

**From the Teachings of Sages to the
Making of a Happy Enterprise**
The “Family Culture” of
Suzhou Good-Ark Electronics Co., Ltd

**A REPORT PREPARED BY THE
HUMANISTIC DOCUMENTATION GROUP OF GOOD-ARK
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The Concept of “Family Culture”

In the traditional Chinese beliefs of “family” and the “family code of conduct”, “family” is a social unit, through which one can find life-long security and support. In Confucianism, character building embodies self-cultivation, managing the family, governing the state and bringing peace to the world. Family is an important social institution that can unite hundreds of family members to live harmoniously, respectfully and lovingly with each other. They help and cooperate with one another, and when this way of living develops into a social custom of self-sufficiency, it enables the government to rule with very little effort. Such is the traditional Chinese family. It embodies the “family code of conduct” which is defined by the Five Moral Relations¹; the “family tradition” which consists of the Five Constant Values² and the Eight Virtues³. At the core of these “family lessons” are the teachings of Confucius and Mencius. All these are embodied in the “family enterprises” passed down to the future generations through education. Together, these value systems contributed to China’s lasting peace and prosperity.

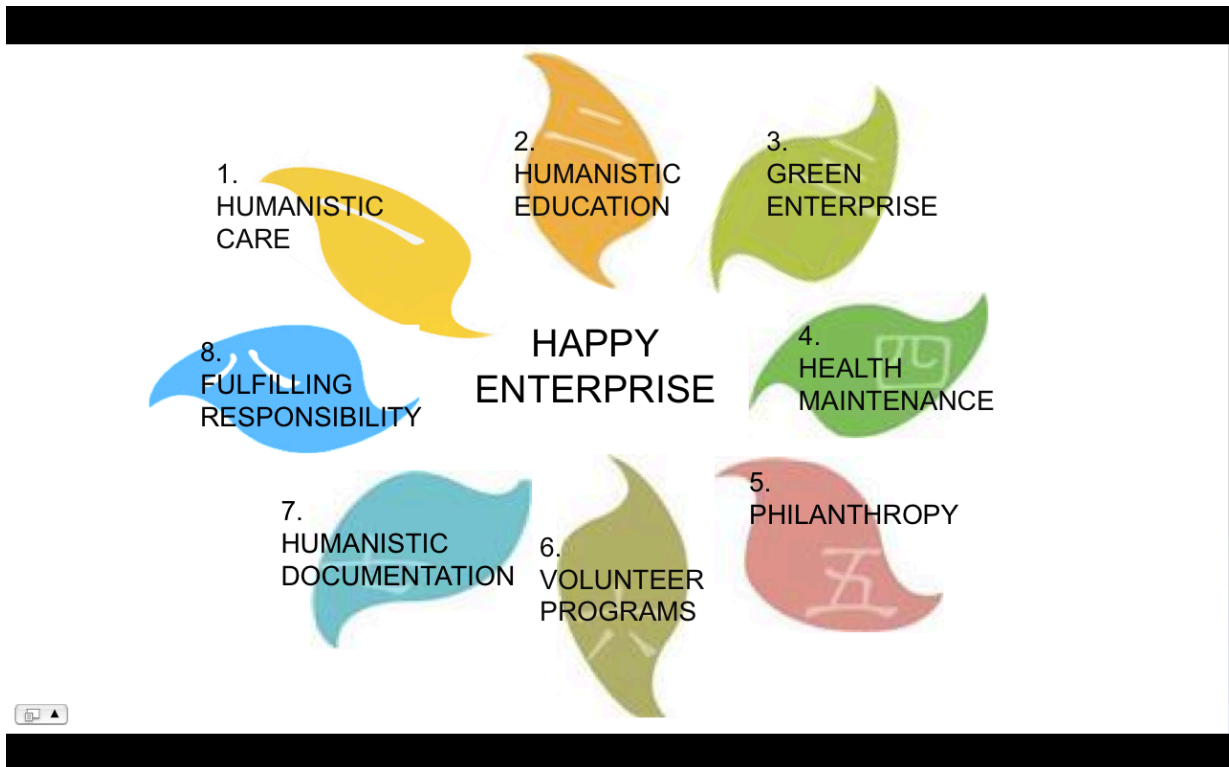
On many occasions, China’s President, Mr. Xi Jin Ping, spoke about the dream of reviving the great Chinese civilization shared by all the Chinese people. He aspired to use all the spiritual richness of the Chinese civilization to transform, educate and benefit mankind. Likewise, the renowned Venerable Professor Chin Kung believes that a business enterprise can inherit the spirit and functions of a traditional family by engaging family values to transform, educate, and benefit all people. Business leaders can be likened to be the elders of a clan who respect, love, help, and take care of their employees, providing them with a sense of belonging, and enabling everyone to treat each other as a member of the extended family. These concepts are now taking root in Suzhou Good-Ark Electronics Co., Ltd., a company in China.

¹ The Five Moral Relationships—Parents love and children are filial; elder siblings show kindred spirit to the younger siblings and the younger siblings return with respectfulness; husband is righteous and wife is supportive; superiors are benevolent and subordinates are loyal; friends are trustworthy among friends.

² The Five Constant Values—benevolence, righteousness, propriety, wisdom, trustworthiness.

³ The Eight Virtues—filial piety, fraternity, loyalty, honesty, civility, righteousness, integrity and shame.

Suzhou Good-Ark Electronics Co., Ltd. is a public-listed company in China that manufactures semiconductor components. Unlike companies that place profit making as their number one goal, Good-Ark prioritizes the happiness of its employees. The company motto states that “the value of a business enterprise is measured by the happiness of its staffs and the appreciation shown by its customers.” In 2009, it laid down 8 modules composed of Humanistic Care, Humanistic Education, Green Enterprise, Health Maintenance, Philanthropy, Volunteer Programs, Humanistic Documentation and Moral Responsibilities, as the basis for building a Happy Enterprise. By 2013, Good-Ark has completed a Chinese management system based on the notion of Family Culture.



1. Humanistic Care—Reviving Trust

Among the 8 modules, Humanistic Care is the foundation and the first step toward building a Family Culture embodied in a Happy Enterprise. In today’s society where trust is visibly lacking, it is essential that we build trust among our employees, treat them even better than our children, and live up to our creditability as their “parents”. In a book called *The Governing Principles of Ancient China*, under the section “Caring about People”, it says: “Good leaders will love the people as if they were their children, and care for them as if they were their own kindred. They grieve for people who are starving and mourn for people who are

toiling in hardship.” In Good-Ark, the management has three roles to play, namely, that of a leader, parent and teacher. Their attentiveness to the roles they play motivate the employees to become responsible beyond the call of duties. Here are some examples:

1. The employees who enjoy the highest status in Good-Ark are the expectant mothers. These mothers-to-be are given special privileges, such as maternal uniforms and softer chairs designed for them to sit on while they enjoy nutritional diets prepared for them. Free books on how to raise a child are given to them, and 100 classes containing 11 themes on women’s virtues and motherhood are specially conducted for these expectant mothers. The company even has volunteers who will ensure their safety to and from the workplace. Employees who are six months pregnant can go to work one hour later, or leave their shifts one hour earlier than their colleagues. Those who are assigned night shifts can apply to work during the day. Behind these policies is the belief that our society will benefit from women who have learned about the important roles they play in a child’s life. Hence, prenatal training should be a primary concern in our company policies.
2. In 2014, Good-Ark devised a new policy. Mothers-to-be who have worked in the company for two years and ten months and attended all the humanistic classes on the virtues of women, and being a good daughter-in-law and a good mother, can apply for a two-year leave and receive a monthly child subsidy. These female employees can return to work when their children reached the full two years of age. We believe in the ancient saying that a child’s personality can be seen by the time he turns three years old, shaped by the habits he picked up from his parents and immediate family members. This is why Good-Ark formulated a policy to allow the mothers-to-be to learn about the meanings of benevolence, righteousness, propriety, wisdom and trustworthiness, so that they can impart these values to their unborn child. A child who is raised in an environment accustomed to filial piety, fraternity, loyalty, honesty, civility, righteousness, integrity and shame will contribute to the well being of our society.
3. Good-Ark established the Loving Daycare Centre to provide a favorable learning environment for children after school, whose parents are both working in Good-Ark. The dedicated teachers teach the children to honor their parents and love Mother Earth.
4. Filial Piety Phone Booths: Every week, employees can make a free ten-minute call to chat with their parents. Good-Ark also encourages its employees to wash their parents’ feet and serve them tea. An employee who once ran away from home wept during a

course when she said: “I ran away from home and did not contact my parents for many years. This course reminded me of how great my parents are and I regret that I was so ignorant and unfilial...Now, I wash the feet of my parents and call them regularly, and my parents feel that I have grown up.”

5. Under the Golden Age Care Program, employees’ parents who are over 80 years old can receive a monthly “filial allowance.” Under the Happy Children Program, employees who have children below age 12 staying at their birthplaces will receive a care subsidy. Also, these employees have annual paid leaves that they can apply to go home to visit their children, with transportation paid by the company. These policies will promote filial piety and also inspire more people to pay attention to the plight of the “left-behind children”. These are children deprived of parental love for long periods because both parents are migrant workers. The program enables the children to see their parents regularly and receive appropriate education, thereby preventing unhealthy psychological development.
6. When the Family Culture is set in motion, Good-Ark chose to trust every single employee. The 2,300 employees feel respected and trusted. They no longer need to log in their arrival and departure time, effectively allowing the punch card machine to retire.
7. Under the Humanistic Care module, there are many programs. Among these are education subsidies given to the children of employees who are in kindergarten, high school, and at university. More than 80 senior employees who joined the company since its inauguration are still working there, save those who have retired. To date, 68 employees have served the company for over 20 years; 85 employees have worked there for over 15–20 years; and 217 employees have served the company for more than 10–15 years. Good-Ark’s employee quit rate is below 4.5%, while that of its peers is close to 10–15%.

For many years, Good-Ark has maintained a relatively high employee satisfaction rate, and its employer–employee relations are increasingly cordial. The company or the factory does not need a Security Office, and the Service Department Office now moved into the guardhouse, effectively reducing security guards by 50%. Administrative staffs have replaced some of the guards. Senior managers volunteered to move into smaller offices and stay closer to the production lines, while a few departments were combined to share offices. Managers with cars provide a Loving Car Pool Service to assist employees who need transportation. The Happy

Hair Salon gives the opportunity to employees and managers who are skilled in hair cutting to do haircuts for employees.

For two consecutive Chinese New Year periods, customer orders saw a linear increase, but Good-Ark still encouraged frontline employees to return to their hometowns before Chinese New Year to fulfill their filial duties, and let the management to stand in and complete the orders. The Management said: “In serving our family, the word ‘tiredness’ does not exist. It is our responsibility.” Companies, media and academics who visited Good-Ark could see the workers’ radiant, smiling faces and feel the deep sense of love and care they have for each other.

In recent years, Good-Ark has canceled numerous management systems because we trust our employees in the manner in which we trust our children. Thinking about our children in a positive way, punishment systems that are incongruent with the Family Culture were abolished. In Good-Ark, the term “change”— to “transform and change”, “educate and change” —is frequently used.

In 2013, the company’s profit increased by 108% from the previous year, while the stock market value increased by 42.06%. This is a testimony to the fact that if we put the right frame of mind to cultivate employees’ ethical character until it takes root, they will work together without asking for anything in return. Profits will come naturally to the company, like a tree bearing an abundance of fruits.

2. Humanistic Education—Elevating the Mind

Good-Ark operates on the premise that “ethical concerns take precedence over profit-making.” How will our employees able to accumulate more wealth and harvest greater spiritual richness? We rely fundamentally on Humanistic Education. Humanistic Education is the sum total of all the sages’ teachings and lessons concerning morality, ethics, philosophy, science, and the law of cause-and-effect. When the employees understand how things work, they will find true happiness. This is why Suzhou Good-Ark treats humanistic education for all its employees as a very important mission. Working days have been reduced from six to five per week, with one extra off day to be used for studying. The Management of Good-Ark hopes that the staffs will learn to be respectful toward their parents and elders, and recognize the right

ways to raise children, and be civic-minded and serve others.

This experience can open the door to understanding the true meanings of life. The purpose of the Great Learning is to “illuminate illustrious virtues, be close to the people, and always abide in the ultimate goodness.” As a result, the first to benefit from these classes are the parents and children of our employees. After each course, our employees learn how to cultivate oneself, manage their family, and understand governing matters and work toward peace. The People’s Daily wrote that: “Confucius is like a bugle calling the descendants of emperors Yan and Huang to return home. He is the cultural connection for the sons and daughters of China. He lays the core values for Chinese society.” When one country, one race, one social organization and one individual group find this connection, we believe that this country, its people and the communities will be inclined to move toward positive development.

3. Green Enterprise —Loving and Protecting Mother Earth

1. From the top managers to the general employees, those who drive or ride a motorcycle or battery-operated vehicle, will cut down one day of driving or riding; and those who are out on assignment will bring their own cups, toothbrush and toothpaste as a way to save resources.
2. In 2011, Good-Ark started the “Operation Empty Plate” that encourages employees to finish all the food on their plates. Now, 90% of the 2,300 employees are able to achieve this.
3. Healthy low-carbon meals are served in the canteen thrice a week, as compared to the initial once a week plan. Also, more than 100 employees have quit smoking.

4. Health Maintenance— Staying Fit

Suzhou Good-Ark is particularly concerned about the health of its employees. A clinic is set up to collect the personal health data of each employee. As a result, Suzhou Good-Ark received the Suzhou Model Enterprise of Health for two consecutive years. It also received another award by World Health Organization (W.H.O.), qualifying Good-Ark as a “Healthy Workplace 2013.”

5. Philanthropy—Benefiting the Country and its People

6. Volunteer Program—Caring for Others

More than half of the Good-Ark employees have joined the volunteer corps to service the communities. They visit nursing homes and children welfare homes regularly. They treated the disabled children like their own offspring, making dumplings and planting flowers with them. Some children who refused to speak began to open up. Mentally disabled children who had violent behavior mellowed and ran up to our volunteers to call them “mommy, daddy!” The kindness of Good-Ark volunteers moved and influenced more than 10 Suzhou companies to join hands and form the “Love Alliance”. They take turns to take care of the elderly and the children. The aspiration of Good-Ark is that “the world will become more beautiful because of us.”

8. Humanistic Documentation— Passing Down the Good Practices

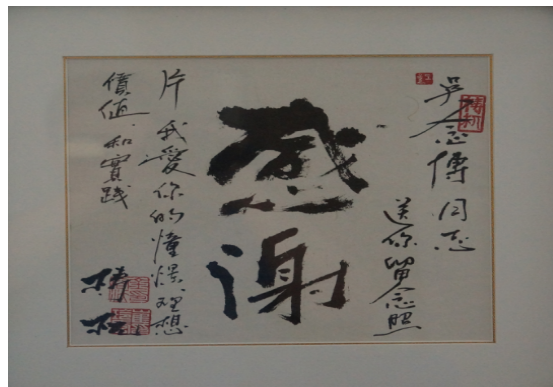
Good-Ark hopes that the ambition to establish more Happy Enterprise role models will be shared by all commercial and non-commercial corporations in China and in the world. When Good-Ark started employing a humanistic approach to run the company, the history and experience were recorded so that they can share this dream with anyone who wants to join them. To date, more than a thousand local and overseas corporations have visited Good-Ark, and a few hundred of them have adopted our approach. In addition, the economic and academic forums where Mr. Wu Nian Bo, Director of Good-Ark, had given speeches, also endorsed Good-Ark’s management system. Here are some testimonies:

- i) **Moon Kook Hyun**, the U.N. Environmental official said: “I’ve spent over 40 years dealing with Western management principles, but after listening to Mr. Wu’s sharing, I believe his ideals exemplify the humanistic values of Asians that should be promoted to Westerners. Given the single-child phenomena in Korea and China, the operational approach of Good-Ark can not only solves current problems, but it can very well prevent and resolve future crises.



ii) On September 6, 2013, **Mr. Ma Pei Hua**—Vice Chairman of the Chinese People’s Political Consultative Conference National Committee (CPCCC); Standing Committee Vice Chairman, Central Committee of the China National Democratic Construction Association (CNDCA); Vice Chairman of the All-China Federation of Trade Unions (ACFTU, part time); and Vice Chairman of the National Association of Vocational Education of China (NAVEC)—visited Good-Ark and said: “While a company with cutting-edge technology like Suzhou Good-Ark Electronics produces world-class microchips, it has also touched the hearts of many. Great respect is due to the Chairman, Mr. Wu, because he is not just an entrepreneur. He is a man who promotes cultural and ideological progress. Sustainable development of our current society requires the cooperation of the people. By gaining their support, we can expand our influence in the world and secure a brighter future. Hence, we should not focus only on ourselves; we ought to think more about the environment and society. By prioritizing the benefits of the people, I believe that we would lead truly meaningful lives.”

iii) **Professor Larry Donnithorne**, United States Military Academy at West Point.



iv) **Professor Kim Young-Oak**, a renowned Korean philosopher and researcher of Asia's ancient cultural wisdom, dedicates himself to propagating this culture in Korea and Asia. His commentaries of ancient Chinese classics like Lun Yu (Analects), Dao De Jing (Lao Zi), Xiao Jing (Doctrine of Filial Piety) and Zhong Yong (Doctrine of the Mean) have initiated a surge of modern academic renaissance and swept through Korea. Professor Kim wrote:

Dear Mr Wu,

In my life, I have never met a man of integrity who is as kind and sincere as you. Your aspirations and achievements are unsurpassable. Your presence restores my full faith in China. Your vision is far-reaching and more valuable

than any worldly pursuits. You are my true friend. I will complete my Commentary on Lao Zi and Commentary on Zhuang Zi this year, after which I eagerly await my spiritual advancement.

Yours faithfully,

Kim Young-Oak,

August 8, 2013 (morning), Seoul, Korea



v) **Dr. Nasaruddin Umar**, Deputy Minister of Religious Affairs, Indonesia,
February 17, 2014.

I have visited many countries and organizations, but this visit made me cry. Why? I felt that many religious leaders have only talked about it, but they didn't do it. But here I noticed that, Mr Wu (Chairman of Good-Ark), you are practicing humanistic care and education. I am very surprised. This is something I have not expected. In actual fact, I used to think that Chinese only love money, money, and money. But this trip helped me understand Chinese philosophy.

Today, I changed my mind about China. From the beginning to the end, from this morning until now, I have not heard the word "punish" being used. Instead, Good-Ark used "transform and change" to touch the hearts of their employees. You help them to change themselves, contribute to the company and the society. Your company is sacred. The whole world needs you, Mr. Wu. You must share your experience with the world. I hope you can donate your time to the people. I will share my experience with our President, and also to my colleagues in the cabinet.

Happy Partnership and Happy School Program

Professor Chin Kung said: If there are 20 social organizations in China that can implement the Family Culture, they will be able to influence and motivate many businesses to do the same. This will increase people's confidence in our sages. In view of this ideal, Suzhou Good-Ark devised plans to build partnership, not only with business enterprises and organizations in China, but also with select businesses and organizations from all over the world. Together, they would establish the "Chengjing Happy Partnership"⁴, each practicing Family Culture in their respective areas. They will put traditional culture into practice and shoulder social responsibilities hand-in-hand.

To be a member of this partnership, the owner of the business must first correct any behavior that is not conducive to it. Good-Ark will guide each corporation on a one-to-one basis. Past experience showed that once these corporations have established confidence in this Happy Enterprise, the owners or heads of the corporations will correct their die-hard habits, such as smoking and drinking; getting rid of 30-year-old bad habits, or reconciling marriages that went sour. Followings are three testimonies from our partners:

Mr. Lin Zhao Yang, Chairman of Chongqing Endurance Industrial Stock Co., Ltd.

In 2013, our company established the "Happy Partnership" with Good-Ark to learn about traditional culture. I began treating my employees as family members and expressed my sincere gratitude and apologies to my loyal staff of 30 years. Employees above 60 were given cash gifts as part of our care funds. Previously, I felt that it is the greatest shame for a man to do household chores. Now, I not only help my wife with these chores, but I also inspire my subordinates to clean their offices by doing so myself.

In the past, I spent five years and over RMB 10 million to employ two Japanese experts to promote TPS Management. Sadly, the results were not effective. However, I could see my employees transforming from passive to pro-active workers under the influence of the Family Culture. In 2013, the improvement proposals of every department had more than doubled those

⁴ *Cheng* means 誠 (Sincerity) and *Jing* means 敬 (Respectful).

of 2012. By January 4, 2014, the total proposals received were close to the total received in 2013. We were supposed to spend USD 300,000 to purchase new facilities to ensure the quality of our products. Now, our earnest and responsible employees formed an Improvement Team and modified our old machines to manufacture high-quality products, helping us saved over USD 300,000.

Mr Zeng Xian Jing, Vice Chairman of Quantum Hi-Tech (China) Biological Co., Ltd.

The descendants of Mr. Zeng Guo Fan have managed their business with the family motto “the filial, the diligent, and the forgiving are most auspicious.” Mr. Zeng and his team know the health benefits of their products and have been consuming them for over a decade. However, given all the added costs brought about by extra ingredients and promotions, they were unable to popularize their products in many households to benefit the public. It was not until they heard Good-Ark’s “A Happy Enterprise and the Practice of Social Responsibilities Report” and visited Suzhou Good-Ark that they began to understand the real purpose of a business enterprise.

Now, the company aims to manufacture products that can benefit all people, be it parents or those with specific health needs. They got rid of unnecessary packaging and promotional strategies, and were left with the product in its purest state. The product’s initial price of RMB 1,300 dropped by 85%, and is now sold in the market for RMB 198. Chairman Zeng said, “We must advocate Good-Ark’s ideals of a Happy Enterprise by providing health benefits to all the parents in the world and bringing blessings to more people. We hope to give many more children the opportunity to fulfill their filial duties.”

Zhang Zhong Liang, Chairman of the Zhejiang Zhongxing Precision Industry Co., Ltd.

The top-level executives and team leaders of Mr. Zhang’s company took turns to visit Good-Ark. They have been there for over ten times, and Good-Ark entrusted five teams to guide them. CPTL has currently replicated the 8 modules and begun practicing them in their company, training over 180 volunteers. The changes in Chairman Zhang’s conduct not only influenced all his subordinates, but it also transformed his family. At the Traditional Culture

Forum organized by Suzhou Good-Ark, both Mr. Zhang and his wife took a 90-degree bow at each other. Mr. Zhang cried as he repented his wrongdoings to his wife, so much so that his sincere confession touched all the audience, and his daughter who was there witnessing the whole process also changed her attitude toward Mr. Zhang.

Mr. Zhang's son, Zhe Rui, who returned to China for holidays, joined him and the Happy Volunteers to visit Da Xin County's School of Hope in the Guangxi province. Zhe Rui's initial unwillingness to participate dissolved when he saw the children treating instant noodles as a luxury. Some were even eager to save the food for their grandparents. This made him regret his wasteful behavior in the past. Good-Ark volunteers educate the left-behind children on filial piety, encouraging them to show gratitude to their parents for supporting them. Many children were so touched that they cried. Zhe Rui also showed appreciation toward his parents by writing, "Dearest Dad and Mum, I would like to apologize to you. I know that I have been disrespectful; I was often defiant and quarreled with you. This visit has truly purified my mind." At the end of the letter, he wrote, "The Guangxi trip made a great impact on my life."

In China, many professors are capable of teaching many graduates, while many entrepreneurs can skillfully manage tens of thousands of employees. However, they do not know how to educate their own children. The way in which the Happy Enterprise works is rooted in self-cultivation. As long as the entrepreneur practices what he preaches, he would be able to enhance his relationship with his family and improve his children's education. If parents uphold the right values, they will exert a positive influence on their wealthy offspring as well.

Apart from this, Suzhou Good-Ark also collaborated with the Topical Issue Unit of the Education Ministry – People's Daily U.S. Edition, and the Da Xin County, in setting up the "Happy School Program" the includes the eight modules of the Family Culture. The ultimate aim is to publicize the issue of left-behind children, exploring ways to solve the problem, and transforming these children into Happy Children. By quitting smoking, the headmaster of the Nationality Secondary School of Hope in Da Xin County has inspired teachers and 2,000

students to work together to turn the school into a smoke-free environment in the span of a few months. The headmasters of three local schools were also influenced to kick the smoking habit. Many children in the School of Hope used to complain about their parents' absence, but after being taught filial piety, they learned to be grateful to their parents. The students and teachers willingly joined the volunteer corps.

9. Fulfilling Responsibilities—Happy Employees and a Happy World

The wish that is very dear to Suzhou Good-Ark is that each of their 2,300 employees can become a happy model employee who is also a good child, a good parent, a good son-in-law or a good daughter-in-law, a good social volunteer, a good employee, a good manager, a low-carbon lifestyle practitioner and a bearer of ancient wisdom. Just imagine more than two thousand role models leading China to practice the Family Culture until they influence every enterprise and every employee in the world. If we can achieve this, we will realize the dream of the harmonious world that serves the common interests of all the people.

The Vision of Good-Ark: Sharing the Sages' Teachings with the World and Bringing Happiness to Mankind

The management guru, Peter Drucker, reflected upon his life and revealed that he was interested in studying companies and their management styles because he was conscious of the fact that business organizations are replacing conventional villages and tribal groups as the organic communities in an industrialized society, effectively uniting individuals with the communities and the societies. Suzhou Good-Ark advocates the traditional Chinese Family Culture as the ideal, approach, and way to manage its company, serving as a testimony to Mr. Drucker's thesis.

Today, "Sharing the teachings of sages with the world and bringing happiness to mankind" has become the common vision and mission of every Good-Ark family member. Without doubt, the journey toward building a Family Culture in a business enterprise is by no means smooth sailing and problem-free. We need in-depth study of traditional culture to address the issues that we face. The minor achievements we attained could be attributed to the blessings of our ancestors and the sages. We will continue to prove that the value system of a business enterprise can overcome further obstacles; and its missions can soar higher to benefit the

country, its people and the world. Good-Ark is exerting a positive influence in leading more and more businesses and organizations to take up social responsibilities and to propagate the culture of sages to the world, to benefit mankind.

Thank you.

Report prepared by the Humanistic Documentation Group
Suzhou Good-Ark Electronic Co., Ltd
September 30, 2014