadership is based on democratic centralism: from the masses, to the masses—listening to everyone's opinions, gathering collective wisdom, and

mobilising everyone to execute plans without relying on a command or authoritarian system. Communication is conducted through listening to opinions."

Zhōngyōng Sentiment. Wang (2025) argues that Zhōngyōng sentiments are the foundation of Confucian leadership. This model conceptualises leadership as an interconnected and relational process where the leader's self-cultivation has a positive influence on the broader community. It incorporates both cognitive and affective domains, fostering holistic perception, multiple thinking, and harmonious relationships. Central to this approach is the balance between rationality and emotional intelligence, which encourages ethical conduct and improves organisational effectiveness. One informant from SOE said,

My aim is to help employees grow together, realise their full potential, achieve comprehensive personal development, and transition smoothly in their careers. We should focus on lifelong learning and foster harmony between humans and nature, believing in the inherent goodness of human nature, harmony, and moderation.

Enduring and Long-Term Vision

Confucianism and Daoism both offer enduring philosophical foundations that support long-term vision in leadership and sustainability. Confucianism emphasises leaders' moral development, and the progression from self-cultivation to family regulation, state governance, and ultimately world peace. This framework promotes a lifelong commitment to ethical refinement, intergenerational responsibility, and the transmission of values, aligning closely with the principles of sustainability. This further emphasises the importance of balance and moderation, which are essential for long-term stability and resilience. Complementing this, Daoism, through the principle of achieving without interference (*Wu Wei er Zhi*), advocates for alignment with natural rhythms, non-attachment to short-term outcomes, and the value of simplicity and adaptability. This encourages patience, organic development, and responsiveness to change—qualities that help organisations endure in complex and volatile environments.

Together, these traditions offer a holistic vision of leadership that integrates moral integrity, emotional balance, and strategic foresight for the long term.

Strategic focus on sustainability. Companies prioritise environmental protection, green finance, and pollution control as part of their corporate strategies. Initiatives such as green operations, energy consumption awareness, and reducing single-use items are integral to this approach. Businesses can ensure their operations are sustainable and environmentally responsible by reducing carbon emissions, enhancing energy efficiency, and promoting renewable energy sources. One informant from NGO said,

“We lobby village leaders to invest in sustainability, providing solutions to achieve carbon reduction...Projects include 200,000 square meters of rooftop solar panels across 40 companies, generating 38 million kWh of electricity, covering 70% of their energy needs.”

Balancing profit and sustainability. Organizations face the challenge of maintaining short-term financial performance while achieving long-term sustainability goals. This balance requires a strategic focus on compliance and innovation, often driven by government policies and internal execution. By aligning profitability with ecological balance, companies can achieve economic success without compromising environmental integrity. One informant mentioned;

“The most significant challenges include balancing short-term financial performance with long-term sustainability goals, managing the costs of implementing sustainable technologies, and ensuring compliance with evolving regulations.”

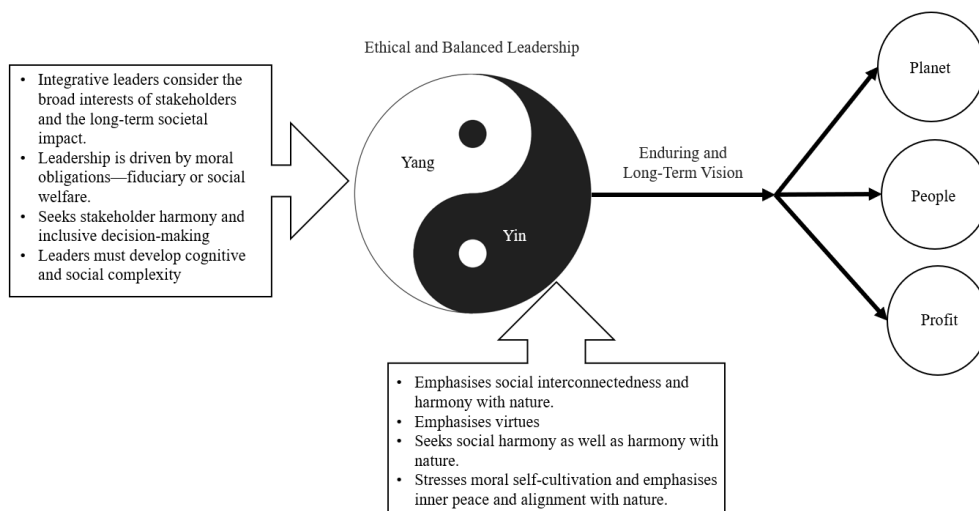
Continuous learning and adaptation. Executives emphasise the importance of lifelong learning and adapting to new sustainability practices. Companies can remain agile and innovative by integrating traditional values with modern business practices. This holistic approach ensures that businesses can effectively navigate future challenges and opportunities. One informant from private sector said,

“We conduct regular reviews and audits of our sustainability practices, benchmark against industry standards, and seek feedback from employees and customers. This helps us identify areas for improvement and implement necessary changes.”

Integrating Western and Chinese Approaches to Achieve Sustainable Goals: The Yin-Yang Sustainable Leadership Model

In line with the previous argument, we developed the Yin-Yang Sustainable Leadership Model to address the third question. As illustrated in Figure 3, this model provides a culturally integrative framework that harmonises Western and Chinese leadership philosophies to advance sustainable development.

Figure 3. The Yin-Yang Sustainable Leadership Model



At its core, the model is anchored in the Yin-Yang principle, symbolising the dynamic interplay of complementary forces that integrates Western and Chinese leadership, summarised in the Dimensions of Similarity between RL and CSL in the early text. Yin represents the leadership values of CSL, as listed in the vertical

arrow block, and Yang represents those of RL, as listed in the horizontal arrow block. The shared four dimensions of CSL and RL include 1) Holistic perspective, which emphasises systems thinking and interdependence—RL through stakeholder networks and CSL through social and ecological harmony. 2) Moral foundation: both are rooted in ethical responsibility—RL through fiduciary and social obligations, CSL through virtue ethics and moral cultivation. 3) Harmony as a Goal: both seek harmony, though RL emphasises stakeholder consensus while CSL emphasises natural and social balance. 4) Self-cultivation: both stress the importance of personal development—RL through cognitive and social complexity, CSL through inner peace and alignment with nature.

The Yin-Yang of RL and CSL enables Ethical and Balanced Leadership, which synthesises two foundational philosophical elements. These foundations give rise to a leadership style that transcends cultures. Consequently, an Enduring and Long-Term Vision has emerged, which drives three strategic outcomes aligned with the Triple Bottom Line: People, social sustainability through inclusive and relational leadership; Planet, environmental sustainability through harmony with nature and ecological stewardship; Profit, economic sustainability through balanced, long-term value creation.

Discussion and Conclusion

This study contributes to the growing body of literature on sustainable leadership by exploring how traditional Chinese philosophies—specifically Confucianism and Daoism—inform the sustainability practices of Chinese business executives. The findings reveal that these philosophies are not only culturally embedded but

also strategically influential in shaping leadership values, decision-making processes, and long-term organisational goals.

Drawing on the Upper Echelons Theory, the research confirms that the value orientation of senior executives—shaped by cultural norms and philosophical traditions—plays a critical role in determining their Responsible Leadership style. In the Chinese context, Confucian and Daoist values foster an Integrative Responsible Leadership approach, which prioritises a broad range of stakeholders and long-term societal impact over short-term profit maximisation. This contrasts with the Instrumental Responsible Leadership style more commonly associated with Western shareholder-centric models.

The Yin-Yang Sustainable Leadership Model developed in this study offers a culturally integrative framework that bridges Eastern and Western leadership paradigms. The model illustrates how the Yin (CSL) and Yang (RL) dimensions converge around shared values such as holistic thinking, moral responsibility, harmony, and self-cultivation. These shared foundations enable the emergence of Ethical and Balanced Leadership, which in turn supports an Enduring and Long-Term Vision—a critical driver of sustainable business practices.

The model also aligns with the Triple Bottom Line framework—People, Planet, and Profit—by demonstrating how Chinese executives integrate social, environmental, and economic goals through culturally resonant leadership practices. For instance, Confucian ideals of moral cultivation and social harmony support inclusive leadership and stakeholder engagement (People), while Daoist principles of non-interference and alignment with nature guide ecological stewardship (Planet). Together, these philosophies promote a balanced approach to profitability (Profit) that is rooted in long-term sustainability rather than short-term gain.

Importantly, the study highlights the role of philosophical integration and Zhōngyōng sentiment in fostering ethical leadership. These constructs encourage leaders to balance rationality with emotional intelligence, and individual goals

with collective well-being. The feedback loop embedded in the model reinforces the idea that long-term vision and ethical leadership are mutually reinforcing, creating a sustainable cycle of growth, reflection, and renewal.

Theoretical Contributions

This research makes several theoretical contributions. First, it extends the Upper Echelons Theory by incorporating cultural and philosophical dimensions—specifically Confucian and Daoist values—into the understanding of executive value orientation and leadership style. Second, it introduces the Yin-Yang Sustainable Leadership Model as a novel conceptual framework that integrates Eastern and Western leadership paradigms, offering a dynamic and culturally grounded approach to sustainability. Third, it contributes to the literature on cross-cultural leadership and sustainability by demonstrating how traditional philosophies can shape contemporary business practices, thereby enriching the discourse on ethical and responsible leadership in global contexts.

Limitations and Future Research

While this study offers valuable insights into the influence of Confucian and Daoist philosophies on sustainable leadership among Chinese business executives, several limitations should be acknowledged. 1) The study is based on 30 semi-structured interviews with senior executives from state-owned enterprises (SOEs), multinational corporations (MNCs), and private businesses (PBs). While this provides a diverse cross-section of perspectives, the sample is limited to executives who were accessible through professional networks and snowball sampling. As such, the findings may not be fully generalisable to all Chinese business leaders, particularly those in emerging industries, SMEs, or less urbanised regions. 2) The interpretation of Confucian and Daoist principles is inherently complex and may vary across individuals and contexts. Although the study draws on established philosophical frameworks, applying these ideas to

contemporary business practices involves a degree of subjectivity. Future research could benefit from interdisciplinary collaboration with scholars in Chinese philosophy and cultural studies to deepen the theoretical grounding. 3) The data were collected during a specific period and reflect the socio-political and economic conditions of that time. As sustainability practices and leadership paradigms evolve, particularly in response to global challenges such as climate change and digital transformation, longitudinal studies are needed to track how these philosophical influences persist or adapt over time. 4) While the study introduces a comparative framework between Western Responsible Leadership (RL) and Chinese Sustainable Leadership (CSL), it does not empirically test the Yin-Yang Sustainable Leadership Model across different cultural contexts. Future research could explore how this integrative model functions in cross-cultural teams or multinational organisations operating in both Eastern and Western settings. 5) The qualitative approach provides rich, in-depth insights but limits the ability to quantify the impact of philosophical values on sustainability outcomes. Future studies could adopt mixed-methods designs, incorporating surveys or experimental methods to test hypotheses derived from the Yin-Yang model and assess causal relationships.

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