

Presentation for the Best Practice Institute Webinar

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# FROM TAO TO DOW

TAPPING INTO YOUR INNER WISDOM AND INTUITION IN DECISION MAKING

WITH THE ANCIENT CHINESE CLASSIC *THE BOOK OF CHANGES*

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# PART 1. INTRODUCTION TO RESEACH

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# Personal Facts

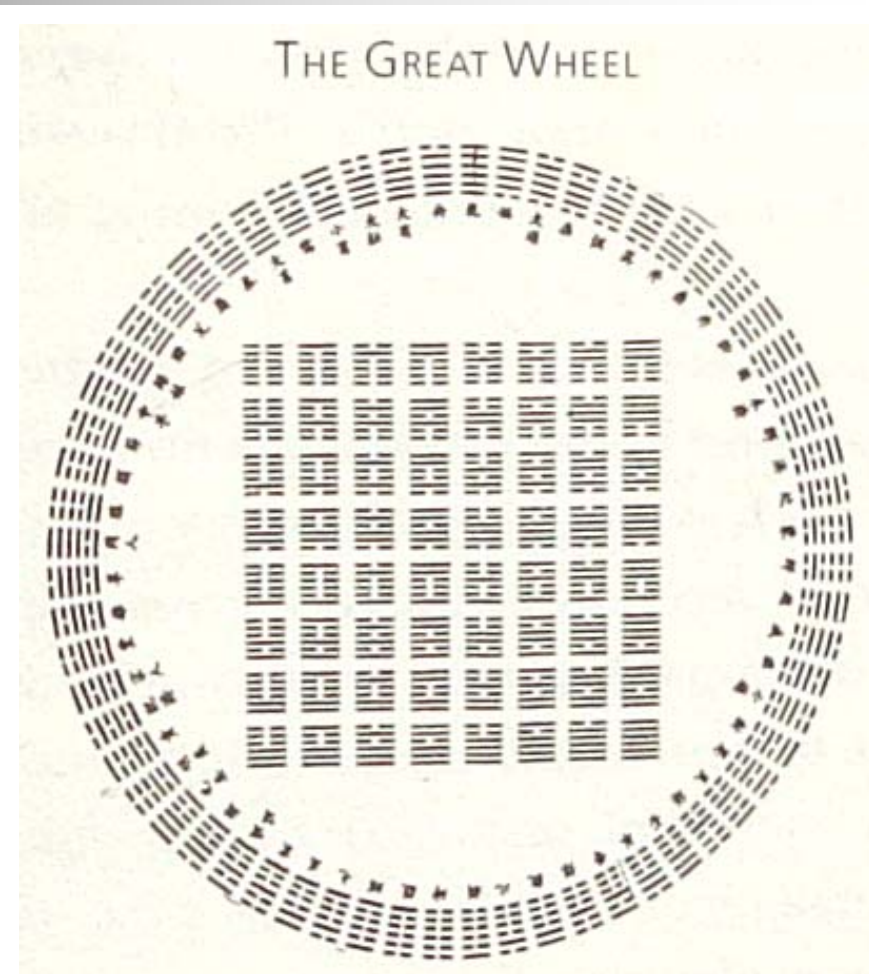
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- Born and educated in Russia
- MS, Computer Sciences & Electrical Engineering
- First job - joint space project with NASA to study the ozone hole
- Wharton MBA, working in NYC in Financial Services
- Many years of practice of Tai Chi, Qigong & healing arts
- Ph.D., Human Sciences, focus on East Asian philosophies
- **Interest in applying East Asian wisdom in business context**

# Introducing the *I Ching*

The Book of Changes – the oldest Chinese classic text

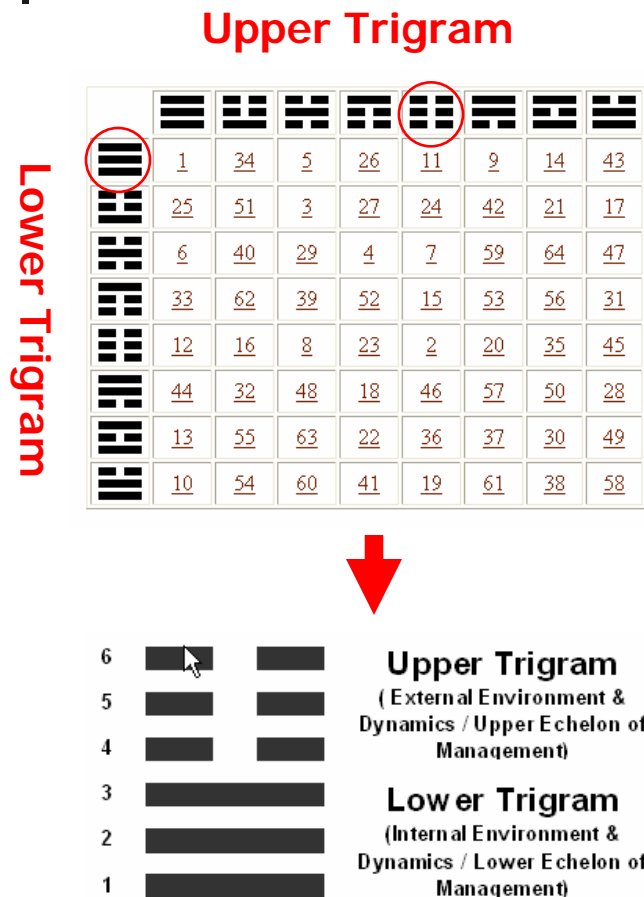
- Product of 6,000 years old Taoist philosophy originating in ancient China
- Originally used for divination and fortune telling; also referred to as Book of Wisdom
- Conceived & refined based on observations of the nature of change
- 64 chapters (Hexagrams) define key patterns of change



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# The *I Ching* Hexagrams

## 64 Scenarios for Life's Turning Points



### ■ Examples of the hexagrams:

#### ■ #6 - CONFLICT

- *The proper response to conflict, whether it lies within or without us, is disengagement.*

#### ■ #20 - CONTEMPLATION

- *By concentrating on the higher laws you acquire the power that underlies them.*

#### ■ #7 - THE ARMY

- *In times of war it is desirable to be led by a cautious and humane general.*



# Ph.D. Thesis & Takeaways

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- Ph.D. Thesis:
  - “Stimulating Intuition and Creativity in Business Analysis and Decision Making with the *I Ching*”
  - Empirically explored applications of the *I Ching* in decision making
- Outcome
  - The subjective applicability rating of the chance method provided by the research participants was 4.47 out of 5
- Takeaways
  - Change & Uncertainty is one of the key management challenges
  - Intuition can play an important role in dealing with this challenge
  - The *I Ching* can serve as a framework for applying intuition



# Example of Consultation

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## Question:

- Should I consider relocating to Asia for my job?

## Hexagram:

- **#7 – THE ARMY:** *In times of war it is desirable to be led by a cautious and humane general*

## Interpretation:

- Challenge & adversity (war as an allegory)
- Agreement & loyalty within family is critical
- Success depends on discipline & caution



# Example of Consultation

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## Question:

- Should I enter into a business partnership?

## Hexagram:

- **#62 – PREPONDERANCE OF THE SMALL:** *In a great storm the wise bird returns to her nest and waits patiently*

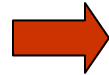
## Interpretation:

- Potentially stormy conditions
- Big undertaking can be risky
- Wise to stay close to the base and wait over

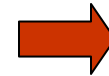


# The *I Ching* and Intuitive Mind

Management  
Challenge:  
**Change &  
Uncertainty**



Prevailing  
Methodology:  
**Quantitative  
Analysis**



Outcome:  
**Decision &  
Action**



**Leverage the Intuitive Mind To Help  
Navigate Change & Uncertainty**





# The *I Ching* Toolbox: How To...

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## **See the Big Picture**

- Expand Tunnel Vision

## **Use Intuition & Wisdom**

- Validate Numbers and Check Fundamental Values

## **Study Relationships**

- Understand Cause & Effect

# More Consultation Examples

Theme/ Topic	Question	Hexagram		Participant's Interpretation	
Work	<i>Financial Stability of the Company?</i>	17	<b>Following</b>	Do not argue with what is; simply follow the progress of truth	It sounds like I will have to prove my leadership first, before I will be able to reap financial rewards for and from the company. It looks to me like I have to be less concerned with what the company has to offer me financially right now and what I have to bring to the table, instead.
Relationships management	<i>I am looking to start a business with C. Is this a wise decision?</i>	13	<b>Fellowship With Others</b>	In fellowship with others embody the principles of the Sage.	This reading hit the hammer on the nail. I cannot enter this partnership with reservations. I have committed myself to being honest and open to this business venture. It has been going well, I am glad I let down my defenses and stuck to truth and honesty.
Decision Making	<i>Which Palm should I buy?</i>	10	<b>Treading (conduct)</b>	Lasting progress is won through quiet self discipline	This data point should probably be overlooked. I don't believe the I Ching is designed to deal with these trivialities. Yeah, this should probably be deleted, I wanted to try a reading out on a random decision I was about to make. Seems as though I-Ching works well only with human behavior, specifically, relationships and interactions.
Work	<i>Should I quit my job?</i>	39	<b>Obstruction</b>	Surrounded by obstruction, one must first retreat, then seek the direction of the Sage.	What I take away is that I should retreat from emotions and self-examine and self-reflect. I think it is very applicable because I am very frustrated about the current situation and the frustration can be all encompassing and blind judgment. A tough, but probably very good advice since it is hard not to be carried away by emotions and hard not to blame the situation but look inward for self-improvement.
Relationships management	<i>Where are things going in my relationship with D.?</i>	61	<b>Inner Truth</b>	Through openness and gentleness the correct solution is reached.	Patience, do not pull do not push, just be true to myself. I am glad I followed the I-Ching's advice, did not act and instead just surrendered to the Universe. He and I are friends now, had I nudged the way I originally intended, I don't think I would have been happy with the outcome.



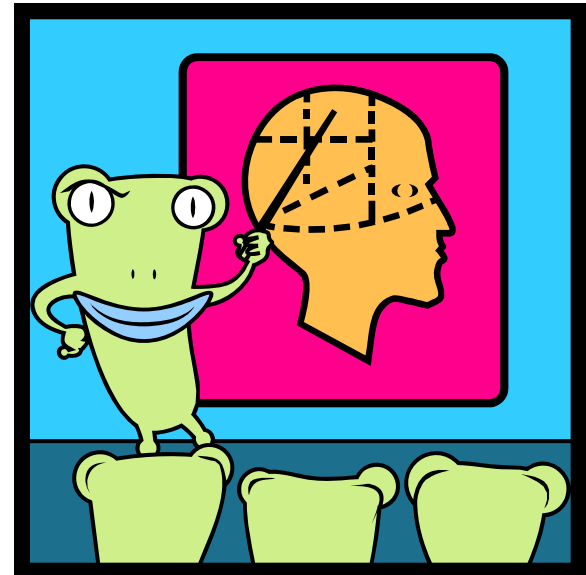
## PART 2. APPROACHES TO DECISION MAKING

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# Ancient vs. Modern

*"The intuitive mind is a sacred gift and the rational mind is a faithful servant. We have created a society that honors the servant and has forgotten the gift."*

- Albert Einstein



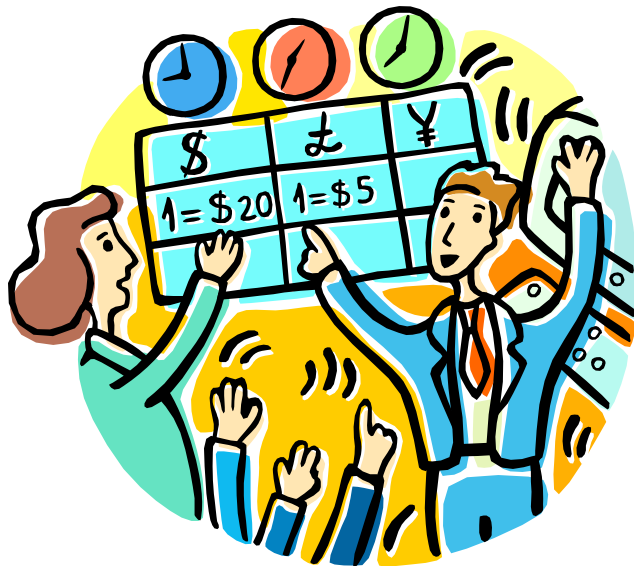
# Analytical vs. Intuitive

## Decision Making in Business and Battlefield

The Wall Street Traders

vs.

US Marine Corps



Source: The Chinese Tao of Business by Haley, Haley and Tan (Thomas Stewart tested decision making of Marines vs. Traders in 1995 in NY Mercantile Exchange)

Follow up: [http://www.au.af.mil/au/awc/awcgate/usmc/cultivating\\_intuitive\\_d-m.htm](http://www.au.af.mil/au/awc/awcgate/usmc/cultivating_intuitive_d-m.htm) (Commandant of US Marine Corps changed training in 1999 to include intuitive decision making)

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# Eastern vs. Western

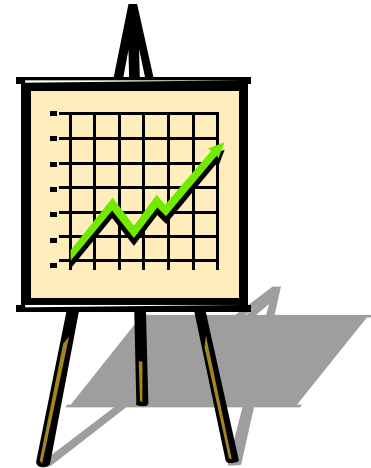
- East Asians emphasize different aspects of problems and think through problems differently than Westerners
- Fish-tank experiments:
  - East Asian subjects focused on the environment
  - Western subjects focused on the fish and its quality



# East vs. West: Business Decision Making

## Western Strategic Planning Technologies

- Analytical step-by-step approach
- Relies on abundant information
- Requires significant investments in staff to collect & analyze data
- Depends on accurate explanatory models
- Separates companies' "minds and hands"
- Does not work well in *information-void* and *increasingly complex* situations

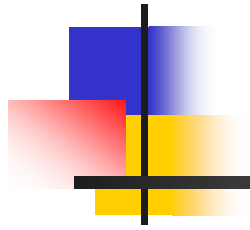


# East vs. West: Business Decision Making

## Decision Making in Chinese Strategy

- Holistic information processing
- Hands-on experience
- Lateral transfer of knowledge
- Reliance on qualitative information
- Action-driven decision making
- Lack of “institutional memory”
- Lack of information and data transparency





## PART 3. FROM TAO TO DOW

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# Why East Asian Wisdom in Business?

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- West & East complement each other
  - West: external view (calculate / analyze / report / control)
  - East: internal view (personal journey / awareness / intuition)
  - Rising China: an East/West phenomenon?



# The Taoist Perspective

## Tao - "The Way" of the Universe

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- Tao is a Mystery

There was something formless and perfect  
before the universe was born.

It is serene. Empty.

Solitary. Unchanging.

Infinite. Eternally present.

It flows through all things,  
inside and outside, and returns  
to the origin of all things.

It is the mother of the universe.

For lack of a better name,

I call it the Tao.

(Tao Te Ching, Ch. 25)



# The Taoist Perspective

## Tao – Guidance for Daily Living

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- Tao is very practical in daily life
  - Three pillars: Confucianism, Taoism & Buddhism
  - Chinese medicine
  - Tai Chi for healing & martial art
  - Power of water: soft, but strong and adaptable
- Yin/Yang is the alphabet of Tao



# The Taoist Perspective

Adaptability is a key component of Chinese Strategy

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A man is supple and weak when living,  
But hard and stiff when dead.  
Grass and trees are pliant and fragile when living,  
But dried and shriveled when dead.  
Thus the hard and the strong  
Are the comrades of death;  
The supple and weak are the comrades of life.

*(Tao Te Ching, Chapter 76)*



# The Chinese Tao of Business

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- Tao promotes harmony and controlled competition based on the belief that:
  - Societies and individuals prosper when cooperation rules and social harmony prevails
  - Uncontrolled competition can lead to disastrous results.



# The Tao of Leadership

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Honors can be bought with fine words,  
respect can be won with good deeds;  
but the Tao is beyond all value,  
and no one can achieve it.

Thus, when a new leader is chosen,  
don't offer to help him  
with your wealth or your expertise.  
Offer instead  
to teach him about the Tao.

**(Tao Te Ching, Ch. 62)**

# The Tao of Leadership

Matsuhita Konosuke, founder of Panasonic



- Matsuhita's phenomenal success has been built on principles originally articulated in the ancient *I Ching*:
  - Having many difficulties perfects the will; having no difficulties ruins the being.
  - When you come to an impasse, change; if you change, you can get through.
  - Harmony with the governing laws of nature and society:
    - "An appropriate business philosophy shouldn't just be the businessman's own subjective idea – there must be some natural principle and social principle underlying it".
- Vision of society as an organic whole.
- Success due to "intuition and openness to new ideas"



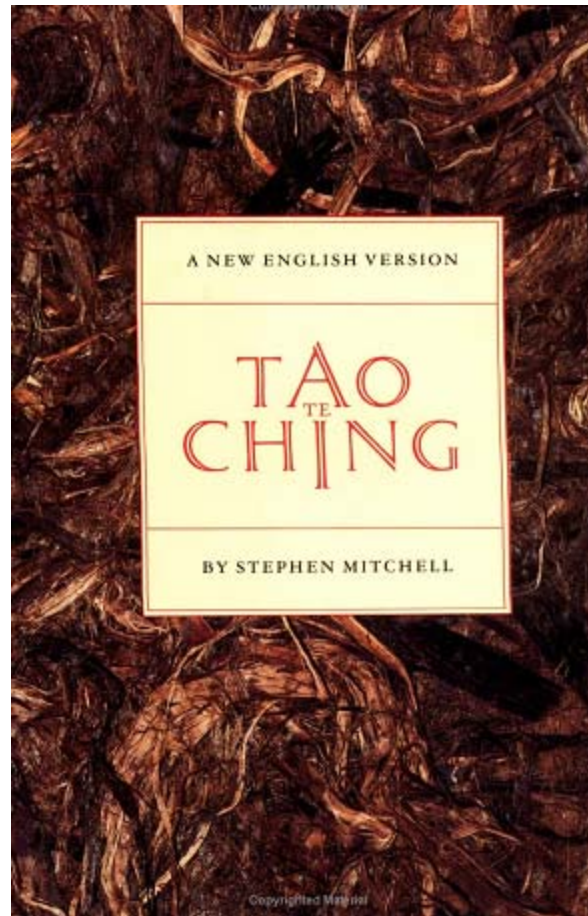
# APPENDIX 1. READING MATERIALS

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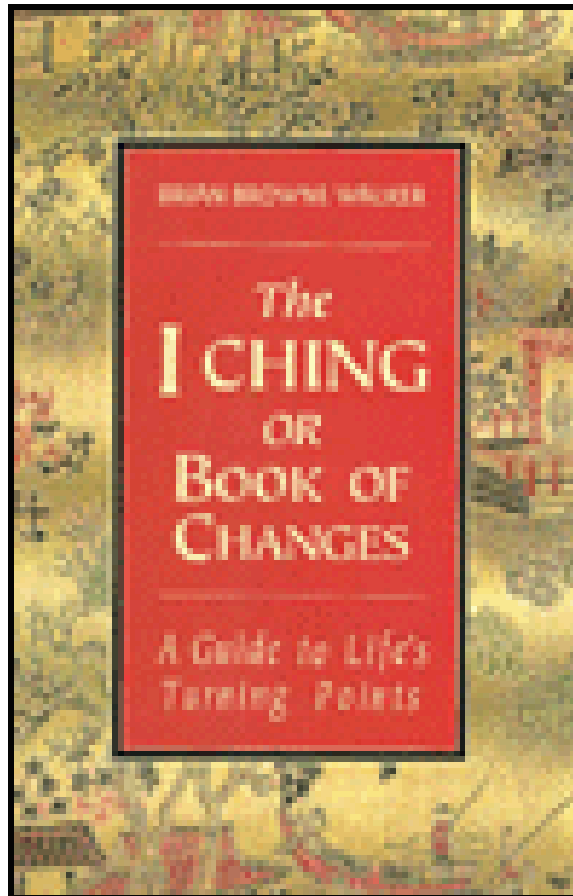
# *Tao Te Ching* by Stephen Mitchell

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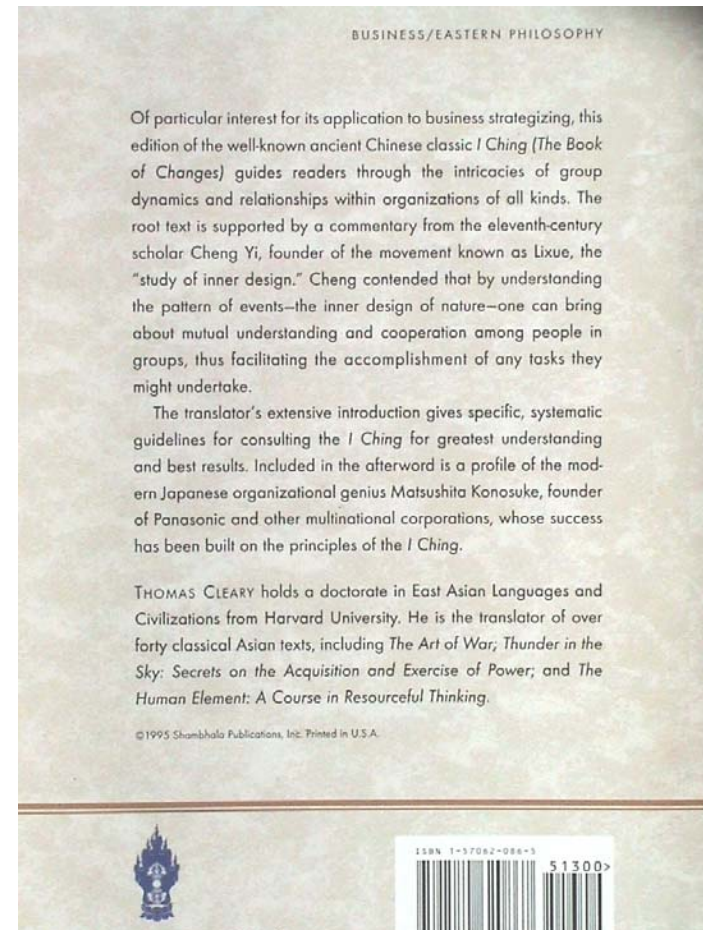
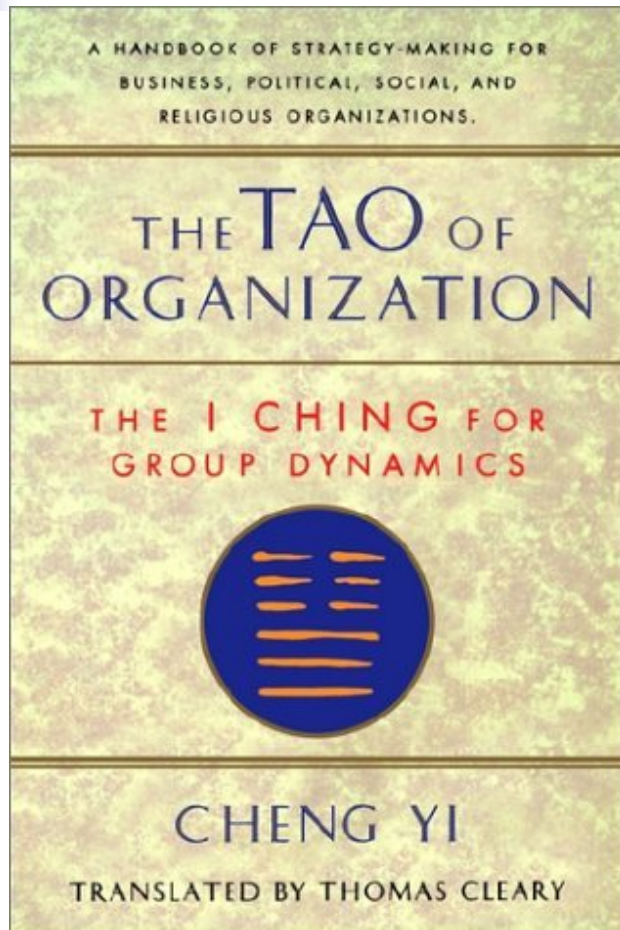


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*The I Ching or Book of Changes. A Guide to  
Life's Turning Points* by Brian Browne Walker



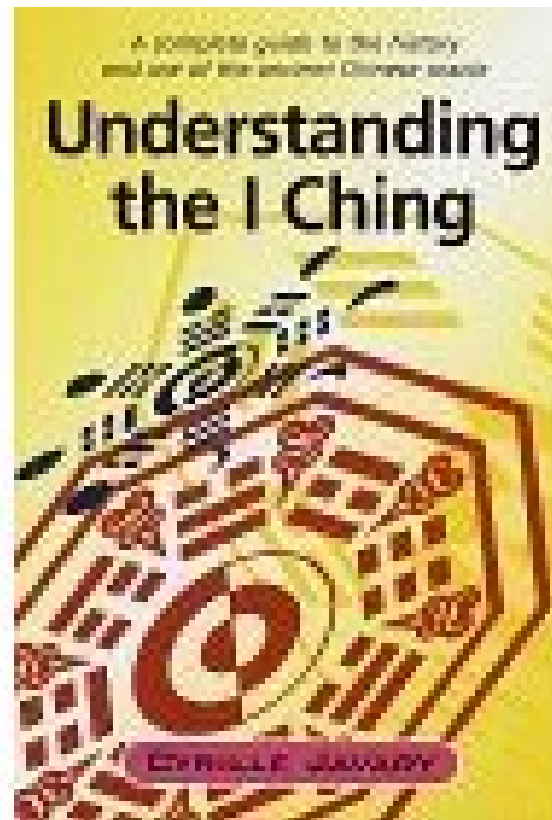
# *The Tao of Organization: The I Ching for Group Dynamics* by Thomas Cleary



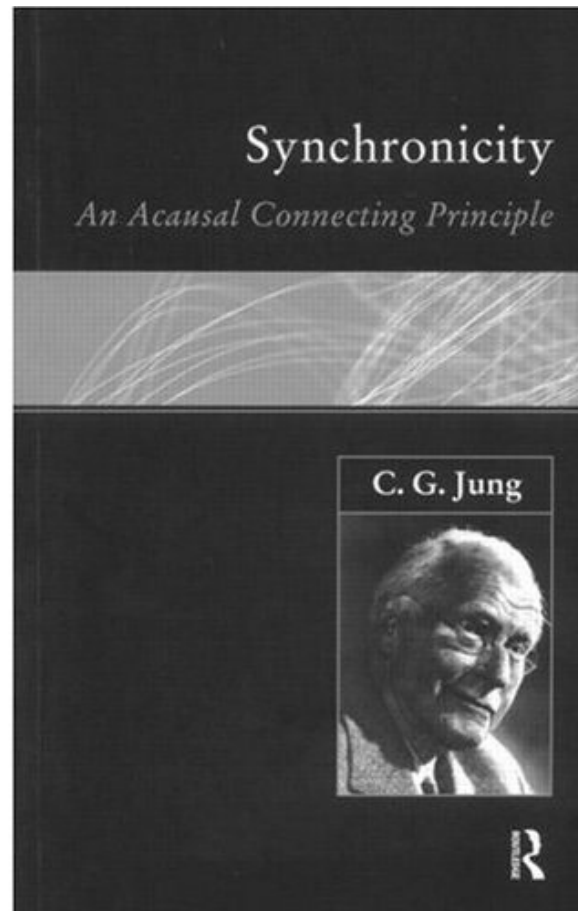


## *Understanding the I Ching* by Cyrille Javary

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*Synchronicity. An Acausal Connecting Principle.* by C.G. Jung



# *Confessions of a Taoist on Wall Street* by David Payne

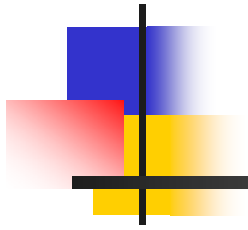


## ***Confessions of a Taoist on Wall Street (1984)***

From the tranquility of an Oriental monastery to the tumult of the New York Stock Exchange, the hero of this amazing novel embarks on a quest for a father, a fortune, and the ultimate essence of the universe. The illegitimate son of a Chinese woman and an American officer, he was reared as an orphan by Taoist monks. When he learns that his father may be a wealthy Wall Street entrepreneur, he feels compelled to go to New York. His efforts to reconcile his two lives -- to find the Tao within the Dow -- make a story rich in character, wit, and insight.

“David Payne’s first novel reads like the happy collaboration of the eastern mystic Lao Tzu and the discount broker Charles Schwab, a hybrid of the *I Ching* and *How to Profit from the coming Stock Market Crash* co-written by a prophet and a profiteer. I marvel at Payne’s virtuosity, his technical brilliance, his enormous ambition. Take a tip: his stock is bound to rise.”

--*The Dallas Morning News*



## APPENDIX 2. PHOTO ESSAY

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# Wudan – Taoist Sacred Mountain



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# Wudan – Taoist Sacred Mountain



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# Wudan – Taoist Sacred Mountain



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