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Penetration of Mazu Cultural Values into the Governance of Chinese Family Businesses

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Abstract: Mazu culture shapes how family firms in Fujian, Chaoshan, and Southeast Asia handle governance. Between March and August 2024, our team carried out fieldwork at six firms in these regions. Using a multiple-case method, we traced how Mazu values enter business structures through three channels: ethical internalization, institutional embedding, and network diffusion. Generational shifts turn Mazu belief from a personal moral restraint into a cultural symbol.

Keywords: Mazu culture; Family business; Corporate governance; Generational succession; Business network

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1. Problem statement

Family firms make up the bulk of Chinese enterprises [1,2]. Existing work explains Chinese business governance mainly through Confucian culture, stressing family ties and relationship-based management [1]. This line of thinking overlooks the influence of maritime folk beliefs on coastal Chinese merchants and cannot explain why some Chinese firms build trust beyond kinship and geography in cross-border trade [3].

Mazu worship began in Putian, Fujian, during the Northern Song dynasty. Today it claims over 300 million followers worldwide [4,5]. Its core ideas—building virtue, doing good, and universal love—run deep in coastal Southeast China and among overseas Chinese in Southeast Asia [6,7]. Field notes show that major decisions at some family firms overlap with Mazu rituals, and owners translate Mazu ethics directly into management rules. Current research on the intersection of Mazu culture and business governance remains thin and lacks systematic analysis of mechanisms [8].

Research questions: Through what channels do Mazu values enter family business governance? How do they affect succession and business networks?

2. Theoretical framework

Cultural embeddedness theory holds that economic action sits inside social relations and cultural structures [9]. Mazu culture, as a deep cultural structure, influences family firms through value internalization and institutional logic. Social capital theory looks at how trust, networks, and norms drive collective action [10]. Mazu worship communities form a special kind of social capital; shared values cut transaction costs [11].

From these theories, we propose three channels: ethical internalization, institutional embedding, and network diffusion (**Figure 1**).

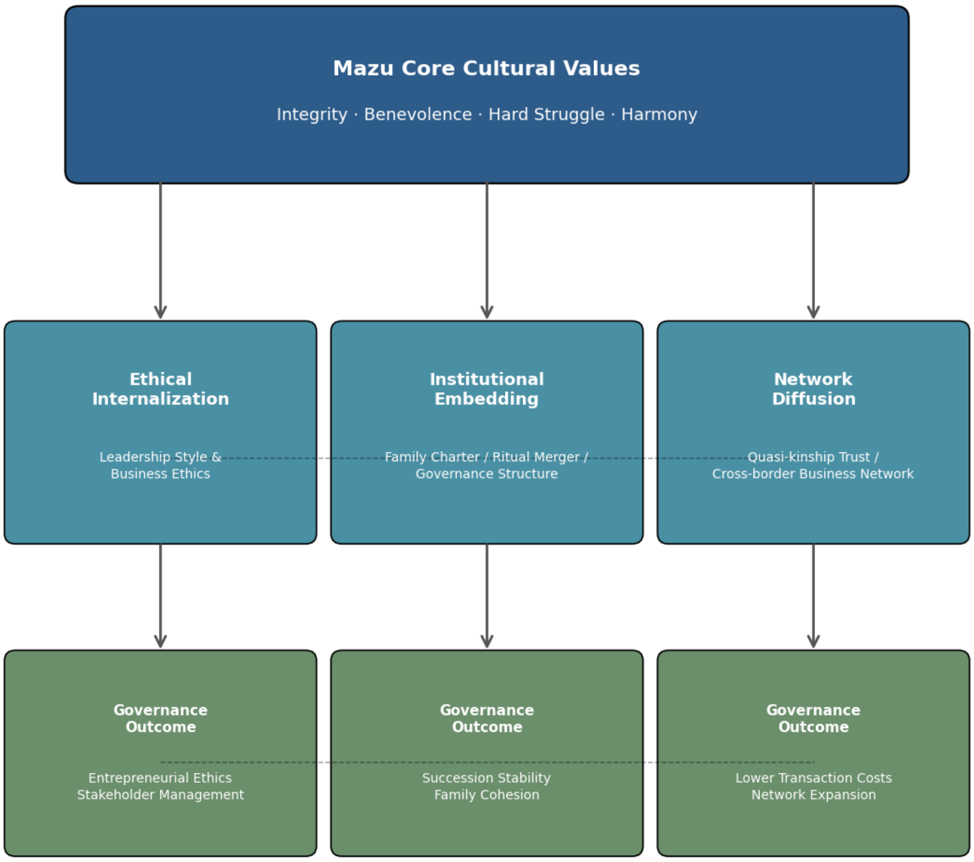

Figure 1. Channels through which Mazu cultural values penetrate the governance of Chinese family businesses

3. Research design

This study used a multiple-case embedded design [12]. Six firms were selected—two each from Fujian, Chaoshan, and Southeast Asia. Selection criteria: core family members practice Mazu worship; the firm has operated for at least twenty years; it has undergone or is undergoing generational succession.

Fieldwork ran from March to August 2024. Data came from: semi-structured interviews with 23 people (41 hours of recordings); secondary documents totaling 120,000 Chinese characters; and three periods of participant observation. Analysis followed thematic analysis procedures. See **Table 1**.

Table 1. Profile of case firms

Code	Region	Industry	Year founded	Generation	Annual revenue
Case A	Putian, Fujian	Shipping & logistics	1992	First generation	420 million CNY
Case B	Quanzhou, Fujian	Shoe-material manufacturing	1989	Second generation	180 million CNY
Case C	Shantou, Guangdong	Import & export trade	1975	Third generation	230 million USD
Case D	Chaozhou, Guangdong	Food processing	1986	Second generation	110 million CNY
Case E	Singapore	Maritime services	1962	Third generation	650 million SGD
Case F	Penang, Malaysia	Real-estate development	1982	Second generation	320 million MYR

4. How Mazu values enter governance

4.1. Ethical internalization

Mazu values enter the owner's moral outlook through family upbringing and directly shape management style and commercial choices. See **Table 2**.

Table 2. Governance expressions of Mazu cultural values

Value	Governance area	Specific practice	Cases
Integrity	Commercial decisions	Oral agreements preferred to contracts; absorbing raw-material price hikes to honor deals	C, E
Benevolence	Employee management	Medical insurance for sailors' families; education funds for staff children; no layoffs during the pandemic	A
Hard struggle	Strategic decisions	Borrowing to expand during a crisis; diversifying into unrelated sectors	B, D
Harmony	Community relations	Donating to temple repairs to settle land disputes; hiring village workers	D

Case A treated employees as family, refusing layoffs during 2020–2022 at an added labor cost of roughly 3.7 million yuan. Case C absorbed a 15% raw-material price increase to honor a contract, then received repeat orders for three years. Case E turned down a lucrative but legally gray shipping contract; the owner cited Mazu ethics passed down in the family.

The Mazu spirit of hard struggle drives risk-taking. Case B borrowed heavily to expand during the 2008 financial crisis and doubled in size when orders rebounded in late 2009. Case D's second-generation leader diversified into property and finance within two years of taking over, straining the core business and forcing a retreat in 2021. The Mazu work ethic needs balancing with modern risk controls [13].

4.2. Institutional embedding

Mazu values do not stay at the personal level; they enter governance through ritual and written rules [14].

Case A shuts down every year on the twenty-third day of the third lunar month for Mazu's birthday, holding management meetings near the temple. Case C wrote Mazu ethical clauses into its clan genealogy, banning gambling and usury investments. Case F's family charter earmarks ten percent of profits for charity. These arrangements give informal morality the force of formal rules. See **Table 3**.

Table 3. Main forms of institutional embedding

Form	Content	Function	Cases
Ritual merger	Management meets at Mazu temple before major decisions	Cuts negotiation costs inside the family	A, E
Family charter	Mazu ethics written into genealogy or written rules	Restrains family member behavior	C, F
Spatial symbol	Mazu image placed in boardroom	Reminds decision-makers of ethical duties	E

4.3. Network diffusion

Mazu identity builds commercial trust that goes beyond blood and native place, becoming a key link in Chinese business networks overseas.

Shared worship acts as a trust signal. Case E met a Thai Chinese partner at a Bangkok Mazu temple; most side agreements were oral. Case D settled a payment dispute with a Malaysian distributor through the Penang Mazu temple council in two weeks, avoiding international arbitration fees.

Three mechanisms lower costs: ex-ante screening—worship status signals moral standing and cuts due-diligence work; ex-post monitoring—the shared community creates a reputation network where default brings moral censure; and dispute resolution—temples and chambers offer informal mediation.

4.4. Generational differences and boundary conditions

See **Table 4**.

Table 4. Cultural change across generations

Generation	Role of belief	Characteristics
First generation	Moral restraint	Personal faith directly guides business choices
Second generation	Cultural symbol	Family tradition marker; partly instrumental
Third generation	Brand resource	Material for corporate culture or brand stories

Founders treat Mazu belief as a personal moral anchor. The second generation splits: Case C's third-generation leader turned it into a sense of cultural mission, while Case B's overseas-educated second generation treats it as a family emblem, clashing with his father in 2023 over canceling the annual temple visit. Schooling abroad weakens the belief from moral restraint to cultural symbol [15,16].

Place matters too. Firms in Fujian and Chaoshan, close to Mazu's birthplace, blend worship and governance more tightly [17]. Southeast Asian Chinese firms, operating in plural societies, use Mazu culture more as an identity anchor and network tie than as an internal governance tool.

5. Conclusion

Mazu culture enters family business governance through ethical internalization, institutional embedding, and network diffusion. It produces employee-centered management and honesty-bound commercial choices; ritual-merged decision-making and family charters strengthen succession stability; and quasi-kinship trust built on Mazu identity lowers cross-border transaction costs.

Two boundary conditions stand out. Geographic proximity to Mazu's birthplace deepens penetration [17]. Generational gaps may break cultural transmission, as second-generation leaders with foreign schooling turn Mazu belief from moral restraint into a cultural symbol [18].

Chinese family firms should institutionalize traditional resources—using family charters to fix core values—while installing modern governance to balance traditional ethics with commercial efficiency.

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