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## The I Ching: An Ancient Chinese Handbook Suitable for Achieving Corporate Responsibility

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## THE I CHING: AN ANCIENT CHINESE HANDBOOK SUITABLE FOR ACHIEVING CORPORATE RESPONSIBILITY

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**Abstract:** Use of the *I Ching* as a guide to business social responsibility can be recommended. Roughly speaking, the *I Ching* presents 64 states of yin and yang intermingled in different combinations of each. One state is pure yang; another is pure yin. The 62 other states have some part yang and some part yin; some have more yang, and others more yin. Each combination of yin and yang is a movement of the Tao, or the Way of Heaven. Human ingenuity cannot master the Tao by suborning it to human purposes, but must instead align with the Tao to experience success in the physical world. Business seeks such success in the physical world because it works with tangible things – such as raw materials – and produces material wealth. Business is, therefore, especially sensitive to movements in the Tao. Free markets can also be said to follow movements in the Tao. Such markets are not pre-determined, but flow from the ebbs and flows of human desires and efforts. Prices, for example, are not set in free markets by willful organizers, but result from interactions of different and independent orientations towards needs, desires, wants and values.

**Keywords:** I Ching; corporate responsibility

A well-known story set in ancient China illustrates how the natural forces of market pricing can be used as a policy device to advance a public goal. During the Chou Dynasty, the Duke Huan, of the feudal state of Qi, said to his Prime Minister Guan Jung: “I love purple cloth, but it is too expensive.” The Prime Minister replied: “Leave everything to me. Do as I say. The next time someone approaches you wearing purple cloth hold your nose in distaste.” Apparently, the dye substance that was used to color clothing purple left an unpleasant smell. The Duke did as he was advised, until his courtiers feared he no longer liked purple cloth. So they sold all their purple cloth in the market. The price for purple cloth dropped sharply, and Guan Jung bought it for a song and gave it to his Prince.

Using similar understandings of pricing, Guan Jung invented the “ever normal granary” to help stabilize grain prices. When harvests were plentiful and the price of grain was low, he had the state buy grain and store it. When harvests failed and the price of grain rose high enough to hurt the common people, Guan Jung had the state sell grain from its warehouses. In the 1930s, American Secretary of Agriculture Henry Wallace copied this ancient Chinese practice in helping American counteract the price effects of the Great Depression. He was, in a simplistic way, following the Tao of grain prices.

It can be argued that the Tao is more attuned to business social responsibility than to the abuse of markets and injustice in economic arrangements. Such injustice and abuse more often than not results from the imposition of human willfulness and arrogance, and not from respectfully following the free

movements of prices and customer preferences. Thus, each 2 state of affairs associated with a hexagram in the *I Ching* can be interpreted as providing guidance to good practices in business social responsibility.

The Tao is the process of creation while moving forward through time. Creation is generative and fulfilling; so is the Tao. Creation is also a process that brings about change. As its constituent forces work their way through time, creation (or the Tao) culminates into new life, benefits, expansion of opportunity, mutual and reciprocal interactions, and growth and prosperity. Thus, it makes more sense to identify the Tao with business as a positive and constructive force in creation, rather than as a negative, adversarial force of one-sided selfishness that adds to entropy.

To be sure, creation cannot provide mastery to each and all. There is still death, pain, and suffering for living creatures; and there is frustration when human egos cannot synchronize themselves with the forces at work around them, when human ambition would have the world as its puppet, as a potter shapes the clay.

### **Casting the *I Ching***

The easiest way to have the *I Ching* reveal which state of affairs most approximates the movement of the Tao at any given moment is to use three coins, preferably copper pennies.

First, you decide which face of the coins – heads or tails – is to reflect yin forces, and which will reflect yang forces. Most often, heads is used to reflect yang. In the hexagrams of the *I Ching*, yin forces are represented by broken lines, and yang forces by solid lines.

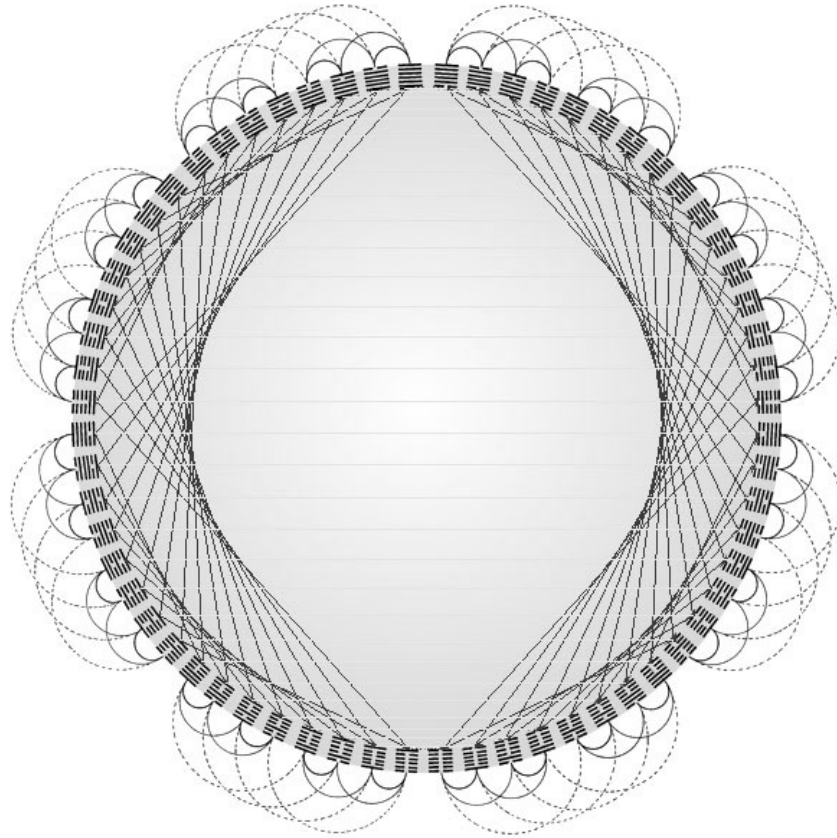
To determine which line of the hexagram to be discovered is yang and which is yin, the faces of the coins are given numbers. Heads are given the number of 3, and tails are given the number of 2. Thus, three heads reflect the number 9 – a yang line – and three tails reflect the number 6 – a yin line.

- Two tails and one head is a 7, a yang line.
- Two heads and one tail is an 8, a yin line.

The three coins are thrown six times – once for each line of the hexagram. Place the coins in cupped hands and drop them. Count the number produced by the combination of heads and tails showing – 6, 7, 8, or 9. Draw a solid or broken line corresponding to the yang or yin value shown by the three faces of the coins. That is the bottom, or first line, of the hexzgram.

Repeat the process five more times, drawing an additional line after each throw of the coins. When the six lines of the hexagram have been determined, look up the hexagram and consider what ideas are associated with it in the commentary below.

This commentary discusses the 64 hexagrams of the *I Ching* in the order associated with the mythical king Fu Hsi, where the cycle of yin and yang is first encountered with the hexagram for complete or full yang, which is Ch'ien or 1. The hexagrams are then presented in a sequence which leads on to full yin, and then back to full yang, where the cycle begins again.



**Figure 1.** Cycle of Hexagrams

The great circle of the 64 hexagrams starts with the hexagram Ch'ien, a representation of full yang energies in motion. Thus the hexagram consists of six solid lines – the maximum combination of yang moments and potentials.

The cycle can be said to start with innovation, such as a first stage entrepreneurial company or venture. It then moves through the stages of early market penetration and setting up an internal organization to the hexagram in position 17, or Shih, which symbolizes a company that has order and organization. Then the cycle moves into putting that structure of capital assets – financial, human, social – to work in producing goods and services. The apex of productive success is reached in hexagram in position 33, or K'un, which is also full yin, and therefore a hexagram with six broken lines. The cycle then continues past K'un into stages of 4 more mature development and profitability. This phase in the life cycle of a business meets the challenges of market successes and failures: competition, ups and downs, and rewarding participants in the venture. When the cycle reaches the hexagram in sequence (T'ung Jen), the *I Ching* begins to present the challenges of full maturity and the exhaustion of possibilities inherent in the initial business model, as the circumstances in which the business venture must seek profits are changing and becoming less and less supportive. In this phase of the cycle, the business or the business venture needs to either re-invent itself, or else dissolve.

***Ch'ien (1)***

In the situation, persist. Effort and determination are called for. The intentional and directed application of forces and energies is appropriate. Move forward towards the goal, guided by aspirations. This is the spring planting for an abundant harvest later. This is the symbol for the entrepreneur in the full throws of creative engagement with new ideas, new products, and new markets. It is a necessary stance when raising capital for a new venture. Embracing the big picture is advised. No time for petty maneuvers. All energies are bound together. Things are to be used; action is to be taken in a straight line – no sideways or circular plans or movements.

***Kou (44)***

These circumstances are still vitally enmeshed in entrepreneurial activity and adventure. The general operational approach under these circumstances is to join with others, to find partners, to couple. One must see beyond personal biases and needs and one's personal situation in order to engage with others. Success can't come to an individual acting alone.

The venture is more important than individual desires and hopes for personal advancement. There must be intellectual engagement to profit from the situation – a focus on specific purposes and undertakings not a helter-skelter search for potential customers or investors. Seeds must be planted that will take on enduring forms of growth and profit. One must be pliant, flexible, and adapt to the views and needs of others, so that they may be brought into the venture.

Activity should be on a broad scale – not cramped and limited, but spread out in all directions to claim new possessions. Orders must be as sweeping in intent as a morning breeze. There needs to be an emphasis on outreach, marketing, communication of purpose, and intent to others who must be welcomed. Customers must be solicited, examined and selected for fitness. Employees need to be inspired, recruited from afar, examined, and selected for fitness. Finally, investors must be educated and cultivated.

***Ta Kuo (28)***

This hexagram points to circumstances in the entrepreneurial development of a new enterprise that builds on an initial introduction of the product or service. The principal task at hand is to exceed: to connect to a big idea, and to push the guiding idea of the business beyond ordinary limits. One needs to secure the highest beam holding up the roof of the enterprise: its core business model and commercial purpose. One is to impose direction on events and not be driven by them. Vigorous action and effective initiatives are required. New approaches, products, and etc. are to be hatched, and people excited and stirred up.

To address customers, marketing and advertising should be implicated, such as: demonstrations of the product; development of service features and qualities; venturesome introductions into new markets; and determined seeking of more customers. Money must be spent towards building the brand. Employees and suppliers need to be encouraged and inspired. Investors also need feedback and praise for taking risks with the business. Reminding everyone just what the business can deliver is the key to profitability under the circumstances.

***Ting (50)***

This hexagram points to the circumstances of a business or a business undertaking, while in its entrepreneurial phase, needing to focus on the quality of what it does. It is a time for cooking, not for talking about the meal to come. Materials at hand need attention. Inputs – materials, labor, R&D – need to be transformed into the product or service to be provided to customers. The focus of management right now is to be more internal than external. What is new, fresh, and the best should get management's attention. Employees and suppliers need to be focused on their roles and responsibilities in providing the business with its needed outputs. Old ways and habits of thought must be let go; new work relationships must be put in place.

***Heng (32)***

This hexagram points to the circumstances of when a business or a business venture begins to enjoy market success with its new product or service. Now, management needs to focus on bringing production to full growth in order to provide for an enduring set of procedures, methods of production, and working relationships. Teams are to be built for the long haul. Efficiency of work demands priority concern. Customers are to be treated with solicitude by employees with clear management directions. Roles and responsibilities need to be set forth on a more permanent basis.

***Sun (57)***

As the business or business venture becomes more secure, this hexagram indicates giving priority attention to fundamentals: the foundations for continuous success in providing goods and services to customers; providing employment for workers; and earning profits for owners.

Management must look at the business from the bottom up, not top down. It is not a time for sending orders down a command-and-control hierarchy. The views, experiences, advice, and guidance of those with line responsibility must be taken into account. The business must also be viewed from the customer's perspective: is it delivering on its brand promise?

The interests of customers and employees need to have priority over the hopes of owners and the egos of managers. There will be profits if management can take a wide-angle, long-term view of the situation and set the business on a firm foundation. What deviates from this approach – selfish short-sightedness – must not be tolerated. What does not contribute to a harvest must be pared away.

***Ching (48)***

This hexagram points to the need for management to further transform an entrepreneurial business or business venture towards a more mature enterprise. The approach is to go deeply into the core of the business, moving away from external concerns such as marketing and community relations in order to focus on internal structures, guidelines, and organizational requirements. Getting the structure right begins to assume importance.

Management should think of what is needed in an institution: policies and procedures timelines, manuals, legal clarity, HR policies and procedures, standards, etc. Management must not become self-satisfied with early customer or product successes, but must step back and look to the entire organization as a machine carrying the business steadily and smoothly into the future.

***Ku (18)***

This hexagram advises that the situation of the business or business venture requires vigilance to trim away the aspects, people, procedures, habits, and arrangements that are not proving themselves to be high-quality contributors to a successful organization. Unexpected setbacks arriving from early decisions need to be faced and re-organization undertaken. Early supporters and partners may no longer be playing vital roles and are becoming distractions or are contributing dysfunctionally to the organization.

The business or business venture must return to its core vision. The seeds of success need nourishing; they will bring profit in the future. Limits and boundaries need to be set for the business. It cannot become all things to all its stakeholders. Priorities must be set and kept. The identity and profile of the business must be simple and powerful. What is right at hand and next in line needs attention, not dreams from the past or dreams of what might be.

***Sheng (46)***

This hexagram indicates that at this point in the development of a business or a business venture, moving forward step-by-step and not by leaps and bounds is recommended. Steps must be put in place; fundamentals of organization may not be jumped over. Management must take a 360-degree view of the business and address all facets of operations and necessary inputs. Matters must be reduced to order; discipline is required. Procedures need to be in place and followed. It is not a time for innovation or experimentation.

Actions must be correct; shortcomings and excesses must be rectified. Human resources must be assembled and organized into teams and functional units. The priorities of the organization take precedence over the idiosyncrasies of individuals, no matter how formerly important they were. Business activities need to be consolidated. Key people are to be relied upon to play their parts in the organization. The skills of many must be combined and hoarded as an asset of the company. Suppliers should be closely integrated and employees tightly supervised, but also with flexibility to adapt to what circumstances will bring. The core team is to be assembled and then turned loose to implement the business plan.

***Sung (6)***

The concern highlighted by this hexagram turns the focus towards responding to shortcomings that the organization may have overlooked in its formative, entrepreneurial endeavors, when it was defining its brand and seeking initial capital and market penetration.

The enterprise is entering a new phase of growth and development, and settling in to routine success. Customer complaints and dissatisfactions now must be sought out and attended to. Employee claims and objections to methods and procedures, and work rules and schedules, need to be considered and sorted out. The core of the business or the business venture is sound and will lead to profits, so management must have no hesitation in moving the enterprise forward with crisp dispatch. Inside and outside aspects of the business need to be aligned. This demands response to customers, suppliers, investors, community concerns, and the environment.

The business is at the stage of institutionalizing itself for the long term. There are tensions with stakeholders that must be confronted and not overlooked. One-sided plans, opinions, preferences, and considerations must be rejected. The good of the whole seen from a long-term perspective is what is most important.

#### ***K'un (47)***

At this stage of development for a business or a business venture, looking inward to build longterm institutional strength takes precedence over other approaches to decision-making. Limits of structure are to be accepted. One is to focus on the kernel, separating the wheat from the chaff in order to get down to the core drivers of success in delivery on the business model. The model itself does not need attention, but modes of implementation do. The well is deep and will provide water.

It is necessary to pause and take stock of how best to run the business. Employees and suppliers, including suppliers of capital, need the most attention from the board and management. But top leadership must also be seen and heard giving orders and setting internal priorities. Quality control becomes a key function. Words alone – spin and empty promises – will not correctly respond to the situation. Functions are to be marked off from one another and structures reinforced. The organization provides for the destiny of the individual contributor – customer needs, management promotions, employee returns, etc. There needs to be resolve on the part of management and the board, a flow from the top of personal commitment to the entity.

#### ***Wei Chi (64)***

The enterprise or venture under the circumstances reflected in this hexagram is on the edge of important success in its mode of organization. It now needs to wait to accumulate experience and build up organizational energies to function smoothly in the future. Management's mode of thinking needs to be focused on conserving people, resources, capital, and brand equity, in order to put everything into routine and hold the business or venture in a steady state. The excitement of starting a business or a venture is almost fully dissipated. Careful, circumspect actions are advised. Functionality is a key requirement for decision-making. No new plans or strategies are needed. The business takes on an aspect of a smoothly running machine.

#### ***Hsieh (40)***

This hexagram points to the need, at this stage in the evolution of a business or a business venture, for analyzing and understanding how the business functions, and how it might function better. Problem-solving within the business structure and operations is recommended in order to deliver or harvest better results. Production of goods or services is ripe with results. Not standing on ceremony that could prevent getting to the heart of how the business runs is advised.

This is a time for adjustments and restructuring; for taking a few steps back, and then coming forward with new clarity of mind. A sense of purpose needs to be imposed on events, and matters must be taken fully in hand with resolve and determination. The center of attention is on what work is really getting done – what are the real accomplishments? Obstacles must be confronted; people must be recruited anew, and minor faults set aside with forgiveness.

***Huan (59)***

This hexagram points to difficulties in the cycle of business success, from the initial vision through the mature exhaustion of the model. The circumstances that this hexagram alludes to are those of an established production function that has some dysfunctions or grinding in the turning of its gears.

In particular, management must confront and overcome illusions and misunderstandings among customers, employees, suppliers, investors and communities. The business is not fully integrated with its surroundings, perhaps due to excessive self-satisfaction, or preoccupation with short-term considerations to please internal constituents. Whatever is blocking a clear understanding of the real issues before the business must be cleared away. Authority may be mistaken and working only from illusions about the situation. There is a need to rouse employees to action and stimulate customers. Marketing a structured function comes back into play, where the established brand values are articulated and distinguished.

New formalities and ways of running the business should be considered to allocate roles and responsibilities under the code of conduct of the company. Perhaps internal auditing or a compliance program is needed to monitor ongoing activity and keep the business aligned with its principles. Board involvement is recommended to have a corporate respond to its central authority.

***K'an (29)***

This hexagram advises that circumstances are conducive to giving the green light to the organization to move into high gear within its given modes and forms of work. Risk is to be assumed without reserve. It is a proper time to act with confidence.

Personal commitment is required for success. The buck can't be passed. Employees and suppliers are to be motivated to do their best. Higher levels need to give instructions, while lower levels need to step up to repeat performances. Management should perfect rules to insure that production becomes habitual and constant. The approach of management, however, should not be hidebound, but use rules to teach and instruct subordinates. Higher and lower ranks need to be set up and put in hierarchical order.

***Meng (4)***

This hexagram indicates that organization structure and function is approaching its apogee; the business is about as well-structured as it will ever be. The organization, rather than individuals is driving business results. Individual egos need to be kept in their respective places and not be permitted to interfere with the common good. Boundaries between specialized functions are in place and holding. Centralized systems produce results. The organization responds to whatever emerges from top management rather than to inputs from other stakeholders; top management concentrates on getting results.

***Shih (7)***

Under these circumstances, putting affairs in order is the principal task. Providing structure, setting priorities, assigning tasks, aligning tasks with goals and objectives, and creating reporting relationships – all of these are required at this time. Functional units must be formed; affairs may not be left to drift with chance and circumstance.

The leader must assert command and control and provide a pattern for conduct. The grounds for measuring expected conduct must be set forth and followed. People – employees, suppliers, and owners

– must be coordinated into a functioning process of the production of goods and services. Hard, concrete results will come from a flow of work and effort that does not put people at cross-purposes.

The leader must persuade and be certain of purpose and direction in order to bring cohesion to the group. Human capital must be gathered and hoarded. There will be some anxiety of failure. What has priority must be distinguished from what is superficial or distracting. Comparisons and selections must be made; decisions should flow from sorting out alternatives and aligning similar things, such as people and processes, with one another.

### ***Tun (33)***

The situation under these circumstances is to rely upon the organization. There is now a need for the actor to step back from personal engagement and let others perform their tasks.

One must make a sacrifice in order to gain success. One must establish personal harmony with the movements of others and not try to direct and determine outcomes. The demands of one's ego need to become obscure and not get in the way. One needs to take up residence in a position with role responsibilities, and be guided by known and habitual ways and approaches. Innovation is not called for, nor is restructuring or reordering existing modes and methods of operation. Customers are not to be disturbed or challenged; employees are to be trusted to perform as told and as expected. The leader is to be distant, with no feelings of anger, envy, superiority, or disappointment.

### ***Hsien (31)***

This hexagram reminds managers that the business or business venture is moving from a status of focusing on internal organization and formal structures and procedures to an emphasis on the execution of its work processes in order to produce results for customers.

Under this hexagram, managers are advised to coordinate all parts of the system that makes for success and profits; in addition, different stakeholders need to be brought into resonating interaction to promote the firm's success. The business, guided by management, needs to reach out to customers, suppliers, investors and the community. Relationships of mutual dependence, like that of parents and child, or husband and wife, need to be cultivated and nourished with attention and service.

Delivery of quality is the key to success. The needs of others are accepted as a given without arguments or resentment. The business seeks to do right by its stakeholders, while polishing away its imperfections. It has a vital sense of purpose, and its energies are flowing strongly. It assists and encourages its stakeholders to find itself in harmony with its surroundings, while blending and combining different inputs and integrating its outputs into the lives of its customers to provide welcomed goods for the community.

### ***Lü (56)***

This hexagram indicates the opportunity to grow and expand the reach of a business from its organizational base. Its capacity for producing goods or services can overflow without difficulty. It will connect easily with stakeholders. The inside and the outside cling together and enjoy mutual dependence. The times are propitious, and meeting responsibilities will lead to good results. Discipline is necessary and insists on proper conduct.

***Hsiao Kuo (62)***

This hexagram indicates that circumstances demand practical application of business systems, hands-on management, personal dedication and caring. The organization can't run on autopilot. Personal engagement by management and employees will put decisions to the test of market success or failure. Details will dictate results. Higher ranks can't rest on their positions and their formal powers, or needed stakeholders – customers, creditors, employees, suppliers – will go elsewhere. Courtesy towards others on the part of management is necessary under the circumstances. Thrift and moderation should be employed.

***Chien (53)***

This hexagram indicates that circumstances favor gradual and steady penetration of customer demand. The mission of the business or business venture is coming toward fruition, with responsibilities assumed and authority put into action. The firm is not coming up against limits but has scope for action, and its brand equity is secure and recognized within its appropriate niche. The firm should attend to its core and expand it as demand grows. Management should have a steady moral and intellectual presence in the business or the venture.

***Chien (39)***

This hexagram provides a reminder that all is not smooth: the business or the venture is limping along. It moves haltingly and is hampered by stakeholder resistance or recalcitrance. Important stakeholders have been misjudged or misunderstood. Separating what is essential from what is merely apparent and only covers the surface of interactions becomes necessary.

Some are cunning and crafty. What stands in opposition to growth demands attention. A holistic approach is recommended so that adjustments can be made and clarity restored. Management needs to get to the bottom of things without disturbing the structure and currently settled expectations. Work drives the situation and functional responses hit the mark.

***Ken (52)***

This hexagram indicates the presence of circumstances that limit the reach of the firm or the venture, given its present organizational structure and business model. There is no need to continue walking. Those who put up roadblocks will not be driven off. Management is not in control of the situation.

Reflection is required to plan the firm's next move. Stakeholders must be brought into view. The company and customers, management and employees, owners and the board – one or more of these relationships is likely to be out of sync and subject to discord and uncertainty. A cycle of activity is coming to an end as sustaining and constructive reciprocity evaporates.

***Ch'ien (15)***

This hexagram indicates the presence of pride leading to complications in the situation surrounding the company. Humility is advised. Brand power, customer loyalty, employee productivity, and access to credit are taken for granted. It would be better for the firm or venture to be unpretentious and complementary, rather than showy and arrogant in its commercial terms. Danger lies in investors making

demands and customers and employees becoming angry. Perhaps it is a CEO who does not bother to work as a team leader, but asserts his or her personal dominion over the firm, offending others and causing them to withdraw cooperation. Management is well advised to float long with circumstances and travel light. Circumstances are in flux. Circumstances are not conducive to simplistic commands and controlled solutions. A service attitude towards work is advised. With proper consideration, initiatives can be undertaken successfully. Forethought is required, and personal indulgences should be avoided.

### ***P'i (12)***

This hexagram indicates the presence of serious opposition to firm success. Stakeholders are unfriendly, and profit evaporates. More flexible adaptation is advised. The firm or venture is not penetrating into the circumstances of its customers, employees, and suppliers.

The advantages that come only from have a good organization have been maximized. New approaches will be needed. Competitors offer stiff competition; customer loyalty is in question. They might find new preferences. Thrift is advised, as is casting out what does not contribute to success. Salary reductions may be in order if productivity does not keep up. Management has no basis for feeling satisfied or puffed up. Its structures, policies, manuals, and procedures do not provide for a well-governed firm.

### ***Ts'ui (45)***

This hexagram reveals an approach to restoring growth and profitability to a business or a venture. Stakeholders are to be brought closer to the firm through appeals to common interests, or having a share in a common goal. The firm thinks about doing things right, focusing not on impersonal markets or employees as replaceable parts to a machine, expendable and inherently of little individual value, but on key stakeholders. The business or venture should seek win-win partnerships, making short-term sacrifices to put such joint commitments into place. Power and force may not be used to compel cooperation. Rather, giving way gives rise to successful action. Feelings of respect and service should be invoked with customers and employees. One-sidedness in approaches to stakeholders needs to be corrected. A long-term perspective that sees things in their essential reality is highly recommended.

### ***Chin (35)***

This hexagram indicates the presence of favorable conditions that will permit flourishing. Management, therefore, needs to benefit customers in specific ways. Marketing will be productive if the brand communication is inspired and animated. Firm leadership must be fully engaged in the outreach efforts, reaching out to address the basic needs of stakeholders and enlighten them as to how they can benefit from the firm's goods or services. Employees deserve a bit of indulgence and flexibility in working conditions.

### ***Yü (16)***

This hexagram advises using an emphasis on foresight and prudence under the circumstances. Thinking ahead and preplanning for contingencies will create a readiness that will come in handy. Actions to counter competitors are especially advised. Counter-punches should be thrown. Brand equity needs to be

defended. The firm can take pride and satisfaction from having a good strategy and a business plan set in place in the past. Energetic market activity, motivation of employees, and seeking new capital: all are recommended at this time.

### ***Kuan (20)***

This hexagram directs management's attention under the circumstances to careful observation. The focus is on present conditions, not past achievements. Management must rely on its credentials and poise, paying respect where respect is due and keeping in accord with stakeholders. Market conditions are shifting from new needs and motivations. Employees are to be confirmed in their various roles and responsibilities, keeping in place the foundations of the organization and the modes of collaboration that support production. The firm can be self-confident in the face of changes and evolutions in the situation. It has a center of purpose and activity that is in accord with stakeholders.

### ***Pi (8)***

This hexagram connotes circumstances that ask for organizational planning to categorize people, opportunities, and responsibilities by their essential qualities. This is a particularly strong guideline for selecting suppliers. The firm should not be cheap or try to cut corners with suppliers. The original nature of inputs is important, not packaging or substitutes for the best in class.

Managers must put themselves last and not take center stage. While employees may be nervous or upset, managers need to confirm organizational structures and habits, and consolidate and reinforce past practices. Management's mode of interaction should reflect qualities of giving way and adhering to others as part of a joint venture, by being compliant and agreeable. At this time, the stakeholders, rather than the company, have the best sense of direction and judgment. They can be relied upon.

### ***Po (23)***

This hexagram indicates the need to strip away the unessential and the un-useable. Too much structure, employees, organizational overhead, administrative burden and office politics will drag down organizational output. Management, not bureaucratic imperatives or past rules and regulations, should drive decision-making. Opportunities need to be filled with responses.

The firm or the venture needs to go back to essentials – back to its early, lean days of innovation and entrepreneurship. Formalities and encrusted, ritualized relationships within the organization need to be swept away or dissolved so that energy can emerge from people in the firm and suppliers in order to respond to market conditions and new strategic demands. Natural patterns of demand and opportunity should be sought, rather than use of advertising to manipulate customer desires with hype and illusions.

### ***K'un (2)***

The focus now must be on productive activity and arriving at goods and services to be consumed. Business plans are in place and the organization is in order so that management focus is on output. Careful and thoughtful attention and personal engagement in getting results are called for. Nourishing inputs and watching over pots as they boil will bring a harvest of results. Firmness in holding to the framework of the working machines is required. Efforts and application will produce concrete results. It

is not a time for talking or marketing but for a display of honest work ethic. Procedures and principles must be followed. It is not a time for innovation, experimentation or argument.

Profits and advantages can be expected. Benefits will be received from customers; hands are helping hands. There is harmony between the company and its customers who benefit mutually. It is a time for customer focus and taking care of those who will receive the firm's goods or services.

### ***Fu (7)***

In these circumstances, the action requirement is to reconsider after reaching a high point of productive activity. A process of penetrating outward by issuing forth from high productivity is advised. This means checking with customers, reviewing procedures with employees looking for improvements, and ensuring community satisfaction with what the firm is doing.

The emphasis should shift to partnering and having excellent peer relationships in a joint venture approach to business. Products and services are in hand, so the focus should be on finding those who are most suitable for acquiring them. Under the circumstances, the chief skill is an anticipation of what is coming, especially opportunities fit for use of the firm's output. Analysis of aspects of the situation and looking at the parts that make up the whole is recommended. Stepping back to ensure a thorough understanding of how things work will bring future success.

### ***I (27)***

This hexagram indicates that circumstances call for consideration of owners above other stakeholders. It is now right and proper for owners to benefit from the business and to be nourished with the results of its financial success. Disposable wealth is in hand and should be shared. It is possible to feed those who need nourishment.

The leaders of the company should speak modestly about their accomplishments and further demonstrate this by sharing the results of their success with others. The second stakeholder constituency to be given priority in these circumstances is employees. Like the owners, they too depend on the company for financial sustenance. They also need to have the purpose of their relationship with the business – wages and income – validated and confirmed.

The hexagram does not provide guidance on the proportions of financial return that should be shared with these two stakeholders. But a reference to the need to be "correct" under the circumstances might well indicate that a sense of propriety and responsibility would require substantial attention paid to the employees' expectations. A "correct" and proper superior is solicitous of those who depend on his or her skills and judgments. One can similarly infer from this hexagram that the time is also appropriate for the business to be charitable and contribute to community needs and requirements.

### ***Chun (3)***

The hexagram implies that the business or business venture has reached a moment of financial success. It is time to collect on the potential that has been brought into being by entrepreneurial activity. There is sustained growth, and accumulation of income, gross sales, net margins, scale of enterprise, and etc. Expansion can be considered timely. Risks can be taken without reserve; there will be great success. The enterprise is flowing on a high tide of market relevance.

However, there is a caution included in the hexagram. Senior managers, and individual decision-makers need caution and should keep to maxims of essential goodness. They are advised to keep everything in its proper place and not be overcome with ambitions, greed or any other form of excess. Benefits of the business are to be considered in a mature and sober fashion that does not lead to indulgence.

#### ***I (42)***

The hexagram indicates that the business or the business venture has achieved a steady state of success. Production of its goods or services is steady and solid, and market penetration is secure. There is, however, an advantage in tweaking operations and reviewing the business to look for changes that will improve outcomes. In particular, employees can benefit from motivation and stimulation so that they don't fall into routine and lackluster performance due to taking for granted the current situation of profitability.

At the same time, the business should expand and seek new markets in new places to build its customer base. It has not yet reached the maximum point of possible market penetration. Vigorous efforts of personal commitment are called for in the leadership to structure increased growth through diversification.

#### ***Chen (51)***

The hexagram infers that the business or business venture has reached a point where new vigor is required. Actions are appropriate that will "shake up" the business and engender new support. All stakeholders should be engaged, consulted, and cultivated. Communications should be fun, loud, and dramatic with lots of discussion. The enterprise must impress others with its presence, its potential, and its realities.

However, there is a note of caution provided by the hexagram, which is concern for the accountability to owners. Management should not become too conceited or take too much for itself. Management alone did not bring the enterprise to where it is today; the enterprise required contributions from owners and employees also, and could not have succeeded without customer choices and loyalty. Thus, to protect the firm as a collective and cooperative undertaking, management must appropriate the owners and those others who also have power over whatever sustains the enterprise.

#### ***Shih Ho (21)***

This hexagram indicates that the business or business enterprise has reached its point of maximum profitability. It has bitten down on all possibilities and swallowed them. It has brought its potential to full growth by developing a viable business model, building an organization to implement the model, producing the required goods and services, and selling them. It has arrived at a proper place. It needs to comply with the laws and other requirements. It has internal coherence. The implication for stakeholders is maintenance of the status quo.

#### ***Sui (17)***

This hexagram suggests that the business or the business venture should consider moving forward in a new direction. It should follow new market opportunities or new ideas in order to fit in with current

conditions and opportunities and not remain stagnant. It should leave behind the dying past, even if it has to go in alone, without reliance on peers. Management seeks to enter, penetrate, and go through to new situations and opportunities where repose and sustenance await.

This effort implicates the organization in devising new plans; it also implicates consumers, customer research and reaching out to investigate new or different conditions. It implicates employees who must be motivated, exposed to new plans and ideas, and trained to deliver the new goods or services. There would naturally be a role for the board of a corporation to review, adopt and support the new plans and ventures; owners would also need to be kept well-informed of the initiatives and be stimulated to support them.

### ***Wu Wang (25)***

This hexagram suggests that management of the business or business venture, as it seeks new opportunities for growth and profit, avoid foolish, wild, reckless, incoherent undertakings that will risk disorder for the business and its stakeholders.

Others outside of the enterprise are not acting responsibly or reliably, so caution is called for. Mistakes can happen outside the enterprise due to ignorance or negligence, which can impact business operations. Direction must be imposed on the situation so that people will cooperate and consort with the enterprise. This implies actively seeking close alignment of customers, employees, suppliers, owners and creditors with the goals of the enterprise. Forces from the outside impose on the management's task of promoting internal cohesion and taking action to center activities on the core business model. In this way, growth is destined to occur, as if higher powers were looking out for the business.

### ***Ming I (36)***

This hexagram indicates for management the advantages of insisting on difficult, repetitive work. Poor performers must be separated from productive ones. It is necessary to be loyal and disciplined to obtain results. Management should step back from center stage and supervise of the work of others instead. This is not a time for high flyers; plow horses are more fitting for the tasks at hand. Those who know their roles and execute them well are most desired. Within the organization, natural talents should be allowed to flower and be put to use where most fitting. Outside the organization, a stance of flexibility and adjustment is recommended.

### ***Pi (22)***

This hexagram suggests paying renewed attention to marketing, PR, brand enhancement and communications towards all stakeholders. Embellishment in the presentation of the business or the business venture, in addition to displays of valor and success, are recommended. The effort is to be self-directed and not dependent on approval from others, nor go along with trends and fashions. However, the way the enterprise presents itself should not be done off-hand, nor be improvised or brought about in an impromptu moment of inspiration. Stakeholders near and far can be brought into alignment with the business and support it by using structured communications, similar to a musical arrangement of notes for harmony and tune. There should be the courage to break off relationships and asset legal rights to sustain the vision and purposes of the enterprise. Important outsiders in every

direction are observing, and influencing them will lead to constructive transformations of the business.

***Chi Chi (63)***

This hexagram suggests that management should make an important move that carries some risk. It should cross over to a new position in order to expand the business. The effort should take small steps at first – be tentative, and only do what is necessary. Precautions are needed, as well as thoughtful consideration of the future and its alternatives. There will be tension associated with the process of moving forward. The enterprise should not go beyond its core capability and continue on a trajectory that flows from past efforts and achievements.

***Chia Jen (37)***

This hexagram suggests that cooperation at this time will help the firm succeed. Cooperation suggests paying close attention to the needs, interests and capabilities of employees and suppliers. The management philosophies made famous by the Quality Moment (Six Sigma, etc.) are to be commended for consideration by the business or the business enterprise. The hexagram suggests paying close attention to those who are “within” the enterprise, as if they were all living in the same “house.” Management is in a position to lead with meetings, consultations, expressions of goals and objectives, and responding to ideas and suggestions.

It is important that talents and capabilities are in alignment, and those materials, inputs, plants and machinery be supportive of organized team efforts. Complementarily of inputs is essential. Roles and responsibilities need to be interdependent.

***Feng (55)***

This hexagram suggests that the business or business venture is fully successful – prolific, and rich in talents and property. All stakeholders are contributing appropriately. They are where they belong and are loyal and reliable. The business or business enterprise is fully centered. But competition is strong. Management should be resolved to compete hard and challenge competitors, even in court. Sustained efforts with stakeholders are recommended to get their blessings for the enterprise.

***Li (30)***

This hexagram indicates that the enterprise is succeeding, having congregated necessary stakeholder inputs into a coherent business. The business, however, needs to be put to the test. Its ability to produce and breed new wealth should be shown, not just talked about. There is a risk of it falling behind and coming up short. Strong leadership from the top is suggested, one that will radiate its profile and its abilities outwards towards stakeholders in all directions.

***Ko (49)***

This hexagram suggests re-branding the business or the business venture. The presentation of the business needs renewal. A plateau of accomplishment has been reached, and in order to reinvigorate its prospects, the business needs to molt into a new skin. Such a step is part of a larger cycle of growth and transformation in order to adapt to changing circumstances and take advantage of new relationships. The

repositioning will remove difficulties that have accumulated. The changes introduced will trigger better circumstances. Setting new rules and regulations by the board of a corporation or by the senior management of a company will create regularities and ensure prosperity.

Employees need to be mutually supportive and generative, and nourish the business. Their loyalty and moral stature in assuming responsibility for business outcomes will be necessary for success. If this comes to pass, the business or business venture will become stately and noble: a blue-chip investment for owners and a respected, established company for managers and employees.

### ***T'ung Jen (13)***

In such a time, the attention of the management must be placed on moving towards high morale and fostering willing cooperation. There will be profit for embarking on a significant effort and taking an initiative with stakeholders. The firm must radiate concern and engagement outward from its core towards those around it. There must be conscious intent to secure an enduring union of needed parties. Whoever is suitable should resonate to the firm's goals and needs. Clarity in stakeholder relationships is advised.

The company cannot be partial to itself or any one set of stakeholders; it must be correct and poised with respect to all. It must be objective and not biased, driven by one-sided emotions or points of view. The firm must take the initiative to interpenetrate with stakeholders; it must reach out to achieve.

### ***Lin (19)***

In this situation, closing in to secure a sale is recommended. Acting sympathetically to approach them will bring success. A culmination of proposals should receive attention. Others can be stimulated and relationships nourished. Inking the contract with customers, employees, and investors is in the offing and needs attention.

Attention should be given to the nitty-gritty, the details where the devil is lurking. Personal activity to drive the process forward is required. Others are not to be used in one's place. However, observing from a distance and keeping to a proper place without resorting to false emotions, guile, or ingratiation is advised. Advising, teaching, and pointing out aspects of possibilities and the facts, are all well suited to achieving success.

### ***Sun (41)***

This hexagram suggests that the business or business venture, to continue its success, needs to delay gratification or reject selfish and overbearing choices. It similarly suggests that, within the business or business venture, owners of companies, the boards of corporations, CEOs and senior managers too should not overreach or become too selfish. Sincerely keeping a balance among all stakeholders will be advantageous. Keeping to original terms and conditions is recommended. Delay would be wise, as would be letting go some control. The competent leader adjusts so that previous difficulties become easy and light. Owners, boards, and top managers restrain anger and turn away from their appetites. Rather, they associate and go along with others who are moving with the force of time at their backs. This hexagram does not indicate which stakeholders should be given this preeminence, so one may conclude that any or all important constituencies supporting the business may deserve such consideration.

***Chien (60)***

This hexagram suggests that stakeholder relationships are confused or disordered and need to be put in better form by making limits clear and using contracts. This situation could implicate owners, creditors, employees, suppliers and contractors, or perhaps government and the community is pressing demands on the business or the business venture. Matters are to be distinguished and separated. Wheat is to be separated from the chaff. Obstacles are to be broken up and illusions dispelled. When this is accomplished, the business can shine in all directions.

Management must cut away, tailor, shape, and structure relationships with stakeholders. This is done by setting rules and limits and making intervals between initiatives and activities. But deliberation is required, and there is tension involved in the process of ordering. The ways of others are becoming exhausted so that matters may come to center on the needs of the business or the business venture. The business or business venture will be in its appropriate place. The business or business venture will go on to penetrate markets and other stakeholder situations with no harm to persons or property.

***Chung Fu (61)***

The hexagram indicates the need to bring the business model – its core – into accord with the circumstances, especially stakeholder interests and concerns. Sincerity and truth are especially needed now with stakeholder relationships. Determined action is recommended – swim ahead and put the business model to the test. Important matters of core values and moral concern are to be articulated and distinguished from other matters. Fashions and temptations are to be resisted by not seeking to fly high. Management is advised to be deliberate; use litigation if necessary, and take its time. There is no hurry.

***Kuei Mei (54)***

This hexagram indicates that the business or business venture is running into external resistance or internal entropy, leading to mediocrity, lower performance and reduced outcomes. A conversion or change of status is therefore recommended. This might be a merger or an acquisition, or become acquired by another company.

It could mean a shift in ownership: going public or going private, or just a sale of control. The enterprise needs to find a place where it belongs and should not stubbornly, one-sidedly, or impulsively insist on imposing its preferences on stakeholders. It is necessary for the business or the business venture to make this change slowly, step-by-step. Strategic thinking is required on the part of top management. Conditions are not supportive for continuation of business as usual, and customers and employees are restless. Being appropriate, not over-bearing, flexible, walking as with a limp, and self-renewing are all recommended actions under the circumstances.

***K'uei (38)***

This hexagram indicates tension between the enterprise, the stakeholders, and current conditions. Certain stakeholders or demands must be avoided or put at a distance. There is mutual exclusivity, and the business or business venture must keep to its own ways and be at an arm's length. Perhaps termination of relationships – with customers, employees, or suppliers – is advisable. Or, a particular market should be abandoned, or product line dropped. The business should focus on strategies opposite

from what it has been doing. Familiar people and habits are no longer fit, and have exhausted their contributions to the enterprise. Management should seek to harmonize and equalize different considerations and continue with divisions and separations as necessary.

The business or business venture needs to be liberated from ties, dependencies and attachments to reach its own point of brand illumination. The business or business venture, as well as management within the enterprise, needs to be firm, resolved, and manly enough to take advantage of circumstances.

### ***Tui (58)***

This hexagram indicates that the business or business venture has the opportunity to find, acquire, and open new markets or engage in joint ventures. It is time to open up opportunities, enter situations and take advantage of them. It is also a time for modification of the core business model, and for responding not to internal direction but to external opportunities. The business must be on the lookout everywhere for possibilities, as the foundations of success are concealed.

Management should rely on partners and consultants in the process of discovery and innovation. The core of the business should remain solid, but relations with the outside should be flexible, with everything on the table for consideration. Giving way, following, and being agreeable, all lead to reaping a harvest. To reach the highest goals, it is important for management to be in agreement with stakeholders. They must be encouraged to forget past labors and heavy burdens.

### ***Lü (10)***

This hexagram advises the business or business venture, and its managers, to proceed step-by-step. The tiger should watch over its tail and not bite people. After accumulating wealth, the firm is advised to have self-control and submit to regularities and formalities. Its virtue is in holding up a wall and carrying the weight of the business. Building the future brick by brick will culminate in secure conditions. If the business or the business venture and its managers jump too quickly to the top, they will find distress and become disheartened. Employees and suppliers must be set right, and their willingness put in agreement with the enterprise.

### ***T'ai (11)***

This hexagram indicates that the business or business venture should stop to spread its profits and wealth among stakeholders. It should distribute its accumulated surpluses widely, to employees, owners, and the community. Wealth is to be used, not hoarded. Social justice is to be advanced by private action. What is right is to be supported and reinforced through mutual efforts in civil society. There is to be leadership on the inside of the enterprise, and fulfilling generativity on the outside. Giving way to stakeholders will bear fruits for the enterprise. Whatever lives a long time will nevertheless dissolve. This might indicate a dissolution or winding up of the company because its time has come to an end.

### ***Ta Ch'a (26)***

This hexagram indicates that for success to continue, important things, resources, and people must be assembled and brought together. Whatever that is world class, noble, and of high worth and worthiness, should be gathered in. The effort should impose itself on circumstances and time with a sense of purpose

and enterprise. Timidity and mediocrity are to be thrown out the window. What is to be ingested is to be acquired cleanly, without entanglements. No side letters or hidden reservations or contingent obligations should be tolerated. Good research and record keeping are needed before deals can be confirmed.

The business or business venture needs to enhance its brand equity through achievements that are noticeable and influential. This could be recruitment of new board members, advisors, or consultants of renown. However, flamboyancy is to be avoided, and superficial networking and gladhanding will not attract and bond talent of sufficient worthiness and eminence.

### ***Hsü (5)***

This hexagram advises the business or business venture and its managers to be alert, to pay attention, and to wait for the right moment. Internal attention must be turned to what is necessary. Management needs to reach out to stakeholders to capture their confidence and secure conformity through alignment with their immediate needs and concerns. Decisions are required to separate wheat from chaff. Resolve is needed to step forward and be decisive. Stakeholders who are immature or too demanding do not deserve nourishment of their needs and concerns. Their influence on the business or business venture will diminish, or their efforts will come to exhaustion. Management needs repose and peace of mind, and to wait calmly for future developments. It can occupy core purposes and procedures with reassurance, with ordinary, daily activity sufficient for desired achievement.

### ***Hsiao Ch'u (19)***

This hexagram advises that the business or business venture is approaching culmination. Its cycle is coming to a close. The flow of its activities is blocked, and there is exposure to danger. A way forward is suggested by associating with people of good character and quality while avoiding charlatans, pontificators, glad-handers, and sycophants. Considerable and thoughtful reflection is advised. Customers and employees need to be protected within limits. The core is where growth will occur. But the way forward may dissolve and not last for much longer.

### ***Ta Chuang (34)***

This hexagram indicates that invigoration of the business or business venture is possible through inner conviction. Regular formalities and familiar structures are appropriate, not innovations or appeals to outsiders. Competition is serious and demands a vigorous response. Customers must be excited and stirred up. A sense of purpose and integrity of motive and feelings will be helpful. Taking all points of view into account and looking in all directions will be essential. If there is no action, small-minded people will take advantage of the vacuum so created. Threats need to be confronted head on and turned aside. Previous troubles will disappear and fences will be broken, permitting advance. Practical means of moving the business forward need to be secured.

### ***Ta Yu (14)***





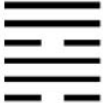



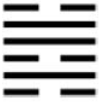






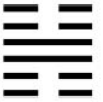








This hexagram denotes conditions that may require changes. Management may need to bring matters to a close. Acceptance of having to relinquish the business or business venture may be required. Fate is playing a role under the circumstances. Stakeholder support may no longer be available. Their powers

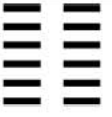
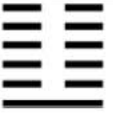


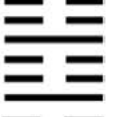





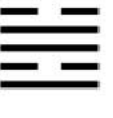





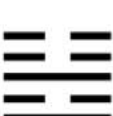





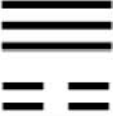










and abilities are solidly in place. They can persist in following their patterns of behavior. There is danger without and drudgery within, through no fault of the management or the business. Customers, employees, and suppliers are not under control.

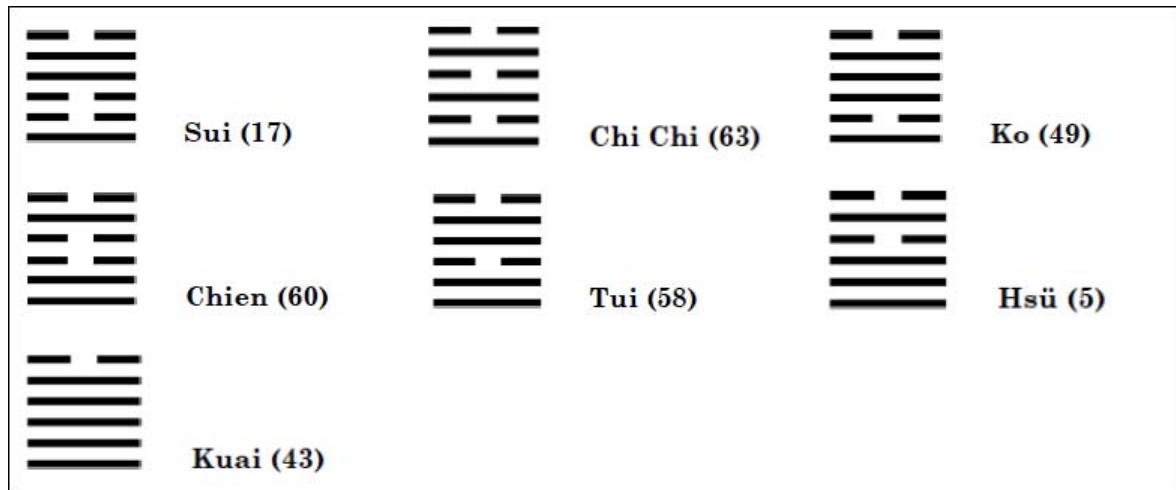
***Kuai (43)***

This hexagram denotes a time for parting of ways or division of energies. Stakeholders, parts of the business, etc., need to be separated; the flow of the enterprise will fork in different directions. Some parts will tend towards new leadership and entrepreneurial opportunities. Other aspects of the business need to be ground down and sharpened. Adverse stakeholders need to be pacified. There are no profits, and conflict approaches. The honor of achievement is fading and an enduring cycle is coming to an end. A climax of enterprise is necessary, with a break-up required. Encounters and meetings with stakeholders lead to both transitory relationships with some, and enduring ties with others. Management may respond best by broadly engaging and increasing salaries and benefits to employees.

**Table 1. Hexagrams**

	Ch'ien (1)		Kou (44)		Ta Kuo (28)
	Heng (32)		Sun (57)		Ching (48)
	Sheng (46)		Sung (6)		K'un (47)
	Hsieh (40)		Huan (59)		K'an (29)
	Shih (7)		Tun (33)		Hsien (31)
	Hsiao Kuo (62)		Chien (53)		Chien (39)
	Ch'ien (15)		P'i (12)		Ts'ui (45)
	Yü (16)		Kuan (20)		Pi (8)

	K'un (2)		Fu (7)		I (27)
	I (42)		Chen (51)		Shih Ho (21)
	Wu Wang (25)		Ming I (36)		Pi (22)
	Chia Jen (37)		Feng (55)		Li (30)
	T'ung Jen (13)		Lin (19)		Sun (41)
	Chung Fu (61)		Kuei Mei (54)		K'uei (38)
	Lü (10)		T'ai (11)		Ta Ch'a (26)
	Hsiao Ch'u (19)		Ta Chuang (34)		Ta Yu (14)
	Ting (50)		Ku (18)		Wei Chi (64)
	Meng (4)		Lü (56)		Ken (52)
	Chin (35)		Po (23)		Chun (3)



### Conclusion

The preceding interpretations of the 64 hexagrams of the I Ching reinforce an understanding of corporate social responsibility as an extension of the natural order of things. Human nature is a given paradigm; markets follow orderly laws of cause and effect; business is conducted in an environment of society, culture laws and interpersonal ambitions. All in all there is a system of dependencies and feed-back channels in which enterprise must find its place for better or worse, for success or failure.

The I Ching was designed to mimic the forces of cause and effect in the natural order so that human decision-makers could be more successful in surfing the waves of circumstance which come and go beyond our control. It reveals a sort of natural law about life. If the I Ching can be adapted to responsible business habits, then perforce such habits are both helpful to business and reflective of a natural order.

Responsibility – a conscious awareness of natural interdependencies leading to the adoption of constructive habits, virtues, and mindfulness – therefore is a part of business, at its core. It is most definitely not interference in business decision-making coming from beyond the rightful scope of entrepreneurial and free market undertakings.

Second, if the hexagrams of the I Ching can be adapted to modern dynamics of corporate social responsibility and can provide constructive guidance in real business situations, then the art of the I Ching deserves great respect from all of us. What was divined in China thousands of years ago still has interpretative power and a truth value for us today. The insights behind the I Ching may well penetrate to some lasting human realities which we would ignore to our detriment.

