ORGANISATIONAL LEADERSHIP MINDSETS AND HUMAN CAPITAL INVESTMENT: DUE DILIGENCE, AMBICULTURAL AND TAO (TI-YONG) PERSPECTIVES

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Abstract

This is a conceptual paper, supporting due diligence (DD) in reframing organisational leadership through an investment approach to human capital and mindset. The aim — to enhance relations between organisations, their multistakeholders, and ecosystems. Ambiculturalism and Ti-Yong (体用) underpin the proposed frames. Western and Chinese organisations, provide an example. An investment perspective, as distinct from a cost to operations approach, is presented through two frames, as core elements reflecting a human capital investment (HCI)-leadership investment mindset (LIM) focus. The frames are supported by Tao (道) philosophy, through the Yin-Yang & five elements — 阴阳五行 — expressed as Ti-Yong (Lao-tzu, 1998; Cheng & Bunnin, 2002). A Western theory, dualities (Evans, 1999), is also employed. Seven (7) propositions provide direction for assessing the efficacy of the proposed frames. Data has not been collected, hence methodology is presented via what may be undertaken, to test the efficacy of two complex frames. A combination of multivariate techniques, including PCA, CFA, SEM (LISREL), and/or partial least squares-structural equation modelling (PLS-SEM) is recommended. Ringle, Sarstedt, Mitchell, and Gudergan (2020) propose PLS-SEM for HRM issues to address issues tied to, model complexity, estimating constructs, and deriving latent variable scores. The relevance of the proposed frames goes to enhancing organisational leadership thinking and subsequent organisational leadership behaviour, through a DD process. Professional practice applications are addressed.

Keywords: Due Diligence, Tao, Ti-Yong, Dualities, Human Capital Investment, Human Capital Management, Human Resource Management, Human Resource Strategies

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1. INTRODUCTION

It is disconcerting that contemporary examples of organisational leadership, seem to reflect too many negative intra- and interorganisational circumstances (see below). Each example evidences what appear to be poorly conceived missions and objectives, and most especially, even poorer strategies and operational practices. In sum, evidencing, unprincipled and unethical behaviour. Such circumstances are represented by those who are described as narcissistic leaders (O’Reilly & Chatman, 2020), i.e., a modern-day reflection of the psychotic types, to whom Maslow (1965) referred when highlighting eupsychian management. Organisational leadership research has essentially covered issues tied to the skills needed, to effectively display organisational leadership behaviour. Whilst skills awareness is clearly important, insufficient acknowledgment has been supported in the extant literature, to the impact of organisational leadership thinking in the first place [mindset]; i.e., to provide the required focus, through personal attributes, most especially mindset; and support quality organisational leadership. Perspectives attuned to organisational leadership skills, and subsequent organisational leadership effectiveness is the usual approach. Critically, informed thinking, precedes effective behaviour in any context. In this sense, if something cannot be conceptualised, it is extremely difficult to then experience that something in any form, least of all, effective behavioural outcomes. Hence, the potential to bring the practice of due diligence (DD), to matters impacting how organisational leadership can be more appropriately evidenced, most especially, through securing informed organisational leadership thinking; proposed here through investment in mindset.

Traditionally, DD has simply addressed the fiduciary responsibilities (FR), organisational governance (OG), if not duty of care (DoC) responsibilities, of organisational leaders, tied to operational challenges. Critical as each is, the process pursues financial practices, tied to what is legally required to address immediate stakeholder needs appropriately; and increasingly, to address corporate social responsibility (CSR) expectations. More so, to practice organisational leadership ethically. However, issues surrounding the quality of an organisation’s human capital (HC), to support such practices, are usually not considered; an underlying assumption seems to exist that organisational leaders, as professionals, possess the necessary wherewithal, to provide informed thinking, and to behave appropriately.

Nevertheless, to the best of the authors’ awareness, DD has not been considered within the context of how organisational leadership should be addressed. The DD perspective supported here, reflects a capital investment approach, in the quality of an organisation leader’s HC, i.e., a human capital investment (HCI) focus. The focus being underpinned by a leadership investment mindset (LIM).

Whilst many organisational leaders would argue that their attention to capital investment represents a sound reflection of their skills and abilities, and meets their legal requirements; their thinking would be attuned to their behaviour simply focused on their financial skills, tied to capital investment. Addressing capital investment, from a HCI perspective, enhances how organisational leadership is perceived. An approach which would not under normal circumstances be addressed by organisational leaders. Most especially, through the traditions of organisational roles and responsibilities. Hence, HCI and LIM perspectives may well be dismissed as fanciful; moreover, not worthy of their time. The notion of DD under such circumstances would likely be dismissed.

However, recent circumstances surrounding ill-informed organisational leadership thinking, which has clearly resulted in ineffective and unethical organisational leadership behaviour, and certainly cried out for DD to a HCI-LIM focus; and to support how and understand why, the organisational leadership thinking, and subsequent organisational leadership behaviour evidenced, occurred in the manner experienced.

The absence of DD towards HCI-LIM foci potentially contributed to the problematic practices and outcomes experienced. Critically, if not, unfortunately, problematic examples, have not been difficult to find, with Fish and Wood (2017) identifying seven (7), arguing that too many more are identifiable.

First, — findings from the Royal Commission into Banking and Financial Services in Australia uncovered serious unethical deficiencies in the thinking and behaviour of industry leaders and managers. Secondly, investigations into The Broken Hill Proprietary Company (BHP) and Rio Tinto (and others), uncovered significant environmental degradation examples; whereby host communities were denied their life-styles and livelihoods, resulting from the ineffectiveness of organisational leaders. Thirdly, administrative practices, and player behaviour issues, were highlighted from a formal inquiry into the leadership culture of Cricket Australia, whereby bullying and poor management practices were disclosed. Fourthly, recent investigations into the general and financial management of Australia’s National Rugby League, and Rugby Union, have also uncovered an apparent lack of DD, across a number of core issues tied to the sustainability and survival of each code, and individual clubs. Fifthly, investigations amongst various religious leaders and youth organisation leaders in Australia, have unearthed abhorrent behaviour, tied to appalling incidences of child abuse. Sixthly, an investigation into the selection of candidates by Australian political parties uncovered circumstances where problematic backgrounds amongst too many candidates negated their eligibility to stand for public office in the first place. Finally, a $1.3bn (AUD) fine, imposed on Westpac Banking Corporation for money laundering, tied to supporting paedophile rings.

In addition, recent circumstances surrounding organisational leadership concerns at Minter Ellison (Australia’s largest law firm), involving their CEO, due to issues surrounding representation for a high profile client, on an equally high profile matter, lays bare deficiencies in organisational leadership thinking and organisational leadership behaviour, to support needs attached to, internal synergies, external balance, and the mutuality missing amongst a diversity of multistakeholders; including in this instance, at any rate, perceptions of the legal ecosystem.
In addition, examples at a global level from Wayne (2002), McLean and Elkind (2003), and the United States Department of Justice (2018), amongst numerous others, identify similar circumstances; where scandals committed against multistakeholders and ecosystems, by so-called capable, experienced, and ethical leaders, from what were considered, highly respected organisations, i.e., Enron, Société Générale, and HSBC, respectively, have been uncovered.

Each example evidences ill-informed organisational leadership. Importantly though, the examples point not to whether traditional DD was practiced, or even at fault, rather a means to support appropriate organisational leadership, was missing in each example; whereby the quality of organisational leadership thinking (LIM), and organisational leader behaviour (HCI), i.e., a HCI-LIM focus, expected of organisational leaders, was inadequate. Consequently, win/lose and lose/lose outcomes occurred; with issues tied to internal synergies, and achieving balance and mutuality for their organisations, their multistakeholders, and their ecosystems, were clearly absent.

Given the increasing inclusionary expectations of organisational staff, multistakeholders, and ecosystems, emphasising a HCI-LIM approach is likely to make positive contributions towards enhancing organisational leadership, and associated outcomes.

The proposed approach employs ambiculturalism and Tao (Ti-Yong) to explain how organisational leadership can be played out in more meaningful ways, through a HCI-LIM focus. Unfortunately, opportunities to generate discussion on the efficacy of new perspectives, irrespective of their discipline are forgone in the extant literature; where empirical research is preferred, and where the opportunity to at first, conceptualise an idea is ignored.

This argument is supported by two complimentary arguments. First, from Post, Sarala, Gatrell, and Prescott (2020), who argue that “[…] reviewing a body of work presents unique opportunities for making a theoretical contribution […] [which] can make readers think theoretically differently about a given field or phenomenon […] [moreover] that advancing theory with review articles, requires an integrative and generative approach” (p. 351). Secondly, from Pralahad (as cited in Kleiner, 2010), who argues that “[…] to me, the problems of greatest interest are things that you cannot explain with current prevailing theory” (p. 1).

The structure of this paper is as follows. Section 2 provides a review of relevant literature, proposing two frameworks that explain the application of existing literature to the proposed focus tied to enhancing organisational leadership thinking and subsequent organisational leadership behaviour. Section 3 addresses research methodology, from a conceptual perspective; whereby, no data has been collected at this stage. This section presents possible approaches, which may assist to test the efficacy of the proposed frames; moreso, their sub-parts. Section 4 provides a general discussion, including how the proposed frames can assist professional practice. Finally, a conclusion is presented in Section 6.

2. LITERATURE REVIEW

Osland and Bird (2005) identify thinking and behavioural challenges tied to the how roles and responsibilities of global leaders, are played out; whereby “the thinking […] and behaviours of a global community to work together synergistically toward a common vision and common goals” is (p. 123) a core element of organisational leadership responsibility. A theme, which is equally relevant to organisational leaders in general.

Each example highlights a need to reframe, how organisational leadership should be played out, more critically, based on how organisational leadership is thought through appropriately in the first place; and then practiced effectively, by each organisation, not simply for organisational benefit; but to also benefit, multistakeholders, and ecosystems.

An investment focus towards organisational leadership is supported; and is represented by HCI and LIM foci, designed to inform how organisational leadership should be played out. Certainly, not as a cost to the potential impact of organisational leadership, Tung and Varma (2008) and Butler, Landers, Mockaitis, and Sutton (2012), address similar concerns when assessing the impact of HR strategy agendas, such as selection, development, and the placement of global leaders. Nevertheless, two challenges highlight the increasing concern surrounding how effective organisational leadership can be evidenced.

The first challenge goes to how organisational leaders ensure that their respective organisations possess the required professional acumen (PA), i.e., the capabilities, experiences, and personal attributes to support DD and DoC, for their organisations, whilst simultaneously supporting multistakeholder and ecosystem necessities.

The second challenge goes to how an organisation’s PA is supported by an effective set of HR prescriptions (HRP); i.e., the attraction, enhancement, and retention agendas necessary to sustain the required PA.

In combination, an appropriate HCI-LIM focus is designed to enhance organisational leadership thinking and subsequent organisational leadership behavior towards achieving synergy, balance, and mutuality between organisations, their multistakeholders, and their ecosystems.

Moreover, the proposed frames are designed to assist organisational leaders, as to how they address their own roles and responsibilities; and in the process, to reflect appropriate attention to the needs of what is increasingly referred to as the modern organisation. Golikova, Larionov, Verbitskaya, Fasenko, and Kokhanenko (2018) conceptualise the modern organisation as one which “[…] seeking competitive advantages […] which opens possibilities to modernization through […] accumulated and realized human capital. Human capital can be determined as a totality of knowledge, competencies, and qualities, embodied in each employee, which stimulate the creation of personal, social, and socio-cultural economic well-being of the society” (p. 1).

The proposed perspective also reflects concepts highlighted by Munusamy and Jenkins (2019) vis-à-vis the roles and responsibilities of HR professionals;
through what they also refer to as HC; moreso, through prisms of ambidexterity. Whereby, HC professionals should be able to act and react similarly; reshaping, redirecting, and colouring HC dilemmas, when addressing various organisational challenges. The same perspective is considered relevant to all organisational leaders.

Significantly, what organisational leaders [in their various forms] choose to learn, and how, then applies, are critical elements in their success; most especially, whether they choose to deal with synergy, balance, and mutuality.

In this sense, learning something new raises questions tied to how; moreover, from where, and indeed whom. The importance of both ambiculturalism, and Tao (Ti-Yong), can assist in addressing issues surrounding learning something new; moreover, to support new ways which support synergy, balance, and mutuality for organisational leaders, amongst their multistakeholders, and ecosystems.

Chen and Miller (2010), Chen (2016), Tucker (2016), and Nicholson, Spiller, and Pio (2019) exemplify ambiculturalism as a means to address what different cultures might offer the enhancement of any organisation’s strategies and operations, based on how experiences in other cultures can be brought to the parent organisation; i.e., learning transfer. Whereas, Lao-tzu (1998) and Cheng and Bunnin (2002), on Tao (Ti-Yong), address learning opportunities, which assist Western organisations to understand the thinking and behaviour of their Chinese counterparts.

The importance of such frames was highlighted by Christianson (2019), who argues "[...] As organizations are increasingly confronted with the need to engage with stakeholders from diverse cultures, the need to understand the ways in which cultural imperatives play into individual and collective performances is increasingly important" (p. 1).

Critically, this issue highlights the impact of mindset, i.e., what informs organisational leadership thinking, such that effective organisational leadership behaviour, might be evidenced. Ambiculturalism and Tao (Ti-Yong) can assist. Chen (2016, p. 511) notes that ambiculturalism addresses learning from diverse cultures; requiring a disciplined focus, supporting expansiveness and proactivity, possessing such traits as 1) openness to new ways of thinking; 2) capacity to transcend and embrace new ideas; 3) an ability to see the wisdom and strength in other cultural and business paradigms. Tao (Ti-Yong), on the other hand, focuses on how Western organisational leaders can learn organisational leadership thinking and organisational leadership behaviour in the Chinese context.

Tucker (2016) discusses similar issues tied to enhancing organisational relations; and addresses seven (7) trends impacting innovation in inter- and intraorganisational circumstances. Fully five (5) address how effective HR prescriptions impact organisational effectiveness; moreso, the performance of organisational leaders. Most especially, the level of informed organisational leadership thinking, and the effectiveness of organisational leadership behaviour, which was evident, if not absent in the earlier problematic examples.

Tucker’s (2016) points go first to the ability and willingness of organisational leaders to bridge the seeing-doing gap; to understand how to go about their roles and responsibilities. Secondly, to possess the required capabilities and experiences, to craft the right vision and strategies in the first place. Thirdly, whilst organisational metrics are nice, metrics must be communicated up and down the organisation; i.e., everyone must understand. Fourthly, to attract and retain managers capable of rewarding innovation talent. Finally, to design work such that time and activity, supports innovative thinking and effective behaviour. A position that reflects Maslow’s (1965) concept of eupsychia management.

Tucker (2016) also supports Chen (2016) and Nicholson et al. (2019) as to benefits to be derived from ambiculturalism to enhance the investment focus inherent in a HCI-LIM focus; and which organisational leaders need to support ambicultural learning, i.e., “(i) openness to new and profoundly different paradigms, practices and ways of thinking; (ii) understand that organizations and individuals alike, must be able to balance diverse, even conflicting, social, geopolitical, environmental and human needs to transcend divisions; (iii) commit to continual learning, and to share knowledge and experience with others in the interest of sustainable success and mutual improvement; (iv) recognize that Western and Eastern business models, individually, cannot meet the challenges of globalization; and acknowledge that (v) ambicultural individuals possess skills that allow them to work in any institution, industry or region. They seek a balanced career and life, and aspire to reach the pinnacles of not only their profession, but humanity” (p. 1).

Tied to this perspective, is how Maslow (1965) employs the term “eupsychia”, as a means for managers to effectively practice their day-to-day roles and responsibilities; arguing, eupsychia represents effectiveness in how organisational staff should be treated by their managers; i.e., eu “positive” psycia “psychology” (Fish, 2019, p. 72). Eupsychia, is a means to redresses organisational leadership problems, and reflect how by 1) reengineering organisation cultures (OC’s), and 2) refocusing how and why organisational leaders treat staff, are central to enhanced management practice. There is no reason to suppose why a eupsychic approach could not also be applied to the diversity of multistakeholders and ecosystems, which organisational leaders confront.

Organisational leaders in each of the earlier problematic examples though have failed to evidence such perspectives through what is proposed here as a HCI-LIM focus. A perspective which is reflected through five (5) core mindset perspectives, to achieve synergy, balance, and mutuality, through their organisations and towards their multistakeholders, and the ecosystems. That is, how 1) stakeholder mutuality mindset (Roche & Jakub, 2017); 2) ambicultural mindset (Chen, 2016); 3) geoeupsychia mindset (Kobrin, 1994; Maslow, 1965); 4) the benefit mindset (Buchanan & Kern, 2017), and 5) eco-leadership mindset (Western, 2019) interact, to provide what was missing in the earlier examples, i.e., effective organisational leadership.
Dualities (Evans, 1999) also support a HCI-LIM focus, to address organisational challenges, through acknowledging the importance of congruence, and support synergy, balance, and mutuality, for the benefit of an organisation, its multistakeholders, and its ecosystems. Rose, Gordon, and Hattingh (2020) also address this issue, highlighting the impact of responsible leadership; whereby dualities are reflected in Tao (道) philosophy, through Yin-Yang and five elements — 阴阳五行; expressed as Ti-Yong. A perspective employed here to support a HCI-LIM focus; which again supports synergy, balance, and mutuality for organisations, multistakeholders, and ecosystems.

Critically, a HCI-LIM focus reflects appropriate attention towards ensuring an organisation’s PA, and an organisation’s HRPs, support the broader strategic intent of an organisation. Such a perspective though, is usually procedural in nature, and not strategic, when leadership role selection or career placements take place.

For example, staff assets [and liabilities] of organisation Y are assessed, within the context of how organisation X may benefit, following a merger or acquisition (Harding & Rouse, 2007, p. 124). Also, where professional service firms provide reports, e.g., Mercers (2019), which reflect how identified HR assets [and liabilities] of organization X may prove useful [or otherwise] for the organisation Y. The process is also found when organisations appoint managers to cross-border locations (Fish & Wood, 1996); whilst the appropriate PA may be sought, the HRPs are potentially brought into question because appropriate preparation, adjustment, repatriation, and career strategies don’t exist.

However, addressing a HCI-LIM focus, beyond simply operational practices, is not acknowledged by organisational leaders. Nevertheless, through a Western HR perspective, i.e., dualities, and a key Chinese philosophy, i.e., Tao (道), two frameworks supporting HCI-LIM foci are proposed. Tao (道) and, more specifically, Yin-Yang (Ti-Yong), incorporates five elements — 阴阳五行 — and is included here, to support a HCI-LIM focus.

Ti-Yong was first advanced in the Xunzi (荀子) (Kwon & Woo, 2019); but the principles of Ti-Yong also have a key application in the Qing Dynasty expression — Zhongqiao Weiti Xixue Weiyong (中学为体, 西学为用), i.e., Chinese learning as the fundamental structure — Western learning for practical use (Cheng & Bunnin, 2002).

The interplay assists how learning in and from different cultural contexts can be beneficial; i.e., between Western and Chinese organisations, which as noted earlier, is supported by Chen and Miller (2010, p. 17) who address ambiculturalism, arguing. A thriving Chinese business culture represents not only a source of economic partnership but a potential font of managerial wisdom that can help renew Western organisations.

Through HCI-LIM focus is provided, whereby learning, and hopefully understanding how things happen in different cultural settings, can assist to develop a more informed awareness of the organisational leadership thinking and organisational leadership behaviour required to support informed and effective relations between organisations, their multistakeholders, and their ecosystems.

Morris, Savani, Mor, and Cho (2014), in summarising their own extensive review of cross-cultural learning, provide support, arguing “this involves acquiring knowledge of the norms of the other culture, and then knowing how best to use this knowledge as a guide to one’s own behavior, and as a lens for interpreting locals’ behavior” (p. 22). Hence, understanding how [and why] others in distinctly different cultures, first think, then act, provides a sound foundation for any organisation to adjust to new ways.

By combining Tao (Ti-Yong), the potential to enhance a HCI-LIM focus, becomes clearer. For example, assisting with the reconciliation of differences; enhancing similarities and acknowledging the need for synergy, balance, and mutuality between culturally diverse organisations and their people. Thus, opportunities to enhance relations with Chinese organisational leaders and their reports can only enhance organisation to multistakeholder relations between the West and China. Nevertheless, the reverse is also true for Chinese managers, to learn Western perspectives.

Tao (Ti-Yong) is also explained as a dialectic duality, and literally means road or way. Lao-tzu (1998) defines Tao as the origin and the universal law of the universe. A point noted in Waley’s (see Lao-tzu, 1998) translation of Tao as “the ways of men are conditioned by those of earth. The ways of earth, by those of heaven. The ways of heaven by those of Tao, and the ways of Tao by the Self-so. Tao argues that people should follow the earth, the earth should follow heaven, the heaven would follow Tao, and Tao follows in a natural way” (p. 14).

Waley (see Lao-tzu, 1998) interprets this perspective as “these ten thousand creatures cannot turn their backs to the shade ( Yin), without having the sun (Yang) on their bellies” (p. 22). As Tao gave them birth, their existence reflects their value of Tao. Cheng (2002) also notes, the Taiji is the Tao or the way of change, and the Tao is the interplay of Yin and Yang. The source entails the process, and the process entails the creative exchange and production of things. Awareness then on the part of Western organisational leaders seeking to be successful in China, for example, and other countries where Tao (道) is respected, can only be of benefit to their cultural adjustment, and ultimate effectiveness.

As noted, a significant element of Tao (道) goes to supporting synergy, balance, and mutuality, perspectives which are represented through Yin (阴) and Yang (阳); and which argues, everything in the universe can be divided into two categories [dualities], based on their acumen; but which can also be divided into five elements according to their characteristics.

Every organisational leader has many roles and responsibilities; each is impacted by a diversity of phenomena. Moreso, each role and associated responsibility highlights the potential for conflict and paradoxes. Hence, the application of Tao (Ti-Yong) becomes useful for Western organisational leaders, operating in China. The perspective is understood through how a particular phenomenon actually exists, versus how that same phenomenon is perceived. For example, Waley (see Lao-tzu, 1998), describes Ti (体) as a noumenon, as distinct
from an actual phenomenon. Whereas, Yong is a phenomenon. Such awareness is necessary when values and behaviour supported by an organisation culture, conflict with the values and behaviours required in a new cultural setting. Sun (2018) addresses this when arguing that quality organisational leadership is required to build quality organisational cultures.

Kwon and Woo (2019) also note, essence (ティ) is the fundamental, or origin of something; whereas function (용) refers to phenomena concretely manifested by essence. However, moving from something that is knowable, to something that is actually known, requires appropriate learning and reinforcement interventions. For example, enhancing a leader’s HC or that of an organisation, requires the appropriate HRPs to support the desired HCI-LIM focus.

Then is the most fundamental and intrinsic; whilst Yong, is the external expression of Ti; whereby, Ti-Yong provides a means to address similarities and differences as to how organisational leadership thinking and organisational leadership behaviour should occur; moreover, to analyse key between the group and individual differences and similarities.

Ti is obtained through the expression of Yong. Hence, Ti is meaningless, even not evident, if there is no Yong. Cheng (2002) indicates though “[…] What is important to note, is that Yong as the action of a person, and is based on free choice; for a person could contradict the advice or judgment, which would bring him misfortune” (p. 148). Hence, Tao (Ti-Yong) supports a desired HCI-LIM foci, such that informed organisational leadership thinking and effective organisational leadership behaviour are appropriately addressed. Taggart and Robey (1981) support this perspective, arguing “[…] the classical Chinese notion of Wu Wei — or ‘taking no unnecessary action’ — expresses this attitude” (p. 187).

Nevertheless, through inaction, inappropriate objectives, strategies, and practices may be continued. Hence, understanding what an organisation needs, by way of appropriate PA, for example, represents the opportunity to employ the required HRPs, which then have the potential to support and enhance, an effective HCI-LIM focus and subsequently, provide the opportunity to enhance relations between multistakeholders and ecosystems. A perspective which Chen (2016) further supports by arguing, “the exploration of East-West integration opens up new dimensions of intellectual and professional discovery and growth” (p. 511). Moreover, a process that reflects the goal of Tao.

Clearly, the potential for paradoxes and conflicts is high; and as Chen and Miller (2010) note, “unfortunately, East and West are so distant in many of their philosophies and practices, so alien to one another, that it is virtually impossible for either society to copy the other” (p. 19). Copying though is an inappropriate approach; and should not be a motivation for any organisation, from any cultural background, to seek success in a new environment. Moreover, for any organisational leader to seek informed organisational leadership thinking, even effective organisational leadership behaviour. Adapting to particular circumstances provides a more informed means, based on new learning, which supports enhanced relations.

By supporting an effective HCI-LIM focus, quality learning would become an integral part of an organisation’s adaptation and growth. The process also goes to enhancing the career profile of organisational leaders; whereby, quality learning would support synergy, balance, and mutuality amongst their organisations, their multistakeholders, and their ecosystems; which provides the engine to support organisation sustainability, if not reputation, and to be seen to be doing what is right and proper (Aristotle).

Concepts reflecting synergy, balance, and mutuality are clearly valued by Chinese organisations to enhance their impact in the West; which Chen (2016) acknowledges through “how researchers can apply this idea to explore a range of other issues and domains” (p. 511). Also, Taggart and Robey (1981), who highlight how philosophical foundations can impact; how “Western philosophy seeks to explain how order comes about, and how to maintain it. This yields the characteristic Western scientific view of encountering and manipulating things to achieve desired results. The Eastern view reverses the problem, to consider how disorder arises, and how to avoid it” (p. 191).

Such awareness is surely critical to support effectiveness for any organisation in coming to terms with, understanding critical similarities and differences between cultures and organisations. Thus, for one party to come to understand another in a diversity of circumstances, each should be acknowledged appropriately; and not simply in words; but critically in action. Others who have addressed such challenges include Li (2000, pp. 3–98), discussing the impact of learning differences on acknowledging that different strategies and practices are needed to move from one situation to another. Also, Weber, Ames, and Blais (2005) and Soane and Nicholson (2008), on similarities and differences in decision making between different cultures. Chang (2006) on differences in business negotiations. Also, King and Wei (2010) on differences in leadership models across cultures. Whilst Garcia, Mendez, Ellis, and Gauthney (2014) identify differences and similarities between values and ethical behaviour across cultures.

Understanding how core philosophical and theoretical perspectives are employed in any given culture, e.g., Tao in China, and dualities in the West, and informed by ambiculturalism, is a perspective not normally addressed by organisational leaders. But a perspective, which can assist to analyse various organisational, multicultural, and ecosystem situations. Most especially, by establishing appropriate HCI-LIM foci, win/win outcomes, rather than win/lose, or worse still, lose/lose outcomes can become achievable.

**Proposition 1.** HCI represents a positive mediating relationship between PAs and HR prescriptions, as interdependent variables.

**Proposition 2.** Five key pairs of Yin (陰) and Yang (陽) are interdependent and mediated by Tao (道) to realize the sustainability of a HCI [inclusive of a LIM] focus.

**Proposition 3.** The five key pairs: 1) organisation roles and responsibilities; 2) national cultures; 3) multistakeholder and ecosystem expectations; 4) decision making strategies and practices; and 5) organisation cultures, represent Yin (陰) and Yang (陽), as interdependent elements, the effectiveness of which, supports a HCI focus.
Proposition 4. HCI does not necessarily develop without restraint. It will be effective only when the frame as a moderator is considered.

Proposition 5. Organisation leaders HIGH on HCI will reflect positive thinking and behaviour towards the enhanced organisation, multistakeholder, and ecosystem relations, than those organisation leaders LOW on HCI.

Proposition 6. Organisation leaders HIGH on LIM, will reflect positive thinking and behaviour towards the enhanced organisation, multistakeholder, and ecosystem relations, than those organisation leaders LOW on LIM.

Proposition 7. Failing to keep Yin ($) and Yang ($) in harmony, Tao ($) will be destroyed, and the sustainability of HCI will be compromised.

3. RESEARCH METHODOLOGY

This is a conceptual paper, proposing a new perspective towards how HR can be considered within the context of enhancing organisational leadership thinking and subsequent organisational leadership behaviour in and across a diversity of contexts. Relations between Chinese and Western organisations have been employed as an example. The proposed frames are offered to explain the process. The study is proposed to examine HCI-LIM foci, from an investment approach for organisations, vis-à-vis the quality of their PA and HRPs, to enhance organisational leadership thinking and subsequent organisational leadership behaviour. Through a process that supports synergy, balance, and mutuality amongst organisations, their multistakeholders, and their ecosystems.

To test proposed relationships, Ringle et al. (2020) note that partial least squares structural equation modelling (PLS-SEM) represents a multivariate technique that is receiving increasing attention from HRM researchers and other management disciplines. Given the complexity of the proposed organisational leadership frames, PLS-SEM may prove to be the most efficacious approach.

Certainly, the proposed frames comprise complex relationships and contingency variables, which Ringle et al. (2020) note, can be addressed well by PLS-SEM: "[...] when the focus of the argument concerns differences in the strength of an association conditional on a certain contingency variable, a suitable modeling procedure compares groups that differ in respect of a specific contingency variable. PLS-SEM enables such comparisons by combining measurement invariance testing, and various types of multigroup analysis, permutation tests, or the bootstrap-based approach" (p. 1620).

Whilst the proposed frames are designed to enhance organisational, multistakeholder, ecosystem relations, a mindset focus, and not a specific skills focus, is believed to be the most appropriate way to proceed. That is, a means to support informed organisational leadership thinking, needs to be understood before approaching what might be considered effective organisational leadership behaviour. Hence, this paper supports an examination of the interdependent relationships between five mindsets, to support a HCI-LIM focus. It is proposed that multivariate analysis is best placed to achieve this.

Components of the proposed framework (Figure 1) are based on an interdependent set of five diverse frameworks:

2. Ambicultural mindset (AMM), including Ti-Yong (Chen & Miller, 2010; Chen, 2016).
5. Ecosystem leadership mindset (ELM) (Western, 2019).

Figure 1. Organisational leadership mindset pentagon
Scales will need to be developed. Following which, pilot tests will be conducted to establish efficacy tied to validity and reliability. Following which, PCA to assess likely factor structures is proposed. This would be followed by CFA and SEM-LISREL. Alternatively, the PLS-SEM multivariate technique would be employed. Byrne (1995), Kelloway, Santor, and Darcy (1999, p. 381), and Ringle et al. (2020) each support the value of employing such approaches.

Hoe (2008) also supports such approaches and argues, "when applying the structural equation modeling (SEM) technique for analytical procedures, various issues are involved. These issues may concern sample size, overall fit indices and approach" (p. 76).

Further, in order to assess differences between individuals and groups, other inferential statistics, such as t-tests, ANOVAs, MANOVAs, and the like, are considered the most viable to test proposed relationships between the identified variables and potential respondents. Future research may also undertake to take a longitudinal approach; and examine how the perspectives develop over time, and potentially influence organisational leadership in the long run.

This paper, as noted earlier, responds to two exploratory challenges. First, a call from Post et al. (2020) for scholars to seek new ways of making theoretical contributions, other than through empirical research. Secondly, to Kleiner (2010), who argues "[...] to me, the problems of greatest interest are things that you cannot be explained with current prevailing theory" (p. 1). Two perspectives to which PLS-SEM may respond positively.

4. DISCUSSION

If change is to occur, and be successful, then change must first start with the quality of organisational leadership thinking, underpinning effective organisational leadership behaviour. This issue reflects how DD supports organisational functioning through the application of HCI-LIM foci; and is outlined in Figure 2.

A HCI-LIM focus supports why and how organisational leaders react to various organisational and environmental challenges; such that appropriate objectives and strategies become more effective. Thus, both HCI and LIM interdependently assist in understanding what represents informed organisational leadership thinking and effective organisational leadership behaviour, in and across a diversity of contexts; and is believed critical to effective organisational leadership. The Chinese Belt and Road initiative is a good example, whereby both Western and Chinese organisations would need to redress their HCI-LIM foci, to appropriately support multistakeholder and ecosystem relations.

The reciprocal nature of the proposed frames also serves as a foundation for outcomes that bring value to multistakeholders and ecosystems. The five Yin and Yang pairs are represented in five elements — hence 阴阳五行 — to address synergy, balance, and mutuality in content and form; and which is designed to assist and guide professional practice.

**Figure 2.** A DD–HCI focus (inclusive of a LIM)

![Figure 2. A DD–HCI focus (inclusive of a LIM)](image-url)
The five pairs are understood as representing Tao (Ti-Yong) (休用) and developed to underpin HCI-LIM foci, to support synergy, balance, and mutuality between organisations, their multistakeholders, and their ecosystems. Whilst principles underpinning Tao (Ti-Yong) are also noted in Knoblock’s (1988) translation “[...] Although many things co-exist in the same space, they are composed of different ‘essences’ and have no predetermined functions” (p. 219).

Consequently, key decisions around HCI-LIM foci, e.g., the selection, and fit of organisational leaders (see Storey, 2010), supports Ti as central to successfully achieving desired outcomes, i.e., Yong, which goes to enhancing organisational, multistakeholder, and ecosystem relations.

Western organisations in China, by having the necessary HCI-LIM foci, are potentially better placed to differentiate between their needed objectives, strategies, and practices, which support value for all; and not simply for the organisation alone. By also addressing the needs and expectations of multistakeholders and ecosystems, which Bowen and Ostroff (2004) support, enterprises can obtain emotional commitment and recognition from multistakeholders. Such an outcome is potentially achieved by employing Tao, such that a comprehensive, if not organic process, is derived.

Critically, Chinese organisations, are now enhancing their own HCI-LIM foci, by increasingly seeking opportunities in the West, which pursue high-profile professional and educational experiences to enhance, moreover, to invest in the quality of their HC.

Nevertheless, in what has become known as the network information age (Luan & Yang, 2015), where organisations face considerable complexity, dynamic interchanges, and uncertainty, require the necessary HCI-LIM foci, to support the required PA and appropriate HRPs, to benefit organisational leaders, their multistakeholders and their ecosystems. In this sense, organisations that understand cultural interplay, are potentially better placed to enhance their presence, including social and community well-being.

Also, Tao proposes that only healthy communities can create healthy consumer environments. Hence, special attention should be paid to linking organisational achievements, with consumer and/or community benefit; and ultimately, with social progress (Ma, 2017). Thus, bringing a more holistic approach to how synergy, balance, and mutuality amongst organisations, their multistakeholders, and their ecosystems, can properly inform the achievement of organisation objectives, strategies, and operational practices. More specifically, how an appropriate HCI-LIM foci provide support; whereby an organization’s performance can be improved.

By including Tao, a potential answer [from the inside and from the outset] to dealing with ecosystem problems after an event is possible. Tao emphasizes how the five Ti-Yong pairs co-exist and interact, to develop and improve, then support an ecosystem capable of sustainable development. The process involves a transformational shift from traditional organisational leadership foci, to support improvements which requires an appropriate HCI-LIM focus.

Also, strategies which fail to acknowledge that responsive differentiation may be necessary, instead of strategic integration, are likely to compromise an organisational leaders’ intent (Fish & Wood, 2017), as they fail to appropriately address multistakeholder and/or ecosystem needs and expectations. Tushman and O’Reilly (2006) refer to

Figure 3. A HCI frame

Source: Authors’ elaboration.
similar concerns, tied to how multiple contradictory structures, processes, and cultures, require simultaneous attention. It is proposed that appropriate HCI-LIM foci can support the required outcomes, and positively impact organisational, multistakeholder, and ecosystem relations, and achieve win/win outcomes.

For example, Lam (2018) points to how H&M needed to apologize for an advertisement that featured a black child in a “Coolest monkey in the jungle” sweatshirt. The customer relevance test failed; as a consequence of poor attention to a HCI-LIM focus. Consumers were poorly considered. H&M had failed to offer goods in a culturally acceptable, if not, a non-discriminatory manner. Clearly, a Ti-Yong process could have helped to achieve desired outcomes for all.

In this sense, an organisation and its community comprise two parts of a whole, representing both Ti-Yong and dualities. Hence, through Ti-Yong and dualities, synergy, balance, and mutuality are fostered; and which extend approaches beyond simply addressing organisation benefits alone. Hence, applying ambiculturalism and Ti-Yong appropriately can be achieved by acknowledging the key differences and similarities, which exist between organisations, and the cultural contexts in which organisations operate. Consequently, stronger community and customer relations become likely, resulting in stronger economic benefit, and potentially higher profits, and improved reputation, where cultural awareness exists.

Further, Eisenhardt and Westcott (1988) found that acknowledging conflicting strategies can motivate organizational learning. Thus providing opportunities to improve any organisation’s HCI-LIM focus. In other words, Ti-Yong and dualities help organizations to evolve. Smith and Lewis (2011) also acknowledge dynamic equilibrium through “Ti-Yong, by the system maintaining equilibrium by adapting to a continuous pull in opposing directions”; whilst, “achieving success requires attention to the often conflicting needs of shareholders, customers, employees, communities, and suppliers” (p. 386).

Each highlights that paradoxes will exist, and to which Smith and Lewis (2011) call attention, through defining a paradox as “contradictory yet interrelated elements that exist simultaneously and persist over time” (p. 389). Each requires the injection of the appropriate HCI-LIM foci, to enhance organisational, multistakeholder, and ecosystem activity and relations.

Such circumstances reflect the need to pursue the necessary HCI-LIM foci, to support those who Foulkes (1995) describes as “people rounded in their own culture, but still able to live and work effectively in multicultural environments” (p. 38). A perspective reflecting Tao. Moreover, a perspective that demands a significantly better approach, than simply assessing functional skills and domestic success.

By failing to acknowledge appropriate HCI-LIM foci, organisational leaders may overplay strategic intent versus operational necessity. As a consequence, potentially failing to acknowledge the importance of enhancing multistakeholder and ecosystem relations; and most especially, how their HCI-LIM focus assists effective and meaningful outcomes.

Teece and Pisano (1994), Weick and Quinn (1999), and Nonaka and Toyama (2002) provide further support, arguing that “the role of leadership in a dynamic organizational system, is to embrace conflicting forces; and rein in the persistent tensions between them, to enable the system to not only survive, but to continuously improve, and in a sustainable way” (p. 996).

Also, Painter, Pérezts, and Deslandes (2020) argue for enhanced relations amongst multistakeholders and ecosystems, critiquing how stakeholder theory should be taught more effectively; noting “[…] the taken-for-grantedness of the ‘human’ inherent in the concept of stakeholders on one side, and its lack of engagement […] on the other, being missed” (Painter et al., 2020, p. 3).

To enhance professional practice, failure to consider HCI-LIM foci, reflects a lack of respect for the learning that can [and should] occur from a diversity of organisation-to-organisation, person-to-person, situation-to-situation, and culture-to-culture experiences. Moreover, where new capabilities and enhanced personal attributes can be captured; and, where a shift in thinking, can benefit organisations, their multistakeholders, and ecosystems. Moreso, the strategic intent of organisations

Coulson-Thomas (2019) also reflects the proposed perspective in establishing and enhancing core organisational agendas and activity, arguing “[…] a challenge for corporate boards is to be simultaneously responsible to key corporate stakeholders, while at the same time, to balance requirements for affordability, and the efficient use of resources; and act responsibly towards the environment, and wider society” (p. 7).

Coulson-Thomas (2019) views the idea of HCI-LIM foci, as to how non-financial elements (usually ignored by organisational leaders) can enhance how well, organisational governance; duty of care; fiduciary roles and responsibilities; and financial capital management generally, are conducted, vis-à-vis their impact on organisational agendas.

McKinsey (2008), Caligiuri and Thoroughgood (2015), Caligiuri and Tarique (2016), and Biermeier-Hanson, Lui, and Dickson (2015), also support an organisation’s LIM and HCI foci, highlighting particular capabilities and personal attributes, at a global leadership level, likely to enhance effectiveness. For example, to be globally astute, flexible, and operationally agile, to establish an effective organisational and personal presence.

Zaccaro, Green, Dubrow, and Kolze (2018) also provide an extensive review of individual similarities and differences, which can help organisational leaders, to understand how their PA is developed through effective HRPs, highlighting — learning agility, personality, values, social skills, and motivational orientations, as antecedents of effective organisational leadership thinking and organisational leadership behaviour. It is proposed that appropriate attention to HCI-LIM foci, will assist such a process.

Also, awareness of ambiculturalism and Tao (Ti-Yong) by Western organisation leaders goes to understanding leading the expectations of one individual or group, can address synergy, balance, and mutuality, through the strategies and practices of another. Hence, by understanding cross-cultural
similarities and differences, moreover, instilling respect for similarities and differences, relations between organisational leaders, their multistakeholders, and ecosystems, can be enhanced.

DD towards HCI-LIM foci supported by ambiculturalism and Tao (Ti-Yong) is also reflected in how Chinese learning is seen as the foundation (Ti) with Western knowledge the tool (Yong) (Cheng & Bunnin, 2002; Kuhn, 2002; Cua, 2002). The Chinese expression — Zhongxue Weiiti Xixue Weiyong — advocates that Chinese traditional learning must first be understood; then Western opportunities should be chosen for its use.

Tao identifies a key issue reflecting Ti-Yong, i.e., that Chinese organisations now practice Ti-Yong to enhance their involvement with Western organisations. Also, when undertaking significant public projects and developing China’s industries.

The relationship between Ti and Yong though follows certain rules which Western professionals need to understand. Reflected through ambiculturalism, Ti could have multiple Yong. It is also impossible to exhaust the whole understanding and awareness of Ti, by having Yong. For example, Yong could express Ti tied to awareness of the needed PA, to reflect how cultural rules and expectations, apply to the effective employment of a cross-border manager. Then to that manager’s career enhancement. On the other hand, the expression of Ti can be achieved through how HRP’s [selection, appraisal, etc.] are designed and applied, i.e., Yong.

Also, Ti is actually static, whilst Yong is dynamic. In an organizational context, if a cross-border manager, for example, chose to do nothing regarding a particular incident, their capabilities, their experiences, and even their personal attributes — i.e., their personal HCI-LIM focus — their Yong can’t be seen. Consequently, their effectiveness as a cross-border manager, in the eyes and thoughts of local Chinese, may be brought into question. Also, Ti is Yin, and Yong is Yang. Hence, without the Yin of Ti in any organisational endeavour, it is hard to have the Yang of Yong actually reflected.

Moreover, through the Yang of Yong, the Yin of Ti will be realized. For example, when an organisation’s core values reflect the Yin of Ti, it must be realized by the Yang of Yong, through particular decisions. Thus, an organisation creates Ti through its support for its HCI-LIM focis, for Yong. Thus synergy, balance, and mutuality between organisational leaders, their multistakeholders, and their ecosystem can be enhanced.

Significantly, Lao-tzu asked people to reflect Tao, not only in their thinking but also in their behaviours in order to enhance the ability to achieve a dynamic equilibrium between Yin and Yang. Moreover, to avoid certain phenomena, where too much influence is exerted by one party over another, the Taoist symbol of overlapping light and dark (Yang and Yin) suggests a holistic, integrated information processor, helping to deal with such circumstances. Whereby, the philosophical position of an organisational leader, must integrate paradoxical opposites by seeking synergy, balance, and mutuality, between their organisation, their organisation’s multistakeholders, and their organisation’s ecosystems.

However, practicing Tao requires that no unnecessary action be taken (Wu Wei). In this sense, Tao does not literally mean “doing nothing”. Rather, by doing something, even not interfering (e.g., turning a blind eye), should not be violated.

Nevertheless, if organisational leaders do nothing, something may actually happen. Unsurprisingly, doing nothing may also reflect, not actually knowing what to do; hence reflecting a poor HCI-LIM focus, which is likely to result in poor outcomes. Circumstances, which can reflect the absence of informed organisational leadership thinking, and subsequent effective organisational leaderships’ behaviour, with the ability to achieve synergy, balance, and mutuality, amongst organisations, their multistakeholders, and their ecosystems, well and truly compromised.

6. CONCLUSION

Chinese organisations enhance organisational leadership through a diversity of experiences. Each separately, and in combination, provide insight; especially the opportunity for learning transfer; whereby organisational leadership thinking and organisational leadership behaviour are enhanced. Western organisations should consider the same, to enhance their own HCI-LIM focis.

Unfortunately, ambiculturalism, through Tiyong, suffers from limitation perceptions, especially their practice and appropriateness in the West; which potentially compromises learning opportunities. It is also unfortunate that Western organisations are largely unfamiliar with such concepts; moreover, Tao, in their attempts to enhance synergy, balance, and mutuality with their multistakeholders, and their ecosystems.

Hence, applying the five Yin-Yang to address similarities and differences between Western and Chinese cultures, through appropriate HCI-LIM focis, reflects Tao. Such a perspective may potentially
form the basis for future qualitative research, to further understand similarities and differences between Western and Chinese organisations. Moreover, the impact of ambiculturalism and Tao on organisational leadership by enhancing HCI-LIM foci, whilst comparisons between only Western and Chinese organisations vis-à-vis HCI-LIM foci is a potential limitation of this paper; the same process could be employed in other research, to compare opportunities across similar cultural contexts; i.e., between the USA and Australia, between the UK and the USA, between the UK and Australia, etc.

That said, a critical gap is now evident between how organisational leaders address their roles and responsibilities and what their multistakeholders and ecosystems are increasingly expecting. The gap argues strongly to renew how organisational leadership is first understood, and then acknowledged.

DD towards supporting HCI-LIM foci, has the potential to address this critical gap; moreover, to enhance the synergy, balance, and mutuality increasingly needed between what organisational leaders anticipate achieving, and how their organisation’s affairs are conducted. By conjointing ambicultural and Tao (Ti-Yong) perspectives; through HCI-LIM foci and investment approach to quality PAs and HRPs, becomes possible; which may prevent later costly exercises, when poor organisational decisions are discovered.

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