

Original Paper

Enriching Social Network Theory with Theoretical Model of Confucian Five Virtues

Kwang Kuo Hwang¹

¹ Institute of Psychology and Culture Studies, Huaquiao University, Xiamen, Fujian, China

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Abstract

Comparing findings of empirical research on social networks of 700 Chinese entrepreneurs from three areas of Yangtze River Delta (Bart & Burzynska, 2017) with that of 2000 senior employees from six large American and European companies (Burt, 2005; Burt & Kilduff, 2013), their results elicited a core question awaiting for answer from international academic community: Is guanxi a phenomenon particular to Chinese or universal to every culture of the world? Luo (2017) tried to answer this question from the perspectives of mixed tie (Hwang, 1987), differentiated modes of association (Fei, 1992), particularism (Eisenstadt, 2000), family ethics orientation (Liang, 1963), and dynamic equilibrium between yin and yang (Li, 1998), but his answer is unsatisfactory yet.

Based on my epistemological strategy for constructing culture-inclusive theories, this article will reinterpret findings of empirical research by Bart and Burzynska (2017) and criticize the insufficiency of previous models in terms of a series of my theoretical models constructed for understanding Confucian Five Virtues.

Keywords

Confucian Five Virtues, mixed tie, differentiated modes of association, culture-inclusive theories, family ethics orientation

1. Introduction

Taking a stratified random sample around 700 Chinese entrepreneurs of private enterprises from Shanghai, Nanjing and Hangzhou surrounding the Yangtze River Delta, Bart and Burzynska (2017) asked the participants to accomplish two types of task: “name generator items” requested every participant to identity up to five significant events for the business, the year in which the even happened, and a person who was most valued during the event. “Name interpreter items” asked everyone to evaluate the contacts most valued in founding the business and that in dealing with

subsequent event.

1.1 Universal Guanxi?

Taking the z-score composite variable predicted jointly by three variables, namely, annual sales, number of employees, and business patents, as extent of success; their empirical research studied its association with network breakage. The results indicate that the success associated with large, open networks in theory and prior empirical research done in American and European business (Bart, Kilduff, & Tasslli, 2013) is similarly associated with large, open networks around the Chinese entrepreneurs.

For the sake of investigating the relationship between network closure and trust, Bart and Burzynska (2017) following the suggestion proposed by Granovetter (1992) and distinguished two kinds of embedding: *Structural embedding* refers to a closed network of mutual contacts; while *relational embedding* refers to the strength of existing connection between two people when trust is required. Both of them were measured by the number of other people in a respondent's network connected with the contact being evaluated for trust. Result of their analysis shows that Chinese entrepreneurs have a tendency to trust more within structural embedded relationship. But, it becomes irrelevant to trust when two people know each well.

This result is also very similar to finding of prior research done in the West (Bart, Kilduff, & Tasslli, 2013), and all findings can be explained in terms of social network theory. Therefore, Luo (2017) proposed a core question to be discussed in his commentary on researchs related to social network: "Is *guanxi* a phenomenon particular to Chinese or universal to every culture of the world?"

1.2 Definition of Guanxi

Based on the social network theory of Western sociology, Bart and Burzynska (2017, p. 240) provided a definition of *guanxi*: a *guanxi* tie that trust is high and relatively independent of social structure around the relationship and asked participant entrepreneurs to write down key persons who had helped them in critical events since founding of their enterprises.

This approach reflects the one-sidedness of research methodology in Western social science (Weber, 1949). A researcher tends to collect data of his/her interest from a particular perspective without any theory about the holistic picture of the participants' *self* and *social* relations in the researcher's mind. Eventually, the data of *guanxi* thus collected may contain family members, relatives, and acquaintances of mixed tie, etc., In addition to the relationship of instrumental interaction with the entrepreneurs, they are also involved in other structural or relational embedding (Granovetter, 1992). This approach may enable the researcher to make post-hoc speculation on the question about cultural differences between East and West, but it is unlikely for them to get any definite answer to such a grand question.

1.3 A New Epistemological Strategy

In order to provide an alternative to escape from such a trap, my research approach follows a principle of cultural psychology: "One mind, many mentalities; universalism without uniformity" (Shweder et al., 1998, p. 871), which argues that the deep structures of human beings and their functions are all the same, but the mentalities evolved in various cultures will be different in order to adapt to their social

environments. Therefore, my epistemological strategy consists of two steps: First, constructing the universal models of *self* and *social interaction* to represent the operation of human minds respectively; Second, using these two models as framework to analyze a give culture (here is pre-Qin Confucianism) so as to construct “culture-inclusive theories” (Hwang, 2015a, b). I will illustrate my theoretical models thus constructed and use them to reinterpret findings of empirical research conducted by Burt ad his colleagues (2013; 2017) in the following sections of this article.

2. Mandala Model of Self

In my *Mandala* model (Hwang, 2011), one’s psychological field is represented by a structural model with a square out a circle where self is situated at the center of two bi-directioned arrows (see Figure 1). The top end of vertical arrow points at *person*, while its bottom end points at *individual*. Left end of the horizontal arrow points at *wisdom* or *knowledge*, the right end points at *action* or *praxis*. All of the four concepts are located within the square but outside the circle. The directions of arrows imply that one’s self is being pulled by several forces in one’s interaction with his/her lifeworld. All of the five concepts have special implications which should be elaborated in more detail.

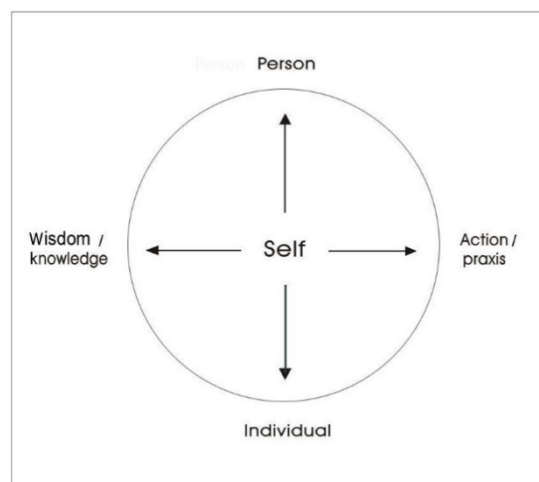


Figure 1. Mandala Model of Self

Adopted from Hwang, 2011. p.330

2.1 Person, Self, and Individual

The structure of personality as person/self/individual was proposed by Harris (1989) after her intensive review over previous literatures of anthropology. She indicated that the trinity of personality structures is similar across all cultures of the world, while these concepts have different meanings in the Western academic tradition. *Individual* is a biological concept; it regards human beings as a kind of biological organism who are motivated to pursue various resources to statisfy their needs just like other creatures in the universe.

Person is a sociological or cultural concept. It is conceptualized as an agent-in-society who plans a

series of action to achieve a particular goal with consideration of a certain standpoint in the social order. Every culture of the world has its own definitions of appropriate and unpermitted behaviors, which might be endowed with special meanings and can be transmitted to an individual through various channels of communication.

Self is a psychological concept. In the *Mandala* model of self (Figure 1), *self* is the locus of experience that is able to make plans and to take actions in various social contexts. When one is blocked from goal attainment, one's self is able to reflect on the situation for seeking an adequate solution to the problem.

According to Giddens' (1984, 1993) structuration theory, self as an agency is endowed with two capabilities, *knowledgeability* and *reflexivity*. *Knowledgeability* means that the self is able to memorize, store, and organize various kinds of information, and integrate them into a system of knowledge that is meaningful for oneself. *Reflexivity* means that one's *wisdom* is able to monitor his/her actions in accordance with one's own plan, s/he is also to give reasons for his/her own actions.

But, it is unnecessary for an individual to reflect on every one of his/her actions. Giddens (1993) argued that though there are some rules for the actor's practical consciousness, most people have to learn them through practical experience. They may be familiar with and even embody particular practical skill in a tacit way without knowing why they have to do so. This kind of embodied and structuralized behavioral tendency was termed as *habitus* in Bourdieu's constructivist structuralism. It means a disposition of *action* or *praxis* in a given social context that enables the action to carry out the automatic mental and physical practice in congruence with specific socio-cultural orders.

Once an actor's action in the lifeworld encounters barriers, s/he may find that it is insufficient to overcome barriers by reflection with what s/he has in his/her personal stock of knowledge. In this case, s/he may seek help from the social stock of knowledge and engage in future-oriented reflection in search of effective action to deal with the problematic situation. Because the reflection must be guided by the regulatory system of normative schemata that contains convictions, morality, or laws acquired through previous learning, the action-oriented reflection has a basic teleological structure that contains plan for future actions and evaluation of consequences.

3. Face and Favor Model

The *Mandala* model is supposed to be a universal model of *self*. Because all human beings are relational beings (Gergen, 2009), nobody can survive without social engagement. In Chapter 4 of my book, *Foundations of Chinese Psychology: Confucian Social Relations* (Hwang, 2012), I explained how I constructed the *Face and Favor* model for depicting the universal mechanism of social interaction. In this model, the dyad involved in social interaction was defined as *petitioner* and *resource allocator* (Hwang, 1987). When the petitioner asks the resource allocator to allocate a certain resource to benefit him/her, the first question for resource allocator to consider would be: "What is the *guanxi* (relationship) between us?"

In Figure 2, within the box denoting the psychological processes of the resource allocator, the shaded

rectangle represents various personal ties. It is separated into two portions by a diagonal. The shaded portion represents the affective component of interpersonal relationships, while the unshaded portion stands for the instrumental component.

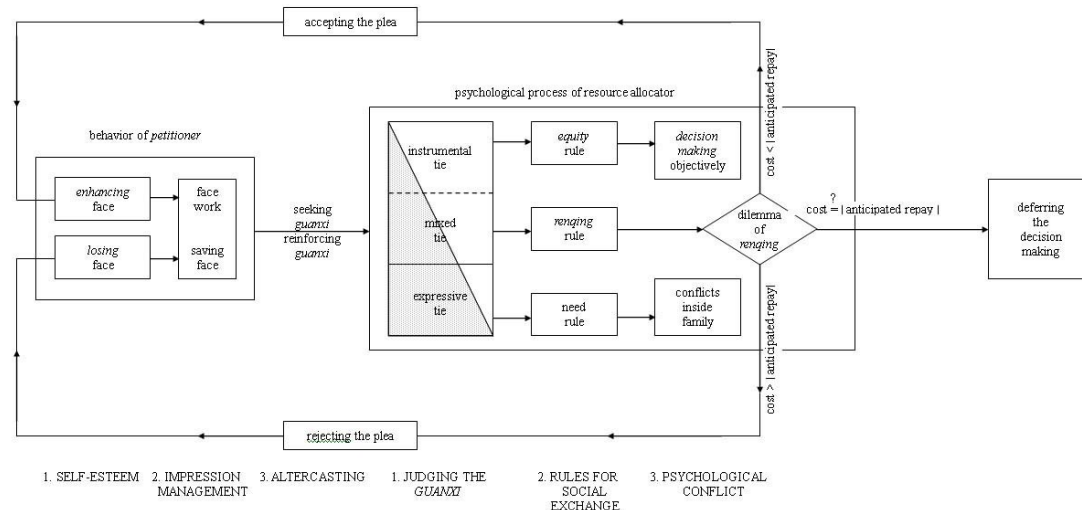


Figure 2. A Theoretical Model of Face and Favor

Adopted from Hwang 1987, p. 948

3.1 Universal Model of Social Interaction

The same rectangle denoting *guanxi* (interpersonal relationships) is also divided by a solid line and a dotted line into three parts of *expressive ties*, *mixed ties*, and *instrumental ties*. All these three kinds of *guanxi* are proportional to the expressive component. The solid line separating *expressive ties* within the family and *mixed ties* outside the family indicates a relatively impenetrable psychological boundary between family members and people outside the family. Different distributive justice or exchange rules are applicable to these three types of interpersonal relationships during social interactions. In *expressive ties*, people should try their best to satisfy the other party with all available resources by adhering to the *needrule*. In *mixed ties*, following the *renqing* rule of showing one's good will by doing and returning favor. When individuals want to acquire a particular resource from someone of *instrumental ties*, they tend to and use instrumental rationality and follow the *equity rule*.

In my article, *Face and Favor: Chinese Power Game* (Hwang, 1987), I intensively elaborated on the meaning of the *renqing* rule in Chinese society, which emphasizes that once an individual has received favor from another, s/he is obligated to reciprocate in the future. It can be conceptualized as a special case of *equality rule*, and the *Face and Favor* model can be viewed as a universal model applicable to all cultures of the world. Is there any evidence to support my argument?

3.2 Generative Mechanism

Based on his intensive review of literatures in sociology, anthropology and psychology, Fiske (1991) proposed four elementary forms of social behavior which are supposed to be the universal deep

structures for all people of the world to organize their social life, namely *communal sharing*, *authority ranking*, *equality matching* and *market pricing*.

Sundararajan (2015) compared Fiske's (1991) four elementary forms of relational models with my *Face and Favor* model (Hwang, 1987). She showed that the three relational models of *communal sharing*, *equality matching*, and *market pricing*, are corresponded with the *expressive tie*, the *mixed tie*, and *instrumental tie*, as well as the three rules of exchange for the dyad of these relationships, namely, the need rule, the *renqing* rule, and the *equity* rule. The relationship between the petitioner and resource allocator implies the power distance (Hofstede, 2001) or the *authority ranking* (Fiske, 1991) between the dyad of interaction.

Conceiving in terms of Bhaskar's (1975) philosophy of *Critical Realism*, Fiske's (1991) model provides a taxonomy for classifying elementary forms of social behavior in human society, while my *Face and Favor* model was constructed as a universal *generative mechanism* of social interaction for all human beings. According to Fiske (1991), manifestations of this *generative mechanism* can be found in various situations, works, activities, domains of action, substantial problems and attitudes. This fact implies that those manifestations are produced from the same psychological schemata, or the deep structure of the universal mind.

4. Reinterpretation of Social Network Theory

The *Face and Favor* model is designated to describe dyad interaction. However, we may reinterpret the social network theory in terms of *Mandala* model of self and the *Face and Favor* model. Network theory predicts that one's achievement is associated with large, open social networks. The more disconnected a person's contacts with different groups, the more likely the contacts in separate group are creating opportunities to broker information between groups.

4.1 Network Broker

Viewing from the *Mandala* model of self (see Figure 1), the separations between groups may leave holes in one's surrounding social structure. The so-called 'network broker' is a person whose network spans the 'structural holes' and has information advantages of breadth, timing, and arbitrage such that his/her *wisdom* can enable him/her to successfully move ideas of *knowledge* and *practice* from groups, where the ideas and practice are familiar, to other groups where the ideas and practice would be new and valuable.

Difference in habitual ways of thinking between groups make it difficult for *information* or *knowledge* to move directly between groups. Brokers have enough *wisdom* to transfer what is known in one group into what can be understood and judged as valuable in another group. In other words, *information* or *knowledge* is usually 'sticky' within groups, and network brokers are those who can clear the market for exchanging the 'sticky' *information* or *knowledge*. They are rewarded for their detection and development of good ideas with acknowledgement, compensation, or even elevation to a position of leadership.

Burt and Burzynska (2017, pp. 225-226) indicated that:

Images of sticky information within groups and network brokers between groups are rooted in the golden age of social psychology (Festinger, Schachter, & Back, 1950; Leavitt, 1951), made precise in subsequent network theory (Burt, 1982, 1992; Cook, Emerson, Gillmore, & Yamagishi, 1983; Freeman, 1977; Granovetter, 1973; Lin, 2001; Lin, Ensel, & Vaughn, 1981). Argument and evidence are reviewed elsewhere (Burt, 2005; Burt, Kilduff, & Tasselli, 2013), but reviews fall quickly out of date as this is a vibrant area of research that expands every year with significant contributions.

It seems to me that the so-called ‘significant contributions’ here are mostly new-findings of empirical research rather than theoretical breakthrough for explaining those empirical findings. For instance, Bart and Burzynska (2017, pp. 239-240) cited the concept of *guanxi circle* proposed by Luo (2011; 2016) to account for the management of Chinese entrepreneurs:

At the center of Luo’s guanxi circle is an inner ring of real and pseudo family members. This ring of guanxi applies ‘need rules’ in which family ties are used to more or less satisfy each other’s needs without asking for return. Luo’s guanxi circle then expands from inner ring to a middle ring composed of good friends connected by long term favor exchanges, where both parties combine expressive and instrumental exchanges and carefully maintain trustworthiness under the principle of reciprocity. Beyond the middle ring are acquaintances on the periphery, where instant return and bargaining in social exchanges are allowed. The ‘equity rule’ is that trust comes from fair exchanges following generally accepted norms. Beyond the periphery boundary there are no rules. Trust would be perilous.

4.2 Guanxi Circle

Luo’s (2011; 2016) *guanxi circle* is in fact a product of interpreting Fei’s (1992) differentiated modes of association in terms of Hwang’s (1987) theoretical model of *Face* and *Favor*. Fei’s (1992) differentiated modes of association is the earliest and the most well-known Chinese indigenous model of sociology, it advocates that Chinese social structure has been characterized as concentric circles of several layers with one’s self located at its center. In fact, this is just a metaphor. Luo’s (2011, 2016) *guanxi circle* expands it with the terminology of social exchange theory proposed by Hwang (1987).

As I argue in the first section of this article, Hwang’s (1987) theoretical model of *Face and Favor* is universal, which can be used to explain social interaction in any culture. In fact, either sociological researches on Western societies (e.g. Dunbar, 1993; Useem, 1984) or earlier anthropological researches on primitive societies (Evans- Pritchard, 1948; Sahlins, 1972), all showed that social networks of human beings can be differentiated into circles of social ties with different extents of interpersonal intimacy.

Under such circumstances, what is the unique feature of Chinese social relationship? Here I would like to indicate that FeiXiaoTung was a student of famous Polish anthropologist Malinowski when he

studied abroad in England. Malinowski advocated for the positivistic approach of functionalism by the method of ethnography emphasizing how social and cultural institutions serve basic human needs. This perspective is in opposition to Radcliffe-Brown's structural functionalism that emphasized the ways in which social institutions function in relation to society as a whole (Raymond, 1960).

4.3 Culture-inclusive Theories

Malinowski's positivistic approach might be useful for studying primitive cultures, but it is obviously inadequate to utilize his approach to study Chinese society with abundant cultural heritage. This might be the reason why FeiXiaotong repeatedly reminded Chinese social scientists to enhance their cultural awareness in his later ages (Zhou, 2017), and this is exactly the reason why I advocate for the construction of culture-inclusive theories by multiple philosophical paradigms (Hwang, 2015a, b). For the sake of explaining findings of their empirical research, Bart and Burzynska (2017, p. 240) indicated that:

The critical issue for empirical research is defining guanxi. Colloquial terms, such as guanxi, are often fraught with multiple meanings so they can be difficult to use with sufficient precision for research. One way to move forward is to agree on the wording to be accepted as a definition of guanxi. This facilitates communication among researchers, but does little to connect that communication to empirical research, or to new scholars entering the area.

As a kind of major language game (Wittgenstein, 1945) played in the lifeworld of Chinese people (Hwang, 2017), *guanxi* certainly has multiple meanings. In order to conduct scientific research on it, we must provide it a precise definition. However, if we are going to examine any proposition derived from social network theory, or if we are going to compare any given cultural difference between East and West, the definition of a key concept is far beyond enough. It is necessary for social scientists to construct culture-inclusive theories.

5. Four Origins and Five Virtues

The second step of my epistemological strategy is the construction of culture-inclusive theories by multiple philosophical paradigms on the philosophical basis of analytic dualism (Archer, 1995).

In Chapter 5 of *Foundations of Chinese Psychology* (Hwang, 2012), I explained how I analyzed the inner structure of pre-Qin Confucianism by using the universal *Face and Favor* model as a framework of reference. *Zhongyung* (中庸) was said to be works accomplished by some Confucian scholars in Han dynasty (206 BC-200 AD) and Tisi (子思), grandson of Confucius. It seems to me that the following passage from *Zhongyung* can best depict the relationships among three key concepts of benevolence (仁, *ren*), righteousness (義, *yi*), and propriety (禮, *li*) in Confucian ethics for ordinary people:

Benevolence (ren) is the characteristic attribute of personhood. The first priority of its expression is showing affection to those closely related to us. Righteousness (yi) means appropriateness, respecting the superior is its most important rule. Loving others

according to who they are, and respecting superiors according to their ranks gives rise to the forms and distinctions of propriety (li) in social life. (Zhongyung, Ch. 20)

The idea of loving others according to who they are and respecting superiors according to their rank indicates an emphasis on the differential order of interpersonal relationships. Such an abstract statement is relatively unusual in Classical pre-Qin Confucian works. The above citation from *Zhongyung* not only demonstrates the interrelated concepts of benevolence (*ren*), righteousness (*yi*), and propriety (*li*), but also implies two dimensions along which Confucians assessed role relationships in social interaction.

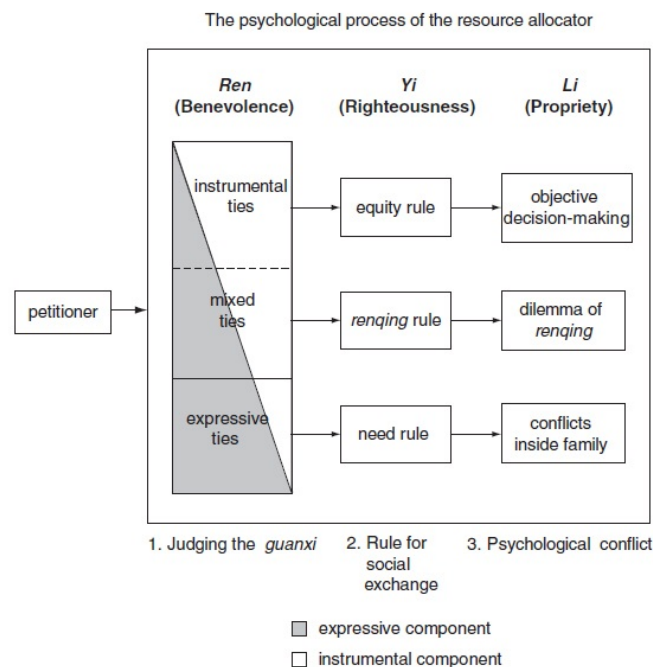


Figure 3. The Confucian Ethical System of Benevolence-Righteousness-Propriety

Source: Adapted from Hwang, 1995, p. 233

5.1 Transcendental Formal Structure

Confucian ethics for ordinary people can be interpreted in terms of Western justice theory. In Western social psychology, the concept of justice in human society is classified into two categories: procedural justice and distributive justice. Procedural justice refers to the procedure to be followed by members of a group to determine methods of resource distribution. Distributive justice is the particular method of distribution that is accepted by members of that group (Leventhal, 1976; 1980).

Confucius advocated that procedural justice in social interaction should be based on the principle of respecting the superior. The role of resource allocator should be played by the person who occupies the superior position. The resource allocator should follow the principle of favoring the intimate in choosing an appropriate method for distributive justice. In other words, for Confucian followers, it is righteous to determine who has decision-making power by calling on the principle of respecting the

superior, and it is also righteous for the resource allocator to distribute resources in accordance with the principle of favoring the intimate.

It should be emphasized that Confucian ethical system of benevolence-righteousness propriety as shown in Figure 3 is isomorphic to the psychological process of resource allocator in the model of *Face and Favor* as shown in Figure 2. Therefore, the Confucian ethical system is the transcendental formal structure for sustaining the lifeworlds of Chinese people, which might be applied in any kind of social interaction with other party of various relationships. Moreover, the Confucian concept of *yi* (righteousness) is frequently translated into English as justice. However, *Yi* is usually used in connection with other Chinese characters like *ren-yi* (literally, benevolent righteousness or benevolent justice) or *qing-yi* (literally, affective righteousness or affective justice), it should be noted that the meaning of *yi* is completely different from the concept of universal justice in Western culture (Rawls, 1971).

5.2 Substantial Ethical Values

Emphasizing the principle of respecting the superior in procedural justice and the principle of favoring the intimate in distributive justice constitutes the formal structure of Confucian ethics for ordinary people. While this transcendental formal structure manifested in many types of interpersonal relationships, Confucians also made substantial ethical demands for certain relationships. Confucians have established five cardinal ethics for the five major dyadic relationships in Chinese society, proposing that the social interaction between members of each pair should be constructed on the basis of the *Way of Humanity* (天道). Because each of the roles or functions in these five cardinal relationships is distinctive, indicating that the core values that should be emphasized in each are also different:

...Between father and son, there should be affection (親); between sovereign and subordinate, righteousness (義); between husband and wife, attention to their separate functions (別); between elder brother and younger, a proper order (序); and between friends, trustworthiness (信). (The Works of Mencius, Chapter 3A: Duke Wen of Teng)

In the aforementioned passage, affection (親), righteousness (義), separate functions (別), proper order (序) and trustworthiness (信) are substantial ethical values for regulating dyad interaction of the five cardinal relationships advocated by Mencius. Three of these five cardinal rules were designed for regulating interpersonal relationships within the family (expressive ties). The other two relationships—friends and sovereign/subordinate—are relations of mixed tie. It should be noted that, except for the relationship between friends, the remaining four relationships are vertical ones between superiors and inferiors.

5.3 Nature of Human Being

After the death of Confucius, Mencius had debated with his opponents about human nature several times during his days of life in pre-Qin period. In his dialogue with Gongduzi, Mencius proposed his famous says about “Four Origins” (四端) in his answer to Gongduzi’s question:

“When I say human beings are inherently good, I am talking about their most fundamental qualities of feeling. If some does evil, it is not the fault of their natural endowment.

Everyone has the feeling of concern for the wellbeing of others.

Everyone has the sense of shame and disgust at their own evil,

Everyone has the sense to treat others respectfully,

Everyone has the sense to judge right and wrong,

The feeling of concern for the wellbeing of others is Benevolence, (仁, ren)

The sense of shame and disgust is Righteousness, (義, yi)

The sense to treat others respectfully is Propriety, (禮, li)

The sense to judge right and wrong is Wisdom. (智, zhi)

Benevolence, Righteousness, Propriety and Wisdom are not melded into us from outside. They are our original endowment. You have not really thought them through yet!

Hence it is said: “If you strive for it, you will attain it; if you ignore it, you will lose it. Men are different in their extents of actualization. Some are double, some fivefold are, and some manifest it to an incalculable degree, because some are not able to fully develop their natural endowments” (Mencius, Gaozi, Part I, Ch. 6).

In addition to the positive statements, Mencius also argued for his sayings of “Four Origins” with more assertive mode of negative statements to defend for his position that the four virtues of Benevolence, Righteousness, Propriety and Wisdom are essential to human being (See *Mencius, Gongsun Cheu, Part I, Ch. 6*). Many Confucian scholars had tried to expound to the meaning of from origins from various perspectives, but it is very difficult to explain the relationships among those from concepts without any theoretical construction for illustrating the nature of human being.

5.4 Second-Order Morality

Conceiving Mencius discourse on the four origins in the context of my theoretical construction, benevolence (*ren*), righteousness (*yi*), and propriety (*li*) can be explained in the Confucian ethics for ordinary people (Figure 3), while wisdom (*智, zhi*) is located in the *Mandala* model of self (Figure 1). In his book *Relational being: Beyond self and community*, Gergen (2009) classified morality into two categories:

The first-order morality has meaning in a certain style of life, it consists of values for constituting long-lasting patterns of relationship, it is implicit and existing everywhere, but it has nothing to do with good or bad. An individual may utilize it to integrate various ideas about one’s personhood to formalize his personal identity, s/he may also use it to constitute his social identify in a given social group. The first-order morality may change from an implicit state into second-order morality, which can be explicitly stated as a set of norms, rules or principles. This situation usually happens when two cultural groups encounter and are in value conflict with each other.

Conceiving in terms of Gergen’s (2009) classification, wisdom (*zhi*) is the first-order morality, which can be used flexibly to deal with any situation of social interaction. One’s reflection on the whole

problematic situation may become the second-order morality of benevolence (*ren*), righteousness (*yi*), and propriety (*li*), which can be stated explicitly as norms, rules, or principles.

5.5 Modal of Five Virtue

After the destruction caused by the First Emperor of Qin's burning books and burying alive intellectuals, the Martial Emperor of Han dynasty (156-87 B.C) adopted Tung Zhongshu's (179-104B.C) proposal of receiving only Confucianism and dismissing other scholars of thought. Tung also proposed his famous saying of Three Bonds and expanded Mencius' discourse on Four Origins into Five Virtues, namely, benevolence (*ren*), righteousness (*yi*), propriety (*li*), wisdom (*zhi*) and trustworthiness (信, *xin*) which signifies the accomplishment of Confucian theorization on Relationalism.

Following the reasoning this articles, a model of Five Virtues can be constructed to depict the ideal dyad interaction of Confucianism (see Figure 4), which must be elaborated in more detail. Most dialogues between Confucius and his disciples as recorded in analect were asked by the disciple and answered by Confucius. But, those sayings which were actively mentioned by Confucius may reflect the core values of Confucianism:

The Master said, "Shen, my doctrine is that of an all prevailing unity."

The disciple Zeng replied, "Yes."

The Master went out. The other disciples asked, "What do his saying means?"

Zeng seng said, "The doctrine of our master is just 忠 (zhong, literary loyalty) and 恕(shu, literary forgiveness), and nothing more."

In accordance with Zhu Xi's annotation, *zhong* (忠) means to be authentic to one's best effort (盡己); while *shu* (恕) means the benevolent exercise of it to others (推己及人). Conceiving this in the context of the model of Five Virtues for dyad interaction (see Figure 4), when *yin* and *yang* components of the *Taichi* represent two parties of interaction, the characters *zhong* (忠) and *shu* (恕) within the small balls of the two components imply that, when one of the two parties is exercising authentic benevolence in dealing with his opposite, the other party will repay and treat him in the same way. Both parties are conducting in congruence with the ethical codes of benevolence-righteousness-propriety, the virtue of trustworthiness (信) may thus be emerged as consequence of their interaction. Therefore, the character 信 is located at the top of *Taichi* for dyad interaction.

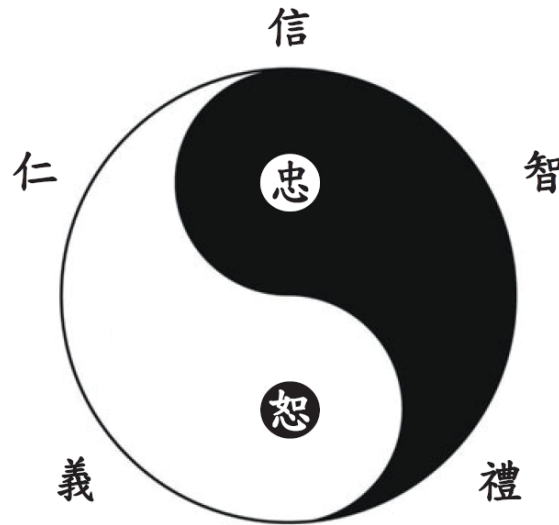


Figure 4. The Model of Five Virtues for Dyad Interaction

6. Theoretical Competition with Previous Models

The *Mandala* model of self (Figure 1), the Confucian ethical system of benevolence-righteousness propriety for ordinary people (Figure 3), as well as the model of Five Virtues, constitute the scientific microworld of culture-inclusive theories for Confucianism which might be utilized by any social scientist to understand the functioning of Chinese society, or to interpret findings of empirical research which can hardly be explained by social network theory.

6.1 Competitive Advantage

Findings of empirical research conducted by Bart and Katarzyna (2017) shows that of 4,464 contacts reported by about 700 Chinese entrepreneurs, only 69 or 1.6% are affiliated with the military or party. Chinese entrepreneurs are likely to turn to traditional sources from relationships of *structural embedding* with expressive ties during a significant event, i.e., 12.2% of event contacts are occurred with family members. But, 81.7% of the contacts are people from sources unknown. In other words, the most likely source of contacts is not family, not a childhood friend, not a classmate, not a person met in the military, not a member of the party, i.e., not any kind of *structural embedding*. The Chinese entrepreneurs build their own support institutions along-side their business in the form of a network of *relational embedding* with people they know they could trust, often with people outside the usual sources for trusted contacts (Bart & Burzynska, 2017, pp. 232-238). The most important conclusion of their research is that access to structural holes is a competitive advantage in China as in the West.

All those findings of their empirical research can be explained in terms of my culture-inclusive theories. Western literatures tend to emphasize that Chinese culture follows social norms of particularism in their interactions with person of different *guanxi* (Eisenstadt, 2000), in sharp contrast to Universalism of the West (Weber, 1964). In fact, 'men are created equal' is just a slogan of Western ideal. Western people also follow 'differential modes of association' like Chinese (Luo, 2017).

6.2 Family Ethics Orientation

The *Mandala* model of self (Figure 1) and the *Face* and *Favor* model are universal, both of them can be applied to any society. Considering in context of *Mandala* model of self, in order to achieve success in one's business management, an entrepreneur must have *wisdom* to collect information from lifeworld about problems of sticky—*knowledge* or—*information* within one's own group, which groups have the valuable information or knowledge for solving problems, and who are the brokers with the capability of spanning the institutional holes; then s/he can take the *action* of *pulling guanxi* or *reinforcing guanxi* to transform their relationships with some strangers of *instrumental ties* into stable and long-term relationship of *mixed ties* (see Figure 2).

For the sake of signifying the unique feature of Chinese society, Liang (1963) proposed the concept of family ethics orientation and argued that Chinese people tend to generalize their family ethics to build *guanxi* of inner circle with some person outside of their family. This is actually a significant characteristic of Chinese culture. It emphasizes the application *quasi*-family ethics to deal with one's relationships with some acquaintances, in sharp contrast the absence of family ethics in Western social life.

6.3 Way of Heaven

Even though some scholars argue that affectional trust should not be involved in economic activities (e.g. Williamson, 1996), the organization of family business is still prevalent in the West especially areas where have been influenced by cultures of France, Italy and Spain. Then what is the uniqueness of social relationships in Confucian society? In my article *Dual Belief in Heaven and Spirits: Metaphysical Foundation of Confucian Ethics and Morality* (Hwang, 2014), I indicated that *Heaven* has been the origin of Confucian values since days when pre-Qin Confucians explained the orderly sequence of the hexagrams in the I-Ching:

Heaven and Earth exist; all [material] things exist. After all, [material] things existed, there came male and female. From the existence of male and female there came husband and wife. From husband and wife there came father and son. From father and son there came ruler and minister. From ruler and minister there came high and low. When [the distinction of] high and low existed, the arrangements of propriety and righteousness came into existence. (I-Ching, Ten Wings)

In the I-Ching, human beings are conceptualized as one of the myriad things in the world. The universe was composed of Heaven and Earth, corresponding to *Yang* and *Yin*. When males and females came into existence creating a social world, their unification gave birth to a second generation, providing grounds for constructing social relationships between father and son, and sovereign and subordinates. The arrangement of ethical relationships (propriety and righteousness) between oneself and others (the *Way of Humanity*) therefore corresponds to the *Way of Heaven*.

6.4 Long-term Relationship of Mutual Trust

Because Confucian ethics of benevolence-righteousness-propriety for ordinary people (Figure 3) are isomorphic to the psychological process in the universal model of *Face* and *Favor* (Fig.2), the

uniqueness of Chinese social interaction must be illustrated with the aid of Five Virtues, namely, benevolence (仁, *ren*), righteousness (義, *yi*), propriety (禮, *li*), wisdom (智, *zhi*) and trustworthiness (信, *xin*) (see Figure 3 and Figure 4), which are transcendental formal structures for sustaining lifeworlds of Chinese people. But the family ethics such as “affection (親) between fathers and sons, distinction (別) between husbands and wives, order (序) between seniors and juniors” advocated by Meucins, are substantial ethics that are applicable only to particular dyad interaction.

When family ethics are applied to someone outside of one’s family, i.e., the pseudo family tie, they are actually interacting in terms of the Five Virtues without genuine obligations among family members. State more explicitly, when a Chinese entrepreneur judges with his/her wisdom-related knowledge that a certain stranger owns some resources which are urgently in need by his/her business, s/he is likely to take actions of “considering others in one’s own place” (推己及人) and “self-exertion” (盡己) to pull or to reinforce the *guanxi* between them. “Sincerity is the way of Heaven: The attainment of sincerity is the way of human being” (Zhongyong, Ch.20), so long as both parties of dyad interaction feel the authentic sincerity of the opposite, they are able to establish long-term relationship of mutual trust like family members with another of pseudo family tie.

6.5 Yinyang Dynamic Equilibrium

The article reinterprets findings of empirical research done by Burt and Burzynska (2017) in terms of my theoretical models that constitute the scientific microworld of Confucian ethics. All those models had been constructed on the basis of Western philosophy of science which assumes a dualism between subjectivity and objectivity and is in exact opposition to the traditional Chinese cosmology of dynamic equilibrium between *yin* and *yang* (Li, 1998). I-Ching is the origin of traditional Chinese culture, the idea of dynamic equilibrium between *yin* and *yang* had been used by Chinese to explain everything in their lifeworlds, including the developmental process of interpersonal relationship. Nevertheless, it should be emphasized that *yinyang* is a root metaphor for explaining all phenomena in the universe, we have to take it into serious consideration in our construction of any theoretical model. For instance, in *Mandala* model of self (Figure 1), the force of pushing one’s self towards being a sociologicistic *person* is *yang*; while the pulling force originated from individual’s biologicistic desires is *yin*. In the *Face* and *Favor* model (Figure 2) or Confucian ethics of benevolence-righteousness-propriety for ordinary people (Figure 3), the expressive component of interpersonal relationship is *yang*, while its instrumental component is *yin*. In the model of Five Virtues (Figure 4), the opposite parties of dyad interaction are mutually *yin* and *yang* to each other.

Though the idea of dynamic equilibrium between *yin* and *yang* can be utilized to explain every phenomenon in the lifeworlds, if we are unable to include it in our theoretical construction, it is still very hard for researcher to use them to conduct any empirical study of social science.

7. Conclusion

In his book *Progress and its Problems: Towards a theory of scientific growth*, Laudan (1977) argued

that problem is the focus of scientific investigation, while theory is its final consequence. The purpose of theory is to provide adequate answer to problem. If questions of science are constituted by problems, then answer to question must be given by a theory. The most important test for any theory rests on whether that theory can provide acceptable answers to related problems in a particular domain, i.e., whether it can propose satisfactory solutions to important problems.

Lauden (1977) classified problems encountered in scientific research into two broad categories, namely, empirical problems and conceptual problems. So far as an empirical problem is concerned, it can be regarded as having been solved if approximate statement of the problem can be derived from a certain theory. This article re-explains findings of empirical researches conducted by Burt and his colleagues (Burt & Burzynska, 2017; Burt, Kilduff, & Tassili, 2013) in terms of Mandala model of self, Face and Favor model and Five Virtues model of all the problems found in their empirical researches can be derived from such a series of theoretical models. Therefore, it can be said that the research tradition of those theoretical models have solved empirical problems found in researches conducted in accordance with social network theory.

According to Laudén's (1977) philosophy of science, conceptual problems can be classified into two categories, internal and external. Internal conceptual problem means logical or any kind of inconsistency within the theory; while external conceptual problem denotes the significant difference between a theory and a well-accepted theory. His model of scientific progress argued that the solution of empirical problem and conceptual problem is the fundamental unit of scientific progress. For any two successive theoretical models in a given field, only if the later theory can solve problem more effectively than the former one and the former can be replaced by the later, which signifies a real scientific progress.

This article compares the research tradition of Five Virtues model with a series of previous models of mixed tie (Hwang, 1987), differentiated modes of association (Fei, 1992; Eisenstadt, 2000), family ethics orientation (Liang, 1963) and quanxi circle (Luo, 2011, 2016). The results of comparison indicate that the research tradition from constructing the model of Five Virtues not only can provide better interpretation for finding of empirical researches conducting by Burt and his colleagues, but also can incorporate the ideas of yingyang dynamic equilibrium prevailing in Chinese lifeworlds into every step of theoretical construction, so as to enrich the content of social network theory for future cross-cultural research.

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