



From Harmony to Conflict: MacIntyrean Virtue Ethics in a Confucian Tradition

Irene Chu¹ · Geoff Moore²

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Abstract

This paper explores whether MacIntyrean virtue ethics concepts are applicable in non-Western business contexts, specifically in SMEs in Taiwan, a country strongly influenced by the Confucian tradition. It also explores what differences exist between different polities in this respect, and specifically interprets observed differences between the Taiwanese study and previous studies conducted in Europe and Asia. Based on case study research, the findings support the generalizability of the MacIntyrean framework. Drawing on the institutional logics perspective and synthesizing this with MacIntyrean concepts, the paper explains the differences between the studies largely by reference to the Confucian tradition operating at both the micro-level within firms and at the macro-level as a means of harmonizing the potentially competing institutional logics to which firms are subject. The recent weakening of this tradition, however, suggests that increased conflict may characterize the future.

Keywords Alasdair MacIntyre · Confucianism · Institutional logics · SMEs · Taiwan · Virtue ethics

Introduction

Virtue ethics as applied to business organizations has become a significant field of study (Alzola 2015, 2017; Besser-Jones and Slote 2015; Ferrero and Sison 2014; Sison et al. 2012, for example). Given the growing connectedness of the world, and increasing interest in cross-cultural studies in philosophy, Confucianism from the East and Aristotelianism or neo-Aristotelianism from the West are also increasingly compared in this field (Koehn 2013; Angle and Slote 2013; Chan 2008; Sim 2007; Yu 2007). Some commentators argue for a synthesis, that “East and West are always potentially meeting insofar as their virtues share a natural basis and structure” (Koehn 2013, p. 704). However, MacIntyre, while noting similarities, has argued that there are “intractable and incommensurable differences” (MacIntyre 1991, p. 113) between Confucianism and Aristotelianism, and that

these might be resolved only by recognizing that there is “no neutral, independent standpoint” (ibid., p. 121, emphasis in original) from which to undertake an analysis. We are required, on MacIntyre’s account, to be deeply critical of our own position, and to attempt to learn a “second first language” (ibid., p. 111) if we are to undertake worthwhile comparative work.

Despite this, Confucianism has been recognized and studied by Western academics since at least Weber (1951). Its core elements, such as *ren* (compassion), *yi* (appropriateness), *li* (etiquette), *junzi* (moral person), *guanxi* (relationships) and *he* (harmony) have also been reviewed and articulated in corporate and organizational terms (Ip 2009; Kim and Strudler 2012; Li 2006; Provis 2010; Romar 2004; Zhu 2015, for example), and there is a growing literature on the influence of Confucianism at various levels from the individual at the micro-level to the state at the macro-level (Rosemont and Ames 2016; Ames 2011; Ip 2008; Lam 2003; Redding 1990; Whitley 1999).

In the West, Aristotelian concepts have been developed by MacIntyre into a critique of the ‘Enlightenment Project’ (MacIntyre 2007 for example), and his work has been successfully applied to Western organizations, including business (Moore and Beadle 2006). This has led to a number of conceptual and empirical papers which either draw on or are situated within the conceptual framework MacIntyre offers

✉ Irene Chu
i.chu@bradford.ac.uk

Geoff Moore
Geoff.Moore@Durham.ac.uk

¹ Faculty of Management, Law & Social Sciences, University of Bradford, Richmond Road, Bradford BD7 1DP, UK

² Durham University Business School, Durham University, Millhill Lane, Durham DH1 3LB, UK

(Beadle 2013; Moore 2012; Van De Ven 2011; Von Krogh et al. 2012, for example).

Not only has MacIntyre's conceptual framework been used as a basis for empirical studies in the West but also further afield in Sri Lanka (Fernando and Moore 2015), to see whether other polities may provide environments more "positively conducive to a practice-like mode of production" (Keat 2008, p. 83). This is clearly important for the general validity of MacIntyre's concepts since, as MacIntyre himself states, "the claims of such a theory must concern human rather than Chinese or Greek excellence" (MacIntyre 1991, p. 104). The findings from Moore (2012) and Fernando and Moore (2015), where larger organizations were studied, suggest that MacIntyre's framework is generally applicable in Europe and within a Buddhist environment in Asia.

Furthermore, these studies explored and interpreted the empirical results, applying concepts from Institutional Theory to provide valuable insights. Institutional Theory, however, has been criticized for its limitations, especially in the area of agency since social structures and the associated institutions are considered to be 'totalizing'—allowing individuals very limited scope to act independently of environmental influences. In this respect, the institutional logics perspective (Thornton et al. 2012) is seen as more nuanced, allowing for individual and organizational agency within institutional orders.

Despite all the empirical work that has been undertaken, no studies have yet explored whether MacIntyre's conceptual framework is applicable in a Confucian society, nor have relevant studies been carried out in the context of small- and medium-sized enterprises (SMEs). It is worthwhile undertaking such a study in the Confucian tradition, especially since there are many countries in the Asia–Pacific rim, including China, Hong Kong, Taiwan, Japan, South Korea and Singapore, which are influenced by Confucianism and which also exhibit divergent varieties of capitalism (Whitley 1999). Furthermore, since MacIntyrean empirical work is mainly in the context of larger organizations, it is important to explore whether the findings from SMEs are in accordance with or differ from previous studies.

This study, therefore, extends this line of work to report on the results of an empirical study carried out in Taiwan, with its Confucian tradition and where SMEs dominate the economy. Taiwan was chosen as the case study location for these reasons and because it is where the first author was born, educated, and in initial employment and, although now living in the UK, continues to have good contacts in the business world so enabling research access. This background also goes some way to answering MacIntyre's requirement for having a second first language in order to undertake such studies; in this case the first author's second first language is English and her origins are in a Confucian rather than a Western neo-Aristotelian tradition.

The paper has three objectives. The first is to extend the series of empirical studies into the applicability of MacIntyrean virtue ethics to business organizations started by Moore (2012) and continued by Fernando and Moore (2015), and thus to explore whether MacIntyrean concepts of virtue ethics are applicable in the non-Western business context of Taiwan, a country where the Confucian tradition was expected to be influential. If so, this would offer further support for the generalizability of MacIntyre's framework. The second objective, anticipating similarities with and differences from the previous studies, is to synthesize Institutional Theory, and most notably institutional logics, with MacIntyrean concepts by way of providing a novel theoretical lens and then using that lens to interpret the results of the study. The third objective is to conduct a study of SMEs in order to explore the application of MacIntyrean and institutional logics concepts in this under-researched sector.

The paper proceeds by reviewing and, where appropriate, synthesizing the literature in the relevant fields—those of MacIntyrean virtue ethics, institutional logics, and Confucianism—before the research context and methods are described. The results are presented, including a comparison to those from the preceding European and Sri Lankan studies, and then discussed, and interpreted, before conclusions are drawn.

Review of the Literature

MacIntyre's Conceptual Framework

As described in the introduction, this paper follows previous studies carried out in Europe (Moore 2012) and Sri Lanka (Fernando and Moore 2015). MacIntyre's conceptual framework as developed for organizational studies (Moore and Beadle 2006; Moore 2012) provided the intellectual foundation for those studies, and so, in exploring MacIntyre's concepts in a Confucian context, it is appropriate to provide a summary of relevant aspects of this framework.

MacIntyre builds on Aristotelian concepts, starting with that of mankind's *telos* or goal in life being to achieve *eudaimonia*, which MacIntyre described as "blessedness, happiness, prosperity. It is the state of being well and doing well, of a man's being well-favoured himself and in relation to the divine" (2007, p. 148). This is made possible by the virtues, which MacIntyre (*ibid.*, p. 148) summarizes as "... precisely those qualities the possession of which will enable an individual to achieve *eudaimonia* and the lack of which will frustrate his movement toward that *telos*."

Of central importance here is the virtue of practical reasoning or *phronesis*, with the emphasis on decisions being made through shared social deliberation of ends and means, and shared social action through practices. This stress on

the social context is also apparent in MacIntyre's definition of practices as "any coherent and complex form of socially established cooperative human activity" (2007, p. 187), and the exercise of virtues within practices allows individuals to realize the goods internal to that practice, including both "the excellence of the products or services and the perfection of the practitioners in the process" (2007, pp. 189–190; 1994, p. 284).¹

However, practices cannot exist for long on their own and need to be housed within institutions if they are to survive:

Institutions are characteristically and necessarily concerned with what I have called external goods. They are involved in acquiring money and other material goods; they are structured in terms of power and status, and they distribute money, power and status as rewards. Nor could they do otherwise if they are to sustain not only themselves, but also the practices of which they are the bearers. (MacIntyre 2007, p. 194).

MacIntyre illustrates the difference between practices and institutions with the following examples: "Chess, physics and medicine are practices; chess clubs, laboratories, universities and hospitals are institutions" (MacIntyre 2007, p. 194).

The institutions in which practices are housed need to be concerned with external goods, such as reputation, profit and most generally success, in order to be able to sustain not only themselves but also the practices of which they are the bearers. MacIntyre's framework thereby points to an integral tension within practice-institutions between the pursuit of internal goods by practitioners and of external goods by managers and the organizational form, which is why MacIntyre argues that virtues such as justice, courage and truthfulness are needed if practices are not to be corrupted, and the right ordering and balance between the pursuit of internal and external goods is to be maintained.

MacIntyre himself has indicated the application of the practice-institution framework to business-like activities in his examples of "productive crafts" such as "farming and fishing, architecture and construction" (1994, p. 284). While he maintains that certain business activities such as those in the financial sector can "never be a practice" (cited in Wyma 2015; see also MacIntyre 2015), he has recently provided an example of industrial production which meets the demands of his definition of a practice in the Cummins Engine Company (2016, p. 172; see also Beadle 2017). Thus, he seems to have accepted the proposal originally made by Moore and Beadle (2006), and expanded on in Sinnicks (2017), that any

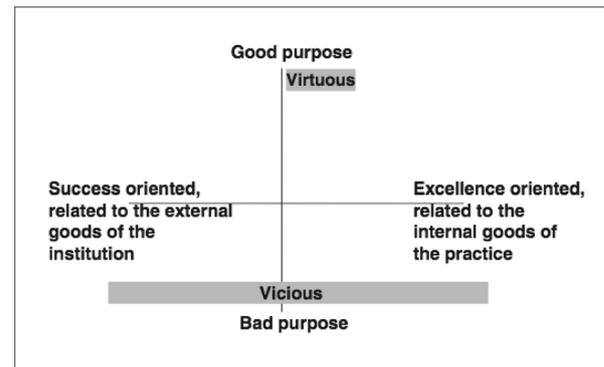


Fig. 1 Mapping the virtuous organization (Moore 2012)

organization housing a genuine practice may be re-described as a 'practice-institution combination.'

MacIntyre's conceptual framework was used by Moore (2012), and subsequently by Fernando and Moore (2015), to develop the basis of the empirical analysis used here. First, interviewees' views on organizational purpose were investigated and taken as a measure of the extent to which the internal goods generated by the organization contribute to the common good of the community. Second, the ordering and balance between the pursuit of internal and external goods were investigated by using the terms excellence and success respectively as substitutes (Beadle 2013; Crockett 2005). In this way, a measure of the virtue of the organization can be gained and represented by means of Fig. 1.

Virtuous organizations would be expected to have a good purpose and also a balance between the pursuit of excellence and success, with excellence nonetheless being prioritized. They would consequently be expected to appear in the top right quadrant of Fig. 1, but near the Y-axis. This mapping also allows the results from different organizations to be compared, a point which will be returned to later.

However, within the framework that he offers, MacIntyre is also very skeptical about the autonomy of the modern liberal individual and stresses the importance of the social and cultural orders and its constraining effects on agency (MacIntyre 1999). He also notes that throughout the world "modernity has lessened or destroyed the dominance of older, more traditional institutional forms" (MacIntyre 1990, p. 3).

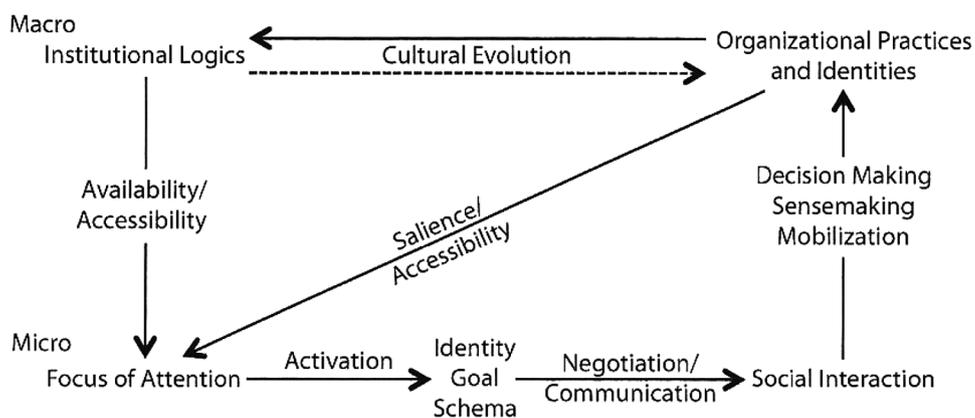
This attention given to the wider environment and its interaction with the individual is echoed by Institutional Theory, especially institutional logics, which forms the second part of this paper's theoretical lens.

Institutional Logics

The most relevant concept from Institutional Theory for the purposes of this paper is that of institutional logics, a

¹ MacIntyre does not qualify "perfection," but it might be considered to be equivalent to moral development or flourishing.

Fig. 2 Cross-level model of institutional logics (Thornton et al. 2012)



concept usually attributed to Friedland and Alford (1991). This was further developed into a meta-theoretical framework known as the institutional logics perspective by Thornton et al. (2012) who describe it as “a new approach that incorporates macro-structure, culture, and agency, through cross-level processes (society, institutional field, organization, interactions and individuals) that explain how institutions both enable and constrain action” (p. vi). They also claim that this “represents a general model of cultural heterogeneity unbiased towards the Western world” (p. 18).

While noting that ‘institution’ here differs from MacIntyre’s largely organizational-level usage, an institutional logic is defined as “...the socially constructed, historical patterns of cultural symbols and material practices, including assumptions, values and beliefs, by which individuals and organizations provide meaning to their daily activity, organize time and space and reproduce their lives and experiences” (Thornton and Ocasio 1999, p. 84). Institutional logics stem from institutional orders. There are normally taken to be seven ideal types of such orders—family, community, religion, state, market, profession, and corporation (Besharov and Smith 2014, for example). Each of these is made up of principles, such as sources of authority and identity, which organize and shape the interests and preferences of individuals and organizations, how they are likely to understand their sense of self and identity, how they act and their vocabularies of motive and salient language (Thornton et al. 2012).

Multilevel processes are a feature of the institutional logics perspective (Wright and Zammuto 2013) and can be depicted as shown in Fig. 2. This model describes how institutional logics at the macro-level influence individuals at the micro-level, depending on the former’s availability, saliency, and accessibility. At the micro-level, this influence triggers individuals’ social identities, goals, and schemas, and then, through interacting with each other, the individuals collectively produce social practices and structures, including organizations. These practices then undergo a process of cultural evolution resulting in selective retention, and

they influence the development and stability of institutional logics, again at the macro-level. In line with the claims of the institutional logics perspective, the model incorporates the different levels of society, institutions, organizations, and individuals, while also integrating the material and the symbolic and showing the duality of structure and action. Wright and Zammuto (2013) provide an empirical study of such multilevel processes focusing on the organizational, organizational field, and societal levels.

At the organizational level, most organizations are subject to multiple institutional logics (Greenwood et al. 2011) stemming from the institutional orders in their environment, and these logics are not necessarily in harmony but are often in a state of competition and contradiction with each other. Indeed, the co-existence of such conflicting institutional logics can lead to organizational tensions (Greenwood et al. 2010; Reay and Hinings 2009). Following this, Besharov and Smith (2014) proposed that multiple institutional logics can be classified by their degree of compatibility with each other and their centrality to organizational functioning, and that predictions can then be made of the degree of internal conflict to be expected within an organization.

Besharov and Smith’s (2014) analysis comprises a 2 × 2 matrix of types of logic multiplicity within organizations, defining, respectively, Contested, Aligned, Estranged, and Dominant quadrants based on an underlying notion of conflict (see Fig. 3). They note that the “implications of

| | | | |
|----------------------|------|---|---|
| Degree of centrality | High | Contested <i>Extensive conflict</i> | Aligned <i>Minimal conflict</i> |
| | Low | Estranged <i>Moderate conflict</i> | Dominant <i>No conflict</i> |
| | | Low | High |
| | | Degree of compatibility | |

Fig. 3 Types of logic multiplicity within organizations (Besharov and Smith 2014)

logic multiplicity depend on how logics are instantiated within organizations” (p. 365), and it is worth noting that this implies an ability to respond to such logics, and hence assumes both organizational and individual agency (p. 366, p. 368). The relative power of organizational members will affect logic centrality (p. 370), and this may itself be affected by cadres of organizational members attached to particular logics (p. 376). Furthermore, their analytical framework allows for the mapping of the instantiation of multiple logics over time (p. 376). The relevance of these aspects of their framework will become evident in the results and discussion sections below. Of note, however, is the observation by Greenwood et al. (2011) that the majority of studies have considered only two logics, and their recommendation that future research should take into account the multiplicity of logics relevant to a given context.

Perhaps not surprisingly, less work has been done on institutional logics in relation to Taiwan although Bhappu (2000) has explored the influence of the family institutional logic in Japan. Concepts from this study will be employed below as an aid in interpreting the empirical results as to the influence of Confucianism within the institutional environment of Taiwan.

Confucianism

For the purposes of this paper, Confucianism will be considered under the institutional order of religion. Although it is often characterized as a philosophy rather than a religion, during its development it was significantly influenced by concepts from the two religions of Daoism and Buddhism. It has also been considered to be a religion by various scholars; for example, Confucianism is one of the main subjects covered in Weber’s *The Religion of China* (Weber 1951). Ames (2011) has also described it as “atheistic human-centred religiousness” and a moral tradition and so it is in the sense of Confucianism as a ‘civil religion’ (Bellah 1992) that this paper proceeds.

Under Confucianism, the consummate life is advanced, and all things in the world flourish when human feelings are brought into productive harmony (Ames 2011). The concept of harmony (*he*) is probably the most important in Confucian culture, while also arguably the most understudied (Li 2006). It is both a metaphysical and an ethical concept, which emphasizes how the world operates and prescribes how human beings should act (Li 2008). Harmony between people is regarded as the ultimate goal of personal and social life and is a fundamental value throughout Confucian teaching. It is the “underlying principle of all relationships, the reason why all virtues can be fully realized” (Yao 2000, p. 173), and social harmony is the basic and overlapping goal of personal, familial, organizational, communal, and political lives (Ip 2009).

The notion of harmony is thus explicitly linked not only to the good of individuals but also to that of larger social units, such as families and society in general (Ivanhoe 2002). The emphasis is on a more communal conception of the good, with the Confucian notion of the self being more relational than individualistic (Ivanhoe 2002; Ames 2011). Collective values and interests are prioritized over those of the individual, and consequently social relationships are paramount, taking account of such factors as *renqing* (empathic reciprocity) (Zhu 2015). The importance of social relations is also stressed by Rosemont and Ames (2016) in their proposal that Confucianism can be better understood as a role ethic (*lunli*) rather than a form of virtue ethics, which better characterizes Western autonomous individualism. The emphasis on social relatedness and social roles is also seen in the Confucian concept of the ‘relational self’, a very different self from that of the more liberal and individualistic West (Hall and Ames 1998; Ho 1995; Yu 2007; Hwang 2000). The Confucian relational self is embedded in a social network, can be interpreted only in connection with the community of which s/he is a part (Chan 2008), and is achieved only in relationship with others.

The starting point for these social relations is the family, the governing central metaphor in Chinese culture (Rosemont and Ames 2016), giving rise to the important concept of filial piety which transfers legitimacy to the underlying hierarchy (Hamilton 1990a). This reverence for the family is considered to be the most valued and almost sacred form of relationship (Cheng 1944), with family interests and relationships being prioritized above others. However, this traditional Confucian thought extends beyond the Western ‘nuclear’ family encompassing five fundamental relationships (*wu lun*)—those between the emperor and officials, father and son, older brother and younger brother, husband and wife, and between friends. These are all familial in that even the relationship between friends is regarded as being between older and younger brothers, and emperors ruled the state like a family and were often called ‘Father Kings’ (Ip 2009). While these role-based relationships are hierarchical, they also have obligations and responsibilities associated with them. Nonetheless, Confucianism relies upon hierarchy and the appropriate patterns of deference that define it can be seen as a necessary condition for achieving familial solidarity. It is only when this hierarchy involves coercion that relationships are compromised (Ames 2011).

In order for relationships to be harmonious, three of the most important Confucian cardinal virtues have to be considered, those of *ren*, *yi*, and *li*—benevolence, appropriateness, and propriety, respectively. These three components “define what is morally acceptable in human society” (Ip 2009, p. 464) and are the fundamental traits of a morally good individual’s character. However, harmony is not to be understood in the sense of sterile sameness, but rather in the

sense of bringing together diverse components to make a harmonious whole, in the same way that music is made up of different notes and food of different ingredients (Rosemont and Ames 2016). Harmony is distinct but not separable from the concept of the doctrine of the mean (*zhong*), commonly viewed as centrality and commonality (Yu 2007), maintaining perfect balance and “the universal basis of every harmony” (Sim 2007, p. 103).

The concept of Confucian harmony has also been applied to business organizations (Ip 2009; Li 2006; Romar 2004). Drucker argued that “the essence of the corporation is social, that is human, organization... it is not based on raw materials or gadgets but on principles of organization—organization not of machines but of human beings, i.e., on social organization” (Drucker 1983, p. 31). Thus organizations are “essentially a series of human relationships of specialized people performing specialized tasks and organized into specialized functions” (Romar 2004, p. 204). When all the roles and relationships are performed correctly, society will be organized correctly and harmony will result. It is not, however, only within the firm that relationships need to be considered. Those between firms are obviously also important and, when these relationships are harmonious, there will be a mutual benefit to both (Li 2006). Taking a wider perspective, the concept of harmony can also be extended to the market, with monopoly being considered to be in conflict with the spirit of harmony (Li 2008).

Synthesis and Research Questions

While the initial focus of this paper is on the application of MacIntyrean concepts, the review of the literature above extended this to institutional logics themselves in anticipation of the need to broaden the MacIntyrean framework with analysis at the institutional (as per Institutional Theory) level, and to the Confucian tradition in anticipation of its significance as an institutional logic to the study context of Taiwanese SMEs. However, in doing so a novel theoretical lens emerges from a synthesis of MacIntyrean and institutional logics concepts. As Besharov and Smith (2014, p. 365) note, a key issue at the organizational level is the way in which institutional logics are instantiated. And drawing on the MacIntyrean framework, it is apparent that this can be observed in the pursuit of the two different kinds of goods identified there. This is to say that some logics—most noticeably the market logic—will reveal themselves in the pursuit of external goods at the organizational level. Other logics—family, for example—will reveal themselves in the pursuit of internal goods (particularly in the ‘perfection’ of practitioners). Some institutional logics, however, may reveal themselves in the pursuit of external or internal goods (or internal and external goods) depending upon their nature—a belligerent state, for example, might cause a focus

on external goods to be instantiated, while a professional logic might be instantiated in the pursuit of both internal and external goods.

This synthesis also potentially contributes to the multi-level processual aspect of the institutional logics perspective, although the identified direction of change here is from the institutional to the organizational, rather than vice versa as in the Wright and Zammuto (2013) study.

MacIntyrean and institutional logics concepts, together with the synthesis of the two identified above, combined with an understanding of the Confucian tradition, provides the theoretical framing necessary for analysis of the results, and leads to the three research questions which were identified:

- (1) To what extent are MacIntyrean concepts of virtue ethics applicable in business organizations in a society influenced by a Confucian tradition?
- (2) To what extent does the use of MacIntyrean and institutional logics concepts, together with their synthesis, enable an interpretation of the results of the study?
- (3) How do the centrality and compatibility of multiple institutional logics reveal themselves in SMEs, and how do SMEs seek to respond to and resolve any resulting tensions?

Having considered the theoretical lenses that will be used in this paper, the methodology used for the empirical study will now be described.

Methodological Considerations, the Study Context, the Case Study Organizations, and Research Methods

Methodological Considerations and the Study Context

As per previous work by Moore (2012) and Fernando and Moore (2015), this study adopted a critical realist ontology appropriate for MacIntyrean studies of this type (Achtmeier 1994). Methodologically, given the novelty of the study context and the relative paucity of empirical studies in this area, it took an exploratory approach (Yin 2018, p. 10) and employed a multiple case study method incorporating semi-structured interviews as “the most appropriate approach for exploring virtue in business organizations” (Moore 2012, p. 368).

For this study, the data were collected from participants living and working in Taipei, the capital of Taiwan. The island has a population of more than 23 million, with the information and communications technology sector making up around one-third of Taiwan’s gross domestic product.

Small and medium enterprises (SMEs) are the backbone of the nation's economy, especially in the export sector (SME Administration 2013).

From a historical point of view, Taiwan was a Chinese province until the Japanese occupation from 1895 to 1945, with the governing system being developed according to Confucian ethical norms and values so that Taiwanese society was essentially Chinese in all important respects. The influence of the family led to it becoming the basic unit of economic action and consumption and this, together with the distinctive authority structure of the family, is a vital element in the development of Taiwanese society and its business system (Hamilton 1997; J. Gray 2002; Redding 1990). In particular, traditional Confucian patterns of subordination and obedience within families and acceptance of the authority of the father have been influential in Taiwan, and have played an important role in the structure of authority relations within family-owned businesses. This was reinforced by the explicit emphasis given to Confucianism by the national school curriculum from 1949 as part of deliberate political policy to promote a Chinese national identity, although explicit mention of Confucianism was removed in the early 1990s but with the moral content remaining the same (Su 2006; Tsai 2002).

Another important feature of the family that has influenced the Taiwanese business system is the strong preference for self-employment (Hamilton 1990b; Wong 1988) as demonstrated by a Taiwanese proverb, "it is better to be the head of a chicken than the tail of a cow." Coupled with the practice of equal inheritance, this desire of each son to establish his own patriarchal household leads to continual splintering of the family firm (Tam 1990), keeping the resulting organizations in the SME sector.

Political considerations are another important factor influencing Taiwan's business system. When Chiang Kai-shek lost the Chinese civil war and moved to Taiwan in 1949, his domestic policy mainly benefited his supporters from the mainland, and the lack of trust between his Chinese National Party (KMT) and the local Taiwanese population caused tension within the island. Although Chiang and the KMT later changed policy, the attitude toward the establishment of large privately owned wealth holders remained one of suspicion and a potential threat to their power. This resulted in, on the one hand, the state maintaining ownership of the large, upstream and capital intensive sectors of the economy (Gold 1988) and, on the other hand, the development of small firms and an SME-dominated export sector (Wade 1990). As a result of all these factors, small businesses thrive and are predominantly run by families, thus justifying the choice of SMEs as the focus of this study.

Other significant factors in the development of Taiwan are that the economy underwent a significant degree of deregulation and privatization in the late 1980s, leading to Taiwan

joining the World Trade Organization (WTO) in 2002, and that more than five decades of KMT rule were ended in 2000 when the opposition Democratic Progressive Party (DPP) won power for the first time. As a result, Taiwan has been experiencing a period of great change with traditional influences being challenged by forces such as globalization and the growth of mainland China (Chung and Luo 2008). This would suggest that competing institutional logics have become more prevalent in the recent period.

The Case Study Companies and Research Methods

The first author conducted a scoping study in Taiwan 2013 to ascertain whether Taiwan is still strongly influenced by Confucianism, and so to validate Taiwan as a location suitable for the study of a Confucian society. This took the form of seven semi-structured interviews from across a range of business sectors. Confirmation bias was guarded against by the questions being purposefully designed to elicit views on influences on the social and business environment but not referring to Confucianism either directly or indirectly. Despite this, over half of the interviewees talked explicitly about Confucianism, such as the importance of family, harmony and balance. In the subsequent analysis of the qualitative data, open coding analysis confirmed the ongoing relevance of Confucianism to Taiwan, though also of other influences in the macro-environment linked to change.

Building on the experience gained in this scoping study, the questions to be used in the primary data collection interviews were refined. The method was deliberately designed to be similar to that used in the previous studies in Sri Lanka and Europe (Moore 2012; Fernando and Moore 2015) so that the results of all three studies could be compared. However, the scope of the questions was also extended to include wider environmental influences so that the research explored not only the influence of virtue, but also the component parts of the institutional environment, including the state, global influences, and tradition. As with the scoping study, no questions directly mentioning Confucianism were asked.

Primary data collection took place in the summer of 2014² in the form of 39 semi-structured interviews—eight founders, ten managers, and 21 employees—from a total of seven SMEs. Each interview took 1–1.5 h and was conducted in Mandarin Chinese. Quotes below are identified by the company and interviewee, e.g., C1/2. Although the age of each interviewee was captured, individuals' ages are not given to help preserve anonymity but the dividing line

² There has been continued change since 2014, notably the DPP winning the 2016 presidential election over the KMT (Economist 2016). However, this does not fundamentally affect the findings reported here, only reflecting continued change in the direction already evident.

Table 1 Company characteristics

| Reference | Sector | Size (no. employees) | Age (years) | No. interviews | Local/international focus? | Micro/small/medium | Legal status | Mission statement |
|-----------|---------------|----------------------|-------------|----------------|----------------------------|--------------------|-----------------|-------------------------|
| C1 | Import/export | 6 | 20 | 4 | International | Micro | Family Business | No |
| C2 | Advertising | 5 | 8 | 4 | Local | Micro | Partnership | No |
| C3 | Wholesale | 14 | 5 | 6 | International | Small | Partnership | No |
| C4 | Retail | 20 | 16 | 6 | Local | Small | Family Business | No |
| C5 | Marketing | 43 | 8 | 9 | Local | Small | Partnership | No, but has core values |
| C6 | IT Training | 11 | 11 | 4 | Local | Small | Partnership | No |
| C7 | HiTec | 130 | 8 | 4 | International | Medium | Partnership | No |

between ‘young’ and ‘old’ in the discussion below can be taken to be around 35.

Background information for the seven companies used in the study, such as the business sector, size, internal or external focus, and company age, together with the number of interviews conducted is shown in Table 1. The companies were all active in the capital city of Taipei and, within the constraints of the first author’s contacts, were purposefully selected so that a range of business sectors typical of those in Taiwan was represented.

In order to explore the issues relating to practices, institutions, and internal and external goods, the exercise developed by Crockett (2005) was employed. This used success and excellence as shorthands for internal and external goods, as noted above, and sought to establish the ordering and balance associated with their pursuit. Using the exercise, quantitative scores for company purpose as well as current and ideal success and excellence were obtained, which allowed both statistical analysis of the scores given and comparison with the equivalent scores from the previous studies.

The interviews were transcribed in Mandarin Chinese, then translated, and transcribed into English and imported into NVivo as a tool for organizing and analyzing the data. Using experience gained in the scoping study, open coding was used in preference to template analysis, since it was better suited to the discovery of topics running through the interviews which could be grouped into underlying themes (Gray 2009).

A further quantitative analysis was made possible by grouping the statements made by the interviewees on the subjects of success and excellence into broad categories, such as people, customers, financial, and product. The relative proportions of these categories could then be compared with the proportions of the equivalent categories from the previous studies. In this way, statistically significant

differences between the responses given in the three studies could be identified.³

Having described methodological considerations and methods, the findings will now be discussed.

Results Including Comparisons with Previous Studies

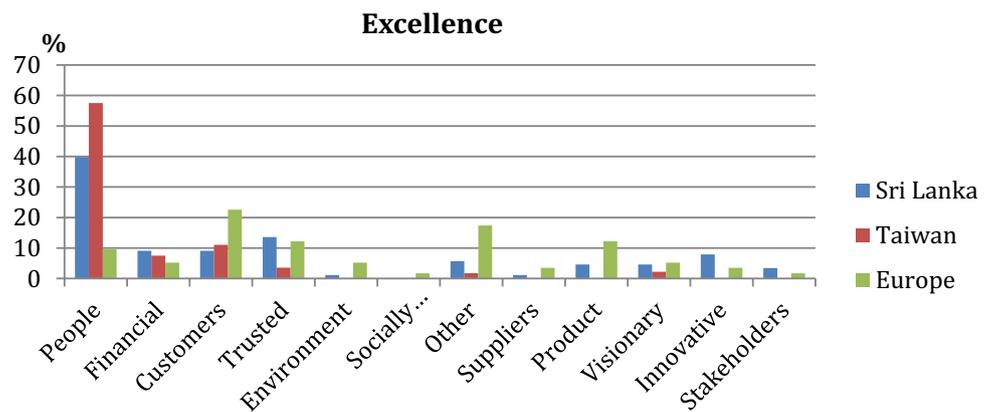
As described above, the questions used in the interviews were based on those used originally by Moore (2012) but were expanded to include the wider institutional environment. Consequently, the results cover not only views on organizational purpose and success and excellence, but also aspects of the macro-environment. An initial Kruskal–Wallis test of the scores provided by interviewees confirmed no significant differences by company, such that the results from all seven companies could be grouped for the purposes of further analysis.

Organizational Purpose

In the previous studies in Europe and Sri Lanka, even though there was some mixing of terms such as mission, purpose, and vision, most interviewees understood the idea of organizational purpose, and were able to identify a relationship between their own organizational purpose, linked to specific products and services and the common good of the community. By contrast, in the Taiwanese study descriptions of organizational purpose were generic rather than related to the specific products or services of the company:

I think the purpose is to provide good service to the customers and to put the customers first. (C1/2).

³ Appropriate statistical tests were used for small samples, for example Welch’s *t* test which produces *p* values which are more conservative than the more frequently used Student’s *t* test, and the Kruskal–Wallis test as a nonparametric alternative to the Anova test. The mixed methods approach, despite the small samples, is justified by its ability “to produce socially useful knowledge” (Feilzer 2010, p. 14).

Fig. 4 Relative frequencies of excellence categories

This may have been because none of the SMEs in the Taiwanese study had a mission statement and only one had core values, regardless of whether they were family-run or partnerships. The differences may therefore reflect small versus large firm characteristics.

A second finding from the Taiwanese study was that interviewees were clear that the main purpose of their companies was to make a profit:

After all, our company is not a non-profit organization or a charity. We need to consider the profits. We try our best to meet high standards and to make sure we are on budget. But first of all, we need to make sure our company makes a profit. (C2/6).

Nevertheless, it was also apparent that there was a widespread feeling that companies needed to look after their employees and make a wider contribution to society:

The staff and the family of our staff can be taken care of - it is the company's success. As our supervisor said, the company has a social responsibility to take care of every single worker in the company. Actually, this is a unique characteristic of SMEs. Big companies won't have such a mission but the small ones can do it much better. (C3/17).

It was also clear that there was generally a sense of seeking balance between these two objectives:

Personally, I hold the belief that most businesses have both the goals of serving people and making money. There is no company that is founded to help other people only without making money, except for charity organizations ... What we could do is to try to have a balance. (C3/19).

It should be noted that this sense of a need for balance was also found when the interviewees were talking about success and excellence, and this is a theme that will be returned to later.

Interviewees were asked to score their organization's purpose on a scale of -10 to +10. The average score for all 39 interviewees was +4.4, reflecting the fact that company purpose was generally seen to be virtuous. This is in comparison to a significantly higher (at the 5% level) average score of 7.2 in Sri Lanka. Although the importance of this statistical finding should not be overstated given the relatively small sample sizes involved, it is at least indicative of differences across countries. A corresponding question was not posed in the European study.

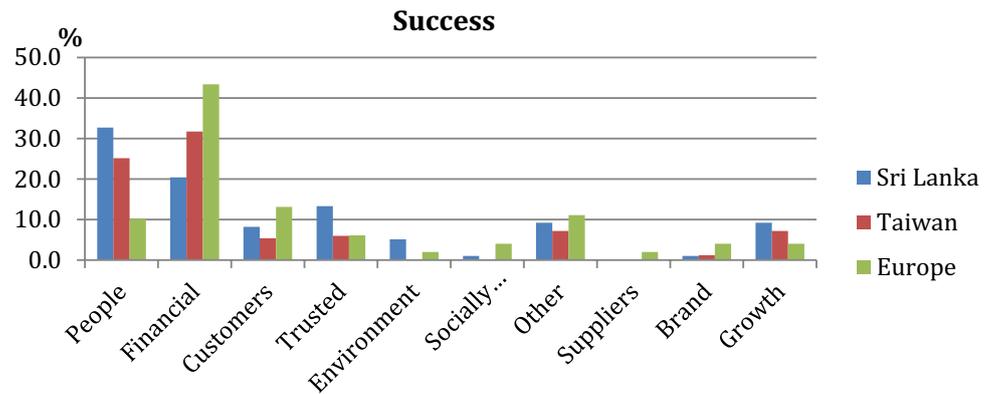
Success and Excellence

Figures 4 and 5 show the relative frequencies of the categories of statements made by interviewees in Taiwan, Sri Lanka, and Europe in relation to excellence and success, respectively. Chi-squared tests indicated that the differences in the excellence and success profiles were significant between each pair of studies ($p < 0.05$ in each case).

It is noticeable that although none of the seven organizations studied were in the same industry sectors as the previous case studies in Sri Lanka and Europe, the primary categories of statements made by the interviewees in all cases for both excellence and success (people, financial, and customers) are identical, and that all the statements made in the Taiwanese study could be located within the categories identified in the previous studies. This is an important finding since, given that interviewees had already been able to comment intelligibly on organizational purpose, this additional evidence supports the contention that the categories of MacIntyrean virtue ethics are equally applicable in the Confucian environment of Taiwan. That many of the same categories occurred in statements of both excellence and success (also a finding of the previous studies) is evidence for the complex relationship between excellence and success, and will be discussed further below.

From the Taiwanese study, excellence statements about people were by far the most numerous (58%), with the next

Fig. 5 Relative frequency of success categories



highest category of customers being some way behind (11%). The categories for success were spread more evenly, with the financial category (32%) being the most often mentioned and people (25%) being the second highest.

Four points can be identified from the interviewees' comments. The first was that it was generally clear that the majority of interviewees could recognize the difference between the two concepts of excellence and success as representative of internal and external goods. When speaking about excellence, statements about people dominated other categories, with 'doing a good job' in the sense of fulfilling a role being the most commonly occurring subcategory:

For me, I am doing an accounting job, so all that I have to do is to do my job well, do my duty and I will feel the excellence if the financial report I make can be a reference for the manager to make a decision... (C4/16).

In contrast, financial matters were the most frequently mentioned success category. Many interviewees recognized that success means that the company needs to make a profit in order to be able to sustain itself:

For an SME, the most important thing is that the company is able to continue to run, so achieving the business target is a must, a basic requirement, so success is the ultimate goal so that it can survive. If a company can't guarantee that it can achieve success, don't even mention excellence. (C3/17).

From the last sentence of the above quotation, it can be seen that the interviewee thought that success was required before excellence could be pursued. Other interviewees expressed a similar view on success as providing the external goods necessary for the continuing existence of the company, but explained further about excellence being more about an internal sense of achievement:

My definition towards success tends to be vulgar, I define success as money. But my lifetime goal is not

money. I want to finish a lot of things, and that's the goal of my life. This is the sense of excellence, but not success. I think that excellence entails success ... but excellence indicates that I've finished something, and this is more important ... I want to do something and make a contribution, but not just earn money. (C6/31).

The second point was that, as noted, a significant number of the categories, such as people, financial, customers, principles, trusted, visionary, reputation, recognition, and socially responsible, occurred in discussions of both success and excellence. Furthermore, some interviewees talked about the same headings in overlapping discussions of both, and most of the relevant responses indicated that these two categories were complementary or very close to each other:

They are not absolutely distinct from each other. They are overlapping to some extent. (C7/35).

Similarly, there were different opinions about which came first—excellence or success. Some, in contrast to the C3/17 quote above, felt that excellence was needed first, and then success would follow:

I define this side [excellence] as more individual ... I think we need to achieve this side first, then we can achieve success. Because I think if most people feel excellent at work, happy to do their jobs and enjoy it, then the company tends to achieve success. (C5/26).

If everybody focuses on excellence when they do their work, I think success will come eventually. It depends on where you set the timeline for both. Success is for short term, the immediate target, it can be the quantifiable benefit or turnover that we focus on, we can see it in a short time. (C5/30).

These findings mirrors, to some extent, those of both Moore (2012) and Fernando and Moore (2015), that the relationship between success and excellence is complex and not always seen as one of direct causality. This could be taken to indicate that the concepts of success/excellence,

and so of internal/external goods, were not seen as conceptually distinct by the interviewees. However, and given the earlier point about the difference between the two concepts, this study provides further evidence for the “essential but complex circularity between internal and external goods” (Moore 2012, p. 380).

The third point was that most interviewees saw excellence as being related to the self, for example, being a good, dutiful employee and fulfilling the responsibilities of their role within the company. In contrast, success was felt to be communal, being associated with financial factors at the company level such as performance, profit, targets, and company survival:

Excellence is the feeling of your heart but success is a fact, so they are inseparable... I think excellence usually refers to individual and success refers to the company. (C3/19).

... success is accumulated by many people’s efforts, the company will grow better and better when everyone has a strong sense of excellence. When your employees have a strong sense of excellence, the rate of your company being successful will also be very high. (C5/24).

This finding, unique to this study, suggests that success is related to the whole organization and as something communal, because everyone made a contribution to it. It was enabled by individual excellence throughout the whole organization, suggestive of the ‘perfection’ of practitioners, but somewhat contrary to MacIntyre’s concept of standards of excellence being extended in a community of practitioners.

There are two further comments that can be made from how interviewees viewed excellence as being related to the self whereas success was more at the communal level. First, there is a link to the concept of agency in that, although the interviewees saw the necessity of success at the communal level, they still felt able to decide for themselves the pursuit of excellence at the personal level. Second, this theme can also be linked to Confucianism’s concept of the ‘relational self.’ Both of these points will be reviewed in the discussion.

The fourth point to emerge was that the majority of interviewees thought that it was important for their firm to have a balance between excellence and success. As shown by the histogram in Fig. 6, which gives the range of scores for the ideal position in relation to success on a scale of 0–10, although there was a wide spread of scores ranging from 1 to 8, nearly half of the interviewees gave a score of 5, the central point at which excellence and success are balanced.

When asked why they gave this score, many interviewees expressed the view that balance is required:

Both of them should be our pursuit... the balance point in the middle 5, I wish it would be balance, neither

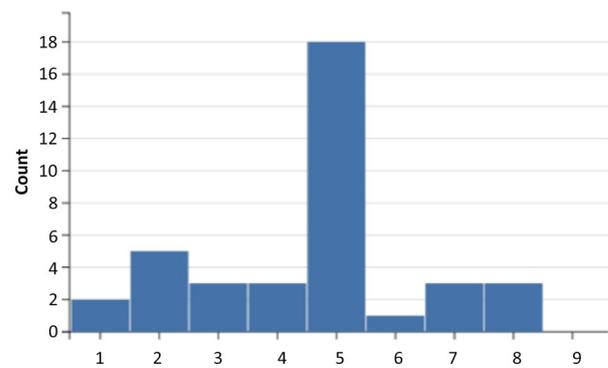


Fig. 6 Histogram of ideal success scores

more nor less. Both of them are important. Excellence derives from success and success is based on excellence. If you succeed, it means that you have done this job well, which will bring you excellence. If you have excellence, it means you must succeed in something. So the two parts complement each other. (C3/19).

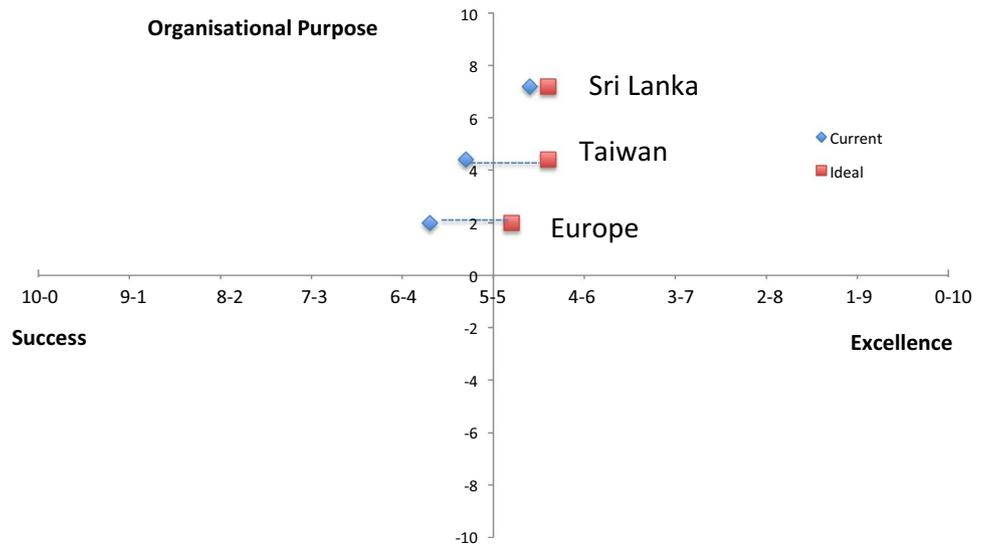
Consistent with the above two points is the fact that most of the interviewees did not see a conflict between success and excellence. On the contrary, the two were seen to be complementary and a balance between them was required. The fact that nearly half of the interviewees believed that the ideal status for firms was in the balanced pursuit of both excellence and success may be linked to the nature of SMEs but may also correspond to the notion of the doctrine of the mean, and these points will also be reviewed further in the discussion.

A further comparison of the results from the three studies involved mapping the scores for organizational purpose against those for current and ideal success (the score for excellence being 10 minus the score for success) and the result is shown in Fig. 7.

Statistical analysis showed that the interviewees in Sri Lanka scored company purpose significantly higher than those in Taiwan ($p < 0.01$). Comparisons with Europe are not possible since the relevant question was not posed. However, given that European interviewees were generally positive about organizational purpose, a somewhat arbitrary score of +2 has been used here to allow the actual/ideal success scores to be included in the same figure.

There are two main observations that can be drawn from these results. First, organizational purpose for all three studies is positive, reflecting the fact that the interviewees viewed their organizations to be virtuous to some degree. However, given that this is a self-reported score, this is perhaps not surprising. Second, interviewees in both Europe and Taiwan rated the current position of their companies to be on the side of success, with Europe more success-oriented

Fig. 7 Mapping of organizational purpose against current and ideal success/excellence scores



than Taiwan, whereas the Sri Lankan interviewees scored on the side of excellence. However, all three studies scored the ideal position to be just on the side of excellence, according with the theoretically defined virtuous position described above.

Institutional Logics

As discussed above, the interview questions were designed not only to investigate aspects of MacIntyre's conceptual framework but also the institutional environment. The main findings from this second area of questioning were that at a macro-level, of the seven ideal types of institutional logic described by Thornton et al. (2012), those of the family, religion (here used for Confucianism as described above but also encompassing community), and market had a strong influence whereas those of the state, corporation (in the sense of a governance and financial system which drives compliance) and profession had a weaker influence. Furthermore, it was apparent that the institutional logics of family and religion were generally complementary and mutually supportive whereas that of the market was seen to be contradictory. These institutional orders and logics are both explicit and implicit in the findings below which are ordered according to the three themes emerging from the coding.

Confucian Influences

As described above, the 'people' category was found to be very significant in Taiwan with the concepts of role ethics and harmony being central:

... we were taught about Confucianism from an early age in school. Confucianism...emphasises the relationships with different people such as the relations between my parents and me. You should show filial piety to your parents. You should respect the teachers in school. You should take care of your younger brother and sister at home and at work. And you should educate your children...Confucianism sets a kind of standard. You should have a proper attitude towards a person according to your relation with him or her. (C3/20).

The importance of harmonious relationships within the organization was often mentioned by interviewees:

I think we are more motivated when everyone is in a harmonious relationship in the company. It makes our work more efficient - good communication ... being harmonious is important to me. Taiwanese people advocate harmony. (C1/3).

However, Confucian influences can also constrain behavior:

Most of time we are restricted by human factors, so called *renqing*, so we can't do things as we wish. But as to Western culture...they tend to be more matter-of-fact about things. They won't feel it is difficult to handle something because of *renqing*. (C5/24).

The above quote showed how the concept of *renqing* (empathic reciprocity) prevented companies taking a particular course of action out of consideration for the personal impact on staff members.

Family

Family was also one of the main topics that emerged from the empirical study, especially the notion of the organization as a family:

... we greet each other with words like ‘*ge*’ and ‘*jie*’⁴ to show our respect. It is important to show respect to others in the company because they are more experienced than me. It’s respect for them when I call them ‘*ge*’ or ‘*jie*’. I also need to learn from them in the company. (C2/8).

This member of staff, as a younger and inexperienced employee, recognized the importance of respecting seniority and acknowledged their identity by greeting them with these unofficial but respectful titles. The sense of family is reinforced by the use of these greetings and this show of respect from a junior to an older person can be seen to be a manifestation of the role concept of *wu lun*. Such respect is also evident in the notion of filial piety:

Filial piety is one of the traditions that I can see in my company. Taiwanese people have their own attitudes and principles on moral ethics.... our attitudes towards seniors and parents are respectful.... Not only to our parents, we also show our love and devotion to the old. Even in the company, we use respectful words to address more experienced employees. (C2/6).

The sense of family was reinforced by a senior employee, but also with a note of caution:

The younger employees have a strong sense of individualism whereas, in the past, we (i.e. older employees) emphasized collectivism. That’s why, when we establish our company system, I care about whether we have more teamwork activities and collectivism in our company - having company dinners together regularly is one of the examples. I don’t ask employees to get rid of their personal identities, but I value collectivism in my company. Because we are a small company, I care about the family feeling ... I want to make my employees feel that I care about them, like the head of their family at home. (Interviewee identifier withheld to preserve anonymity).

Three points emerge from this quotation. First, collectivism was seen to be a core value for this organization and was linked to the concept of the family. Second, the interviewee actively reinforced this sense of family within the organization by acting as a responsible parent, showing care

for employees. Finally, however, the interviewee identified a difference between the younger and older employees in terms of individualism and collectivism. This is discussed further in the third theme.

Change

The sense of a difference between generations was linked to the fact that most interviewees acknowledged that there had been a period of rapid change in Taiwan in the past three decades. Two major aspects of this change will be addressed here—increased competition, and a decline in traditional values associated with differences in values between young and old.

One of the aspects of change commented on by some interviewees was that of increasing competition in terms of the speed and the numbers of competitors. Three factors contributed to this:

I think ... the rise of China, globalization and the development of the Internet. These have all brought more competition. In the old days, when you started a business in Taipei, your competitors were mainly in Taipei or in Taiwan. But because of the factors mentioned, now your competitors can be from all over the world. That’s globalization, right? And there are no borders on the Internet. These changes bring more competition. The development of the Internet has caused unprecedented competition and the development is getting faster and faster. The whole world is becoming like the winner takes all. (C3/20).

This interviewee described how competition had changed in Taiwan. Enterprises no longer competed only with local firms but also with others from the rest of the world, and this competition was getting faster and fiercer; the feeling was that ‘the winner takes all.’ This ‘game changer’ had not only influenced the dynamics of business within the island but had also changed how Taiwanese viewed the relationship with other countries like China:

...during the past two decades, since the full implementation of globalization and opening up to more countries, especially to the mainland [China], we used to have more cooperation with them... We now feel more pressure and greater competition with them. (C5/23).

The above two quotes illustrate local businesses’ attitude toward competition before and after deregulation began in the late 1980s. Before, business accepted competition but felt that they could live together, indicating more harmonious market relationships. However, such relative harmony was disrupted by foreign competition after deregulation, and initial cooperation with companies from mainland China

⁴ ‘*ge*’ means older brother, ‘*jie*’ older sister. These are commonly used at societal and organizational levels in Taiwan.

had turned into competition. Interviewees identified three possible outcomes. The first was for small companies who could not compete to be driven out of business, the second was for some SMEs to be pushed into being more ambitious in order to become market leaders. In the face of these increased competitive forces, there is clearly the possibility that companies may change how they view the balance between internal and external goods.

Nevertheless, there was a third way to combat such fierce competition:

...but we cooperate with other different type of small enterprises ... to work on the same project so I don't have to recruit more employees myself. This can reduce my costs. Different enterprises cooperate to bid and win a project. One project can have several different enterprises sharing or cooperating. This is a distinguishing feature of SMEs. We cannot compete with big enterprises or foreign companies because they have hundreds of employees. However, clients have different needs ... We have to meet their needs and that is how we keep our competitiveness. (C2/5).

This strategy of forming alliances showed that SMEs saw other enterprises in different fields as potential partners in order to be competitive when faced with other competitors from the same field, especially large and foreign ones. It also indicated that there was an alternative response to the increasing competition which incorporated both a pragmatic attitude and a harmonious approach—that of cooperation.

The second major change that interviewees had noticed was that traditional values were seen to be declining, especially in the younger generation:

As for moral education...at least my generation has strong morals, *lunli*, self-identity and national sentiments. But I'm not sure about our next generation. (C2/5).

...in the past ... my generation ... are willing to work hard and learn more to improve our knowledge in order to have a better career progression. I have interviewed many freshmen and I have noticed that their values are quite different from those in the past. They ask you directly if they can get better pay and welfare, they take things for granted. Nowadays, young people don't tell you how much they can offer the company or what their specialities are and how they can get promoted in the company. It is totally the opposite of before. They usually ask for what they want first. When they can't get what they want to meet their requirements, they slam the door very loudly or hang up the phone heavily. (C5/24).

I think Taiwan still has a strong sense of *lunli*. But what I'm afraid of is that... I think the sense of *lunli* is from the institution of the family. But this institution has been breaking up in Taiwan, the conditions here...many more single parent families or other family issues. (C5/21).

The above quotations indicate the impact of the weakening of the family institutional logic and *lunli* (role ethics) on the traditional values of the younger generation. However, these changes were not universal, as the following quote illustrates. Here, members of the younger generation who maintained traditional values were identified, while this interviewee also indicated an attempt to preserve traditional values within the organization:

When choosing young employees, we are inclined to choose those who are easy to communicate with and those who have traditional Taiwanese characters... (C7/35).

Having presented the findings from the empirical study, these will now be discussed.

Discussion

With regard to the first research question, the empirical findings gave support to the proposition that MacIntyrean virtue ethics are meaningful in business organizations in the Confucian society of Taiwan, and this was apparent for four reasons. First, interviewees could make sense of the *teleological* nature of their organizations, even if they tended to refer to organizational purpose in rather general terms. They described organizational objectives in relation to both profit and social responsibility, the latter particularly related to caring for their employees.

Second, the interviewees could differentiate between excellence and success and, by implication, between internal and external goods, the former in terms of both the quality of the goods or services being produced and the 'perfection' of practitioners through the pursuit of individual excellence, and the latter in terms of the profit needed to ensure the continuing survival of the organization.

Third, there was consensus around the need for there to be a balance between internal and external goods and also between profit and the social responsibility of the organization, both in terms of treating employees well and making a contribution to wider society. In this way, there was a clear link between the goods produced by the organizations and the common good of the community.

Fourth, the categories used by the interviewees to describe excellence and success largely overlapped with

those occurring in the previous two studies, also suggesting that MacIntyrean concepts are applicable outside Europe and Sri Lanka. These findings also demonstrated the intricate relationship between internal and external goods, and the essential but complex circularity between them (Moore 2012). However, the finding that success was communal and excellence individual is both unique to this study (as noted), and interesting, given the more generally communal nature of social relationships in Taiwanese society. There may, however, be some indication here of a creeping individualism, and this is explored further below. The overall implication of the commonality of findings with previous studies, however, is that MacIntyre's conceptual framework is applicable in a non-Western business context still strongly influenced by the Confucian tradition, providing further evidence of its potentially universal application.

Moving on to a consideration of the second and third research questions, of significance here are those aspects of the findings which are more distinct to Taiwan. These fall into two opposing categories which can broadly be characterized as harmony and conflict and, while MacIntyre's framework allows exploration and explanation at the organizational level, institutional logics are considered to be better suited to explore and explain the wider forces that impact on organizations. Consequently, as per research question two, a synthesis of the two will now be used to interpret these findings.

In relation to harmony, there was, as noted, a considerable degree of consensus about the need for balance among the interviewees in Taiwan across all types of employment status—from employees to managers and SME owners. Fernando and Moore (2015) also describe the Sri Lankan interviewees emphasizing balance more than those in Europe, but this was found to be even stronger and more explicit in Taiwan. Similarly in terms of balance, but at more of a macro-level, it was found that within the SMEs studied the institutional logics of family, religion, and market were strongly influential, with those of family and religion being complementary to each other and that of the market being held for the most part in creative tension with these. According to Besharov and Smith (2014), this could be expected to produce extensive conflict within the organizations, since they are in a Contested position (high degree of centrality of multiple institutional logics but a low degree of compatibility). However, this was not observed during the study and potential reasons for this can be best explored by considering the cultural factors operating within Taiwan using ideas from the institutional logics perspective (Thornton et al. 2012). These suggest that if logics such as Confucianism and the family are salient within the SMEs studied, then the identities, goals, and schema associated with these non-market logics will also be influential within them. Consequently, whatever the reasons for aspects of Confucianism and the

family, such as collectivism and strong social relations, being promoted within the SMEs, the outcome was that the associated mindsets were also influential in the observed balance in the pursuit of internal and external goods.

Since the family is the dominant organizational form in Chinese society (Rosemont and Ames 2016), it is not surprising that various aspects of the institutional logic of the family are adopted within SMEs in Taiwan. In the SMEs studied, it was seen that the idea of the organization as family was actively promoted, as exemplified by the use of familial titles such as 'ge' or 'jie' to invoke the social relations involved in *wu lun*. The strength of these social relations was supported by the finding that excellence was strongly associated with people to a significantly greater extent than the studies in Sri Lanka and Europe. The interviewees in Taiwan made explicit statements on their concern about doing a good job, being dutiful, being excellent at the personal level, and contributing to communal success and so accomplishing the obligations of their role. It was also clear that SME owners regarded themselves as heads of families, and this was combined with their own acknowledgement of the wider moral obligations of their role. Confucian social relations are not predicated on the basis of individualism and equality but rather on what is appropriate for the specific relationship. Most relationships are, by their very nature, hierarchical, especially those within the family and so, by extension, those based on the family such as those found within the SMEs studied. Consequently, Western concepts such as obedience, compliance, and deference to authority need to be viewed in this light rather than just blind obedience to authority, since it is accepted that if the person in the higher position does not fulfill their responsibilities, then the basis of the relationship can be called into question.

There was clear evidence for the influence of Confucian role ethics and the relational self, whereby relationships not only impose obligations and responsibilities on those within them, they also demand that individuals consider *renqing* (empathic reciprocity) and constrain their self-interest to achieve harmony according to the principles of *ren-yi-li*, being benevolent and sincere (*ren*), making appropriate decisions (*yi*) and performing proper actions (*li*). This, together with the findings related to inter-firm cooperation, confirms Romar's (2004) contention that Confucianism, with its focus on aspects of social relations such as trust, reciprocity and mutual benefits, can offer a moral foundation to both intra-firm and inter-firm arrangements. It also reinforces the point concerning the instantiation of certain logics evident in the pursuit of internal goods.

Thus, it can be argued that interviewees' preference for the ideal position for their firms as being somewhere in the middle between success and excellence demonstrates the instantiation of non-market and market logics by way of a harmonious pursuit of both internal and external goods.

However, it is important to appreciate that, as described above, this concept of harmony does not imply bland uniformity but rather an acceptance of differences and an ability to blend them into a harmonious whole (Li 2006). This was evident in some of the tensions reflected on by interviewees, and also indicates a degree of individual and organizational agency in choosing how to balance such tensions.

This interplay between different institutional logics was also shown by Bhappu (2000, p. 413) who “demonstrated how the profound respect for the institution of family insulates Japanese organizations from the full pervasiveness of the ‘market’ logic.” While this therefore also occurs in other cultures, it is in combination with the Confucian institutional logic, with its strong social relations and role ethics, that it becomes significant in Taiwan. These factors come together to provide Taiwanese SMEs with their unique characteristics, such as power relations and social responsibility (Redding 1990), and forms the basis of their identity.

However, this is not to contend that Taiwan is the only location where such harmony is maintained between these opposing institutional logics. It may well be the case that SMEs in other countries are also more successful than their larger counterparts in holding a balance between the pursuit of internal and external goods. However, the argument here is that the Confucian concepts of role ethics and harmony are important factors in enabling Taiwanese SMEs to maintain this balance, while other organizations may also do this successfully by other means in other parts of the world where Confucianism is not influential.

Drawing these observations together and employing the analytical framework from Besharov and Smith (2014), this suggests that, under the strong influence of Confucianism, potential conflict was constrained such that, rather than a Contested position (high degree of centrality of multiple institutional logics but a low degree of compatibility) resulting, an Aligned position (high degree of both centrality and compatibility) pertained.

However moving on from harmony to conflict, it was also evident that changes in Taiwan’s institutional environment seemed to be weakening this appreciation of harmony and the relational self, and that there was instead a growing tendency toward conflict. As Besharov and Smith (2014) noted, such changes can occur over time and can be particularly brought about by changes in the relative power of organizational members, and by cadres of organizational members attached to particular logics. Of note from the empirical findings is an increase in individualism among the younger generation being cited by older interviewees as being associated with a decline in traditional values such as working attitude, harmony and collectivism. Allied with this was a perceived increase in global influences, such as competition in the market, with the rise of China, globalization, and the Internet all being cited as influential, and a feeling that

previous, more harmonious cooperation was being replaced by a more competitive ‘winner takes all’ mentality.

While the younger generation was, in the case study companies, not yet dominant, such that the ‘harmony’ position was still generally maintained, the increasing attachment of this younger generation, as the upcoming cadre of organizational members, to the market logic, and their decreasing attachment to the institutional logics of Confucianism in general and family in particular, all under pressure from globalizing tendencies, was leading to a potentially significant change. This could be described, in MacIntyrean terms as a shift in the balanced pursuit of internal over external goods to the reverse as the revised strengths of the different institutional logics instantiated themselves. In Besharov and Smith’s terms, the direction of travel would appear to be from an Aligned to a Contested position in which the high degree of centrality of the multiple logics remains, but the degree of compatibility moves from high to low.

In relation to research question two, therefore, it is clear from the above that the combination and synthesis of MacIntyrean concepts with institutional logics enables an interpretation of the results of the empirical study which would not be available by using each on its own. The organizational-level MacIntyrean framework provides a depth of analysis which enhances that already available in the institutional logics perspective, while the institutional-level framework, drawing particularly on Besharov and Smith’s (2014) work, enables an understanding of the influences on organizations and an interpretation of these which MacIntyre’s framework lacks. The synthesis, by way of understanding how changes in the strength of multiple institutional logics are instantiated at the organizational level through disruption in the pursuit of internal and external goods, extends this analysis. In addition, the study contributes to our understanding of the multilevel processual aspect of the institutional logics perspective (Thornton et al. 2012; Wright and Zammuto 2013).

In relation to research question three, there is direct evidence from the discussion above of the ways in which the centrality and compatibility of the multiple institutional logics are revealing themselves in the SMEs which were studied. Responses to the resulting tensions tend to concentrate on attempts by the old order to continue to promote the importance of Confucian and family logics rather than accept the increasing dominance of the market logic. This showed itself, for example in the employment of members of the younger generation still sympathetic to traditional values, reinforcement of social relationships, and a continued attempt to maintain a degree of harmony with the market logic. Also the alternative of the company expanding in size was viewed as being less preferable to that of forming cooperative partnerships with other SMEs in order to compete with larger rivals. Whether these attempts will, in the end, lead to maintenance of, or perhaps a reversal into, an

Aligned position, or whether the Conflicted position increasingly comes to dominate, will be revealed in due course and might be the subject of future research.

Conclusion

This paper had three objectives. The first was to extend the series of empirical studies into the applicability of MacIntyrean virtue ethics to business organizations, and thus to explore whether MacIntyrean concepts of virtue ethics were applicable in the Confucian context of Taiwan. The second objective, anticipating similarities with and differences from the previous studies, was to combine and synthesize Institutional Theory, and most notably institutional logics, with MacIntyrean concepts by way of both providing a novel theoretical lens and then to use that lens to interpret the results of the study. The third objective was to conduct a study of SMEs in order to explore the application of MacIntyrean and institutional logics concepts in this under-researched sector.

In relation to the first of these, the generalizability of the MacIntyrean practice–institution framework for business organizations has been confirmed, and with evidence now from European, Buddhist/Asian, and Confucian/Taiwanese studies, and from SMEs as well as large organizations, the claim that this may have universal application finds further support.

In relation to the second objective, the combination and synthesis of MacIntyrean and institutional logics was achieved initially within the review of the literature. This theoretical contribution was then reinforced by its use in interpreting the results of the empirical study. This demonstrated that the institutional logics perspective does indeed enable an enhanced understanding and analysis of the societal and business environment, and of its instantiation within organizations. This instantiation was further enhanced through the use of the MacIntyrean concepts of internal and external goods and their interrelationship. An additional contribution of this study was the incorporation and analysis of three institutional logics—religion, family and market—in response to Greenwood et al's (2011) call that future research should take into account the multiplicity of logics relevant to a given context.

The third objective was fulfilled partially in the course of achieving the first two, and demonstrated that SMEs are amenable to study employing both MacIntyrean and institutional logics concepts. There is some evidence of size being influential in enabling the harmonization of incompatible institutional logics. SMEs, and their owners were seen to be seeking to preserve traditional Confucian and family values, and to begin to respond as the effect of these declined under the influence of a younger generation, and with the market logic becoming more dominant.

The empirical evidence of this study tends to support Koehn's (2013) contention of the potential for a synthesis between East and West virtue traditions, and stands thereby against the intractable and incommensurable differences to which MacIntyre (1991) drew attention. However, this also signals a weakness in this paper in that, despite the mitigations of the first author's background, it still represents an interpretation of Confucianism from a neo-Aristotelian position. It therefore follows that other studies of organizations, from a Confucian perspective of organizations operating within a Confucian tradition, and from a Confucian perspective of organizations operating within a western tradition, are needed before more general conclusions in relation to a synthesis of traditions may be made.

Further limitations in relation to the size of the sample, and the geographic and cultural specificities of the research context, are acknowledged. These suggest that further research which addresses these, while continuing to use the theoretical perspectives developed here, including multilevel analysis, would be beneficial. As noted, longitudinal studies which allowed for observation of the ways in which organizations respond to and instantiate changes in institutional logics would also be worthwhile, and would be appropriate given the narrative nature of MacIntyrean virtue ethics. Finally, one direct consequence of this study is to direct attention to organizational size as requiring further study, with comparative work across large-, medium-, and small-sized organizations being particularly worthwhile.

Compliance with Ethical Standards

Conflict of interest Irene Chu and Geoff Moore declare that they have no conflicts of interest to disclose.

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