

AnhPhu Nguyen

Professor Puett

Gened 1091

9 December 2021

Phu's Phone Emporium: A Chinese Philosophy Analysis

Ancient Chinese philosophy is a tool we can use to analyze many aspects of our lives. Despite being written thousands of years ago, these texts are still read today because they still apply to modern life. This is especially applicable to business, because the texts often concern morality, profit-seeking, social-responsibility, and leadership--all things that are necessary in running a company. I decided to analyze my business, Phu's Phone Emporium. Phu's Phone Emporium is a business I started 2 and a half years ago when I was 16. I broke my phone and was looking for a way to buy a new one at a good price. After finding a video that taught how to buy and sell phones, I taught myself how to repair phones using YouTube videos. I realized that I can make some extra money doing this kind of work. While it took time to learn the skills, I quickly grew as a business and within a year and a half, had surpassed \$150,000 in sales, 250+ positive reviews, and over 200 repairs completed. From the beginning, my business was focused on great customer service, honesty, and affordability. Since I also spoke Vietnamese and Spanish in addition to English, I was able to make my business more accessible for people who don't speak English very well.

I ran the business on my own for two years, running advertising, doing repairs, and managing finances. While my business has been pretty successful, I recognize that many of the ways in which I currently run the organization can be improved. This is especially true, since

four months ago, I had to leave behind my business in Nebraska (and train my siblings to run the business there) while I started a new branch in Boston. Starting a new location here was definitely harder than I had originally thought; many of the numbers and sales projections I had planned to hit here at Harvard have failed, due to the difficulty of adjusting to college life, but also due to the changes in my business's organization. As I look to analyze and diagnose the issues with my business to improve its productivity, organization, and success--I am looking to incorporate thinking about ethics and morals put forth by the philosophers I've studied this semester as a core value within the business. I want to critically analyze every single aspect of my business through a philosophical lens: our office organization, our leadership/organizational structure, our method of incentivizing workers, our leadership qualities, our effect on society, our ethical concerns, and how I can work to make the business grow.

The first way I want to analyze my business through the lens of Chinese philosophy is the organization of my business's physical spaces. Before I moved away for college in August, I had great success with my business. I would often have 3-5 customers coming every single day, and often would have more work than I could handle in Nebraska on my own. Moving here, I have only had about 12 customers in four months. Part of the reason for this change is the stark difference in the quality of my workspace. While the office located in my old bedroom in Nebraska is a well-organized space with many parts and drawers (See Appendix), the way I have organized my business here in Massachusetts is lacking. Currently, I only have a small section of my (very messy) desk dedicated to phone repair--it is in no way well-organized or neat (See Appendix). There are tools and parts strewn everywhere, bags and containers that I've brought into the space, and trash left on the desk. There is no clear line between my business and my personal belongings. The pictures shown are evident of the difference in workspace quality

between our two locations.

Mengzi is one of the philosophers that can address this issue. Mengzi states that things are often only a certain way because of its environment: “Now, by striking water and making it leap up, you can cause it to go past your forehead. If you guide it by damming it, you can cause it to remain on a mountaintop. But is this the nature of water?! It is that way because of the circumstances” (150). Things like water often want to go a certain way, they have the capacity to do so. Water is just limited because there are dams in place to prevent its flow. Changing its environment to allow its flow can allow it to be what it wants and is able to be. My business is moving slow because the environment in which I work is messy, uninviting, and inefficient. If I can remove the “dam” and guide the water to flow in the way I want it to by creating a good workspace, I can give myself the opportunity to work well. This space definitely has the potential to support my business as I have done before in Nebraska in my own bedroom before I moved, the environment is just currently organized in a way that prohibits my business’ success. In addition to cleaning my desk, I want to get new storage systems and boxes to store the many parts I need stored effectively and efficiently like I’ve done in my old location—all to ensure that no dams are in place to prevent the flow of work for my business.

My business could also be improved on the basis of organizational structure and employee compensation. Currently, my two employees are my brother and sister, who I trained to run the business in Omaha when I left for college. Instead of me keeping some of the surplus and paying them a wage, they are actually given every dollar they earn, and I take nothing. While this is a good system for now (and Confucius would probably agree with this filial loyalty) as I hire employees in the future, I cannot give my employees every dollar earned, because at that point, I would have no incentive myself to continue the business. This is because I do want at least some

profit from putting in the risk and time of learning the industry and gaining my customers. Training people for free like I did for my siblings and paying them every dollar would prevent me from having the motivation to continue the business. I must have an incentivization system that compensates me for putting in the work to start and grow the company, but also utilizes my employees' desire for money and recognition. Lord Shang would say: "it is the nature of the people, when they are hungry, to strive for food; when they are tired, to strive for rest; when they suffer hardship, to seek enjoyment; when they are in a state of humiliation, to strive for honor" (Duyvendak 23). It is in all peoples' nature (in his mind) to strive for comfort such as food, rest, enjoyment, and honor. These things almost always require money to get. Therefore, Lord Shang by extension believes that profit-seeking is embedded within human nature. "It is necessary to examine whence fame and profit spring... if, at home, the people are directed to use their strength to the full, then the fields will not lie fallow; and if, abroad, they are directed to fight to the death, then they conquer their enemies" (Duyvendak 23). Lord Shang also shows how this desire is so strong within people that they are willing to fight to the death. While working for Phu's Phone Emporium is not as intense as fighting to the death as Lord Shang states, an effective system of incentives will ensure my business's success and guarantees that my workers will want to work hard to grow the business. Some ways I could incentivize work and harness my future workers' desire for profit and recognition are:

- Recognizing a certain employee's good work in front of their peers (recognition)
- In addition to paying them a base wage, offer commissions on extra sales (profit)
- Talk about how great of a job an employee is doing to them (recognition)
- Recognize an employee of the month on the company's website (recognition)
- Give a paid vacation/time off to the employee of the month (profit)

These simple methods not only incentivize my future employees to truly want the company to succeed and grow, but fosters a better sense of community by giving people recognition for their work and establishing friendly competition.

In order to implement these policies effectively, though, I have to establish myself as an effective leader that is well-liked by my employees, so that they respect my decisions and are happy working for. According to Confucius, this first includes acting with enough humility to accept that you can learn from people who are “below” you in rank: “The Master said, ‘When walking with two other people, I will always find a teacher among them. I focus on those who are good and seek to emulate them, and focus on those who are bad in order to be reminded of what needs to be changed in myself’” (The Analects 7.22). This Confucian leadership quality not only allows me as a leader to improve myself by learning from others, it shows a sense of humility by recognizing that my workers can often do better than I, and that by showing them I am learning from them, they feel more valued in the business, and will respect me more as a leader who listens and learns. In addition to leading with humility, The Analects argues: “‘When our Master arrives in a state, he invariably finds out about its government. Does he actively seek out this information? Surely it is not simply offered to him!’ Zigong answered, ‘Our Master obtains it through being courteous, refined, respectful, restrained, and deferential. The Master’s way of seeking it is entirely different from other people’s way of seeking it, is it not?’” (The Analects 1.10). This quote shows that through acting with refinement and courtesy to people around him, not only does Confucius gain knowledge that others can’t, he does so by gaining respect from those who he seeks something from, so that they are wholeheartedly willing to do things they wouldn’t do for someone else. The end of the quote where Zigong states that Confucius’s way of seeking is “entirely different” from other people shows that this practice is

rare among people: those who are able to master this ability to gain respect from people through refined behavior are rare and therefore adored. Applied to my business, my employees will be much more willing to have me as their boss if they see that I treat every one of them with courteous, respectful, and deferential behavior, as they see themselves more valued and respected by me as a leader. Confucius also states: “in your management of the common people, behave as if you were overseeing a great sacrifice...in this way, you will encounter no resentment in your public or private life” (The Analects 12.2). As he has shown before, treating someone with the utmost respect (even as ceremonious as a great sacrifice), even if they are a “commoner” will prevent any resentment from ever growing.

An equally important issue I want to address with my business is its effect on society and the ethical and social implications of it. Obviously, as a business owner, my goal is to maximize profits for the company, but Confucius and Mengzi argue that a business focused primarily on profit is one which can only bring resentment and taking advantage of others. Running the business for over two years, I have had to make many moral decisions which did not solely depend on the pursuit of profit: If a customer cracks their phone again days after just paying to fix their screen, should I give them a discount? If a customer thinks their phone is not worth much, and tries to sell their phone at a much lower price than it's worth, should I tell them truthfully how much it is worth, or make an extra \$60 by buying it at a lower price? These scenarios happen often in my business. Clearly, taking the profit-seeking actions in these scenarios are easy to do, as I ultimately would get away with making that extra profit if I did not give the screen discount, or did not tell them how much their phone was actually worth, because I have the right to do so. But Confucius states “If in your affairs you abandon yourself to the pursuit of profit, you will arouse much resentment” (The

Analects 4.12). Here, Confucius states that by “abandoning” one’s virtue to pursue profit, people will recognize your goals and resent you for it. By taking those profit-seeking decisions I outlined before, I am gaining extra profit in the short term, but I breed resentment in my customers, who believe that I could care less about their device other than getting the most money possible out of them. To accept less earnings but to act with virtue in my moral decisions, Confucius argues that resentment will never build against my business, and my own character. While his statement in that quote states “if in your affairs you abandon yourself to the pursuit of profit” might seem to some readers at first glance that he wants us to reject profit-seeking completely, he actually believes that “virtue” and “profit-seeking” does not have to be inherently contradicting: “Zigong said, ‘poor without being obsequious, rich without being arrogant--what would you say about someone like that?’ The Master answered, ‘That is acceptable, but it is still not as good as being poor and yet joyful, rich and yet loving ritual’” (The Analects 1.15). He shows that one can be a good person, and still be rich, just as long as they respect ritual and virtue throughout. Other initiatives we already take that don’t prioritize profit is our work on accessibility. Currently, my business does well in making technology accessible because of our ability to speak three languages, allowing people who don’t speak English as their first language to access tech. We also focus heavily on affordability (our prices are often \$50-100 lower than the competition), which improves access for lower income people.

Finally, I want to focus on the customer, and how following Confucian principles in business dealings can help me to get the customer on my side, and build a strong relationship with them so they come back time and time again. Confucius states: “When in public, comport yourself as if you were receiving an important guest...do not impose upon others what you yourself do not desire. In this way, you will encounter no resentment in your public or private

life” (The Analects 12.2). Following Confucian ideals, in treating everyone with reverence as if you were meeting an “important guest” no matter the person, not only makes the customer feel more valued, but makes them want to come back again because they felt so respected. In addition, his “golden-rule” like statement at the end: “do not impose upon others what you yourself do not desire” shows that if I put myself into a customer’s shoes and recognize if what I am selling them something I myself wouldn’t buy, I should refrain from doing so. Through following this ideal, my customers will only be offered prices they should be willing to pay, given offers they should be willing to accept, therefore preventing resentment from others who may feel like they could be taken advantage of.

To summarize, even though my business has seen a lot of success in years past, as my life changes and I have to move away, or I have to adjust to college life, I must be able to adapt my business to life changes in order to ensure its success, and continue to repeatedly re-examine my practices in order to make my business more efficient, more socially responsible, and more successful. Examining my business through the lens of the Chinese philosophers I’ve learned about is a great way to do that; I can use Mencius’s idea that things are able to be molded to make my workspace clean and efficient. I can use Lord Shang’s principle of utilizing human desire to effectively incentivize my employees. I can use Confucian ideals of humility, deference, and courteousness in order to become a good and therefore effective leader that people are willing to work for. I can use The Analects to guide ethical and moral standards, to pursue profit with social-responsibility and virtue in mind at all times. While these texts were written thousands of years ago, the ideas brought forth in these readings apply to almost all facets of life today, including even my phone repair business over 2000 years later.

APPENDIX



Neat, organized Omaha Location



Messy, unorganized Boston Location (actual picture)

Works Cited

- Ivanhoe, P. J., and Van Norden Bryan W. "Kongzi (Confucius) 'The Analects.'" Readings in Classical Chinese Philosophy, Hackett Pub., Indianapolis, 2001.
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