

# Study on the Management Wisdom of Meng Luochuan, a Prominent Confucian Businessman

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## ABSTRACT

Meng Luochuan has been deeply influenced by Confucianism, exemplified by the teachings of Confucius and Mencius, and gave the essence of this traditional oriental thinking into full play in business. He is adept at identifying and capitalising on opportunities, demonstrating an ability to adapt to changing circumstances and collaborate effectively; he is benevolent and philanthropic, seeks self-cultivation, and is practice-oriented and self-disciplined; he is a prodigy in Confucian business who perfectly combines Confucianism and business with his peculiar business ideas and superb business art. He has developed and expanded the shop “Refosian”, which was originally created by his father, and pioneered the “chain-store operations” approach that inspired the creation of Wal-Mart. Some of his successful experiences in business operations remain of theoretical and practical significance, warranting a systematic summary and serious study.

**Keywords:** *Confucian businessman, Meng Luochuan, Business wisdom.*

## 1. INTRODUCTION

Meng Luochuan (1851-1939), who was formerly known as Meng Jisheng (孟继笙) and styled himself as Hongsheng (鸿生) and Luochuan (洛川), born in JiuJun Town, Zhangqiu City in Shandong Province, was a renowned Confucian businessman. Despite the fact that the ancestors of Meng Luochuan were landlords and merchants, a background that has produced numerous business prodigies, Meng Luochuan himself was the most outstanding among them.

In 1868, Meng Luochuan took over “Refosian” originally founded by his father, and other shops with “Xiang” such as Refosian and Quan Xiang operated by Meng Luochuan, have been all over such large and medium-sized cities as Beijing, Shanghai, Tianjin, Jinan, Qingdao and Yantai by 1924. In 1900, the capital totaled about 400,000 taels of silver, and by 1927, annual profits amounted to 3 million taels of silver. In his lifetime, he was responsible for the establishment of 44 enterprises, 26 of which were created from scratch. He was also the driving force behind the development of the renowned brand, Refosian. [1]

As a prominent figure in modern Chinese business history, Meng Luochuan demonstrated a consistent commitment to philanthropy and public welfare. He played a pivotal role in numerous initiatives, including the establishment of community granaries to prepare for famine, the restoration of the Confucian Temple, the construction of the Zunjing Pavilion, the establishment of free schools and Neo-Confucianism academies. Furthermore, he frequently donated clothing and foodstuffs, as well as financial assistance for the repair of the General Annals of Shandong, thereby acquiring the sobriquet “philanthropist” and known as “Mengs are all good”. At that time, he was a prominent figure in the national commercial sector, with newspapers in Beijing, Tianjin, and Jinan etc. referring to him as a “financial giant”. [2]

## 2. MENG LUOCHUAN’S BUSINESS WISDOM

### 2.1 *Genuine Goods at Fair Prices and Integrity Management*

In the business world, Meng Luochuan is renowned for his unwavering commitment to the

principles of integrity. As a prominent figure within the Confucian business community, he has set up the motto of “offer genuine goods at fair prices and be equally honest with aged people and child customers” for his shops. He has reiterated this concept to everyone from managers to the staff, requiring them to be concerned with product quality in all aspects. For example, during the winter season, there is a limited availability of premium leather goods, leading many merchants to resort to offering inferior products or poor-quality items in place of the desired goods. Mr. Meng, however, would send personnel to the country of origin or foreign banks to procure goods in advance, thereby ensuring a consistent supply of leather goods during seasonal fluctuations. High-grade silk goods in his shops not only exceed the quality of typical products but also feature novel patterns, which contribute to their popularity. The dyed cloth, which is Meng’s proprietary product, is meticulously processed and of superior quality, meeting the diverse needs of customers and resonating with the general public.

In contrast to the other bosses, Meng Luochuan paid with higher prices for the goods immediately after ordering them in his approach, “Loan Yarns to Weavers”, which initially seemed to be something pleasant for the workshop owners. However, during the course of their collaboration, Mr. Meng imposed exacting standards and rigorous scrutiny on suppliers, prompting them to express concern. For instance, he specified 0.13-0.15mm for the market-leading fine silk fabrics, which typically is of 0.01mm. Normally, spun silk is woven with four synthetic silks, Mr. Meng, however, demanded six synthetic silks, which had to be of the finest quality. Moreover, more rigorous testing procedures are employed to assess the quality of the fabric. In the selection process, he not only sent connoisseurs to assess the quality through tactile and visual means, but also required the measurement of length, width, and weight. Any instances of impropriety or inability to meet the requisite standards prompted the immediate request for reworking. [3] Furthermore, fabrics that meet the requisite standards undergo additional processing. Prior to 1930, machine-dyed cloth had not yet been developed; the majority of cloth produced was dyed from white cloth. In order to guarantee the quality of the dyed cloth, Refosian established its own dyeing and weaving factories. However, as the business expanded, the output of the self-owned dyeing factory was unable to meet the demand, necessitating the outsourcing of cloth dyeing to

other dyeing factories. Refosian imposed rigorous standards on the dyeing workshops entrusted with dyeing operations whose credibility and methodology were subjected to close examination prior to being entrusted. Besides, the quality assurance measures were implemented after entrusting: firstly, the dyeing workshops are obliged to utilise premium-grade brands for the green dyeing process; secondly they are held accountable for this responsibility; thirdly, the workshops are subject to unannounced inspections at random intervals. The general merchants of cloth engaged in dyeing and selling activities often utilise inferior dyeing techniques, resulting in a lack of depth and richness in color and lustre. The dyeing water employed was of poor quality, and customers frequently reported difficulties in maintaining the desired color after washing. In such instances, the dyed cloth of Refosian would be smothered for a period of three to six months since the greater the depth of color penetration, the more challenging it is to achieve a fade, and the resulting color cloth is characterized by strength, vibrancy and resilience. Furthermore, customers purchasing cloth were frequently offered preference of extra cloth. Therefore, when celebrities from all walks of life purchase silk, they consistently select Refosian as their preferred brand. Additionally, they would frequently recommend Refosian to their acquaintances, thereby facilitating a more extensive reach than traditional advertisements. This has led to the establishment of Refosian’s reputation for “integrity,” which has subsequently expanded its market reach to encompass both urban and rural areas.

Subsequently, Meng Luochuan assumed the role of vice president of the Jinan Chamber of Commerce. Thereafter, he disseminated the Refosian’s concept of business integrity throughout the business community, prompting numerous other established companies to emulate this approach, which ultimately led to the formation of a highly valuable asset within the business culture.

## ***2.2 Think of Righteousness in the Face of Gain and the Rich Are Benevolent***

In business operation, Meng Luochuan has always adhered to the principle of “think of righteousness in the face of gain, and the rich are benevolent.”

In 1900, a humiliating year for Old China (Jiu Zhong Guo 旧中国), the Eight-Nation Alliance captured Beijing, resulting in unpredictable

circumstances for the national business sector. A fire devastated the Dashilan area outside the Beijing Qianmen, destroying thousands of shops and houses, including that of Refosian. The fire not only destroyed Meng Luochuan's Refosian in Beijing, which was valued at 400,000 taels of silver, but also resulted in the complete destruction of all accounts and goods in the shop, causing significant financial losses.

In the context of operational challenges within his own business, Mr. Meng initially considered the impact on individuals. He recognized the imperative to avoid any loss of value for those involved and to prevent further distress. Consequently, he made a pledge to the community, in which he stated that any outstanding debts owed by customers to Refosian would be settled, and that any outstanding payments owed by Refosian to customers would be reimbursed.

His exceptional courage and esteemed business reputation prompted considerable astonishment at the time, providing a compelling narrative for a period. In order to salvage the fate of Refosian in Beijing, he spearheaded the initiative of organizing the remaining staff in Beijing to set up stalls and sell remnants of cloth on the ruins of Dashilan to fulfill market demand and cultivate new customer bases. One year later, Refosian was successfully rebuilt in Beijing.

Following the restoration, Refosian in Beijing was still known for its comprehensive range of goods, high-quality products, and novelty of colors. In the context of fluctuating commodity prices, many retailers resorted to raising prices to maximize profits, which was common at the time, as shopkeepers sought to generate income, and older individuals often had limited alternatives and were compelled to accept elevated prices to meet their basic needs. However, Mr. Meng did not exploit the situation for personal gain. If customers were to purchase the cloth at the price of 8 cents per foot and purchased the same cloth but at a price of 8.5 cents next day, Refosian would prefer to lose money and sell the cloth at 8 cents per foot to their long-standing patrons' satisfaction. [3]

Meng Luochuan's Confucian business style, which entails adherence to Confucian virtues and the study of ancient classics for the benefit of humanity, has gained considerable traction among the general public, and Mr. Meng himself possesses the potential to emerge as a dominant force in the global market.

### **2.3 Seeking Self-cultivation, and Being Practice-oriented and Self-disciplined**

In Refosian's shops in Jinan, two large phrases, "be practice-oriented" and "self-cultivation," were displayed prominently in the hall. Mr. Meng requested that the shop staff perform these two tasks. In his view, the term "self-cultivation", which is based on the Holy Scriptures, requires the adherence to a disciplined conduct and the practice of honesty in interactions with others. "Be practice-oriented," on the other hand, denotes the necessity to translate words into actions and ensure consistency between the two. In the context of business processes, he posited that those seeking immediate, modest profits may find themselves navigating tricky terrain, which is particularly true when one is attempting to establish a long-term, multi-generational enterprise. In such cases, he maintained that sincerity and truthfulness are essential for fostering trust and loyalty among the people involved. What he often mentioned is "the five blessings in *The Grand Rules* starts with wealth, and ten chapters in *The Great Learning* are about financial management", which serves as a warning to bear in mind that: "there is a principle in the creation of wealth: those who produce it produce more, those who consume it consume less; those who manage it manage it carefully, those who use it use it moderately; in this way wealth will remain abundant for a long time."

Therefore, Mr. Meng paid so much attention to his own business behavior. In Refosian, the quality of staff themselves is regarded as the lifeline of the business, so the training of staff is also a top priority in Refosian. He believed that creating a good business image is an important point of success for entrepreneurs, and that the business image is created by customer's first impression of the staff, i.e. the staff's behavior. To this end, Refosian set rules: whether it is hot or cold, all sales staff should wear long shirts and not eat food that emits odors, such as onions and garlic. All staff should be humble, gentle, tolerant and polite, and shaking fans in front of and arguing with the customer, chatting and eating snacks etc. are all forbidden. More attention should be paid to staffs' attitude to customers. They should patiently explain the goods to the customer until they are satisfied and a bored facial expression is not allowed. Any breach of the above will result in an immediate dismissal.

In his 70 years of company management, Mr. Meng has been strict with and strictly impartial to

all levels of internal personnel. In his casual conversations with the managers and shopkeepers, he used to warn them that: If you want to run your business, you have to cultivate yourself first, and if you want to cultivate yourself, you have to rectify their mind first; one should behave according to the rules, be sincere and honest with each other. Anyone who breaks the rules of the shop will be dealt with severely, and he himself never showed any favoritism in dealing with things, as his own personal practice proves.

In Refosian's shops in Jinan, there was an employee who was closely associated with Mr. Meng and his inner circle, and disregarded the established shop rules. One day, this employee engaged in a physical altercation with another employee, resulting in both individuals being promptly dismissed despite intercessions. Mr. Meng has consistently demonstrated impartiality in his managerial approach, and his reputation for enforcing the law with the same strictness as King Yan was widely acknowledged and respected within his shops.<sup>[1]</sup>

#### ***2.4 Unified Management and Chain-store Operations***

With regard to operational and managerial capabilities, Mr. Meng was also very talented. His business methods were innovative at the time, which pioneered the "chain-store operations" and established unified management across all levels.

The profound attachment between Qing Fu's mother and the child (green worm insects in Chinese mythology), from which Refosian was derived, can be extended to the enterprise and the staff, where the spirit of honor and shame is shared by all. This metaphoric understanding led Mr. Meng to devise a distinctive approach to business. He adopted a company structure based on the traditional family business model, establishing three levels: the entire bureau, the regional branch, and the local shop, which were collectively responsible for the implementation of chain operations.

In business operation, Mr. Meng directed his team to adhere to the following guidelines: purchase goods in distant locations to capitalize on regional price discrepancies; procure goods in advance to leverage seasonal price variations; prioritize quality enhancement to maximize profits, which reflected Refosian's high standards for purchasing goods and its commitment to quality,

thus contributing to its strong market recognition and rapid market growth. By 1912, in the early years of the Republic of China, Mr. Meng was the proprietor of five commercial establishments: the Dong Hong Kee Tea House, the Refosian General Store (also known as the Dong No. store), the Hong Kee Leather Shop, the Xi Hong Kee Tea House, and the Xi Hong Kee Silk Shop (also known as the Xi No. store).

In its heyday (1927), 106 branches of the "Xiang"-titled businesses, including Refosian, were established across the country in key commercial cities like Beijing, Tianjin, Jinan, Qingdao, Yantai, Shenyang, Baotou and Shanghai. The number of shopkeepers employed peaked at over 4,000, and the business scope included the sale of cloth, silk, embroidery, leather goods, cotton yarn, textiles, printing and dyeing, tea, gold and silver jewelry, and other related products. [3]

For such a substantial enterprise to operate in an orderly manner, a comprehensive and rigorous system of management was required, so the strict disciplinary measures at the managerial level was implemented. As the most senior executive, Mr. Meng occupied the pinnacle of the managerial structure. He established a unified system of ownership and management rights, thereby vesting him with the authority to make decisions on significant matters. He set forth the requirement that each shop maintain a duplicate inventory ledger and closing list, with one copy retained by the shop and the other submitted to him on a weekly basis. Furthermore, it was explicitly stated that, during the eighth to twenty-third day of the first lunar month, managers of all levels were required to present their reports in person to him at his residence. The second level of the management structure comprised Mr. Meng's two highly competent and astute assistants, who assisted him in managing the shop's overall operations. The third level was the regional managers in Jinan, Tianjin and Beijing, who were respectively the managers of the three shops and were accountable for the purchase of goods, staffing and year-end settlement for all local outlets. The fourth level comprised the manager and deputy manager of the branch, who were specifically responsible for the branch's business operations and personnel management. The fifth level was the keeper. There were generally five keepers including cashier, the deputy keeper, silk goods keeper, leather keeper, gold keeper, and counting-house, numbered rooms and other departments, one or two keepers for each department, specifically responsible for the

business of the department. The last level was Liao Gao (瞭高) and salesman. Liao Gao is similar to foreman, primarily tasked with the supervision of sales personnel and the prevention of pickpocket theft. Additionally, they are responsible for the dissemination of information and the entertainment of guests.

Although this management style facilitated the control of the enterprise's development direction and enabled the timely implementation of the business philosophy and market strategy, requirements for the leader's talent and authority were considerable. In the absence of sufficient talent, virtue, and authority to persuade the public, it is possible for various levels to follow perfunctorily and inefficiently. It is evident that Mr. Meng was not confronted with this issue. With Mr. Meng serving as the primary leader, all levels of management from the top to the bottom of the organizational structure operated within their designated authority to fulfil their respective roles. [1]

## ***2.5 Capturing Business Opportunities and Gaining Insight into the Business Situation***

Born in the chaotic times when the Chinese market was being vulnerable to exploitation and fragmentation by foreign businesses, Meng Luochuan has demonstrated resilience in navigating this harsh environment, which can be attributed to his courage in abandoning unfruitful endeavors and capitalizing on opportunities.

There was a period during which the price of imported woven cotton declined, yet the domestic price of raw cotton has been on the rise. The two-way demand and market price of both foreign yarn and raw cotton presented a significant business opportunity. A foreign yarn factory based in India established a branch in Shanghai, China, and the branch manager was Babur, the son of the company's principal shareholder. In the current year, Babur was ambitious and aspired to exert considerable effort in the vast Chinese market. To this end, he sought to gain insight into the activities of prominent merchants in China by consulting with diplomatic representatives in foreign countries, aiming to identify a suitable business partner with whom he could collaborate in expanding the foreign yarn market in China. He then discovered that Meng Luochuan's exceptional business abilities were precisely the qualities he sought in a business associate.

Thus, Babur was able to ascertain Meng Luochuan's intentions and engage in discourse regarding the current state of the cotton yarn market. Following this, the two parties expressed their preliminary intention to engage in a cooperative endeavor. Mr. Meng put forth the proposal to purchase a minimum of 120,000 quintals during that year with two conditions: firstly, the customs duty must not exceed 38 hai guan liang (also referred to as "guan ping liang", a monetary unit of account employed by the Customs in the Qing dynasty) per quintal, and secondly the other party is to be prevented from selling cotton yarn to any part of China to ensure that Refosian can maintain its monopoly and make a package purchase.

The quantity of 120,000 quintals of cotton yarn came as a great surprise to Babur. Ten days later, the two signed a contract. This time, the successful cooperation between Meng Luochuan and the Foreign Yarn Factory in Mumbai, India, was a win-win result that not only made Babur a great success, but also gave Mr. Meng's shops a broad prospect of development.

From this perspective, one of the primary business strategies of Mr. Meng was to identify and capitalize on emerging business opportunities. He maintained that the cloth industry's primary objective is to discern and capitalize on evolving business opportunities, which entails a swift and decisive response, in accordance with the guidance of the business forefather Bai Gui, who observed that "one should be as decisive and unhesitating as a ferocious eagle swooping down on its prey when capturing business opportunities." This approach can enable enterprises to chart a favorable course, pursue profits and generate wealth. This is also the reason why Refosian has sustained its century-long prosperity.

Furthermore, Mr. Meng demonstrated a remarkable aptitude for discerning the nuances of the business landscape and was highly attuned to the evolving needs of customers. The primary objective is to enhance the well-being of the consumer, aligning product development with evolving market dynamics and prioritizing improvements in quality and design. This is a more tangible approach than the current rhetoric of business leaders, who often espouse the importance of consumer rights and the primacy of the customer. In order to maintain a dominant position in the market and withstand the competitive pressure exerted by foreign capital, it is imperative to adhere to the traditional business ethics. Refosian is an

exemplar in this regard. Following several generations of strenuous effort, it has become a symbol of enduring significance in the collective consciousness.

As the adage states, “Know the enemy and know yourself, and you can fight a hundred battles with no danger of defeat.” Mr. Meng similarly placed significant emphasis on peer dynamics. He frequently dispatched individuals attired as customers to various silk cloth shops to ascertain the hues of the merchandise, quotations, prices, and other pertinent details, and then set the price of his own goods at a level below that of the market price of his peers. [2]

## **2.6 Considerate Service and “Courtesy” First**

The primacy of the provision of considerate service and “courtesy” represents another pivotal aspect of Meng Luochuan’s business success.

The high-quality service of “Xiang”-titled shops, provided by sales staff, has established a set of norms and procedures: when customers enter the shop, they will be greeted by the sales staff seated on a high stool in front of the counter firstly, and then be led to the counter where the desired goods are located. Moreover, the language and content of the conversation should differ depending on the customer, as well as the focus of the purchase. For instance, when engaging with a rural individual, it is essential to initiate a discourse on rural matters, recount personal experiences, and so forth. Conversely, when interacting with a younger demographic, it is crucial to initiate a discussion on contemporary trends in fashion, popular cosmetics, and other related topics. When giving introduction, the salesperson should also be mindful of the customer’s psychology, ascertain the contents of his mind and be patient. Once the customer has selected a product, ascertain that the goods are undamaged and free from quality issues firstly, and then determine the size and, if necessary, inquire about the appropriateness of the size to ensure that the material is not wasted. After this, detailed accounting is required for the collected and recovered money, with the recovered money being presented in a neat and orderly manner for customer to retrieve to show courtesy. [4]

Furthermore, each sales outlet was required to appoint a supervisor, whose role is to oversee the staff’s service attitude. In the event that a customer visits the shop and carefully selects goods but

purchase nothing, the supervisor must comprehend the reasons behind this decision, which could be due to the lack of a complete variety of fabric color or thoughtless service. In the former case, the supervisor should report to the shopkeeper with recommendations for improvements. Conversely, the staff in question will be subjected to severe criticism after business operation, and their subsequent performance will be observed.

Furthermore, Mr. Meng has established a complimentary café for customers, where they can engage in conversation, discuss business matters, and partake of free tea while shopping. The tea provided is of the highest quality, comparable to the satin exclusive to Mr. Meng, which is of an unparalleled standard. Even in the absence of a commercial transaction with Refosian, customers will also be offered tea or cigarettes. [1]

Refosian employed a system featuring one salesperson catering to the needs of one customer from the initial point of contact to the final delivery. Its requirements for salesman is to consider all potential avenues for customers to make purchases, as evidenced by its delivery and regular account clearing services for the wealthy and noble. In order to maintain Refosian’s leading position in Dashilan, specific measurements and calculations, material processing, and other convenience service were established. After the period of the Republic of China, Refosian expanded its operations to include the export of goods to international customers. In this manner, Refosian further distinguished itself at that time.

## **2.7 Meticulous System with Appropriate Personnel**

As “personnel” is of paramount importance in any business endeavor, the discernment and effective utilization of personnel are key factors in Meng Luochuan’s business success.

It could be argued that Meng Luochuan is talent-spotter in the business field. He identified a significant number of competent professionals in the commercial sector and initiated a substantial personnel transition at Refosian, thereby establishing the Refosian his own. He recruited a number of capable business talents, including Sha Wenfeng, glasses-wore Wang Si, the old shopkeeper, Qi Pei, Meng Haji Hou, and others. Sha Wenfeng, who demonstrated remarkable leadership abilities, oversaw the construction of Refosian. The old shopkeeper, glasses-wore Wang

Si, assumed the role of goods inspector, earning the moniker “God’s eye.” Qi Pei served as the sales manager and was known as the “Brand.” Meng Jinhou managed shops in Beijing and cultivated amicable relationships with individuals from diverse backgrounds. The aforementioned individuals were instrumental in enabling Meng Luochuan to operate the shop with considerable success, which undoubtedly is inextricably linked to his effective human resource management strategy.

His distinctive approach to management, characterized by innovative concepts and exceptional proficiency, is evident in the “Xiang”-titled shops’ recruitment system, remuneration structure and disciplinary framework. At that time, it was also the inaugural example of its kind.

The “Xiang”-titled shops maintained a rigorous recruitment process for apprentices, which typically involved such four steps as sponsorship, inspection, allocation, the entry ceremony. The aforementioned sponsorship entails the manager of the shop or the shopkeeper recommending candidates for the “recommendation letter” on which name, age, place of origin, cultural level, conduct and other basic information of the recommended are written. Following a comprehensive examination and approval process conducted by the regional manager, the general directorate manager, and Mr. Meng, the recommended is required to complete a voluntary letter containing the character “Xiang.” Furthermore, the recommender is required to provide a written guarantee attesting to the recommended individual’s adherence to the prescribed behavioral standards. The so-called inspection is an interview conducted by the regional manager to ascertain the clarity of the recommended individual’s speech, the accuracy of their facial features, their ability to interact politely and orderly, and the quality of their writing. If all meet the basic requirements, the recommended is presented to Mr. Meng, who makes the final decision regarding their recruitment. The term “allocation” means the unified assignment based on the individual characteristics of the recruits. The most proficient recruits are dispatched to Beijing and Tianjin; the second-best are sent to Jinan; the rest are sent to Qingdao and Yantai; and finally, they are assigned to each branch in accordance with their qualifications upon arrival. The aforementioned “entry ceremony” is, in fact, a ritual in honor of the God of Wealth. The newly-hired individual enters the shop, performs a three-kowtow salute to the God of Wealth, then kowtows

to the manager. Finally, the manager delivers a lecture before the apprentice formally commences their training. [5]

Meng Luochuan consistently demonstrated a commitment to the principles of benevolence and having love for the people, and demonstrated a genuine concern for the welfare of his employees to foster a sense of cohesion and motivation among the staff. Firstly, with regard to remuneration, the remuneration package offered by Refosian was not only higher than the prevailing rates for industrial workers in general, but also higher than those offered by similar organizations within the same industry. By 1935, the highest wage in the industry was RMB15, whereas Refosian offered a wage of up to RMB21.1. Furthermore, Refosian frequently provided bonuses to its employees, with the typical range being RMB10-50 annually.

Furthermore, Refosian has also demonstrated remarkable success in other welfare benefits. In addition to their regular meals, employees were entitled to two special treats per month, and celebrations such as festivals are accompanied by wine feasts. Furthermore, Refosian provided its staff with the opportunity to take holidays, enabling them to visit their families and engage in leisure activities. Each staff was permitted to take a day off in June each year, which was referred to as “official work” (two days for staff in Beijing). Additionally, the Spring Festival holiday lasted for five days, with each person required to work for two days. Furthermore, the costs of travel, entertainment and red-envelope money were offered. Additionally, Refosian placed a premium on the well-being of its personnel, as shown by the consistent engagement of medical practitioner specializing in traditional Chinese medicine, with the consultation fees borne exclusively by the shop. In the event of the use of medication, the shop would reimburse the costs incurred. In order to maintain a neat and tidy appearance, the shop employed a barber on a year-round basis, with each staff member receiving grooming session every five days. Therefore, wages in kind, in fact, outnumber monetary wages.

It is because of appointment of suitable personnel and the provision of competitive remuneration which helped fostered united a unified and dedicated workforce that Xiang-titled shops are able to flourish and expand. [5]

### 3. CONCLUSION

It is evident that Meng Luochuan has achieved considerable success in business, and his business ideas and wisdom are worthy of emulation and serve as a valuable source of insight and inspiration. From the example set by Meng Luochuan, we can discern that: It is not merely feasible, but imperative, to integrate Confucianism and business practices, as the integration is essential for attaining the goal of benefiting the people, as evidenced by the quotation: "If poor, one attends to his own virtue in solitude; if advanced to dignity, he makes the whole world virtuous as well." In the context of the knowledge-based economy and globalization, there is a growing need for Confucian businessmen who possess the requisite knowledge, cultural understanding, credibility, capabilities and responsibility to provide support for the core of our national industry and commerce so as to achieve the great rejuvenation of the Chinese nation. [5]

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