

# Embedding Confucian Values in Human-Centered Management: Evidence from a Chinese Enterprise

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**Abstract:** *Amid globalization and evolving management paradigms, the integration of traditional cultural values into modern enterprise practices warrants closer examination. This study investigates the Chinese retail enterprise Pangdonglai as a case study to explore the incorporation of core Confucian principles—benevolence (Ren), righteousness (Yi), propriety (Li), wisdom (Zhi), and trustworthiness (Xin)—into contemporary management practices. Employing a combination of literature review and case study methodology, the research identifies how these Confucian values manifest in human-centered management across four dimensions: employee care, customer service, organizational culture development, and corporate social responsibility. The findings demonstrate that Confucian principles not only provide an ethical foundation for a people-oriented, value-driven management model but also enhance employee engagement, reinforce brand identity, and contribute to culturally grounded competitive advantage. However, enterprises must navigate the tension between cultural continuity and adaptive management amid cross-regional expansion and technological change. This study contributes to the theoretical discourse on the fusion of traditional culture with modern management, extends the practical boundaries of indigenous management thought, and offers both conceptual insights and actionable guidance for Chinese enterprises pursuing culturally embedded strategies for sustainable development.*

**Keywords:** Confucianism, Corporate management, Pangdonglai, Employee engagement, Corporate culture.

## 1. Introduction

### 1.1 Research Background

Amid accelerating globalization and intensifying market competition, modern enterprises are increasingly confronted with multifaceted challenges. Addressing volatile market conditions, rapid technological advancement, and increasingly diverse workforces has emerged as a critical concern for corporate management. Traditional efficiency-oriented models are proving insufficient to meet the evolving demands of contemporary organizations. In response, firms are placing greater emphasis on human-centered management, organizational resilience, and corporate social responsibility.

Against this backdrop, managerial insights rooted in traditional culture have garnered renewed scholarly and practical interest. Confucianism, the cornerstone of Chinese philosophical thought, has long influenced both organizational behavior and broader societal norms [1]. Its core principles—benevolence (Ren), righteousness (Yi), propriety (Li), wisdom (Zhi), and trustworthiness (Xin)—function not only as ethical standards for individual conduct but also as guiding tenets for leadership, employee relations, organizational culture, and corporate responsibility. In contrast to many Western management theories, Confucianism places greater emphasis on relational harmony, moral self-discipline, and a people-centric ethos, aligning well with the contemporary emphasis on soft governance and cultural integration within organizations.

In recent years, as Chinese enterprises pursue global expansion, the integration of Confucian values with modern management practices has become increasingly evident, demonstrating considerable adaptability in practical contexts. Among these, Pangdonglai—a prominent domestic retail

enterprise—emerges as a representative case. By incorporating principles such as benevolence and propriety into its managerial framework, Pangdonglai has cultivated a human-centered organizational culture that prioritizes employee welfare and customer satisfaction. This approach has contributed to a highly cohesive and effective management model, rendering the enterprise both analytically valuable and contextually representative [2].

Nonetheless, the application of Confucianism in contemporary enterprise management continues to face challenges, particularly in relation to institutional alignment and the demands of rapidly evolving technological environments [3–6]. Therefore, this study examines Pangdonglai as a case study to explore the practical implementation and current relevance of Confucian values in corporate management. This inquiry holds both theoretical importance and practical utility.

### 1.2 Research Significance

This study examines the application of Confucianism in contemporary corporate management, with a particular focus on the case of Pangdonglai. It explores how traditional cultural values can be effectively integrated into modern enterprise practices and assesses their influence on management models, organizational culture, and corporate social responsibility. The significance of this research is reflected in the following four dimensions: (1) Practical relevance of integrating traditional culture with modern management. As a cornerstone of Chinese traditional culture, Confucianism offers a valuable philosophical foundation for modern enterprise management. By analyzing the successful practices of Pangdonglai, this study demonstrates how Confucian principles can enhance organizational competitiveness, improve managerial effectiveness, and cultivate a strong sense of identity among employees. It thus provides both practical exemplars and theoretical insights into

the integration of traditional values within contemporary business contexts. (2) Advancing organizational culture development and innovation in management philosophy. As business management shifts from a profit-centric paradigm to one that emphasizes employee well-being, organizational values, and social responsibility, Confucian ideals such as benevolence, propriety, and the doctrine of the mean offer a robust ethical framework for corporate culture development. Drawing on Pangdonglai's practical experience, this study illustrates how traditional thought can enrich corporate culture with humanistic and moral dimensions. (3) Contributing applicable insights for management practice. Confucianism stresses moral leadership, harmonious interpersonal relationships, and long-term societal obligations—principles with strong relevance to modern management. Through the analysis of Pangdonglai's approach, this research identifies actionable strategies for embedding traditional values into leadership development, team management, and corporate responsibility initiatives. (4) Recontextualizing Confucianism in a globalized setting. In an era of increasing cross-cultural interaction, Confucian thought extends beyond its national origins and holds potential value for global management discourse. By presenting Pangdonglai as a localized case, this study repositions Confucian ideas within an intercultural framework, thereby promoting dialogue and mutual understanding in the field of cross-cultural management.

### 1.3 Research Methodology

To systematically examine the practical application of Confucianism in modern corporate management, this study employs two primary methods: literature review and case study.

First, a comprehensive literature review is conducted to analyze existing research on Confucianism, contemporary corporate management, and the managerial practices of Pangdonglai. This establishes a solid theoretical foundation. The review emphasizes key Confucian concepts—benevolence (Ren), righteousness (Yi), propriety (Li), wisdom (Zhi), and trustworthiness (Xin)—and explores their relevance to core management domains such as leadership, organizational culture, employee engagement, and decision-making. By synthesizing recent studies on the integration of traditional culture into business contexts, the review enhances understanding of the practical implications and contemporary relevance of Confucian values. It also contributes to the development of the analytical framework and identifies gaps in the existing literature, thereby guiding the case study design.

Second, a case study of Pangdonglai is undertaken to closely examine how Confucian principles are embedded in its management practices. As a representative firm in China's domestic retail sector, Pangdonglai exemplifies a management philosophy strongly influenced by Confucian culture, manifested across corporate culture, human resource management, customer relations, and corporate social responsibility. The case highlights how the principle of benevolence is applied to support employee welfare and development, how propriety fosters a harmonious organizational climate, and how trustworthiness enhances

customer loyalty and corporate credibility. Through analysis of these concrete practices, the study reveals the operationalization of Confucian values in enterprise management and their contribution to sustainable organizational development.

## 2. Theoretical Framework

This study employs several foundational theoretical perspectives to examine the application of Confucianism in modern enterprise management. By integrating the core principles of Confucianism with contemporary corporate practices, the research explores how Confucian thought can underpin management theory and practice. Furthermore, it investigates the potential contributions of Confucian values to enhancing organizational performance, optimizing human resource management, and cultivating a robust organizational culture.

### 2.1 Core Concepts of Confucianism

Confucianism is a cornerstone of classical Chinese philosophy, whose core values have been transmitted across millennia and continue to exert a profound influence on Chinese society, politics, and economic development. In the context of modern corporate management, the foundational principles of Confucianism—benevolence (Ren), righteousness (Yi), propriety (Li), wisdom (Zhi), and trustworthiness (Xin)—offer a robust theoretical basis for shaping organizational culture and advancing humanistic management theory. (1) Benevolence emphasizes compassion, empathy, and mutual support. Within organizational settings, it manifests as a genuine concern for employees' holistic well-being and professional development. This approach fosters a warm and inclusive workplace climate, promoting a sense of belonging and collaborative spirit among employees [7–9]. (2) Righteousness reflects justice, fairness, and moral integrity. In management, it is embodied through transparent institutional processes, such as equitable compensation systems and merit-based promotions. These practices enhance employee trust and strengthen the organization's ethical credibility [7]. (3) Propriety pertains to behavioral norms, decorum, and mutual respect. Organizationally, it is reflected in harmonious interpersonal relationships, respectful hierarchical structures, and the use of formal etiquette in customer interactions. These elements contribute to a positive corporate image and a cooperative internal environment [10–12]. (4) Wisdom represents discernment, strategic insight, and sound judgment. It underscores the importance of foresight in managerial decision-making and highlights the role of organizational learning and innovation in driving sustainable enterprise growth [13–15]. (5) Trustworthiness, a moral cornerstone of Confucianism, signifies integrity, reliability, and consistency. In practice, it calls for honesty and credibility in employee management, customer relations, and external partnerships. By fostering a culture of mutual trust, firms can enhance internal cohesion and reinforce their external reputation [16]. In sum, the moral values embedded in Confucianism not only improve internal management effectiveness but also provide an ethical foundation for corporate social responsibility and sustainable organizational development.

## 2.2 Modern Management Theories

Contemporary management theories build upon and extend traditional thought, emphasizing effective governance, strategic decision-making, leadership development, and employee motivation. When integrated with Confucian principles, several key theories offer complementary insights for fostering sustainable enterprise development: (1) Humanistic Management Theory [17–19]. This theory views employees as an organization's most vital asset and advocates for attending to their needs and development to foster motivation and creativity. The Confucian ideals of benevolence and propriety align closely with this perspective. By supporting employees' physical and mental well-being, offering career development opportunities, and cultivating a harmonious workplace, organizations can enhance employee satisfaction and strengthen organizational commitment. (2) Transformational Leadership Theory [20–22]. This theory emphasizes the inspirational and visionary role of leaders who drive performance by articulating compelling goals, employing motivational strategies, and demonstrating personal charisma. Within this framework, the Confucian values of wisdom and trustworthiness provide an ethical foundation for leadership practice. Transformational leaders are expected not only to exhibit strategic acumen but also to embody moral integrity and foster trust. By serving as ethical role models, they can effectively guide organizational transformation. (3) Corporate Social Responsibility (CSR) Theory [23–25]. CSR theory asserts that enterprises, while pursuing profitability, must also fulfill responsibilities toward society, the environment, and employees. Sustainable development requires balancing economic performance with ethical and social obligations. The Confucian principles of righteousness and benevolence form a moral basis for CSR, supporting the implementation of socially responsible strategies that enhance brand reputation and strengthen stakeholder trust and societal recognition. (4) Organizational Culture Theory [26–28]. This theory highlights the critical role of organizational culture in shaping employee behavior, enterprise performance, and innovation. The Confucian emphasis on propriety and benevolence reinforces a workplace culture grounded in harmony, mutual respect, and cooperation. Such a culture promotes team cohesion, fosters organizational unity, and supports long-term development.

## 2.3 Integrating Confucianism with Contemporary Management Theory

The integration of Confucianism with contemporary management theory constitutes the central inquiry of this study. Rather than presenting a contradiction, the core values of Confucianism and the practical approaches of modern corporate management are mutually reinforcing, working in tandem to support enterprise development. This synergy is reflected in several key areas: (1) Leadership and humanistic management. The Confucian values of benevolence and trustworthiness align closely with humanistic management theory, which advocates that leaders embody moral integrity and personal appeal. By demonstrating genuine care for employees and fostering their development, leaders can guide organizations toward strategic objectives. This leadership style promotes job satisfaction and organizational commitment, thereby contributing to long-term

organizational sustainability. (2) Organizational culture and corporate social responsibility. The Confucian principles of propriety and righteousness offer a robust ethical foundation for cultivating corporate culture. They are particularly valuable in advancing corporate social responsibility, safeguarding employee interests, and reinforcing the organization's social legitimacy. By adhering to ethically grounded business practices, firms can enhance brand image and build trust and support within society. (3) Strategic decision-making and long-term planning. Confucian wisdom provides critical guidance for strategic decision-making, enabling managers to navigate uncertainty through thoughtful judgment. The doctrine of the mean, emphasizing balance and harmony, is especially pertinent to long-term planning. This perspective enables organizations to align profitability with stakeholder interests, promoting sustainable and balanced growth. (4) Employee engagement and team collaboration. The Confucian ideals of benevolence and propriety support the creation of a harmonious and collaborative organizational climate. By prioritizing employee care and encouraging teamwork, enterprises can enhance both individual productivity and collective cohesion. For modern firms, this translates into stronger internal collaboration, increased innovation capacity, and heightened employee loyalty and engagement.

## 2.4 Theoretical Framework

This study integrates the core principles of Confucianism with contemporary management theories to construct a multidimensional theoretical framework for analyzing Pangdonglai's management model. The framework encompasses the following dimensions: (1) Confucian moral values—including benevolence (Ren), righteousness (Yi), propriety (Li), wisdom (Zhi), and trustworthiness (Xin)—serve as the ethical foundation for enterprise management. (2) Modern management theories—such as humanistic management theory, transformational leadership theory, corporate social responsibility theory, and organizational culture theory—offer practical reference points for guiding organizational behavior. (3) Integrative applications—linking Confucian principles with contemporary management practices to examine how traditional values can be effectively implemented in areas such as organizational culture development, leadership cultivation, employee motivation, and strategic decision-making. Through this theoretical framework, the study aims to provide a rigorous conceptual analysis of the applicability of Confucianism in modern enterprise contexts and to offer actionable insights for enhancing managerial practice.

## 3. Overview of Pangdonglai

### 3.1 Corporate Background

Pangdonglai is a prominent retail enterprise in China, established in 1997 and headquartered in Zhengzhou, Henan Province. As a diversified company with retail at its core, Pangdonglai has consistently adhered to a customer-centric philosophy. Through an exceptional management model, high-quality service, and a distinctive corporate culture, the company has earned broad recognition and a strong reputation

within China's retail sector. Currently, Pangdonglai operates across multiple domains—including supermarkets, department stores, food services, and e-commerce—forming an integrated retail system focused on enhancing the consumer experience. Since its inception, the company has emphasized product quality and service efficiency, while cultivating long-term, trust-based relationships with its customers. This approach has been instrumental in driving the sustainable development of its brand. Pangdonglai's success is rooted not only in its competitive offerings but also in the distinctiveness of its management philosophy and organizational culture. In areas such as culture building, employee motivation, and corporate social responsibility, the company has launched a series of innovative initiatives grounded in humanistic values and a culture of care. In recent years, Pangdonglai has placed human-centered management at the core of its operations, actively integrating Confucian principles—particularly benevolence (Ren), propriety (Li), and loyalty (Zhong)—to guide its business transformation. This fusion of traditional cultural values with contemporary management practices has not only strengthened the company's internal cohesion but also reinforced its unique cultural mission and strong sense of social responsibility.

### 3.2 Pangdonglai's Management Philosophy

Pangdonglai's management philosophy is rooted in the Confucian principles of benevolence, propriety, trustworthiness, and mutual benefit, which are consistently reflected in the company's operations and governance. By cultivating a corporate culture grounded in Confucian values, Pangdonglai adopts a people-oriented approach that prioritizes employees' psychological well-being and developmental needs. Through the promotion of harmonious interpersonal relationships, teamwork, and personal growth, the company supports sustainable organizational development. The key characteristics of this management philosophy are as follows: (1) Employee-centered management. Pangdonglai incorporates the Confucian value of benevolence into its human resource strategy by emphasizing employee welfare and professional development. This approach enhances job satisfaction and strengthens organizational loyalty. The company maintains a comprehensive training system to support continuous skill advancement and encourages open communication through multiple feedback channels. Employees are regarded as the company's most valuable asset, and Pangdonglai upholds the belief that "employee satisfaction is the cornerstone of enterprise development," thereby fostering efficient and cohesive teams. (2) Customer-first service philosophy. Adopting a customer-centric mindset, Pangdonglai emphasizes attentive service and values customer feedback. Guided by the Confucian principle of propriety, the company promotes respectful and empathetic customer interactions. Its service philosophy prioritizes not only product quality and convenience but also the emotional experience of customers. This emphasis on courteous, principle-based service strengthens customer satisfaction and loyalty, contributing to the company's strong market reputation. (3) Commitment to social responsibility and corporate mission. In parallel with its business growth, Pangdonglai places strong emphasis on fulfilling its social responsibilities. Through active engagement in environmental protection, philanthropy, and

public welfare initiatives, the company embodies the Confucian virtues of righteousness and trustworthiness. Its sustained efforts to operate ethically and contribute to sustainable social development have earned widespread societal recognition. (4) Integrity-driven corporate culture. Trustworthiness, a core tenet of both Confucian ethics and Pangdonglai's internal culture, underpins the company's approach to business conduct. The firm places high value on brand reputation and adheres to principles of honesty and fairness in all commercial interactions. This ethics-based management model has cultivated strong customer trust and long-term partnerships with suppliers and collaborators, thereby reinforcing Pangdonglai's competitive advantage.

### 3.3 Pangdonglai's Organizational Structure and Management Model

Pangdonglai adopts a flat organizational structure designed to enhance communication efficiency and managerial agility. This framework promotes cross-functional collaboration, transparent information sharing, and rapid decision-making. The company is structured around multiple functional departments—including human resources, procurement, sales, marketing, and customer service—with clearly delineated responsibilities to ensure seamless interdepartmental coordination. In terms of managerial approach, Pangdonglai adheres to the principle of meticulous management. It implements precise and streamlined operational procedures across core functions such as supply chain logistics, inventory control, and sales operations. These processes are supported by advanced information systems that facilitate performance optimization and ensure alignment across the organizational workflow. Employee motivation and development represent another central focus of Pangdonglai's management model. The company has established a comprehensive performance appraisal system that provides timely, merit-based recognition and constructive feedback. To promote continuous learning, Pangdonglai regularly offers training programs aimed at strengthening employees' technical skills and managerial capabilities. This integrated organizational structure and management system support Pangdonglai's strategic objective of achieving sustainable, high-performance growth.

### 3.4 Pangdonglai's Corporate Culture and Social Responsibility

Pangdonglai's corporate culture is deeply grounded in the Confucian values of benevolence (Ren), propriety (Li), and trustworthiness (Xin), fostering a pervasive ethos of humanistic concern throughout the organization. The company's internal management emphasizes not only performance outcomes but also the emotional well-being and personal development of its employees. As a result, Pangdonglai is widely perceived by its workforce as a supportive and caring employer, and by customers as a reliable and trustworthy business partner. In terms of social responsibility, Pangdonglai upholds the principle of reciprocating societal support. The company actively participates in philanthropic initiatives, supports marginalized groups, and fulfills its broader obligations through efforts in environmental sustainability, charitable contributions, and public welfare. Pangdonglai firmly believes that corporate success is inseparable from the support of society.



Accordingly, while pursuing its commercial objectives, the company remains equally committed to promoting the public good and advancing societal well-being.

### 3.5 Pangdonglai's Success Factors and Challenges

Pangdonglai's competitive success in a rapidly evolving market is largely attributable to its management model grounded in Confucian values. By embedding these core principles across multiple dimensions of organizational governance, the company has cultivated a strong corporate culture and harmonious employee relations. This foundation has contributed to a brand identity characterized by integrity, compassion, and civic responsibility—earning the trust and loyalty of a broad customer base. However, as market competition intensifies and the enterprise continues to expand, Pangdonglai faces several emerging challenges. These include sustaining cultural vitality, enhancing management effectiveness, and adapting to dynamic market demands. Looking ahead, the company must balance its commitment to traditional cultural values with the need for ongoing managerial innovation in order to navigate evolving market dynamics and increasing competitive pressures.

## 4. The Confucianism in Pangdonglai's Management Practice

### 4.1 Benevolence: Employee Care and Customer-Centric Service

Pangdonglai has effectively embedded the Confucian value of benevolence (Ren) into its management philosophy, constructing a dual-value creation framework that serves both employees and customers. On the employee side, the company has developed a comprehensive care system that includes generous compensation and benefits, structured career development planning, and access to professional mental health counseling—demonstrating the practical application of Confucian benevolence. Regular psychological support programs and career advancement initiatives indicate that Pangdonglai not only addresses employees' material needs but also prioritizes their emotional well-being and long-term growth. This approach strengthens employee loyalty and fosters a deeper sense of organizational belonging. On the customer side, Pangdonglai extends the principle of benevolence into its service philosophy by adhering to a "customer-first" mindset. Through meticulous service execution and emotionally resonant customer interactions, the company cultivates a warm, human-centered shopping experience. This dual-track approach—grounded in Confucian benevolence—generates a mutually reinforcing cycle of employee satisfaction and organizational performance. At the same time, it enhances customer loyalty through elevated service quality, contributing to Pangdonglai's sustained competitive advantage in the retail market.

### 4.2 Propriety and Harmony in Practice: Organizational Culture and Team Cohesion

Pangdonglai has embedded the Confucian values of propriety (Li) and harmony into the core of its organizational culture, shaping a distinctive and effective management framework.

Internally, the company fosters an atmosphere of equality and fairness by establishing communication mechanisms grounded in mutual trust and respect. Regular team-building activities and cross-departmental exchanges are employed to enhance interpersonal understanding and collaboration among employees. Notably, Pangdonglai promotes an open and participatory decision-making process that challenges conventional hierarchical norms. Staff at all levels are encouraged to contribute to discussions, helping to decentralize authority and mitigate risks associated with power concentration. In terms of team development, the company applies the Confucian concept of "harmony in diversity" by implementing performance-based incentive systems that emphasize collective outcomes. These mechanisms cultivate a shared sense of identity and strengthen a cooperative team spirit. By integrating propriety and harmony into its management practices, Pangdonglai enhances internal cohesion and significantly improves organizational agility and operational efficiency in a competitive market environment.

### 4.3 Integrity and Corporate Duty: Corporate Reputation and Social Responsibility

Pangdonglai has systematically embedded the Confucian principles of trustworthiness (Xin) and righteousness (Yi) into its business operations, establishing a comprehensive framework for corporate responsibility. At the operational level, the company has implemented transparent governance mechanisms, regularly disclosing financial and operational information to ensure the provision of accurate and reliable data to stakeholders. It enforces strict quality control over products and service delivery, upholds the principle of integrity, and maintains a firm stance against all forms of commercial misconduct. This commitment to trustworthiness has significantly enhanced Pangdonglai's reputation in the marketplace. In terms of social responsibility, the company embodies the Confucian value of righteousness by positioning itself as an active contributor to societal well-being. Through philanthropic programs, environmental sustainability initiatives, and charitable donations, Pangdonglai demonstrates its dedication to community development and ecological responsibility. By pursuing both economic and social value creation, the company strengthens its social legitimacy and cultivates a distinctive brand identity. This integrated management model—which harmonizes ethical business conduct with corporate social responsibility—exemplifies the innovative application of Confucian values in modern corporate governance.

### 4.4 The Doctrine of the Mean: Balanced Decision-Making and Sustainable Development

Pangdonglai has innovatively integrated the Confucian Doctrine of the Mean (Zhongyong) into its strategic management, establishing a distinctive model for balanced development and risk control. In its strategic planning, the company deliberately rejects a growth-at-all-costs mentality, instead adopting a steady, sustainable development trajectory guided by market demand, resource availability, and internal capabilities. Informed by systematic market research and rigorous feasibility assessments, Pangdonglai maintains strategic rationality in its expansion efforts, thereby avoiding

the managerial overreach and resource inefficiencies often associated with rapid, unrestrained growth. In terms of risk management, the company has developed a dynamic adjustment mechanism inspired by the Doctrine of the Mean. Through accurate market evaluation and agile strategic adaptation, Pangdonglai maintains strategic consistency while proactively responding to external volatility. The firm also mitigates risk by diversifying its business portfolio and implementing robust, forward-looking monitoring systems. This application of Confucian moderation within modern corporate management not only highlights the enduring relevance of traditional wisdom but also provides pragmatic guidance for achieving long-term sustainability in a competitive market environment.

## **5. Pangdonglai Model: Advantages and Challenges**

### **5.1 Analysis of Strategic Advantages**

Pangdonglai has successfully embedded Confucianism into its management practices, resulting in dual strategic advantages in internal operations and customer engagement. Internally, the company has established a benevolence-centered employee development system that includes competitive compensation packages, structured career advancement pathways, and access to professional mental health services. These initiatives have significantly enhanced employee satisfaction and loyalty. Empirical evidence indicates that such comprehensive care has reduced turnover, improved work efficiency, and ultimately generated greater organizational value. In customer service, Pangdonglai anchors its philosophy in the Confucian ideal of benevolence, delivering attentive, empathetic service and prioritizing customer experience. This approach has fostered strong emotional connections with consumers, who are drawn not only to the company's products and pricing but also to its embodiment of humanistic values. This emotional resonance has played a critical role in strengthening brand loyalty. Additionally, Pangdonglai incorporates the Confucian values of propriety and harmony into its organizational culture. The company promotes communication systems characterized by equality, openness, and collaboration, which have enhanced team cohesion and collective efficacy. Emphasis is placed on fostering mutual support among employees and cultivating a shared sense of pride and identity. This harmonious internal environment boosts employee morale and reinforces the organization's resilience in the face of external pressures. By cultivating a workplace atmosphere rooted in harmony, Pangdonglai has improved both organizational agility and innovation capacity, thereby establishing a distinctive competitive edge. Through the organic integration of traditional Confucian values with modern management principles, the company has achieved synergistic progress in employee development, customer service, and overall organizational performance—laying a solid foundation for long-term sustainable growth.

### **5.2 Challenges and Strategic Constraints**

Pangdonglai faces two core challenges in applying Confucianism within its management practices. The first challenge involves maintaining cultural cohesion and

managerial alignment amid large-scale expansion. As the company enters increasingly diverse market environments, its management philosophy—anchored in the Confucian values of propriety (Li) and benevolence (Ren)—encounters obstacles in implementation across regional and cultural boundaries. Employees and customers in different locales may hold divergent cultural backgrounds and value systems, complicating efforts to transmit and embed the company's corporate culture. Additionally, the complexity introduced by expanded hierarchical structures may risk reducing Pangdonglai's humanistic management approach to mere formalities, thereby weakening the substantive enactment of Confucian principles. The second challenge lies in fostering innovation while preserving core competitive advantages in an increasingly competitive and digitalized retail environment. As Pangdonglai navigates rapidly evolving consumer demands and the imperative of digital transformation, it must uphold the Confucian Doctrine of the Mean (Zhongyong) while pursuing strategic innovation. This requires a careful equilibrium—preserving foundational cultural values without succumbing to stagnation through excessive conservatism. In particular, the company must explore innovation pathways that reconcile technological advancement with its human-centered ethos. To this end, leveraging big data analytics, artificial intelligence, and other advanced technologies to enhance operational efficiency and service quality must be done in a way that maintains Pangdonglai's commitment to humanistic principles. Successfully balancing tradition with innovation will demand exceptional strategic acumen and managerial foresight.

## **6. Implications and Lessons for Other Enterprises**

### **6.1 Humanistic Management Philosophy**

Pangdonglai's humanistic management system—rooted in the Confucian principle of benevolence (Ren)—offers valuable practical insights for modern enterprises. In the area of employee care, firms are encouraged to establish holistic support frameworks that encompass competitive compensation packages, structured career development plans, and professionally designed mental health programs. Regular training and psychological counseling not only enhance employees' professional capabilities but also promote well-being and a sense of belonging. Such a comprehensive approach improves organizational effectiveness and establishes a talent base essential for sustained competitive advantage. On the customer service front, enterprises should integrate the principle of benevolence into their service strategies to create differentiated and emotionally resonant customer experiences. By continuously improving service processes, product quality, and the retail environment—grounded in rigorous customer analysis—firms can cultivate distinctive service capabilities. In today's competitive landscape, leveraging customer feedback systems and social media engagement tools enables firms to better understand evolving consumer needs and deliver personalized services, thereby strengthening brand loyalty. This dual-path, human-centered model of value creation not only enhances market competitiveness but also supports long-term organizational sustainability. Pangdonglai's experience demonstrates how integrating traditional cultural values with

modern management practices can generate distinctive and enduring strategic advantages.

## 6.2 Organizational Harmony and Collaborative Culture

Pangdonglai's cultural management practices—grounded in the Confucian values of propriety (Li) and harmony—offer meaningful insights for organizational management in contemporary enterprises. To foster a positive organizational climate, firms should cultivate a culture based on mutual respect and transparent communication. Regular team-building activities and cross-departmental training sessions can promote trust and mutual understanding among employees, thereby enhancing organizational cohesion. When implementing transparent communication mechanisms, it is essential to encourage employee voice and ensure that all individuals feel heard and valued—an approach that fosters intrinsic motivation and unlocks creative potential. At the team level, the principle of harmony should be integrated into operational management. Establishing clear team objectives and structured collaboration processes can minimize internal friction and improve resource allocation. In promoting cross-functional collaboration, leadership should focus on creating open communication platforms, empowering employees to leverage their individual strengths, and offering appropriate support and incentives. This collaborative model—rooted in Confucian harmony—contributes not only to improved operational efficiency but also to greater organizational innovation and resilience. Pangdonglai's experience demonstrates that integrating traditional cultural concepts of harmony with modern management systems can substantially enhance organizational effectiveness and support sustainable growth.

## 6.3 Sustainable Development and Social Responsibility

Pangdonglai's development model—anchored in the Confucian principles of moderation (Zhongyong) and righteousness (Yi)—offers valuable guidance for modern enterprises seeking sustainable development. At the strategic level, the Doctrine of the Mean can be applied to corporate decision-making to promote a steady and balanced growth philosophy. Enterprises should formulate expansion strategies based on core competencies and available resources, avoiding uncontrolled growth that can lead to managerial inefficiencies and resource misallocation. Amid intensifying market competition, firms must maintain strategic focus through rigorous market analysis and sound risk management to ensure long-term organizational viability. In the realm of social responsibility, companies should operationalize the Confucian ideal of righteousness by making social contribution a central pillar of strategic planning. Through initiatives such as philanthropic programs, environmental sustainability efforts, and community engagement, enterprises can fulfill broader societal obligations while enhancing their legitimacy and public trust. In an era where consumers increasingly value corporate contributions to society, strategically embedding social responsibility not only strengthens brand reputation but also deepens customer loyalty. Pangdonglai's experience illustrates that aligning Confucian values of balance and moral obligation with modern corporate social responsibility frameworks enables the integration of economic performance and social value

creation—laying a strong foundation for long-term sustainable development.

## 7. Conclusion

This study presents a systematic case analysis of Pangdonglai to explore the managerial relevance and implementation mechanisms of Confucianism in modern enterprise management. The findings reveal that the core Confucian values—benevolence (Ren), righteousness (Yi), propriety (Li), wisdom (Zhi), and trustworthiness (Xin)—can be organically integrated with contemporary management practices across micro, meso, and macro levels: (1) At the micro level, the principle of benevolence is operationalized through comprehensive employee care systems and customer service frameworks, fostering a dual value-creation mechanism within the organization. (2) At the meso (organizational) level, a culture shaped by propriety and righteousness cultivates a distinctive organizational climate and supports effective team collaboration. (3) At the macro level, the values of wisdom and trustworthiness inform strategic efforts to balance economic performance with social responsibility, thereby promoting sustainable development. Pangdonglai's experience demonstrates that Confucianism offers both theoretical insight and practical utility, particularly in the areas of organizational culture, employee management, customer engagement, and corporate social responsibility. However, amid the challenges of globalization and digital transformation, enterprises must continue to explore innovative pathways for integrating traditional cultural values with contemporary management strategies to remain responsive and adaptable in a dynamic market environment. This study contributes to a deeper understanding of how traditional cultural frameworks can be effectively applied in modern business contexts and advances both theoretical discourse and practical innovation in the field of enterprise management.

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