

Ronggui Ding

Taiji Logic

Chinese Wisdom for Project Governance

 中国电力出版社
CHINA ELECTRIC POWER PRESS

 Springer

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ISBN 978-981-15-5238-0 ISBN 978-981-15-5239-7 (eBook)
<https://doi.org/10.1007/978-981-15-5239-7>

Jointly published with China Electric Power Press
The print edition is not for sale in China (Mainland). Customers from China (Mainland) please order the print book from: China Electric Power Press.

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The registered company address is: 152 Beach Road, #21-01/04 Gateway East, Singapore 189721, Singapore

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Chapter 1

Taiji Logic Used to Deal with Management Contradictions



Those who make the car want others to be rich, they worry that others are not rich and no one buys a car; those who make bows and arrows hope that their arrows can kill people so that others can buy their arrows. Is it true that the people who make cars are good-hearted and the people who make the arrows are bad? No, absolutely not, they are all for their own benefit. The purpose is the same, but the occupational and technical division of labor has led them to different ways to achieve their own profits.
“Long and Short Sutra” by Zhao Rei (659–742)

The most important job of managers is to identify and solve various contradictions that are difficult to be dealt with via existing measures. This is particularly the case for those contradictions amongst people, between people and organization in terms of objectives and resources. In certain circumstances, managers have to create some contradictions so that these contradictions take place with a manageable pace. As a result, contradictions could be solved without detrimental effects. It is worth noting that contradictions are not objective by nature; the awareness of contradictions varies according to each individual. There are so many different kinds of contradictions and it would not satisfy manager’s need to simply rely on the general guidance such as “detailed analysis for each specific problem” as this would not satisfy manager’s demand. Taiji logic is the fundamental principle for managers to identify and solve contradictions. Similarly, it is a key criterion to distinguish managers from other professions.

Dialectics Is Required to Solve Management Contradictions

In his book “To those who hate mathematics”,¹ Naoki Komuro claimed that the reason why China is lagging behind in the science and technology can be explained by the lack of scientific fundamental logic, i.e. form logic.

According to him, this can explain why China is lagging behind in the science and technology. There are three types of laws under the form logic, i.e. Law of Identity,

¹Written by Naoki Komuro, translated by Li Yizhao, Harbin: Harbin Publishing House, 2003.

Law of Contradiction, and Law of Excluded Middle. These laws make mathematics more precise which pave the way for modern science and technology. According to him, the Chinese logic is based on speculation with the aim of convincing others to accept an opinion. Apparently Komuro has not realized the fundamentals of the Chinese logic.

Aristotle (384 BC–322 BC) of ancient Greek is the founder of form logic in Europe. He developed the first ever logic system, i.e. syllogism. His representing work on form logic include Organum and Metaphysics.

Fundamentals of the form logic are three types of laws, i.e. Law Of Identity (A is A, implies A is not B), Law of Contradiction (either A is B or A is not B), and Law of Excluded Middle (it is either true or false that A is B).

Form logic is the foundation of natural science. In other words, whether or not a statement is true does not depend on any individual's subjective views. By contrast, dialectics requires a systematic and dynamic view of the problem, highlighting that a certain truth in a certain context.

Georg Wilhelm Friedrich Hegel (1770–1831), a German philosopher described three laws of form logic in his classical book, Science of Logic. Friedrich Engels (1820–1895) elucidated the key points of that book as below:

There are three fundamental laws for dialectics: (1) The law of the unity of opposites; (2) The law of the passage of quantitative changes into qualitative changes; and (3) The law of the negation of the negation.²

The law of the unity of opposites defines a situation in which the existence or identity of a thing (or situation) depends on the co-existence of at least two conditions which are opposite to each other, yet dependent on each other and presupposing each other, within a field of tension.

The law of the passage of quantitative changes into qualitative changes defines that a change in the quality of an object occurs when the accumulation of quantitative changes reaches a certain limit. This law reveals the most general mechanism of development.

The law of the negation of the negation expresses the notion of development. Instead of a closed circle, where processes continually repeat themselves, this law points out that movement through successive contradictions actually leads to development, from simple to complex, from lower to higher. Processes do not repeat themselves exactly in the same way, despite appearances to the contrary. These, in a very schematic outline, are the three most fundamental dialectical laws. Arising from them there are a whole series of additional propositions, involving the relation between whole and part, form and content, finite and infinite, attraction and repulsion and so on.

²Chen Shiqing: "The Metaphysics of Economics", Beijing: China Times Economic Publishing House, 2010.

Form logic aims to achieve reliable and effective conclusions through a process without contradictions. By contrast, dialectics acknowledges the existence of contradiction and treat it as the subject of research. Those “reliable” or “effective” conclusions achieved from form logic analysis are considered as problematic in dialectics. Some problems include: only quantitative nature was considered, only a proportion of system was considered, dynamic nature of the system is not taken into account, complex interactions of all sorts of contradictions were not considered. Dialectics acknowledges the relative truth, e.g. relative motionless could exist despite absolute movement, the definite accuracy of one thing in a certain context.

The well recognized phrase that “Management is a science as well as an art” embeds dialectics.

Management is closely related with human beings, which makes it difficult to become a science. Unlike the field of economics, which human being is treated as an abstract, communal research subject, management regards human being as specific and unique. Despite being the most precious resource to the organization, human beings are most difficult to be standardized due to severe uncertainty. This will remain a challenge for the foreseeable future. It is not difficult to locate one or more counter examples for any existing management method, principle and theory. In such context, it is not appropriate to use formulaic methods to investigate management issues due to the low reliability. One of the most fundamental formulaic methods is mathematics. As a scientific language, mathematics has various advantages such as presenting human being’s idea concisely and accurately. However, it is not realistic to expect the reliable result if such scientific language is used in an environment featured with a high level of uncertainty (e.g. dealing with various stakeholders). It is not unusual that management studies start with unrealistic assumptions and idealistic boundary conditions. Theoretical outcomes of these studies are based on a series of simplified mathematical equations. The applicability of these outcomes is generally poor. Indeed, it warrants caution when forcing mathematical methods in the management research. Management research should not be a colony of Mathematics.

The artistic of management is due to the consideration of human beings. It is not unusual that some management studies were based on the direct quotation of some experts. Caution is required for such research methods using individual experience and judgment rather than scientific methods. We might admire those famous experts and their successful management cases derived from the fundamental of “management is an art”. However, when attempting to apply these research outcomes into our practices, sooner or later we will discover their artistic characteristics, i.e. not repeatable. Superstition is derived from a lack of understanding. We employ superstitions to explain phenomenon that is beyond our knowledge. Similarly, the artistic of management exists due to the lack of understanding of management.

The dichotomy of management has negative impacts on the education, research and practices in the field of management. Such impact is long term. It is the mainstream approach to educate students in management programs in universities relying solely on the scientific aspect of management. As a result, most students (especially undergraduate students) felt that they have not learned how to manage, and thus

lack of competitiveness after the graduation. On the contrary, the artistic characteristics of management was exclusively emphasized in training programs that aim to develop management personnel. Trainers are very good at telling a good story of management cases but very few trainees are able to apply those successful cases into practices. Sometimes the artistic characteristics of management was blamed for being responsible for the management failure.

The form logic is based on the law of nature and provides the foundation to science and technology. By contrast, dialectics logic is based on the law of social development and provides foundation to socio-economic development. Indeed, management personnel is generally familiar with dialectics logic. In other words, dialectics becomes form logic when applying constraints such as timing. Form logic is a special form of dialectics, featured with static. Concepts, judgments and reasoning are considered as stabilized forms in form logic. Law Of Identity way of thinking is adopted in form logic. On the contrary, concepts, judgments and reasoning are considered as dynamic in dialectics. It is imperative to recognize the important role of dialectics so that the development and evolution of society can be better understood. Like Engels pointed out in the *Dialectics of Nature*, dialectics is the development and sublimation of form logic. When denying form logic, dialectics is subjected to the danger of sophistry, which denies relative motionless and truth under context; when denying dialectics, it is hard to see the development and revolutions of society and truth.

Yin Yang Dialectics Embedded in I Ching

The Chinese dialectics is rooted in I Ching. I Ching is the ancient Taoist Philosophy with the oldest history which did not solely derive from Lao Tzu during the Spring and Autumn period. According to Joseph Terence Montgomery Needham,³ the most attractive features of Chinese characters derive from Taoist Philosophy. As the foundation of Chinese culture, Taoist Philosophy has been reflected in other avenues such as Confucianism, Militarist and Chinese Buddhism. Taoist Philosophy describes the fundamental principles within the natural system. Confucianism reflects the human society, especially laws between individuals, between individuals and the nation, between individuals and the society. In other words, Confucianism is included in

³Joseph Needham (December 9, 1900–March 24, 1995), a British modern biochemist and expert in the history of science and technology. His book “Science and Civilization in China” (“The History of Science and Technology in China”) on Modern Chinese and Western Cultural exchanges have far-reaching implications.

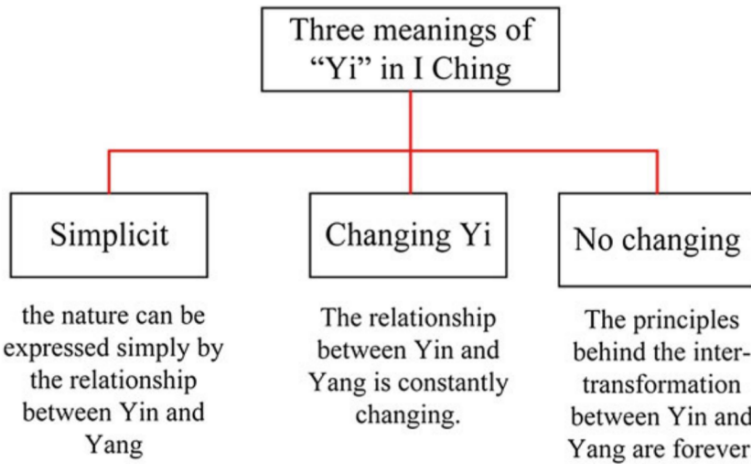


Fig. 1.1 Three meanings of “Yi” in I Ching

Taoist Philosophy and The Taoist concepts represented by Tao Te Ching⁴ at the end of the Spring and Autumn period only forms a part of Chinese Taoist Philosophy.⁵

I Ching is well recognized as the most important representative of the Chinese culture. There are three meanings of “Yi” in I Ching⁶ (Fig. 1.1).

The first meaning is simplicity, i.e. simply or easy. As Confucius said: “Heaven is responsible for everything with change, and the earth is simple to accomplish things. By recognizing the laws of change, it is easy to grasp, and it is easy to make people comply with simple expressions.” I Ching mainly describes the most fundamental law of nature via two simple symbols (i.e. Yin and Yang). Via the permutation and combination of these two symbols, I Ching reflects the world and predicts the evolution. The European dialectics (philosophy of the unity of opposites) is embedded in such a simplified representation. According to I Ching, everything can be regarded as a harmonized operation of Yin and Yang. Artificial Intelligence has attracted wide attention. However, AI has to be achieved via fundamental machine language which

⁴Tao Te Ching is a book written before the separation of the pre-Qin dynasties in ancient China. It was praised by the philosophers of the time. The legend is written by Laozi in the Spring and Autumn Period and is an important source of Taoist philosophy. The text is based on the philosophical “moral”, which discusses the ways of self-cultivation, ruling the country, using soldiers, and maintaining health. It is mostly based on politics. It is the so-called “inner and external king”, which is profound.

⁵Harold Koontz (1908–1984), a US-based management scientist, believes that modern management theory is still in the “jungle” state. Similarly, the debate about Taoism, Confucianism, and interface has not been ended in the history of Chinese philosophy. It can also be expressed in the state of “jungle”, which can be described as “the benevolent sees benevolence, the wise sees wisdom”. This book places more focused on finding a way out of these “jungle” rather than classifying these “jungles”.

⁶Zheng Xuan, the Eastern Han Dynasty, said in “I Zan” and “I Theory”: “The first meaning of ‘Yi’ is simplicity, The second meaning is Changing Yi, The third meaning is no changing.”

consists of two parameters, i.e. 0 and 1. This also reflects the fundamental philosophy of the unity of opposites embedded in I Ching. Such coincidence might be the lessons learnt from I Ching.

The second meaning is Changing Yi, i.e. I Ching is talking about changes. The English Translation of I Ching is *The Book of Change*. I Ching describes the principle of change and revolution, i.e. “When it is exhausted, it mutates; by mutation it achieves continuity; by continuity it endures long.”⁷ Such changing view between Yin and Yang always takes dominance position in Yi Xue history. No change, no I Ching. Changes reflected in the philosophy of I Ching can be explained by “the quantitative change transforms to the qualitative change” and “the negation of negation” in contemporary dialectics. Meanwhile, it places emphasis on the objectiveness of changes as well as the positive impacts of changes to the socio-economic development. Consequently, I Ching proposes the methods and approaches to facilitate changes, i.e. proactively breaking the balance between Yin and Yang so that a new balance can be achieved.

The third meaning is “no changing”. I Ching describes the inter-transformation between Yin and Yang. However, these principles are forever, i.e. no changing. The reason I Ching can be summarized as a philosophy book is due to those fundamental principles of the nature in that book. These principles will not change according to time and context. In other words, I Ching reflects the universality within the particularity within nature. Without acknowledgement of this, we are easy to get lost within each individual phenomenon. The “not changing” and “Changing” embodied in I Ching also reflect the law of the unity of opposites.

Therefore, the essence of I Ching is to treat all changes to a series of systems that consist of two fundamental yet conflicting units, i.e. Yin and Yang. These systems went through evolution process according to the law of the unity of opposites. I Ching can be used to predict changes as the evolution trend can be measured via the law of the unity of opposites. I Ching is a book describing the unity of opposites; and a “bible” Chinese use to predict, analyze and solve conflicts. Indeed, we can treat I Ching as the foundation of Chinese dialectics logic, i.e. using Yin and Yang, the simplest and most fundamental unity of opposites to explain all changes and guide future changes. Most of ancient philosophies were derived from I Ching.

The Chinese dialectics⁸ is based on I Ching, which differs from western dialectics. The major differences between Chinese dialectics and western dialectics are as follows:

First, Chinese dialectics pay more attention to the particularity of people.

China is featured with a society full of human relationships. The judgment of correctness is not fully dependent on objective facts. Rather, a unique logic is adopted which is a combination of favor, reasoning and law. Compared to form

⁷I Ching, “Hsi Tzu”.

⁸Some people use “dialectic” instead. Although there are some differences between these two terms, their essential characteristics remain the same. Therefore, these two terms are used interchangeably in this book.

logic, Chinese are more capable of using dialectics according to a comprehensive consideration of status and benefits.

Human factors have to be taken into consideration when explaining social phenomenon. In western dialectics, the human race is considered as a whole unit. The social governance reflects the overall rule and fairness. Meanwhile, the particularity of individuals was not taken full consideration. On the contrary, Chinese dialectics considered human as a dynamic balance between entirety and individuals. Both western people and Chinese advocate equality before the law. However, Chinese place more focuses on favor and uniqueness of each individual. Each specific question needs to be analyzed specifically. For the fairness, subjective cognition is perceived more important than the objective evaluation. As a result, Chinese dialectics emphasizes the level of acceptance of the logic analysis; different people would have different level of acceptance to the same analysis. Chinese pay more attention to presenting the logic, or the way of persuasion, with many books dedicated to analyzing ways of persuasion in Chinese history.

A number of classic cases were reported in *Strategies of the Warring States*.⁹ It is clearly shown in *Strategies of the Warring States* the logic Chinese use to analyze and solve problems. Compared to dialectics logic proposed by Georg Wilhelm Friedrich Hegel, Chinese dialectics logic emphasizes more on the adoption of logic, rather than its rationality and reliability. In other words, the focus of Chinese dialectics logic is not on the interrelationship between facts. Rather, the relationship between the sending and receiving message is more important. Therefore, the Chinese dialectics is more subjective, which matches the unique characteristics of management.

There is no fact itself, only the way it is spread. People only live in the world of language communication, and communication determines the truth. As a means of communication, language plays a dominant, changing or even subversive role in the truth.

Strategies and eloquence complement each other and promote each other. The strategy is because of eloquence. The strategy is used to plan and find solutions to problems, and eloquence is used to achieve planning and to solve problems directly by persuading others. The fundamental of using strategy and eloquence lies in the grasp of human nature.

—“Strategy and Eloquent Collection: A Comprehensive Analysis of the Essence of Warring States” by Hei Shi¹⁰

Second, Chinese dialectics pay more attention to the particularity of changes.

Although laws of “the quantitative change transform to the qualitative change” and “the negation of negation” in western dialectics also imply changes, Chinese dialectics further specifies the unified law which reflects all changes. More emphasis is placed on the specific drivers to these changes.

⁹*Strategies of the Warring States* is a historical work. It is a national history book, also known as the “national policy.” It records the events of the Eastern Zhou Dynasty, the Western Zhou Dynasty, and the Qin, Qi, Chu, Zhao, Wei, Han, Yan, Song, Wei, and Zhongshan states. The period begins in the early years of the Warring States Period and ends in the Qin Dynasty. It has a history of 240 years. It is divided into 12 strategies, 33 volumes, and a total of 497 articles. It mainly describes the political opinions and words and deeds of the lobbying people during the Warring States period. It is also a practical manual for lobbying people.

¹⁰Beijing: China Theater Publishing House, 2003.

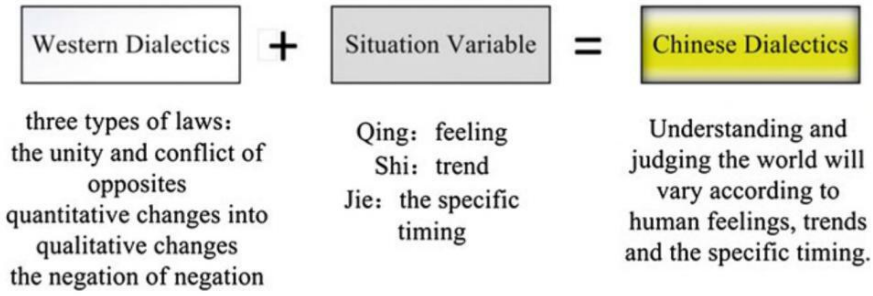


Fig. 1.2 The relationship of Western and Chinese dialectics

Chinese dialectics is a kind of logic which is according to the balance between status and benefits. This logic facilitates the judgment for the tradeoff between A and B, two conflicting conditions. Chinese dialectics is elastic and changes in presentation. On the surface, it could be misinterpreted that Chinese has no logic or confusing logic.

One of common Chinese speakings is: “Everything has the right to go”.¹¹ This reflects that a fundamental principle to deal with changes is to be flexible.

Dialectics incorporates the subjective variables such as the judgment of human beings to the status and benefits in specific context, making the Chinese dialectics more rich and colorful, but also complicated and confusing (Fig. 1.2). The situation-oriented individual judgment varies according to the mood of the decision maker. These variables make the logic process difficult to understand by foreigners. Similarly, Chinese also feel confusion in the principles of logic and behavior. This may lead to misconception that Chinese are lack of consistency.

Confucian Analects¹² is very popular in China. It documents the dialogue between Confucius and his students in specific contexts. It is necessary to consider the specific context rather than using Confucius’ statements as guidelines for all situations. Otherwise it is possible that Confucius’ statements are conflicting with each other. Zhao Rui of the Tang Dynasty wrote the book “Long and Short Sutra,”¹³ in which one

¹¹I Ching, “Hsi Tzu”.

¹²A set of essays in Chinese quotations during the Spring and Autumn Period that mainly records the words and deeds of Confucius and his disciples. It reflects Confucius’ thoughts more concentratedly. It was compiled by Confucius disciples and re-disciplined disciples. The book consists of 20 chapters and 492 chapters, and it is the first to create the form of “quotation”. In the Southern Song Dynasty, Zhu Xi called it “The Four Books” together with “Mencius”, “Da Xue” and “Zhong Yong”.

¹³“Long and Short Sutra,” also known as “Fan Jing”, is a practical book written by Zhao Rui of the Tang Dynasty. It uses the history of the Han Dynasty before Tang as the material of argumentation, and integrates the teachings of the philosophers, integrating the ideas of Confucianism, Taoism, Buddhism, Law, Yinyang, and Agriculture. The content of the lectures covers various fields such as politics, diplomacy, and military affairs. To form a tactical system with a strict logic system covering the literary and military strategy. It is known to all the emperors who have achieved political achievements in the past, and is honored as a small “Comprehensive Mirror for Aid in Government”, which is a treasure in the rich and profound traditional culture of the Han nationality.

chapter devoted to “right and wrong”, that is, the opposite viewpoint of celebrities in history books about some things. Indeed, it is a common phenomenon that statements made by famous philosophers are conflicting with each other. For example, Chinese believe “In all things, success lies in previous preparations and there will be failure without previous preparations.” Similarly, they believe “there’s always a solution to any problem when the problem is coming to you”. This is because the Chinese dialectics is based on the individual judgment based on specific situation and benefits.

Taiji Provides the Best Timing for Conflict Solving

The uniqueness of Chinese dialectics is mainly reflected in how to resolve contradictions. Chinese are good at not only dealing with contradictions, but also creating contradictions. Indeed, Chinese are capable of solving contradictions because they are good at creating contradictions, and vice versa.

The use of dialectics logic is fully incorporated in the strategy that Chinese use to identify and solve contradictions. This is reflected in all Chinese ancient philosophers’ theories which have been used to deal with contradictions related to politics, military, economy and society. The dialectics logic has been widely used to interpret and improve the world.

The wisdom is also called stratagem in Chinese community. A best example is Thirty-Six Stratagems,¹⁴ which is based on Chinese dialectics. In this book, a number of laws and theories related to Chinese dialectics were represented. For instance, “The secret is hidden in the exposed things, not in the open form” in “Shu Shang Kai Hua” strategy reflects the law of the unity of opposites; “in the event of loss, we must sacrifice local losses in exchange for the overall advantage” in “Li Dai Tao Jiang” strategy reflects the law of law of negation of negation; “someone will likely to lose concentration if s/he perceived being well prepared” in “Man Tian Guo Hai” strategy reflects the law of the passage of quantitative changes into qualitative changes.

As aforementioned, Chinese dialectics introduces two unique phrases which reflects the situation variable, i.e. Shi and Jie. Shi means trend, which can be represented as Timing. Jie means the specific timing and tempo. Jie is embedded in Shi. Therefore, Shi and Jie can be integrated into one variable, which controls the passage of quantitative changes into qualitative changes. As stated in *The Art of War*,¹⁵

¹⁴“Thirty-Six Stratagems” refers to the thirty-six military law strategies of ancient China. It is originated from the Northern and Southern Dynasties and the books were written in the Ming and Qing Dynasties. It is a book based on military thoughts and rich experience in ancient China.

¹⁵“The Art of War” is also known as “Sun Zi” written by Sun Wu. Sun Wu, a member of the state of Qi at the end of the spring and Autumn period, was exiled from the state of Qi to the state of Wu to assist the king of Wu in running the army through the state. He became famous as a prince and was honored as a “soldier saint”. The Art of War is known as “the holy book of military science” and “the first ancient military book”. It played an extremely important guiding role in the ancient military academic and war practice in China.

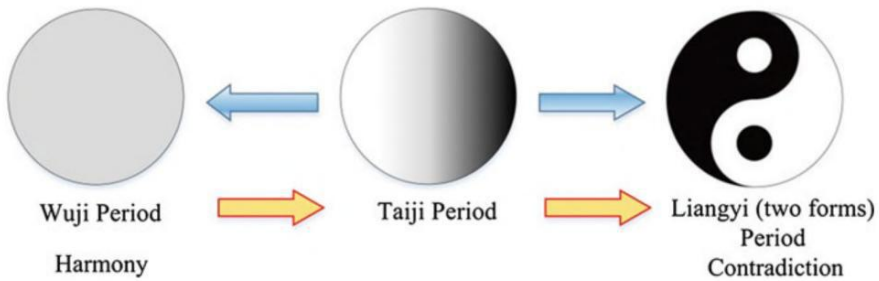


Fig. 1.3 The relationship between Wuji, Taiji and Liangyi

“Energy may be likened to the bending of a crossbow; decision, to the releasing of a trigger”. Guan Zi¹⁶ also emphasized “The sage is able to take advantage of the times, but is never able to go against them. Knowledge is good for formulating stratagems, but it is not as good as being timely.” These fully endorsed the critical role of Shi and Ji.

Chinese Kong Fu has drawn wide interests. Taiji, one of Chinese Traditional martial is the most direct and simple way of understanding how Chinese use dialectics to solve contradictions. The most common Kong Fu in western society is boxing, which is very different from Taiji. Boxing is more external oriented whereas Taiji is more internal oriented. A number of principles of Taiji (e.g. Combination of Virtualness and Reality; art is good for strength; Co-existing of Yin and Yang) reflect the fundamentals of Chinese dialectics. Although masters will always incorporate the essence of both external and internal methods, they will often have different emphasis. Chinese management wisdom mainly bases on the internal oriented principles. Some management methods can be classified as External oriented Kong Fu such as: power and regulations (tangible rules). On the contrary, other strategies can be classified as internal oriented Kong Fu as they use intangible rules (e.g. personality, virtue, leadership) to influence other people.

Taiji boxing theory reflects not only the timing variable in Chinese dialectics but also the law of the transformation between quantity and quality in dialectics. Zhongyue Wang, the famous master of Internal Martial Arts during Dynasty Ming, published a book on Taiji boxing theory, which has been common read for practitioners. According to him, Taiji is the timing of taking actions. Such timing is the short period before Wuji is divided into two status, i.e. Yin and Yang (Fig. 1.3).

Wuji can present an entity. Despite looking like harmony, two conflicts are embedded in this entity, i.e. Yin and Yang. The harmony is relative and conflicts are absolute. The relationship between Yin and Yang is unity of opposites. As shown in classic Taiji diagram, Yin and Yang are not actually exclusive to each other. The negation of negation exists between Yin and Yang. The wave or spiral escalation emerges due to

¹⁶Guan Zi (723 BC–645 BC), the famous politician and military strategist of Qi State during the Spring and Autumn Period. He assisted Qi Qigong to dominate in the Spring and Autumn Period for the first time.

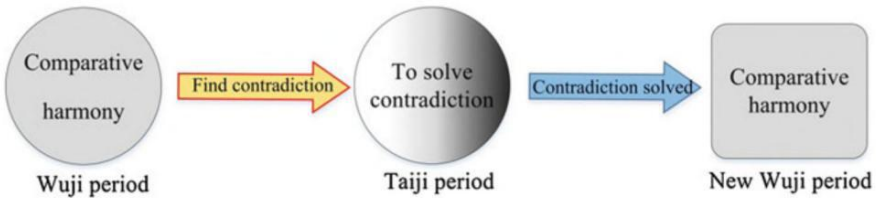


Fig. 1.4 The ideal state of development of things

the dynamic relationship between Yin and Yang. Sometimes “going too far is as bad as not going far enough” between Yin and Yang due to changes to forces. When Yin and Yang present as the same status, the contradictions seem do not exist. However, when apparent disconvergence exists between Yin and Yang, quantity changes have led to quality changes. As a result, it is too late to solve those conflicts. Even though conflicts could be solved eventually, damage has been made which will lead to conflicts hard to deal with in the future. Therefore, the best timing to solve conflicts is the period of Taiji. During this period, conflicts are comparatively easier to be dealt with where harmony can be maintained. Taiji advocates skillful deflection and its essence is to find such best timing.

The common Taiji diagram can clearly show an entity consists of two components (i.e. Yin and Yang) that are embedded within each other. However, fundamentally such a diagram displayed the Two Forms stage rather than the Taiji stage. In Two Forms stage, the conflicting parties have publicized their stands which makes it more difficult to solve those conflicts.

The capture and utilization of Taiji stage need not only the correct understanding of general trend but also the strong capability of judgment and speedy responses. In essence, the capability of identifying and solving conflicts is dependent on whether Taiji stage can be located. Therefore, this book is dedicated to the dialectics used to identify and solve conflicts is defined as Taiji logic.

According to Taiji logic, the ideal status of everything is the iteration between Chaos and Taiji (Fig. 1.4). The master of solving conflicts are good at solving problems before they are felt by ordinary people. It is more effective and efficient to solve conflicts in such timing. It will be much more difficult to solve conflicts when they are publicized. As stated in the Art of War, “Thus the highest form of generalship is to balk the enemy’s plans; the next best is to prevent the junction of the enemy’s forces; the next in order is to attack the enemy’s army in the field; and the worst policy of all is to besiege walled cities. The rule is, not to besiege walled cities if it can possibly be avoided.”

For the Best Ruler, people only know he is just there;
 For the Second to the Best, they are near him and give him praise,
 For the mediocre Ruler, all the people are in fear.
 But for the Least Able One, they insult him, ne’er hold him dear.
 Because he is not worthy of trust,
 Him, none of the people will ever trust!

The Best Ruler is so leisurely!
 Who is few in words, he's the one.
 After the Herculean task is done,
 People will say, "We're like this naturally."

Tao Te Ching, Laozi (B.C. 570?-?)

The judgment of Jie is not possible if Shi is not well understood. This is because Jie is simply a turning point for the development of Shi. It is necessary to understand the evolution trend of the entire system (i.e. the overall chaos) so that timing can be identified. As a result, the best solution can be defined. Skillful deflection does not simply mean the weak can defeat the strong. Rather, the essence is to locate the opposite's weakness. Consequently, resources can be assigned to counteract the opposite's weakness.

Zhongyong (Golden Mean) Is the Key to Solve Managerial Conflicts

Chinese are generally reluctant to go extreme. They do not like to solve problem in a way that someone loses the face. The Zhong Yong¹⁷ principle defined in Confucius has deeply affected Chinese's attitude and behavior towards conflicts. Yutang Lin, the Master of Chinese culture, believes that Zhongyong represents the wisdom of Chinese for day to day living.¹⁸ According to Confucius, Zhongyong is the fundamental principle of governance of people and country. Zhongyong defines the effective solution of accommodating all stakeholders' benefits after clearly understanding the context and trend without taking the extreme path.

No conflict could be solved without specific efforts. These efforts could be tangible such as materials, devices and facilities; or intangible such as power, emotion and culture. All these efforts are necessary resources to solve conflicts. According to Taiji logic, all these efforts can be made according to Zhongyong oriented dialectics via "one can be divided into two which can then be merged into three".

"One" indicates a kind of conflict. A number of conflicts may exist in any chaos system. However, there has to be a primary conflict which has a major aspect. The first step to deal with managerial issues according to Taiji logic is to identify such primary conflict and its major aspect. Consequently, corresponding managerial efforts

¹⁷"Zhong Yong" is the representative work of the Confucian school. It was originally an article of the Book of Rites. It is generally believed to be written by Confucius' grandson (48-3 BC, 402 BC). "Zhong Yong" is not an unprincipled "harmony" and inaction. Rather, focus is placed on the inherent requirements of human beings (e.g. humanity, heart) as the starting point and fundamental value in the external environment (including natural and social). The pursuit of "middle point" in the environment. In other words, internal requirements are represented and achieved in an appropriate format under the context of existing external environment and conditions.

¹⁸Lin Yutang: "The Wisdom of Confucius", Beijing: Qunyan Press, 2010.

could be made. Without finding the major conflict, the energy of managers would be unnecessary consumed.¹⁹

The contradiction plays a crucial role in the existence and development of things. Complex things contain many contradictions. The main contradiction is the main basis for the existence and development of things. It determines the direction of the development of things; stipulates the existence and development of other contradictions.

Grasping and resolving major contradictions can lead to and promote the resolution of other contradictions.

Grasping the main contradiction to solve all problems is absolutely important.

“On Contradiction” by Mao Zedong (1893–1976)

Fundamentally, managerial conflicts are the conflicts between people. Some conflicts may look like coming from funds, technology or devices. However, what behind these issues are always people, e.g. the conflicts on demands, value and roles between organizations, between organization and individual and between individuals. In other words, funds, technologies and device are not manageable by themselves. What can be managed are individual’s behavior. For managers, conflicts are subjective, which vary according to individuals. In addition, the understanding of conflicts varies according to different timing and post for each individual.

In complex things, it is common that multiple conflicts intertwined. These conflicts vary according to the level of organizations and different timing. It is not realistic to expect that only one conflict exists solving one conflict can solve all problems. It is a non-linear and spiral escalation from harmony to conflicts and then back to harmony, which is a general law of organizational development.

The identification of primary conflicts needs to locate two representative organizations or individuals. When we do business, we are dealing with specific individuals rather than with an enterprise, a school or a government department. It is necessary to convert general conflicts to those between individuals. Otherwise, conflicts will be too complicated and hence difficult to define judgment standards.

“Two” indicates two forces which form the unity of opposites, i.e. Yin and Yang. According to the Taiji logic, every contradiction can be simplified as two conflicting aspects, i.e. Yin and Yang. In managerial contradictions, common Yin-Yang relationships include: the contradictions between organization and individual, reward and penalty, freedom and discipline, efficiency and profit, government and private sector, shareholders and management, employer and employees. Various drivers are behind these contradictions, which are related to either the benefit demand or value. Therefore, it is important to identify those drivers to contradictions to identify subjects need to be managed. Similar to identifying primary contradictions, various sources exist for the drivers to those contradictory phenomena. Managers should focus on these drivers following the principle of the unity of opposites. As a result, resources can be

¹⁹In Western management, there are many similar cognitions, e.g. the “cask principle”. Theory of Constraints and its series of management novels developed by Eliyahu M. Goldratt are based on this idea.

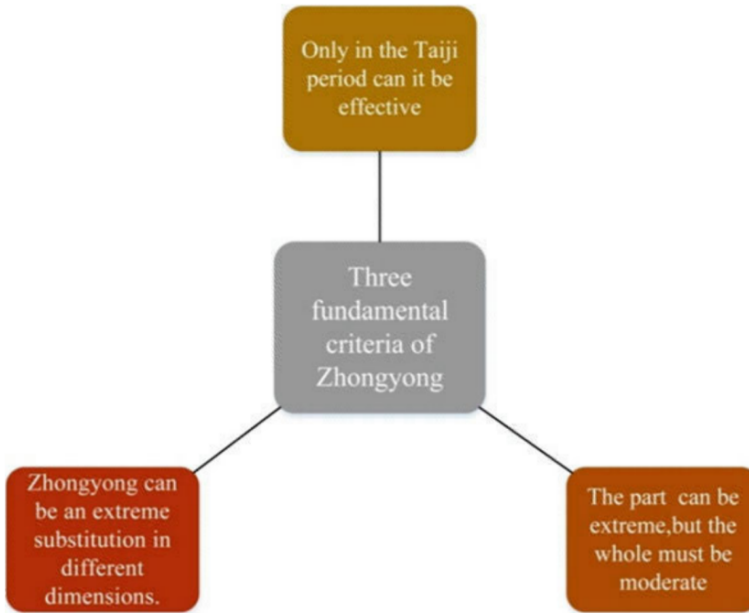


Fig. 1.5 Using three basic criteria of Zhongyong

dynamic process of Zhongyong. In a comparatively static context or short period of time, Zhongyong is extreme for Zhongyong does not aim for stability or fairness in certain aspects. Rather, Zhongyong aims for the overall fairness for everyone, and efficiency in certain aspects (Fig. 1.5). It is not feasible to go for Zhongyong for sake of Zhongyong itself.

According to the Chinese dialectics way of thinking embedded in the Taiji Logic, contradiction is the source of dealing with conflicts whereas harmonizing is the outcome of dealing with contradictions. This is the reason Chinese dialectics was considered as “harmonizing dialectics”.²² The strategy of using the third party in conflicts resolution truly reflects the Chinese management wisdom (Fig. 1.6).

Three keywords of Taiji Logic are: Yin Yang, Taiji and Zhong Yong. In summary, in the context of Taiji Logic, the harmony of an entity is relative. Any harmony entity consists of two conflicts that are cooperative and competitive, i.e. Yin and Yang. The key of dealing with these contradictions is the tradeoff between benefit and loss from the evolution of these conflicts. The best timing of dealing with these conflicts is the Taiji phase, i.e. when Yin and Yang have not diverged during the evolution process. Indeed, Zhong Yong presents an effective strategy to deal with these conflicts via the interaction between Yin and Yang, or relying on the third party.

²²Zhang Chuyu: “Various visions on Yi Ching and Dialectics”, Hangzhou: Zhejiang University Press, 2008.

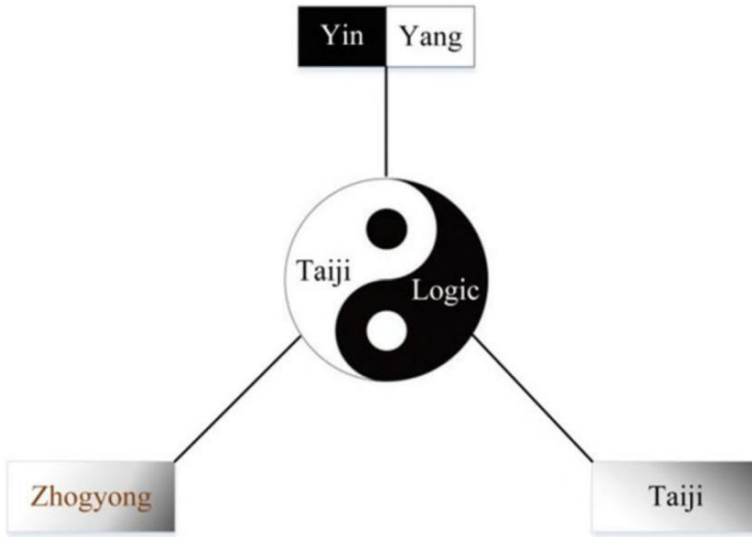


Fig. 1.6 Three supporting points of Taiji logic



Reinhard Wagner, German,
Chairman of the IPMA
Council and Past President of
IPMA

During many visits to China and Chinese companies I observed that management most of the time just followed the “main stream” education at management schools in North America and the United Kingdom—because it was fashionable to have a degree from one of these management schools. Fortunately, during a couple of years several Chinese Management Schools and their Professors are in the process of re-discovering Chinese Philosophy and Wisdom, including but not limited to Confucianism. Management increasingly draws from the distinct principles and practices of Chinese Philosophers and tries to find its own, “the Chinese way of managing”. However, for Westerners it’s not easy to understand this Chinese way of thinking

and acting. During the present period of political and economic tensions between China and the USA, it is crucial to better understand and adapt. What is a good metaphor for this trade dispute is the American Boxer and the Taiji Master. The first one, pumped with energy and focused on an isolated target is getting straight to the center of the fight. The other, the master is more focused on his own, inner strength. Taking into account interrelated context factors and utilizing the energy of the opponent he is clever enough to counter the attacks and gain advantages. It will be interesting to experience the end of this fight in real life...

The book's value in my view is not the comparison between Western and Chinese philosophical principles and practices, as there is not ONE Western philosophy (I am sure there is also no unified Chinese philosophy). The German Philosophers mentioned in the book are unique in constructing their views of the world, however they are difficult to trace in management literature of the West, as this is mainly derived from simple (Prussian) military tactics or a simplifying engineering perspective. Only in the past couple of years in project management research and agile practice we have had a look into their roots and find philosophical sources of what we do—at least we try to interpret it that way. This is why the book is extraordinary as it deep-dives into the Chinese way of thinking and acting seen through the lenses of documented ancient narratives. Maybe this forms an innovative, contemporary way of managing (projects).

The main emphasis in the first chapter is on dealing with management contradictions. Educated in the Western (German) system, my question is: where is the point? We are educated to be self-confident and tackle problems immediately; and there is always a solution (“yes we can”)! However, there is the VUCA-world. Right. Sometimes it's not that easy to solve the problem. Or a new problem emerges after solving the first one. And so on and so forth. The West needs to re-discover it's own roots, philosophies and ways of thinking to cope with the complex realities of “real life”. There is a wealth of schools, narratives and philosophers to draw from, in all cultures, regions and countries. Western Management Schools should certainly learn more about the Taiji logic, the dialectics of dealing with complex situations in real world and especially the context of social interactions, which is at the heart of every project.

Chapter 2

Project Value Is Always Associated with Contradictions



Contradiction is the driving force of developments.
Contradiction theory, Mao Zedong

Society is full of contradictions. On the one hand, contradictions may facilitate the development of society. On the other hand, they may lead to turbulence and decay of the society. The major role of management personnel is to identify and solve various contradictions in day-to-day activities. The value of management personnel will be largely compromised if those contradictions can not be identified and solved. Indeed, a project is needed because new contradictions can not be dealt with by the existing operation mode. There are a large amount of contradictions during the project decision making process between shareholders and managers, project governors and project managers in PPP projects. It is a key task of project governance to effectively deal with contradictions by identifying them and understand the driving forces.

Contradictions in PPP Projects

Most major projects involve collaboration between the public and private sectors. It is very rare that the government is not involved in a large-scale project. The relationship between the government and the private sector is naturally the unity of opposites. Two parties depend on each other but with different perspectives. It is imperative for both the government and the private sector to understand and deal with these contradictions. Otherwise both parties will suffer from losses, also bring instability to the society.

To maintain its status, every single government has to promote economic development. The private sector is the most efficient in economic development. Therefore, the government cannot survive without enterprises. The impacts of government policies and regulations on an enterprise may not be significant when it is small. However, when growing into a certain level (e.g. certain number of employees, international