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A Study on the Balance Wisdom of the Doctrine of the Mean and Corporate Strategic Decision-Making

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Abstract

In the context of high uncertainty and complexity in the contemporary business environment, corporate strategic decision-making is confronted with numerous dual paradoxes: efficiency and resilience, short-term performance and long-term development, specialization and diversification, competition and cooperation, etc. How to seek dynamic balance among these seemingly contradictory choices has become a core issue in the field of strategic management. Based on the Confucian classic The Doctrine of the Mean, this study systematically interprets the core connotations of its golden mean philosophy—the three dimensions of “harmony in the mean”, “timeliness in the mean” and “sincerity and illumination”, and constructs a balanced analysis framework for corporate strategic decision-making accordingly. The findings show that the “holding the two ends and using the middle” advocated by The Doctrine of the Mean is not simple compromise, but an art of dynamic trade-off based on a profound grasp of the essence of things; the thought of “timeliness in the mean” requires decision-makers to assess the situation and adjust measures to local conditions; the unity of “sincerity and illumination” emphasizes the unification of internal virtue and external cognition. The conclusions provide theoretical guidance and practical enlightenment for enterprises to address strategic paradoxes in complex environments, and also offer a modern interpretation of traditional cultural resources for the theoretical construction of indigenous management.

Keywords

The Doctrine of the Mean, golden mean thought, strategic decision-making, balance wisdom, paradox management

1. Introduction

The world is undergoing profound changes unseen in a century, with the restructuring of the global economic order, accelerating technological iteration, and increasingly dynamic market competition.

The external environment for enterprise survival and development presents characteristics of high uncertainty, complexity and dynamics (Shi & Li, 2022). In this context, the difficulty and risks of corporate strategic decision-making have increased significantly, and the strategy formulation and implementation process generally faces multiple internal tensions: the dilemma between efficiency improvement and flexible adaptation, the constraint between core capability enhancement and capability trap avoidance, and the trade-off between organizational control and innovation vitality (Liu et al., 2023). How to achieve dynamic adaptation and balanced evolution among diverse contradictory demands has become an urgent theoretical and practical problem to be addressed in the field of strategic management.

The dual paradox in corporate strategic decision-making is not unique to modern organizations, but a universal governance problem throughout the evolution of organizations. As a classic of traditional Chinese philosophy, The Doctrine of the Mean takes “harmony in the mean”, “timeliness in the mean”, “expediency” and “utmost sincerity” as core categories, and constructs a thinking paradigm and action logic characterized by moderation, balance, integration and dynamic adjustment, providing profound ideological resources for interpreting contradictions, resolving opposites and achieving coordinated evolution (Xu et al., 2026). The Doctrine of the Mean states that “Equilibrium is the great foundation of the world, and harmony is the universal path of the world”. The golden mean wisdom it contains, which emphasizes grasping the principle of moderation between opposites and achieving harmonious coexistence in dynamic situations, is highly consistent with the propositions of paradox integration, dynamic balance and ambidextrous synergy concerned by contemporary strategic management (Li et al., 2019). This means that taking the philosophy of The Doctrine of the Mean as the theoretical source, exploring its structured ideological system and conducting in-depth dialogue with modern strategic management theory can provide a localized and theoretical new perspective for solving the dual dilemma of corporate strategic decision-making.

Although existing studies have attempted to introduce excellent traditional Chinese culture into management research, they generally remain at the level of concept interpretation, maxim citation and empirical interpretation, with limitations such as insufficient theoretical construction, loose logical system and lack of empirical support (Mo, 2024). Current literature fails to systematically reveal the internal logical structure of The Doctrine of the Mean philosophy, effectively connect core categories with key dimensions of strategic decision-making, nor form an operational, testable and generalizable strategic analysis framework (Chen et al., 2010). In view of this, this study focuses on the following core questions: What rigorous theoretical structure does the golden mean philosophy of The Doctrine of the Mean possess? How does the golden mean thought form a theoretical dialogue with the paradoxical situation of corporate strategic decision-making? How to promote the creative transformation and innovative development of golden mean wisdom in the field of strategic management?

The theoretical contributions of this study are reflected in three levels: firstly, breaking through the traditional paradigm of fragmented citation, constructing an integrated framework for systematic

dialogue between The Doctrine of the Mean philosophy and strategic management theory, and providing a theoretical basis and methodological reference for the systematic innovation of Chinese indigenous management theory; secondly, transforming golden mean thought into measurable, analyzable and testable dimensions of strategic decision-making, and exploring feasible paths for the modern transformation of traditional philosophy; thirdly, reinterpreting the formation mechanism and resolution logic of strategic paradox from the perspective of dynamic balance, and providing supplementary explanations for paradox management theory derived from Eastern philosophy. At the practical level, this study can provide decision-makers with cognitive tools and action guidelines to cope with complex situations, transcend binary linear thinking in an uncertain environment, achieve strategic balance with the thinking mode of holding the two ends and using the middle, acting according to the time, and adapting harmoniously, so as to provide stable and flexible decision-making philosophical support for the sustainable development of enterprises.

2. Core Essence of the Golden Mean Thought in The Doctrine of the Mean

2.1 “Harmony in the Mean”: The Ontological Foundation of Balance

The first chapter of The Doctrine of the Mean clearly states: “When the emotions such as joy, anger, sorrow and pleasure are not aroused, it is equilibrium; when they are aroused and all accord with the proper measure, it is harmony. Equilibrium is the great foundation of the world, and harmony is the universal path of the world.” This classic discourse establishes the ontological status of “equilibrium” and “harmony” (Chen, 2014). The so-called “equilibrium” refers to the inherent nature of things in the unaroused state, which is the fundamental order inherent in all things in the universe; the so-called “harmony” is the appropriate expression and realization of this internal order in specific situations. “Attaining equilibrium and harmony” means achieving the integration of internal virtue and external behavior through self-cultivation.

From the perspective of management philosophy, the thought of “harmony in the mean” provides an ontological foundation for corporate strategic decision-making. Strategic decision-making is essentially a choice among multiple possible options, and the concept of “equilibrium” reminds us that the value judgment of any strategic option should return to the fundamental purpose of enterprise existence—creating value, serving stakeholders and achieving sustainable development (Zhang, 2017). “All accord with the proper measure” further emphasizes that the abstract “golden mean” must be realized through specific and contextual decision-making behaviors. In other words, the “correctness” of strategic decision-making does not come from following a priori formula, but from the decision-maker’s profound grasp of organizational essence and situational needs.

2.2 “Timeliness in the Mean”: Situational Wisdom at the Practical Level

The Doctrine of the Mean quotes Confucius: “The gentleman embodies the golden mean, because he is a gentleman who acts appropriately according to the time.” Among them, “timeliness in the mean” is one of the core concepts with the most practical implications (He, 2019). The so-called “timeliness in

the mean” means that a gentleman can flexibly grasp the golden mean according to specific time, occasion and conditions, neither rigidly adhering to fixed dogma nor abandoning the principled position. “Time” not only refers to the immediacy in the time dimension, but also includes the grasp and judgment of the overall situation. Mencius’ evaluation of Confucius—“The sage who acts according to the time”—is a high praise for this wisdom.

The thought of “timeliness in the mean” resonates profoundly with situational theory and contingency theory in strategic management. Traditional strategic planning models often presuppose a relatively stable environment, in which enterprises can formulate strategies through the linear process of analysis-planning-implementation (Colgrove, 2024). However, in a dynamically complex environment, strategic decision-making increasingly presents the characteristics of “real-timeness”—decision-makers must make quick judgments and flexible adjustments with incomplete information. The “timeliness in the mean” wisdom of The Doctrine of the Mean enlightens us that the essence of strategic decision-making lies not in seeking an “only correct” eternal answer, but in cultivating a keen perception of the situation and grasping the principle of moderation in dynamic changes.

2.3 “Sincerity and Illumination”: The Unity of Knowledge and Action at the Epistemological Level

Chapter 21 of The Doctrine of the Mean states: “From sincerity to illumination is called nature; from illumination to sincerity is called instruction. Sincerity leads to illumination, and illumination leads to sincerity.” The relationship between “sincerity” and “illumination” is the core proposition of epistemology in The Doctrine of the Mean. The so-called “sincerity” refers to the state of unfeigned mind, an internal moral cultivation; the so-called “illumination” refers to the clear cognition and discrimination ability of external things (Tan, 2022). The two are not sequential, but a circular relationship of mutual implication and promotion—a sincere inner state helps to acquire true knowledge, and the improvement of true knowledge can promote the purity of the mind.

This thought has important implications for the epistemological basis of strategic decision-making. Mainstream strategic management theory is deeply influenced by the rationalist tradition, emphasizing the “analytical” nature of decision-making—making optimal decisions through data collection, model calculation and scheme comparison. However, an increasing number of studies show that excellent strategic decisions depend not only on analytical techniques, but also on decision-makers’ intuitive judgment, empirical wisdom and value position. The thought of sincerity and illumination enlightens us that the quality of strategic decision-making depends not only on the completeness of information and the precision of analytical tools, but also on the clear state and value persistence of the decision-maker’s inner mind.

3. Internal Paradoxes and Balance Dilemmas in Corporate Strategic Decision-Making

3.1 Antinomies in Strategic Decision-Making

One of the core characteristics of strategic decision-making is its “selectivity”—any strategic choice means the centralized allocation of resources to a specific direction, and also means giving up other

possibilities. This choice often evolves into irreconcilable antinomies in a dynamic competitive environment (Liu et al., 2023). Throughout the academic history of strategic management, the following paradoxes are prominently representative.

The paradox of efficiency and resilience. The logic of efficiency requires enterprises to reduce costs through standardization and scale; the logic of resilience requires enterprises to maintain organizational flexibility to cope with environmental changes. Excessive pursuit of efficiency may lead to organizational rigidity, and excessive emphasis on resilience may lead to waste of resources.

The paradox of short-term performance and long-term development. There is a structural contradiction between the pressure of capital markets on short-term financial performance and the long-term investment required for the cultivation of enterprise core capabilities. Strategic investments such as R&D investment and brand building often require a long payback period.

The paradox of specialization and diversification. Specialization helps enterprises accumulate in-depth knowledge, but may fall into a “capability trap”; diversification can diversify risks, but may lead to resource dispersion and management out of control.

The paradox of competition and cooperation. Enterprises often need to play dual roles of competitors and collaborators in the same market, and the management of this “co-opetition” relationship tests the dialectical wisdom of decision-makers.

3.2 Limitations of Traditional Decision-Making Paradigms

Faced with the above paradoxes, the traditional strategic paradigm represented by rational planning presents obvious limitations. Firstly, the rational model is difficult to handle multiple value goals, and often falls into binary simplification when multiple strategic goals have internal conflicts. Secondly, analytical techniques cannot replace judgment wisdom, and even the most advanced decision support system cannot fully capture the subtle changes of the market. Finally, linear thinking is difficult to cope with nonlinear evolution, and the feedback and emergence effects in the strategy implementation process challenge the traditional causal logic.

A deeper problem is that Western mainstream strategic management theory is rooted in the dualistic philosophical tradition, which tends to dismantle complex problems into independent elements for analysis. The golden mean thought of The Doctrine of the Mean precisely provides an alternative thinking framework beyond dualism.

3.3 Philosophical Reflection on Binary Thinking

From the perspective of epistemological origin, the paradox dilemma of strategic decision-making partly stems from the dualistic thinking mode in the Western philosophical tradition. This mode of thinking has profoundly influenced the development of management theory: in organizational theory, it is manifested as the dualism of efficiency and humanity, control and autonomy; in strategic theory, it is manifested as the dualism of analysis and intuition, planning and emergence.

However, an increasing number of management scholars realize that true strategic wisdom lies not in binary choice, but in dialectical unity in the dynamic process. The “holding the two ends and using the

middle” thought of The Doctrine of the Mean provides an alternative epistemology: the so-called “middle” is not a static midpoint between the two poles, but a dynamic balance based on a profound grasp of the internal connection between the two sides of the contradiction. For corporate strategic decision-making, managers should not regard paradoxes as problems to be “solved”, but as a normal state to be “managed”.

4. Integrated Analysis Framework of Golden Mean Wisdom and Strategic Decision-Making

4.1 “Holding the Two Ends and Using the Middle”: The Balance Logic of Strategic Positioning

The Doctrine of the Mean quotes Confucius: “Hold the two ends and use the middle for the people.” “Holding the two ends and using the middle” is the core methodology of golden mean wisdom in decision-making practice. The so-called “holding the two ends” means that decision-makers must fully understand the specific conditions of both sides of the contradiction; the so-called “using the middle” is to find a moderate plan that can absorb the advantages of both sides and avoid the defects of both sides on this basis.

Introducing this thought into the field of corporate strategic positioning can form the following analysis logic: firstly, the “two ends” analysis of strategic positioning requires managers to systematically identify the core strategic paradoxes in the industry; secondly, “holding the two ends” is not simply knowing the existence of the two ends, but in-depth understanding of the applicable conditions and potential risks of each end; thirdly, “using the middle” is not a mechanical midpoint value, but a creative integration of the two ends of elements in a specific situation.

4.2 “Timeliness in the Mean” and Contingency: Situational Adaptation of Strategic Decision-Making

The thought of “timeliness in the mean” emphasizes that the grasp of the golden mean must be adapted to time, place and matter. Examining strategic decision-making from this perspective, the following judgment criteria can be extracted: firstly, acting according to time—factors in the time dimension such as the industry life cycle stage and macroeconomic cycle in which the enterprise is located should affect the focus of strategic choice; secondly, adjusting measures to local conditions—the internal conditions such as the enterprise’s resource endowment and competitive position determine its adaptability to specific strategic options; thirdly, acting according to circumstances—different types of decision-making matters need to use different decision-making modes.

4.3 Unity of “Sincerity and Illumination”: The Cultivation Dimension of Decision-Making Subjects

The framework of “unity of sincerity and illumination” suggests that excellent strategic decision-making ability includes not only “illumination” at the analytical technical level, but also “sincerity” at the mental cultivation level. Specifically, the contribution of “sincerity” to decision-making is reflected in: the courage to face reality sincerely, emotional management ability, and the perseverance of value adherence.

4.4 Integrated Analysis Framework

Based on the above analysis, this study proposes a three-level framework of golden mean wisdom for corporate strategic decision-making: the first level, “unity of sincerity and illumination”—decision-making quality depends on the unity of cognitive ability and mental cultivation; the second level, “holding the two ends and using the middle”—seeking creative integration on the basis of identifying paradoxical poles; the third level, “timeliness in the mean” and contingency—dynamically adjusting the grasp of the golden mean according to environmental changes. There is an internal logical connection between the three levels, which together constitute a complete picture of golden mean wisdom in strategic decision-making.

5. Practical Paths of Golden Mean Strategic Decision-Making

5.1 Balance Mechanism Design at the Organizational Level

To expand golden mean wisdom from the individual decision-maker level to the organizational level, it is necessary to establish an institutionalized mechanism that supports balanced decision-making. Firstly, establish a paradoxical organizational structure—by setting up an “ambidextrous organization”, realize both efficiency and resilience by maintaining the stable operation of core businesses while setting up independent exploration units. Secondly, cultivate a dialectical decision-making culture—encourage managers to transcend binary simplification thinking, set up “opposition” roles in major decisions, and establish rules of procedure that encourage constructive conflict. Thirdly, build a dynamic performance evaluation system—establish a balance between short-term and long-term, financial and non-financial, internal and external dimensions.

5.2 Golden Mean Optimization of Decision-Making Process

The golden mean-oriented decision-making process optimization should focus on the following points: firstly, set up iterative verification links—introduce a “pause-reflect-adjust” mechanism at key decision nodes. Secondly, introduce multiple perspectives—absorb personnel from different functional fields and levels to participate, so as to overcome the limitations of a single perspective. Thirdly, establish a decision-making recording and retrospective mechanism—systematically record the thinking process of major strategic decisions and conduct retrospective analysis afterwards.

5.3 Improvement Paths of Managers' Literacy

Based on golden mean wisdom, managers' literacy can be improved from the following paths: firstly, cultivate systematic thinking—transcend linear causal thinking and grasp complex interactive relationships from an overall perspective. Secondly, cultivate the golden mean mindset—develop the psychological quality of “calmly adhering to the golden mean”, neither eager for quick success due to short-term pressure nor divorced from reality due to long-term vision. Thirdly, pursue the unity of knowledge and action—the thought of “sincerity and illumination” emphasizes the unity of knowledge and virtue, and managers should also attach importance to the clarification of values and the cultivation of moral judgment.

6. Conclusion and Prospect

6.1 Main Research Conclusions

Taking The Doctrine of the Mean as the theoretical resource, this study systematically discusses the theoretical enlightenment and practical value of golden mean wisdom for corporate strategic decision-making. The main conclusions are as follows: firstly, the golden mean thought of The Doctrine of the Mean contains three logical dimensions: “harmony in the mean”, “timeliness in the mean” and “sincerity and illumination”, corresponding to ontological foundation, practical wisdom and epistemological unity respectively. Secondly, the deep root of strategic decision-making paradox lies in dualistic thinking, and golden mean wisdom provides an alternative epistemology beyond “binary choice”. Thirdly, the golden mean wisdom of strategic decision-making can be integrated into a three-level framework of “sincerity-holding the middle-timeliness”. Fourthly, the practical paths of golden mean strategic decision-making cover three levels: organizational design, decision-making process and managers’ literacy.

6.2 Theoretical Contributions and Practical Implications

The theoretical contributions of this study are mainly reflected in: constructing a systematic dialogue framework between The Doctrine of the Mean thought and strategic management theory; reinterpreting the strategic paradox from the perspective of dynamic balance; injecting a “decision-making subject” dimension into strategic decision-making research. At the practical level, this study provides managers with thinking guidelines to cope with complex decision-making situations, helping them find paths of creative integration between seemingly contradictory demands.

6.3 Research Limitations and Future Directions

This study has the following limitations: firstly, the research mainly stays at the level of theoretical construction, lacking large-sample empirical testing; secondly, the differential analysis of situational factors such as enterprise type and industry characteristics is insufficient; thirdly, the “translation” between traditional cultural concepts and modern academic language still needs to be deepened. Future research can be expanded from comparative research, case research, action research and other directions.

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