

Nottingham Trent University Graduate School
Business, Law and Social Sciences

EXECUTIVE LEADERSHIP IN CHINA
AN INVESTIGATION INTO THE LEADERSHIP STYLES OF
CHINESE EXECUTIVES WORKING FOR AMERICAN VENTURES
IN MAINLAND CHINA

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ABSTRACT

Leadership and culture are complex fields. Some researchers assert that the transactional-transformational leadership paradigm is universally effective across cultures; whereas, some argue that specific culture traditions and norms, interaction between leaders and followers, as well as core value and belief systems are bound to differentiate leadership styles. It is realized that all these suggestions are subject to challenges and criticism. Adopting a realist philosophy and a case study strategy, this study embodies both qualitative and quantitative perspectives though the quantitative material has been used as an adjunct to the case study interviews rather than as a representative and random survey. Materials have been obtained from sixty five Chinese and American executive level managers within medium to large sized wholly American-owned companies of electronics industry in mainland China.

This study argues that leadership seems to be oversimplified in Bass' two-factor theory since there are a number of flaws that exist within the literature. The case analysis indicates that the leadership styles of Chinese and American executives can be both transformational and transactional. However, the findings suggest that American executives generally exhibited obvious transformational leadership, but also transactional contingent reward; conversely, Chinese executives displayed modest transformational leadership and more transactional management-by-exception (active). Leadership styles and effectiveness are perceived by both Chinese and Americans to be rather situational. Divergent or contradictory underlying assumptions about people and organizations between cultures consequently lead to misinterpretation and incomprehension of transactional and transformational leadership between Chinese and American leaders.

This study has also shown that the transactional-transformational leadership theory is, generally applicable, but is inadequate to explain all the differences and similarities between Chinese and American executives. This is the first study to discover micro and perceptual leadership styles of Chinese leaders and macro and rational leadership styles of American leaders. The identification of Chinese-American leadership differences and similarities and special cases provide insights for understanding the

dynamic process of leadership. The findings additionally suggest that the probable causes become more complex when the cultural causes are overlaid by a number of situational causes leading to leadership differences, but not previously given much attention in the literature. Nevertheless, due to the influences of corporate culture and American (or Western) management theories, the probability of leadership convergence has been highlighted. Lastly, this thesis proposes a dynamic Yin Yang model of admired leadership styles for convergence and adjustment of leadership styles based upon situation, context and time.

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LIST OF ACRONYMS

CPM	Character and moral, Performance, and Maintenance
CR	Contingent Reward
EHS	Environment, Health, and Safety
FDI	Foreign Direct Investment
HR	Human Resources
GLOBE	Global Leadership and Organizational Behaviour Effectiveness
IC	Individualized Consideration
II	Idealized Influence
IM	Inspirational Motivation
IS	Intellectual Stimulation
LF	Laissez-Faire
MBEA	Management-By-Exception (Active)
MBEP	Management-By-Exception (Passive)
MBO	Management by Objectives
MBTI	Myers-Briggs Type Indicator
MLQ	Multifactor Leadership Questionnaire
PL	Paternalistic Leadership
PRC	the People's Republic of China
QDA	Qualitative Data Analysis

Chapter 1 INTRODUCTION

This chapter presents an overview of the thesis. It begins by briefly considering the areas of literature that have been reviewed in this study thus introducing the main concepts of leadership styles and probable variables influencing leadership styles. The aim and the principal objectives of this study are discussed and a brief overview of how materials have been collected and analyzed is introduced. It also provides a guide to the overall thesis by outlining the structure of subsequent chapters.

1.0 Overview of Existing Knowledge

Considerable research on leadership style has been done in a variety of disciplines, and in recent years, the theory of transactional and transformational leadership initially developed by Burns (1978) and further refined by Bass (1985) has been a widely researched topic. The theory of transactional and transformational leadership is primarily concerned with the relationship between leaders and their immediate followers. Burns (1978) indicated that transactional leadership entails an exchange between leader and follower, and transactional leaders motivate followers through contingent reward satisfying the current needs of followers. However, transformational leadership stated by Bass (1990) differs from transactional leadership in that it motives followers to performance beyond expectations. Bass (1997) asserts that there is universality in the transactional-transformational leadership paradigm across cultures, and transformational leaders can change organizational culture as well.

There is an ongoing debate about the impact of globalization upon the national dimension; while some argue that national characteristics and national effects continue to matter (Scholte, 2003). According to some researchers, specific cultural traditions and norms are bound to differentiate leadership styles (Hofstede, 2001; Trompenaars & Hampden-Turner, 1998). Hofstede (1980, 2001) explained culturally based value system as comprising five dimensions; whilst, Trompenaars and Hampden-Turner (1997) classified cultures with three levels: national, organizational and professional culture. Nonetheless, the approach of cultural differences that uses

surveys to identify the bi-polar construct of cultural differences is also subject to challenges and criticism.

Sparrowe and Liden (2005) and Cole, Schaniger and Harris (2002) claim that interpersonal relationships between leaders, subordinates, and co-workers constitute an interconnected social system that operates in teams and organizations. Grint (2000) also states that the essence of leadership is followership, and leadership only exists in the interaction between leaders and followers. The linkage between leadership styles and followers' expectations along with cultural influences has been examined by some researchers (Hofstede, 1980b; Hofstede, 1993). In this sense, then, followers' expectations with different cultural orientations may influence the leadership styles that their leaders should undertake.

Moreover, some suggest that an individual's behaviour is stimulated by his or her core beliefs (Rokeach, 1973; Russell, 2001; Schwartz, 1994). Research results have shown that differences in leaders' value systems result in different leadership styles (Krishnan, 2001, 2004; Sarrors & Santora, 2001). In addition, transformational leadership styles have been examined to be most closely related to certain personal value orientations, and transformational leaders indeed have some identifiable patterns in their value systems.

In summary, it has been an on going debate whether transformational leadership is universally effective across cultures. A number of researchers have argued that national culture, organizational culture, interpersonal behaviour, as well as leaders' core value and belief systems are bound to differentiate leadership styles. In this sense, these relevant research and theories probably provide some explanations of why leadership styles are different.

1.1 Overview of the Study

Given the problems and undeveloped issues highlighted with the existing leadership literature, the aim of this study is to explore the leadership styles of Chinese executive level managers working for American ventures in mainland China. More specifically then, there are three principal research objectives. They are:

- To discover any major differences in leadership styles between Chinese and American executive level managers in mainland China
- To ascertain the causes of the differences in leadership styles between Chinese and American executive level managers in mainland China
- To investigate how the differences of leadership styles between Chinese and American executive level managers in mainland China are influenced by cultural differences between the Chinese and the American as experienced in multi-cultural organizations

In order to address the research aim and objectives and contribute to the gaps in the existing literature, this study has adopted a realist philosophy and a case study strategy. As a realist case study, the research reported here embodies both qualitative and quantitative perspectives though the quantitative material has been used as an adjunct to the case study interviews rather than as a representative and random survey. In the general level, the reasons for the combination are to capitalize on the strengths of two approaches and to compensate for the weaknesses of each approach. Critical-incident interviews have been employed for qualitative data collection; meanwhile, Multifactor Leadership Questionnaire (MLQ Form 5X-Short) has been adapted to collect quantitative data. The questionnaire survey was used to triangulate the interview material but not specifically to make population generalizations.

Purposive and snowball sampling strategies have been adopted to locate appropriate respondents. Three areas of mainland China have been chosen as the centres: Beijing Municipality, Yangtze River Delta, and Pearl River Delta that are currently developing rapidly with strong economic infrastructures. A total of sixty five respondents were interviewed. They were Chinese and American senior managers of various levels in various functions, who were responsible for the large segments or functions of the organization or the whole organization. These organizations were medium to large sized wholly American-owned companies of electronics industry in mainland China, and were listed in the Fortune top 500 American companies. The focus on a specific sector has the major benefit of controlling a major variable but has the acceptable cost of limiting the generalizability of the study.

Comparisons of leadership across different cultures are of considerable theoretical and practical importance, and this study has made a progress in this field of inquiry. This thesis has added to the leadership literature by demonstrating the significant differences and similarities in leadership styles between Chinese and American executives. This study has also provided a comprehensive view on cultural and situational causes leading to these differences and similarities, especially, some of probable causes identified in this research were not previously given much attention in the literature. In addition, this study has been able to provide practical guidelines for both Chinese and American executives for their leadership and business success in mainland China.

1.2 Structure of the Thesis

This thesis consists of seven chapters, and the structure is as follows. Chapter 1 is the introduction which concludes overview of the existing knowledge, overview of the study, and the structure of the thesis.

Chapter 2 reviews the literature relating to the main concepts and conceptual framework. The literature of leadership theories, in particular, transactional-transformational leadership theory, is explored, and the literature of cultural constraints in leadership styles, interaction between leaders and followers, and core value and belief system is also reviewed. Moreover, problems and undeveloped issues relating to these concepts are discussed in this chapter.

Chapter 3 considers the methodology and methods employed in this study. It begins by summarizing the aim and objectives of the study. This is then followed by an explanation and justification of the research design, that is to say the research philosophy, research strategy and approach, and research methods and tactics are discussed. How qualitative and quantitative data were collected and how they were analyzed is presented, and both strengths and weaknesses of each research method and tactic are also discussed. The final part of this chapter is concerned with research ethics.

Chapter 4 explores in detail the differences and similarities in leadership styles between Chinese and American executives. A number of themes that pervade the analysis of the case materials are considered in this chapter. These themes relate to the micro and macro leadership styles, perceptual and rational leadership styles, as well as transactional and transformational leadership styles. Many of issues relate closely to these leadership styles are discussed in this chapter. In addition, this chapter also provides an elaboration of the similarities in leadership styles between Chinese and American executives.

In chapter 5, a variety of probable causes leading to the differences and similarities in leadership styles between Chinese and American executives are revealed. It begins with discussing with the cultural and situational causes of the differences in leadership styles between Chinese and American executives. This is then followed by an exploration of the probable main causes of the similarities in leadership styles between them. People's perspectives on these probable causes are also discussed in more detail in this chapter.

Chapter 6 summarises a number of findings on admired leadership styles in American companies in mainland China based upon the materials analysis. A general view of leadership styles of Chinese and American executives, and the willingness to follow Chinese or American leaders are explored. This is then followed by a discussion of respondents' expectations and suggestions on leadership styles, and finally admired leadership styles proposed by the respondents are introduced.

Chapter 7 draws conclusions by providing a summary of the major findings and the value and implications of the study for existing knowledge about leadership styles. The contributions this study makes to present theory and practical guidelines are reviewed and discussed. Limitations of this study are also concluded and some recommendations are made for further research.

Chapter 2 CONCEPTUAL FRAMEWORK AND LITERATURE REVIEW

2.0 Introduction

The aim of this chapter is to provide a conceptual framework for this study and a review of the literature on the main concepts. The first section briefly summarises the main concepts and framework, and in the second section, various theories and concepts relating to leadership and cultural constraints, more specifically, transactional-transformational leadership, and national and organizational culture are investigated and reviewed. Furthermore, the literature relating to the interaction between leaders and followers, and the theories regarding the core value and belief system are also discussed. Each section of this chapter concludes by considering and criticizing the key problems and undeveloped issues with the literature.

2.1 Background of the Research and Conceptual Framework

The literature suggests that leadership has many different meanings to people, and there are numerous definitions of leadership. However, the definition of leadership is usually defined by researchers according to their individual perspectives and the aspects of the phenomenon of most interest to them. Yukl (1989:2) concluded that ‘leadership has been defined in terms of traits, behaviours, influence, interaction patterns, role relationships, and occupation of an administrative position.’ Jacobs and Jaques (1990:281) define leadership as ‘a process of giving purpose (meaningful direction) to collective effort, and causing willing effort to be expended to achieve purpose.’ Drath and Palus (1994:4) also claim that ‘leadership is the process of making sense of what people are doing together so that people will understand and be committed.’ Nonetheless, House *et al.* (2004:15) describe leadership as ‘the ability to influence, motivate, and enable others to contribute toward the effectiveness and success of the organizations of which they are members.’ House’s leadership definition corresponds with the one by Yukl (2006:3) who broadly defined it as:

‘...a process whereby intentional influence is exerted by one person over other people to guide, structure, and facilitate activities and relationships in group or organization.’ (Yukl, 2006:3)

Leadership is rather complex, and considerable research on leadership style has been done in a variety of disciplines. In recent years, the theory of transactional and transformational leadership initially developed by Burns and further refined by Bass has been the widely researched topic (Bass & Avolio, 1990). Transactional and transformational leadership styles thus have been discussed as the focus of this study. Burns (1978) indicates that transactional leadership entails an exchange between leader and follower, and transactional leaders motivate followers through contingent reward satisfying the current needs of followers. However, transformational leadership stated by Bass (1990b) differs from transactional leadership in that it motivates followers to performance beyond expectations through 'four I's': idealized influence, inspirational motivation, intellectual stimulation, as well as individualized consideration.

Transactional leadership and transformational leadership are primarily concerned with the relationship between leaders and their immediate followers. Bass (1997) asserts that there is universality in the transactional-transformational leadership paradigm across cultures, and transformational leaders can change organizational culture as well. Nevertheless, there is an ongoing debate about the impact of globalization upon the national dimension. Some argue that national characteristics and national effects continue to matter (Scholte, 2003). Specific national and organizational cultural traditions and norms are still bound to differentiate leadership styles (Hofstede, 2001; Trompenaars & Hampden-Turner, 1997).

In addition to cultural constraints in leadership style, some suggest that interpersonal relationships between leaders, subordinates, and co-workers constitute an interconnected social system that operates in teams and organizations (Cole, Schaniger & Harris, 2002; Sparrowe & Liden, 2005). Grint (2000) also states that the essence of leadership is followership, and thus leadership only exists in the interaction between leaders and followers. Moreover, the findings of the studies examining the linkage between leadership styles and followers' expectations have shown that people from different cultures appeared to have different expectations of their leaders (Avolio & Bass, 1988; Hofstede, 1980b; Hofstede, 1993). In this sense, therefore, followers' expectations with different culture background probably influence the leadership styles that their leaders should undertake.

Leader's core value and belief system has also drawn some scholars' attention. Russell (2001) claims that an individual's behaviour is stimulated by his/her core beliefs. The results of studies by Sarros and Santora (2001) and Krishnan (2001, 2004) have shown that the differences in leaders' value and belief systems result in different leadership styles, and transformational leaders indeed have some identifiable patterns in their value systems.

In summary then, some researchers have argued that 'leadership' and 'management' do not seem easily transferred and acceptable across cultures. National culture, organizational culture, interpersonal behaviour, and leader's core value and belief system appear to be bound to differentiate leadership styles. Given the problems and undeveloped issues highlighted with the existing leadership literature, the general aim of this study is to explore the leadership styles of Chinese executive level managers working for American ventures in mainland China. More specifically, there are three principal objectives. Firstly, is to discover any major differences in leadership styles between Chinese and American executives and secondly to ascertain the causes of the differences in leadership styles between Chinese and American executives. Thirdly, to investigate how the differences of leadership styles between Chinese and American executives are influenced by cultural differences between the Chinese and the American, as experienced in multi-cultural organizations.

Conceptual frameworks are simply the current version of the researcher's map of the territory being investigated, and they specify who and what will and will not be studied (Miles & Huberman, 1994). They also specify some relationships between key concepts or variables (Miles & Huberman, 1994). The influences of national culture, organizational culture, interpersonal behaviour, and core value and belief system on leadership styles have been examined in the literature, and then these main concepts (or variables) have been considered while developing the draft of conceptual framework (see *Figure 2.1*) of this study (the new one is presented in the final conclusions). As *Figure 2.1* presents, these variables might have profound impacts on the differences or similarities in leadership styles between people; meanwhile, as results, the differences or similarities of leadership styles could also reflect these

probable causes. A review of literature, problems and undeveloped issues are discussed in more detail later in this chapter.

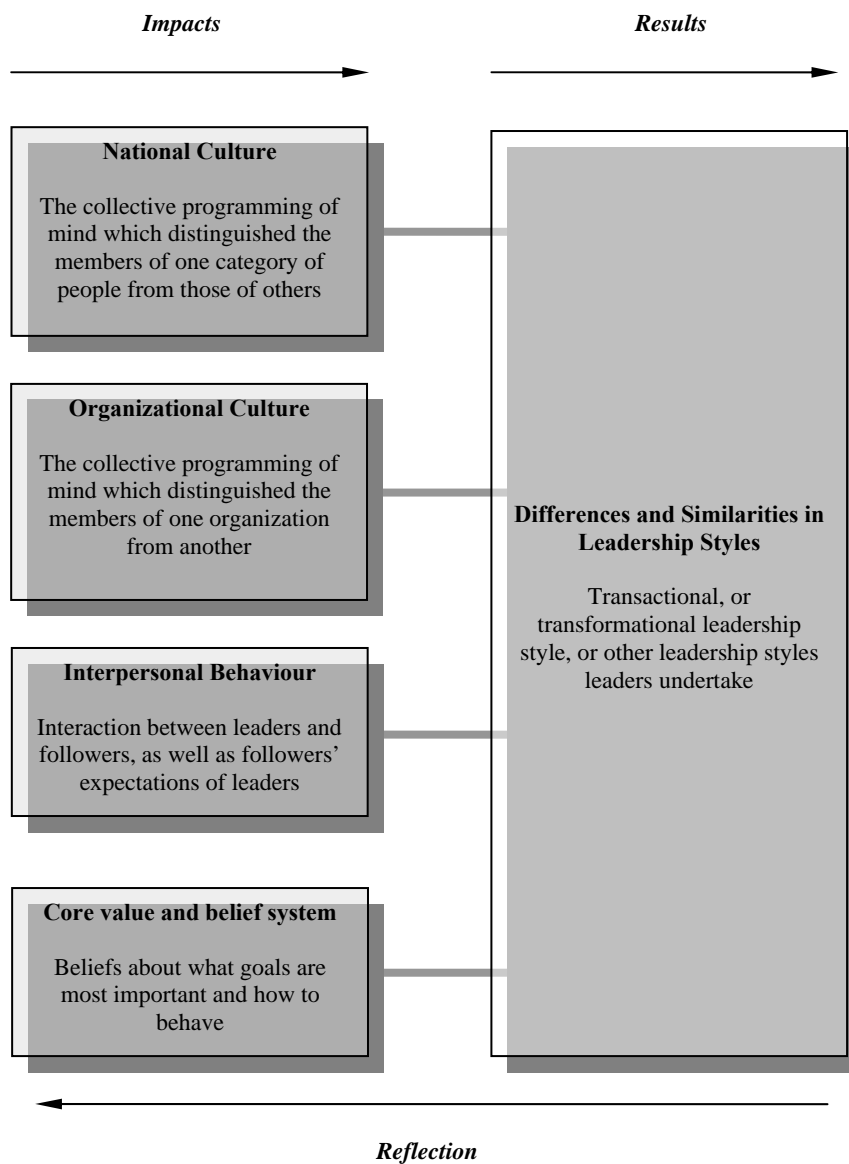


Figure 2.1: Draft of conceptual framework

2.2 Literature Review, Problems and Undeveloped Issues

2.2.1 Leadership literature

2.2.1.1 Historical leadership theories

There are two contrasting theories in leadership research. Universal theories of leadership content employs that leaders are different from other individuals and that

the general set of leadership traits and behaviours which set them apart is universally applicable to all organizations and business environments (e.g. Kirkpatrick & Locke, 1991; Lord *et al.*, 1986; Stogdill, 1974). Nonetheless, contingency theories contest that successful leadership requires a leader to use a style and behaviours that match the context. The most appropriate leadership characteristics will be dependent upon the unique requirements of each organization's personnel, life stage and environmental setting (e.g. Goleman, 2000; Tannenbaum & Schmidt, 1973).

There are some discussions in the literature as to the precise set of traits that define a leader. These researchers advocate that leaders display drive, motivation, honesty and integrity, self-confidence, courage and cognitive ability (Kirkpatrick & Locke, 1991; Lord *et al.*, 1986; Stogdill, 1974). However, research in the behaviours indicates that leaders are distinguished by 'participative' behaviours, which include the delegation of authority and the avoidance of close supervision, setting expectations of high standards of performance, demonstrating interest and concern in their subordinates and facilitating participation in decision making (Yukl, 1994). A widely accepted taxonomy for classifying leadership skills suggests that leaders require technical, interpersonal and conceptual skills to succeed (Yukl, 1994). In contrast, early contingency studies suggested that the appropriate balance between people-oriented and task-oriented leadership behaviours is determined by situational variables (e.g. Fiedler, 1967; Tannenbaum & Schmidt, 1973). Others have claimed that further influential situational variables are the lifecycle stage of the organization and the degree of change required within it (Goleman, 2000; Hersey & Blanchard, 1982; Norburn *et al.*, 1986).

The study of leadership style has been done in a variety of disciplines, and in recent years, the theory of transactional and transformational leadership initially developed by Burns (1978) and further refined by Bass (1985) has been the widely researched topic. Transactional leadership and transformational leadership integrate ideas from traits, behaviours and contingency approaches of leadership, building on work of sociologists such as Weber (1963) and political scientists such as Burns (1978).

2.2.1.2 Transactional leadership

Burns (1978) combined biography, history, and political theory with probing insight into the complexities and interpretations of leadership, and described transactional leadership as motivating followers primarily through contingent reward. Burns (1978) explains that transactional leadership entails an exchange between leader and follower. Followers receive certain valued outcomes, such as wages and prestige, when they act according to their leader's expectations and meet the goals. Transactional leaders mainly focus on setting goals, clarifying the linkage between performance and rewards, and providing constructive feedback to motivate followers to complete tasks (Bass, 1985). In terms of leader-follower relations which are based on a series of exchange between leaders and followers, transactional leaders clarify the performance criteria, expectations of subordinates, and what they receive in return (House *et al.*, 1988).

However, compared with Burns' (1978) transactional leadership, Bass' (1985) transactional leadership contains three dimensions: contingent reward, active management by exception, and passive management by exception. Contingent reward enables leaders to engage in constructive path-goal transaction of reward for performance. They clarify expectations, exchange promises and resources for support of the leaders, arrange mutually satisfactory agreements, negotiate for resources, exchange assistance for effort, and provide commendations for successful follower performance. When practising active management by exception, leaders actively seek deviations from standard procedures and take corrective actions when irregular situations occur to avoid mistakes. In contrast, passive management by exception means that leaders fail to intervene until problems become serious, and they wait to take actions until mistakes are brought to their attention.

2.2.1.3 Relationship between transactional and transformational leadership

Burns (1978) depicted transformational leaders as those who focus on transforming followers' motivational state to higher level needs and promoting dramatic changes of individual, groups, or organizations. According to Burns (1978), transactional leadership and transformational leadership can be thought of as being at opposite ends of continuum. Based on Burns' work, Bass (1985) clarified and distinguished

transactional leadership, transformational leadership, and laissez-faire leadership through Multi-factor Leadership Questionnaire (MLQ) in various organizations. Bass (1985) views transactional and transformational leadership as separate dimensions and argues that a leader can be both transactional and transformational, since both styles are linked to the achievement of goals or objectives. In addition, transformational leadership can be regarded as a special case of transactional leadership (Bass, 1985). Whereas the relationship between transformational and transactional leadership has been questioned by Yukl (1989) who states that a two-factor theory of leadership is oversimplification of a complex phenomenon, and the differences should be determined by empirical research, not predetermined theoretical definitions which make unnecessary assumptions and bias.

2.2.1.4 Transformational leadership

Burn's (1978) transformational leadership is based upon a range of historical case studies. According to Burns (1978:20), transformational leadership 'occurs when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality.' However, Burns' (1978) focus on leadership was mainly at the levels of societies, and therefore, compared to social movement, the applicability of transformational leadership in economic organizations is likely to be vague or even unknown. Building on Burns' work, Bass (1985) defined a transformational leader as one who exerts high influence on followers to get trust and loyalty towards the leader. Transformational leaders elevate the desires of followers for achievement and self-development and motivate followers to do more than the originally expected to (Bass, 1985). Instead of responding to the immediate self-interest of followers with either a carrot or a stick, transformational leaders arouse in the individual a heightened awareness to key issues, to the group and organization, while increasing the confidence of followers, and gradually moving them from concerns for existence to concerns for achievement, growth and development (Bass & Avolio, 1994; Bass & Riggio, 2005).

Through questionnaire surveys, interviews and observations in various organizations including military officials, business organizations, and schools, etc., Bass (1985) defined transformational leadership as a system consisting of four interrelated

dimensions: idealized influence (or charisma), inspirational motivation, intellectual stimulation, and individualized consideration. Definitions of the four dimensions are given in *Table 2.1*.

-
- ***Idealized influence*** – It is the charismatic element of transformational leadership in which leaders display conviction, emphasize trust, take stands on difficult issues, present their most important values, and emphasize the importance of purpose, commitment, as well as the ethical consequences of decisions. Transformational leaders are admired as role models generating pride, loyalty, confidence, and alignment around a shared purpose; consequently, followers demonstrate a high degree of trust in such leaders. The development of a shared vision is an integral component of the transformational leader’s role. It helps the team to look towards the future, while gaining group acceptance of ideas through the alignment of personal values and interests to the group’s purposes.

 - ***Inspirational motivation*** – Transformational leaders articulate an appealing vision of the future, challenge followers with high standards, talk optimistically with enthusiasm, and provide encouragement and meaning for what needs to be done. The leaders build relationship with followers through interactive communication and demonstrating a commitment to goals and a shared vision. Idealized influence and inspirational motivation form a single factor but different behaviours are implied. Idealized influence requires identification with the leader, but inspirational motivation does not.

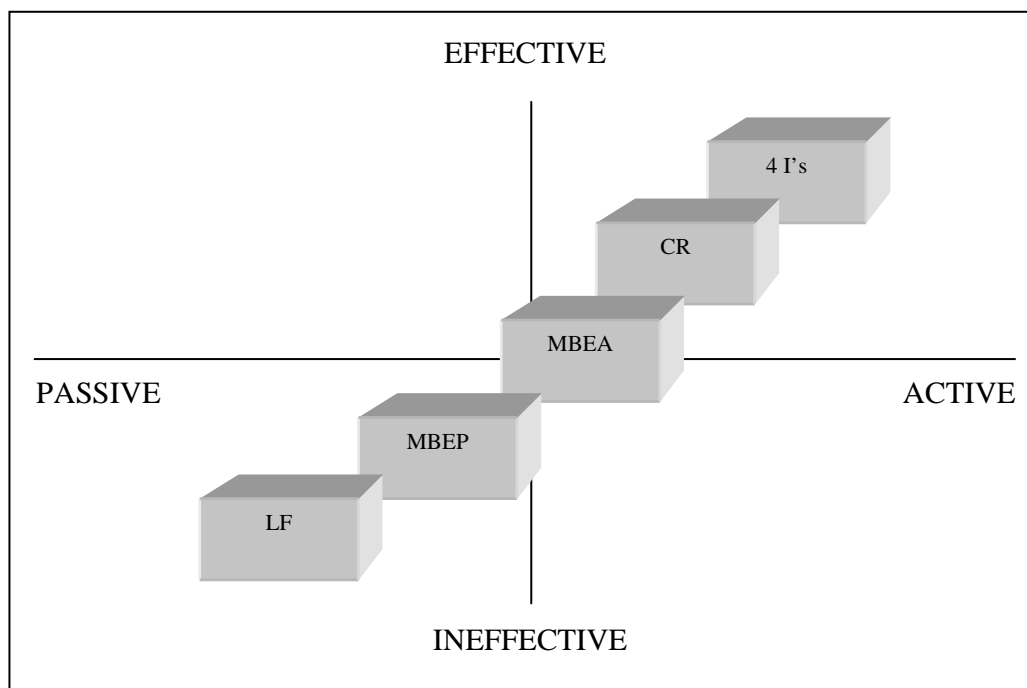
 - ***Intellectual stimulation*** – Transformational leaders stimulate followers to be innovative and creative by questioning assumptions, reframing problems, and approaching old situations in new ways. It arouses an awareness of problems, of their own view points, and recognition of their values and beliefs in followers. The expression of ideas, creativity and reasons are encouraged, and followers’ mistakes are not publicly criticized.

 - ***Individualized consideration*** – Transformational leaders pay personal attention to followers and focus on the individual follower’s needs for achievement and growth. The transformational leaders deal with others as individuals, and consider their individual needs and aspirations; in addition, they listen attentively and further follower’s development. Individualized consideration is in part coaching and mentoring providing continuous feedback and linking the individual’s current needs to the organization’s mission.
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Sources: Bass (1985); Bass and Avolio (1990); Bass and Avolio (1993a); Bass and Avolio (1994); Bass and Riggio (2005).

Table 2.1: Definitions of the dimensions of transformational leadership

Bass (1997) claims that the issues of whether the portion of variance due to a contingent situation remain small, and certain generalizations appear warranted. As Bass and Avolio (1997) reported in their ‘*Full Range of Leadership Model*’ (see *Figure 2.2*), transformational leadership tends to be more effective and satisfying than contingent rewarding, contingent rewarding is more effective and satisfying than managing by exception, and managing by exception is more effective and satisfying than laissez-faire leadership. Whatever country, when people think about leadership, their prototypes and ideas are transformational (Bass, 1997). Nevertheless, there seem to be a number of flaws in Bass’ two-factor theory and addressing these issues is necessary for advancing leadership research. These issues will be discussed in detail later in this chapter.



N.B. 4 I's = Idealized influence, inspirational motivation, intellectual stimulation, individualized consideration
 CR = Contingent reward
 MBEA = Management-by-exception (active)
 MBEP = Management-by-exception (passive)
 LF = Laissez-faire leadership

Source: Bass, B. M., and Avolio, B. J., 1997. *Full Range of Leadership Development: manual for the multifactor leadership questionnaire*, 41, Redwood City, CA: Mind Garden, Inc.

Figure 2.2: The ‘Full Range of Leadership Model’

Kouzes and Posner (1987, 2002) view the transformational leadership from different path. Through surveys, case studies, and in-depth interviews within a wide variety of public and private sector companies across the world in 1987, 1995 and 2002, four qualities (honesty, forward-looking, competence, and inspiration) of an admired leader have been found continuously earned more than 50 percent of votes. In particular, these four qualities are strikingly similar to the dimensions of source credibility. A model of leadership consisting of the five practices of exemplary leadership was then developed: model the way, inspire a shared vision, challenge the process, enable others to act, and encourage the heart. *Table 2.2* summarizes the definitions of these five practices. Similarly, transformational leaders described by Yukl (2006) as ones articulating the vision in a clear and appealing way, explaining how to attain the vision, acting confidently and optimistically, expressing confidence in the followers, emphasizing values with symbolic actions, leading by example, and empowering followers to achieve the vision.

Numerous studies have been done to examine transactional and transformational framework, the effectiveness of these leadership styles, as well as the relations with other leadership styles. By examining the relationship between transformational leadership and servant leadership (Greenleaf, 1977), Stone *et al.* (2003) point out that both transformational leaders and servant leaders are visionaries, generate high levels of trust, serve as role models, show consideration for others, delegate responsibilities, empower followers, teach, communicate, listen, and influence followers. Nonetheless, transformational leaders tend to focus more on organizational objectives while servant leaders focus more on the people who are their followers (Stone *et al.*, 2003; Stone, 2004). Interestingly, Kelloway *et al.* (2003) suggest that remote transformational leadership based on technologically-based communication with subordinates via e-mail and video/teleconference also can be identified by subordinates, and various aspects of transformational leadership still exert more positive influence on interpersonal justice, task performance, job satisfaction and continuance commitment than management by exception as well as laissez-faire leadership. In addition, transformational leadership is also related to the strength of subordinate empowerment and team effectiveness, and it contributes to the empowerment and more effective team outcomes (Ozaralli, 2003).

-
- ***Model the way*** – Leaders create principles regarding the way leaders and followers should be treated and the way goals should be achieved. They establish standards of excellence and then set an example for others to follow. They unravel bureaucracy when it impedes action. Signposts are put up when people are not sure of where to go or how to get there, and the opportunities for victory are created and encouraged.

 - ***Inspire a shared vision*** – Leaders are passionate and enthusiastic, and they strongly believe to make a difference. They envision the future and create an ideal and appealing perspective of what the organization can be. Through their magnetism and quiet persuasion, leaders enlist others in their dreams. They breathe life into their visions and get people to see exciting possibilities for the future.

 - ***Challenge the process*** – Leaders search for opportunities to change the current status and process. In other words, they accept challenge, which might be in the form of an innovative new product, a cutting-edge service, and a groundbreaking piece of legislation or the establishment of a new business. In doing so, they experiment and take risks. Because leaders know that risk taking involves mistakes and failures, they accept the inevitable disappointments as learning opportunities.

 - ***Enable others to act*** – Leaders foster collaboration and build spirited teams. They actively involve others. Leaders understand that mutual respect is what sustains extraordinary efforts, and they strive to create an atmosphere of trust and human dignity. They strengthen others and make each person feel capable and powerful.

 - ***Encourage the heart*** – Accomplishing extraordinary things in organizations is hard work. To keep hope and determination alive, leaders recognize the contributions that individuals make. In every winning team, the members need to share in the rewards of their efforts, so leaders celebrate accomplishments, making people feel like heroes.
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Sources: Kouzes and Posner (1987, 2002).

Table 2.2: Definitions of the five practices of exemplary leadership

2.2.1.5 Modern Chinese leadership theories and practices

Most theories of leadership in organizational behaviour originated in the US and Western Europe and are hypothesized to be universally applicable to non-Western contexts. Departing from this tradition, some Chinese researchers developed their own Chinese leadership theories from different perspectives. Through the survey involving

over one hundred organizations in mainland China, such as government, schools, militaries, and state owned enterprises, Ling *et al.* (1987) developed the CPM leadership theory consisting of three dimensions: character and moral (个人品德), performance (目标达成) and maintenance (团体维系). ‘Performance’ (for job) and ‘maintenance’ (for follower) seem similar with Fiedler’s (1967) ‘task-oriented’ and ‘relationship-oriented’ leadership behaviours, and ‘character and moral’ (for leader) indicates the requirements for leader’s attribute and personality. Questionnaire items tapping the dimension of ‘character and moral’ are referred to qualities such as honesty, integrity, fairness to all employees, responsiveness to suggestions from employees, as well as commitment to the work team and to the party (Ling *et al.*, 1987). ‘Maintenance’ affects followers directly, but ‘character and moral’ does indirectly (Ling *et al.*, 1987). Further work by Ling *et al.* (1991) disclosed the implicit theory for Chinese leaders, which comprises four components: personal morality (个人品德), goal effectiveness (目标有效性), interpersonal competence (人际能力), and versatility (多面性). The implicit theory for Chinese leaders has been examined and found to be well matched with the scale of CPM leadership (Ling, *et al.* 1991).

Paternalism, a distinct leadership style, has been discovered as widely practices among overseas Chinese family business (Redding, 1990; Westwood, 1997). Built on China’s patriarchal family tradition, Farh and Cheng (2000) also proposed their three-dimensional model of paternalistic leadership (PL), the dimensions being authoritarianism (quanwei权威), benevolence (renci 仁慈), and moral (dexing 德行) leadership. ‘Authoritarianism’ refers to leader’s behaviour of asserting strong authority and control over subordinates and demanding unquestioned obedience from subordinates. ‘Benevolence’ implies that a leader demonstrates individualized and holistic concern for subordinates’ personal and familial well-being. ‘Moral’ leadership is broadly depicted as a leader’s behaviour that demonstrates superior moral character and integrity in not acting selfishly and leading by example. Paternalistic leadership (PL) could be traced to the cultural traditions of family concept, Confucianism and Legalism. Since then, the validity of Farh and Cheng’s PL model was examined using various samples from Taiwan and mainland China through a series of empirical studies conducted by Cheng and his colleagues (Cheng 2004; Cheng *et al.*, 2000, 2003). The results of these studies have shown that paternalistic leadership is

prevalent in Chinese organizations across Taiwan and mainland China (Cheng 2004; Cheng *et al.*, 2000, 2003).

More comparison studies have also produced support for the significant differences in leadership styles and management practices between Chinese and Western managers (or entrepreneurs). According to Redding (1990) and Hofstede (1993), many Chinese American enterprises are family-owned, without the separation between ownership and management typical in the West. Decision making is centralized in the hands of one dominant family member, and all the family members are low-profile and extremely cost-conscious. In the Western view, the origin of this system is found in the history of Chinese society, in which there were no formal laws, only formal networks of powerful people guided by general principles of Confucian virtue (Hofstede, 1993; Redding, 1990). By comparing the US managers and Chinese enterprises directors, it appears that although they share many behavioural characteristics, Western managers are deemed to work to comparatively simple profit maximizing objectives; the Chinese managers by contrast are officially expected to serve simultaneously the interests of the state, the firm, their workforce, and other organizations with which they deal (Boisot & Liang, 1992).

Furthermore, the evidence from a series of detailed case studies by Wang (1992) has demonstrated that overseas managers are usually more task-oriented in style than are local Chinese managers; conversely, most Chinese managers are more relationship-oriented than are the foreign managers. Overseas managers are often more outcome-oriented, emphasizing the quality of the outcomes no matter how the task is performed; while Chinese managers are more process-oriented, concerned with the ways in which a task is implemented (Wang, 1992). However, both leaders and followers strive to survive in a performance-based competitive environment, and Chinese state-owned enterprises will eventually be influenced by management practices of joint ventures (Worn, 1998). In addition, many similarities between Chinese and the U.S. entrepreneurs have been found, and convergence of values associated with business practices may occur, yet several important differences steeped in Confucian social philosophy are culturally bound to value family security, to avoid conspicuous wealth, and to refrain from outward recognition of achievements (Holt, 1997). In particular, by interviewing successful business leaders from Chinese

enterprises, Zhang *et al.* (2008) argue that Western management theories have great impact on these business leaders' task-oriented operations; while Chinese culture has a significant influence on their people management practices. Seven management philosophies held by these Chinese business leaders were then identified: sincerity is essential; pursuit of excellence; social responsibility; harmony is precious; the Golden Mean; specialization; scientific management (Zhang *et al.*, 2008).

2.2.1.6 Problems and undeveloped issues

There is an increasing requirement for leaders who are eligible to successfully lead and manage people in different cultures for today's increasingly common technological imperatives and industrial logic, together with the global institutions. However, the researchers seem to be divided into two main different viewpoints related to the effect of culture on transactional-transformational leadership. One advocates that the transactional-transformational leadership paradigm is effective universally and occurs in the same way in all cultures; nevertheless, the other one argues that the transactional-transformational leadership reflecting the US values, beliefs and assumptions is not easily transferred or acceptable across cultures.

Bass (1997) reports that the results of many studies using the MLQ in many countries, (e.g. USA, Netherlands, Singapore, UK, Japan and China etc.) indicate that transformational leadership tends to be effective across cultures, and in all of these countries, transformational leadership was found to be positively related to leader successfulness and subordinate satisfaction. Hartog *et al.*, (1999) also argue that shared preference for transformational or charismatic leadership does not mean that transformational or charismatic attributes will perform exactly the same manner across cultures or that similar meaning would be presented by all different behaviours across all cultures. Moreover, Zagorsek *et al.* (2004) suggest that certain behaviour of transformational leadership such as challenging the process, inspiring shared vision, and encouraging the heart may be universally practiced; in contrast, enabling others to act and modelling the way are culturally contingent. Particularly, the results of GLOBE (Global Leadership and Organizational Behavior Effectiveness) project (House *et al.*, 2004) show that several attributes associated with charismatic/transformational leadership are universally seen as contributing to outstanding leadership. Some leader

attributes such as 'trustworthy', 'honest', and 'foresight', etc. are universally desirable; nevertheless, some leader attributes such as 'irritable', 'non-cooperate', and 'loner' etc. are universally undesirable (House *et al.*, 2004). In this sense, then, cross-national similarities in leadership profiles do exist (Javidan & Carl, 2005). Transformational leadership involves certain universal tendencies (Ergeneli *et al.*, 2007). Therefore the impact of culture is probably not as strong as commonly thought because of the world is actually becoming a 'global village' after all.

However, the concept of leadership effectiveness remains problematic, and its definition and measure differ from researcher to researcher. One major difference is the type of outcome and consequence selected as the effectiveness criteria (Yukl, 1989). The most commonly used measure of leadership effectiveness is the extent to which the leader's organization attains its goals. Leadership effectiveness refers to a leader's success in influencing followers towards achieving organizational objectives (Vardiman *et al.*, 2006). Leadership success is measured by MLQ (Bass & Avolio, 1995) by how often the people perceived their leaders to be motivating, how effective they perceive their leaders to be at different levels of the organization, and how satisfied they are with their leaders' methods of working with others. In other words, in MLQ, leadership success is conceived or measured as perceived effectiveness which is based upon subjective assessments rather than objective performance criteria. In the cultural context of individual, perceptions of leadership effectiveness are based on a comparison of the perception of leadership behaviours and implicit leadership prototypes, while in collectivistic context they are based on the degree to which the group or organization has positive performance outcomes (Ensari & Murphy, 2003). Therefore the problem is that the people in different cultural contexts might have diverse perceptions of leadership style and effectiveness.

Biggart and Hamilton (1987) claim that leadership embedded in social and cultural beliefs and values can not be fully understood apart from the context in which it exists. Some of researchers have stated that specific cultural traditions and norms are bound to differentiate leadership styles (Hofstede, 2001; Trompenaars and Hampden-Turner, 1997). Hofstede (1993) argues that the majority of the US management theories contain a number of idiosyncrasies not necessarily shared by other countries. Moreover, House and Aditya (1997:410) also note that 'almost all of the prevailing

theories of leadership and about 98% of empirical evidence at hand are distinctly American in character: individualistic rather than collectivistic, stressing follower responsibilities rather than rights, assuming hedonism rather than commitment to duty or altruistic motivation, assuming centrality work and democratic value orientation and emphasizing assumptions of rationality rather than asceticism, religion, or superstition.' In many Asian cultures, such as Korea, leaders are expected to be paternalistic towards followers (Kim, 1994). The affective approach to the paternalistic style of the Japanese and Taiwanese management coupled with such normative values as trust, subtlety and loyalty of the employees explain the individuals' commitment to their work organization and the excellence in leadership (Chao, 1990). Similarly, the typical leadership pattern in Chinese society tends to be paternalistic and authoritarian (Bond & Hwang, 1986). Three key characteristics of the relationship between firms and their environment in China are paternalism, resource dependency and verticality (Child & Markóczy, 1993). Black and Porter (1991) examined the American expatriate managers in Hong Kong, American managers operating in the U.S., as well as Hong Kong Chinese managers via Leadership Behaviour Description Questionnaire (LBDQ) survey, and the American expatriate managers in Hong Kong were found to exhibit very similar managerial behaviours with managers in the U.S. Nonetheless, while these managerial behaviours were found to be positively related to job performance for the managers in the U.S., they were neither related to job performance for expatriates in Hong Kong, nor were related to job performance for Hong Kong Chinese managers in Hong Kong.

The proponents of culture-specific perspective further argue that transactional-transformational leadership is likely to be effective with a unique context. Jung and Avolio (1999) examined relations between transformational and transactional leadership in Asian and Caucasian students, and they found the effects of transformational and transactional leadership may not always generalize across Caucasian and Asian followers. They further claim that the same leadership style can be perceived differently and can have different effects on motivation and performance for followers from different culture groups. High uncertainty avoidance societies have lower preferences for the transformational leader role than lower uncertainty societies; on the other hand, in higher power distance cultures, receiving encouragement and recognition from the leader is valued (Ergeneli *et al.*, 2007). Shahin and Wright (2004)

also state that Bass and Avolio's model of transformational leadership has universal potential, but may require adjustment as it moves across culture, and such adjustment is more likely to be required in non-Western cultures. Furthermore, Shao and Webber (2006) point out that transformational leadership behaviour in the North American context is not evident in the Chinese environment, for the culture of centralized authority, stability and predictability fundamentally reinforces the hierarchical and conformist attributes of the top-down command structure and creates barriers for the emergence of transformational leaders that tend to challenge the status and raise performance expectations. The GLOBE findings demonstrate certain agreements on the requirements of outstanding leadership among respondents within each society, and differences across societies. However, the participating managers were asked questions regarding their idealisation of outstanding leadership but not their or their leaders' actual leadership behaviours. Thus, the GLOBE project does not reveal the differences and similarities in actual leadership styles across cultures. In order to demonstrate a collaborative and internationally inclusive exercise in cross-cultural research, GLOBE comprises over 160 scholars from 62 cultures, and 145 of them are referred to as Country Co-Investigators (House, *et al.*, 2004). However, the average number of scholars in each culture seems rather small (2-3 scholars) without the collaboration of a larger groups of heterogeneous scholars. It should be argued that the constructs of the GLOBE questionnaires could be culturally biased, and their validity remains questionable. Thus, the universally desirable leadership style and leader attributes identified in the GLOBE project can be misinterpreted by different culture groups without clear and consistent understanding. In the GLOBE project, the industries sampled were food processing, financial services, and telecommunications service, and middle managers that had experiences as both a leader and follower were used in the sample. Nevertheless, it seems impossible to obtain representative samples from all industries and sub-cultures. Therefore, the problem is that the situation becomes rather complicated and confused when industrial characteristics, organizational culture, and the management's concepts and values come together particularly in large countries with multiple sub-cultures. Culture differences, therefore, may still exert strong influence on leadership styles.

Further assessment and research for the applicability of transactional-transformational leadership paradigm across cultures is needed. Kouzes and Posner's model of

transformational leadership (1987, 2002) did not contain the data from mainland China that has the largest population and thousands of years' history and cultural traditions. A majority of more than 3,000 studies listed by Bass and Avolio (1990) are primarily concerned with the relationship between leaders and their immediate followers; however, culture and organization in which leaders function, organization's output, as well as external environment might have been largely ignored. Bass (1997) argues that culture restrains transformational leadership with little limitation, and transformational leaders can change the organizational culture. Nonetheless, it was predetermined theoretical definition without solid empirical research or strong evidence to support this proposition. As Smircich (1983) pointed out, the view that culture is an organizational variable is about top managers can mould organizational cultures to suit their strategic purposes and leadership can be understood as the management of meaning and the shaping of interpretations. Organizational culture, however, is rather complex, and formal structure is a myth. According to Smircich (1983:346), 'much of the literature refers to *an* organizational culture, appearing to lose sight of the great likelihood that there are multiple organization subcultures, or even countercultures...' Schein's (1992) provided three fundamental levels of organizational culture: (a) observable artefacts, (b) values, and (c) basic underlying assumptions; basic assumptions and values existing at a largely unconscious level are difficult to discern. Due to the existence of underlying structure and unconscious human mind, there has been much debate about whether or not organizational culture is manageable and whether or not top managers are able to lead employees to anticipated organizational culture with common interpretations of situations and coordinated actions (Smircich, 1983).

The relationship between transactional and transformational leadership also remains ambiguous. Burn (1978) thought of transactional leadership and transformational leadership as being at opposite ends of a continuum; conversely, Bass (1985) argues that transactional and transformational leadership are at separate dimensions, a leader can be both transactional and transformational. However, there seem to be contradictions between certain components of transactional and transformational leadership. It is clear that transformational leaders articulate an appealing vision of the future and act in ways that build others' respect; most importantly, transformational leaders consider moral and ethical consequences of decisions. Transformational

leaders, therefore, can be viewed as moral leaders with long-term perspective. In contrast, transactional leaders do not raise moral issue to this level, and they usually focus on discussing in specific items for achieving current performance target and clarifying what outcomes are expected. Thus it can be argued that the long-term effect could be sacrificed with transactional leaders' short-term perspective, and the impact on organizations and followers could be devastating once transactional leaders' expectations of their followers are immoral or incompatible with organizations' long-term interests. Moreover, when transactional leaders exhibit management by exception (active), followers seem not to be delegated and empowered to solve various problems, and hence they are less likely to have opportunities to learn from mistakes and could not devote themselves into long-term strategies of the organization. In this sense, thus, the relationship between transactional and transformational leadership seems to be necessarily examined further.

Another issue is about problems of possible contradictions among the components of transactional and transformational leadership. The first problem is related to values and beliefs. Ideally, transactional leaders and their followers agree on what followers need to do to get rewards or to avoid punishment. There is no concerted effort to change followers' personal values, nor necessarily need to develop a deep sense of trust and commitment to transactional leaders; instead, transactional leaders work with their followers' current needs and try to satisfy those needs when desired outcomes are achieved. Transactional leadership only has indirect effects on followers' performance mediated through followers' trust and value congruence (Jung & Avolio, 2000). However, transformational leaders talk about their most important values and beliefs and exert direct and indirect influences on performance mediated through followers' trust in their leaders and value congruence (Jung & Avolio, 2000). Transformational leadership, therefore, probably works very well when leaders' and their followers' values and beliefs are congruent; conversely, it seems ineffective and followers appear to be dissatisfied. It should be questioned that whether or not leaders can change or determine followers' values and beliefs that do not seem easy to be changed.

The second one is concerned with follower's personal development. Transformational leaders tend to promote self-development and help others develop their strengths;

meanwhile, they also emphasize the importance of having a collective sense of mission in an organization (Bass & Avolio, 1997). Nevertheless, it can be argued that how transformational leaders deal with the situation in which individual's self development or self-interest is incompatible with the collective mission or objectives of the organization. Do followers need to make personal sacrifice for sake of the organization? If it does, is it acceptable or effective in individualistic societies? Moreover, transformational leaders always get others to look at problems from different angles and encourage rethinking those ideas never been questioned before. Intellectual stimulation, however, might be a time consuming process, and it might take longer time for decision making, and thus it is probably inefficient in case of emergency. In addition, the people in societies with high power distance and high collectivism might feel reluctant for intellectual stimulation as it seems difficult for them to challenge their leaders or peers in public to keep harmonious.

The third is related to unequal status between leaders and followers. Leadership is a process in which power relationship exists between leaders and followers (Northouse, 2001). This process involves utilising power to influence the people of an organization to attain its goals. French and Raven's (1959) framework describes five social power bases that comprise coercive power, reward power, legitimate power, referent power, and expert power. Furthermore, Bachrach and Baratz's (1970) model also involves the use of coercion, influence, authority and manipulation as forms of power. From Lukes' (1974) perspective, power is demonstrated who has the decision-making power, and can be used to shape people's desires and thoughts and lead them to accept their role in life. These statements stress the importance of leadership in exercising power to meet organizational expectations via others' compliance, and thus the individuals will always be subject to power without possibility of escape. In contrast, Foucault (1980) views power can be used not only as a negative force for repressions but also as a productive force for society, and sees power is not only held by a few but is exercised by everyone and in everywhere. However, almost all the prevailing theories of leadership are stressing followers' responsibilities rather than rights (House & Aditya, 1997). As transactional leaders hold resources to reward or punish their followers, followers are more likely to react passively. Though transformational leaders show high level of moral and ethics and inspire followers' commitments, followers appear to remain a passive status. When transformational

leaders articulate their appealing vision, cascade their values and beliefs, and display a sense of power and confidence, their followers seem to have to accept them. Therefore it could be argued that whether or not followers are able to exercise an equal power with their leaders, and whether or not leaders are capable to influence their people's basic assumptions in an equal and ethical manner.

The ethics of transformational leadership are also subject to challenges. Bass and Steidlmeier (1999) argue that as moral agents, authentic transformational leaders can expand the domain of effective freedom; however, pseudo-transformational leaders described as deceptive and manipulative can be branded as immoral. MacIntyre (1985) criticized problematic conditions of modern organizations, particularly capitalist organizations, with respect to constraints on moral agency and organizational virtue, and attempted to propose a conceptual framework of virtues-goods-practice-institution for business ethics. However, some argue that further explanation and exploration of the concepts of practices and institutions of internal and external goods are necessary, and much more work still needs to be done from empirical and practical perspectives to clarify how virtues enable the creation of internal goods in practice, and how external goods act on this process. (Beadle & Moore, 2006; Moore, 2002, 2005). According to Hosmer (1994:20), 'ethical principles are not subjective measures that vary with cultural, social, statements that transcend countries, religions, and times.' However, Lu (1997, 2009) argues that management ethics in mainland China have been driven by four factors: the inheritance of Chinese traditional ethics, the influence of Marxist philosophy and ethics, the reflections on economic reforms, and the influence of management ethics from abroad. Western rationalist and rule-following approach within narrowly defined scheme of values aims to develop a unique ensemble of behaviours and dispositions, and qualities, whereas no ethical theory could offer this (Fisher & Shirole, 2001; Gier, 2001). It should be argued that even though general ethics factors could apply at overall cultural level, culture does not offer a complete explanation and specific answers in specific cases and situations. 'In dealing with these matters transnational and multinational organizations need to show good manners and a willingness to respond to the particularness of the host countries' ethical standards and values' (Fisher & Lovell, 2009:466).

There are also some limitations to the Chinese leadership theories. The CPM leadership theory (Ling *et al.*, 1987) has concentrated on Chinese government, schools, militaries, and state owned enterprises; similarly, paternalistic leadership (Farh & Cheng, 2000) has also only focused on Chinese organizations across Taiwan and mainland China. Therefore it can be argued that whether or not these Chinese leadership theories are suitable and effective for wholly-foreign-owned companies or joint ventures in mainland China. Whether or not the leadership styles of Chinese managers have been influenced by both Chinese and Western cultures, as experienced in multi-cultural organizations, also remains questionable.

2.2.2 Cultural constraints in leadership style

2.2.2.1 National culture

There is an ongoing debate about the impact of globalization upon the national dimension; whilst some argue that national characteristics and national effects continue to matter (Scholte, 2003). Specific cultural traditions and norms are bound to differentiate leadership styles (Hofstede, 2001; Trompenaars and Hampden-Turner, 1997). Many of the differences in employee motivation, leadership styles, and organizational structure of companies throughout the world can be traced to differences in national cultures, and the American leadership and management theories should be adjusted abroad for cultural constraints (Hofstede, 1980b). In terms of the survey results, local management practices and theories from different contexts and histories were found to be varied, and there is no consistent management model to follow (Hofstede, 1993).

Likewise, the notion of national culture is not without controversies. Triandis (1972) defined culture as group characteristics and considered it as a way of perceiving man-made parts of its environment. House *et al.*, (2004) describe culture as shared motives, values, beliefs, identities and interpretations or meanings of significant events that result from the common experiences of the members of a society. Similarly, culture defined by Hofstede (1980a:25) as:

‘...the collective programming of the mind which distinguishes the members of one category of people from those of another’. (Hofstede, 1980a:25)

In his study of work-related values, Hofstede (1980a) states that culture, which is not a characteristic of individuals, encompasses a number of people who are conditioned by the same education and life experience, and most countries' people share a national character which is more clearly apparent to foreigners than to the nationals themselves. Hoecklin (1995) and Tayeb (1996) have almost the same views as Hofstede. Interestingly, culture is briefly defined by Trompenaars and Hampden-Turner (1997) as the way in which a group of people solve problems. Though there are many studies researching culture value dimensions, the most widely acceptable culture value dimensions are the ones developed by Hofstede and Trompenaars and Hampden-Turner (House *et al.*, 2004).

Through the analysis of more than 116,000 survey materials which were collected from the employees of subsidiaries of a large U.S.-based multinational corporation in 40 countries around the world during 1967-1973, Hofstede (1980a) provided a foundation and explained culturally based value system as comprising four dimensions: power distance, uncertainty avoidance, individualism-collectivism, and masculinity. Further work by Hofstede and Bond (1988) included a fifth 'Eastern' dimension or Confucian dynamism related to long-term and short-term orientation according to the study results of the *Chinese Culture Connection* (1987). Hofstede's (1997, 2001) culture value dimensions can be explained as follows:

Power distance – This first dimension of national culture indicates the extent to which a society accepts the fact that power in institutions and organizations is distributed unequally. The extent of formal hierarchy, the decision-making structure, rules and regulations, as well as leadership styles in each culture is influenced by power distance. Power distance is the most important determinant of leadership styles. In high power distance countries, more autocratic leadership styles and the centralized decision structure are preferred; in contrast, in low power distance countries, more participative leadership styles are preferred.

Uncertainty avoidance – This dimension explains the extent to which society feels threatened by uncertain and ambiguous situations and tries to avoid these situations by providing greater career stability, establishing more formal rules, not tolerating

deviant ideas and behaviours, and believing in absolute truths and the attainment of expertise. The power of leaders depends on the control of uncertainties and hierarchical control, and the conception of leadership and management is highly formalized.

Individualism-collectivism – Individualism implies a loosely knit social framework in which people are supposed to take care of themselves and of their immediate families only. Nevertheless, collectivism is characterized by a tight social framework in which people distinguish between in-groups and out-groups, and the people expect their in-group to take care of them, and in exchange for that they feel they owe absolute loyalty to it. In the society of individualism, individuals expect to be rewarded by individualistic characteristics from their leaders; whereas, work unit solidarity and group-based rewards are emphasized in the society of collectivism.

Masculinity – Measurements in terms of this dimension express the extent to which the dominant values in society are ‘masculine’ – that is, assertiveness, the acquisition of money and things, and not caring for others, the quality of life, or people. Leaders of masculine culture are described as assertive, decisive and aggressive; on the other hand, leaders in feminine culture advocate consensus, intuition and cooperation rather than aggressiveness and decisiveness.

Long-term orientation and short-term orientation – Long-term orientation presents the fostering of virtues oriented towards future rewards. Its opposite pole, short-term orientation stands for the fostering of virtues related to the past and present. A culture demonstrating high degree of long-term orientation shows four relatively important values and four relatively unimportant ones. The relatively important values are: persistence (perseverance), thrift, ordering relationships by status, as well as having a sense of shame. On the opposite side, those relatively unimportant ones are: reciprocation of greetings, favours, and gifts; respect for tradition; protecting one’s ‘face’, personal steadiness and stability.

The influence of culture on leadership and management style in the organizations working on global basis has been investigated at different levels of analysis. Trompenaars and Hampden-Turner (1997) classified cultures with three levels:

national, organizational and professional culture, and identified seven cultural dimensions. Some of these culture dimensions can be regarded as nearly identical to Hofstede's cultural dimensions, and others offer a somewhat different perspective. These cultural dimensions can be described as follows:

Universalism-particularism – People in universalistic cultures share the belief that general rules, codes, values and standards take precedence over particular needs and claims of friends and relations. In a universalistic society, the rules apply equally to the whole 'universe' of members. Any exception weakens the rules. In contrast, particularistic cultures see the ideal culture in terms of human friendship, extraordinary achievement and situations, and intimate relationships, and therefore the 'spirit of the law' is deemed more important than the 'letter of the law' in particularistic societies.

Individualism-communitarianism – In a predominantly individualistic culture, people place the individual before the community, and thus individual happiness, fulfilment and welfare set the pace. In an individualistic culture, the quality of life for all members of society is seen as directly dependent on opportunities for individual freedom and development. However, in a predominantly communitarian culture, people place the community before the individual, and it is the responsibility of the individual to act in ways which serve society.

Neutrality-affectivity – Members of neutral cultures do not telegraph their feelings but keep them carefully controlled and subdued. Conversely, in affective cultures, people attempt to find immediate outlets for their feelings and show their feelings plainly.

Specificity-diffuseness – People from specific culture start with the elements and the specifics. They analyze them separately, and then they put them back together again. They believe that each person's life is divided into many components, and interactions between people are highly purposeful and well-defined. Specific individuals concentrate on facts, standards and contracts. Whereas, people from diffusely oriented cultures start with the whole and see each element in perspective of the total. All elements are related to each other, and these relationships are more

important than each separate element, so the whole is more than just the sum of its elements.

Achievement-ascription – Achieved status refers to what an individual does and has accomplished. In achievement-oriented cultures, individuals derive their status from what they have accomplished. Nonetheless, ascribed status refers to what a person is and how others relate to his or her position in the community, in society or in an organization. In ascription-oriented cultures, individuals derive their status from birth, age, gender or wealth.

Internal-external control – This dimension is considered as the role people assign to their natural environment. With a mechanistic view of nature, members of internal control cultures see nature as a complex machine can be controlled if people have the right expertise, so they are ‘inner-directed’: one’s personal resolution is the starting point for every action. On the other hand, people in external control cultures have a more organic view of nature. They believe that mankind is one of nature’s forces and should operate in harmony with environment, and thus the actions of them are ‘out-directed’: adapted to external circumstance.

Time orientation – This dimension has two aspects: the approach structuring time, and the relative importance for the past, present, and future. Time can be structured in two ways: sequentialism and synchronism. People structuring time sequentially tend to do one thing at a time. They view time as a narrow line of distinct and consecutive segments tangible and divisible. They strongly prefer planning and keeping to plans once they have been made, and thus time commitments are taken seriously and staying on schedule is a must. People structuring time synchronically usually do several things at a time. To them, time is a wide ribbon flexible and intangible. Time commitments are desirable rather than absolute, and plans are easily changed and promptness depends on the type of relationship. In past-oriented cultures, the future is seen as a repetition of past experiences, and respect for ancestors and collective historical experiences are characteristic of a past-oriented culture. A predominantly present-oriented culture will not attach much value to common past experiences nor to future prospects, and day-by-day experiences tend to direct people’s lives. In a future-

oriented culture, most human activities are directed towards future prospects, and the past, in general, is not considered to be vitally significant to a future state of affairs.

2.2.2.2 Mainland Chinese culture

Hofstede's original world-wide cultural dimensions did not include the samples from mainland China; however, five culture dimensions including the data from mainland China were provided in his book of *Culture and Organizations – Software of Mind* in 2001. With respect to cultural characteristics of mainland China, China is significantly higher in power distance and is lower in individualism than the US, and a key aspect of Chinese culture is its high degree of collectivism and long-term orientation (Hofstede, 2001; Hofstede & Hofstede, 2005). Similarly, compared with the US, mainland China relatively gets higher scores in particularism, communitarianism, neutrality, diffuseness, ascription, and external control, and Chinese people are more future-oriented (Trompenaars & Hampden-Turner, 1997).

Hofstede's cultural dimension of long-term and short-term orientation was originally derived from the uniquely Eastern dimension – Confucian Dynamism, which was identified by the *Chinese Culture Connection* (1987). Hofstede and Bond (1988) state that this Confucian dynamism is an example of cultural synergy, and the economic success of the 'Four Little Dragons' (Singapore, Taiwan, Hong Kong and South Korea) is a case of it. They argue that the values of 'persistence' and 'thrift' are obvious benefits for aspiring leaders, and 'ordering relationships by status' provides social structure and orders in Eastern societies in which the leadership is enhanced not only by formal networks but also by informal associations and family affiliation. 'Having a sense of shame' also enriches group cohesiveness as a pattern of behaviour in Asian context. In contrast, unimportance of 'reciprocation of greetings, favours, and gifts' refers to more consideration on performance than good manners, and unimportance of 'respect tradition' and 'personal steadiness and stability' indicates a propensity of embracing change and taking calculated risks. Moreover, less 'protecting one's faces' implies less concerning with one's image and tolerating more freedom to take risks or to achieve individual goals. The key principles of Confucian teaching are summarized as *Table 2.3* illustrates. Similarly, Child and Markóczy (1993) point out that Chinese culture was historically associated with the dominance

of patrimonial relations supported by Confucian philosophy, and the characteristics often singled out are: respect for hierarchy, orientation towards groups, the preservation of 'face', and importance of relationships.

-
- ***Unequal relationships between people structure the stability of society.*** The 'Wu Lun' indicates the five relationships: ruler and subject, father and son, older brother and younger brother, husband and wife, and older friend and younger friend, are based on mutual obligations which are the junior partner owes the senior respect and obedience, and the senior owes the junior partner protection and consideration.

 - ***The all social organizations come from the prototype: family.*** Children should learn to restrain themselves, to overcome their individuality so as to maintain the harmony in the family. Harmony is found in the maintenance of an individual's 'face', meaning one's dignity, self-respect, and prestige.

 - ***Virtuous behaviour toward others consists of treating others as one would like to be treated oneself.*** It is different from the Christian injunction to love the enemies.

 - ***Virtue is with regard to one's tasks in life.*** The people should try to acquire skills and education, work hard, not spend more than necessary, be patient, and preserver. Moderation is enjoyed in all things.
-

Source: Hofstede, G., and Bond, M. H., 1988. The Confucius connection: from culture roots to economic growth. *Organizational Dynamics*, 16 (4), 5-21.

Table 2.3: Key principles of Confucian teaching

Schools	Representatives	Basic focus	Examples
Confucianism (<i>Ru Jia</i> 儒家)	Confucius (Kongzi) and Mencius (Mengzi)	Benevolent governance and social order	Ren (benevolence), Yi (righteousness), Li (ritual), Zhi (wisdom), Xin (fidelity), and Xiao (filial piety)
Taoism (<i>Dao Jia</i> 道家)	Laozi, Zhuangzi and Liezi	Naturalistic (or the way it is)	Dao (the way), De (morality), Zi Ran (nature), and wei wu-wei (active non-action)
Legalism (<i>Fa Jia</i> 法家)	Shang Yang, Shen Buhai and Hanfeizi	Man-made laws and rules	Two handles of rewards and punishments, and rules of regulation
School of the Art of war (<i>Bing Jia</i> 兵家)	Sunzi and Sun Bin	War is necessary for peace	The best way to win a war is to defeat enemies without actual fighting or killing
Mohism (<i>Mo Jia</i> 墨家)	Mozi	A close-knit organization and discipline; no war	All-embracing love and technology to prevent war
School of Name (<i>Ming Jia</i> 名家)	Hui Shi and Kong Sun Long	Relativity and universals	‘A white horse is not a horse’ (白马非马)

Sources: Fung (1948) and Lee (2000).

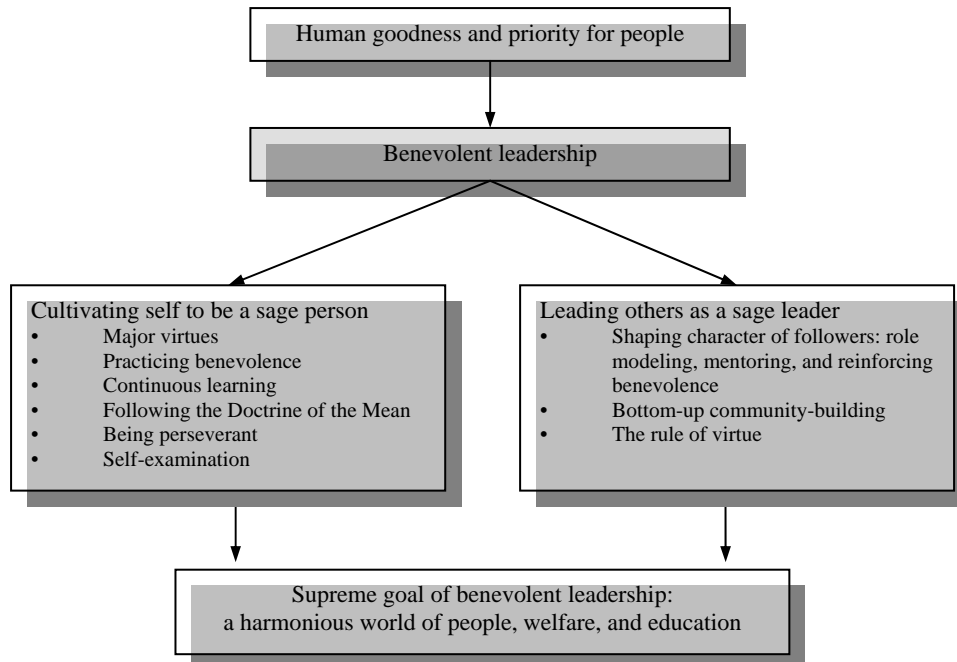
Table 2.4: Major schools of thought in ancient China

When Western scholars think of Chinese culture, Confucianism is for many the shorthand for Chinese culture; however, there is generally a serious lack of understanding of the diversity and dynamism in Chinese philosophies and ideologies (Chen & Lee, 2008). *The Book of Change* (I-Ching, 易经), that was originated around 5,000 years ago, is served as the major theoretical framework and powerful metaphysical and symbolic system in different aspects including philosophy, culture, and science in the traditional Chinese culture system. Chinese cultural diversity and dynamism was originally evoked from well-known ‘100 Schools of Thought’ (诸子百家) during the chaotic and turbulent periods of the Spring and Autumn and the Warring States (722-221 BC) in ancient China. Accompanying chaotic political and social changes with breaking up of Zhou Dynasty, many schools of thought, such as Confucianism (儒家), Taoism (道家), Legalism (法家), Mohism (墨家), school of Name (名家), and school of Art of war (兵家) etc., were developed to offer advice to rulers of the subordinate states on ways of governing (see *Table 2.4*). These schools of thought especially Confucianism, Taoism, Legalism and school of Art of war are still viewed as the main ideologies in current Chinese society. Moreover, long history of centralized governance and the strong concepts of family and guanxi are also usually referred as part of the critical characteristics of Chinese culture.

- *Confucianism*

Confucius (Kongzi), the founder of the Confucian school, lived in 551-479 BC as a great educator, thinker and philosopher in ancient China. His primary ideas of Confucianism were recorded in the *Analects* (论语), in which what Confucius had said and done and his ideas of leadership were collected. However, his philosophy was popular after more than 300 years after his death. In Confucius’ opinion, the virtue of Ren (variously translated as benevolence, humanity, love, or compassion) is the fundamental characteristic of human goodness although Ren seems to have never been clearly defined by Confucius. Both the virtue of Ren and the virtue of Yi (righteousness) are the grounding virtue of a moral and superior person – Junzi (君子). The Dao (way) of benevolent governance (仁政) and the rule of virtue are crucial for ruling a country and leadership success, and Ren and Yi should also conform to Li (ritual) for stable social order and harmony. Thus paternalistic government, in which

the ruler is compassionate and honourable and the subjects respectful and obedient, is suggested. Mencius (Mengzi) further proposes that the common people are the most important as they are the foundation of governance (民本).



Source: Yang, X. H., Peng, Y. Q., and Lee, Y. T., 2008. The Confucian and Mencian philosophy of benevolent leadership. In: C. C. Chen, and Y. T. Lee (eds.), *Leadership and Management in China: philosophies, theories, and practices*, 31-50, Cambridge: Cambridge University Press.

Figure 2.3: Confucian model of benevolent leadership

As shown in *Figure 2.3*, with the foundational beliefs of human goodness and priority for people, Confucians advocate that an admired leader should cultivate self (修己) to be a sage person (内圣) and lead others (安人) as a sage leader (外王) so that a harmonious world of people, welfare, and education can be achieved (Yang, Peng, & Lee, 2008). Therefore, in *The Great Learning* (大学), these opinions were summarized as cultivating the person, regulating the family, governing the state, and making the empire peaceful and happy (修身, 齐家, 治国, 平天下). Confucianism is broad and complex and has relevance to politics, philosophy, education, psychology, morality and ethics. Confucianism is so ingrained after 2,000 years that it can not be ignored, and it still forms the basis of most business practices in China.

However, Confucius and Mencius' original concepts of benevolence and virtue had never been fully respected historically. Confucian philosophy had been undergone dramatic changes for imperial rule in the history of more than 2,000 years of Chinese feudal society especially in Han Dynasty (206 BC – AD 220), Song Dynasty (AD 960-1279), Ming Dynasty (AD 1368-1644), and Qing Dynasty (AD 1644-1911). Dong Zhongshu (179-104 BC), who was the famous Confucian scholar of Han Dynasty, pictured the universe as an organically connected composite of three separate realms of existence: the realm of heaven above, the realm of earth below, and the realm of man between them, and the King, who presents the pivot of all human society, is the executor of heaven. Dong Zhongshu proposed the banning of all schools of thought except the Confucian school and expanded Confucian values as the five constant virtues: Ren (benevolence), Yi (righteousness), Li (ritual), Zhi (wisdom), and Xin (fidelity). Even though there was a long debate between Confucian scholars who advocate 'rule by man' and legalists who suggest 'rule by law', 'rule by man' prevailed which means not only top decision makers have the final authority but also their decisions should never be questioned (Pye & Pye, 1984). According to Fei (1947), 'rule by man' actually means rule by Li (ritual) that is traditional and socially acceptable moral (or non-moral) norms, behaviour patterns, and lifestyles in a stable society, but it could be ineffective when societies are undergoing dramatic changes. The concept of Ren (benevolence) as observing Li (ritual) had become more and more rigid and inflexible; eventually, feudal Li (ritual) was fiercely accused since China's May Fourth movement of 1919 when democracy and science had been promoted by intellectuals in China (Yu, 1998).

It is of particular interest to note that there may be significant differences between Confucian and Western moral philosophy. As the heart of Confucian virtues, Ren is virtuous relationality rather than rational autonomy because self-mastery through reason plays no role in Confucian virtues; nonetheless, Aristotle who defines human beings as social and rational animals, claims that reason is the essence of being human and views virtue as a form of knowledge (Gier, 2001). According to Yu (1998), for Confucius, a complete notion of Ren is a synthesis of Ren as love and Ren as conforming to Li (复礼), while, Aristotle clearly prefers rational autonomy over social relationality. Aristotle's full notion of virtue comprises virtue as a state of

character as well as virtue as exercising practical rationality, and it is an organic synthesis of these two aspects (Yu, 1998).

- *Taoism*

Taoism, one of the most influential philosophical thoughts in Chinese civilization, concentrates on individual life and tranquillity and plays a secondary role to Confucianism in the Chinese society (Pheng, 2003). The founder of the Taoist school, Laozi, was the mentor of Confucius. The representative work of Taoism – *Tao Te Ching* (道德经) that was written by Laozi attempts to provide a philosophical way to understand human existence and the mean of the universe in relation to human existence. For Laozi, the best human qualities reflect the properties of water, and Laozi used water as a metaphor many times to describe the water-like leadership style (altruistic, modest, flexible, transparent, and gentle but persistent) of a sage (Lee *et al.*, 2008). The central tenet of Taoism is that individuals should follow the way of nature (Sun, 1991). Thus, in Taoist doctrine, the most effective government governs through wuwei (non-action) (Pye & Pye, 1984). In particular, in *Tao Te Ching*, Laozi emphasized that governing a big nation or leading a big organization is just like cooking a tiny fish (治大国如同烹小鲜), and active non-action is the most effective way to lead people. He stated that:

‘When the master governs, the people are hardly aware that he exists. Next best is a leader who is loved; next, one who is feared. The worst is one who is despised. If you don’t trust the people, you make them untrustworthy. The master doesn’t talk, he (she) acts. When his (her) work is done, the people say, “Amazing: we did it, all by ourselves!”’ (太上, 不知有之; 其次, 亲而誉之; 其次, 畏之; 其次, 侮之。信不足焉, 有不信焉。悠兮其贵言。功成、事遂, 百姓皆曰: “我自然”。) (Tao Te Ching, Chapter 17)

Taoists view change as a universal principle consistent with Yin Yang philosophy of *The Book of Change* (I-Ching, 易经). Many Chinese still believe that the natural phenomena: Yin (femininity, darkness, cold, moisture, softness, passivity, etc.) and Yang (masculinity, light, warmth, dryness, hardness, activity, etc.) are mutually complementary principles and forces that circulated within nature generally and therefore within the body. As can be seen in *Figure 2.4*, the image of Yin Yang suggests that there exists no absolute borderline between Yin (black) and Yang

(white). A dot of black exists in the white and a dot of white also exists in the black. Therefore Yin (black) can contain Yang (a dot of white), and Yang (white) also can contain Yin (a dot of black). The Yin and Yang opposites are seen as controlling lives, and they need to be balanced constantly to keep relationships in balance calls for harmony. Moreover, in Yin Yang philosophy, there are movements of Wu Xing (five elements): Jin (metal), Mu (wood), Shui (water), Huo (fire), and Tu (soil), which are believed to come from Tian (heaven). These elements orbited within nature activate and regulate human mental and physical activities.

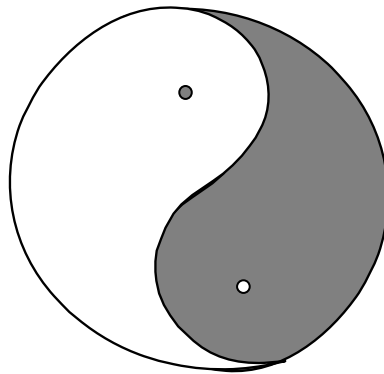


Figure 2.4: Yin Yang

- *Legalism*

Similar with the development of Confucianism and Taoism, the Legalist school emerged in the same age in ancient China as a major school of philosophy. As one of the representatives of Legalism, Shang Yang strongly emphasized the strict control of people by harsh laws and the encouragement of agriculture and aggressive warfare. Shang Yang's policies enriched Qin, one of the former subordinate states of Zhou Dynasty, and quickly raised Qin to be the most powerful state, capable of unifying China. The master of the Legalist school, Hanfeizi took advantages of Confucianism and improved the shortcomings in the thought of preceding Legalists, such as Shang Yang and Shen Buhai. By applying the thought of Hanfeizi, at the end of the Warring period, Qin Shi Huang defeated other six subordinate states and brought all of China under one rule in 210 BC.

There are three core concepts in Hanfeizi's leadership theory: Shi (power), Fa (law), and Shu (management technique) to occupy the position with substantial power and rule the country and manipulate people by using objective and fair law and

management techniques (Hwang, 2008). Therefore Hanfeizi's theory and core concepts were not only urgent need for the Qin politics around the unification period but also useful tools for the feudal governance. During Han Dynasty, Legalism was proposed by Dong Zhongshu (179-104BC) as an instrument to consolidate the Confucian social system (Chu, 1961). From then on, Chinese society became characterized by the feature of 'Confucianism in public and Legalism in private' (阳儒阴法). In the following feudal society of China, rulers defended their power and position and controlled over people by using legalist tactics; meanwhile, people were educated and disciplined by Confucian doctrine.

- *Ancient strategies*

Well-known *the Art of war* and *the Thirty-Six Strategies* are usually referred as the representative works of the Chinese ancient strategies and are always viewed by Chinese people as the symbol of wisdom. *The Art of war* has long been known to Westerners as a classic of military strategy, and it has also been applied to business and management practices. Sunzi, the writer of *the Art of war*, was born a generation after Confucius during the Warring States period. As Sunzi's theory mainly focuses on military organization and battlefield tactics, these strategies and tactics for the purpose of winning war drew rulers' much attention during the chaotic and turbulent era of ancient China. Sunzi's military philosophy emphasizes the war as vital importance to the state and survival (兵者, 国家大事, 死生之地, 存亡之道, 不可不察), and hence fighting and conquering in all battles is not supreme excellence, but supreme excellence consists in breaking the enemy's resistance without fighting (不战而屈人之兵, 善之善者也). Sunzi's strategic leadership contains five attributes (or virtues) of an ideal leader: wisdom (智), trustworthiness (信), benevolence (仁), courage (勇) and firmness (严); whereas, there are five determinants for the outcome of a war: the moral law (道), heaven (天), earth (地), the commander (将), and method and discipline (法). The holistic approach to warfare makes Sunzi's leadership philosophy fundamentally situational, and it reflects the influences of Yin Yang approach, Taoist dialecticism in the strategies, Confucian benevolence, and Legalist methods (Sun, Chen, & Zhang, 2008).

The Thirty-Six Strategies is a unique collection of ancient Chinese proverbs that describe some of the most cunning and subtle strategies, and now these strategies have been widely applied in the fields of politics, diplomacy, and business. The origins of *the Thirty-Six Strategies* are unknown. The first historical mention of *the Thirty-Six Strategies* in *Nan Qi Shu* (南齐书) dates back to the Southern Qi Dynasty (AD 489-537). These ancient Chinese proverbs describe not only battlefield strategies, but also tactics used in psychological warfare to undermine the enemy's will to fight.

- *Centralized governance*

Qin Shi Huang (259-210 BC) was one of the earliest known organizer-managers on earth and one of the greatest leaders of all time. One of Qin's organizational innovations was a fully centralized administration and strong military organization, which made China the first bureaucratic nation-state in the world. The emperor appointed the official to administer the massive Chinese infrastructure. The bureaucratic and administrative structure remained the enduring basis of all subsequent dynasties in China. The system of appointing government officials goes back to the Wei Dynasty (AD 221-265) and constitutes an early prototype of executive selection and development. The examination system was introduced in the Sui Dynasty (AD 581-618), and in Tang Dynasty (AD 618-907), the most respected job was that of a government official in the Hanlin Academy (Laaksonen, 1988). Over time, the government hierarchy, supported by the examination system, managed to remain deeply rooted in the minds of people, so this might explain why a strong sense of hierarchy continues in China (Pye, 1986).

From about 150 BC until the beginning of 20 century, the emperor exercised supreme command in China through a well-organized hierarchical system. The long existence of this system had produced a strong sense of order and relationship, and the traditions of hierarchy provide an ordered collectivist society that is often harmonious (Han, 1992). Confucianism not only can provide a work ethic which is characterized by diligence, responsibility, thrift, promptness, cooperation, and learning, but also can maintain the established social order in which everyone has a fixed position and each person behaves in terms of rank, so that social harmony is achieved (Oh, 1992). Meanwhile, legalist approaches enabled rulers not only to defend their power and

enjoy their privileges but also to control and manipulate people. However, for more than 2,000 years, there was only criminal law to bring the Chinese under control but was no civil law to protect their interests (Jacobs, *et al.*, 1995). In this sense, thus, centralized governance had been maintained for around two thousands of years with both Confucian and legalist methods.

- *Family concept and guanxi*

For more than 2,000 years, China's agricultural production has been based on the household unit, and such traditions change slowly. The family required its members to work together, and the clan or extended family was a more important social force than in ancient Western countries (Kwok, 1989). Under ancient China's economic structure, ethics stressed keeping the family stable, and this might explain why the Chinese still attach importance to the family (Kwok, 1989). China's high scores in collectivism (Hofstede, 2001; Hofstede & Hofstede, 2005) and communitarianism (Trompenaars & Hampden-Turner, 1997) match the history and traditions of family based production unit in China. Similarly, in the GLOBE project, mainland China's score on family cohesiveness was similar to that of Taiwan, Hong Kong, and Singapore, but significantly higher than that of the US, Canada and other participating Western countries (House *et al.*, 2004).

Fei (1939, 1947) explains that Chinese society is organized by guanxi circle, extending from the family to relatives, friends, and so on. The Chinese phrase 'guan-xi' consists of two words: 'guan' – a gate or a hurdle, and 'xi' – a tie, a relationship, or a connection, and thus literally 'guanxi' means 'access the gate and get connected'. For in-group relationships, Chinese people relatively focus on attachment, harmony, and long-term relationships by getting along with the group and avoiding rejection (Hui & Triandis, 1986). For out-group relationships, people relatively distrust one another (Bond & Smith, 1996). However, patterns of social interaction in China have undergone fundamental changes under communism, and an extreme form of instrumentalism began to emerge in guanxi relations during the Culture Revolution (1966-1976) (Tung & Yeung, 1998; Yeung & Tung, 1996). While the ideal of communism is to promote selflessness, it actually generated the opposite effect: many began to see their own private spheres of guanxi networks as the means to advance personal interests (Redding, 1990). King (1991) characterized this phenomenon as

‘relationology’ or ‘using people’. Guanxi is always considered as rather important in almost every realm of life, from politics to business and from officialdom to street life in Chinese societies (Gold *et al.*, 2002).

Guanxi is based implicitly on mutual interests and benefits (Yang, 1994). It can be applied not only to kinship and friendship relationships but also to social connections, such as dyadic relationships for special favours and obligations (Hwang, 1987; Jacobs *et al.*, 1995; Walder, 1986). Guanxi is a necessary but insufficient condition to long-term business success in China, and it is important to build strong relationships with the right individuals (Tung & Yeung, 1998; Yeung & Tung, 1996). However, the literature on Chinese business includes criticism of management practices deriving from Chinese traditions, such as lack of formal structure, unclear decision making process, collectivism, lack of individual initiative, over-reliance on guanxi to gain advantage, and corruption (Buttery & Leung, 1998; Child, 1994; Child & Lu, 1996; Luo, 2008; Wood *et al.*, 2002).

Yang (1994) categorizes guanxi into three groups: qinren (family members), shuren (acquaintances or familiar persons, such as neighbours, or people from the same village, friends, colleagues, or classmates), and shengren (strangers). This classification is consistent with that of Hwang (1987), who argues that the relationships of family members primarily consist of expressive ties, strangers of instrumental ties, and familiar people of mixed ties. Tsui and Farh (1997) also point out that these three groups of guanxi have different social psychological meanings to the parties involved and are governed by different sets of interpersonal rules. Kipnis (1997) further identified three components of guanxi: ganqing (emotions or affect); renqing (reciprocal favour); and mianzi (face). These components of guanxi are described as follows:

Ganqing (affect) refers to human feelings and is related to enduring and emotional commitments which are found in long-term and intimate social bonds, such as those between parents and their children, close friends, as well as teachers and students (Yang, 1994). Ganqing is the most important component of guanxi, and it is so critical that Chinese people tend to mix the word ‘guanxi’ with ‘ganqing’ and often use these two words interchangeably (Kipnis, 1997). A life-threatening situation or financial

crisis could dramatically increase ganqing and turn the relationship between two shuren-based friends into qinren-based; in contrast, shuren-based or even qinren based relationships could degrade to a shengren-based relationship if the trust between them disappears.

Renqing (reciprocal favour) refers to the return or repay of favours that are exchanged by interacting individuals in the form of money, goods, information, status, services, and affection according to an implicit set of rules (Hwang, 1987). If a personal relationship partner gets into difficulties, the other partner should help him or her, and after the recipient has received the favour, he or she should return it as soon as the opportunity arises (Hwang, 1987). The norm of reciprocal favour requires that all members of a group perform favours to help those in need and that all favours be repaid. An individual with strong renqing (reciprocal favour) is likely to win the trust of a stranger and more likely to form a shuren-based relationship with him or her in a relatively short period of time.

Mianzi (face) refers to a person's claimed sense of positive image in a relational context, and it is gained by performing one or more specific social roles that are well recognized by others (Bond, 1991). Face describes a person's proper relationship with his or her social environment, and its importance lies in the consequence of living in a society that is conscious of social context (Hofstede & Bond, 1988). Leung and Chan (2003) classified 'face work' with four dimensions: 'reciprocity', 'response', 'respect', and 'reputation'. The Chinese attach much greater importance to the views others hold of them than is true of most other cultures (Bond & Hwang, 1986). The concept of 'more disciplined by concerns about hierarchical order in Chinese culture' making the Chinese particularly sensitive to it (Bond & Hwang, 1986:249). A loss of face brings shame to people and their family, and causing others to lose face is considered as an aggressive act by those whose face has been discredited (Tung & Yeung, 1998; Yeung & Tung, 1996). It is so important in the personal life of Chinese people that members of in-group protect the other members' face (Bond, 1991).

- *Education in mainland China*

As we have discussed, examination-oriented education has long been deeply embedded in Chinese culture and society. In 1911, with the collapse of Qing Dynasty, the imperial examination system was abolished; however, many Chinese continued to strive for exam success in order to better themselves. Chinese traditional culture, especially, Confucian philosophy has been shaping Chinese thinking and learning styles, and the teaching styles of Chinese societies are often described as ‘didactic and trainer-centred’ (Kirkbride & Tang, 1992). In order to pass the examinations, Chinese students usually have little choice but to resort to rote learning of essentials, and such learning modes are believed to dominate classroom behaviour for Chinese students in Chinese societies (Yee, 1989). Since Chinese students prefer not to express their opinions in public, Chinese classroom activities are usually dominated by lecturers with limited questioning or discussion, and the abilities of problem solving and creativity are also largely neglected. Whilst, rote learning is a mechanical way without thought or meaning, and it often leads to the learner failing to account for the real meaning of the study (Biggs, 1994). In order to raise China’s global competitiveness and to address Chinese people’s concerns and critique on examination-oriented education, Chinese government started promoting the education policy of ‘suzhi jiaoyu’ (quality education, or competence education, or character education) in 1990s. Although the ‘suzhi jiaoyu’ curriculum reforms attempt to cultivate creative and independent thinking skills, integrated practical skills, team work and co-operation, the essential nature of Chinese schools remains unchanged and examination-oriented competition appears to be increasing rather than decreasing (Dello-Iacovo, 2009).

Children develop within interrelated environment, the most immediate being their parents and families (Weisner, 2002). As many Chinese parents’ beliefs are rooted in Confucian philosophy, Chinese children are usually taught to respect and obey elders, express empathy and politeness, and demonstrate filial piety, or duty to parents (Ho, 1989). In comparison with European American parents, values associated with tradition, group conformity, higher expectations of obedience from their children are usually considered more important among Chinese parents; whilst values associated with individuality and self-expression are considered less important (Chao, 1995; Jose *et al.*, 2000; Wang & Tamis-LeMonda, 2003). Nonetheless, with economic growth and gradual culture changes, Chinese parents have been promoting both traditional

values and independence values of individual choice, autonomy, and self-expression (Wang & Hsueh, 2000).

2.2.2.3 American culture

Compared with China, the US is characterized as individualistic, low power distant, and short-term oriented (Hosftede, 1980, 2001). It is also described as universalistic, specific, internalistic and achievement-oriented (Trompenaars & Hampden-Turner, 1997). Lipset (1990) asserts that there is an American creed that most Americans share. Americans associate 'being American' with such prized values as individualism, personal freedom, constitutional rights, economic opportunity, social equality, ideological tolerance, and political democracy (McClosky & Brill, 1983; Wilson, 1997). Similarly, European Americans were also described by Casas and Mann (1996) with the five values descriptors: competition, acquisition of property and goods, directness and openness, separateness, and survival of the fittest. Furthermore, economic individualism, egalitarianism, and humanitarianism are also considered as the core values in American political culture (e.g. Feldman, 1988; Funk, 2000; Steenbergen, 1996). However, American character relating to excessive materialism, anti-intellectualism, dog-eat-dog competition, and personal superficiality has been subject to fierce criticism (e.g. Wolfe, 1998).

American education also reflects American culture and values. The main purposes of American education system are usually described as learner centred, individual's full potential development oriented, social interaction and ability promoted (Yee, 1989). Good learning in the West typically revolves around the use of 'deep approaches' so that the education outcomes are well structured and integrated and learning is an enjoyable process (Biggs, 1994). With increasing prosperity, American parents focus on more encouraging children's autonomy and individuality (Hoffman, 1987). In addition, American parents' personal values, such as self-direction and individual expression, have also been shaped further with economic growth accompanied by democratization development (Inglehart & Oyserman, 2004).

2.2.2.4 Organizational culture

Every organization creates and exists in an environment (Boyatzis, 1982). Organizational culture acts as a social control mechanism (O'Reilly & Chatman, 1996). Organizational culture refers to shared normative beliefs and shared behavioural expectations (Cooke & Szumal, 2000). Despite a number of definitions of organizational culture, the most widely accepted ones seem similar and cover many of the same aspects. Schein (1985) defines organizational culture as a pattern of basic assumptions shared by the members of an organization. Organizational culture also has been described as relatively stable beliefs, attitudes, and values that are held in common among organizational members (Williams *et al.*, 1993). Similarly, it is characterized as a set of strongly held values, beliefs, norms, habits, and symbols according to which the members of an organization operate (Deshpande & Webster, 1989; Hofstede, 1998; Morris *et al.*, 1993).

Organizational culture can be explained under two dimensional continua: organic structure and mechanistic structure, and can be classified into four categories: hierarchy, clan, adhocracy, and market (Deshpande & Webster, 1993). *Table 2.5* gives a summary of the main characteristics of these four ideal types of organizational culture. Although there are four distinctive culture categories, in reality, organizations are unlikely to reflect only one culture category. In order to be effective, the adoption of some elements of each of the four cultural ideal category is necessary (Cameron & Quinn, 1998). However, Cooke and Lafferty's (1989) Organizational Culture Inventory comprising 12 different sets of normative beliefs and behavioural expectations is used to measure employees' perceptions of their organizational culture. These 12 styles are divided into three general clusters or styles of organizational culture labelled constructive (including achievement, self-actualizing, humanistic-encouraging, and affiliative styles), passive/defensive (comprising approval, conventional, dependent, and avoidance styles), and aggressive/defensive (consisting of oppositional, power, competitive, and perfectionistic styles) (Cooke & Rousseau, 1988; Rousseau, 1990).

Content dimension	Hierarchy	Clan	Adhocracy	Market
The organization is	Controlled and structured with formal procedures	A personal place, an extended and sharing family	A dynamic and entrepreneurial place	Very results oriented, people are competitive
The leadership is	Focused on coordinating and efficiency	Mentoring, facilitating and nurturing	Entrepreneurial, innovative and risk-taking	Aggressive, result-oriented and no-nonsense
Employee management is characterized by	Security of employment and conformity	Teamwork, consensus and participation	Individual risk-taking, uniqueness and innovative	Hard-driving competitiveness and achievement
Organization is held together by	Formal rules and policies	Loyalty, mutual trust, personal commitment	Commitment to innovation and development	Emphasis on goal accomplishment and achievement
The strategic emphases are	Permanency, stability and efficiency	Openness, human development, high trust and participation	Acquisition of new resources and creating new things	Competitive actions and achievement
Criteria of success is	Operational efficiency	Development of human resources	Having the most unique or newest product	Winning in the market and outpacing the competition

Sources: Cameron and Quinn (1998); Denison and Spreitzer (1991); Yong and Pheng (2008); Zammuto *et al.* (2000).

Table 2.5: The main characteristics of ideal types of organizational culture

The study results have demonstrated that an organization gains sustained competitive advantages and high performance if there is a strong organizational culture in it (Barney, 1986; Ohmae, 1999). Organizations with strong cultures and clear values increase their possibilities of success and longevity (Heskett & Schlesinger, 1996). More specifically, the type of constructive culture cluster has been shown to result in both high satisfaction and high productivity in the workplace (Cooke & Szumal, 2000). Catherine and Cheryl (2004) also suggest that the constructive cluster of organizational culture styles positively predicted perception of leadership effectiveness; in contrast, aggressive/defensive cluster of organizational culture styles significantly and negatively predicted leadership effectiveness perception within a wide variety of organizations in the US. Furthermore, the constructive styles were found to be positively related to personal effectiveness, and the passive/defensive was unrelated; whilst, aggressive/defensive styles were negatively related to perceptions of personal effectiveness (except the US) in six areas including Canada, Hong Kong, New Zealand, South Africa, the UK, and the US (Kwantes & Boglarsky, 2007). These studies, therefore, provided strong support for the idea of organizational culture's influence on leadership effectiveness and personal effectiveness.

2.2.2.5 Problems and undeveloped issues

It has been argued that national culture and organizational culture influence leadership and management concepts, styles and practices, and specific cultural traditions and norms are bound to differentiate leadership styles (Hofstede, 2001; Trompenaars and Hampden-Turner, 1997). National culture, however, is rather complex. As we have reviewed in the literature, national culture of mainland China has been a complex combination of a number of elements, such as Confucianism, Taoism, Legalism, ancient strategies, centralized governance, and family concept and guanxi, etc. Hence whether or not the approach of culture differences that uses survey to identify the bipolar construct of cultural differences can comprehensively represent the profile of national culture and organizational culture should be doubted.

McSweeney (2002) has argued that Hofstede's model of national culture does not uncover the secrets of entire national cultures. Hofstede focuses on cultural values, attitudes, structures and relationships both at national and organizational level within

a single multinational corporation, and the national culture comparisons were largely limited to responses from marketing-plus-sales employees (McSweeney, 2002). However, subcultures in nations, and industrial and professional influences on the identification of cultural dimensions could be largely ignored. Moreover, the average number of respondents per country was small, that for some countries it was minuscule; for instance, the only surveys in Hong Kong, Tai Wan and Singapore were of 88, 71 and 58 respondents respectively (McSweeney, 2002). For Hofstede's Confucian dynamic comprising long-term orientation and short-term orientation, it also remains ambiguous on why the four relatively important Chinese values are explained as long-term orientation, and why the four relatively unimportant ones are described as short-term orientation.

Trompenaars and Hampden-Turner (1997) posited that no single best way for organizing cultural differences exists. However, Hofstede (1996) has argued that Trompenaars and Hampden-Turner's theory of cultural dimensions was not supported by the database, and the evident lack of content validity of the instrument used remained a major concern. Trompenaars and Hampden-Turner confused conceptual categories with dimensions, and a number of nine countries were statistically insufficient to develop a multidimensional model (Hofstede, 1996). Trompenaars and Hampden-Turner's database cover 30,000 respondents, of which 75% belong to management, and others were employees from 30 companies in 50 different countries; nonetheless, compared to Hofstede's research, their database seem small. It should be doubted that whether or not the management's concepts, values and attitudes, as well as the small number of respondents can reflect the entire picture of national culture and can differentiate the levels of national culture, organizational culture, and professional culture. Furthermore, Trompenaars and Hampden-Turner (1997) have categorized nations as either preferring task-oriented or relationship-oriented leadership style (Fiedler, 1967). However, either task-oriented leadership or relationship-oriented leadership should be used to match situational requirements regarding the organizational environment and followers' readiness (Jacob, 2007). It, therefore, seems ineffective and pointless to generate the leadership styles in certain countries. Additionally, there are also some contradictions between Hofstede's and Trompenaars and Hampden-Turner's data. For instance, Pakistan was rated as one of the highest long-term orientation in Trompenaars and Hampden-Turner's research; by

contrast, that Pakistan had almost the lowest score among nations was found in Hofstede's study (Jacob, 2007). Hence both Hofstede and Trompenaars and Hampden-Turner attempted to reveal the cultural differences with their cultural dimensions; nevertheless, these cultural dimensions appear to be superficial to represent and explain the cultural complexity.

Time has been prioritized as the key to understand other cultures, and there are differences in time perspectives between cultures (Schein, 1992). In Confucian Asian countries, such as Japan, Korea, and China, the subordinates usually leave after their bosses leave, and they come to work earlier than their bosses. This custom significantly represents organizational hierarchy, but is contrasted with a Western one in which private time of low-status workers may be more institutionally protected than that of professionals (Zerubavel, 1981). Moreover, diligence and taking care of employees' personal lives may be perceived as the virtues of an admired leader in Confucian Asian countries. Conversely, as getting involved into employees' personal lives could be seen as an invasion of privacy, Western employers usually respect employees' traditional views on privacy and the separation between standard labour time (or organizational space) and free time (or domestic space) (Karsten & Leopold, 2003). However, there is a shift from a time-based to a results-based orientation in Western countries with the practices of flexible working time and home-based telework, and thus the boundaries between the spaces of work (organization) and life (domestic) may become blurred (Karsten & Leopold, 2003). To react to such change, teleworkers need to engage in the enactment of regulatory and self-regulatory acts for questions of identity and ethical considerations (Tietze, 2005). In addition, with social and organizational practices, leaders' self-identities are shaped through the discourses of self time, interaction time and cyclic time which are embedded within one another and stratified in terms of their interconnections (Turnbull, 2004). Lee and Lee (2008) also argue that the temporal autonomy is not meant simply to change the working hours but to fundamentally change people and the value systems regarding work and time. In this sense, hence, the dynamic relation between leadership style and time perspective needs to be examined further.

The interaction between organizational culture's impact on leadership style and leadership style's influence on organizational culture also remains ambiguous. Some

claim that transactional leaders working within their organizational cultures follow the existing rules, procedures, and norms; in contrast, transformational leaders change the organizational culture by first understanding it and then realigning it with a new vision and a revision of its shared assumptions, values, and norms (Bass, 1997; Bass & Avolio, 1993b). However, there is considerable scope for variations in leadership styles depending upon organizational context (Bond & Hwang, 1986; Wang & Heller, 1993). Some argue that organizational culture and industrial culture affect managerial practices and behavioural patterns (House *et al.*, 2004; Schein, 1992; Trompenaars & Hampden-Turner, 1997). Organizations with different cultures have their own preferred leadership styles, and the stronger a company's own culture is, the more likely it will shape employees' behaviour (Schein, 1992). Effective leadership behaviours are not dependent solely on cultural issues, but are driven by an interaction between culture and the logics of each organization's commercial and political environment (Smith & Wang, 1996).

Some studies have revealed that there are different organizational cultures in different foreign direct investments in Northern China (Child, 1994; Child *et al.*, 1990; Child & Xu, 1991). The findings demonstrate that typical difficulties follow attempts by the US companies to implement systems of selection, appraisal, dismissal, or promotion which local employees saw as culturally inappropriate. European partners, however, were somewhat more willing to adjust systems to local conditions, and ventures with Hong Kong partners experienced the least difficulties. Moreover, the Chinese managers from state-owned enterprises relied mostly upon their own experience and training, formal rules, and their superior's opinion in decision making; while joint-venture Chinese managers relied significantly more on their own experience and training than did those in state-owned enterprises (Wang, 1992). In this sense, therefore, in order to match the organizational cultures, managers working for different types of organizations are more likely to adopt the leadership styles preferred by the organizations. In addition, transformational leaders might somewhat influence the organizational culture; however, different levels of leaders might have different degrees of impact on the organizational culture. Thus the relationship between level of leaders and degree of influence on organizational culture needs to be examined, and further exploration of the relationship between transactional-transformational leadership and organizational culture is also necessary.

Culture is often difficult to change, and if it is changed at all, it does very slowly (Hofstede, 1980a). Nonetheless, for almost a hundred years, along with the end of feudal society, the revolution of 1911, the World War II, the establishment of the PRC, and current economic reforms, China has been undergoing tremendous social transformations. As a consequence of Mao's closed door policy and a central-planning economy, from 1949 until the late 1970s, there was no foreign direct investment (FDI) permitted in the country. However, as China has attempted the transition from a socialist to an open market economy, it has simultaneously been transforming itself from a rural and agricultural to an urban and industrialized country (Child & Lu, 1996). By the mid-1990s, in the wake of both economic reforms and political development, China had to face the emerging challenge of restructuring or closing its state-owned enterprises and of generally improving its leadership and managerial skills and knowledge. China's transformation would not have been possible without active learning from the West. Empirical findings have suggested that formal regulations of Western-style management were enforced in the Chinese family business (Hwang, 1990). Chinese companies have started making use of Western consultancy expertise to improve management and performance (Fernandez & Underwood, 2006). The number of Chinese who have pursued studies in foreign institutions of higher learning during 1977-2006 had exceeded 1 million, and more and more Chinese universities and business schools are setting up joint programs with foreign counterparts (People's Daily, 2007). Globalization, FDI and the internet are linking China with the world and providing more opportunities for Chinese people to learn from Western concepts, values and lifestyles. Nonetheless, the legacy of fifty years of Communist rule with its highly centralized command structure is still very much in evidence in mainland China.

It still remains a question that whether or not the traditional Chinese culture and values are beginning to be reshaped with contingent impact upon individual values and expectations. Yang (1996) suggests that Chinese social-orientated character is composed of four major modalities of social psychological functioning: the familistic orientation, relationship orientation, authoritarian orientation, as well as other orientation. In contrast, Chinese individual-oriented character consists of self orientation, independent (autonomous) orientation, competitive orientation, and

egalitarian orientation. As a result of social modernization, the major aspects of Chinese social-oriented character are decreased; nonetheless, the major ones of Chinese individual-oriented character are increased (Yang, 1996). Leung (1996) also claims that in contrast to traditional collectivism, a modern neo-Confucian value system may gradually be emerging in mainland China. Chinese people now compete directly for personal wealth and status, apparently with little regard for traditional Confucian values such as avoiding conflict from competition in order to maintain social harmony (Leung, 1996). The importance of *guanxi* may be also gradually changed and could vary with different types of organizations in mainland China. Therefore, with today's increasingly common technological imperatives, industrial logic, and the global institutions, there could be more and more similarities in leadership concepts and practices between Chinese and American managers, particularly for those working for American companies in mainland China.

However, Leung (2008) argues that materialistic achievement may be more relevant for economic behaviour, whereas the social behaviour of Chinese is still guided by traditional values and beliefs. Dynamic and successful international management practice in China still requires a high level of cultural awareness, communication knowledge and expatriate motivation to operate effectively within China (Chapel, 1998). Though the impact of China's modernization during the past three decades on the changes of Chinese behaviours is salient, China seems to have never given up its single most important cultural characteristic – the ability to manage paradoxes (Yin Yang approach) (Faure & Fang, 2008). Contradictory value orientations indeed coexist in today's China, such as *guanxi* vs. professionalism; importance of face vs. self-expression and directness; thrift vs. materialism and ostentatious consumption; family and group orientation vs. individuation; aversion to law vs. respect for legal practices; respect for etiquette, age and hierarchy vs. respect for simplicity, creativity and competence; long-term orientation vs. short-term orientation; traditional creeds vs. modern approaches (Faure & Fang, 2008). In this sense, thus, there still might be certain distinctive features of Chinese leadership and management.

2.2.3 Interaction between leaders and followers

2.2.3.1 Expectation and followership

Expectancy theory emphasizes individual perceptions of the environment and subsequent interactions arising as a consequence of personal expectations. Expectancy theory (Vroom, 1964) suggests that individuals, acting through self-interest, adopt course of action perceived as maximizing the probability of desirable outcomes for themselves, and hence people consciously choose particular course of action, based upon perceptions, attitudes, and beliefs, as a consequence of their desire to enhance pleasure and avoid pain. Building upon some of Vroom's original concepts, Porter and Lawler (1968) later developed a theoretical model, suggesting that the expenditure of an individual's effort will be determined by expectations. The fulfilment of expectations – what need to be attained, depends upon the degree of value placed on the outcome in a person's mind (Pinder, 1984). Therefore motivational theories based upon the concept of extrinsic motivation assume that followers make conscious choices to maximize self-interests (Shamir, 1990).

Some argue that what one perceives to be the normative expectations of others about one's performance also influence their personal expectations. Normative expectations play a significant role in the behaviours in which people choose to engage, and the beliefs people hold about the expectations of significant others in their lives for their engaging or not engaging in a particular behaviour have, in conjunction with other beliefs, a strong influence on behavioural intentions (Ajzen, 1991). Experimental work (Miyamoto & Dornbusch, 1956) and longitudinal studies (Felson, 1989) have provided compelling evidence of causal effects of others' expectations on self-evaluations. A separate body of research has examined how others' expectations can serve as a self-fulfilling prophecy in terms of encouraging the individual to establish higher self-standards for behaviour (Eden, 1984). When managers maintain expectations that certain employees will enhance their performance, they should not expect this will occur instantly without their behaving in a manner that facilitates this process (Eden, 1984). These behaviours enable employees to understand the level of managers' expectations for them. Nonetheless, employees' self-expectations for productivity also mediate the influences of leaders' expectations on employees' productivity (McNatt & Judge, 2004). Stewart (1982) believes that leadership

operates within constraints and opportunities that are presented by followers. The constraints include the expectations and perceptions of followers which can influence leaders (Lord & Maher, 1990). The desire to maximize self-interest provides aspiring leaders with unique opportunities to assume leadership roles by simultaneously meeting both follower needs and organizational requirements.

Followers are affected by leader behaviour and the effect is also shown to be reciprocal (Sanford, 1950). Hollander and Offerman (1990a, 1990b) have argued that the concept of leader and leadership do not exist in isolation, and to be viable, both depend upon followership. Followers affect leaders in a variety of ways, not least as an audience to which leaders oriented and address themselves (Hollander & Offerman, 1990a, 1990b). Leadership, therefore, is usually seen as the more active system, but followership can be proactive, not only reactive, as seen especially in social movements (Hollander, 1992). Similarly, according to Grint (2000), the essence of leadership is followership, and leadership only exists in the interaction between leaders and followers. Furthermore, Sparrowe and Liden (1997, 2005) and Cole, Schaninger and Harris (2002) also state that interpersonal relationships between leaders, subordinates, and co-workers constitute an interconnected social system that operates in teams and organizations. Given their need for mutual responsiveness, leadership and followership can be considered as reciprocal systems requiring synchronization. In addition, many studies have argued that leaders can develop many different relationships with their followers and that the quality of the relationships can pose high impact on leader success (Boyd & Taylor, 1998; Brower *et al.*, 2000; Howell & Hall-Merenda, 1999). The positive effect of transformational leadership on the outcomes is enhanced by the duration of relationship between leader and follower in the case of congruence and identification (Krishnan, 2005). According to these scholars, when leaders develop high quality relationships with followers, followers have been found to be more productive on the task and more willing to engage in organizational objectives and process.

2.2.3.2 Follower's cultural orientation and leadership style

Hofstede (1980a) claims that many differences in individual motivation and leadership styles could be traced to differences in cultural programming. Preliminary

evidences have shown that culturally different groups prefer different ways of being led (Hofstede, 1993; Trompenaars & Hampden-Turner, 1997). The person or self is defined more as an independent entity in individualist cultures, whereas the self is defined in association with groups or organizations in collectivist cultures (Triandis, 1995). Collectivists maintain long-term relationships with their organizations and view interpersonal skills and relationships as being more valuable than specific job knowledge and skills, and therefore many organizations in collectivist cultures highlight the importance of maintaining long-term relationships as well as in-group solidarity (Ungson *et al.*, 1997). However, American managers make distinctions between kinds of relationships, and the colleague relations that bridge structural holes are detached from the routine work activities (Burt *et al.*, 2000).

People in individualist cultures are expected to be more motivated to satisfy their own self-interests and personal goals (Hofstede, 1980b). In such cultures, individualists take care of themselves, and they tend to place higher priority on individual initiative and achievement, as well as on personal rewards based on satisfying transactional agreements. Earley (1989) also claims that individualist American managers performed better on an individual than on a group task. Transactional leadership, hence, is typically in line with the value orientation in more individualistic cultures (Hofstede, 1993). However, Jung and Avolio's (1999) research illustrates that Caucasians in the transactional leadership condition produced more ideas than those working in the transformational leadership condition, and transformational leadership appeared to promote Caucasian's generating ideas with a long-term orientation. This result would be consistent with the idea that transformational leaders encourage followers to go beyond their immediate needs to address the long-term interests of their organizations.

In collectivist cultures, the strong tendency to support organizational values and norms should fit with a transformational leader's effort to align followers' personal values with a new mission or vision (Avolio & Bass, 1988). Followers from collectivist cultures are expected to more readily internalize their leaders' vision than will individualist followers for at least two reasons (Hofstede, 1980b). First, collectivists tend to accept their leaders' beliefs more readily because of the high power distance that exists in those cultures. Second, there is typically a high level of

value congruence between followers and leaders owing to extensive socialization processes in collectivist cultures. Consequently, it can be expected that a transformational leader's emphasis on achieving collective goals would be more readily accepted when group members' cultural orientation was more collectivist (Jung *et al.*, 1995). Cross-cultural studies have shown that collectivists tend to have a stronger attachment to their organizations and tend to subordinate their individual goals to group goals (Earley, 1989; Triandis, 1995). Collectivists are expected to identify with their leaders' goals and the common purpose or shared vision of the group or organization, so they typically exhibit high levels of loyalty and commitment to their leaders (Jung *et al.*, 1995). Furthermore, the results of Earley's study (1997) also show that Asians working with a transformational leader outperformed their Asian counterparts working with a transactional leader on the measures of quality and productivity. However, the transformational leader did not have a significant impact on the Asians' generation of long-term ideas; their strong tendency towards face saving, maintenance of group harmony, and fear of evaluation may explain this finding (Earley, 1997).

2.2.3.3 Problems and undeveloped issues

Assuming the same leadership behaviour and statement will be interpreted similarly by followers with different cultural orientations should be questioned. A series of detailed case studies have demonstrated that the creation of joint ventures in mainland China does not automatically lead to the compatibility of management styles between partners (Wang, 1992). The same leadership style could be perceived differently and could have different effects on motivation and performance for followers from different cultural societies. Hall and Xu (1990) propose that the Far Eastern countries have what they refer to as 'high context' cultures and that, in countries such as China and Japan, the people place a high importance on the maintenance of good relationships, and mutual tolerance while favouring informal communication. Discussing personal matters with a follower might be viewed as the leader's consideration of the follower in mainland China; in contrast, it might be considered as invading the follower's privacy in the United States.

It should be argued that transactional leadership and transformational leadership seem to overemphasize leader's influences on follower; however, follower's expectations of leader and follower's cultural orientation were probably ignored. The results of some studies have shown that Chinese followers have a unique expectation of their Chinese leaders: character and moral (Ling *et al.*, 1987, 1991). An admired Chinese leader was usually perceived by Chinese followers to be self-restrained, honest towards fellow colleagues and employees, trustworthy, and impartial (Ling *et al.*, 1991). Similarly, Farh and Cheng (2000) also suggest that moral is one of the components of paternalistic leadership theory. Moreover, Chinese employees indeed expect their leaders to be considerate and benevolent (Cheng 2004; Cheng *et al.*, 2000, 2003). Leaders' apathy towards the wellbeing of their followers seriously affects Chinese followers' work morale (Yu, 1991). Hence moral and benevolence could be considered by both Chinese leaders and followers to be crucial to effective leadership and employee engagement. However, due to divergent cultural orientation, there could be certain significant differences in mutual expectations and interactions between American leaders (or followers) and Chinese followers (or leaders). As mutual expectations between leaders and followers are compatible, the leadership effectiveness could be increased and the desired outcomes could be delivered as well. Nonetheless, once the gap of mutual expectations between leaders and followers does exist or even their expectations contradict each other, leaders seem to need to adjust their leadership styles to enhance leadership effectiveness and satisfy their followers. Thus further examination on the interactions between Chinese (or American) leaders and American (or Chinese) followers seems necessary.

Due to high power distance and collectivism, Chinese followers might work very well with transformational leaders; whilst, in order to keep close relationship with people and maintain harmonious in the organization, they might feel uncomfortable to challenge their leaders' authority in public. Similarly, transactional leadership might be also effective for Chinese leaders and followers. Chinese managers were much more likely to rely upon their superiors in handling events than were Western managers (Smith & Wang, 1996). Chinese followers, therefore, could expect their leaders to articulate objectives, performance criteria, and specific instructions, and they could also feel more confident to engage in their jobs once what are expected to be done are clearly confined by their transactional leaders.

2.2.4 Value and belief system and leadership

2.2.4.1 Values and beliefs

Values play a crucial role in everyday life in organizations and societies, as they facilitate choices, motivate ideas and guide behaviour (Oppenhuisen & Sikkel, 2002). Values have been defined by numerous ways. A value is defined as centrally held, a desirable mode of conduct and enduring belief that guides actions and judgement across specific situations and beyond immediate goals to more ultimate end-state of existence (Rokeach, 1973). Hosmer (1987) argues that values define priorities that are crucial for the resolution of ethical dilemmas, while Smola and Sutton (2002) claim that values define what people believe to be right or wrong. Schwartz (1992:4) indicates that values:

'(1) are concepts or beliefs; (2) pertain to desirable end states or behaviours; (3) transcend specific situations; (4) guide selection or evaluation of behaviour and events; and (5) are ordered by relative importance.' (Schwartz, 1992:4)

Values can be viewed as being hierarchical in nature, and it leads to the idea of value system. According to Rokeach and Ball-Rokeach (1989), it is not related to the values by themselves that matter, but it is associated with the hierarchical value system. Only the value system looked upon as a set of rank-ordered values can indicate the unique value composition of a person. Rokeach (1973:5) characterized a value system as:

'...an enduring organization of beliefs concerning preferable modes of conduct or end-states of existence along continuum of relative importance.' (Rokeach, 1973:5)

Rokeach (1973) considered values as two kinds: personal values (self-focused) and social values (others-focused). Lindbeck (1997) points out that values emerge as a result of spontaneous social interaction between individuals in groups. As highly intertwined attitudes and behaviours, values can not be meaningfully explained via solely probing an individual's values separately and independently of others. Kempton *et al.* (1995) also emphasize that the cultural framework shapes the issues people see as important and effects the way they act on those issues. People assess

themselves in relation to others through shared experiences, which underscore the importance of group affiliations and values as a socially embedding reality (Marske, 1996). White (1998) further reports that social norms and values involve a collective, shared evaluation of what behaviour ought to be while translating into sanctions to induce a particular behaviour or value. In addition, Thomson *et al.* (1999) confirmed values as implicated beliefs, discourses and identities while simultaneously representing a given worth in particular communities or economies. Values thus constitute and reflect expected behaviour and are used to enforce sanctions such as blame and praise, social inclusion and exclusion, and the importance of values is reflected in the way they interact and influence social organizations, behaviours and market outcomes (Anderson, 2000).

Values are influenced more by life events and socialisation of times than by age and maturity (Smola & Sutton, 2002). Jehn *et al.* (1997) believe that value convergence reflects the degree to which all members of a group agree on values about behaviour group processes and intra-group relationships. Yang (1998) argues that an increase in wealth leads to increased similarity across-culture, and modernization established a high degree of agreement on the characteristics and values of a modern person, irrespective of their culture. In developing countries, value convergence is popularised amongst youth (Smith & Bond, 1999). In addition to trends towards the possible convergence, time and the development of society over time also contribute to changes in values. Current day society changes values and customs more quickly than previous generations while also being more conscious of the changes (Kubler, 2001). Value and ideological differences will cease to exist due to increased exposure among societies and individuals (Thomas, 2002).

Tardiff (2002) indicates that relationships between cultures and societies are subject to market rules, and values are exported via various media channels. In history, China has exported its values by means of trade and migration. However, in recent decades, technological development and accessibility has contributed to an unprecedented exposure to Western values in the rest of the world. The excessive exposure to the Western culture and values is often argued to lead to individuals and societies increasingly becoming westernised and either gradually accepting Western values or even replacing their traditional values with those from the West (Tardiff, 2002).

2.2.4.2 Value and belief system and leadership style

Values can influence job choice decisions, job satisfactions and commitment to the organization (Judge & Bretz, 1992). Leaders can be distinguished according to their orientation and values (Bass, 1990a; Stogdill & Coons, 1957). The personal values held by managers increasingly have been shown to have an impact on their behaviour and performance and, ultimately, on organizational performance (Westwood & Posner, 1997). Badaracco (1998) also confirms that the most satisfied business leaders are the ones who are able to dig below the busy surface of their daily lives and refocus on their core values and principles. However, recent leadership research has largely ignored values and beliefs despite their long history (Hunt & Dodge, 2000). The study of values and beliefs as the means of understanding leadership style is therefore advocated by leadership researchers. Russell (2001) points out that an individual's behaviour is stimulated by their core values and beliefs. Such core values and beliefs may affect a leader's cognitive progress, and in turn influence the leader's thoughts and behaviours (Lord & Emrich, 2001). Hence behavioural characteristics that differentiate one leadership paradigm from another can be explained through assessing differences in the leader's value and belief system (Karishnan, 2001; Sarros & Santora, 2001).

One emerging area of interest in leadership is the study of the value and belief systems of transactional leaders and transformational leaders (Krishnan, 2001). Sarros and Santora (2001) and Krishnan (2001) have sought to investigate the value and belief systems held by transformational leaders, with both studies concluding that transformational leaders indeed report value systems that are distinguishable from other types of leaders. Transformational leadership is closely related to the values of achievement, benevolence, self-direction (intellectual autonomy), and stimulation (intellectual challenge) (Sarros & Santora, 2001). In particular, a strong positive correlation has been found among transformational leadership behaviour and values encouraging personal and professional development (Sarros & Santora, 2001). The findings also suggest that leaders who aspire to transformational behaviour can use contingent reward as a substitute to achieve similar outcomes, as contingent reward was found to be closely associated with each of these values, particularly self-

direction (Sarros & Santora, 2001). In contrast, management by exception, and laissez-faire leadership, were found to be minimally related with these value dimensions (Sarros & Santora, 2001).

Similarly, Krishnan (2001) indicates that for terminal values, transformational leaders are likely to give high priority to 'a world at peace' but low priority to 'national security' and 'a world of beauty', and for instrumental values, transformational leaders provide a higher rank to 'responsible' but low rank to 'intellectual'. The findings suggest that transformational leaders value collective welfare more than their personal welfare, and they guide themselves via broader values like equality and change-oriented values (Krishnan, 2001). Burns (1978) considers transformational leaders as moral ones, and he views the linkage between moral and transformational leadership as the one of basic principles of transformational leadership. Krishnan (2001) further states that transformational leadership can be seen as the equivalent of moral leadership, whilst moral leadership can be viewed as one part of transformational leadership. Transformational leadership enhances leader-follower terminal value system congruence, follower's identification with the organization, and follower's attachment and affective commitment to the organization (Krishnan, 2005).

2.2.4.3 Problems and undeveloped issues

It has been argued that the values of Chinese people have been changed and tend to be westernised in terms of globalization and the influence of Western culture and values. As have been discussed in previous sections, due to the strong influence of communism and the impact of a series of socialist movements, such as the Culture Revolution (1966-1976), part of traditional Chinese culture and social values could have been fundamentally changed or even systematically destroyed. As a result of thirty years of socialist movements and another thirty years of economic reforms, a modern neo-Confucian value system may gradually be merging as, in contrast to traditional collectivism, and the major aspects of Chinese individual-oriented characters could be increased as well. In particular, for the Chinese managers working for foreign ventures, due to excessive exposure to Western organizational culture and management practices, the changes of their personal values, management concepts and leadership styles probably have been remarkable. However, it could be argued

that whether or not traditional Chinese values and beliefs of Chinese managers working for foreign ventures have been entirely changed, and whether or not their personal values and beliefs have been westernized, and thus further study is needed.

As implicated beliefs, discourses, and identities in particular communities or economics, values are relatively stable and difficult to change (Thomson *et al.*, 1999). Unlike the respondents from Japan, Russia, and Australia, 'self-direction' was not identified by Chinese managers as a critical value dimension; however, 'achievement' was found as one of major values of Chinese managers, and it might feature more significantly as a key driving value for Chinese leaders in the future (Sarros & Santora, 2001). The environment of collective notions of socialism also seems to account for Chinese managers' predominant value orientation of benevolence and security (Sarros & Santora, 2001). In this sense, then, traditional values and beliefs of Chinese managers working for foreign ventures probably remain unchanged. The traditional Chinese values and beliefs, therefore, could lead to certain significant differences in leadership styles between Chinese and Western managers.

However, it is of particular interest to note that there is an argument of whether or not values have much impact on actual leader's behaviour. Argyris and Schön (1996) claim that leader espoused values have little effect on how managers actually work with employees. In order to conform to the corporate culture and the core values and behavioural norms, Chinese managers working for foreign ventures might have somewhat adjusted their leadership behaviours; whereas, their personal values and beliefs are probably never given up. Therefore it is also necessary to further examine the change trend of Chinese managers' value systems.

2.3 Summary

This chapter has provided a draft of conceptual framework and a review of the literature on leadership theories, national and organizational culture, interaction between leaders and followers, and core value and belief systems. Key problems and undeveloped issues with the literature have also been considered and criticized in this chapter. The perspectives of culture-universal and culture-specific offer two controversial effects on transactional-transformational leadership based on the

comparison and examination of leadership styles in different societies. However, it seems still unclear as to how transactional and transformational leadership styles are applied across cultures. There is also very limited research regarding the relationship between transactional and transformational leadership in the existing literature. Furthermore, there seem to be contradictions between the components of transactional and transformational leadership. In addition, it should be questioned that whether or not Chinese leadership theories are suitable and effective for foreign ventures in mainland China. There are still a number of limitations to the approach that uses survey to identify the bi-polar constructs of cultural differences. The literature also lacks research relating to the interaction between organizational culture's impact on leadership style and leadership style's influence on organizational culture. Moreover, it is still uncertain as to how the interaction between leaders and followers, and followers' culture orientations and expectations could influence leadership styles. Additionally, it also remains questionable whether or not core values and beliefs of Chinese managers working for foreign ventures have been reshaped due to the influences of Western culture and management theories. In light of these gaps in the literature, this study aims to remedy these shortcomings by exploring the leadership styles of Chinese executives working for American companies in mainland China.

Chapter 3 METHODOLOGY

3.0 Introduction

This chapter begins with revisiting the research aim and principal objectives of this study. The second section presents an exploration of research philosophy adopted in this study. This is then followed by a discussion of research strategy and approach that include case study, and a combination of qualitative and quantitative approaches. This chapter also provides an elaboration of research methods and tactics employed in this study, including sampling strategy, research process, and data collection and analysis. In addition, consideration of research ethics is discussed, and finally, this chapter ends with a summary.

3.1 Revisiting the Research Aim and Objectives

The research aim and objectives developing from the inadequacies of the existing literature have been discussed in chapter 2. However, it is useful to revisit the research aim and objectives when discussing research methodology. In light of the gaps in the literature, this study aims to remedy these shortcomings by exploring the leadership styles of Chinese executives to make a progress in comparisons of leadership across different cultures at both theoretical and practical levels. Therefore, the general aim of this study is to explore the leadership styles of Chinese executive level managers working for American ventures in mainland China. More specifically then, there are three principal research objectives. They are:

- To discover any major differences in leadership styles between Chinese and American executive level managers in mainland China
- To ascertain the causes of the differences in leadership styles between Chinese and American executive level managers in mainland China
- To investigate how the differences of leadership styles between Chinese and American executive level managers in mainland China are influenced by cultural differences between the Chinese and the American as experienced in multi-cultural organizations

3.2 Research Philosophy

The research philosophy implied in this study contains important assumptions regarding how the researcher views the world. The debate of how a research should be carried out ‘...perhaps most succinctly characterized according to differing fundamental assumptions about the nature of organizational phenomena (*ontology*), the nature of knowledge about those phenomena (*epistemology*), and the nature of ways of studying those phenomena (*methodology*)’ (Gioia & Pitre, 1990:598). The research designs should be located within the frameworks of philosophical and methodological perspectives making connections between ideas, social experience and social reality as epistemology provides a philosophical grounding for establishing what kind of knowledge are possible and for deciding how knowledge can be judged as being both adequate and legitimate (Johnson & Duberley, 2000). It is useful to discuss major management research philosophies to help refine research design and determine which designs are appropriate and effective. There are varieties of different epistemological perspectives legitimizing distinctive ways of doing management research, and this study has used the classification of epistemology suggested by Johnson and Duberley (2000) to state research philosophy. In terms of the research aim and objectives of this study, a realistic philosophy has been considered as more appropriate rather than positivism, conventionalism, postmodernism, and critical theory.

3.2.1 Positivism

Positivists share the perspectives that the aim of sciences is to generate statements of universal laws and casual relationships (May, 1997). The application of methods of the natural sciences to the study of social reality and beyond is suggested in positivism (Smith, 1998). Positivists, therefore, advocate that the aim of management research is to generate laws which govern the ways in which organizations operate. A positivist view of epistemology presupposes the possibility of a theory-neutral observational language; in other words, it is possible to access the external worlds objectively. Valid knowledge should be based upon sensory experience where theory-neutral observational language is located (Easterby-Smith *et al.*, 1991). Similarly, in management research, the positivist approach to the analysis of organizations also assumes that the reality is objectively given, functionally necessary and politically

neutral (Willmott, 1997). Positivists believe that the only phenomena that are observable and measurable can be validly regarded as knowledge (Collis & Hussey, 2003). Objectivity, thus, is generally equated with quantification by positivists, and positivist approaches towards management research are also generally associated with quantitative methods. Experimental research design and surveys as these are most commonly cited as positivistic in management research. Positivists claim that experimental methods provide the clearest possibility of establishing cause-effect relationships, and surveys place emphasis upon cross-sectional analysis, using standardized measures to compare across situations. The role of the researcher in experimental and survey research is as detached controller and observer, examining the impact of the stimuli on effect. Researchers attempt to eliminate or at least minimize bias through the use of standardized tools for data collection and analysis and replication of the research.

The external social reality might exist. However, as a human being, the researcher is inevitably embedded in the social structure. When the researcher views him or her as an observer or investigator, he or she might have already intervened in the external reality and posed impact on it. Similarly, organizations that are embedded in the culture influences, social construction, and power implications, seem never objectively given or politically neutral. An important issue of laboratory experiments is that subjects know they are in experimental situations and are observed and that their interpretation of what the impact of the manipulation is supposed to influence their behaviour. Furthermore, the experimental conditions are arranged under the 'ideal' settings oversimplified in order to control the variables and articulate the correlations between the variables. Thus it should be questioned that 'findings' or 'rules' of experiments can reflect the real management scene, and can be translated into management practice. For surveys, the abstract concepts, which might be deviated from the reality and biased by the researcher's own mind paradigm, could be translated differently by the respondents, and the respondents' subjective interpretations of the meanings seem inevitable. Moreover, causations may not be simply proved via cross-sectional analysis using standardized measures to compare across situations, and the underlying relevance and true meanings of the variables might be neglected.

3.2.2 Conventionalism

Conventionalism presents a distinctive epistemology to reject a key positivistic commitment: the possibility of a theory-neutral observational language. According to Keat and Urry's (1982) summary of the key conventionalist themes, scientific statements are creations of the scientist; therefore, the acceptability of a scientific statement is constructed by conventionalists as the product of the scientist's subjective apprehension of reality, and the truth or falsity of statements is underdetermined by their observations of empirical data for a theory-neutral observational language is not available. Kuhn's 'paradigm' (1970) defines and sets standard for scientific work and supplies a conceptual framework within which normal science can be developed. Since theories are always underdetermined, scientific statements that may be seen as the social constructions of scientists are just different versions of an independently existing reality (Kuhn, 1970). Morgan (1983) points out that metaphors are deeply embedded in our cognitive structures and are the vehicles by which paradigms are operationalized in our minds, and thus reality is always experienced subjectively through the lens of the particular paradigm.

For conventionalists, people are not passive receivers of external stimuli and data, and social and natural reality are not 'things' outside the discourse of science but are to varying degrees constructed by science itself. Nonetheless, there is an ambiguity in conventionalism: if all knowledge is conventional then conventionalist metatheoretical analysis themselves can not stand apart, and they also have to express particular conventions (Johnson & Duberley, 2000). If all knowledge is the outcome of socio-historical processes, there seem no reasons to prefer the conventionalist theory. If different groups of metaphors belong to different, incommensurable paradigms and can only be assessed within the relevant paradigmatic terms of reference, it seems far-fetched to explain the shared norms and assumptions across communities. Furthermore, if social reality has no independent existence and remains unformed until the act of cognition, it also appears to be rather difficult to provide explanations for many existing common sense and assumptions in natural and social science.

3.2.3 Postmodernism

For postmodernists, social science is a humble and subjective work, characterized by tentativeness, fragmentation, and indeterminacy (Johnson & Duberley, 2000). Contrasted to positivists, postmodernists argue that knowledge is indeterminate, and a neutral observational language is impossible. 'Reality', from the viewpoint of postmodernists, can have an infinite number of attributes, and the observer's influence is largely ignored by positivists. Therefore there is no single discoverable true meaning, only numerous different interpretations. Johnson and Duberley (2000) emphasize that, central to a postmodern analysis would be power, and in the field of management, through the education and training within its disciplinary domain, managers learn to speak this discourse and the discourse speaks to them by structuring their experiences and definitions of who they are. Thus positivist basis of any scientific discipline is challenged with science being viewed as a power-knowledge technology for regulations. In order to challenge conventional wisdom, postmodernists aim to free researchers to mix and match various perspectives or research styles (Kilduff & Mehra, 1997). The researcher's role is more visible in postmodern research, and researchers should be humble about their findings, recognizing their roles in the construction of those findings.

In social science, postmodernism might provide a new way whereby people can challenge and rethink the current dominant management theories. However, postmodernist epistemology seems less likely to aim to capture meanings, find patterns, as well as arrive at firm conclusions, and it seems to devastate implications for how we understand management and practices. Postmodernists argue that all knowledge is untrustworthy, if so, what the reality is, and their claims about the relativity of knowledge should be questioned as well. Qualitative analysis focusing on interviews, participation observations, and multiple perspectives is often assumed to be postmodernist, and ethnography in particular is popular with some postmodernists (Kahn & Lourenco, 1999). Indeed postmodernists rarely do empirical work, and they engage largely in deconstructing and criticising existing work and destroying the things rather than undertaking new empirical approaches. The problem is where the end of deconstructing is, and how postmodernist researchers provide constructive perspectives or resolutions to management practices. If the perspective of a

postmodernist is accepted by most audience of management, it is also possible to be a mainstream of management theory. If so, postmodernism might fall into self-contradiction.

3.2.4 Critical theory

Critical theory shares some similarities with postmodernism; however, the connection between politics, values and knowledge seems to be the focus of critical theory. It aims at diagnosing the problems of modern society and identifying the nature of the social changes necessary to produce a just and democratic society (Layder, 1994). Pivotal role in critical theory is that knowledge can not and should not be the outcome of privileged access and dissemination by the authoritative few; rather legitimate knowledge must be the outcome of unconstrained public debate and agreement. 'Ideal speech situation' (Habermas, 1970) is characterized by all participants having an equal chance to initiate and participate in discourse, with all validity claims being open to discursive examination free from the constraints imposed by disparities in power.

However, the 'ideal speech situation' seems unrealistic, since we do not yet live in societies free from domination, and the possibility of the neutral adjudication of knowledge is also questionable. Even if this situation can be achieved, the disparity between the communication parties still remains problematic, as the more powerful party might impose their own knowledgeable preferences more successfully, but the silence leads to be less powerful (Johnson & Duberley, 2000). Another question is that the consensus might still not be achieved through ideal speech situation and communication. Ideal speech situation might be only one of possible approaches. Johnson and Duberley (2000) believe that fundamental to the approach is that management is seen as a social and political phenomenon rather than a technical function. If critical theorists only aim to reveal the social and political problems of management, the technical functions may be largely neglected, and hence there may be no relatively clear evaluation criteria of technical functions.

3.2.5 Realism

Realism shares certain features with positivism, and the key characteristic of realism is that things ‘exist and act independently of human activity’ (Bhaskar, 1989:13). However, positivists isolate one mechanism in order to create a closed system, which is rarely spontaneous and seldom occurred without human intervention. Commenting on that, Bhaskar (1993:83) stated that:

*‘The world can only be understood in terms of the available conceptual resources...
Observation is neither theory-neutral nor theory-determined but theory-laden.’*
(Bhaskar, 1993:83)

According to realists, science is constructed as a social activity where people intervene and manipulate an intransitive reality, and any knowledge claim can not be understood adequately without analysis of its social constructions. Realists, hence, argue that the knowledge people have of their social world affects their behaviour, and the social world does not simply ‘exist’ independently of this knowledge (May, 1997). In other words, ‘social phenomena, such as language, decisions, conflicts, and hierarchies, exist objectively in the world and exert strong influences over human activities because people construct them in common ways’ (Miles & Huberman, 1994:4). As such, causes are not simply determining of actions; rather, they could only be theoretically inferred through examination of their relational effects in human agency. Nevertheless, people’s knowledge may be partial or incomplete. The task of social research is not simply to collect observations on the social world, but to explain these within theoretical frameworks which examine the underlying mechanism of structuring people’s actions (Willis, 1977). Human agency can not happen without our knowledge of the resources available and the material social conditions we act on; while our knowledge of these structures is always interpretative, and human agency draws upon extant structures as a condition of action (Bhaskar, 1993).

Currently management research seems dominated by a particular form of positivist epistemology encouraging an exclusive focus upon deductive and often quantitative methodology. However, theory-neutral observational language might never exist, and the statistic approach is causal in that it seems more likely to identify correlations between dependent and independent variables rather than causality. The

conventionalist's rejection of a theory-neutral observation language is necessary but not sufficient and does not inevitably lead to subjectivist ontology. The approach of postmodernism might plunge researchers into a loop of deconstructing and devastating existing work, but not provide an opportunity to answer the specific questions. Critical theorists seem pay too much attention to the connection between politics, values and knowledge, which might be unrealistic, rather than other possibilities and resolutions. Realism has been seen as particularly appropriate for social science research (Anastas, 1998). In realism, the *outcome* of an *action* follows from *mechanism* acting in particular *contexts* (Robson, 2002). In a realist view, the constitution of the social world, and the stratification of social reality can be explained in due course, and mechanisms are the engines of explanation (Pawson, 2006). Mechanisms are not the same as scientific laws because they allow many different outcomes in different circumstances. In other words, explanation is constructed in terms of mechanisms, and thus we rely on mechanisms to explain a sequence of events, a pattern of behaviour and interconnections. Realists look for explanation of social phenomena. In the realist view, there are significant differences between natural and social sciences, which mean a move from a closed situation to an open one, and therefore, in social science, it is impossible to approach that degree of closure (Robson, 2002). Realists believe that when dealing with open systems, we have to deal with tendencies and probabilities. In other words, realists seek casual explanations, and in order to address the research questions, context, mechanism and outcome configurations must be taken into account (Pawson, 2006). Causal processes may lead to particular outcomes, but they may not on some occasions, and in some circumstances. In a particular situation, there may be a set of mechanisms, and thus how these mechanisms operate and how the particular patterns of results occur will depend on the context. Human actions can only be understood in terms of their place within different layers of social reality. However, realists recognize that the laws and predicable regularities still apply, and causal explanation can not happen without the identification of mechanisms. Therefore, the research task of social science is to obtain evidence of the existence of these mechanisms to carry out an analysis of the probable causes. Realism permits an integration of subjectivist and objectivist approaches, and it allows both subjectivist and objectivist approaches to co-exist in social science (Robson, 2002). Realist study can be quantitative, qualitative or both, and qualitative approach allows researchers to analyze the connections between

variables (Fisher, 2007). A realist position would thrive on multi-methodological approaches utilizing the full range of methodological techniques which are available to management researchers (Johnson & Duberley, 2000). This study shares the most similarities with realism to match with the requirements from the research aim and objectives. By analyzing the relationship between variables with both qualitative and quantitative perspectives, this research aims to seek recurrent patterns and associations about leadership styles of Chinese and American executives as well as the probable causes to establish principles or laws for possible solutions to the problem. Moreover, this study also attempts to explore the people's divergent perceptions, attitudes and values to explain the complex and dynamic phenomena in leadership and culture within the developing social context via qualitative approach which provides a deeper understanding of these mechanisms and processes and how these variables are causally linked each other.

3.3 Research Strategy and Approach

After selecting a suitable research philosophy, a consideration and discussion in research strategy and approach is discussed in this section. Essentially, research strategy and approach are concerned with the way of studying in this research project; more specifically, it relates to how materials are collected and analyzed. However, it is distinct from research methods and tactics which are concerned with more specific features and the process of data collection and analysis.

3.3.1 Case study

As a research strategy, the case study has been used in many disciplines such as business (Ghauri & Gronhaug, 2002). According to Yin (1984:23), a case study is an empirical inquiry that:

'...investigates a contemporary phenomenon with its real-life context; when the boundaries between the phenomenon and context are not clearly evident; and in which multiple sources of evidence are used.' (Yin, 1984:23)

Case studies enable a researcher to ‘reveal the multiplicity of factors which have interacted to produce the unique character of the entity that is the subject of study’ (Yin, 1989:82). Stake (1988:258) also defines a case study is:

‘...a study of a bounded system, emphasizing the unity and wholeness of that system, but confining the attention to those aspects that are relevant to the research problem at the time.’ (Stake, 1988:258)

Management knowledge can not be explained adequately without analysis of its social construction, and it is conceptualized as a mutable cultural resource which influences, constrains particular social and organizational relationships and practices (Johnson & Duberley, 2000). In terms of the aim and objectives of this study and the characteristics of realism, case study has been adopted as an appropriate research strategy. As case study allows an investigation to retain the holistic and distinctive characteristics of real-life events and to understand as well as interpret the complex social phenomena where many variables might exist, the respondents’ thoughts concerning their experiences and view points can be inferred and the research questions can be answered.

The definition of the case (unit of analysis) is related to the way the initial research questions have been defined (Yin, 1989). In terms of specific case study designs, Yin (1989) distinguishes basic types of single and multiple case designs which can either be holistic (single unit of analysis) or embedded (multiple unit of analysis). Miles and Huberman (1994) consider the issues under consideration in two sections: defining the case (bounding the territory) and sampling (bounding the collection of data) respectively. In defining the case they recommend attending to several dimensions of the case, such as, its conceptual nature, its social size, its physical location and its temporal extent. Sampling operations should define the case(s) further. As this research is related to the leadership styles of Chinese executive level managers working for American ventures in mainland China, the Chinese executive level managers and their relations with the organizations have been selected as the case (unit of analysis). The individuals of Chinese and American executive level managers as sub-cases have been involved in this study.

Cross-case analysis was employed in this study. On one hand, cross-case analysis enhances generalizability (Miles & Huberman, 1994). Cross-case analysis is good at looking at specific, concrete, historically-grounded patterns common to relatively small number of cases. Through approaching cross-case comparison by forming types or families, the researcher inspected cases in a situation to look at whether they belong to the clusters or groups sharing certain common patterns or configurations. On the other hand, cross-case analysis deepens understanding and explanation (Miles & Huberman, 1994). Cross-case analysis not only restrain the specific conditions under which a finding will occur, but also help researchers generate the general framework of how those conditions may be related. Cross-case analysis enabled the researcher to clarify the differences and similarities of leadership styles between Chinese and American executives, and equipped the researcher to ascertain the main causes resulting in these differences and similarities.

However, there are both advantages and disadvantages in the research strategy of a case study. Case study aims to understand the case in depth and to recognize its natural setting, its complexity and its context; it also has a holistic focus, aiming to preserve and understand the wholeness and unity of the case (Yin, 1989). It helps researchers deal with detail, variety and complexity, and enables researchers to probe into the rich depths of social life more easily. Hence it encourages a less abstract and is more realistic to social issues. Against these advantages, case study strategy can not cope easily with large volumes of cases or data, and researchers using this strategy with a medium or large number of cases will struggle to cope (Bryman, 2001). Moreover, findings of a case study might entail personal impressions and bias, and thus there may be no assurance of objectivity, validity and reliability. A common criticism of a case study concerns its generalizability (Gomm *et al.*, 2000). How can researchers generalize from a single or relatively small number of cases? ‘The short answer is that case studies, like experiments, are generalizable to theoretical propositions and not to populations or universes.’ (Yin, 1989:10) In statistical generalization, a result comes out from a population on the basis of data collected about a sample; in contrast, the aim of case study is to engender patterns and linkages of theoretical importance. ‘Cases’ are not the results of ‘statistical sampling’ and should not be chosen for this reason (Yin, 1989).

Yin (1989) proposes three principles of data collection helping to deal with the problems of establishing the construct validity and reliability of a case study: using multiple sources; creating a case study database; and maintaining a chain of evidence. First, any finding or conclusion in a case study is likely to be much more convincing and accurate if it is based on several different sources of information. In order to construct the validity, critical-incident interviews and Multi-factor Leadership Questionnaire (MLQ) have been employed in this research; furthermore, as sub-cases, Chinese and American senior managers at various levels of the American ventures in mainland China were interviewed. Next, creating a case study database, that enables other investigators to review the evidence directly and not be limited to the written reports, will increase markedly the reliability of the entire case study. With anonymity and confidentiality, the details of data collection and analysis, such as interviews transcripts, coding process, data display and analysis, as well as questionnaire analysis, have been archived so that other researchers can review for their further research. Moreover, a chain of evidence has also been maintained. It allows external observers to follow the derivation of any evidence from initial research questions to ultimate case study conclusions. As independent observers, the supervisory team have provided comprehensive monitoring throughout the research project.

3.3.2 Combination of qualitative and quantitative approaches

Case studies can involve qualitative data only, or quantitative data only, or both (Yin, 1989). As Miles and Huberman (1994:42) explain that ‘both types of data can be productive for descriptive, reconnoitring, exploratory, inductive, opening up purpose. And both can be productive for explanatory, confirmatory, hypothesis-testing purposes.’ For traditional quantitative researchers, human phenomena are studied scientifically by converting them into numerically measurable independent and dependent variables (Saunders *et al.*, 2000). Traditional quantitative research assumes that subjectivity and values are sources of bias that can and must be eliminated or controlled, and assumes that qualitative research is necessary biased and therefore unscientific. However, for the qualitative researcher who wants to study subjective experience, restricting data to measurable variables is unnecessarily limiting (Saunders *et al.*, 2000). Qualitative researchers argue that the subjectivity and values are a necessary part of human interaction and therefore can not be eliminated or

controlled. Own subjective experience can be a source of knowledge about the phenomenon a qualitative researcher is studying. The qualitative research paradigm assumes that the best way to learn about people's subjective experience is to ask them about it, and then listen carefully to what they say. Qualitative research is particularly well suited to the study of diversity because it does not assume that there is one universal truth to be discovered, but rather focused on listening to the subjective experience and stories of the people being studied (Saunders *et al.*, 2000).

Spector (1992) has argued that the most effective way to overcome methodological weakness is to test ideas with different methods. According to Brewer and Hunter (1989:17), 'triangulated measurement tries to pinpoint the values of a phenomenon more accurately by sighting in on it from different methodological viewpoint.' Adopting a qualitative case study strategy, this study embodies both qualitative and quantitative perspectives though the quantitative material has been used as an adjunct to the case study interviews rather than as a representative and random survey. The method of critical-incident interview has been adopted to collect qualitative data; meanwhile, Multifactor Leadership Questionnaire (MLQ Form 5X-Short) has also been employed for quantitative data collection and deeper understanding on the qualitative data. At general level, the reasons for combining are to capitalize on the strengths of the two approaches, and to compensate for the weakness of each approach. Quantitative, standardized procedures of data collection and analysis may lead to partial conclusions, which will have to be integrated in a more qualitative way into the whole context of relevant factors and processes. In this study, the researcher did not assume that there is one universal experience of leadership. Instead, the researcher studied leadership styles across cultures, and the respondents were treated as experts on their own leadership experiences.

3.4 Research Methods and Tactics

This section discusses the research methods and tactics that are concerned with how respondents have been selected, and how qualitative and quantitative data have been collected and analyzed. Sampling strategy, the process of respondent selection, the methods of critical-incident interview and Multifactor Leadership Questionnaire

survey, as well as the process of data analysis are discussed in more detail in this section.

3.4.1 Sampling strategy

Purposive and snowball sampling strategies rather than random were employed to select the case and locate appropriate respondents. For many quantitative researchers, they decide on the population they want to study and the procedure they will use to obtain a random sample from this population. The goal is to have a large enough sample so that they get statistically significant results and to use a random sampling procedure so that they can generalize the results. An authentic random sampling procedure would require having a complete list of the population to be studied, and then using a randomization device to select a sample from that list. However, except for very large-scale survey research, actually no one achieves this. Random sampling is theoretically impossible in studies of cultural diversity and leadership differences. That means the researcher would need equal access to all members of subcultures and organizations. As the target group for this study were Chinese executives working for American ventures in mainland China, purposive sampling recruited the respondents eligible for it. Snowball sampling started with purposive samples for a few research respondents and asked them to select others. These, in turn, were asked to suggest more research respondents. In this manner, the research sample grew from the first few research respondents, the way a snowball enlarged while rolling.

3.4.2 Research respondent selection

In order to locate appropriate respondents who had solid leadership experiences and work histories in American ventures in mainland China, three areas have been chosen as the centres for this study: Beijing Municipality, Yangtze River Delta, and Pearl River Delta. The central cities of these three areas – Beijing, Shanghai, Guangzhou and Shenzhen are the major cities in mainland China, and these three areas are currently developing rapidly with strong economic infrastructures. Moreover, these three areas have been recipients of considerable foreign direct investment (FDI) accompanied by an influx of Western leadership and management influences. These

three areas, therefore, are potentially rich data sources, and can provide the appropriate environments where Chinese and American leadership styles coexist.

Interviews were conducted with sixty five Chinese and American executive level managers who were responsible for large segments or functions of the organization or the whole organization. They were senior managers, of various levels in various functions, and were both leaders and the led. The organizations that the respondents worked for were the wholly American-owned companies of electronics industry in mainland China. These organizations were medium to large sized companies (500 or more employees), listed in the Fortune top 500 American companies. The focus on a specific sector has the major benefit of controlling a major variable but has the acceptable cost of limiting the generalizability of the study.

As can be seen from *Table 3.1*, the respondents comprised 51 Chinese (78%) and 14 American (22%) executive level managers, and nearly two third of them were male (65%). The respondents came from three areas of mainland China: Beijing Municipality (29%), Yangtze River Delta (31%), and Pearl River Delta (40%). It should be noted that the respondents were highly educated with almost half (49%) holding master degree and 5% holding PhD degree. When asked their functional responsibility, Human Resources occupied the biggest percentage (19%), followed by Executive General Management (15%) and Supply Chain (15%) with Research and Development (11%) and Quality (11%) coming a third. The total working years of nearly half of the respondents (48%) were 11-15 years, and over one third (35%) of the respondents' working years were 16-20 years. However, almost half of the respondents (43%) had been working for the current companies for only 3-5 years, and about one third (31%) of the respondents' working years with the current companies were less than 3 years. The American respondents generally had longer years of experience with their organizations than the Chinese respondents.

Characteristics	Frequency	Percentage
<i>Nationality</i>		
- Chinese	51	78%
- American	14	22%
<i>Gender</i>		
- Male	42	65%
- Female	23	35%
<i>Working place</i>		
- Beijing Municipality	19	29%
- Yangtze River Delta	20	31%
- Pearl River Delta	26	40%
<i>Education background</i>		
- Bachelor	30	46%
- Master	32	49%
- PhD	3	5%
<i>Functional responsibility</i>		
- Accounting/Finance/Fiscal/Treasury	6	9%
- Engineering	1	2%
- Executive General Management	10	15%
- Health, Safety & Environment	2	3%
- Human Resources/Personnel/Training/Labour Relations	12	19%
- Supply Chain	10	15%
- Manufacturing	2	3%
- Research and Development	7	11%
- Quality	7	11%
- Marketing	4	6%
- Sales	4	6%
<i>Number of total working years</i>		
- 5 to 10 years	4	6%
- 11 to 15 years	31	48%
- 16 to 20 years	23	35%
- Over 20 years	7	11%
<i>Number of years with the organization</i>		
- Less than 3 years	20	31%
- 3 to 5 years	28	43%
- 6 to 10 years	10	15%
- 11 to 15 years	6	9%
- Over 15 years	1	2%
<i>Total</i>	65	100%

Table 3.1: Characteristics of respondents

3.4.3 Critical-incident interview

The method of critical-incident interview has been used to collect qualitative data. The critical-incident technique, which was previously used in social and natural science study, now has been expanded to be an interview approach in qualitative research (Ronan & Latham, 1974). The purpose of the critical incident technique is to gain a deeper understanding of the incident from the respondent, taking into account cognitive, affective, and behavioural elements (Chell, 1998). In modern uses, an attempt of critical-incident approach is often made to recover the construction of meaning involved in the respondent's effort to make sense of the issue (Fisher, 2007). The critical-incident technique is intended through the method of unstructured interview or semi-structure interview, where respondents are required to provide incidents related to their life situation, as well as their attitudes and orientation, to attain the thought process and the feelings about incidents that have meaning for respondents (Chell, 1998). In a qualitative interview procedure, critical-incident technique facilitates the investigation of significant events, incidents, processes or issues identified by the respondent, how they are managed, and the outcomes. Nevertheless, the critical-incident interview is usually viewed as more time-consuming and expensive, and the quality of data depends upon the quality of the interviewer and the interaction between interviewer and interviewee (Healey & Rawlinson, 1994).

A pilot-interview was needed in order to go through the questions and interview process for any improvement. An initial introductory telephone call or an e-mail was used, by which the researcher outlined the aim and objectives of the research project and offered plausible reasons for seeking intrude upon the respondent's time, so that the respondent was fully informed (see Appendix 1) and voluntarily took part (see Appendix 2) in the project. Once access has been granted and an appointment made, the researcher followed the sequence of interview (see Appendix 3) that commenced with the researcher's self-introduction and project information. And then, confidentiality, anonymity, as well as the respondent's rights were emphasized as essential. The researcher has attempted to develop a rapport and trust with the respondent to decrease reactivity. As the respondent was relaxed and comfortable with the atmosphere, the interview started. The researcher initiated the questions and

let the respondents freely talk about the subject in terms of their own frames of reference. In doing so, the method enabled the researcher to capture the respondents' points of view and maximize his understanding of them. Most of the respondents took about one hour and a half to talk about their experiences, opinions and attitudes. As this study adopted a realist approach, the researcher viewed the responders' answers as the data that provided factual accounts of their lives by describing some external reality (e.g. incidents, facts) and internal experience (e.g. feelings, meanings).

The main questions and script were fixed, in which the respondents were asked to describe the incidents about the differences and similarities they felt in leadership styles between Chinese and American executive level managers working for American companies in mainland China. When analyzing the qualitative data, the researcher used these incidents to illustrate the respondents' opinions and attitudes towards the leadership differences and similarities between Chinese and American leaders. The respondents were also asked to give the probable main causes of these differences and similarities. In particular, the researcher was able to improvise follow-up questions to explore meanings and areas of interest that emerged in interviews. The researcher has attempted to obtain as accurate an account of the incident as possible by asking probing yet nondirective questions and requesting specificity, clarification, and examples whenever possible to maximize validity. The use of probes and prompts was also helpful to provide the opportunity for both the researcher and the respondent to query questions and answers to verify that they had a shared understanding of meaning.

The whole conversation was recorded with digital audio with the respondent's permission. The use of an audio recorder has proved to be vital to the success of the researcher's interviews, as it enables the interviewer to capture a full transcript of the interview and to relieve the interviewer of the simultaneous tasks of listening, writing and thinking of the next topic for discussion. This also significantly increases reliability as enabling others to check interviews have been conducted in a professional manner, with data that faithfully represents the voices of respondents. However, the usual disadvantages of recording an interview centre on the anxiety and nervousness provoked in the respondent, and the accuracy of respondents can be

jeopardised since respondents do not want to be recorded saying ‘the wrong thing’ (Hart, 1989).

One of the concerns inherent in the cross-cultural research is language and hence meaning. Holden (2002) argues that there are some problems in translation, such as interference, misunderstandings, and the lack of equivalent terms or concepts. Translation defines language as a symbol of belonging, understanding, and community definition, and translators do not only interpret the language, but also the culture which goes with it (Holden, 2002). Therefore translation is ‘a kind of knowledge conversion which seeks to create common cognitive ground among people, among whom differences in language are a barrier to comprehension’ (Holden & von Kortzfleisch, 2004:129). In order to counter these problems, the researcher conducted interviews with the American respondents in English but with the Chinese respondents in Chinese, and then all the interviews were originally transcribed into English and Chinese respectively. The English interview transcripts were sent to the American respondents for their confirmation and correction to increase the validity. Though most of the Chinese respondents were able to communicate in English fluently, Chinese was used as the interview language in order to capture the Chinese respondents’ attitudes, feelings and meanings as accurate as possible, and to reduce any communication barrier or misunderstanding of them. The original Chinese interview transcripts were then translated into English shortly, with checks on validity of translation by confirmation and correction from the Chinese respondents. Generally, the Chinese respondents shared a common understanding on English management terms and the translation into Mandarin Chinese. However, occasionally, the translation of a few English management terms has slightly different meanings. For instance, the English term ‘competence’ has been variously translated as *su zhi* (素质, quality), *zi zhi* (资质, qualification), and *neng li* (能力, ability) which might be understood by the respondents differently. Once there were some questions or concerns from the respondents on the Chinese or English transcripts, the respondents were re-contacted for further clarification and correction in order to ensure the accuracy and the validity. Further checks were made on consistency of meaning by the supervisors and then the resulting versions of the English transcripts were confirmed for data analysis.

3.4.4 Multifactor Leadership Questionnaire (MLQ Form 5X-Short)

Multifactor Leadership Questionnaire for research (MLQ Form 5X-Short) (see Appendix 4) developed by Bass and Avolio (1995) has been adapted to collect quantitative data. Using the questionnaire survey in this study is not aiming to give population generalization, but to gain deeper and more comprehensive understanding of the leadership styles of Chinese executives. Psychometrics serves many social scientists as their primary tool which deals with the measurement of individual differences between people through tests or questionnaires reliable and valid. A psychometric questionnaire is reliable to the degree it can be generalized across independent replications of the same measurement procedure. A psychometric questionnaire has construct validity to the degree it is based on an adequate operationalization of the underlying property and measurement of introversion. The use of questionnaire is comparatively convenient and inexpensive, and it offers greater anonymity, as there is no face-to-face interaction between respondent and researcher. However, a poorly constructed questionnaire can lead to bias and variance to the data that are gathered. There are also many challenges the researchers have to face, such as low response rate, and self-selecting bias. Due to different cultures, life and educational experiences, different respondents might interpret question items differently, and that will affect the quality of the information provided.

The earlier version of the Multifactor Leadership Questionnaire (MLQ Form 5R) has been criticized by some researchers for having inadequate discriminant validity among the factors comprising the survey, for including behavioural and impact items in the same survey scales, and because the factor structure initially proposed sometimes has failed to be replicated in subsequent empirical research (Bass & Avolio, 1995). The MLQ has been revised several times and is now widely used. Bass and Avolio (1995) summarized preliminary results of a comprehensive validation study that was undertaken to develop some refinements to the MLQ. They had collected 14 samples that were used to validate and cross-validate the MLQ Form 5X-Short. They then tested a broader range of models based on more recent tests reported in the literature. Following their call for further research, numerous research projects were undertaken using the MLQ Form 5X-Short survey. A large percentage of those

studies were included to provide a more comprehensive examination of the factor structure represented by this survey tool. The factor structure of MLQ Form 5X-Short has been validated by both the discriminatory and confirmatory factor analysis (Bass & Avolio, 1995). However, the cultural bias on the development of MLQ Form 5X-Short still remains questionable. Respondents with different culture background might have different understanding on the question items, and interpretations might be widely discrepant.

Research results consistently show other-ratings to have greater validity than self-ratings (Bass & Avolio, 1997). In order to avoid self-protective purpose and halo effects, in this study, the respondents were asked to assess their immediate superiors' leadership styles, and the leadership outcome data have been gained from them. The MLQ Form 5X-Short is available in a form of 45 items for organizational survey and research purposes and for preparation of individual leader reports. The five-point Likert-type scale range of possible responses is from 'not at all' (0) to 'frequently, if not always' (4) for each question item. The questionnaire used in this study was in English to avoid any deviation from the original one. If the respondent had no time to complete the questionnaire right now after the interview, the copy of the questionnaire along with instructions and a self-addressed return envelope were left to the respondent for assessment and reply to the researcher.

3.4.5 Data analysis

The process of analyzing the data collected for this study has been characterised by the fact that it began as soon as the researcher started collecting data. As soon as the researcher began the process of collecting data, the researcher simultaneously engaged in analysing and interpreting the perspectives of those the researcher was talking with and observing. Miles and Huberman (1994) define qualitative analysis as consisting of three concurrent flows of activity: data reduction, data display, and conclusion drawing and verification. Data reduction refers to the process of selecting, focusing, simplifying, abstracting and transforming the data. Data display refers to organized, compressed assembly of information that permits conclusion drawing and action. Conclusion drawing and verification concerns the emerging or inducting of meanings from the data and testing for their plausibility, their sturdiness, and their validity.

Miles and Huberman (1994) point out that these three streams are presented as interwoven before, during and after data collection in parallel form, to make up the general domain called 'analysis'.

Qualitative data analysis generally includes three levels of categories: text-driven categories, coherence-driven categories, and theory-driven constructs (Miles & Huberman, 1994). In this study, the coding method moving the researcher from a lower to a higher (more abstract) level of understanding has been adopted to organize the text of the transcripts and discover patterns. After all the interviews were conducted, and the texts were transcribed verbatim, any analysis made was typed onto the transcripts or written into the field notes. Inevitably, the incidents, the views and experiences focused upon will be determined by what the researcher considers to be significant and worthy of study (Henn, *et al.*, 2006). The researcher selected segments of text which were seen as relevant to the basic concerns and conceptual framework of the study. The researcher cut the text down to manageable proportions by reading through the text with the research concerns in mind. The researcher kept only the relevant text that is related to the specific research concerns, and disregarded the rest, which made the text easier to work with. Whereas the researcher has justified the decisions taken with respect to what was recorded or filtered out and the interpretations given to the data constructed to avoid bias and to decrease subjectivity. Having selected the relevant text, the researcher noticed that different respondents often used the same or similar words and phrases to express the same idea. By recording key words, phrases, and passages which the respondents themselves repeated or otherwise indicated as important ideas (open coding process), a set of level one text-driven category which paraphrased or generalized the text itself was then developed. By systematically comparing the similarities and differences between sections of coded data, some codes were disregarded as irrelevant to the study, others were expanded upon and additional codes emerged. The list of coherence-driven categories has been also developed in a similar manner. As the text-based categories developed, the researcher found groups of text-driven categories that had something in common, and became aware them in logical or conceptual relation to each other so that they could be organized into clusters. The familiarity created by reading and re-reading transcripts and field notes heightened the researcher's awareness of the 'patterns, themes and categories' (Patton, 1987). The memos additionally reminded

the researcher of the logic of the interpretations that he had made at the early stage of data analysis. Coded sections were pulled together into different categories or 'families' of codes, and therefore level two coherence-driven categories were developed. In the same way that the researcher organized the text-driven categories into coherence-driven categories, the researcher organized the coherence-driven categories into larger, more abstract ideas. We refer to the abstract grouping of coherence-driven categories as theory-driven constructs. Having these core categories and organized coded data into a meaningful structure, the analysis was deepened by interpreting the relationships between core categories, and by examining the relationships between core categories and concepts and theories existing in the literature. The researcher then used these theoretical concepts to organize the coherence-based categories into level three theory-driven constructs.

Table 3.2 illustrates the one the researcher constructed for the data in micro leadership style. For example, repeating ideas 1, 2 and 3 form text-driven category A: *Provide instruction*, and repeating ideas 4, 5 and 6 form text-driven category B: *Details intervention*. Similarly, text-driven category C: *Work hard* is derived from repeating ideas 7, 8 and 9. All these repeating ideas have been demonstrated by the incidents and experiences described by the respondents. Text-driven category A together with text-driven categories B and C form coherence-driven category I: *Process/detail driven*. Coherence-driven category II: *Close supervision* consists of text-driven categories D and E, and coherence-driven category III: *Narrow perspective* comprises text-driven categories F and G. Coherence-driven categories I, II and III allow the researcher to create a theory-driven construct: Micro leadership style. Further details and evidence about coding process and data analysis can be found in chapter 4 & 5.

Micro leadership style

I. Process/detail driven

A. Provide instruction

1. Chinese executives not only focus on results but also design the process and steps for their people in advance for implementation... We need to do step one, step two, step three, step four, and five, and there are much more specific what the tasks are.
2. I could not only be a passive audience... I also make some judges and raise my specific concerns and provide instructions as well as my suggestions...
3. I just told my subordinates directly to adjust or improve certain things once I found something wrong when discussing with them...

B. Details intervention

4. ...they will go through every single detail with you for final decisions.
5. Chinese executives take care of everything themselves and get involved in every detail of the business...
6. It is necessary to 'check and balance, down to details' so that the actual situation and support I can provide can be identified.

C. Work hard

7. Chinese executives are rather diligent and work day and night.
8. Hard working is always appreciated by Chinese executives... I believe my current boss is the typical Chinese leader emphasizing diligence and work orientation.
9. I believe Chinese can sacrifice their self-interests for the benefits of the company. I often work till 09:00pm or 10:00pm everyday, but the American general managers never.

II. Close supervision

D. Control

E. Intolerance of deviation

III. Narrow perspective

F. Partial picture

G. Execution

Table: 3.2: An example of coding process

Data display means a 'visual format that presents information systematically, so the user can draw valid conclusions and take needed action' (Miles & Huberman, 1994:91). By following the sequence of 'building the format, entering data, drawing conclusions, writing analytic text, and cycling onward to revised or new displays' (Miles & Huberman, 1994:91), the data have been displayed with two main categories: matrices and network. Matrices lend themselves well to a variable-oriented analysis style and can be expanded to a more holistic case-oriented style. They have been used to present the major findings on leadership styles, the probable cultural and situational causes, and MLQ survey results and analysis by essentially involving the crossing of

two or more main dimensions or variables to see how they interacted. Networks involve a series of nodes connected by links. As networks lend themselves well to a case-oriented approach that shows the complex interaction of variables, the researcher used them to illustrate the mutual influences between the components of newly developed leadership styles and the interconnections between different leadership styles.

In terms of conclusion drawing and verification, systematically analyzed and presented data enabled the researcher to draw valid conclusions and take needed action. The initial meaning of the findings has been drawn from data displays, involving forming patterns, summarizing contrasts, identifying relationships and interconnections, and developing coherent understanding. For confirming or verifying initial conclusions, the researcher mainly focused on considering the quality of both qualitative and quantitative data and looking at un-patterns and exceptions. Some of the respondents were recontacted by phone or e-mail to collect further feedback from them so that any problems and confusions could be clarified and explained, and the initial conclusions were able to be tested and verified.

QSR Nvivo has been used to assist the process of qualitative data analysis; however, both positive and negative sides exist in using of Qualitative Data Analysis (QDA) programs. On the positive side, they extend the range of what the researcher can do by hand, but on negative side, they might distance the researcher from the text. QDA programs give the researcher a set of tools for analyzing textual data; nonetheless, the tools neither apply themselves nor do thinking for the researcher, and only the researcher can decide how to analyze the text. Once the researcher decides on an analysis, QDA programs can help the researcher do it faster and more systematically. The statistical package, SPSS has also been used to analyze the quantitative data. Quantitative data have been summarized using the mean, the standard deviation as well as frequency distribution. Cross-tabulations and correlations have been used to analyze the relationships and interactions between the defined variables, and the analysis of variance provided assistance to do the comparisons of Chinese and American leadership styles.

3.5 Research Ethics

The project has been conducted using clear ethical procedures and has been guided by the Nottingham Trent University Graduates School's code of guidance on ethical research. Two principles have underpinned the whole research: informed consent and confidentiality. An information sheet (see Appendix 1) was given to each participant involved in the research and he/she was asked to sign a consent form (see Appendix 2) prior to the commencement of interview. All participants were informed that they had the right to withdraw at any stage prior to the final report being produced. The guidance and support of the supervisory team has been sought where any unforeseen ethical problems could be encountered.

The researcher has used a number of measures to ensure the data are kept confidential, and that the participants remained anonymous. The researcher has used pseudonyms (code names) and all identifying characteristics have been changed to prevent the research participants from being individually identifiable in any publication arising from this project. The researcher maintained in secure storage a 'key' which links the code names used with the name and contact details of the respondents. This information was not revealed to others. Its purpose is to allow transcripts to be excluded from the study if a respondent requests it, or if a respondent wishes to see the transcript, after completing the interview. When the project was completed, this 'key' was destroyed. The researcher had no record of the identity of the questionnaire respondents. The respondents were requested to complete the questionnaire without names or other unique identifiers. The results have been reported in the form of statistical summaries of group results, and then the raw data have been disposed of after the aggregation and analysis.

With data protection principles and the approved research protocol, the digital audio and interview transcripts have been handled only by the researcher and reviewed only in the researcher's home. All hard copies of this questionnaire and the research notes have been kept in locked filing cabinets at safe and private place, where others can not reach, and the electronic files (including digital audio and notes) have been kept securely on password protected private computer which was not accessible to any other people. In line with usual practice, all the transcripts will be deposited in the

archive of research materials maintained by the college after the research report is accepted by the university. Once the transcripts have been deposited in the archive, the digital audio of the interviews will be destroyed, and the relevant files will be erased from my computer.

3.6 Summary

The research aim and objectives of this study were summarized at the beginning of this chapter. Following this, this chapter has reviewed a number of alternative approaches to the design of an appropriate philosophy and methodology. In brief, a realist philosophy and a case study strategy has been adopted, and this study embodies both qualitative and quantitative perspectives though the quantitative material has been used as an adjunct to the case study interviews rather than as a representative and random survey. In terms of research methods and tactics, this study employed purposive and snowball sampling strategies and the methods of critical-incident interview and Multifactor Leadership Questionnaire survey. The detail process of data collection and data analysis was presented, and the advantages and disadvantages of each approach have also been discussed. This chapter concluded by discussing considerations of research ethics in this study.

Chapter 4 MAJOR DIFFERENCES AND SIMILARITIES IN LEADERSHIP STYLES BETWEEN CHINESE AND AMERICAN EXECUTIVES

4.0 Introduction

This chapter begins by considering the major differences in leadership styles between Chinese and American executive level managers working for American companies in mainland China. A number of themes that pervade the analysis of the case materials are considered in this chapter. In essence, these themes relate to micro and macro leadership styles, perceptual and rational leadership styles, as well as transactional and transformational leadership styles. Many issues including special cases and perspectives which relate closely to these leadership styles are also discussed in this chapter. This is then followed by a brief summary of the leadership styles of overseas Chinese executives. In addition, this chapter also provides an elaboration of the similarities in leadership styles between Chinese and American executives, and finally, this chapter ends with a summary.

4.1 Micro and Macro Leadership Styles

4.1.1 Defining micro and macro leadership styles

Most of the Chinese and American respondents believed that the leadership style of Chinese executives was micro, and the leadership style of American executives tended to be macro. Due to very little relevant prior research literature, the researcher has tried to collect interview data from the research respondents, and then use what they have said in order to develop his own new theory. Three levels of data analysis: text-driven categories, coherence-driven categories, and theoretical constructs have been used in this process. *Table 4.1* illustrates that the text-driven categories logically cluster into the coherence-driven categories, and the coherence-driven categories are organized into higher theoretical constructs, and then micro and macro leadership styles are defined.

Micro leadership style	Macro leadership style
<i>Process/detail driven</i>	<i>Direction/result driven</i>
- Provide instruction	- Provide direction
- Details intervention	- Extensive management
- Work hard	- Seek balance
<i>Close supervision</i>	<i>Loose supervision</i>
- Control	- Delegation
- Intolerance of deviation	- Tolerance of deviation
<i>Narrow perspective</i>	<i>Broad perspective</i>
- Partial picture	- Whole picture
- Execution	- Strategy

Table 4.1: Theoretical constructs, coherence-driven categories, and text-driven categories for micro and macro leadership styles

Most of the respondents considered that Chinese executives appeared to provide specific instructions, heavily intervene in details and work very hard. In the following excerpts taken from two respondents, it is clear that Chinese executives were regarded as being more process/detail driven.

‘Chinese managers, for most of part, they manage very micro style, tell you what to do today, what to do tomorrow, and they want all the information and details...’
(Vice President – Supply Chain, American)

‘Local Chinese executives pay attention to not only directions but also details. My former Chinese leader emphasised details much more than directions.’ (Senior Quality Manager of Asia, Chinese)

Unsurprisingly, a number of the respondents interpreted that Chinese executives were the leaders supervising people closely as they were often felt to be intolerant of deviation and to control over their people without delegation, as the following example illustrates.

'I think Chinese executives manage people in a very strict way. When Chinese executives say 1, 2, 3, 4, 5, their people have to do 1, 2, 3, 4, 5.' (Director of APSCO, Chinese)

In this sense, the respondents suggested that process/detail focus and close supervision of people disabled Chinese executives from looking at the whole picture with more strategic thinking. Compared with American executives, Chinese executives were often perceived to lead people with narrow perspective looking at partial picture and remaining execution status. The following two quotes taken from an American vice president and a Chinese general manager illustrate this.

'Chinese managers tend to focus on one thing in charge of getting that part done first. They focus on one element of the whole thing.' (Vice President, American)

'I think the big difference... is that American executives could be more strategic thinkers and hold the perspective of global and big picture without focusing on micro things in a narrow specific field.' (General Manager, Chinese)

On the contrary, a number of the respondents described American executives as being more direction/result driven as they usually provided direction/objectives, managed people with an extensive approach, and sought balance between work and life, as indicated in the following quotes from two Chinese and American respondents.

'I think in general, a lot of American managers are the same with me, maybe not all, but my style is very American, in a style of setting up quarterly goals, quarterly objectives, and reporting structure. I am giving my direction on the reports, and let them go. I didn't tell them what did today and what did tomorrow as long as the objectives can be delivered.' (Vice President – Supply Chain, American)

'American executives only care about objectives. You must report the results to them but not all the details. As long as you do not obey the rules and regulations of the company, you are free to choose the approaches which you think are effective to achieve the goals.' (EHS Manager of China, Chinese)

Since American executives were rated as being more direction/result driven, most of the respondents believed that American executives supervised their people loosely by

delegation and tolerance of deviation without demanding people to follow their orders precisely and controlling over people. Specific comments illustrating this are shown below:

'The American HR Director of Asia never asked me to do things exactly according to his own ideas because "every road leads to Rome".' (HR Director, Chinese)

'American executives usually create open environment so that their people are delegated to accomplish tasks with their approaches. Meanwhile American executives check results and provide their support and assistance when necessary.' (Senior Key Account Manager, Chinese)

In this sense, American executives were described by most of the respondents to lead people with a broad perspective as American executives were often felt to look at the whole picture and be more strategic rather than only focus on one particular element and remain execution status. The following quotes give the evidence of the broad perspective of American executives.

'American executives hold the perspective of global and big picture without focusing on rather micro things in a narrow specific field.' (General Manager, Chinese)

'American leaders have a great sense of strategy and vision, such as planning, creating a big picture, a vision or strategies for the future.' (Finance Director of China, Chinese)

4.1.2 Micro leadership style vs. macro leadership style

4.1.2.1 Process/detail driven vs. direction/result driven

Process/detail driven approach of Chinese executives is primarily concerned with the behaviours of providing instruction, detail intervention and working hard; in contrast, direction/result driven approach of American executives is related to the behaviours of providing direction, extensive management and seeking balance between work and life.

- *Provide instruction vs. provide direction*

It is clear that there is a significant difference in how to guide people to work when starting a new task or job. The respondents felt that Chinese executives tended to provide specific instructions and guidelines regarding how to complete the job and what needed to be done to make sure the expected results can be achieved. The following response taken from an American director of product development illustrates this.

‘Chinese executives not only focus on results but also design the process and steps for their people in advance for implementation so that they can make sure the expected results can be achieved... We need to do step one, step two, step three, step four, and step five, and there are much more specific what the tasks are.’ (Director of Product Development, American)

Some of Chinese executives felt that providing specific instructions to their people was reasonable. The first probable explanation is that some of Chinese executives believed that providing specific instructions and guidance were helpful to complete the job more efficiently and to make sure the expected needs can be satisfied as a Chinese director of global supplier quality stated in the following quote.

‘I always held a detail meeting structure to discuss what we should do everyday or every week. I just told my subordinates directly to adjust or improve certain things once I found something wrong when discussing with them...’ (Director of Global Supplier Quality, Chinese)

The second possible explanation is that some felt that they needed to be more proactively involved in the details and contribute their valuable experiences and ideas as a Chinese general manager commented that:

‘I could not only be a passive audience. From an observer’s viewpoint, I also make some judges and raise my specific concerns and provide instructions as well as my suggestions in meetings based on my knowledge and previous experiences for their discussion.’ (General Manager, Chinese)

However, some of Chinese executives felt that sometimes it was not necessary to provide specific instructions to all the subordinates, especially to those who had solid functional knowledge and experiences. In the following excerpt, a Chinese director of supply chain commented that one of possible reasons of demanding and dictating behaviour of Chinese executives was to keep their authority. Similarly, a Chinese senior quality manager of Asia also suffered from the similar behaviour of his Chinese leader. He described an incident (see Appendix 6.1) in which he was in dilemma when his Chinese leader provided specific instructions to deal with a customer complaint with the lowest cost; however, the customer insisted on solving the technical problem face-to-face. The Chinese senior quality manager felt those specific instructions restrained him to solve the problem more effectively.

‘They were talking about how to purchase steel and some technical problems, but this Chinese director still told the assistant manager, who held a PhD degree with very good technical background, how to do this and how to do that with very detail instructions. The assistant manager could not help but obey his orders... One day, I asked the Chinese director why he could not just delegate the assistant manager to complete this project. He said “right, he holds a PhD degree, but I have to tell him how to do things because I do not think he has rich experiences in this area, and he just graduated from the university 2 or 3 years ago. If I don’t do that, he could not view me as a boss.” ’ (Director of APSCO, Chinese)

In contrast, it is fairly clear that most of the respondents considered that American executives usually provided direction and objectives rather than specific instructions and orders for implementation. This is clearly demonstrated in the following extracts.

‘American executives usually focus on direction, big picture and objectives and make sure their people are not far away from business objectives, but they seldom provide specific instructions on specific matters... Their leadership styles are free. They often ask their team members to prepare performance objectives in advance, and then present their expectations to the team members and explain the importance of cascading business objectives...’ (Senior commodity business manager – Global purchasing materials & components, Chinese)

'I think American managers do not give many details. You can have 15 minutes meeting with a manager, and he says we like to launch operations here next year, that's it, and everyone's thoughts go away and we know what to do to get that final goal.' (Director of Product Development, American)

Though American executives seldom provided specific instructions or orders to their people and didn't care about details, direction and objectives were always emphasized, and it made it evident that American executives were direction/objective driven. A Chinese key account manager described his experience as below.

'My current American boss usually clarifies the objectives and business situation to me and communicates what should be done and what kind of plan we have. Of course, he also listens to my suggestions and opinions, but presenting his expectations and explaining the importance of cascading business objectives seems more important in our discussion.' (Senior Key Account Manager, Chinese)

Similarly, most of the American executives also described themselves as macro leaders that provided direction and objectives at the commencement of a task or a project and then released their people to achieve them without too much intervention, but regular updates were still very important for them, as the following example illustrates.

'I make sure that everybody knows the deliverables, and I should respect my management, I still owned this project, it was my project, I mean I have to deliver. So usually at the beginning of this type of project, such as production project, sales project, I need to sit down and make everybody clear what they have to do, and let them go, and I just want updates.' (Vice President – Supply Chain, American)

- *Details intervention vs. extensive management*

According to most of the respondents, it can not be denied that Chinese executives not only cared about whether or not objectives were achieved but also worried about how objectives were achieved. Most of the respondents believed that Chinese executives tended to heavily interfere in their people's daily work, seek little information, and take care of every single detail. In the following excerpts taken from two respondents,

it is clear that these behaviours were concerned with the micro leadership style of Chinese executives.

'Chinese executives including local Chinese, Hong Kong and Taiwanese executives sometimes care about things much more than Americans, not only the targets but also how these targets are achieved... they will go through every single detail with you for final decisions.' (Director of APSCO, Chinese)

'Chinese leaders take care of everything themselves and get involved in every detail of the business...' (Technical Director, Chinese)

As is evident in the following incident described by a Chinese sales director, Chinese executives appeared to pay attention to both results and process, and sometimes they were seen as viewing process as more important than final results, and thus final results could be ignored once they were satisfied with the process. However, her American leader was not convinced by her explanation as American executives were perceived to be more result focused.

'We could be the supplier of a big American company after their assessment. We did a lot of work to present the company's competences, product quality, and customer services. This potential client also experienced our efforts, but they chose the other company as their supplier. Even though we failed in this case, we were highly recognized by the Chinese boss for she indeed understood we had done what we could do. We had to explain a lot to the American technical director, who thought we did not achieve the objective, although we had tried our best to build up relationship with the potential client. Chinese executives understand of process but American executives focus on results.' (Sales Director of South China, Chinese)

Most of the respondents complained that their Chinese leaders tended to heavily interfere in their daily work; whereas, interfering in people's daily work was seen by some of Chinese executives as an effective approach to identify, analyze and solve problems to prevent them becoming more serious. In this sense, then, some of Chinese executives emphasized details orientation and favoured interfering in their subordinates' daily work. This is clearly demonstrated in the following extract taken from a Chinese general manager.

‘Once I heard there were many problems in the warehouse, I went to the warehouse with the logistics manager to see how operators were doing their jobs and how the products and materials were stored and managed so that some problems, such as industrial safety, could be emphasized and improved. I just would like to know whether or not he can take ownership to identify and analyze those problems and follow them up.’ (General Manager, Chinese)

The probable reasons of interfering in people’s daily work were discussed in the following responses taken from two Chinese general managers. The first quote below specifically highlights one of the reasons was to try to understand people, build up mutual trust, and lead by example with the ‘work-around’ management approach. The second one indicates the strong belief of the necessity of details intervention, and some of Chinese executives believed that detail and process driven approach was rather effective in manufacturing and operations to satisfy the company’s requirements on quality, safety and cost. These two examples, then, illustrate leaders’ positive motives of details intervention.

‘I have tried to participate their functional meeting as much as I can, and I can see how they work since just sitting in the office is impossible to understand what they are doing, or what they are thinking... From my perspective, leading by example, working with people, and involving in actual projects are the most important to build up trust with them as I can observe their behaviours, and meanwhile I am also observed by them.’ (General Manager, Chinese)

‘The essence of a plant is ensuring smooth operations, and thus quality, safety and cost can fully meet the company’s requirements. It is far from sufficient only reading reports in the office. It is really necessary to “check and balance, down to details” so that the actual situation and the support I can provide can be identified.’ (General Manager, Chinese)

Indeed, some of the respondents shared a contrary perspective since Chinese leaders were usually perceived by their people to show their authorities through details intervention. Many of them often felt rather frustrated when their leaders heavily and unnecessarily interfered in their jobs as they believed that they were the experts in

their professional fields and should complete their jobs independently. In the following example, an EHS manager of China described how he was unsatisfied with his leader's details intervention. Please refer to Appendix 6.2 for the other example.

'When I joined this company, one of my major objectives was to improve the EHS system, but my current Chinese leader heavily interfered in my work even the details... He had many comments on EHS procedures, but those comments were not really professional and necessary. He just thought he was my boss and had responsibilities to care about everything, and I have to respect his comments.' (EHS Manager of China, Chinese)

It is not surprising that Chinese executives were described by most of the respondents to seek little information. The following evidence suggests that some of Chinese executives chased up little information through lots of meetings and getting involved in many details. This senior HR manager explained that Chinese executives appeared to know every single detail because they probably didn't expect any 'surprises'.

'The regional general manager of South China is very detail oriented, and I have to contact him from time to time because he expects to be involved in many details but does not expect any surprises. At the end of last year, we had an award meeting for those best performers, and I just thought sending him the list of nominees for his reference was enough, but he even wanted to see what the award cups looked like.' (Senior HR Manager of East and South China, Chinese)

Moreover, Chinese executives were regarded by nearly all the respondents as the leaders, who took care of every single detail in their jobs with strong cost consciousness no matter these details were crucial or not (See Appendix 6.3). However, most of the respondents believed that American executives never cared about those details and little information. From the following example provided in interviews, it appeared that Chinese executives probably held the strong concept of 'a road of a thousand miles begins with one step' (千里之行, 始于足下) and believed that small things could lead to big mistakes.

'The Chinese president remembers many employees' names and even their nicknames. Once he visited my factory and went to the product lines with me, he even knew a

technician's name and called him "Lao Fan" (his family name)... When he newly joined the company, he asked to redecorate all the toilets of Shanghai office because he thought the toilets looked not good and smelt not good. He said to the administration manager "how can you manage other big things if you even can not manage the toilets well".' (General Manager, Chinese)

In contrast, almost all the respondents felt that American executives usually only cared about direction, objectives and results, but seldom worried about details, process and how objectives and results were achieved. The following two examples illustrate the American executives' extensive management.

'American executives do not care about what you do. What they care about is result, result, result.' (Sales Director of China, Chinese)

'American executives are usually result oriented. Once objectives are confirmed, they seldom intervene in details. As long as objectives can be achieved and expectations can be met, they don't expect their people to ask for their approval in every single thing in the job.' (HR Director of China, Chinese)

According to some of the respondents, American executives were described to focus on directions and results but avoid intervening in details and daily operations and seldom dictated answer even though they were probably quite familiar with daily operations. Recalling the extensive management approach of the former American general manager, a Chinese procurement director stated that:

'He was the general manager in the US before transferring to China, and he was quite familiar with the operations as well, but he seldom intervened in those details and daily operations. What he really focused on were those "big" things, such as financial reports, procurement and logistic reports, plant planning, and transfer projects. He rarely dictated others to work according to his orders.' (Director of Procurement, Chinese)

As demonstrated in the following responses, even though American executives were usually viewed not to care about details and process, some of respondents believed that they were very nervous on important and critical matters in business and usually

asked of regular reports and updates. After all, they had to be responsible for the performance and business results of the whole organization or function. Moreover, some of respondents emphasized that American executives were perceived to pay great attention to financial reports and be rather sensitive to financial figures and indicators for decision making.

'American executives rarely pay much attention to anything else if only team members achieve objectives. For sure, they are also very nervous for something critical and important in business.' (Finance Manager of China, Chinese)

'These two American presidents of China were very straightforward with clear focus on the financial reports and the new projects launched in China. They usually read and analyzed the financial reports very carefully but did not worry about other details... American executives only care about the figures and KPIs, and they are very sensitive to those figures and indicators and usually can easily identify the problems.' (General Manager, Chinese)

The following incident described by a Chinese director of supply chain demonstrates the extensive management approach of American executives. Although American executives were not felt to pay attention to details and small things, the critical and important decisions were never ignored, and followers needed to prepare defence for any inquiry from their American leaders.

'For the big and important decisions, I need to consult him (American vice president of supply chain Asia Pacific) and discuss with him, but he never cares about details and what I do everyday. For instance, we are doing salary review these days, and he just gave me a budget and told me the amount of salary increment should be controlled by 9%. That's all. He doesn't care about the details of individual salary review, but I have to have a defence if he has a certain problem on my proposal.' (Director of APSCO, Chinese)

In this sense, then, the respondents believed that followers needed to achieve results and deliver what they had committed as American executives focused on final results and commitments very much. Thus American executives didn't pay great attention to

details; nonetheless, results and commitments must be delivered as a Chinese financial controller explained in the following quote.

'The Chinese VP (vice president) promised to maintain the original budget unchanged. When the American VP of Asia found the expenditure went over the budget by 5% in the first quarter, he constantly chased the Chinese VP to provide explanations. Objectives and commitments are the most important things for American executives, and thus both Chinese and American executives of this company never promise something without 100% confidence. Since the Chinese VP had promised on the annual budget, he had to update the American VP of Asia when he came over to the company. The Chinese VP checked every financial item with me to make sure his explanation sounds reasonable.' (Financial Controller, Chinese)

Similarly, compared with Chinese executives, most of the American executives also described their own leadership styles as being more extensive, but less details and process oriented. According to the American respondents, this was, perhaps, because American executives felt they had already done the detail things before. Remarking on the extensive management approach, an American vice president of procurement commented that:

'I just want to see the broad information, and I even shorten them to my boss because my boss, the CEO has lots of things to do. If he looks the report is three or more slides on, he doesn't look. I mean that's my style of that example... A leader in a company has probably done the detail things and gone to the position, so for American culture, we understand that.' (Vice President of Procurement, American)

- *Work hard vs. seek balance*

Nearly all the Chinese respondents believed that Chinese executives worked much harder than American executives to make sure their jobs to be completed on time and results to be achieved. Most of them felt that Chinese executives valued diligence, and they not only worked very hard but also expected their people to work hard. These feelings were described in the following two responses.

'Chinese executives are rather diligent and work day and night. The average working hours per day of each team member are 10-12 hours, but in this big project we are

working on, we often work till 02:00am or 03:00am without Saturday and Sunday during these months.’ (Senior System Quality Manager, Chinese)

‘Hard working is always appreciated by Chinese executives... I believe my current boss is the typical Chinese leader emphasizing diligence and work orientation’ (Sales Director of South China, Chinese)

It seemed fairly clear that both Chinese leaders and followers usually worked overtime, and many of them continued working very late at home. In this sense, then, working hard and late appeared to have become a culture in some of American companies in mainland China. These feelings were stated in the following incident described by a Chinese senior HR manager.

‘Once I sent an e-mail to the Chinese regional general manager at 12:00am, he replied me very quickly and asked me why I didn’t go to sleep yet. I think it has been the culture of the company, and obviously many colleagues often work till 02:00am or 03:00am. I heard from a colleague about his experience. He said one day, he could not get to sleep till 02:00am. When he logged on the company intranet, he found most of his peers were still online, and they even discussed and solved a problem at 03:00am.’ (Senior HR Manager of South and East China, Chinese)

Furthermore, Chinese executives felt many of them sacrificed a lot for the company interests; nevertheless, they viewed solving problems promptly as their responsibility even if they were in their holiday. They did not believe that American executives could work as hard as Chinese, as indicated in the following example taken from a Chinese general manager.

‘I took a holiday this August, but you never know how I took my holiday. I had a conference call during 06:00am-08:00am every morning. When I was going shopping in the evening, my secretary rang me for a conference call at 11:00pm, and it lasted to 01:30am. If I am an American, I could say “sorry, I am in holiday with my family”. I never did it because I viewed this as part of my responsibility if there are some quality issues in the company, and I need to take initiative to drive. I think that is a sense of responsibility. When I said I just returned from my holiday, the American senior vice president said I must take another holiday because he thought I still

worked in my holiday. He asked me to leave mobile phone and laptop away from me in the holiday, but I said I could not.' (General Manager, Chinese)

Moreover, as illustrated in the following first quotation taken from this Chinese general manager, Chinese executives led by example on working hard in order to motivate and support their people although their leisure time and self-interests could be sacrificed. However, they didn't believe American executives were able to behave like themselves. Another incident (see Appendix 6.4) described by an American general manager also shares the similar view.

'I believe Chinese can sacrifice their self-interests for the benefits of the company. I often work till 09:00pm or 10:00pm everyday, but the American general managers never. I don't have to work too late. I may not attend my people's meeting in the evening, but I still want to stay to see the result of the meeting so that my people could think if their boss can do why they can not, and they could be motivated when they find their boss is always there to support them.' (General Manager, Chinese)

These incidents, experiences and opinions stated by the Chinese respondents revealed that despite the strong concepts of family and family-centred guanxi, Chinese people's perspectives on virtues, time and work, which are shaped by traditional Chinese culture and values, particularly Confucian ideology, appeared to push Chinese executives to work very hard. Conversely, American executives were perceived by almost all the Chinese respondents to be more work and life balanced. American executives didn't work as late as Chinese executives, and they looked more relaxed in their jobs and rarely worked overtime. American executives appeared to highly emphasize their personal life quality and make a clear separation between labour time and life time. It reflects the traditional views on privacy and the separation between organizational space and domestic space in Western societies (Karsten & Leopold). Commenting on work-life balance, two Chinese respondents stated that:

'Americans emphasize the quality of their personal lives... Americans separate their job and life clearly and often shut down their mobile phones after work... On Saturday and Sunday, Americans are often outing for fishing or whatever leisure activities... They work hard but also play hard.' (Senior System Quality Manager, Chinese)

'Most of American executives look rather relaxed and never answer business calls after work or in holidays, and privacy is highly emphasized in the US. The American engineering director of China usually comes to his office at 07:30am every morning and leaves at around 06:00pm every evening.' (Engineering Director, Chinese)

The first quote below highlights that Americans promoted free and flexible working atmosphere, and job was usually not viewed as the most important factor of their lives. The second one also indicates that the differences in perspectives on work between Chinese and Americans were still significant.

'I had been in the US for around 6 years for my university study and MBA program, so I understand they are rather free and flexible. In American companies, some people should be off work at 6 or 7pm, but some of them might leave at 3pm or 4pm to pick up their children and return home because schools leave out at 3-4pm. They attempt to make their lives balanced. The CEO of this company spoke to us that health first, family second, but job third.' (Director of APSCO, Chinese)

'Most of the American executives emphasise work-life balance. For instance, the American general manager said "I will appreciate you if you can balance work and life", but Chinese executives never say that. Sometimes I sent out emails at 12:00am or later in business travel, the American leader replied me that I needed to have a rest but not work, and he asked me not to do that next time. You never received similar replies from Chinese leaders.' (Senior Quality Manager, Chinese)

However, the following incidents described by two Chinese executives illustrate that some of Chinese executives somewhat disagreed with this kind of situation in which American executives were too difficult to be reached when they were in holiday because it might impact work efficiency and company interests. Interestingly, the second example also explores how an American technical director's working style was changed when he had been in China for quite a long time.

'Once they are in holiday, they never think about work, and family is the first. Some of suppliers of the company are based in the US. When the summer is coming and

many of suppliers are in holiday, it is just very difficult to reach them.' (General Manager, Chinese)

'Last month, the American technical director sent an e-mail to us that he would be out of office and limit to access e-mail system for his holiday. It meant we could not expect him to reply e-mails during his holiday. He has been in China for many years with deeper understanding of fierce competition and current condition of mainland China, and thus he at least left his mobile phone number to us. He knew time and business won't wait in China.' (Sales Director of South China, Chinese)

4.1.2.2 Close supervision vs. loose supervision

In the interviews, nearly all the respondents felt that Chinese executives supervised people closely as they were often seen as being intolerant of deviations with tight control of cost, information and people. On the contrary, most of the respondents believed that American executives supervised people rather loosely because they were usually felt to be tolerant of deviations and delegate people to complete their jobs as long as the objectives were achieved and principles and policies were not broken.

- *Control vs. delegation*

Most of the Chinese respondents felt restrained when working with Chinese executives as Chinese executives were often perceived to control over their people through frequent check and monitoring and approval for each step of the work without sufficient delegation. The following quotations taken from two Chinese executives in the sample demonstrate these behaviours.

'Chinese executives tend to check and monitor their subordinates more frequently.'
(Senior HR Manager of South and East China, Chinese)

'Chinese executives usually ask their people to report to them frequently and get approval from them for each step of the work.' (HR Director of China, Chinese)

Though checking people's attendance and asking people to copy e-mails to the leaders were felt by some of Chinese respondents to be ridiculous and frustrating, these approaches were often perceived to be rather common among Chinese executives to

control over people.

'No matter subordinates' performance is good or not, attendance is still an important indicator for some Chinese function heads. Thus it is obvious that the Chinese staffs have to watch out for punctuation and attendance.' (Director of Global Supplier Quality, Chinese)

'I have to CC to my current boss all the e-mails I sent out; otherwise, he might think I did nothing. The most ridiculous thing is that he asked HR to record all the quality managers' starting and quitting time every working day even in Shanghai office. It was really bad feeling of being constricted...' (Senior Quality Manager, Chinese)

Moreover, most of the respondents believed that Chinese executives appeared to be more cost-conscious than American executives and always control cost tightly, as indicated in the following quote taken from a Chinese senior manager.

'The previous American financial controller kept consistent on the standard of business travel no matter the employee was a Chinese or an American, but the travelling expenses were cut by 50% once he returned to the US and a new Chinese financial controller joined the company.' (Senior Quality Manager, Chinese)

Compared with Chinese executives' close supervision of their people, it is fairly clear that American executives usually delegated their people to complete their jobs but seldom supervised them closely. Thus most of the respondents felt being trusted and motivated with this type of leadership style and viewed sufficient delegation as American executives' leadership charisma. The following quotes, taken from Chinese executives in the sample, indicate this.

'I think delegation is one of leadership charisma of American executives. They might also care about the process, but what they most emphasize are objectives and results.' (EHS Manager of China, Chinese)

'American executives often create an open environment for their people so that their people are delegated and are able to accomplish tasks independently; meanwhile, American executives check the results and provide their support and assistance when

necessary. I think that is one of advantages of American executives because people can develop their strengths with a great sense of achievement.' (Senior Key Account Manager, Chinese)

In the following quote, a Chinese director explained the probable reason of the delegation was that he never disappointed his American leader. Thus he viewed delegation as the reciprocal influence between leaders and followers based upon performance results and mutual trust.

'My American leader delegates me a lot because he knows I will not disappoint him. I think it is about reciprocal influence. The boss will treat you based upon your performance and your approach to get things done.' (Director of APSCO, Chinese)

The following incident described by a Chinese supply chain director demonstrates the significant differences in leadership styles between his first Chinese general manager and the second American general manager. The first Chinese general manager attempted to deal with the component quality problem by himself and asked his people to work according to his instructions. In contrast, except for critical problems and major issues, the second American general manager seldom intervened in details but usually delegated his people to solve problems independently. In this sense, thus, the leadership differences seemed significant when Chinese executives attempted to focus on control but American executives tended to emphasize delegation.

'The first Chinese general manager was very anxious when he knew the production lines were stopped and the delivery could be affected because of quality problems in supplier XXX. He called a meeting with engineering, production and procurement for a quick solution, and he asked the supplier XXX to join the meeting as well. He asked us to have regular meeting bi-weekly, and he attended all the meetings till the problem was solved... But the second American general manager delegated us to solve these problems first, and we just needed to report to him regularly. We were delegated to manage many important procurement projects, quality problems of suppliers, plant move, and productivity. He just asked us to report to him regularly. Of course, he also discussed some critical problems and major issues with suppliers when we needed support from him.' (Director of Supply Chain, Chinese)

- *Intolerance of deviation vs. tolerance of deviation*

Almost all the Chinese respondents believed that American executives never asked people to work exactly according to their own ideas; in contrast, Chinese executives were rather intolerant of deviations from their instructions. Since Chinese executives tended to provide specific instructions and orders to their people and heavily intervene in details, those deviations from their instructions and orders seemed to be identified by them easily. Furthermore, Chinese executives were perceived to expect their people to obey their orders and follow their instructions so that their own ideas could be realized. The respondents' feelings are illustrated in the following excerpts.

'The Chinese vice president is very determined to push others to optimize the operations and deploy them throughout the company. He is able to point out those deviations on the management meeting because he patrols the factory by two or three times everyday.' (Financial Controller, Chinese)

'My current leader is very detail oriented, and he makes sure the whole thing from the process to the result is implemented exactly according to his own ideas.' (Senior Quality Manager, Chinese)

As indicated in the following incident, described by a Chinese finance manager, some of Chinese executives were usually seen as being uncomfortable or even angry when there were deviations from their ideas and instructions but seemed satisfied with the people who were submissive. Chinese subordinates often felt frustrated when their ideas and approaches different from their leaders' were criticized, blamed or put down by their leaders. Therefore they had to follow their leaders' instructions; otherwise, they were possibly put at disadvantages.

'The financial controller not only asked me to complete something he expected but also asked me to do it in terms of his approach. He looked very unhappy once I completed it with my own approach... He often criticized and blamed the finance manager and the finance analysis manager in his office when he was unsatisfied with them or he did not think they were on the right track. Since our suggestions and proposal were often banned by him, most of us had no flexibilities in our jobs, and there was no enough room to develop our own strengths. The people he liked were

very submissive to him and followed his instructions very well.' (Finance Manager of China, Chinese)

The following example taken from a Chinese engineering director in the sample illustrates how he was shocked by his Chinese general manager's reaction to an engineering project when the Chinese general manager was so angry with the project leader, who took his own approach to get the project done but disobeyed the general manager's instructions. Though the project result was absolutely effective, any deviations from this Chinese general manager's instructions seemed unacceptable.

'The final result of the project was completely acceptable for all of us, including cost, quality, safety and design, etc., but the general manager was very unsatisfied even angry with this engineer's design, and challenged him why he did not follow the general manager's original ideas for implementation. All of us thought there are many ways to design a product or solve a problem, and the final design was absolutely fine. We felt the general manager looked rather unfriendly.' (Engineering Director, Chinese)

Interestingly, this engineering director also suffered the Chinese general manager's intolerance of deviation in the case of LCD TV project (please refer to Appendix 6.5 for details). The engineering director, therefore, remarked that the people were afraid of making decisions in their jobs. A sales director shared the similar view, and it seemed impossible to change her leader's minds. An example, taken from her, indicates this.

'A sales manager, who lived away from Guangzhou, was going to fly straight to the destination of the business trip without passing by Guangzhou, but my boss looked unhappy with it and insisted the sales manager had to fly to Guangzhou first and then went to the destination although all of us thought there were no any problems on the sales manager's direct flight to the destination. On the contrary, American executives, they never care about this kind of trifles.' (Sales Director of South China, Chinese)

As a Chinese HR director explained in the following quote, the subordinates, who disregarded their Chinese leaders' instructions or deviated from the requirements, were usually suffered bad results and their career prospects could be damaged.

‘Three years ago, a new HR manager joined the company, but four months later, on the HR meeting, the HR director suddenly announced that this new HR manager was replaced. Once I had lunch with the HR director and a supplier, the HR director said to the supplier that this new HR manager was always troublesome and was too pompous to discuss with him or to get approval from him before doing job. I felt he was rather dissatisfied with what the HR manager had done, and the replacement of the HR manager vented his hate greatly.’ (HR Director, Chinese)

Conversely, American executives were usually perceived by both Chinese and American respondents to be more tolerant of deviation, and the micro leadership style with specific instructions and intolerance of deviation seemed unacceptable and ineffective when leading American people, as the following incident described by an American director of product development.

‘There was one direct came from one of the Chinese directors, so everybody had to work through the weekend to get it done and shut down the factory to solve the problem. The American operations manger said to the Chinese director “if we do it this way, this way, we can save money and get it done early”, but the director refused the changes. Anyway this operations manager ended it up in his own way, saved the money and got it done faster, but this guy actually got trouble because he didn’t follow the orders from his manager. There is no good reason to go in the other way, there is no reason to do it, and he said that “what I said that we were going to do”. So that frustrated that operations manager very much.’ (Director of Product Development, American)

4.1.2.3 Narrow perspective vs. broad perspective

Other key components of micro and macro leadership styles relate to narrow and broad perspectives. Process/detail driven approach and close supervision of people appeared to disable the Chinese leaders from looking at the whole picture with strategic thinking. Conversely, direction/result driven approach and loose supervision of people seemed to enable the American leaders to think about the whole picture and strategies.

- *Partial picture vs. whole picture*

In the following examples, it seems clear that the thoughts of Chinese executives were regarded as being diffuse, and they tended to look at one particular element rather than consider the whole picture as well as the overall situation. Conversely, American executives were often perceived as the leaders that focused on the whole picture with a broad perspective. Some of Chinese executives believed that it was necessary to change their thoughts and ways of thinking and to learn to look at things with a broad and global perspective.

‘Americans can look at things in a big picture... Chinese managers tend to focus on one thing in charge of get that part of done first... the Chinese tend to look at one particular element and they feel the road block of element prevent them from looking at and being effective in the other area.’ (Vice President, American)

‘Chinese executives sometimes lack of the consideration of overall situation and focus on their own jobs only without thinking out of box even if they are top level executives. I am the same, and I also need some time to change my thoughts and the way of thinking.’ (General Manager, Chinese)

In the following quote, a Chinese director described an incident in which he discussed people development opportunities with an American director and a Chinese director respectively. The evidence demonstrates that American executives often looked at things, such as people development, at organizational level and emphasized the whole picture; however, Chinese executives appeared to look at things at functional level and focus on the partial picture. Another similar example (see Appendix 6.6) taken from a Chinese HR director illustrates how he felt when Chinese executives, especially new Chinese executives, only talked about and dealt with things in specific areas instead of the whole picture at organizational level.

‘My previous American leaders always encouraged me for any development opportunities, and they can help you look at things with a broader view and learn from different functions. For instance, when there was an opening in my department, I discussed with an American director, whose one of subordinates was very competent and eligible for this position. The American said he did not want to lose him, but he still supported his subordinate to try this opportunity because it might be

really helpful for this subordinate's future development... But in the similar case, the other Chinese director did not agree with transferring one of his subordinates to my department. This Chinese director said he spent a lot of time to develop this person and expected more contribution from him.' (Director of APSCO, Chinese)

Similarly, the following example, taken from a Chinese senior commodity business manager, reiterates the points discussed above. This Chinese senior manager also described an incident in which how he felt his American leader's leadership style when the people were supported to complete their jobs with a broad perspective.

'When my American boss communicated with some people from other functions, he knew he needed to provide more information to us so that the projects could be completed more smoothly. He asked those people to investigate our current customers and market situation to provide a report with comprehensive analysis and information so that all the project team members had a more comprehensive perspective on the projects, and some potential risks could be identified and eliminated very quickly. That is the way American executives support their people to complete their work.' (Senior commodity business manager – Global purchasing materials & components, Chinese)

- *Execution vs. strategy*

In the following excerpts taken from two respondents, it is fairly clear that Chinese executives were regarded to focus on execution and solving practical problems but lack of strategic thinking compared to American executives.

'They (Chinese executives) don't spend time on strategy, and sitting on the chair thinking what's the long-term plan of the company.' (Vice President of Procurement, American)

'When I attended the annual business review meeting, I found what American executives really focused were strategies and business plan by which we could continuously keep leading; in contrast, what Chinese executives often talked about was how to increase sales volume in mainland China.' (General Manager, Chinese)

The following quote gives the evidence that Chinese executives tended to attach their attention to improvement but not change, and consequently they were often perceived to be at execution level.

‘Many Chinese executives have been doing a lot in improving certain things in their jobs, but they just have done a little in changing certain things at the organizational level because they may just place themselves at the execution level.’ (Operations Director, Chinese)

The following example taken from an American respondent reiterates these points. It seems clear that Chinese executives might feel confused when they were not given specific strategies and action plans, and therefore they were often seen as being execution focused. However, some of Chinese respondents suggested that Chinese executives had already realized the importance of strategic thinking and the urgency to develop them from execution level to strategy level. Another example can be found in Appendix 6.7.

‘Last year we had a global conference in the US, and I met two Chinese directors. When the conference completed, the two Chinese directors looked still confused about what actually they needed to do to meet the vision. They talked to me why the detail strategies, plans and actions were not mentioned on the conference. I told them that was all. We should work out the strategies, tactics and action plan by ourselves to realize the vision in China.’ (Director of R&D Centre, American)

However, many of the respondents believed that Chinese executives’ execution ability seemed stronger than American executives. A few Chinese respondents also argued that day-to-day practice was probably more important than only providing a vision to people as they believed that realization of a vision depended upon execution. Specific comment illustrating this is shown below:

‘As I believe trust makes leadership more effective, I started doing the little things right under our noses, but not only provided a vacuous and inane picture which could be felt unrealistic by the people. After all, a big and compelling vision could not be realized without day-to-day practices.’ (General Manager, Chinese)

As discussed above, most of the respondents stated that American executives tended to think of things with a more strategic perspective. On one hand, American executives were seen as being more strategic on business; on the other hand, they seemed to have no many opportunities to know details and concrete matters in their jobs. The following excerpt gives the evidence.

'I think they could pay attention to those things at high level. Once they are transferred to mainland China, they are usually the top guys, so they actually often think about those strategic things but have no many opportunities touching those concrete things.' (General Manager, Chinese)

A Chinese director of supply chain described a positive case, in which his American leader led a change in the organization with strategic thinking to transform the whole organization to be more successful with a solid foundation and better working atmosphere. It seemed that the American leader has been seen as an admired leader and the Chinese director also have learnt a lot from him. This Chinese director of supply chain stated that:

'The American general manager paid great attention to the foundation of the company. He always emphasized the foundation problems, such as human resources, procedures, and working styles and approaches, since he viewed the foundation as the most important thing for an organization. He exerted great effort to transform the company's foundation, and I was convinced the transformation was rather successful. With significant achievement, the atmosphere of the company also became more comfortable, and we learnt from him to think with a global perspective.' (Director of Supply Chain, Chinese)

However, some of Chinese respondents explained that American executives tended to only focus on strategies and directions but leave execution to Chinese managers, and therefore Chinese executives had to manage details and turn strategies into reality as an American vice president commented:

'Let's say there was a situation where we were getting loss of trade returns... when we talk about all these possibilities, we also need to consider what happens when we do certain things. American leaders more consider about "can you do all these

things” and “just get it done”, and they leave all the execution details to Chinese managers. Now talking about senior level, but one issue we say when we all agree on this and different consequences on trade, factory, and so on, that’s left to Chinese managers to manage.’ (Vice President, American)

4.1.3 Special cases

Nearly all the respondents believed that the leadership styles of Chinese executives tended to be micro; in contrast, the leadership styles of American executives appeared to be macro. Nevertheless, a few respondents described several incidents in which American executives exhibited micro leadership style but Chinese executives displayed macro leadership style. In the following example, an American director of product development described a special incident in which an American vice president gave specific instructions about presentations and criticized deviations from his requirements. This American director stated that though Chinese probably expected specific instructions from their leaders, Americans would feel rather frustrated when their leaders managed them with a micro style as Americans usually expected more freedom to make decisions independently.

‘What the key things the American vice president had done was to give very specific about presentations. He started from senior managers, there were senior staff here, and said “I need a presentation on next year’s budget”. He needed to tell staff members to make presentation, and they sent the presentation, and said “oh, no, your forms are not right, and you have to change the format to this or to that”. He critiqued every aspect of the presentation to get exactly how he wanted it... the American managers looked at it and said “you don’t let me do my job”, you know, “you pay me a good money to be here to be able to make decisions on presentations, and maybe it is not exactly what you want, but it should be ok”. I think that frustrated a lot of people when you were given every detail of all about. Americans tend to have more freedom on making decision. It seems that Chinese staffs really want to know exactly what they suppose to do.’ (Director of product development, American)

In the following quote, this American director explained that this was, perhaps, because of the American vice president’s education background, life and work experiences. Since he studied Chinese studies in the US and had been in China for

twenty years, he appeared to have adapted to the Chinese leadership styles. However, the American director reconfirmed that the same way in which the American vice president managed his Chinese direct reports was definitely ineffective when leading Western staff.

'He studied in the US for Chinese studies, and he focused on Chinese business, and twenty five years old, he moved to China and he has been working here for twenty years in different companies. When he started working here, he was the only Westerner in the whole building, so he learnt to adapt to work only with Chinese employees. One of problems was when he came here with a few Western direct reports, and he treated Western direct reports with the same way treated some of Chinese direct reports with the micro way, you know, very specific on what you want, and Western managers didn't respond very well to that style of management... He never worked with Westerners, and he only worked with Chinese from age 25 to age 45. His mandarin is very good, and he told me his mandarin is better than Hong Kong staff. So he is very effective here, but when he became managing Westerners, he is not experienced, and he didn't realize it.' (Director of Product Development, American)

Interestingly, a Chinese HR director interpreted how his leadership style was changed from micro to macro. Once he realized that the whole team's performance was still great without his involvement and close supervision, he seemed released and more confident on his macro leadership style by which he was able to focus on strategy and coaching. He described his experience as below:

'Before 2003, I often worked with hands-on style as I was always worried the results could be worse without my involvement... However, my concepts were changed once I realized that I was only a single person no matter how competent I could be. From then on, I often focused on the strategies, mid-term and long-term plan, as well as people development and delegated my people to complete HR projects according to their maturities so that they had more opportunities to take initiatives on HR matters with my coaching and support. Eventually I found I was released from daily matters, but the performance of the whole HR was still good.' (HR Director, Chinese)

This Chinese HR director tried to adjust his leadership style once he realized that his

leadership style did not match the corporate requirements and the contemporary Western management and leadership concepts. Moreover, he delegated his subordinates in terms of their maturities and the improvement of working system and procedures. In this sense, thus, the influences of corporate culture and Western management and leadership theories do matter for the changes of Chinese executives' leadership styles. Recalling the previous experience, this Chinese HR director stated that:

'Once I found my leadership style didn't suit the leadership styles the corporate suggested and the contemporary Western management and leadership theories, I started adjusting my style in the job... Of course, my delegations to the people are based on their maturities. The working system and procedures of HR had been improved a lot, and my people's functional knowledge and management skills had been much more mature when I had worked with them for more than three years. From then on, I believed there were no any reasons to deal with many HR issues by myself, and delegation and empowerment would be very helpful for further development for both my people and I.' (HR Director, Chinese)

4.1.4 People's perspectives on micro and macro leadership styles

More findings relating to people's perspectives and attitudes towards micro and macro leadership styles are discussed in this section. More specifically, issues relating to the leadership styles preferred by the Chinese and American respondents and issues concerned with their expectations are examined. Additionally, problems arising from positive and negative attitudes towards micro and macro leadership styles are also explored.

4.1.4.1 People's perspectives on micro leadership style of Chinese executives

As is evident in the following responses from two executives in the sample, Chinese followers tended to expect specific instructions from their leaders and appeared to respond better to precise directions; otherwise, they could feel frustrated. Some of Chinese followers felt to be motivated and inspired when their leaders provided specific suggestions with sufficient experiences on actual problems. However, some

argued that it was ineffective when American leaders managed Chinese people with the same way with which they managed Americans in the US.

'I believe Chinese executives have more advantages in providing specific instructions and suggestions to their people. My former Chinese boss often worked with me and inspired me to analyze problems and suggest solutions on actual problems since he had sufficient experiences in supply chain management.' (Senior commodity business manager – Global purchasing materials & components, Chinese)

'What I have seen Chinese employees tend to respond better when they have precise directions, do this, and do that... Many employees want very specific detail... If there is something not specific, they don't have specific expectations, they can be frustrated... I have seen other Western managers come over here to manage Chinese staff with the same way to manage in the US, and it's not very effective... It seems that Chinese staffs really want to know exactly what they suppose to do.' (Director of Product Development, American)

In the following responses from a Chinese sales director and a Chinese finance manager, it seems clear that Chinese followers were regarded as being confused, nervous or even depressed when they were not given clear guidance, specific directions and information by their leaders.

'So the subordinates felt a little nervous, unconfident, even depressed when they implemented some projects. They need more support and guidance from their leaders...' (Sales Director of China, Chinese)

'We just felt the directions and strategies from the American vice president were not clear enough to answer our questions about the huge impact of the finance crisis on the company... In contrast, I think some Chinese executives did very well in providing the compelling vision with more specific direction. When they were communicating with the employees at a town hall meeting, what they said sounded very clear, so that all of us exactly knew the previous and current status of the company, as well as the progress and what we had achieved.' (Finance Manager of China, Chinese)

Moreover, some of the respondents also believed that managing Chinese people without specific instructions could lead to unexpected results. The following incident

described by an American director explained his experience of leading Chinese people with a macro style. Another incident provided by a Chinese executive can be seen in Appendix 6.8. In this sense, thus, it seems clear that providing clear and specific instructions and suggestions is probably more effective when leading Chinese people.

'I discussed with the Chinese manager, who was responsible for this project and was working with other engineers, what we should complete and what the objectives were. However, this manager failed to accomplish it on time... What I found was that Chinese managers could complete their jobs very well when they were told what needed to be done with many details, but what I really expected was that he could initiate to find some solutions or sought support and help from me once he thought this project was probably not completed on time due to some difficulties out of his control.' (Director of R&D Centre, American)

However, nearly all the respondents believed that heavily intervening in details were unnecessary and meaningless, and that indeed de-motivated people and exerted negative impact on the organization's sustained development. Providing clear instructions were essential to keep organizations moving forward; whereas, Chinese leaders were expected by most of the respondents to become more direction/result driven with extensive management approach so that people could work in a comfortable and creative environment, and life and work would be balanced as well. The following quotes taken from two Chinese and American executives illustrate these opinions and expectations.

'You have to know what's going on, but you don't have to know every single detail. So you need to communicate to know what about the project, talking to opposite to see everything goes well. If the project does well, you need to say to the guys "all right" and need to repay them "very good, very great". It's simple like this. But I mean Chinese managers do a lot e-mail work, sitting there sending e-mail and impress the boss.' (Vice President of Procurement, American)

'Some staff was sometimes afraid of working with this Chinese general manager for he insisted on a very high standard and asked others to meet his standard. You can work till 11pm, but you can not expect others to work just like you. His immediate

subordinates were so tired that they tried to avoid working with him.' (Engineering Director, Chinese)

Chinese leaders' close supervision of their people was also complained by most of the respondents. They interpreted that when leaders tended to be intolerant of deviations and tried to control over people to maintain their authority, people usually felt frustrated and many resources could be wasted. As demonstrated in the following quote taken from a Chinese engineering director, Chinese leaders were expected by their followers to respect, trust and delegate people to take initiatives in their jobs, and to provide support and resources to their people when necessary. Please see Appendix 6.9 for more quotes.

'The Chinese general manager should keep his ideas in mind and let others express themselves freely so that more creative ideas and thoughts can be generated. It is impossible to generate more creative ideas if he always asks others to follow his own thoughts. Many staff just felt depressed and tired when working with him... the problem is that people felt frustrated once their ideas did not match the general manager's. People tried their best to solve problems by themselves but to avoid asking him as many troubles would come once you ask him. What he should improve is that he needs to inspire and motivate others to synergise, work proactively, and challenge the process; otherwise he is just an autocratic leader.' (Engineering Director, Chinese)

In addition, Chinese executives were felt to lose their focus on the whole picture and strategies with a broad perspective as they were regarded as being process/detail driven with close supervision. Interesting, some of Chinese executives appeared to have realized the limitations of their leadership styles and have been trying to delegate people to work and think about things with a more strategic and broad perspective. These feelings were described in the following extracts taken from two Chinese respondents.

'If a general manager plays a role of a function head, who deal with those matters a general manager should deal with? Since the general manager (Chinese) handles all the matters and makes all the decisions, the former sales director could not accept it... He could control everything with a micro style, but the people feel frustrated

because any matters should be reported to him and people's ability of creation and innovation will be destroyed. The general manager should pay his great attention to major matters, strategies and planning.' (Director of Supply China, Chinese)

'The Chinese managing director understands the micro style is not good for a head of an organization, and we find he has been trying to improve himself as well. When he was in good mood, we also talked about it, and he said it was not good to let others work with his own personal preference. He prefers to concentrate on strategies and those big things rather than emphasizes details too much because all the managers are the experts in their areas.' (HR Director, Chinese)

However, as is evident in the following excerpts taken from two Chinese executives, the micro leadership style of Chinese executives probably had certain advantages in current actual situation. Process/detail driven approach appeared to enable Chinese executives to clearly understand concrete details and what was going on in actual situation so that problems usually would be identified, analyzed and solved more efficiently and potential risks would be removed quickly.

'As an operations director of a manufacturing company, many problems have to be solved in first-line production. You need to work with your people to know the actual situation and discuss with them for analysis and solutions. If I don't know these details, I could not answer my leader's questions on actual situation of operations, and I could be in a very passive status.' (Operations Director of China, Chinese)

'The Chinese vice president is quite familiar with every single detail of the company and even knows how to reduce and control industrial electricity and water use to save operations cost. Operations and cost have been optimized under his leadership, and all the things run smoothly and cost-effectively.' (Financial Controller, Chinese)

It is clearly demonstrated in the following extracts that close supervision was probably an efficient approach to manage Chinese employees in the current situation no matter they were happy or not because Chinese seemed used to be managed by close supervision and centralized authority. Nonetheless, over-supervision or over-control probably caused negative results.

'A style of centralized authority might bring high efficiency to the American companies in mainland China, but a loose and relaxed leadership style is probably not suitable in Chinese environment. Chinese was used to be managed by centralism due to its cultural traditions and historical reasons. I guess around 70% of Chinese are used to be led and managed by this kind of style, no matter they are happy or not.' (Technical Director, Chinese)

As a Chinese general manager explained in the following quote, successful strategies indeed depended upon effective execution, and the ability of execution was seen as an advantage of Chinese executives as they had deep insights into local market and actual situation of China. How Chinese executives' execution ability and their deep insights into local market impressed American top executives from the corporate, and how their suggestions exerted strong influences on decision making were also described in the following quote.

'The American director of a product division and his team came to China two months ago to discuss the business plan, but eventually Chinese executives proposed completely different suggestions on it, and their suggestions exerted strong influences on the final decision... Since we were quite familiar with the business in this area, the suggestions and ideas, such as how to invest in manufacturing and how to build up sales distribution, impressed these American executives very much... I think Chinese executives are also very pragmatic based upon their understanding of local market and practices, and they often propose more realistic suggestions of how to adjust the strategies in China market to meet the actual needs of customers and of how to turn strategies into reality. In this sense, Chinese executives have their unique advantages.' (General Manager, Chinese)

4.1.4.2 People's perspectives on macro leadership style of American executives

As discussed in the previous sections, Americans usually felt frustrated and depressed with the micro leadership style. Similarly, some of Chinese respondents seemed rather satisfied with the macro leadership style of their American leaders, and thus they became more confident and independent in their jobs.

'I find our Chinese colleagues, whose leaders are Americans or British, look very happy. Most of them are around 30 or 31 with 7 or 8 years' experiences, and they

seem quite confident with their abilities to complete projects independently without being told how to do.' (Director of APSCO, Chinese)

'I believe Americans' concept of focusing on directions is absolutely correct; otherwise, you might win small but loose big.' (Senior Quality Manager of China, Chinese)

However, in the interviews, some of Chinese respondents had some concerns on the macro leadership style. In the next first example, a Chinese director of supply chain expressed his disappointment when the American executive slowed down the project for his holiday. In the next second example, a Chinese technical director described the difficulties and challenges that American executives probably had to face when they communicated with Chinese people and implemented strategies. In this sense, then, the localization seemed inevitable. Please see another incident described by an American vice president in Appendix 6.10.

'There was a serious quality problem in the company before. After communication and discussion with the supplier and one of the American top executives, the solutions, improvement actions and plans were confirmed. But there was a trouble when implementing them. Since this American executive always said he was very busy and had no time, the one-week plan postponed to the second week and to the third week. He even took holiday during that time, so nobody could find him. If the executive is a Chinese, those urgent actions must have been completed within a rather short time.' (Director of Supply Chain, Chinese)

'Many American leaders working in mainland China might belong to the middle level in the corporate, and they probably communicate with the corporate very well and fully understand the strategies and policies. But due to culture differences and language barrier, they often face many difficulties and challenges when communicating with local Chinese employees and implementing the strategies. Thus more and more American companies aim to recruit local Chinese executives who are competent and fit with the corporate culture.' (Technical Director, Chinese)

In this section, consideration of the findings relating to the definitions of micro and macro leadership styles, differences in micro and macro leadership styles between Chinese and American executives, and special cases has been made. It is also proposed here that both merits and demerits of micro and macro leadership styles do exist, and people's perspectives on them are in fact divergent. The diagram presented in *Figure 4.1* shows that the mutual influences between the elements of micro and macro leadership styles respectively. Overall this diagram suggests that micro and macro leadership styles consist of opposite elements and how these elements are interconnected. It is evident that a leader's narrow perspective could cause process/detail driven approach and close supervision of people; however, the process/detail driven approach and close supervision of people seems to disable a leader from looking at things with a broad perspective. Similarly, it is also clear that a leader's broad perspective enables him/her to lead people with a direction/result driven approach and loose supervision, and the direction/result driven approach and loose supervision appear to enhance a leader's broad perspective.

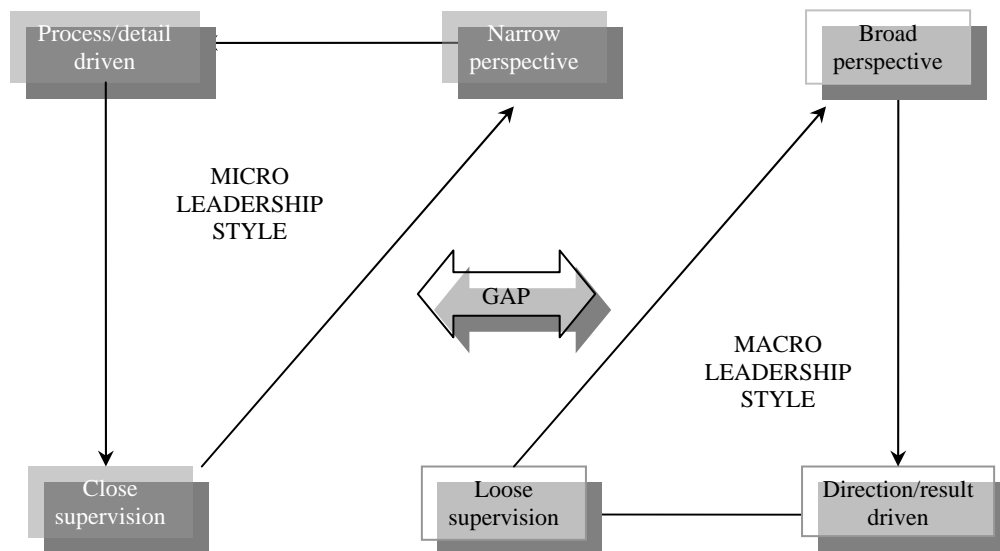


Figure 4.1: Mutual influences between the elements of micro and macro leadership styles

4.2 Perceptual and Rational Leadership Styles

4.2.1 Defining perceptual and rational leadership styles

According to the cases deriving from the qualitative interviews and the findings of this study, the leadership style of Chinese executives tended to be perceptual, and the leadership style of American executives appeared to be rational. Because of very little relevant prior research literature, the new theory has been developed by the researcher based upon the interview data analysis. *Table 4.2* presents three levels of data analysis: text-driven categories, coherence-driven categories, theoretical constructs, to define perceptual and rational leadership styles.

Perceptual leadership style	Rational leadership style
<i>Emphasis on people's feelings</i>	<i>Emphasis on business results</i>
<ul style="list-style-type: none"> - Keep harmonious - Be reserved and deliberate - Comprehensive consideration 	<ul style="list-style-type: none"> - Tolerate conflicts - Be open and straightforward - Business focus
<i>Guanxi maintenance</i>	<i>Clear separation between business and people</i>
<ul style="list-style-type: none"> - Guanxi between leaders and followers - Guanxi between colleagues - Guanxi with outside 	<ul style="list-style-type: none"> - Separation between leaders and followers - Separation between colleagues - Separation with outside
<i>Flexibility</i>	<i>System and mechanism</i>
<ul style="list-style-type: none"> - Subjective adjustment - Tolerate ambiguity 	<ul style="list-style-type: none"> - Compliance with systems and regulations - Ensure precision

Table 4.2: Theoretical constructs, coherence-driven categories, and text-driven categories for perceptual and rational leadership styles

As the following examples illustrate, the leadership style of Chinese executives was regarded as being perceptual, but the leadership style of American executives was perceived to be rational.

'I think it is the difference between qualitative and quantitative styles. I mean most of Chinese executives (more than 60%) are more perceptual and most of American executives (more than 60%) are more rational.' (General Manager, Chinese)

'American executives tend to be more rational because they usually deal with people and make decisions with the matter-of-fact attitude without considering people's feelings, affections or harmony too much.' (HR Director of China, Chinese)

In the following excerpts taken from three Chinese respondents, it is clear that Chinese executives appeared to emphasize people's feelings through keeping harmonious and providing comprehensive consideration to people in a reserved and deliberate manner. It is not surprising that Chinese executives were usually perceived to maintain good *guanxi* with their followers, colleagues, as well as outside (e.g. government and suppliers). As a result, the respondents suggested that emphasis on people's feelings and *guanxi* maintenance enabled Chinese executives to be more flexible when leading people. Conversely, American executives were described by a number of the respondents to emphasize business results. They were often regarded as being tolerant of conflicts, open and straightforward with business focus. Moreover, American executives seemed to keep clear separation with their followers, colleagues and outside. Since American executives tended to emphasize system and mechanism, precision and compliance with systems and regulations were highly emphasized. Following excerpts illustrate these ideas. More excerpts can be seen in Appendix 6.11.

'American executives attach more importance on "matter", but Chinese executives pay more attention to "people".' (Engineering Director, Chinese)

*'Chinese executives tend to emphasize interpersonal relationship or *guanxi*... and a leader's charisma is often shown by authority, affinity, and whether or not dealing with *guanxi* successfully... American executives often keep pure work relationship with their people, and they tend to be more professional with good planning and emphasizing trust in the job, and they seem more systematic and rational.'* (Director of Supply Chain, Chinese)

'Chinese executives are rather flexible when implementing procedures and policies, but American executives act in accordance with systems, procedures and regulations rather than feelings... Chinese executives are so flexible that they appear to control process with their own perception and experiences, but American executives tend to control the process with systems and procedures.' (Financial Controller, Chinese)

4.2.2 Perceptual leadership style vs. rational leadership style

4.2.2.1 Emphasis on people's feelings vs. emphasis on business results

Most of the respondents believed that Chinese executives tended to emphasize people's feelings; on the contrary, American executives were usually perceived to emphasize business results. Emphasis on people's feelings is preliminarily concerned with keeping harmonious among people, being reserved and deliberate, and providing comprehensive consideration to people. In contrast, emphasis on business results is related to conflicts tolerance, being open and straightforward, as well as focusing on business only.

- *Keep harmonious vs. tolerate of conflicts*

It seems clear that Chinese and American executives had divergent views on harmony and conflicts. The following quotes give the evidence that Chinese executives tended to keep other's face and avoid conflicts wherever possible in order to maintain harmony.

'Chinese managers sometimes are afraid of offending others so these people never say who are right or what are wrong...' (R&D Director, Chinese)

'Chinese executives always try their best to keep other's face and avoid conflicts with others...' (Senior Manager – Export and Retails, Chinese)

Some of Chinese executives felt that losing face or breaking harmony usually made people embarrassed, and it probably caused difficulties when working with others in the future, and thus they tended to carefully protect other's face and keep harmonious in their jobs. In the following responses, two incidents described by two Chinese executives in the sample illustrate their worries about it. Moreover, the example presented in Appendix 6.12 also indicates that a Chinese HR director had to consider her subordinate's face to ensure her leadership effectiveness. All these examples, then, demonstrate how important to keep harmonious for Chinese executives in their jobs.

'It is a little hard to me to point out the mistakes of those managers elder than me, and sometimes I can not speak out. I was a product line manager before, and the former team members were smart enough to take actions for improvement according to the cue I gave them on the meeting.' (General Manager, Chinese)

'My current American boss said he was able to support me and communicate with the regional general manager for a HR issue. I rejected his suggestion because I thought we needed a milder way to communicate with the regional general manager; otherwise, the relation between the regional general manager and I must become more strained once he felt my boss stood by me to against him. Chinese always have this kind of worries.' (Senior HR Manager of South and East China, Chinese)

As clearly demonstrated in the following extracts, some of Chinese respondents believed that avoiding arguments and keeping harmonious was rather important to keep good relationship with others to complete jobs more effectively, and there could be no absolute 'right' or 'wrong'. Another example (see Appendix 6.13) also illustrates that keeping harmonious and avoiding meaningless disputes was seen as being helpful to solve actual problems. These thoughts and concepts seemed consistent with the main principles of Confucianism.

'When I disputed with another manager over something, the Chinese president of greater China closed the office door and let both of us calm down. Finally, he analyzed the details for both of us in a very generous way. I think he really understands the key elements of Confucianism, such as keeping harmonious in management team and solving problems in a mild way. He always talks to me that we work for happiness, and it is not easy that many of us come to this company and work together. He always emphasises that there are no absolute right or wrong in the job. One thing, which you think is right now, may become wrong in two years, but right again in five years. He really understands how to keep dialectic and moderate.' (Finance Director of Greater China, Chinese)

However, a few Chinese respondents felt that sometimes so called 'harmony' seemed rather superficial, and it could frustrate people and was unhelpful to solve problems in the job. Clear job responsibilities, reward and penalty, and meaningful arguments with a 'matter-of-fact' attitude were more effective for resolution. This is clearly demonstrated in the following extract taken from a Chinese R&D director.

'The responsibilities of R&D and Quality functions are so unclear that there are many conflicts between them... Once something happens, the Chinese president of greater China often blames both sides. Similar situation happens endlessly, and it makes people really unhappy and frustrated... So called "harmony" advocated by Chinese people could be very superficial. When Americans say ok, it often means they will provide their support from heart; however, when Chinese say "ok, I will help you", it might not mean they really will help you. When you have fierce arguments with Americans on certain problems, we discuss them with a "matter-of-fact" attitude, and the good relations still can be maintained very well, but Chinese might think you are not satisfied with them in personal side.' (R&D Director, Chinese)

In contrast, American executives were often regarded as being more tolerant of conflicts, and they were seen as seldom worrying about conflicts and 'face' because reasonable refusal and fact-based arguments were usually viewed by them as normal behaviours in their jobs as the following quotes indicate.

'Americans have the "matter-of-fact" attitude without worrying about conflicts and arguments with others.' (Senior Manager – Export and Retails, Chinese)

'My boss (American) often tells me to be the real strategy and business partner and push back. He said I should not be a "yes-lady" and should learn to say "no" to others.' (Senior HR Manager of South and East China, Chinese)

Similarly, keeping harmonious and avoiding conflicts appeared to be incomprehensible for American executives. Most of the American respondents believed that the most important thing was getting jobs done but not making everyone happy, and it could be a problem if everybody in the team was happy all the time. An American director of marketing and sales support described his experience as below. Another example (see Appendix 6.14) taken from an American general manager illustrates how he felt frustrated when the quality manager looked afraid of pointing out other departments' mistakes. Thus there seems to be contradictory attitudes towards 'harmony' between Chinese and American leaders.

'Those people in the five percent are the people, who will do whatever needs to be done and to get the job done, and sometimes they are doing that, you can't make everybody happy. If everybody in my team is happy all the time, and I am not really doing my job because people often are not happy when they give feedback about developing into issues.' (Director - Marketing and sales support, American)

- *Be reserved and deliberate vs. be open and straightforward*

As discussed above, most of the respondents believed that Chinese executives seldom talked about embarrassing matters in an open and straight way, and they tended to describe background and details first rather than go to the point directly. In the following responses taken from two Chinese and American executives, it seemed really hard to get answers from Chinese by asking direct questions. In this sense, then, it can not be denied that Chinese executives were regarded as being reserved and deliberate when leading people.

'Local Chinese executives tend to be more reserved and are not as open as Americans... Chinese seldom put those embarrassing matters on the table for point-to-point discussion but solve these problems in a more diplomatic and reserved manner.' (Financial Controller, Chinese)

'In China, you have to ask more kind of tricky questions, and you can't just ask "you agree or disagree", you have to come back into their questions how are you going to perceive in this path, how are you going to get through from this point to that point instead of asking "agree or disagree" or "how are you going to do something". That works.' (Director of International Materials, American)

Unsurprisingly, the following evidence suggests that Chinese executives appeared to keep low profile, and they were usually described to be very cautious and deliberate but seldom raise questions in public. These behaviours, therefore, were usually regarded by some of the American respondents to lack of a sense of competition or responsibility. Another example (see Appendix 6.15) taken from an American director of R&D centre describes how he felt frustrated when he found some of Chinese managers did not proactively take responsibilities in a challenging project.

'When the president of Asia came to China and did presentation to the management team, those American colleagues raised many questions, even if some questions looked stupid. But there were no many questions raised by Chinese, and some of them often kept silent... The participants from the Asian countries, such as Japan, Korea, and China, which share similar cultural background, often kept silent, but the participants from the US, Australia, and New Zealand, looked rather confident asking questions and doing presentation on the meeting. In general, Americans raised their questions without any hesitation once they get confused, but many Chinese prefer to study and check first rather than raise them immediately in public.' (Sales Director of South China, Chinese)

Moreover, from the following example provided in interviews, it appeared that Chinese executives were not open and straightforward when communicating with their people, and therefore their people usually thought what their Chinese leaders said could mean something different. Chinese executives tended to collect information and studied them carefully and looked rather cautious and deliberate when making decisions; however, American executives were often felt to respond quickly and make prompt decisions.

'Chinese are reserved and usually guess what others think about things or themselves. When a Chinese boss says something to a subordinate, the subordinate could think over it for quite a long time to acquire its real meaning. When American executives say "I appreciate you", that usually means they indeed appreciate you, but when Chinese executives say the same, the subordinates could conjecture the meaning behind it because Chinese are not used to communicating in a very direct way. Chinese subordinates look very reluctant to communicate with their bosses directly for salary increase because it could make their bosses feel embarrassed and hurt the affection between them.' (Financial Controller, Chinese)

Similarly, the following quote taken from an American director reiterates these points. More quotes can be seen in Appendix 6.16. This American director described how he felt frustrated when the Chinese managers were too reluctant to communicate with a simple and straightforward approach. Recalling an incident about it, he stated that:

'...because our staff, the first thing they try to do, especially new staff, is trying to find out what their boss want and tell them that instead of answering the question. They will ask some questions and try to find out what I think and then answer the questions appropriately. So the hardest thing is that "what is your opinion" and to get their real opinion... I think they look me as negative stand, and he is going to treat me negatively from business standpoint. You know I will be fired or not given the bonus if I speak up my real mind. These things will happen. There is nothing more they can say from business management standpoint. If you disagree with me and you will have very good value point, bring it up. Everybody watches the first person does that... The hardest thing is to get the people to tell you the truth, and I don't think that is going to change, so they have to continue to repeat it and try to drain the people out, and you can't ask straight out questions.' (Director of International Materials, American)

In contrast, as demonstrated in the following responses, American executives were often described as being simple and direct to the point but not talking around the subject, and they tended to answer questions and express their opinions in an open and straightforward way.

'When doing reports, Americans bring the conclusions to the table first and then go to the details as well as the analysis once the leader is interested in it... I mean Americans come straight to the point, but Chinese talk around the subject (兜圈子) first.' (Operations Director of China, Chinese)

'An American, you can just say "agree or disagree?" Most of Americans will tell you straight out. There are some personalities conservative or not, but on the average, Americans will tell you agree or disagree, keep you support you want.' (Director of International Materials, American)

An example taken from an American director indicates that American executives tended to speak out their minds in front of people and be willing to exposure themselves as they had to make themselves visible to be leaders in the US.

'...I think it is reverse in the US, and all hope to be successful, and all hope to move ahead, and willing to standout, and willing to exposure self, willing to make mistakes, openly acknowledge the fact that you made the mistake, but you learn from it, and

you move on. I think that's one of the main things we have to talk about. You have to make yourself be known, to be a leader in the US.' (Director - Marketing and sales support, American)

In addition, American executives were regarded by most of the respondents as the leaders, who usually tended to point out what people had done well or not well without worrying about other's face. An incident described by a Chinese general manager and his specific comments illustrating this are shown below. Similarly, an incident (see Appendix 6.17) described by a Chinese operations director also shows that how the American general manager directly expressed his dissatisfaction on a quality manager of China, who failed to meet the performance requirements. All the evidence, therefore, demonstrates that Chinese executives tended to emphasize people's feelings; nevertheless, American executives appeared to focus on business results only.

'When the former American president of China found several Chinese managers were late or absent from the meeting, he looked angry and threw the markers and the eraser on the whiteboard and said this meeting was cancelled. All of us were shocked when he directly expressed his dissatisfaction with these general managers' absence ... Later on, the meeting proceeded, and the American president looked ok and focused on the facts. Anyway we had a good discussion on the meeting. I don't think the current Chinese president is so direct. He would express his dissatisfaction in a more moderate way and would not react as strongly as the American president did.' (General Manager, Chinese)

- *Comprehensive consideration vs. business focus*

Unsurprisingly, as highlighted in the following quotations, Chinese executives tended to provide comprehensive consideration to their people and viewed it as their responsibility. However, American executives were usually regarded to focus on business only. More quotations can be seen in Appendix 6.18.

'Chinese executives usually think it is their responsibility to comprehensively take care of their people, and they believe that it is reasonable to coach and guide their people in terms of their seniorities, knowledge and experiences.' (Quality Director of Asia, Chinese)

'Speaking in general, the relationship between American leaders and followers might be more "business"... and very superficial. American leaders don't need to care about their followers' personal lives just like Chinese leaders often do.' (Vice President, American)

The incidents described by two Chinese respondents in the following examples reiterate these feelings. It seems clear that Chinese executives usually provided their assistance to their people, who had difficulties or troubles in their jobs. Although sometimes those problems and difficulties could not be solved immediately, followers still felt being cared and motivated when their leaders communicated with them and tried to listen to them and understand their difficulties. Another incident described by a Chinese senior system quality manager is provided in Appendix 6.19.

'I found a supervisor worked very hard but looked exhausted. She never mentioned her troubles on the meeting so I talked with her in private. She talked a lot about the difficulties and troubles in her job. Projects managers and production managers were striving for resources for their own tasks, and all the managers said their projects were the top priorities. There were more than 20 projects she had to coordinate, yet the systems were not upgraded, therefore many schedules and plans could not be fixed. She looked so frustrated that she was very emotional and even cried. Once I knew her real thoughts, I said something indeed was out of our influences, but we could adjust and re-arrange our internal resources to help her overcome these difficulties.' (Senior sourcing manager, Chinese)

'I think Chinese executives often emphasize affect, and they look more humane because they usually not only care about work but also consider their people's personal matters. American executives are probably not. For instance, when I asked two-month leave to prepare CPA examination 2 years before, the finance director was very happy to approve my leave with full pay. I have immigrated to Australia last year, and I remember the senior HR manger of the company was also quite happy to help me provide some references once immigration officers did reference check.' (Finance Analysis Manager, Chinese)

The following responses give the evidence that Chinese executives not only assisted their people at workplace but also cared about their people's personal lives. Chinese

executives tended to care about their people's families and difficulties to provide their personal assistance when necessary. More excerpts are provided in Appendix 6.20. A Chinese HR director (see Appendix 6.21) interpreted that Chinese followers felt touched and appreciated for their leaders' considerations, and they usually attempted to perform better in their jobs as well.

'He often called me to listen to my ideas in the job and shared his child's pictures with me, and he always remembered the details I could forget, such as my birth date and date of joining this company. I felt he really cared about my life but not work only.' (Senior Quality Manager, Chinese)

'When I was working in Shanghai, my family and my parents were in Guangzhou, so it was really hard for me to come back to Guangzhou to see my parents. My boss knew this situation very well, and she always created some opportunities for me to go back. I never told her how I missed my parents, but she appointed me to join some seminar, exhibition, or marketing promotion in Guangzhou so that I could visit my family meanwhile. She understood her people so well that we felt we not only learned a lot in this company but also were taken care of by the company. I was very appreciated for her kindness. I admired her so much that I was willing to follow her to whichever company she worked for.' (Sales Director of China, Chinese)

Nearly all the Chinese respondents believed that Chinese executives not only cared about their people's personal lives but also provided their great assistance for personal crises as is evident in a number of incidents described by the Chinese respondents. The following excerpts taken from two Chinese respondents indicate how Chinese executives showed their great sympathy and tried to do what they could do to help the employees affected by Sichuan earthquake, and the line leader, who had stomach cancer. For another incident described by a Chinese senior quality manager of Asia, please refer to Appendix 6.22.

'There is one of the plants of this company in Sichuan, and when Sichuan earthquake happened in May, the Chinese general manager took lead to go to Sichuan to visit our employees there and encouraged all the employees in China to donate to help them, but the American general manager never went there. I think Chinese leaders are more humane and are full of emotional warmth than American leaders.' (EHS Manager, Chinese)

'Once I knew a line leader had stomach cancer, I contacted my friend, who worked in the hospital for operation arrangement. I also urged her to have complete physical examination as soon as possible and encouraged the employees of the company to donate for her.' (General Manager, Chinese)

Furthermore, in the following excerpt taken from a Chinese HR director, it is clear that Chinese executives attempted to protect their people, who made mistakes in their jobs, especially those people, who had exerted great effort to solve problems and admitted their mistakes. Another example (see Appendix 6.23) taken from a Chinese finance analysis manager also described that how his leader understood and supported him when he made mistakes in his job.

'If the manager was an American, he/she might say "yes, he indeed made mistakes, and he had to take responsibility for it". But the Chinese engineering director said "This engineer has felt very sorry and upset about it, and he has decided to resign. All the engineers of the team know he had to take the main responsibility in this case, but all of us think he is an engineer newly joined the company, and we didn't provide enough support and sufficient training to him. We think all of us need to take responsibility for it. We will take preventative actions to avoid this kind of mistakes happening again." This Chinese director fully understood the situation and took people's feelings into account. I think most of his team members were very happy with the engineering director's decision in this case.' (HR Director of China, Chinese)

Thus a number of Chinese respondents interpreted that Chinese executives usually viewed providing comprehensive consideration to people as their responsibility and obligation. This is clearly demonstrated in the following excerpt taken from a Chinese general manager. Recalling an incident in which she had to terminate the employment agreement with a production supervisor that seriously violated the company policy, this general manager described her feelings as below. The excerpt (see Appendix 6.24) from another Chinese general manager reiterates this viewpoint.

'If the general manager was an American, he/she could say that was his personal matter, and the employment contract would be terminated without any hesitation. But if I decided to terminate his employment contract, I had to think over how to appease

those people, whose money was borrowed by him, because they could not find him no longer and finally they would vent their grievance and anger on the company... I could not get to sleep once I knew he tried to borrow money from the trade union for his mother's heart disease. If the company decided to terminate the employment contract with him, he could not find a job quickly, and his family could be ruined, and his mother could die as well. I had to take these matters into account.' (General Manager, Chinese)

It is interesting to note that Chinese followers indeed expected their leaders to care about them and communicate with them but not focus on 'financial figures' only. In this sense, thus, the leaders, who did not truly understand and care about people with benevolence and affect, were usually regarded as inhumane and were not recognized and accepted by Chinese people. Conversely, when leaders took actions to help and care about their people sincerely, emotional ties between leaders and followers could be built, and they were often regarded by their people as good leaders. These feelings were described in the following responses from two Chinese executives.

'When I had round table meeting with sales, some of them said they indeed expected their leaders to spend more time with them to talk about something personal but not "number" only. They even expected the regional general manager to go to their "zone" and have a chat with them so that they felt valued.' (Senior HR Manager of South and East China, Chinese)

'In the previous company, a supervisor reporting to me was going to resign for pursuit of his pyramid selling (传销). I told him it was ok, but if he had any difficulties or failed in earning money, he could return to the company again. 6 months later, he returned to the company with my approval because he lost his most of money in this business. The whole department knew this news soon and regarded me as a good leader. When I decided to leave that company, many operators cried and felt really regretful for my leaving.' (Senior Quality Manager of Asia, Chinese)

It can not be denied that Chinese followers also tended to work very hard with loyalty to their leaders, and even sacrificed their personal interests to contribute to organizations in return for their leaders' comprehensive consideration, as is evident in the following quote. More quotes are shown in Appendix 6.25.

‘Just like Chinese saying “a gentleman is ready to die for his bosom friends” (士为知己者死), many Chinese subordinates work very hard not for money but for their leaders. They become very loyal to their leaders once their leaders treat them kindly and always protect and support them. American executives never understand it.’ (Senior commodity business manager – Global purchasing materials & components, Chinese)

Compared with Chinese executives, it is fairly clear that American executives seldom provided comprehensive consideration to their people because American executives were perceived as the leaders only focusing on business, and thus the relationship between American leaders and followers were felt superficial. Commenting on this, two Chinese respondents stated that:

‘Since it is unacceptable for Americans to invade personal space and privacy just like Chinese do, most of the time, they behave differently from Chinese leaders and usually only maintain business and work relationship with their followers.’ (Financial Controller of South China, Chinese)

‘You can ask support from an American boss in the job but not in the life.’ (Senior Quality Manager of Asia, Chinese)

In this sense, therefore, some of the Chinese respondents stated that the needs of Chinese followers could be ignored by their American leaders, and this usually leads to Chinese followers’ dissatisfaction towards American leaders. This is clearly demonstrated in the following extract taken from a Chinese quality director of Asia. For another incident described by a Chinese senior sourcing manager, please refer to Appendix 6.26.

‘...and work load of the people was much heavier than before. However, he did not show his consideration to his people, and the subordinates’ needs and expectations were largely ignored. On one hand, their salaries were not increased and competitive; on the other hand, they had to cope with many tasks and projects at the same time. So the people looked rather unhappy and dissatisfied with him at that time.’ (Quality Director of Asia, Chinese)

Significantly different from Chinese executives, most of the Chinese respondents felt that American executives did not view providing comprehensive consideration to their people as their responsibility. It was more likely impossible to expect them to provide their personal assistance for their people's personal crises, and thus they seemed rather individualistic. The following quote gives the evidence on it. Similarly, a Chinese general manager also felt disappointed when the former American general manager did not provide any personal assistance to the Chinese line leader who had stomach cancer. Please refer to Appendix 6.27 for the full quote.

'Sometimes I felt this American director was cold blooded. He said he did not plan to donate for Sichuan earthquake because in the US, it is the government's responsibility... The Singaporean general manager himself donated 10% of the amount of all the employees' donation, and an American production director donated RMB2,000, but other four American executives did not donate one penny... I heard the corporate executives changed their mind. The company decided to only donate 50% but not 100% of the amount of all the employees' donation. This final decision stirred up the just indignation of all the employees because it was ridiculous that those guys went back on their words... I believed that Americans are individualistic without a sense of responsibility for society. As the American companies have been operating business in China for many years and have earned a lot of money here, they should make their contributions to the society especially in such crisis. I think their leadership is transactional and impersonal for they complete certain tasks just for equal returns.' (Finance Manager of China, Chinese)

Unsurprisingly, as is evident from the following quotes, as American executives were often regarded as the leaders that advocated individual responsibility, it seemed impossible to expect American executives to protect them when they made mistakes in their jobs. Chinese subordinates also could not expect their American leaders' personal assistance, and seeking their personal assistance seemed inadvisable. One of the probable explanations for the business focus of American executives was that they tended to keep their privacy and maintain pure business relationship with their people but avoid invading others' personal lives.

'One time, one of the subordinates of the former American material director made a

big mistake in the job. The American director said that was none of his business as the mistake was made by his subordinate but not him, and they were independent individuals. In contrast, taking part of responsibility for subordinates' mistakes is usually viewed as reasonable for Chinese leaders and followers.' (Senior program manager, Chinese)

'Since privacy is usually viewed by Americans as the most important thing, there is "insulating belt" on privacy between individuals... For American leaders, they only expect their people to accomplish tasks and meet business targets without too much personal intervention or relationship. On the other hand, American executives are not familiar with China, so Chinese subordinates could not expect any personal support or assistance from them. Seeking personal assistance from American executives could be a wrong decision.' (Senior key account manager, Chinese)

It is of particular interest to note that American executives seemed to have realized that some of Chinese managers could really struggle with the American leadership styles that were very transaction oriented, impatient, and business results and financial figures focused as an American director of international materials stated in the following quote. Please refer to Appendix 6.28 for another incident described by an American vice president.

'If they are Chinese managers working for American companies, you can be easily drawn into the sense of urgency because American managers saying show me result, where is X number of percentage, what's the on time delivery, what's our cost performance, and all those kind of things. American executives are driving staff to those performance and numbers, and they are very transactional oriented, so it seems rather difficult for them to drive for longer term importance. It is very difficult for a Chinese manager to communicate that to an American leader. They are truly focused on a lot of data.' (Director of International Materials, American)

4.2.2.2 Guanxi maintenance vs. clear separation between business and people

Guanxi maintenance and clear separation between business and people are the key elements of perceptual and rational leadership styles respectively. In the interviews, nearly all the respondents felt that Chinese executives tended to pay attention to

guanxi maintenance with their people, colleagues and outside. On the contrary, American executives appeared to emphasize clear separation between business and people without close relationships with their people, colleagues and outside.

- *Guanxi between leaders and followers vs. separation between leaders and followers*

In the interviews almost all the respondents believed that Chinese executives usually tried to keep good guanxi with their people; in contrast, American executives were rather cautious to keep clear separation between leaders and followers. Chinese executives appeared to build up and maintain good guanxi with their people via dining together or participating team activities together so that Chinese executives and their people could be good friends not only at workplace but also in private. Some of the Chinese respondents explained that good guanxi between leaders and followers usually exerted positive influence to enhance people's sense of belonging and increase leadership effectiveness. The respondents' feelings are illustrated in the following excerpts taken from both Chinese and American executives in the sample. More excerpts can be seen in Appendix 6.29.

'Chinese executives usually build up and maintain guanxi with their people by group dinner, outing and team building activities. Just like lubricant, guanxi usually exerts strong influence to enhance people's sense of belongings. Chinese people usually feel they are valued and motivated by their leaders once they have good guanxi with their leaders.' (Senior Commodity Business Manager – Global Purchasing Materials & Components, Chinese)

'Once I found one of them had good guanxi with other members and had strong influence in the team, I nominated him as the project leader, and others also followed him and completed the project very well. I guess that Chinese might be used to having a leader who is nominated by the superior and has good guanxi with other colleagues.' (Director of R&D Centre, American)

However, positive effect of guanxi seemed unacceptable for the American executives as they believed that it was impossible to keep true friendship between leaders and followers. The American executives also described themselves to easily say 'no' to

their leaders and keep certain distance between them. Moreover, they felt that guanxi could cause unfairness in the job and negative impact on people's performance evaluation. These feelings are illustrated in the following excerpts taken from two American respondents.

'Sometimes Chinese leaders like friends to the followers, but they are not really friends. They believe they behave like friends to go to dinner for drinking or something like that... Americans don't feel any wrong if they want to go home without going to dinner with their managers. That's what Americans believe. But Chinese don't go home because the boss goes to dinner. They feel they have to, they don't say "no".' (Vice President of Procurement, American)

'I think there are similar things in some Chinese managers I know. They do things a little bit more based on relationships, like guanxi. Somebody is relative so they get a job in the company, not only a job, but they get better job than other people. Or with suppliers, a lot of suppliers want to take you with dinner, or when it is mid-autumn festival, they want to bring the things to give to me. I think there is more emphasis on giving someone to like you and formulate good relationship. Sometimes that's more important than performance.' (General Manager, American)

Nonetheless, as is evident from the following quote taken from a Chinese senior manager, some argued that both Chinese and American executives actually emphasize guanxi (or relationship) with others because it was just human nature, and Chinese probably just exhibited guanxi behaviour more obviously than Americans.

'I believe both Chinese and Americans emphasize guanxi because that is just human nature, but their behaviours are quite different. At least, American executives keep facial equality among people, but the close relationship between Chinese executives and their people looks more obvious.' (Senior Sourcing Manager, Chinese)

As demonstrated in the following two responses, it can not be denied that some of Chinese executives tended to attract and recruit their former colleagues or subordinates based upon performance and mutual trust between them. On one hand, it was perceived as an effective approach to support Chinese executives; on the other hand, these Chinese subordinates appeared to be willing to follow their former

admired leaders. However, the Chinese executives' behaviours and attitudes towards guanxi were felt divergent. Some tended to be performance focused, but others appeared to use guanxi to manipulate people for their self-interests.

'Firstly, I think Chinese are used to establishing guanxi which is a "tradition" in Chinese culture; secondly, when you come to a new company, you might feel unconfident and incompetent. Frankly speaking, I know it is not professional, but when I join a new company, I still like recruiting my former subordinates because the new situation could be very complex, and I do not know whether or not my current subordinates perform well, but I am sure that my previous subordinates can work well and met my expectations.' (Finance Director of Greater China, Chinese)

'The Chinese general manager recruited his former colleagues to join the company to occupy the critical positions, such as operations and sourcing. However, the impact on the organizational culture was rather negative because many people thought he used guanxi to manipulate people to protect his self-interest.' (Senior Manager – Production Development, Chinese)

In the following excerpts taken from two Chinese respondents, it is fairly clear that once good guanxi between Chinese leaders and followers was established, it usually meant reciprocal emotional commitment between them. Leaders expected their followers to be loyal to them to try to meet their requirements but never disappoint them. In return, these followers were also protected and taken care of by their leaders, and thus they could have better career prospects or obtain actual interests.

'One of the significant characteristics of Chinese culture is "loyalty", and I believe many Chinese employees tend to work for their leaders but not work for companies. I asked the Chinese managing director why he worked so hard everyday, he answered the president of greater China treated him very well and provided him many development opportunities. Thus he would feel very sorry if he didn't work very hard and achieved great results. The relationship between Chinese leaders and followers is reciprocal. Once leaders treat their people very well, in return, their followers usually work very hard with high commitment and never betray their leaders. At the same time, the leaders also protect their people and take their people's interests into account.' (HR Director, Chinese)

'Some of my subordinates said to me that they would leave the company without hesitation if I left the company, and they could not bear to leave me to pursue other development opportunities or higher salaries because they could view leaving me alone in the company as cruel and unrighteous. The relationship between us heavily relies upon personal guanxi. I could not pay them bonus once there is no bonus scheme in the company, and it is also impossible to review their salary frequently and specially.' (General Manager, Chinese)

In this sense, then, the respondents suggested that some of Chinese executives seemed rather hesitated when making decisions related to the people who had good guanxi with them as they had to take public opinion into account. Recalling a promotion case, a Chinese general manager stated that:

'The acting supply chain manager was smarter and more competent in organizing and learning than any of managers in this company, but I was very hesitant to promote her as the supply chain manager. Since I had good guanxi with her, many people could view her promotion as unfair. Some people asked me before whether she was my younger sister because we had the same family name and came from the same province. I always have this kind of consideration.' (General Manager, Chinese)

Moreover, Chinese followers' career prospects could be damaged or even they had to leave the company once the relationship with their leaders was poor as it would become rather difficult to work smoothly without their leaders' great support. As is evident from the following excerpt, a Chinese HR director described how guanxi between Chinese leaders and followers played an important role in the job, and how he had to adjust his behaviour to adapt the actual environment.

'When I newly joined that company 12 years ago, I proposed an improvement plan to train the people and monitor their work with high work standard... I had absolute principles on right and wrong, and I never compromised. The subordinates were not happy with that and complained to the other HR supervisor. Since the other HR supervisor had worked with the HR manager for quite a long time, there was deep trust and tacit understanding between them. The HR manager, therefore, would rather trust what he said, and eventually I had to leave the company... What I focused on at that time was "work" only, but the side of people was ignored. I should take

both “things” and “guanxi” with my boss and people into account.’ (HR Director, Chinese)

Conversely, as demonstrated in the following responses from two American executives in the sample, it is fairly clear that American executives usually attempted to keep separation with their people. As a result, it seems impossible for Chinese followers to keep close guanxi with American executives.

‘American managers tend to have clear separation. I have clear separation, I mean I go home when I want to go home, and that’s it. It does not mean occasionally I go to dinner with staffs, but that’s very different... In America, they will not expect to have dinner with him. If the leader invites me to go to his home, I can say no. I don’t feel bad, and he doesn’t feel bad either.’ (Vice President of Procurement, American)

‘I don’t like focusing on relationships as much as average boss, Chinese boss, and I do really value everything being open... I like them, I want to be friendly with them, but I don’t want to go out after work. Two times per year is ok, but once a week, I just can’t.’ (General Manager, American)

Similarly, as illustrated in two following quotes taken from a Chinese HR director and an American director of marketing and sales support, American executives appeared to have no any hesitation to provide coaching and assistance to their people in the job. However, keeping close personal relationship between leaders and followers was often perceived by American executives as unprofessional.

‘There were lots of spare rooms in the dormitory of the company, and I asked the American general manager to have a room so that it would be convenient for me to have a rest when working too late and to communicate with people after work. The general manager disagreed with it as he thought a professional should keep distant with the employees... Americans attempt to separate work and personal life clearly, and thus I never received any invitations from the American executives to have dinner together or come to visit their home even if it’s a very common practice in China.’ (HR Director, Chinese)

‘I often get invited to go out to drink or have dinner with, but it is not something I am custom to do so I don’t participate. I just don’t think that’s the correct thing for me to

do as the Chinese managers to do this. In the US, you won't really do this. If it is a group, the whole function of a department, it is ok, but going with this one from the department to bar or to whatever, that's not good. Because most of the time, it can be a bad thing for your work relationship not just with the individual but with the whole team.' (Director - Marketing and Sales Support, American)

It is of particular interest to note that American executives seemed to understand the importance of guanxi when doing business in China; however, they felt uncomfortable to deal with it, and hence some of them attempted to look for certain Chinese managers as their agents to help them manage guanxi and Chinese people more effectively. The following quote gives the evidence about it. More incidents are provided in Appendix 6.30.

'I worked with the American president and other American managers before, but I felt very strange when I was often invited to dinner by the president. He asked many questions about the guanxi between managers, their personalities and other matters in the office. Eventually I understood he needed an agent understanding and dealing with guanxi for him. He trusted me very much and supported me very well in the job.'
(HR Director of China, Chinese)

Some Chinese respondents suggested that there are three possible explanations for the clear separation between American leaders and their people. First, some of American leaders looked not interested in building up guanxi with Chinese people due to their short tenure in mainland China and unfamiliarity with the Chinese environment. Second, there were not many common subjects between American leaders and their Chinese followers because of culture differences and language barrier. Third, the perspectives on 'privacy' between Chinese and Americans also seemed divergent. These feelings were described in the following responses.

'Most of American executives are transferred to China as they have achieved excellent performance in the US, and they might think China is just a spring board for their career prospects... so most of them do not make extra effort to build up guanxi and they do not think it is really important for them to have a good relationship with Chinese subordinates... they might not know Chinese very well and are not familiar

with the Chinese environment and social settings once they newly come to China.'
(Regional Financial Controller of South China, Chinese)

'There are few common subjects between Chinese subordinates and American leaders because of cultural differences and language barrier. When American colleagues were talking about Britney or Michael Phelps with me at bar, I just could not talk a lot with them because I did not know these American celebrities very well.' (Senior Quality Manager, Chinese)

'Privacy is always emphasized by Americans, and they seldom ask questions about privacy particularly between male boss and female subordinates due to legal consideration.' (Senior HR manager – East and South China, Chinese)

Interestingly, most of the Chinese respondents believed that Chinese followers could not seek personal assistance from their American leaders and also seldom expected to built up and maintain close guanxi with them, and therefore the relationship between American leaders and Chinese followers was perceived to be only business focused and transaction based. An example, taken from a Chinese general manager, indicates this. Another example is provided in Appendix 6.31.

'Chinese people usually only talk about work with their American leaders but seldom communicate personal matters with them. Chinese executives might feel free to communicate their thoughts and personal lives with their people, and have dinner or have a drink together after work... Many Chinese employees don't go to their American leaders to seek personal support or help because they don't think American executives understand it and do something helpful.' (General Manager, Chinese)

- *Guanxi between colleagues vs. separation between colleagues*

As discussed above, Chinese executives were usually described to emphasize guanxi with their colleagues; in contrast, American executives tended to keep pure work relationship with others in their jobs. As indicated in the following responses, maintaining good guanxi with other colleagues of different functions was often perceived as a critical success factor in an organization as good guanxi was always very useful for effective interactions between people and was helpful to complete tasks efficiently.

'When a new staff joins a company, the first priority is usually to understand various guanxi in the company and build up his/her own Ren Mai (social network resources/人脉) as soon as possible. Only focusing on matters usually does not mean good results in Chinese society.' (HR Director of China, Chinese)

'If I have good guanxi with you, I mean if I appreciate your working style or whatever, I am happy to do not only what I should do in terms of procedures and responsibilities but also extra effort to help you complete your tasks more smoothly and efficiently.' (Engineering Director, Chinese)

There are two examples taken from the Chinese respondents, who described the incidents, in which how a Chinese procurement director became rather successful in the organization by establishing and maintaining guanxi with other function heads, and how good guanxi helped a Chinese sales director get special support from a Chinese operations director to fulfil her urgent task to meet the customer's delivery needs. These examples, therefore, highlight that good guanxi between colleagues can not be ignored in career success in Chinese environment.

'When the Chinese procurement director newly joined the company, he was alone, but he established good guanxi with other directors and managers in a rather short time. From then on, all the directors and managers were happy to cooperate with him, and many projects went very well with their support... I think he invested in personal affect... In the beginning, there were some conflicts between the procurement and the other two functions – production and engineering, and these two function heads sometimes troubled the procurement director, but as time went by, they became rather friendly just like brothers.' (Director of Supply Chain Management, Chinese)

'The normal lead time from getting orders to delivery is five days, but the client asked us to deliver within three days. Due to good guanxi with the operations director, when I called him for his support, he promised me to deliver the products within one day.' (Sales Director of South China, Chinese)

There is an interesting comment from a Chinese director, who believed that Americans could view guanxi between colleagues as teamwork. He emphasized that

good guanxi between Chinese colleagues not only meant positive work relationship but also indicated close relationship in private; however, Americans probably only focus on pure work relationship with their colleagues. The quote taken from him is as below:

'I think both Chinese and Americans use guanxi, but Americans might call guanxi as "teamwork". They might think a team member, who has good guanxi with others, as a team player. From my point of view, if we have good guanxi, we can talk a lot not only job but also family, if not, we just talk about work.' (Director of APSCO, Chinese)

- *Guanxi with outside vs. separation with outside*

Most of the respondents stated that Chinese executives tended to maintain good guanxi with outside, such as government, suppliers, and customers. As indicated in the following quotations taken from both Chinese and American executives, only managing companies effectively was far from making business successful in China, and maintaining good guanxi with government and suppliers with long-term consideration was usually viewed as the critical factor for business success in China.

'My current Chinese managing director views maintaining good guanxi with local government as his first priority, and he thinks it is really important building up and maintaining good guanxi with the government for the long-term business development.' (Technical Director, Chinese)

'Only managing the company very well is far away from success because guanxi with local government and authority has to be taken into account, and social relationships, reciprocal favours and nepotism have to be considered as well.' (HR Director, Chinese)

In terms of actual situation, social system and government mechanism, establishing and maintaining close guanxi with local government not only would ensure smooth business operations without difficulties and troubles but also might bring sustainable and long-term orders from local government. Commenting on it, a Chinese HR director described an incident as below:

'He previously was a HR manager and then was promoted to HR director, but now he is the standing vice president. I was very curious as he looked unfamiliar with the business, and his English was not good either. But this person has significant advantages in networking with the government, and therefore many difficulties and troubles have been solved very smoothly. He is even able to obtain long-term business orders from local government. These orders usually cover the telecommunication facilities of the whole city or the big region of the city, and it seems impossible to have these orders without special guanxi with the key officials of local government because telecommunication industry has been monopolized by the state owned enterprises. I think it is his special value to the company.' (HR Director, Chinese)

However, compared with Chinese executives, American executives were often perceived not to pay much attention to guanxi maintenance with Chinese government or suppliers. Despite the importance of guanxi with Chinese government for business success, American executives appeared to manage these relationships in a cautious manner and attempted to keep distant with outside. Evidence from the following quote illustrates this.

'The American CEO was very professional and competent, but I do not think he had good guanxi with the Chinese government as his interpersonal skills seemed bad when communicating with Chinese government. He did not do anything special to maintain guanxi with the government for the company's interest so he did not deal with the problems, such as land, finance, and social responsibility very well.' (Sales Director of China, Chinese)

These points are reiterated in the following examples. In the first example, an American general manager was described as being quite determined to refuse to get involved in building up guanxi with local government. In the second example, an American director expressed how he felt confused with the practice of Chinese government, which was totally different from the American government, and he seemed to quite struggle to deal with the matters with Chinese government.

'The American general manager of my first company was never involved in the matters guanxi related, and he never tried to establish guanxi with Chinese authorities, such as Commodity Inspection Bureau or Quality Inspection Bureau. So

the establishment of the new factory was delayed, but Chinese authorities never cared about it. Eventually the American general manager appointed the Chinese plant manager to get it done, but he was never involved in it.' (Technical Director, Chinese)

'There are lots of the pieces of the government you have to inner face with, and some of them have opposite goals. Some of them help build and develop business, some of government pieces like tax bureaus and customs bureaus to govern certain things acceptable or unacceptable and control import materials or export. The detail of control is much more here in China than the US, so I think the most difficult thing to do from the company standpoint is dealing with the inner face or control the government wants to have in your business, and you keep coming back to that's not kind of business. But we have to react, that is part of business, and that's the way they manage their impact to the country or the way they perceive the impact to themselves, the government... So you really have to understand that and do your best to comply, and if you get conflicts between two different government pieces, and the balance is the tricky part.' (Director of International Materials, American)

4.2.2.3 Flexibility vs. system and mechanism

In the interviews, nearly all the respondents felt that Chinese executives appeared to be more tolerant of ambiguity and usually made subjective adjustment to match the actual situation; however, systems and procedures sometimes could be neglected. On the contrary, American executives were usually regarded as being more system and procedure conscious and being less tolerant of ambiguity; whereas, work efficiency might be decreased.

- *Subjective adjustment vs. compliance with systems and regulations*

As demonstrated in the following quotes taken from two Chinese respondents, Chinese executives tended to be more 'flexible' when leading people based on guanxi, subjective judgement, and actual situation, and thus fairness and equality was probably sacrificed. More quotations are provided in Appendix 6.32.

'I think Chinese executives are more perceptual. When they make decisions on people, they seldom simply think of the systems, policies and procedures, and they tend to balance many things beside these policies and procedures. For sure, if there are

conflicts to these policies and procedures, they have no choice, but they could deal with them by mild measures. However, once there are some possibilities for certain flexibilities, they could take flexible actions.' (HR Director of China, Chinese)

'The Chinese general managers attempted to go over the finance policies and regulations wherever possible, and they went back once they found it was impossible... Generally people usually consider and balance three elements: facts, reasonableness, and legal principles (事理, 情理, 法理) when dealing with matters. Chinese executives tend to focus on reasonableness first rather than facts and legal principles... They consider the "people" side much more than Americans, and hence they appear to adjust their decisions with consideration of guanxi and affect but within the scope of the company policies.' (Financial Controller, Chinese)

As demonstrated in the following extract taken from a Chinese quality director, although Chinese executives attempted to treat all the people fairly, it is fairly clear that subjective adjustment and personal preference still exerted influences when they made decisions. An example (see Appendix 6.33) taken from a Chinese engineering director further illustrates how the people felt disappointed and frustrated by the Chinese general manager's subjective judgement.

'Under the similar condition, a subordinate who has good guanxi with the boss might take more advantages than others. I had two managers reporting to me in my previous company. Despite their similar performance, I gave a higher rating (90%) to one manager, who had good guanxi with me, and a relatively lower rating (70%) to the other one in performance review. When I asked the first manager to do something, he always got it done without hesitation, and we could talk about everything about work and life, and thus good guanxi between us was established. But the second manager always complained about his difficulties in the job... The people who are proactive and easily approached are always welcomed, and they can take more advantages. Despite the objective and specific mechanism and process of performance review, subjective influences do matter.' (Director of Global Supplier Quality, Chinese)

Another incident (see Appendix 6.34) described by a Chinese HR director reiterates these feelings. This Chinese HR director was delegated by the Chinese president to investigate an employee complaint about a Chinese regional sales manager's unethical

behaviour. Despite the substantial evidence and records collected by the HR director, the Chinese president decided to only issue a warning letter to that sales manager. The sales manager's performance was good with rapid increase in sales at that time, and guanxi between the sales manager and the sales director of China also seemed good; the HR director, therefore, believed that these considerations might have influenced the Chinese president's final decision. However, he believed that the sales manager must have been dismissed if the president was an American.

Similarly, as is evident from the next two quotes taken from Chinese executives in the sample, Chinese executives were perceived to be more flexible and subjective in decision making. However, it is clear that most of the Chinese respondents were discontented with Chinese leaders' flexibility and subjectivity as this probably led to negative impact on organizations. More quotes are provided in Appendix 6.35.

'American companies usually tend to comply with local law and regulations, and there are usually ethics and compliance policies in American companies so paying bribes to customers or government is absolutely unacceptable... I think American executives pay great attention to systems and procedures, data and logical analysis. They respect these systems and procedures and comply with them very well. They also tend to manage the process and details via professional tools and software.'
(Operations Director of China, Chinese)

'The Chinese general manager sometimes didn't follow the corporate procedures to evaluate suppliers. Sometimes I found the products had been sold out yet the price of some components was not confirmed with suppliers. The company could not pay for suppliers when the price was not confirmed, and the suppliers were under a lot of pressure due to shortage of currency. It could be ok for a particular case and the company can pay money for suppliers on a special occasion, but the company and the suppliers could be in chaos if there are no systems and procedures and nobody follows them.' (Director of Supply Chain Management, Chinese)

Nevertheless, as illustrated in the following example taken from a Chinese sales director, appropriate adjustments seemed necessary to satisfy customers' needs under the actual circumstance in which there were dramatic changes in China market.

Appropriate adjustments, thus, were seen as being helpful to reduce lead time, increase efficiency, and strive for more interests for the company.

'We had a big order from a potential client, but the price they suggested was near the break-even point. However, the general manager (Chinese) basically agreed our proposal and asked us to go ahead to negotiate with them further. If he made this decision via the formal approval procedure, it could take rather long time, and we could lose this client. He was willing to take responsibility to make decision for the company's interest... He knows we could fall behind other competitors if we can not act quickly according to actual circumstance. Chinese executives understand the importance of flexibility, but American executives usually insist the formal procedures and policies too strictly to make decisions.' (Sales Director of South China, Chinese)

Compared with Chinese executives, American executives appeared to establish systems and procedures, which were open, transparent and fair to all the people, and therefore they were usually perceived to be more facts and principles focused without considering guanxi. It is clear that these leadership behaviours seemed acceptable for most of the Chinese respondents. The following examples taken from both Chinese and American respondents illustrate this.

'For me, things should have full procedures for the company, not just maybe a casual or intangible approach. I think the things they have to be, maybe more formal, the formal way... so what I try to do is trying to be giving the same treatment to everybody which is fair, which is open, which is honest, which is transparent, and set up a system or policy at work where we get a 互惠互利的, 双赢 (win-win) (he spoken in Chinese). Both sides can win where the company can make money, the workers can make money and the people that perform the best make more money, people perform best get opportunity to advance, and it is not based on anything like relationships, or that types, so I found that has been pretty successful.' (General Manager, American)

'The American managers supported this employee referee policy, but they treated people fairly and never took those personal relationships, face or partiality into account when the people made mistakes or broke the rules of the company...

American executives tend to focus on facts and legal principles although they could have the considerations on feelings and affect.’ (Financial Controller, Chinese)

The following quote gives the evidence that American executives appeared to be more legal and regulation conscious than Chinese executives, and they tended to respect and comply with local law and regulations when working in China. Another example (see Appendix 6.36) taken from a Chinese financial controller, an American general manager was seen as complying with local law and regulations of China and taking an open and transparent approach to communicate with internal employees and relevant parties outside in a company crisis.

‘The American president would like to get 6-month work visa, but the application was rejected by the embassy, so the secretary applied the 3-month tourist visa for him and got it approved. Once the president got the passport, he was quite angry because he just wanted the work visa without violating the law and regulations of China and the US. However, his secretary argued that she had to apply the tourist visa otherwise he had to leave China within 7 days. From this case, you can see Americans emphasise procedures very much, but Chinese seem flexible and subjective.’ (HR Director of China, Chinese)

Furthermore, the following comments from two Chinese executives also highlight that American executives were regarded as being more system and procedure conscious, and they tended to follow systems and procedures strictly without exception. American executives seemed to promote equal status in organizations so that each employee had right to defend self when necessary. Please refer to Appendix 6.37 for more examples.

‘In my previous company, when the corporate EHS officer (American) came to China and looked at the product lines in the plant, he always actively wore work uniform and entered into the workshop according to the safety and quality regulations... the corporate EHS officer was never exceptional, and he was not happy once he was not asked to wear work uniform just like other product line operators.’ (EHS Manager of China, Chinese)

'The American general manager (of the former company) completely followed the company procedure to form an investigation committee consisting of the departments of HR, finance and supply chain except the production department to investigate the case in which an operator violated the company's regulations. The operator, therefore, had an opportunity to defend himself with fairness.' (Operations Director of China, Chinese)

However, as indicated in the following quote taken from a Chinese senior HR manager, the practices of American executives sometimes were felt to be over-rigid, and thus work efficiency could be decreased. Consequently appropriate adjustments and flexibility based upon the actual situation seemed necessary to meet various internal and external needs.

'I feel Americans are too stubborn, and they often insist on following the procedures and policies without flexibilities... Last week, I went to Beijing to terminate an employment agreement with a regional sales manager. He requested to get his salary, incentive and bonus on his last working day. In terms of labour law, employees do have right to get paid off on the last working day. When I communicated with my boss (American HR director) for it, he rejected it because the company only pays employees on the certain date of each month, and the employees could not get paid anytime they want.' (Senior HR manager – East and South China, Chinese)

- *Tolerate ambiguity vs. ensure precision*

Compared with American executives, some of Chinese executives were often perceived to be less precise in their jobs and worse organized in time management. Moreover, some of them did not appear to be used to the practice of problem solving with a systematic approach, and there seemed a gap in scientific management between Chinese and American executives. Specific comments illustrating this are shown below:

'When implementing the environment policy from the corporate, some of Chinese general managers just thought it was good enough once plants were qualified. I think Chinese are not as serious as Americans when implementing policies... "Just about" (差不多) is what Chinese often say in their jobs.' (EHS Manager of China, Chinese)

'I think American executives emphasize methodology because they have good plans, methods and tools, and they are absolutely clear about how to use methodology to achieve goals. The SPC method and QS9000 system from the top three American auto makers are very pragmatic and useful, and these methods and systems provide clear guidance and instructions for operations. Chinese do have targets, but we lack of systematic methods and tools to achieve them.' (Senior Sourcing Manager, Chinese)

Conversely, the following quotes give the evidence that American executives were perceived to be more precise in their jobs and more organized in time management with clear work schedule. In addition, they were also described as being used to solving problems and making decisions with a systematic and logical approach based upon facts and financial figures.

'I am often impressed with their clear steps and logical sequences... All the action items including timing, result feedback, responsible people etc. are planed very well with clear roadmap, PDCA and project management... American executives seem to solve problems in a more systematic way, including defining problems, ascertaining root causes, analyzing data, and developing corrective and preventative actions.' (Director of Supply Chain Management, Chinese)

'American executives tend to much emphasize and use systematic approaches, procedures and methods, and they usually make decisions based upon data. They focus on data and facts, and thus their decisions seem more objective and rational.' (General Manager, Chinese)

A Chinese sales director described two incidents in the next first excerpt, and Chinese and American executives' attitudes towards time and schedule were compared. Commenting on it, American executives' attitude of ensuring precision on implementation and time management, and Chinese executives' behaviour of tolerance of ambiguity and flexibility, are highlighted. In the next second excerpt, a Chinese general manager compared himself with the other two American directors when preparing presentations for a key account's visit, and he seemed rather impressed with the serious attitude of two American directors. Evidence from another excerpt (see Appendix 6.38) reiterates that American executives appeared to be more punctual and well organized in their jobs.

'Once we decide the route of revisiting clients, Americans are very exact to follow the established rules precisely. However, for many Chinese, failing in revisiting one or two clients is ok, and "almost" completion (e.g. 90%) is acceptable... We had an appointment with an important Chinese client in the morning of last Tuesday, but the client informed us to come to the company in the afternoon because of their urgent matters... but it was rather difficult to change their (American executives) schedule... For many local Chinese, changing schedule is not difficult because we often do things with flexibility, but getting organized and the systematic approach are always highly valued by American executives.' (Sales Director of South China, Chinese)

'I usually review the presentation materials only once before presenting them to customers. When the two American directors had completed their presentation slides, I found they rehearsed in advance in the meeting room so that the one presented it in front of the other one, and the other one provided his comments on the presentation. They looked very serious. Later on, I also joined them, and they provided their comments on my materials so that the presentation could be more attractive and persuasive in front of the customer...' (General Manager, Chinese)

In response to the systematic approach to problem solving, some of the Chinese respondents suggested that Chinese executives sometimes ignored the systematic approach when solving problems as is evident in the following example taken from a Chinese general manager. Some of Chinese managers sometimes were still regarded to make decisions just based upon their perceptual and subjective judgements even though they could have been working for foreign companies for quite a long time with sufficient functional competencies.

'There was a quality problem, and the responsible manager quickly confirmed the causes and then took actions to solve it. This manager was a six sigma black belt, who absolutely had clear ideas of how to analyze problems and identify the root causes with a systematic approach and quality tools, but he only made decisions based upon his perceptual and subjective judgement and took the corrective actions rather than defined, analyzed and solved problems with the six sigma approach... But American executives looked different. I was very impressed with what the American strategic sourcing manager of a key account said to me before. He said we were doing failure analysis, but it could be questioned whether or not these corrective

actions were helpful for the better results, and whether or not these corrective actions were verified and followed up appropriately so that the similar problem could not happen again... I am not sure how the American engineers and supervisors working in the US solve quality problems, but it can not be denied that the thinking way of the American executives and top management seems more expanded, systematic and logical.' (General Manager, Chinese)

4.2.3 Special cases

Though most of the respondents felt that the leadership style of Chinese executives appeared to be more perceptual but the leadership style of American executives tended to be more rational, a few respondents described some incidents in which American executives exhibited perceptual leadership behaviour and Chinese executives displayed rational leadership style. In the following example, a Chinese HR director decided to dismiss an administration manager reporting to him. In this incident, this Chinese HR director clearly exhibited rational leadership behaviour as he looked rather business focused and made his final decision based upon performance results; however, it seemed rather difficult for the Chinese administration manager to accept the final decision as she believed that Chinese leaders should take their people's feelings and affects into account. More than ten years working experience in American ventures probably provided an explanation of this Chinese HR director's rational leadership behaviour.

'When I told the administration manager the decision (employment termination) in the meeting room, she looked very angry and even cried. It seemed really hard for her to accept the final decision. She said "I never expected such unkind treatment from you. We have worked together for two years already. How can you treat me like this without considering your people's feeling?" I said "I also feel sorry about it. I have discussed your performance problems with you constantly and provided several training programs to you and even assign other team members to support you when necessary, but your performance was never improved, so we have to make this decision and keep the whole team moving forward". She might think I was inhumane, but I can not have a team member who doesn't perform, as I aim to high performance anyway.' (HR Director of China, Chinese)

In the following excerpt taken from a Chinese director of global supplier quality, it is also clear that Chinese executives' leadership style probably has become more rational and they appeared to solve problems with a more systematic approach. Many years' working experience in quality in foreign ventures and professional background of 'master of six sigma black belt' appeared to enable this quality director to work more systematically.

'I am not sure whether it is because I have been influenced by Western styles or I have been working in quality function for many years with the background of 'six sigma'. I am a MBB (Master of Black Belt). What I knew on the first working day in my current company was that I needed to build up the framework of supply chain management, and then studied all the current documents for gap analysis within one week, even the differences of four plants in mainland China were investigated and analyzed.' (Director of Global Supplier Quality, Chinese)

It is of particular interest to note that, with many years working experiences in mainland China and deeper understanding of Chinese culture, some of American executives also appeared to have adapted to Chinese circumstance and attempted to take the 'people' factor into account. The following quote gives the evidence on it. In the another example (see Appendix 6.39), an American HR director also exhibited comprehensive consideration to his people as he had been working in South Korea and China for more than ten years.

'The American vice president is so sophisticated and sensitive with Chinese working style that he exactly knows what he should say or should not say when communicating with Chinese. For instance, when there is a chance to travel to Singapore, he always asks a Singaporean colleague to go there with him, but if there is a chance to travel to Dongguan, he always asks me "do you want to return home? The factory of Dongguan needs your support".' (Director of Global Supplier Quality, Chinese)

Moreover, a few Chinese respondents explained that once American executives had been in China for quite a long time, some of them indeed became quite familiar with 'guanxi', and they could also use guanxi to manipulate business and people. The evidence from the following example taken from a Chinese operations director illustrates this.

'The American president of Asia graduated from Harvard University with MBA degree. He had been in China for more than ten years and spoke Chinese fluently, and thus he looked to understand Chinese culture very well... When these American executives have been in China for quite a long time, some of them might be changed and learn certain negative behaviours of Chinese, such as guanxi... He had close personal relationship with a person of procurement function, who was his driver before, but he transferred her to the procurement function to manage some outsourcing and purchasing projects. From then on, there were a lot of ethical problems and interest conflicts in procurement. Many of Chinese employees including an American general manager were very dissatisfied with what the president of Asia had done.' (Operations Director of China, Chinese)

In addition, in the following quotation, a Chinese senior HR manager described an incident in which an American supply chain director often did not follow the HR procedure to interview and offer candidates. Thought systems and procedures were always highly emphasized by the American general manager, this American supply chain director was never blamed. The American general manager seemed to trust him very much; however, this Chinese senior HR manager disagreed with the American general manager's viewpoint that Americans were more honest and reliable with higher integrity than Chinese people.

'According to the HR procedure, the candidates should be assessed by HR first. The American supply chain director did not follow it at all, and he even provided an offer to a candidate directly without consulting HR, but the American general manager never blamed him... The American general manager trusted that American director much more than Chinese staff due to their advantages in language or whatever. He did not think the integrity of Chinese people was as high as Americans', and he might view Chinese as the people scheming and cheating. I did not feel comfortable when the American general manager was talking about it because there were still many Chinese executives with high level of integrity. I did not believe all the American executives were honest and reliable.' (Senior HR Manager, Chinese)

4.2.4 People's perspectives on perceptual and rational leadership styles

In this section more findings relating to people's perspectives and attitudes towards perceptual and rational leadership styles are explored. Problems raising from the positive and negative attitudes towards perceptual and rational leadership styles are also discussed. Exploration of all these factors suggests that much of the business case for leadership style is based upon oversimplified arguments.

4.2.4.1 People's perspectives on perceptual leadership style of Chinese executives

As is evident form the following example taken from a Chinese senior training manager, though Chinese executives appeared to keep harmonious in the team, the true harmony should be based upon integrity; otherwise, so called 'harmony' could just become a tool for personal interests, and principles might be sacrificed.

'Harmony is good, but it could lead to cheating once all the people just maintain a superficial "harmony" but not a true unity... A person with high integrity could achieve a true harmony, but somebody, who is power-hungry, could use it to take personal advantages... In order to achieve so called "harmony", Chinese could sacrifice principles or others' interests.' (Senior Training Manager, Chinese)

In terms of the reserved and deliberate leadership behaviour of Chinese executives, a few respondents viewed it as irresponsible, and the open and straightforward leadership behaviour with clear communication was critical for success as ambiguity and so called 'the Doctrine of the Mean' could cause bad results to the company.

'For me, "middle of the road" means lacking of responsibility since they never say what is right, and what is wrong to avoid any conflicts or troubles... But the exact answer is absolutely necessary for technical problems, and the ambiguity could not be acceptable... On the management meeting last month, we argued this problem a lot with the Chinese president as well as the quality function head, but the result was the same – no result... That's an endless game.' (R&D Director, Chinese)

Some of the Chinese respondents stated that American executives' open and straightforward leadership behaviour was indeed appreciated; whereas, it could be perceived by Chinese people to be rude and impolite. Some also argued that the

business focused behaviour of American executives was usually felt by Chinese people as impersonal and unkind. In this sense, thus, moderation seemed advisable, and the leadership effectiveness indeed depended upon the actual situation and the people's needs. A Chinese People Development Director described his feelings as below. Another example taken from a senior sourcing manager is presented in Appendix 6.40.

'Americans' frankness and result orientation is good, but Chinese might feel rude once the leaders are too straightforward or extremely result oriented without ganqing (affect) and renqing (reciprocal favour). They might think why they have to work for these leaders or these companies because there are still many companies that pay attention to not only performance but also people. So "moderation" does matter, but it depends upon situation and what followers' needs are.' (People Development Director, Chinese)

Some of the Chinese respondents interpreted that comprehensive consideration to people were advisable in current actual situation of China as leaders' sincere consideration would inspire people's commitments to their jobs and enhance the sense of belonging. Specific comments illustrating this are shown below:

'I think it is very positive management style to understand people with empathic listening and to inspire people's initiatives and the sense of belonging.' (Senior Quality Manager of Asia, Chinese)

'I think it is necessary and effective to get closer and keep good relationship with our employees when we would like to know more about them and take care of them from our hearts.' (HR Director, Chinese)

Nonetheless, as indicated in the following example taken from a Chinese HR director, business objectives, financial figures, systematic thinking and rational judgement should be never neglected when leading people; otherwise, leaders' individual performance and the company performance would be affected.

'Spending two hours to talk with a cleaner looked ridiculous. I don't mean what he (the former Chinese HR director) had done was wrong, or we don't need to talk to

and care about a cleaner, but he had more important things to do, and many HR projects had been delayed at that time. The president and the general managers were not satisfied with his performance and efficiency. He was very kind but too perceptual to remember his business objectives.’ (HR Director of China, Chinese)

Respondents’ attitudes towards guanxi also appeared to be divergent. The following evidence suggests that overemphasis on ‘fact’ could be seen by Chinese people as being too rigid, and good guanxi would be rather helpful to get jobs done. Moreover, some also explained that guanxi between leaders and followers could be a motivation factor to help leaders manage people more effectively, and the clear separation between business and personal matters was not felt to be difficult.

‘Chinese emphasize ganqing (affect) and social relationship, and guanxi might be helpful for the work efficiency. I mean it might become over rigid if you only follow the “matter-of-fact” style... Using guanxi in the job might be very helpful for the smooth implementation and efficiency.’ (Engineering Director, Chinese)

‘I do not think guanxi is a bad thing. Leaders and subordinates have dinner together could be an opportunity communicating concerns and grievances, and leaders also feel they are trusted and needed. Sometimes guanxi and ganqing could influence the decisions, but if leaders are honest and upright, it is not difficult to clearly separate business and personal matters.’ (Senior HR manager – East and South China, Chinese)

However, from the following example provided in the interviews, it appeared that only the organizational culture which promotes transparency, openness, equality and fairness could satisfy most of the people. Guanxi might exert negative influence on organizational performance and leadership credibility once the leaders used it in order to take advantages for their self-interests.

‘We should lead and manage our people by systems and regulations but not guanxi. If we pay attention too much on guanxi, many negative results might be caused. We also need to emphasise the teamwork, open communication, as well as performance instead of using guanxi to meet leader’s personal preference to take advantages in the organization.’ (Senior Quality Manager, Chinese)

Therefore some of the respondents stated that guanxi had both positive and negative sides which were depended upon how people used it in their jobs and in different situations, as demonstrated in the following extracts taken from two Chinese and American general managers (Another quotation is shown in Appendix 6.41). More specifically, some pointed out that once the distance between leaders and followers was too large, the leaders could be seen as lacking of affinity, and the followers might feel uncomfortable working with them. However, as the distance between them was too close, the line between work and privacy could be blurred. Please refer to Appendix 6.42 for the full extracts.

'I think keeping good relationship or guanxi between leaders and followers is helpful in the job in mainland China, but you have to be careful. They are hoping that they can have a type of 偏心的对待 (preference), so you have to be careful if you let someone know that you like very much each other, they might try to take advantages, and if you don't like them, they might be confused because they feel we are close, but I can't help as long as they know you are doing things based which is good for the company, not good for you and me.' (General Manager, American)

'Talking about their children and their schooling, providing some suggestions on their family matters, as well requesting them to ask for leave when necessary are always helpful to build up trust between us, but guanxi might result in the vague distinction between business and people. Ganqing (affect) and renqing (reciprocal favour) could be helpful in the job, but it must be controllable with reasonable distance between leaders and followers.' (General Manager, Chinese)

In terms of flexibility, some of Chinese respondents viewed it as an advantage of Chinese executives, and it made Hong Kong and Taiwan companies more competitive in industries. However, some argued that Chinese executives had to be more rational and objective when making decisions and solving problems and had to eliminate perceptual and subjective perspective as much as they could. The following excerpts taken from two Chinese executives in the sample illustrate these divergent opinions.

'Flexibility does work sometimes, and I think that's why some of Hong Kong and Taiwanese companies are so competitive.' (Senior Sourcing Manager, Chinese)

'Making decisions and solving problems based upon perceptual judgements are not reliable and may lead to poor results, but facts-based decisions tend to be more advisable.' (General Manager, Chinese)

As illustrated in the following responses taken from a Chinese technical director, system and mechanism were helpful to make sure the desired performance results but flexibility enabled leaders to increase work efficiency and to provide effective support to their people, and therefore, effort should be made to allow these two styles to converge.

'It could be the best to converge Americans' matter-of-fact attitude and Chinese ability of flexibility. People could feel too restricted to solve problems only following up procedures without any deviation, and leaders should be flexible to support their people to remove the obstacles... But flexibility has to be under the guidance of professional knowledge, skills and principles, and certain procedures and policies are necessary in production, quality, and supply chain to make sure the desired results.' (Technical Director, Chinese)

4.2.4.2 People's perspectives on rational leadership style of American executives

Similarly, people's perspectives on the rational leadership style of American executives also appeared to be diverse. Clear separation between business and people without considering guanxi was usually seen as a right and effective way to create an open, transparent and fair system and mechanism in an organization to achieve business results and satisfy most of the people's needs. Moreover, procedures, mechanism and the systematic approach to solve problems also seemed necessary in multinational organizations especially in electronics industry. These feelings are described in the following quotations.

'I think it works very well in China because everybody feels like they have a chance, they have a hope, and if they work hard, they can get recognition and appreciation from the company. So that's why I tried to create, and I think it is pretty well.'
(General Manager, American)

'In electronics industry, systematic approach and methods are required, and everything needs to be planned, analyzed and evaluated systematically...' (Senior Sourcing Manager, Chinese)

However, in response to emphasis on business results, some of Chinese respondents suggested that the 'matter-of-fact' style was only helpful for 'job'; whereas, people's feelings were often ignored when the company was only driven by performance indicators and financial figures. This is clearly demonstrated in the following extracts.

'I think the "matter-of-fact" style is helpful in the job. I mean it is only helpful for the "job".' (Engineering Director, Chinese)

'"Business is business, don't get personal" (对事不对人) is the culture of American companies, and all the people run forward and fight for KPI, but personal feelings are often ignored.' (EHS Manager of China, Chinese)

Evidence from the following responses reiterates these feelings. Chinese followers seemed rather disappointed when American leaders only focused on business results with an exceedingly direct approach but ignored the followers' feelings. American executives tended to emphasize immediate results and short-term returns, and merely depending upon system, mechanism, and financial figures and reports did not seem to bring long-term success and benefits to organizations. More quotations can be seen in Appendix 6.43.

'He usually expects simple and quick result to the point. Sometimes he just thinks I talk too much, and what he really expects is directly telling him the objectives, expectations and action plan. That's all. Sometimes I feel uncomfortable and unhappy with his style because I have exerted great effort to get things done, but he still could misunderstand me without knowing the whole story.' (Senior Commodity Business Manager – Global Purchasing Materials & Components, Chinese)

'American executives could focus on immediate interests and short-term gains too much. When they do business, they want to earn money in each deal ... For instance, we acquired a Taiwan company which ran very well and profited. However, the core engineers and technicians left the company quickly once we took that company over, and the profit status of that company became terrible. From this case, we know

American executives only considered those “figures” in financial reports with short-term view, but some potential critical factors, such as the timing of acquisition, and the culture differences could be neglected.’ (Quality Director of Asia, Chinese)

Particularly, some of Chinese respondents argued that due to the gaps in management maturity and national conditions between China and the US, transferring American systems and mechanism to China without appropriate adjustments could be ineffective. Appropriate flexibility, therefore, would be helpful to deal with the actual problems and enhance the companies’ competitiveness in China. Specific comments illustrating this are shown below:

‘The US is the country where systems are integrated and effective because of many years’ development, but when transferring these systems to China, they might find the actual situation is quite different and these systems are not well suitable for Chinese people.’ (General Manager/Operations Director of China, Chinese)

‘Some sales people share the similar opinion with me... For sure, ethical compliance is very important for the company, but we still need reasonable flexibilities when dealing with the actual problems because we find our competitors are very flexible in sales.’ (Senior HR manager – East and South China, Chinese)

In this section, consideration of the findings relating to the definitions of perceptual and rational leadership styles, differences in perceptual and rational leadership styles between Chinese and American executives, special cases, and people’s perspectives and attitudes towards them has been made. The diagram presented in *Figure 4.2* indicates that the mutual influences between the elements of perceptual and rational leadership styles. Overall this diagram suggests that perceptual and rational leadership styles consist of different elements and how these elements are interconnected and linked. On one hand, since Chinese executives tended to take people’s feelings into account, it is evident that they usually tried to maintain good guanxi with their followers, colleagues and outside, and they attempted to deal with things and make decisions in a more flexible way. On the other hand, guanxi maintenance and flexibility enabled Chinese executives to consider people’s feelings in their jobs. On the contrary, as American executives appeared to only take business results into account, it is clear that they often attempt to keep clear separation between business

and people without considering guanxi, and emphasized system and mechanism very much. Clear separation between business and people, and emphasis on system and mechanism also enabled American executives to be more business results focused. A number of findings relating to people’s perspectives on perceptual and rational leadership styles suggest that there are both positive and negative sides in these two leadership styles, and the leadership effectiveness also seemed to be rather situational.

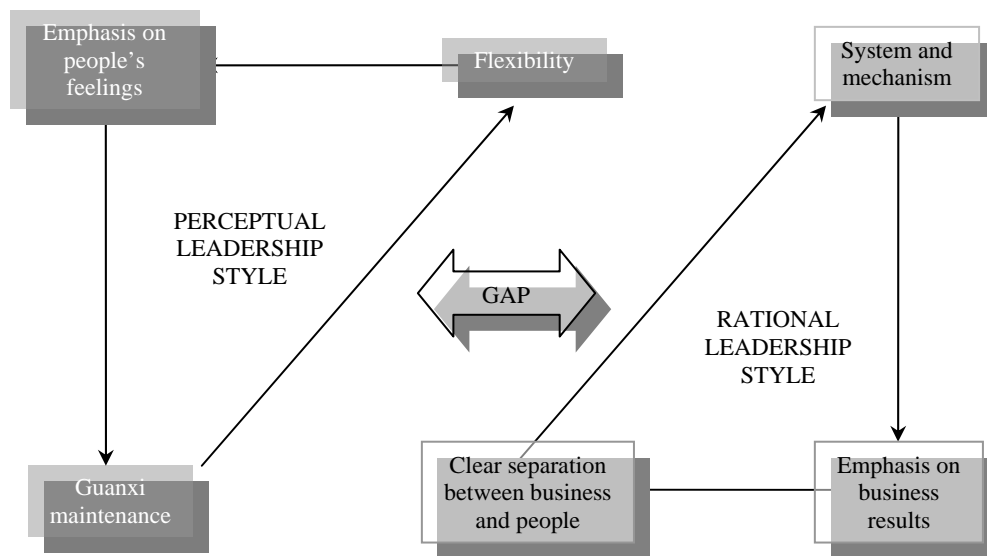


Figure 4.2: Mutual influences between the elements of perceptual and rational leadership styles

4.3 Transformational and Transactional Leadership Styles

Many issues that relate closely to transformational and transactional leadership behaviours of Chinese and American executives are discussed in this section. It begins by exploring the differences in transformational leadership between Chinese and American executives, and then looks at findings related to the differences in transactional leadership between them. The perspectives of both Chinese and American executives on transformational and transactional leadership styles are discussed, and a number of significant findings are explored.

4.3.1 Transformational leadership styles of Chinese and American executives

4.3.1.1 Idealized influence (leadership charisma)

As illustrated in the following examples taken from both American and Chinese respondents, it seems clear that both charismatic American and Chinese executives were usually regarded as motivators and drivers. They were competent, displayed conviction, and emphasized trust. They also took stands on difficult issues, acted ways that build others' respect, and emphasized the importance of purpose, commitment, as well as the ethical consequences of decisions. Moreover, charismatic leaders also tended to develop a shared vision which enables others to view the future state with alignment of personal values and interests to the collective interests of the organization's purpose.

'There are no definite differences in leadership charisma between Chinese and American executives. They are well educated and work for multinational companies; they have to be charismatic. They are motivators, drivers, and leaders, and they show similar charisma. The charismatic leaders are very similar, especially in American companies because that's the type of person American companies hire.' (Vice President of Procurement, American)

'The Chinese president has broad knowledge and rich experiences when coming out for a speech. He has worked for the company for around 6 years, and he has enough knowledge and experiences to support different divisions of the company when needed, so others listen to him when he says something. I think charisma of the leaders at top levels are similar no matter they are Chinese or Americans. I believe a charismatic leader should have strong background in relevant areas and functional and technical competences with impressive ability of communication and presentation. Just like Churchill, a successful leader must have a strong sense of vision and look forward so that he/she can see the big picture others can not see.' (Director of APSCO, Chinese)

A number of incidents described by the respondents demonstrate the Chinese and American executives' idealized influence. In the next first example taken from an American vice president, how a Chinese president took lead and behaved in a company crisis was described. This Chinese president displayed his confidence and

determination to proactively persuade the corporate to take responsibilities that a big American company should take, and to communicate the actual status with the media and local government. He also communicated with all the employees in the town hall meeting to cascade down the confident and positive messages within the company. In the second example, a Chinese quality director described a Chinese vice president, who never quitted but took stand on Sichuan earthquake to recover the production within two weeks. This Chinese vice president was felt to be rather energetic with high integrity and commitment, and thus his positive influence on the whole organization made him charismatic. Please see Appendix 6.44 for another incident, in which how a Chinese general manager proactively take leadership to negotiate with the customer and suppliers for win-win resolution and won the 'Global Quality Award'.

'The Chinese president of greater China spent a lot of time convincing the head office that blaming suppliers was not going to help us... He focused a lot on the public relation side because XXX (company name) has a number of companies within China ...The Chinese president handled that conference to give them that we had regular update and sent out to the news media and urge them to print it out... Externally, we had team that worked with the quality department of China and so on, and we had HR who also set up hotline and a return centre in the factory. We developed a corrective action plan and then we presented it to central and local government authorities... The employees were very nervous because they could see it as a big, big problem. We told them we are XXX (company name), and we are not a small company, with big yard operation in the US and Europe. So the important thing was confidence and the message from me, the message from the Chinese president.'
(Vice President, American)

'After the Sichuan earthquake, many employees' families were affected tremendously, and it was very hard to recruit operators at that time, so many people said that factory could be closed down soon. The Chinese vice president never quitted, and the production was restored within two weeks, and even more employees are working there now. He has strong ability of risk management, and he also has a strong management team without office politics... When I went to the Sichuan factory, he looked very happy with that as he viewed quality audit was an opportunity to improve their products quality, and all the management team members were very proactive

and cooperative... He insists one-hour jogging every noon in the factory and joined the Marathon before. Just like Chinese saying “one who stays near vermilion get stained red, and one who near ink gets stained black” (近朱者赤, 近墨者黑), the people of the factory seem to have been positively influenced when he leads by example.’ (Quality Director of Asia, Chinese)

Similarly, the following quote gives the evidence that the charismatic American executives also exhibited idealized influence, and therefore a positive culture was created in the organization and the people’s needs were satisfied. Another example is presented in Appendix 6.45.

‘The operations went very smoothly with good working atmosphere, and all the function heads respected the American senior vice president very much. All the strategies he proposed were very reasonable, and what he focused on was closely linked to the strategies as well... For instance, XXX (customer name) asked to deliver the products valued 200 millions dollars before March, but with his leadership, the products were delivered in February, so all the objectives were achieved and the customer was delighted. In that year, all the employees got the biggest amount of bonus in the history of the company. He always quickly caught the main points and never asked others to do meaningless job, and he did not know office politics at all.’ (HR Director, Chinese)

However, it is clearly demonstrated in the following examples that Chinese and American executives seemed to behave differently in idealized influence (leadership charisma). Charismatic American executives were usually seen as good ‘talkers’; in contrast, charismatic Chinese executives were often perceived as good ‘doers’. American executives’ leadership charisma appeared to closely link to their powerful presentation skills, convincing speech ability, as well as mature selling technique. Nonetheless, as charismatic Chinese executives were often described as being more reserved and deliberated, they exhibited their leadership charisma in a non-aggressive manner through their actions, affinity, modesty and diligence. In this sense, thus, the differences in leadership charisma between Chinese and American executives seemed consistent with the differences in perceptual and rational leadership styles between them as we have discussed in the previous sections. For more quotations, please refer to Appendix 6.46.

'I think Americans show their charisma through presentation skills... like I said Americans have very good communication. We are able to present very well, so we can present with a lot of conviction and passion.' (Vice President, American)

'I think Chinese executives have stronger affinity than American executives. Leadership charisma of Chinese executives comes from their affinity and modesty... I think my current boss, the Chinese director of product development, is a down-to-earth doer and never talks boastfully. He is a good leader.' (Senior Manager – Production Development, Chinese)

The following quotes taken from both Chinese and American respondents reiterate that American executives indeed were often described as the leaders, who were vocal and energetic, and skilled in presentation. However, a few Chinese respondents just felt that American executives might talk much more than what they actually had achieved. Therefore Chinese followers appeared to dislike the leaders who were arrogant, distant, and gave pompous talks without engaging in specific actions. Another similar quote is provided in Appendix 6.47.

'I have seen some charismatic American executives. They are loud. They are very outgoing, extravert, proactive, a lot of energy. My previous American boss was very vocal; he wasn't a quiet leader. He liked to talk all the time, and has a lot of energy. I think he is very charismatic.' (General Manager, American)

'On the meeting with a customer, the American material director did a big presentation. It seemed that a lot of work had been done, but we knew those things were very simple. The customer looked very impressed with his presentation and what he had done. When summarizing the meeting with the customer, he proposed a lot of action items, which his people needed to follow up, so the customer felt many objectives were set up and many action items were planed very well... When I arranged a 30-minute conference call with a customer, he also talked a lot, so it took us more than one hour.' (Senior Program Manager, Chinese)

Interestingly, in the next first excerpt, a Chinese HR director described an incident regarding how a Chinese deputy general manager successfully influenced an

American general manager to deal with a serious conflict between the American general manager and a Chinese employee in a modest way. Similarly, as illustrated in the second example taken from an American director, Chinese leaders were often regarded as being more diligent, and they could subordinate their personal interests to the company interests. Hence emphasis on actions, affinity, modesty, diligence and sacrifice of personal benefits is probably the distinctive feature of Chinese executives' leadership charisma, and this feature is in accordance with certain elements of micro and perceptual leadership styles (e.g. process/detail driven, emphasis on people's feelings, guanxi maintenance). Another example regarding Chinese executive's affinity and modesty is provided in Appendix 6.48.

'The American general manager would like to fire an employee working in the workshop in terms of the company regulations because when they were arguing about something in the workshop, the employee spat at him. The Chinese deputy general manager solved this problem perfectly. He told the American general manager a traditional Chinese tale about "spit on face" (唾面自干) (please refer to Appendix 6.49 for the whole tale) so that he understood how Chinese people used to see their leaders. The Chinese deputy general manager was fully aware that other Chinese employees were looking at him how he solved this trouble at this sensitive moment. The American general manager was persuaded to give that Chinese employee a warning letter rather than fire him... The final solution neither contradicted with Chinese culture nor broke the regulations of the company.' (HR Director, Chinese)

'The national holiday just past, but some of my team members knew the other markets, the US market, the European market, all these markets we have business in are not shutting down. They understood there was some work loading and said "I can't have everybody be out the entire holiday; otherwise we will never catch up", so he came to me with a plan for what not just his team members to work, but he got the point of "if I am asking them to work, and I need to be here also". He and his team members ultimately worked cross the holiday to make sure the business continued. It perhaps happen everyday.' (Director - Marketing and Sales Support, American)

Considering moral and ethical consequences of decisions is one of the important elements of idealized influence. However, from the following examples provided in the interviews, it appeared that there were different interpretations on ethics between

Chinese and Americans. Some of Chinese respondents stated that American ethics usually meant compliance with law, rules and regulations; whereas, Chinese often viewed ethics as much more than this. For Chinese, the ethics usually meant selflessness, altruism, diligence, modesty, benevolence, and subordinate of individual interests to group interests. In this sense, thus, it should be argued that different interpretations on ethics and leadership probably cause divergent perspectives towards transformational leaders. These differences also seemed to reflect the differences in perceptual and rational leadership styles between Chinese and American leaders (e.g. process/detail driven, emphasis on people's feelings and flexibility, emphasis on business results and system and mechanism).

'I think the "ethics" advocated by Americans is mainly based on law and regulations, but the "ethics" suggested by Chinese often means much more than legal compliance, such as selflessness and altruism. Americans emphasize law and regulations very much, but you can see many employees have been laid off without any hesitation in this financial crisis. But for many Chinese managers, including my friends, they are hesitant to take similar actions because Chinese emphasise ganqing (affect) and people's feelings very much.' (People Development Director, Chinese)

'Chinese emphasize virtue very much. Just like Chinese proverb says "benevolence is invincible" (仁者无敌), Chinese expect high level of virtues of their leaders. The conduct of profession and taking others' benefits into account are often viewed as the virtues. For Chinese people, virtues mean people should subordinate individual interest to group interests, and the leader, who sacrifices the group interests, or takes the advantages of position for individual benefits, is often despised by the followers. But Americans attach great importance to individuals with different perceptions on ethics.' (People Development Director, Chinese)

4.3.1.2 Inspirational motivation

In the following responses from the Chinese and American executives in the sample, it seems fairly clear that when American and Chinese executives exhibited inspirational motivation, both of them articulated appealing visions for the future and communicated them with their followers. They talked optimistically with enthusiasm and demonstrated commitments to goals and shared visions. However, as discussed,

compared with Chinese leaders, American leaders' inspirational motivation appeared to be more obvious.

'I think both of parties, I mean Chinese and American executives try to instil in their employees sense of achievement. It is what we need to do for the company, and this is what the company wants, so if you achieve it; that means the level of your success.'
(Vice President, American)

'Both Chinese and American executives are used to providing a compelling vision for future, and they communicate with you frequently about the vision and strategies. Anyway, it sounds good.' (Technical Director, Chinese)

The evidence from the following examples taken two from Chinese respondents reiterates this. In the next first quote, the Chinese president was perceived to be able to articulate a compelling vision and provide an exciting image of what are essential to consider for the future. A similar incident described by a Chinese HR director is shown in Appendix 6.50. In the second quote, the Chinese general manager was seen as a leader who talked optimistically about the future and what needed to be done and displayed the strong confidence to achieve those goals and objectives.

'The Chinese president was really thoughtful and charismatic. He promoted a theme for each year, and therefore the whole company worked towards it. I still remember some themes, such as "DEVOTED – degree of our commitment to our work and organization", "AGGRESSIVE – the passion to win when we face difficulties and problems", "PROGRESS – eagerness to improve our quality and competence everyday", etc.' (Senior Manager – Export and Retails, Chinese)

'The most important thing was his (Chinese general manager) ability of inspiring and convincing people to move towards the common purpose. The people didn't doubt with the direction as most of the decisions he made were correct and led to good results. When he was talking about the decisions and strategies, he displayed a strong sense of power and confidence, and there were no any possibilities to change or resist them.' (Director of Supply Chain Management, Chinese)

Similarly, as indicated in following the quote taken from a Chinese general manager, an American CEO was also described as a leader communicating clear strategies and

vision with all the employees. The American CEO took a stand on these strategies and proved them via great achievement and business success. Another similar example taken from a Chinese finance director is shown in Appendix 6.51.

‘When the CEO newly joined the company, many people did not accept his leadership style very well because his style seemed very academic. Some of people did not understand why he invested so much money in research and development and acquired other companies, but as time went by, more and more people realized those strategies and decisions, which brought brilliant benefits and returns to the company, were correct. He regularly sent messages to all the employees by which he communicated the changes, strategies, and plans of the company. That has been very useful for us to understand the business with a clear picture in our minds. He established his leadership credibility through the actual achievement and business success. Of course, in the meantime, some divisions were sold out, and some people lost their job and suffered in the change.’ (General Manager, Chinese)

4.3.1.3 Intellectual stimulation

Similarly, American executives’ intellectual stimulation was often perceived to be more obvious than Chinese executives’. From the following examples provided in the interviews, it seemed that American executives tended to encourage creativity and different ideas from their people and discuss possibilities with an open and straightforward approach, and thus they were often seen as being more tolerant of criticism and challenges from their followers. However, Chinese executives seemed reluctant and uncomfortable when their people held different ideas and viewpoints from them, or criticized and challenged them in public. These behaviours, therefore, appeared to be consistent with the micro and perceptual leadership styles of Chinese executives. Intolerance of deviation and the reserved and deliberate approach probably disabled Chinese executives from encouraging creativity and accepting different ideas in their jobs. More quotes are provided in Appendix 6.52.

‘The boss could talk a lot on the meeting but the subordinates might say nothing because the boss is there. They would not speak out even if they have different ideas or suggestions. Sometimes Americans are similar because of the business rules, but it looks more obvious among Chinese staffs. When an American leader presents

something on the meeting, Chinese seldom ask questions.’ (Director of APSCO, Chinese)

‘American executives look more open-minded to tolerate and accept different ideas and concepts because they view challenging others or being challenged as quite normal. They tend to be more willing to accept those proposals from their subordinates once these proposals are indeed effective with solid evidence and facts. Self-esteem and authority still seem rather important to Chinese executives, and they were afraid of “losing face” once their subordinates challenge them in public. Therefore they look more reserved and conservative to accept challenges and divergent concepts.’ (Sales Director of South China, Chinese)

The following examples taken from two American executives in the sample reiterate these opinions. American executives also described themselves as the leaders that sought different perspectives and suggested new ways to solve problems. Please refer to Appendix 6.53 for another similar example taken from an American director.

‘I can’t say the US has no any dictatorial managers, but realistically, in general, they are more open and more interested in getting feedback from the staff... What I have experienced when people would talk about is that American style is much more participative, where you know American executives will challenge the staff to come up with a solution or a resolution to the problem.’ (Director of International Materials, American)

‘I think that one of advantages that American staff over Chinese staff is that American style includes a little bit more creative and think on their own. At the same time, you have to be able to take criticism as a manager when your employees challenge you, but the employees here are really afraid to challenge their manager. As a manager, I want to be challenged. I think a lot of American managers will agree nobody is perfect, and if I tell you to do something not right, tell me why, and I agree with you or disagree. Chinese managers, “no, that is what I said to do, and just do what I told you to do”, and they are very stubborn.’ (Director of Product Development, American)

In the following excerpt, an American director described an incident in which how he encouraged Chinese managers to discuss and propose feasible measures in a sourcing

project. When he felt that some of Chinese managers indeed were not used to challenging current situation with creative thinking, this American director attempted to get them involved in discussion to solve the problem.

'It was the time to get the teams to think through the options like a case study analysis... Getting them on the table and getting them to understand that is the challenge because what we are trying to do is to teach the teams to think for the next time. There were many options, so you can work through the options. That probably took us forty five minutes to get to the available solutions, but I could just tell them "ok, this is what we are going to do"... Everybody has an opinion. That's clear. How to do? So we were in that solution and came down one or two of the solutions. We executed the solutions and resolved the problem. It worked ok, but the team won't think if you don't force them to think through the options.' (Director of International Materials, American)

In contrast, the following two incidents described by two Chinese respondents illustrate that Chinese executives were seen to be reluctant and stubborn to accept divergent ideas, suggestions and practices from their people. Particularly, in the next second quote, how a Chinese director and an American director dealt with the different ideas from their people to solve problems were described and compared.

'This supplier had cooperated very well with the company, and they always satisfied our expectations on quality and delivery. But last year, due to price pressure of raw materials, they asked to raise the component's price. So the sourcing manager proposed to raise the price a little or purchase more components but the price remained unchanged. The Chinese operations director rejected it and asked the sourcing manager to negotiate with the supplier to keep the original price; otherwise, the cooperation between us would be stopped... The negotiation with the supplier was really tough, and eventually the sourcing manager persuaded the supplier to keep the price unchanged, but the product quality was never as good as before.' (Senior Manager – Production Development, Chinese)

'The strategic sourcing manager suggested doing some strategic investment and establishing close relationship with the suppliers when they were building up their factories. The Chinese director looked very unhappy and thought this strategic sourcing manager talked too much about what we could not cope with. From my

point of view, the strategic sourcing manager's suggestion was feasible, and at least, we could suggest the corporate for their consideration, but not just simply put it down... But the former American director was very open. He asked me to track the last ten years' historic data on the price of raw materials, which was logically impossible at that time. I talked to him I could not provide the data exactly what he wanted, but I could use the other approach to meet his expectation, and the results were still useful. He agreed with me and was happy with the result of the data analysis.' (Senior Sourcing Manager, Chinese)

Moreover, some of Chinese respondents felt that the fear of losing authority and face disabled the Chinese executives from accepting challenges from their people and encouraging creative ways to solve problems. Some of Chinese executives did not think their people could generate more creative and effective ideas in terms of their knowledge and experiences. More excerpts are provided in Appendix 6.54.

'When dealing with people's different ideas or suggestions, Chinese executives look more diplomatic. Once they found some ideas and suggestions from their people sound reasonable, they could accept them with delicacy because they probably think their authority might be challenged once they recognize and accept those different voices directly.' (Senior Program Manager, Chinese)

'I sometimes interrupt my subordinates when they are talking about something, and provide my suggestions and ideas to them for their reference. It seems impossible that they can generate more creative or advisable ideas and concepts in terms of their knowledge and experiences, and the full discussion of some cases with them often wastes of our time.' (HR Director, Chinese)

However, as is evident from the following extract, some argued that Chinese executives tended to accept the different ideas and opinions, which were indeed reasonable and feasible, when their people took 'face' and authority into account and discussed those ideas with their leaders in appropriate circumstances. As discussed in the previous sections, harmony was always rather important to Chinese executives. Another excerpt is provided in Appendix 6.55.

'It might be not a good choice arguing with a Chinese leader and showing quite different opinions on the meeting or in public. It is always advisable to wait for an

appropriate time or opportunity to communicate them with the leader first in private rather than talk about them in public. Followers always need to consider the leader's face and authority in Chinese environment.' (Regional Financial Controller of South China, Chinese)

In the following response, a Chinese HR director described an incident to compare the different approaches to get leader's consent. This example reiterates that reasonable and feasible ideas or proposals different from Chinese leaders' were still possible to be accepted by them once these ideas and proposals were suggested in appropriate circumstances. The evidence from another incident (see Appendix 6.56) described by a Chinese senior HR manager also demonstrates the similar point.

'We had an important meeting with a Chinese supply chain director last week, and two Chinese managers, X and Y reporting to him were also invited to attend the meeting... On the meeting, X suggested his solution different from this director's ideas on a logistic problem. The director looked uncomfortable for the suggestion quite different from his, but he said "that sounds good, let's discuss it later" in a very polite and mild manner. Later on, I knew the director never discussed it with X after the meeting but accepted Y's ideas to adjust his original idea because Y discussed his suggestion with the director in the office but not in public.' (HR Director, Chinese)

4.3.1.4 Individualized consideration

A number of incidents described by the respondents illustrate that both Chinese and American executives displayed individualized consideration to their people. Both Chinese and American executives were perceived as the leaders spending time teaching and coaching people, sharing their professional knowledge and experiences, and encouraging people to develop their strengths. The next two quotes taken from the Chinese respondents indicate this. Another quotation is provided in Appendix 6.57.

'We had a learning program supported by Hong Kong University, and the Chinese vice president was one of the facilitators. Some of facilitators said they were too busy to communicate with the participants, but he always tried to have regular meetings with the participants and communicate with them.' (Quality Director of Asia, Chinese)

'When I knew one of my subordinates was doing MBA and another one was doing CPA, I proactively discussed with HR department if it is possible to provide education assistance to them. Eventually both of them received the educational assistance and worked very well at the same time.' (Finance Director of Greater China, Chinese)

A Chinese HR director recalled his experience at his early stage of career and described how his Chinese leader emphasized people's development by delivering training courses to the people and sharing professional knowledge and experiences with them. Similarly, as is evident from the following two responses, American executives were also seen as coaching and encouraging their people to identify and develop their strengths and improve their weaknesses. For another example, please refer to Appendix 6.58.

'Once the American vice president of marketing realized the marketing function of China was very disorganised, she shared many successful cases and best practices from other countries with Chinese brand managers in order to broaden their eyesight and open their mindsets. She tended to coach and help her subordinates accept new concepts and knowledge and stimulate them to create new ideas in marketing. These brand managers felt very happy with that.' (Sales Director of China, Chinese)

'My American boss told me the reason of giving me this opportunity to attend this meeting was that I could present myself in front of these top guys, and he also let me know their personalities and styles... Once my American boss noticed my thoughts, he coached me and said this was not an appropriate time to leave the company as I still had some areas to develop and improve to keep me moving ahead, such as leadership competences. He was very happy to provide me more opportunities to develop my strengths and improve my weaknesses.' (Quality Director of Asia, Chinese)

Nevertheless, from the following example provided in the interviews, it appeared that Chinese and American executives behaved differently when coaching people. Chinese executives were perceived to provide more specific suggestions and advices in private when coaching their people; whereas, American executives were seen as developing people via providing general support to them and delegating them to complete their jobs independently at workplace only. These differences, thus, seem consistent with the differences in micro and macro leadership styles between Chinese and American

executives (e.g. provide instructions vs. provide direction, guanxi maintenance vs. clear separation between business and people).

'Chinese executives have more advantages in providing specific instructions and suggestions to their people. My former Chinese boss often worked with me and inspired me to analyze problems. Since he had sufficient experiences in this area, he was able to suggest the feasible solutions for practical problems... American executives, however, provide their support in a different way. They usually identify the problems and bottleneck of the projects and provide their support to enable their people to solve these problems independently, such as re-assignment of project team members to supplement current team members' skills, or providing more resources and information to their people.' (Senior Commodity Business Manager – Global Purchasing Materials & Components, Chinese)

The following incident described by a Chinese senior quality manager reiterates that Chinese executives tended to provide specific suggestions and advices in private when coaching people. The other two examples (see Appendix 6.59) taken from the Chinese respondents give further evidence of the Chinese executives' coaching style. From these responses, it can not be denied that Chinese followers appeared to be rather comfortable and satisfied with their Chinese leaders' specific advices and feedback.

'My former leader often communicated with me and coached me for my further development. He provided me an opportunity to present my project to the vice president of the business unit, who managed 100 million's business, but I was not sure how to present. My former leader travelled to Shanghai and discussed it with me at a KFC restaurant till 12:00am. Since he was very familiar with these top guys, he advised me a lot and asked me to send the draft of the presentation materials to him first for his further comments.' (Senior Quality Manager, Chinese)

Conversely, American executives appeared to coach and develop people via providing them enough space and delegating them to complete tasks independently at workplace. This is clearly demonstrated in the following incident described by an American director. In another excerpt (see Appendix 6.60), how a Chinese senior HR manager was delegated and encouraged by her American leader to take ownership and make

decisions on HR projects was described. Interestingly, Chinese followers also seemed quite satisfied with the American coaching style.

'Today she (an ordinary staff) called me, and I happened to be middle of finishing something, and she said "the shoot is complete, can you come down to approve it", and I said "how does the shoot look?" She was a little silent, and I said "tell me, how it looks? Does it look good?" She said "yes, I think it looks good", and I said "is there anything you think should be changed to make it look better?" she said "yes, there is one thing that I would probably change, and I think you would probably change it", and I said "ok, as long as telling me you think that looks good, and this item needs to be moved, you go ahead to move and you approve the picture and go to the next one", and she was silent. Just I was talking on the phone, but I can feel she was smiling because I was giving her the ability to do this.' (Director - Marketing and Sales Support, American)

Though Chinese leaders appeared to coach and develop their people, some of them were perceived to be rather cautious of their people's development and seemed to hesitate to provide sufficient opportunities to them, particularly to those who were competent and ambitious. These Chinese executives, therefore, were seen as worrying about their positions and authority once their people were competent enough to replace them. These feelings were indicated in the following extract taken from a Chinese HR director. More quotes are shown in Appendix 6.61.

'Sometimes Chinese executives are also selfish, and some of them are worried about the security of their jobs and positions. I mean they are afraid of being caught up by their people. They would rather provide more development opportunities to their people, who are submissive with good performance but not too strong and competent. But they look cautious of the people who are really proactive, creative, and ambitious as these people might threaten their jobs... Some competent Chinese managers, thus, have to leave the company once they realize they have no further development opportunities or can not make full use of their strengths.' (HR Director, Chinese)

It is interesting to note that a few Chinese respondents believed that the quality of coaching depended upon the relationship and mutual understanding between leaders and followers, and the American coaching style seemed superficial and remained at

skill level. As indicated in the following quote taken from a Chinese director, Chinese coaching style was felt to be more effective than American's once the relationship (or guanxi) between Chinese leaders and followers maintained well. Good guanxi was also sometimes perceived by Chinese people as a kind of 'yuan' (fate). More quotes provided in Appendix 6.62 reiterate these feelings. As a result, these differences are also somewhat consistent with the differences in perceptual and rational leadership styles between Chinese and American executives (e.g. guanxi maintenance vs. clear separation between business and people).

'I think the Chinese coaching style could be more effective than Americans' once the guanxi between a leader and a follower is good... I had a shifu (master) in my first job after graduation from the university. When I went to the supplier in Shanghai, my coach or "shifu" (master), a 60 years old man, told me a lot and discussed 2 or 3 hours for some technical problems about the raw materials... He always inspired me to think about things by myself and taught me all he knew. He just viewed me as his son... I think it is "yuan" (fate), and both of us had many similarities in personality, so we talked a lot, and he trusted me much more than others. I think "yuan" (fate) and trust between us brought good guanxi between us. He told me that I had great potential, and he would like to spend more time teaching me.' (Director of APSCO, Chinese)

4.3.2 Transactional leadership styles of Chinese and American executives

4.3.2.1 Contingent reward

In the interviews, nearly all the respondents felt that American executives tended to recognize people via saying 'great' or 'good job'; in contrast, some of Chinese executives seldom exhibited the similar behaviour. Chinese followers seemed rather comfortable and being encouraged when their leaders recognized what they had done but felt depressed when their leaders said nothing about their performance and contribution. Specific comments illustrating this are shown below. More quotes are provided in Appendix 6.63.

'American management tends to do lots of work to encourage Chinese people, you know, say "good job" to show their support. If Chinese worked for a foreign manager,

and changed the job to report to Chinese, they tend to be not happy. They respect the people giving feedback. So when I hire a manager to work for me, he'd better to say "good job" because followers need that. But Chinese seldom do that. You know they don't let the staff feel relaxed because of saying "you did good job", so they do not say "good job".' (Vice President of Procurement, American)

'American leaders often compliment and recognize what you have done well, and thus you can have good ratings in performance review. Most of American leaders are unstinting in their encouragement or recognition, and you often receive their e-mails saying "great" or "good job". Some of Chinese leaders, but not everyone, can do that. They might think this is your responsibility to work well.' (EHS Manager of China, Chinese)

The following two incidents described by two Chinese respondents reiterate these feelings. In the first example, a Chinese EHS manager compared the reactions of American and Chinese executives when his team won the corporate 'Global Star' award. In the second example, how a Chinese general manager was impressed when his American president came to his office to express his satisfaction for the proposal. Similarly, in another example (see Appendix 6.64), an American HR director was seen as recognizing and celebrating those small successes so that people were motivated and became more confident.

'Our EHS team won the "Global Star" award because of zero accident and high scores in the global audit. We received a lot of congratulations, recognition and encouragement from the corporate American leaders, but we seldom received recognition from the Chinese leaders. I just remember only a Chinese production director sent to us a thanks letter.' (EHS Manager of China, Chinese)

'One day, the American president went to my office and said to me he was very satisfied with my suggestions and proposal for a critical technical problem... I was very impressed with his words and never thought he could come to my office to tell me this... I understood the recognition from the president was from his heart. Sometimes recognition is not monetary, but what most encourage me are the sincere words from a leader. Once the American president promised you what you would be rewarded, it would happen.' (General Manager/Operations Director of China, Chinese)

However, a number of evidence shows that Chinese leaders attempted to recognize people in a different way. American leaders were usually seen as being open and straightforward to express their satisfaction, but Chinese leaders tended to recognize their people in a modest and implicit way. This clearly demonstrated in the following extracts. More quotes from the Chinese respondents are shown in Appendix 6.65.

'Americans are unstinting in commending their subordinates. They always say "good" for what you have done, even it is very common. Their oral recognition and praise make you happy and comfortable. But Chinese leaders' motivation looks modest. They might pat a subordinate on the shoulder and say "you did good job" in private but not in public.' (Sales Director of China, Chinese)

'Once you have done a good job, American leaders are profuse in reward and recognition, such as sending an e-mail or calling you to say "good job" or "well done". But Chinese leaders seem more reserved, and they might feel uncomfortable commending a subordinate directly. I am the same. Chinese leaders always think what we have done are what we ought to do.' (Engineering Director, Chinese)

The next first example taken from a Chinese supply chain director reiterates this. Chinese executives seemed embarrassed or uncomfortable when praising their people in public, and thus they usually expressed their recognition by dinning with people, paying more attention to their jobs, or assigning more tasks to them. Another similar incident described by a Chinese HR director is presented in Appendix 6.66. However, as indicated in the next second example taken from a Chinese senior quality manager, Chinese executives tended to recognize their people in a modest and implicit way just because they worried about the security of their jobs and positions.

'Chinese executives tend to be more introverted. They often have dinner with their people or entertain them to show their recognition instead of expressing their satisfaction or commending people in public. They could feel embarrassed if they praise people too directly... For instance, we had a tough negotiation with a supplier, and eventually we achieved our target, but my current leader never said I had done a great job. However, he said the work was not bad, and we had tried our best to

achieve the target when we were dining together and drunk with him.’ (Director of Supply Chain Management, Chinese)

‘Since Chinese executives’ positions are not as high as Americans’, there is something subtle and delicate (微妙的) when the gap in positions between Chinese leaders and followers is not too large. If others feel a subordinate is too competent and strong, it often means the leader could be replaced anytime. The Chinese operations manager of my former company seldom praised the plant manager whose performance was very good because he did not want many people to know this plant manager was competent enough to replace him... He provided the plant manager some opportunities of overseas business travel, MBA program, or recognized him in a small scope but not outside.’ (Senior Quality Manager of Asia, Chinese)

Additionally, it seems clear that American executives tended to motivate people with positive recognition (positive motivation); conversely, some of Chinese executives appeared to motivate people with negative criticism (negative motivation). As illustrated in the following example taken from a Chinese HR director, positive recognition was usually perceived to be helpful to develop people’s self-confidence and potential, but negative criticism could depress people. Please refer to Appendix 6.67 for the other two quotes taken from the Chinese respondents.

‘American executives tend to advocate positive encouragement and recognition to their people, and thus the confidence and the sense of achievement of their people can be developed and enhanced. In contrast, Chinese executives suggest self-examination and self-criticism, and these concepts are deeply rooted in the minds of Chinese people. Positive recognition usually helps develop people’s potential, but negative criticism often depresses people.’ (HR Director of China, Chinese)

In the next first example taken from a Chinese HR director, the American and Chinese leaders’ different reactions on a successful event were compared. The evidence from the second example taken from another Chinese HR director reiterates that though Chinese executives seemed to have realized the importance of positive motivation and also attempted to seek more opportunities to recognize their people, some of them subconsciously paid attention to their people’s mistakes and the areas for improvement. In another incident (see Appendix 6.68), a Chinese senior HR manager

also described herself as being critical before, but once she found her subordinates had different expectations on recognition and criticism, she adjusted her leadership behaviour to satisfy their expectations. This example, therefore, demonstrates that followership is an interlocking system between leaders and followers, and reciprocal influences between them do exist in leadership practice.

'The American president of Asia, the American HR director of Asia, and the finance director of Asia, all of these top guys attended the company re-name ceremony. They looked very satisfied with this event and sent out e-mails to recognize our effort and contribution. The managing director never said "you had done a very good job" and recognized you but pointed out many details for improvement.' (HR Director, Chinese)

'I try to seek more opportunities to recognize my people, but sometimes I still criticize them a lot... the company acquired another electronics company, and the culture integration was one of the most important parts in the whole integration project... I was one of the project leaders, and all the HR team members worked very hard to prepare the facilities, communicate with different departments and select and train internal facilitators. Eventually, the VVG (Vision, Values, and Goals) workshops were completed successfully within 15 days, and we were awarded "the best project team" by the head office of China. When all the team members sat down to summarize the whole project, I pointed several major flaws in it and said we should have done better than that, but I found some of them looked rather depressed.' (HR Director of China, Chinese)

In the interviews, some of American respondents stated that Chinese employees appeared to focus on money, and money seemed to be a motivating factor driving Chinese employees, as the following quotes indicate. More quotes (see Appendix 6.69) taken from the Chinese respondents reiterates that some of Chinese employees appeared to focus on monetary returns, and thus Chinese leaders tended to reward and recognize their people with material rewards, such as salary increase and promotion.

'In general, Chinese are motivated by money, so money is a motivating factor.' (Vice President of Procurement, American)

'The American general manager of my former American company said that "the working styles of Chinese and Americans are different. Americans usually pursue

fairness and equality in the organization. They are proud of what they have done. But Chinese seem different. They don't pursue the sense of achievement but focus on the returns".' (Operations Director of China, Chinese)

However, some argued that it actually depended upon the levels of employees. In the following excerpts taken from two Chinese respondents, it is clear that lower levels of Chinese employees appeared to be salary and money focused because that was their main motive to work for American companies. Conversely, higher levels of Chinese employees tended to take development opportunities, value added experiences, as well as job satisfaction into account. It seemed impossible to expect the people in developing countries to be only self-actualization focused. Due to China's actual national condition and its poor social security system, people's emphasis on material returns appeared to be understandable.

'For those lower levels of employees, their purpose of working for American companies is earning money for their lives, so salary and benefits are the most important to them. If their needs on salary and benefits can not be satisfied, they will leave the company without hesitation. For those higher levels of employees, such as managers and above, they not only care about their salaries and benefits, but also take value added experiences, learning opportunities and the relationship between leaders and followers into account. If they feel happy working with their leaders, and the salaries and benefits are also reasonable, they will be stable.' (Senior Program Manager, Chinese)

'In terms of Maslow's hierarchy of needs, I think some of Chinese people's attitudes towards returns are reasonable. In developed countries, such as the US or some of European countries, the sense of self-actualization might be the big drive to motivate the people to move ahead, but in China, many Chinese people could not think a lot about the needs of self-actualization because their physiological and safety needs are not fulfilled yet. Due to the poor social security system, many Chinese people are under the big pressure and lack of a sense of safety, and they have to support a big family and pay the loans of house etc. That's probably why some of Chinese seem to consider the monetary returns so much.' (Operations Director of China, Chinese)

As demonstrated in the following responses, some respondents felt that it just looked like a business transaction between an American leader and a Chinese follower when the leader said ‘good work’ to the follower, but there was no close relationship between them at all. Some even thought American leaders’ recognition sometimes looked rather hypocritical, particularly when they said ‘good work’ to the people whose performance was actually bad, but these people were probably dismissed relentlessly later. Therefore the people probably never believed their American leaders’ recognition as time went by. More examples are shown in Appendix 6.70.

‘I think recognitions from American executives sometimes are fictitious because they might say to you “good job, well done” today, but you could be fired tomorrow. I have a friend working in the US, and one of his American colleagues was not competent enough and the performance was bad either. Though the boss never criticized that staff, that staff was fired later... We have to realize what Americans really focus on are results and performance.’ (Senior Quality Manager, Chinese)

‘My current American boss always says “good work” to a colleague, who is responsible for the supply chain management system, for whatever she did. But later on my boss told me that she just could not find the direction and had no rich experiences in this field so we had to look for the other eligible one to do her job. I believe he might consider looking for an eligible candidate to replace her.’ (Director of Global Supplier Quality, Chinese)

Similarly, the following comments made by some of American executives in the sample provide further evidence that the relationship between American leaders and followers appeared to be more transactional, and it seemed to be the reality of the situation. They believed that the incentive system of American companies was often regarded as performance based, in which objectives, expectations and rewards were discussed, clarified and confirmed between leaders and followers, and then the performance would be evaluated and the people would be rewarded accordingly. Please refer to Appendix 6.71 for more excerpts.

‘The relationship between a leader and a follower could be transactional, and it is the reality of the situation. I think here at a first coup of times, I said it, and the Chinese staff were shocked and laughed. I said “we come to work to make money, so

the better we all do, the better the company does, the more potential there is for us to make money”, and I don’t think it is anything wrong with.’ (Director - Marketing and Sales Support, American)

‘In a sales organization, if you achieve the goals, you know what kind of bonus or commission you will get, so American companies tend to be very goal oriented. If you reach the goal, you will get whatever. The goals can be changed as well, if you think the goal is not reasonable in 3 or 6 months, we can discuss and change it. So for American managers, that’s the motivation – the goals.’ (Vice President of Procurement, American)

In response to the short-term transactional leadership behaviour of American executives, in the following extracts, an American director of international materials explained that American executives often acted on things quarter based because their rewards and responsibilities were quarter based. Particularly, when American executives came to China with two or three years’ contract, they tended to be extremely short-term and transactional oriented without considering the long-term impact on the company because once certain objectives were achieved, they would be rewarded accordingly.

‘When you are dealing with a public company in the US, senior managers at executive level and down are going focus on things quarter by quarter because they have quarter earning to make. Whatever the thing is, the transactional reward and responsibilities are quarter by quarter, so I will agree with the people who very focus on transactional performance.’ (Director of International Materials, American)

‘If you are rewarding a manager for certain result, he/she is going to focus on that result. So if it is an expatriate package, he/she also gets bonus or something within that certain profit ability, or certain market share, or certain cost reduction goal, he is going to hit the ground, and for two years, he/she is going to focus on that goal because that tells you are going to be paid. He/she doesn’t really care about long-term benefits to the company because he acts on his bonus.’ (Director of International Materials, American)

American leaders tended to focus on the things quarter based; however, it appeared that longer time was needed to develop a new market like China. This American director of international materials, therefore, seemed disappointed with American leaders' short-term transactional behaviour as described in the following quote.

'American managements are always impatient. They want to increase making more money or decrease the losses or whatever. Starting up new companies or starting up new ventures is probably the great example. The sales activity in China, or developing a new market, is not a quarter by quarter based thing and takes a lot of focus plan. It's difficult for American managements to stay focused over six quarters. It just does happen, and they are just going to go what's the result for next quarter and when it will be paid back, and if they don't see in the third quarter, they will worry about all the money they spend.' (Director of International Materials, American)

In addition, when being asked the reasons of the short-term transactional behaviour of American executives, this American director of international materials interpreted that it came from the expectations of the shareholders of American public companies. As investment and returns were usually balanced by quarterly, they were rather hard to be convinced for the long-term investment and plan. He further stated that the successful American companies were those focusing on important issues, such as mission, vision and long-term strategies; however, American leaders' impatient and the short-term behaviour disabled them from focusing on those important issues. Remarking on the short-term transactional behaviour, he commented that:

'Here is an vision for five or ten or fifteen years, and these are the things we are putting in place, and some of things do not reward us for a couple of years. That's the toughest things to sell in the US. Whether building a plant in the US or whatever capital investment, they always have to try to explain the capital investment from this quarter and gonna to make returns next quarter. It's all kind of spit on it, but they tend to do that. Yes, they really focus on transactions because they so focus on next quarter's earns.' (Director of International Materials, American)

'We do lots of vision things, mission statements, and within that statements, what are the big things we have to work on and achieve those things, but it's extremely difficult

to do because they did transactions giving the way and American managers come back to the urgent issues and they loose focus on the important issues. So the tough part is how you balance between the urgency and importance. Companies succeed in American management style are the ones can continue focus on some of important issues and get those done, whilst urgent things still drag you down into the day to day mire. We talk about vision and strategy, and everyday we spend 98% of our time on today's transactions.' (Director of International Materials, American)

4.3.2.2 Management-by-exception (Active)

As discussed in the previous sections, close supervision is one of the key components of micro leadership style. In the interviews, nearly all the respondents felt that Chinese executives supervised people closely because they were seen as being intolerant of deviations with tight control of cost, information and people. Since Chinese executives tended to provide specific instructions and orders to their people and heavily intervene in details, most of the respondents felt that any deviations from Chinese executives' instructions and orders were usually identified easily by them. Some of respondents believed that the subordinates, who disregarded the instructions or deviated from their Chinese leaders' requirements, were usually suffered bad results or often put themselves into disadvantages. In this sense, thus, the behaviour of close supervision of micro leadership style seems to be in accordance with active management-by-exception behaviour of transactional leadership in which leaders focus on what deviate from standards, concentrate to deal with mistakes and failures, and direct their attention towards failure to meet standards. Chinese executives, therefore, were regarded to exhibit active management-by-exception more frequently than American executives. However, it should be noted that Chinese executives appeared to actively seek deviations from their instructions, orders and requirements rather than deviations from standard procedures. Interestingly, very few of the respondents described the behaviours of 'management-by exception (passive)' and 'laissez-faire' from both Chinese and American executives. It is probably because both of them worked for the performance orientated American companies.

4.3.3 MLQ survey results and quantitative data analysis

I used Bass and Avolio's (1995) Multifactor Leadership Questionnaire (MLQ Form 5X-Short) which contains 45 items, each asking the respondent to assess their immediate leader (Chinese or American) on a 5-point scale. Again, using the questionnaire survey in this study is not aiming to give population generalization, but to gain deeper and more comprehensive understanding on the leadership styles of Chinese and American executives. 65 questionnaires were sent out and 59 completed questionnaires were received, for a response rate of 91%. *Table 4.3* presents the summary of the survey data. 34 immediate leaders of the respondents were indicated as Chinese, and 25 immediate leaders of the respondents were indicated as Americans.

The results of analysis show that the respondents' ratings for American leaders were generally higher than the respondents' ratings for Chinese leaders on four components of transformational leadership: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. The results of analysis of variance also show that American executives exhibited significantly more idealized influence (attribute) and inspirational motivation than Chinese executives. More specifically, American executives were significantly more effective when optimistically talking about their most important values and beliefs and what need to be done (item 6 & 13), displaying a sense of power and confidence (item 25), and expressing confident that goals will be achieved (item 36). The survey results were accordance with the interview feedback on transformational leadership of Chinese and American executives. As discussed in the previous sections, although both Chinese and American executives shared certain similarities in idealized influence (leadership charisma) and inspirational motivation, American executives were usually perceived as good 'talkers', and their leadership behaviours were often seen as being obvious; however, Chinese executives were usually perceived as good 'doers', and thus their leadership behaviours were often felt to be modest. In this sense, therefore, it could explain why American executives were significantly effective when exhibiting idealized influence (attribute) and inspirational motivation.

As we have discussed in the previous sections, compared with Chinese executives, American executives were seen as being more tolerant of criticism and challenges

from their followers, and they tended to encourage creativity and different ideas from their people and discuss possibilities with the people in an open and straightforward way. The results of analysis of intellectual stimulation also indicate that the mean of ratings on it for American executives (mean=2.80) was higher than the mean of ratings for Chinese executives (mean=2.57), and American executives were significantly more effective when re-examining critical assumptions to questions whether they are appropriate (item 2) than Chinese executives. However, no significant differences in intellectual stimulation (overall) between them were found.

Similarly, as we have discussed in this chapter, the respondents felt that there were some similarities in individualized consideration between Chinese and American executives, and the results of analysis of variance also found no significant difference in individualized consideration between Chinese and American executives. Whilst, the mean of ratings on individualized consideration for American executives (mean=2.52) was found to be higher than the mean of ratings for Chinese executives (mean=2.24). According to respondents, Chinese executives tended to exhibit comprehensive consideration to their people through caring about people's personal lives, providing protection and great assistance during personal crises; however, these considerations looked more private. In contrast, American executives appeared to exhibit individualized consideration at workplace only because they were usually perceived to be business focused with clear separation between work and privacy. In addition, part of Chinese executives were seen as being rather cautious of their people's development and worried about their authority and the security of their positions. Finally, the evaluation items of individualized consideration in MLQ seem closely related to work, and those individualized assistance and care in private may not be included. Therefore these interview responses and work-related evaluation items of individualized consideration may explain why the mean of ratings on individualized consideration for Chinese executives was relatively lower than the mean of ratings for American executives.

Table 4.3 also illustrates the differences in transactional leadership styles between Chinese and American leaders. It is not surprising that marked differences were attributed to contingent reward and management-by-exception (active). The results of analysis of variance show that American executives exhibited significantly more

contingent reward than Chinese executives; nonetheless, Chinese executives displayed significantly more management-by-exception (active) than American executives. In particular, American executives were significantly more effective when making clear what one can expect to receive when performance goals are achieved (item 16) and expressing satisfaction when expectations are met (item 35); however, Chinese executives displayed significantly more behaviours of concentrating full attention on dealing with mistakes, complaints and failure (item 22), and of directing attention towards failure to meet standards (item 27). Again, the survey results on transactional leadership were consistent with the interview comments from the respondents. As we have discussed in this chapter, according to nearly all the respondents, American executives were usually seen as being more open and straightforward to frequently express their satisfaction to their people, but Chinese executives were felt to be more process/details driven with close supervision of their people.

Unsurprisingly, the results of analysis show that the mean of ratings on management-by-exception (passive) and laissez-faire leadership for both Chinese and American executives were rather low, and there were no significant differences in these two variables between Chinese and American executives. It is also accordance with the interview responses about very few of Chinese and American executives were described to exhibit management-by-exception (passive) and laissez-faire leadership. However, the analysis of management-by-exception (passive) and laissez-faire leadership found that the mean of ratings on management-by-exception (passive) for Chinese executives (mean=1.27) was higher than the mean of ratings for American executives (mean=1.11); similarly, the mean of ratings on laissez-faire leadership for Chinese executives (mean=1.03) were found to be higher than the mean of ratings for American executives (mean=0.72) as well. It may be because American executives were perceived to be rather direction/result driven and business focused, and they tended to emphasize compliance with systems and regulations to ensure precision in their jobs although they appeared to lead people with extensive management and delegate people to complete work independently.

Table 4.4 shows the results of coefficient test between variables. All the components of transformational leadership and contingent reward were found as significant variables with positive relationship with extra effort, effectiveness and satisfaction; in

contrast, management-by-exception (passive) and laissez-faire leadership were revealed as significant variables with negative relationship with extra effort, effectiveness and satisfaction. In addition, the results of analysis found no significant relationship between management-by-exception (active) and extra effort, effectiveness and satisfaction. In general, then, the results of analysis of coefficient test show that transformational leadership (overall) and contingent reward were significant variables with positive relationship with leadership success (overall); in contrast, management-by-exception (passive) and laissez-faire leadership were significant variables with negative relationship with leadership success (overall), and there was no significant relationship between management-by-exception (active) and leadership success (overall). Even though the questionnaire survey in this study is not aiming to give population generalization, the survey results seem accordant with Bass' (1997) claim that transformational leadership tends to be more effective and satisfying than contingent rewarding, contingent rewarding is more effective and satisfying than managing by exception, and managing by exception is more effective and satisfying than laissez-faire leadership. However, the results of analysis present that the means of ratings on transformational leadership for both Chinese and American executives were lower than 3.00, and the leadership success of both Chinese (mean=2.60) and American (mean=3.04) were not significantly high either. Therefore it seems that both Chinese and American executives are expected to improve their leadership styles further for leadership success.

In summary, the results of analysis demonstrate that the leadership styles of Chinese and American executives can be both transformational and transactional. Specifically, American leaders generally exhibited obvious transformational leadership, but also transactional contingent reward; conversely, Chinese executives displayed modest transformational leadership and more transactional management-by-exception (active). However, as discussed in previous sections, leadership styles and effectiveness were perceived by both Chinese and American respondents to be rather situational. Divergent or contradictory underlying assumptions about people and organizations consequently led to misinterpretation and incomprehension of transactional and transformational leadership between Chinese and American executives.

My Leader:		Chinese Executives (n=34)			American Executives (n=25)			t-Statistic
		Mean	SD	Range	Mean	SD	Range	
1	Provides others with assistance in exchange for their efforts	2.82	0.716	4.00	2.96	0.935	4.00	-0.635
2	Re-examines critical assumptions to question whether they are appropriate	2.76	0.890	4.00	3.36	0.757	4.00	-2.701**
3	Fails to interfere until problems become serious	1.21	1.067	4.00	1.12	1.166	4.00	0.294
4	Focuses attention on irregularities, mistakes, exceptions, and deviations from standards	2.32	0.912	4.00	2.24	1.393	4.00	0.278
5	Avoids getting involved when important issues arise	1.00	1.128	4.00	0.52	0.918	4.00	1.744
6	Talks about his/her most important values and beliefs	2.35	0.981	4.00	2.92	1.115	4.00	-2.070*
7	Is absent when needed	1.12	1.122	4.00	0.68	0.900	4.00	1.606
8	Seeks differing perspectives when solving problems	2.62	1.015	4.00	2.64	1.036	4.00	-0.083
9	Talks optimistically about the future	2.82	0.834	4.00	3.12	0.927	4.00	-1.287
10	Instills pride in me for being associated with him/her	2.65	1.041	4.00	3.04	1.060	4.00	-1.422
11	Discusses in specific terms who is responsible for achieving performance targets	2.50	1.052	4.00	2.72	0.980	4.00	-0.817
12	Waits for things to go wrong before taking action	0.91	0.933	4.00	0.72	0.737	4.00	0.850
13	Talks enthusiastically about what needs to be accomplished	2.79	0.808	4.00	3.36	0.757	4.00	-2.729**
14	Specifies the importance of having a strong sense of purpose	2.68	0.912	4.00	3.04	0.735	4.00	-1.639
15	Spends time teaching and coaching	2.38	0.922	4.00	2.16	1.248	4.00	0.788
16	Makes clear what one can expect to receive when performance goals are achieved	2.38	0.888	4.00	2.92	0.997	4.00	-2.182*
17	Shows that he/she is a firm believer in 'if it ain't broke, don't fix it.'	1.32	0.878	4.00	1.28	1.061	4.00	0.172
18	Goes beyond self-interest for the good of the group	2.06	1.043	4.00	2.60	1.118	4.00	-1.911
19	Treats me as individuals rather than just as a member of the group	1.88	1.149	4.00	2.40	1.354	4.00	-1.586
20	Demonstrates that problems must become chronic before taking action	1.65	1.070	4.00	1.32	1.108	4.00	1.143
21	Acts in ways that build my respect	2.50	1.022	4.00	2.96	0.889	4.00	-1.803
22	Concentrates his/her full attention on dealing with mistakes, complaints, and failures	2.26	0.898	4.00	1.72	1.173	4.00	2.021*
23	Considers the moral and ethical consequences of decisions	2.71	0.970	4.00	2.80	1.190	4.00	-0.334
24	Keeps track of all mistakes	2.09	1.055	4.00	1.64	1.114	4.00	1.575
25	Displays a sense of power and confidence	3.06	0.919	4.00	3.60	0.645	4.00	-2.520*
26	Articulates a compelling vision of the future	2.71	0.906	4.00	2.92	0.909	4.00	-0.896
27	Directs his/her attention toward failure to meet standards	2.41	0.783	4.00	1.80	1.155	4.00	2.426*
28	Avoids making decisions	1.21	0.978	4.00	0.80	1.080	4.00	1.507
29	Considers me as having different needs, abilities, and aspirations from others	2.47	0.861	4.00	2.84	1.068	4.00	-1.470
30	Gets me to look at problems from many different angles	2.44	0.860	4.00	2.64	0.995	4.00	-0.821
31	Helps me to develop my strengths	2.24	0.987	4.00	2.68	1.249	4.00	-1.528
32	Suggests new ways of looking at how to complete assignments	2.44	0.860	4.00	2.56	1.003	4.00	-0.489

33	Delays responding to urgent questions	0.79	0.880	4.00	0.88	0.927	4.00	-0.362
34	Emphasizes the importance of having a collective sense of mission	2.74	0.828	4.00	2.60	1.190	4.00	0.515
35	Expresses satisfaction when I meet expectations	2.82	0.999	4.00	3.44	0.583	4.00	-2.756**
36	Expresses confidence that goals will be achieved	2.88	0.808	4.00	3.36	0.810	4.00	-2.241*
37	Is effective in meeting my job-related needs	2.76	0.923	4.00	2.96	0.841	4.00	-0.834
38	Uses methods of leadership that are satisfying	2.53	0.961	4.00	2.88	0.833	4.00	-1.464
39	Gets me to do more than I expected to do	2.50	0.788	4.00	2.80	0.913	4.00	-1.351
40	Is effective in representing me to higher authority	2.41	0.821	4.00	3.12	1.013	4.00	-2.964**
41	Works with me in a satisfactory way	2.71	0.938	4.00	3.20	0.913	4.00	-2.022*
42	Heightens my desire to succeed	2.50	0.826	4.00	3.16	1.028	4.00	-2.734**
43	Is effective in meeting organizational requirements	2.74	0.898	4.00	3.12	0.726	4.00	-1.759
44	Increases my willingness to try harder	2.41	0.957	4.00	3.04	0.935	4.00	-2.516*
45	Leads a group that is effective	2.85	0.989	4.00	3.08	1.038	4.00	-0.854
Idealized Influence (Attribute)		2.57	0.708	4.00	3.05	0.685	4.00	-2.630*
Idealized Influence (Behaviour)		2.62	0.737	4.00	2.84	0.707	4.00	-1.165
Inspirational Motivation		2.80	0.671	4.00	3.19	0.659	4.00	-2.215*
Intellectual Stimulation		2.57	0.747	4.00	2.80	0.677	4.00	-1.235
Individualized Consideration		2.24	0.626	4.00	2.52	0.823	4.00	-1.471
Contingent Reward		2.63	0.697	4.00	3.01	0.593	4.00	-2.188*
Management-By-Exception (Active)		2.27	0.607	4.00	1.85	0.875	4.00	2.188*
Management-By-Exception (Passive)		1.27	0.595	4.00	1.11	0.634	4.00	1.006
Extra Effort		2.47	0.682	4.00	3.00	0.720	4.00	-2.877**
Effectiveness		2.69	0.761	4.00	3.07	0.796	4.00	-1.853
Satisfaction		2.62	0.913	4.00	3.04	0.815	4.00	-1.835
Transformational Leadership (Overall)		2.56	0.582	4.00	2.88	0.587	4.00	-2.088*
Transactional Leadership (Overall)		2.06	0.291	4.00	1.99	0.444	4.00	0.719
Laissez-Faire Leadership (Overall)		1.03	0.800	4.00	0.72	0.734	4.00	1.520
Leadership Success (Overall)		2.60	0.721	4.00	3.04	0.726	4.00	-2.303*

N.B. *= $p < 0.05$, **= $p < 0.01$

Table 4.3: Results for Multifactor Leadership Questionnaire (MLQ Form 5X-Short)

Variable	M	SD	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1 Idealized Influence (Attribute)	2.77	0.733	1														
2 Idealized Influence (Behaviour)	2.71	0.726	0.633**	1													
3 Inspirational Motivation	2.97	0.688	0.579**	0.651**	1												
4 Intellectual Stimulation	2.67	0.722	0.564**	0.732**	0.615**	1											
5 Individualized Consideration	2.36	0.723	0.663**	0.589**	0.602**	0.605**	1										
6 Contingent Reward	2.79	0.676	0.496**	0.618**	0.543**	0.650**	0.524**	1									
7 Management-By-Exception (Active)	2.09	0.756	-0.066	0.040	-0.131	0.076	-0.149	0.201	1								
8 Management-By-Exception (Passive)	1.20	0.611	-0.363**	-0.421**	-0.140	-0.390**	-0.159	-0.454**	-0.058	1							
9 Extra Effort	2.69	0.741	0.703**	0.520**	0.524**	0.553**	0.598**	0.574**	-0.25	-0.457**	1						
10 Effectiveness	2.85	0.792	0.702**	0.599*	0.566*	0.703**	0.632**	0.680**	0.137	-0.528**	0.744**	1					
11 Satisfaction	2.80	0.891	0.677**	0.597**	0.590**	0.703**	0.624**	0.716**	0.096	-0.536**	0.840**	0.903**	1				
12 Transformational Leadership (Overall)	2.69	0.600	0.825**	0.863**	0.821**	0.842**	0.828**	0.677**	-0.054	-0.355**	0.694**	0.767**	0.764**	1			
13 Transactional Leadership (Overall)	2.03	0.362	0.059	0.175	0.169	0.238	0.133	0.507**	0.789**	0.240	0.083	0.221	0.211	0.185	1		
14 Laissez-Faire Leadership (Overall)	0.90	0.781	-0.418**	-0.410**	-0.436**	-0.509**	-0.228	-0.530**	-0.048	0.592**	-0.477**	-0.587**	-0.563**	-0.478**	-0.30	1	
15 Leadership Success (Overall)	2.79	0.749	0.740**	0.610**	0.594**	0.698**	0.659**	0.698**	0.081	-0.540**	0.901**	0.954**	0.965**	0.791**	0.187	-0.582**	1

N.B. *= $p < 0.05$, **= $p < 0.01$

Table 4.4: Factor analysis: correlations and measures

4.4 Leadership Styles of Overseas Chinese Executives

Findings that relate to the perspectives on overseas Chinese executives working for American companies in mainland China have been explored. Though local and overseas Chinese indeed retain substantial common elements in leadership styles when compared to non-Chinese samples, overseas Chinese occupied a big proportion of top positions in American companies with certain advantages. Nevertheless, there are some concerns on the superior attitude, harsh leadership style with excessive cost consciousness, and political behaviour of overseas Chinese executives. In addition, in the interviews, some of Chinese respondents stated that as a series of socialist movements had a big impact on traditional Chinese culture in mainland China; consequently, the traditional Chinese culture seemed to have been maintained much better in Taiwan and Hong Kong. The full discussion and consideration on the leadership styles of overseas Chinese executives is presented in Appendix 5.

4.5 Major Similarities in Leadership Styles between Chinese and American Executives

This section explores the responses to the question concerned directly with the similarities in leadership styles between Chinese and American executives working for American companies in mainland China. Despite a variety of differences in leadership styles between Chinese and American executives, most of the respondents suggested that there were certain similarities in leadership styles between them mainly manifested in performance orientation, ethics, rules and regulations compliance. Moreover, the change trend of leadership styles of Chinese executives is also discussed in this section.

4.5.1 Performance orientation

In the interviews, nearly all respondents suggested that both Chinese and American executives had to be performance oriented. Under the American companies' performance management system, achieving business objectives was usually regarded as the first priority for both Chinese and American executives whatever leadership styles and measures they undertook as they could not be successful or even survivable

in American companies once they failed in business targets and performance results. This is clearly demonstrated in the following extracts. More extracts are shown in Appendix 6.72.

'I think both Chinese and American executives' leadership styles share the common element, which is focusing on performance and business results. No matter they are Chinese or Americans, both of them could not succeed in American companies if they fail in business targets and performance results.' (Regional Financial Controller of South China, Chinese)

'I think the similarity in leadership styles between Chinese and American executives is MBO (Management by Objectives). No matter they are Chinese or Americans, both of them have to lead people and manage tasks to achieve business objectives... I mean if you are at executive level, you have to manage your people and make sure the business objectives to be achieved.' (Technical Director, Chinese)

4.5.2 Ethics, rules and regulations compliance

Similarly, the following evidence suggests that both Chinese and American executives needed to comply with systems, procedures and policies of American companies in which principles, rules and regulations, work ethics and integrity were highly emphasized. It seems clear that ethics, rules and regulations were usually regarded as essential requirements from American companies and were often emphasized via regular training and policy deployment within organizations.

'Since both Chinese and American leaders work for American companies, we all emphasize the corporate principles and rules, such as integrity, and ethical conduct of business etc., though the leadership styles look different.' (Finance Director of Greater China, Chinese)

'I think both of Chinese and American executives working for American companies in mainland China must deliver results and comply with the procedures, policies as well as ethical conduct of the American companies.' (HR Director of China, Chinese)

Interestingly, from the following quote taken from a Chinese HR director, it appeared

that though Chinese managers probably behaved according to the corporate values and behaviour norms, they might tussle inside. This example highlights that Chinese executives working for American companies appeared to adjust their behaviours to meet the companies' requirements and expectations; however, their personal core values and beliefs seemed rather difficult to change entirely.

'Working for Americans companies, Chinese managers need to follow the norms and code of conduct of the companies, and sometimes you also tussle inside because on one hand, they need to fit in the corporate culture and values which might restrain their behaviours; on the other hand, they have to consider the Chinese cultural influences and their people's feelings. No matter they agree these values and norms or not, that's fine if they still behave.' (HR Director, Chinese)

4.5.3 The change trend of leadership styles of Chinese executives

The following quotes provided the evidence of the change trend of Chinese executives' leadership styles. Due to systematic and consistent talent development approaches based upon the American corporate culture and values, the differences in leadership styles between Chinese and American executives probably became smaller. With leadership maturity, experienced management skills, and the trend of localization, Chinese executives were seen as being able to manage the larger scale business with more strategic thinking and global perspective.

'I find the leadership styles of the 30 plants' local Chinese general managers look similar. After all, all the talents are identified, assessed, and developed according to the core values based people development system of the company... Chinese managers have also become more confident and mature. I think the company has done great job in developing people.' (Director of APSCO, Chinese)

'The difference is not big today, especially for those Chinese executives at high levels. They are young, forward-looking and intelligent, and they are as good as those outstanding American executives... When I was talking with top Chinese executives, they impressed me very much. They have already had experiences which they were impossible to have ten years ago, such as managing a subsidiary in the US or in the

Europe. Language is not the difficulty for them at all, and what they really focus is the holistic business with mature leadership.' (General Manager, Chinese)

Similarly, commenting on the tendency of Americanization (westernization) of Chinese executives' leadership styles, almost all the respondents explained that more and more Chinese executives had become more open and straightforward, and seemed accustomed to speaking out what they wanted to say with confidence. Furthermore, more and more Chinese executives identified, analyzed and solved problems or made decisions based upon facts with a more systematic approach. In this sense, then, the leadership styles of Chinese executives appeared to have become more macro and rational. These feelings are described in the following responses.

'The leadership styles of Chinese and Americans seem more similar than before. Chinese managers have been learning from Americans to make decisions and manage processes based upon facts and figures. They attempt to present the reports and provide solutions with more figures on the meeting.' (HR Director, Chinese)

'I think the leadership styles of Chinese executives working for American companies appear to be westernized. More and more Chinese leaders emphasize equality, fair competition and systems, and their management concepts, leadership styles and other fundamental concepts of management and leadership have become more similar with Americans'. More and more Chinese executives identify, analyze and solve problems and make decisions based upon the established systems and procedures with a more rational approach.' (Sales Director of South China, Chinese)

In addition, as is evident from the following quotes taken from two Chinese directors in the sample, there seemed to be the significant differences in leadership styles between the Chinese executives working for American companies and the Chinese executives working for Chinese organizations. The Chinese executives working for American companies were usually perceived to be more professional than those working for Chinese organizations, in which paternalistic or bureaucratic leadership still seemed dominant. In this sense, thus, the Chinese executives working for American companies appeared to be unaccustomed to the culture of Chinese organizations.

'The leadership styles of Chinese state owned enterprises still remain traditional with bureaucratic practices. I have several friends working for local government and state owned enterprises. Sometimes we have dinner together, but I find the mindsets between us are quite different. Communicating with the government is troublesome because you never know what they are thinking, and what they have said is often different from what they really mean.' (Financial Controller, Chinese)

'I think paternalistic leadership is dominant in traditional Taiwan and Hong Kong family-controlled companies and local Chinese private companies, but Chinese managers working for American companies have been professionalized much more than those working for Chinese companies.' (People Development Director, Chinese)

However, from the responses in the interviews, it appeared that Chinese managers, who grew up and was living in mainland China had struggles inside when they had to deal with the influences from traditional Chinese culture and education system, and the impact of Western management thoughts and practices at the same time within the current competitive business environment. Commenting on that, an American director of international materials stated that:

'China has got huge history, but at the same time, now the Chinese business managers are in a more competitive business world. Because of 60 years of communist experiment here, it has driven one side of goals, and now last 25 years, the business goes substantially different. So I would think if someone, who is living here and grew up in China, has to deal with the history as well as the competitive environment. That's going to be a real struggle for Chinese managers. They may have learnt the new way from business school, university, MBA program, or whatever, so it is foreign thing to them, and all of that is going on, and when you come back as a person and the family relationship, they quite have some real struggles mentally.' (Director of International Materials, American)

In this section, the similarities in leadership styles between Chinese and American executives have been explored and discussed. Both Chinese and American executives were perceived to put first priority on performance and business results, and both of them were seen to comply with the ethics, rules and regulations of American companies. Moreover, it seemed to be a tendency that the leadership styles of Chinese

executives had become Americanized (or westernized). The leadership styles of Chinese executives, therefore, were described as becoming more macro, rational and professional.

4.6 Summary

In this chapter, consideration of the findings which relate to the major differences and similarities in leadership styles between Chinese and American executive level managers working for American companies in mainland China has been made. The results of analysis demonstrate that the leadership styles of Chinese and American executives can be both transformational and transactional. Specifically, American leaders generally exhibited obvious transformational leadership, but also transactional contingent reward; conversely, Chinese executives displayed modest transformational leadership and more transactional management-by-exception (active). However, divergent or contradictory underlying assumptions about people and organizations consequently led to misinterpretation and incomprehension of transactional and transformational leadership between Chinese and American executives. This study has shown that the transactional-transformational leadership theory is, generally applicable, but is inadequate to explain all the differences and similarities between Chinese and American executives. This is the first study to discover micro and perceptual leadership styles of Chinese executives and macro and rational leadership styles of American executives. The findings suggest that there were some special cases of the leadership styles for both Chinese and American executives, and leadership styles and effectiveness were perceived by both Chinese and American respondents to be rather situational. In addition, the results of the study revealed that both Chinese and American executives were perceived to put first priority on performance and business results, and both of them were seen to comply with the ethics, rules and regulations of American companies. Finally, the study shows the trend of Americanization (or westernization) of leadership styles of Chinese executives.

Chapter 5 MAIN CAUSES OF DIFFERENCES AND SIMILARITIES IN LEADERSHIP STYLES BETWEEN CHINESE AND AMERICAN EXECUTIVES

5.0 Introduction

The previous chapter has identified a number of differences and similarities in leadership styles between Chinese and American executive level managers working for American companies in mainland China. A variety of probable causes leading to these differences and similarities will be discussed in this chapter. It begins with discussing the probable main causes of the differences in leadership styles between Chinese and American executives. This is then followed by an exploration of the probable main causes of the similarities in leadership styles between them. Both Chinese and American respondents' perspectives on these probable causes will be also discussed in more detail in this chapter.

5.1 Main Causes of the Differences in Leadership Styles between Chinese and American Executives

This section considers the responses to questions concerned directly with the main probable causes of the differences in leadership styles between Chinese and American executives and how respondents thought about these variables influencing leadership styles. A direct link between the leadership differences and cultural causes including national culture and education was made by a big number of respondents. Nevertheless, comments related to situational causes, such as social system, positions and resources, economic base and value chain, leadership and management maturity, understanding of China, interaction between leaders and followers, language and tenure frequently occurred throughout most of the interviews. These comments are fully explored and discussed in this section.

5.1.1 National culture

It is not surprising that nearly all the respondents believed that national culture was one of the main causes of the leadership differences. According to most of the

respondents, it is fairly clear that national culture was a crucial cause leading to the differences in leadership styles between Chinese and American executives.

5.1.1.1 Chinese culture

The leadership styles of Chinese executives were perceived by both Chinese and American respondents to be closely linked to Chinese culture. Due to the complexity of Chinese culture, the researcher has used the Chinese cultural elements, such as Confucian ideology, Legalist thought, Taoism, family concept and guanxi phenomenon, centralized governance, and ancient strategies, rather than Hofstede's or Trompenaars and Hampden-Turner's cultural dimensions to explain the relationship between Chinese culture and the leadership styles of Chinese executives. In particular, these cultural elements were usually felt by the respondents as some of the main causes of micro and perceptual leadership styles of Chinese executives. The full exploration of these cultural elements is discussed as below.

- *Confucianism*

Nearly all the respondents believed that Confucianism has been the dominant ideology in China, and it has been deeply rooted in the Chinese people's lives. The following excerpts taken from an American director of international materials and a Chinese general manager in the sample illustrate that how the key principles of Confucianism were felt to influence Chinese executives as well as their leadership styles. The concept of unequal relationships between people and mutual obligations (Hofstede & Bond, 1988) provides one of the possible explanations for why Chinese executives were seen by most of the respondents as being more process/detail driven with close supervision but being reluctant for people's different ideas and viewpoints to keep their authority, and why Chinese followers were felt to be more willing to follow specific instructions from their leaders. Moreover, it could explain why Chinese executives were perceived to provide comprehensive considerations to their people, and the people also expected benevolence from their leaders. More excerpts are provided in Appendix 6.73.

'It could be caused by the differences in culture, family or schooling... When looking at the family heritage, the importance of family throughout the time, and they respect

the older, mother, father, grandfather, and grandmother, and peers in the family organizations. There is also tremendous respect, and I think that is carried on into business environment and go up from a junior manager to a senior manager. You get that the same maybe the respect to the senior manager.’ (Director of International Materials, American)

‘I think Confucianism dominates Chinese traditional culture, and the concept of relations between monarch and subject, father and son, and superior and subordinate, has been rooted in Chinese life and is really hard to eliminate although feudal society of China had been ruined around one hundred years ago. I think Japanese and Koreans are similar with Chinese, who can not feel free to express themselves. When they work with American leaders, they don’t feel comfortable to say what they like to say as they still view these Americans as leaders but not equal co-workers.’ (General Manager, Chinese)

The following quotes taken from two Chinese respondents imply that the concept of ‘the Doctrine of the Mean’ and ‘harmony’ suggested in Confucianism had pervaded in every aspect of Chinese life. Harmony was usually viewed by Chinese people as the foundation of stability and prosperity of a family or a society. Consequently Chinese people were often perceived to avoid meaningless conflicts and solve problems with a mild and polite approach. In this sense, then, the concept of ‘the Doctrine of the Mean’ and ‘harmony’ could be helpful to explain why Chinese executives appeared to keep harmonious and looked reserved and deliberate when leading people, and why they sometimes did not exactly comply with systems and procedures but made appropriate adjustments in terms of actual situations. Divergent viewpoints and challenging authority were probably felt by some of Chinese executives as the inharmonious behaviour. Please refer to Appendix 6.74 for more quotes.

‘Chinese always advocate “the Doctrine of the Mean” and “harmony”. The open ceremony of Beijing Olympic Games also reflected the Chinese traditional thinking pattern. As Chinese saying goes “Jia He Wan Shi Xing” (harmonious family makes everything successful) and “He Qi Sheng Cai” (harmony brings wealth), Chinese view harmony as the most important thing. For Americans, if they find something is wrong, they will point it out straight forward, but Chinese might cope with it in a polite way to avoid conflicts with others.’ (Engineering Director, Chinese)

‘Chinese culture has been dominated by Confucianism in which “the Doctrine of the Mean” is advocated. Some people understand the true meaning of “the Doctrine of the Mean”, but not every Chinese understands it. I believe in “conversation law of energy” (能量守恒定律). If you exert your energy at one side, the other side might be neglected, so “harmony” and “balance” does work.’ (Director of Global Supplier Quality, Chinese)

Moreover, the following quotes give the evidence that Confucian virtues continuously exert influence on the leadership styles of Chinese executives. This key principle of Confucian teaching also neatly dovetails with one of the relatively important Chinese values – ‘persistence (perseverance)’, and keeps consistent with the description on collectivism of Chinese society (Hofstede, 2001; Hofstede & Hofstede, 2005). Chinese people believe that people should try to restrain themselves and overcome individuality, acquire skills and education, work hard, not spend more than necessary, and be patient and persistent (Hofstede & Bond, 1988). Since persistence and diligence are usually viewed as virtues, this concept provides another probable explanation for why Chinese executives tended to be more process/detail driven, such as detail intervention and working hard, and why diligence was described as an element of a charismatic Chinese leader.

‘Confucianism advocates “persistence”, low profile and moderation, so Chinese usually prefer to keep silent for their loss, and sacrificing individual interests for collective benefits is usually viewed as a virtue, but it could not happen in the US.’ (Senior Commodity Business Manager – Global Purchasing Materials & Components, Chinese)

‘Just like Chinese saying “no cross, no crown” (吃得苦中苦, 方为人上人), persistence, diligence and dedication is always emphasized in Chinese culture. In American companies, many Chinese executives even work harder than ordinary employees. On one hand, they pay much attention to details; on the other hand, diligence is usually viewed as a virtue by Chinese, and therefore they always keep themselves very busy.’ (HR Director, Chinese)

In addition, according to some of respondents, as one of the Confucian virtues, self-cultivation or continuous self-improvement was usually seen as the foundation of regulating the family and governing the country. Consequently, modesty, self-examination, self-knowledge, continuous improvement, emphasis of collective interests, and diligence, etc. were usually seen as virtual behaviours. In history, Chinese people tended to expect virtues and benevolence of their leaders so that they could enjoy their lives under the leadership of humane rulers. Similarly, rulers also understood the importance of benevolent governance as trenchant tyranny would cause decline of an empire. The respondents, thus, believed that Confucian virtues still exerted influences on the leadership styles of Chinese executives working for American companies. First, it could be helpful to explain why Chinese executives appeared to pay attention to mistakes and deviations and more frequently criticized people for continuous improvement. Second, it also provides a probable explanation for why Chinese executives tended to emphasize close guanxi with people, harmonious working atmosphere, as well as comprehensive consideration to their people. In addition, it might be helpful to explain why charismatic Chinese leaders were often perceived as good ‘doers’ that looked reserved and deliberated, and why their leadership charisma was often linked to affinity, modesty and diligence. Finally, Confucian virtues could also reflect different views on ethics between Chinese and Americans. These points are clearly demonstrated in the following extracts. More extracts are shown in Appendix 6.75.

‘Showing respect to teachers (尊师重道) has been a long-cherished Chinese value and has been advocated by Confucianism for thousands of years... I like reading some history books and Jin Yong’s novels of martial arts in which faithfulness and loyalty (忠正), righteousness (义气), and respecting superiors are much promoted, and a genuinely good person can not disregard moral principles in pursuit of profit (见利忘义). That could be contrary to capitalism. Pursuit of self interest was much suggested in “the Wealth of Nations” by Adam Smith, and pursuit of profit and the things people want was helpful for the development of the whole society. Their view points of emphasizing individuals first and society second are rather different from Chinese traditional values.’ (Director of APSCO, Chinese)

‘Confucian ideology, including self-cultivation and self-knowledge was proposed to govern society, and it makes sense when using it to manage a country or an organization and make decisions acceptable for most of people. When tackling conflicts at top positions, philosophic concepts are more helpful. As the founder of Huawei (a Chinese electronics company), Ren Zhenfei said “wisdom wins small, but virtue wins great” (小胜在智, 大胜在德). Intelligence, wisdom, and virtues are at three levels. Intelligence helps get things done, but wisdom makes things balanced, and people will not hesitate to follow a virtual leader. The direction and objectives never work once leaders are not clear about what is right or wrong.’ (Quality Director of Asia, Chinese)

As is evident in the interview responses, Confucian ideology appears to be somewhat consistent with the cultural characteristics of China depicted in the culture studies, such as high power distance, collectivism and long-term orientation (Hofstede, 2001; Hofstede & Hofstede, 2005), and particularism, communitarianism, neutrality and future orientation (Trompenaars & Hampden-Turner, 1997). Whereas these culture dimensions seem inadequate to explain all the characteristics of Confucianism and the relationship between Confucianism and the Chinese leadership styles.

- *Legalism*

As is evident from the following quotes, some of the Chinese respondents believed that Legalist thought was another probable cause leading to Chinese leadership styles though Confucianism was usually viewed as the dominant ideology in China. The historical facts described by these respondents demonstrate that thousands of years of monarch reign in feudal society of China was actually in the way of ‘Confucianism in public and Legalism in private’ (阳儒阴法). Legalists suggest that severe criminal law, tight control, and well-organized hierarchical system are the most effective approaches ruling country and managing people. Thus it provides another probable explanation for the Chinese executives’ process/detail driven behavior and why they focused on people’s mistakes and supervised people so closely. The characteristics of Legalism seem also helpful to understand high power distance (Hofstede, 2001; Hofstede & Hofstede, 2005), and high particularism and ascription (Trompenaars & Hampden-Turner, 1997) of mainland China.

'Legalists' suggestions of rewards and severe punishment eventually helped the state of Qin unify China. Therefore there was a strong foundation of Legalism in China, but over using severe punishment aroused great resentment among the people and led to the fall of Qin Dynasty. The great development of Confucianism was in Han Dynasty because Han Dynasty learnt the lesson from the fall of Qin Dynasty and realized it was impossible to rule a country only using the Legalist approach... thousands of years of monarch reign from Han Dynasty was actually via the way of "Confucianism in public and Legalism in private".' (HR Director of China, Chinese)

'Some suggest that thousands of years of monarch reign was actually in the way of "Confucianism in public and Legalism in private". Established social order and virtues were maintained and social harmony was achieved through Confucianism; supreme command was exercised and empire was governed by well-organized hierarchical system and stern criminal law advocated by legists.' (EHS Manager of China, Chinese)

- *Taoism*

As three Chinese executives stated in the following quotes, Taoism, which emphasizes spiritual refinement and governance by active non-action, probably was the highest level of leadership as active non-action indicated that people would complete work proactively without any intervention from their leaders. In Taoism, objective laws of universe could not be expressed in words, and there were always changes in the world, and thus there were no absolute things. However, Taoism and some Chinese traditional theories, such as traditional Chinese medicine, were felt by some of Chinese respondents to be rather obscure, unstable, subjective and unsystematic as these Chinese traditional theories were felt to come from personal experiences and subjective assumptions without systematic analysis and verification as the next second excerpt indicates. In addition, some believed that, in Chinese traditional culture, pursuit of poetic imagery, which is the certain level of spiritual condition, is strongly linked with Taoism as is evident from the next third excerpt. Therefore these characteristics of Taoism and Chinese traditional theories could be helpful to explain why Chinese executives were perceived to be more flexible with subjective adjustments and tolerance of ambiguity. These characteristics are also helpful to understand low scores in uncertainty avoidance (Hofstede, 2001; Hofstede & Hofstede, 2005) but high scores in diffuseness and external control (Trompenaars

& Hampden-Turner, 1997) of mainland China. More quotes are contained in Appendix 6.76.

'Governance by non-actions suggested by Taoists could be the highest level of leadership. Leaders are unnecessary to intervene in people's work, but people complete them proactively.' (Senior Key Account Manager, Chinese)

'The traditional Chinese medicine, which is often viewed as national treasure, is just based upon subjective assumptions but not facts, and its theoretical background could be completely wrong. Nobody exactly understands what are "Wu Xing" (five elements), "Jing Xiu" (refinement) and "Xue Wei" (cavity). Many Chinese traditional theories are obscure and came from subjective assumptions but not empirical research. For an autocratic government, positivism is never expected because it could cause the changes of values.' (Senior Sourcing Manager, Chinese)

'There were rather rich poetic writings, brush painting and traditional Chinese paintings in the history of China. Intellectuals and poets (文人墨客) tended to pursue poetic imagery (意境), which may puzzle Westerners. The concept of pursuit of poetic imagery closely relates to Taoism in which adapting to the nature law and being interdependent with the nature for sustainable development and transcendency (超凡脱俗) is advocated... Pursuit of poetic imagery is the certain level of spiritual condition, and thus it is subjective, perceptual and flexible. These concepts and thoughts could also cause the Chinese leadership styles which could be subjective, perceptual and flexible. But specific things, systems and procedures are often emphasized in Western culture.' (HR Director of China, Chinese)

- *Family concept and guanxi phenomenon*

Chinese still attach importance to family and family was the basic unit of production in China (Kwok, 1989). The following excerpts taken from the Chinese executives in the sample imply that most of the respondents shared the similar viewpoint: Chinese had great attachment to family, and the people were usually categorized into different groups based upon relationship distance. In this sense, then, the concept of family (or extended family) might lead to guanxi phenomenon in China. Family concept and guanxi phenomenon could explain the perceptual leadership style of Chinese executives, by which they tended to provide comprehensive consideration to their

people and maintain internal and external guanxi with subjective adjustments. This, therefore, provide another probable explanation for why coaching effectiveness was felt to be more effective when the guanxi between Chinese leaders and followers was close. In addition, family concept and guanxi phenomenon is somewhat in accordance with the descriptions on high collectivism (Hofstede, 2001; Hofstede & Hofstede, 2005) and high communitarianism (Trompenaars & Hampden-Turner, 1997) of Chinese society. More excerpts can be seen in Appendix 6.77.

'In general, Chinese society is an "acquaintances society" (熟人社会), but American society is a "stranger society" (生人社会). China had been the agricultural society for more than 2,000 years and household had been the basic production unit. The concept of family is rooted in Chinese life so deeply that they usually categorize people into different groups based on blood relationship and trust. Society is often viewed by Chinese as another type of "family", and many factors of society have the characteristics of family. The Chinese phrase "nation" consists of two words: country (国) and family (家), and Chinese people usually call army as "brother army" (people's army, 子弟兵), call officials as "parental officials" (父母官), call the river as "mother river" (母亲河), and even the mainline of Beijing Olympic Anthem is "family" as well. Since Chinese society is the family society and the acquaintance society, the leadership styles of Chinese executives seemed more perceptual.' (HR Director of China, Chinese)

'Traditional Chinese culture is strongly linked with the characteristics of "living in groups". Each village of China was eventually developed towards a group, tribe, and ethnicity, and Hakka walled village (客家围村) of Canton is the best example. Chinese are used to living together, even they move overseas (e.g. China town). In all the dynasties in Chinese history, party fighting was very common, and there were several factions in the same party as well. When Chinese students study in university, they look for the students from the same province, city, or village for alignment, and when Chinese move to a new company, they also look for the people who worked for the same company before...' (Finance Analysis Manager, Chinese)

- *Centralized governance*

With a fully centralized administration and strong military organization, Qin Dynasty made China the first bureaucratic nation-state in the world. The bureaucratic and

administrative structure remained the enduring basis of all subsequent dynasties in China. Due to historical reasons, authority, power and centralized governance have been much emphasized by Chinese leaders to bring people under control. Under centralized governance of feudal dynasties, officials were selected and appointed through examining the traditional classical literature in the examination system; however, nature science seemed largely ignored. Most of the Chinese respondents believed that the concept of centralized governance still played a critical role in China and caused the micro leadership style of Chinese executives as two Chinese executives commented in the following excerpts (more excerpts can be seen in Appendix 6.78). The concept of centralized governance with emphasis on authority and power provides the probable explanation for why Chinese executives tended to be more process/detail driven and supervise people closely. Additionally, it could be also helpful to explain why the leadership styles of Chinese executives were felt to be more perceptual, and why they looked reluctant to accept different ideas and viewpoints from others. More quotes are contained in Appendix 6.78. Similarly, the long history of centralized governance seems also useful to understand high power distance (Hofstede, 2001; Hofstede & Hofstede, 2005), and high particularism and ascription (Trompenaars & Hampden-Turner, 1997) of mainland China.

'China has been a society ruled by man for thousands of years. The concept of "rule by man" is so strong that it is still deeply rooted in thought patterns of Chinese people. Even though the communist party established the People's Republic of China, the phenomena of "central authority" is very obvious... Keeping authority is related to thousands of years' feudal ideology. Chinese leader's authority can not be challenged... If an emperor wants to govern a country with the approach of "rule by man", authority and power are always crucial.' (EHS Manager of China, Chinese)

'Due to thousands of years' centralized administration and strong military organization, Chinese people could not obey authority. It can not be denied that power is usually viewed as the most important thing for many Chinese executives, and that is why they emphasize authority and control, and why they expect obedience of their people. In order to manage people more effectively, Chinese executives tend to intervene in many details and supervise their people closely. As China had been the society ruled by man, those emperors never expected ordinary people to have strong concept of system and institution. That's why the leadership style of Chinese

executives seems flexible and subjective... The examination system supporting the government hierarchy is also deeply rooted in the minds of Chinese people. The examination system in ancient China was usually used to select those talents, who were really good at remembering and understanding the traditional classical literature, but nature science was largely ignored.' (HR Director of China, Chinese)

Interestingly, as demonstrated in the following extract, under centralized governance, Confucianism became a rule tool serving imperial power. Ordinary Chinese people were usually educated and governed to be docile subjects (顺民) depending upon authorities, and therefore centralized governance and imperial power would be maintained. However, ordinary Chinese people did not seem to have opportunities to be educated to be real citizens and take leadership in communities.

'Ordinary Chinese people had been led for thousands of years, but they actually had no opportunities to take leadership... I believe that centralization leads to this result. Without strong central power in the history of China, Confucianism could not be the dominant philosophy, and various schools of thought could be developed very well. Confucianism had been changed a lot and finally became a tool serving imperial power so that any independent thought had been not allowed in ancient China. Just like Lu Xun (a famous Chinese writer in 1920s-1930s) depicted in his novel, the Chinese people were panicky once they heard the emperor had been overthrown because they did not know what they should do if there was no an emperor. China needs transformation. Chinese people should be educated how to be citizens to take ownership for the nation and themselves but not to be docile subjects.' (Senior Sourcing Manager, Chinese)

- *Ancient strategies*

Interestingly, as is evident in the following quote (another quote is provided in Appendix 6.79), some Chinese respondents felt that Chinese executives, to some extent, drew insights from ancient and traditional Chinese wisdom, such as *'the Art of war'* and *'the Thirty-Six Strategies'*, that gave strategies to lead and manage people. Chinese executives were often rated as being more cautious as Chinese people were felt to be rather flexible and uncontrollable in their jobs. In this sense, then, in order to make sure goals and objectives can be achieved smoothly, Chinese executives seemed to have to interfere in their people's jobs and supervised them closely.

'I think Chinese executives working for American companies attach great attention to "strategy". In a manner, Chinese admire heroes very much. Many Chinese ancients who had strategic wisdom, such as the successful heroes depicted in the classical works: "Romance of Three Kingdoms", Sun Zi's "the Art of war", and "the Thirty-Six Strategies", are always admired and imitated by Chinese executives.' (Regional financial controller of south China, Chinese)

- *The changes of Chinese culture*

Most of the respondents believed that traditional Chinese culture, religions and values, had been weakened or heavily destroyed in mainland China by the strong influence of socialistic ideology and the impact of a series of socialist movements, such as Culture Revolution, Destroy the Four Olds (破四旧), and central task of class struggle (阶级斗争为纲). However, new culture and ideology system, which was accepted by Chinese people, did not seem to be well established. Hence there were significant culture dislocations between generations. These points are clearly demonstrated in the following extracts. Please refer to Appendix 6.80 for another example.

'The "Culture Revolution" was a sad episode in Chinese history as traditional culture and concepts were destroyed a lot, yet new ones were not established. That was the turbulent and terrible period when the society took class struggle as the central task. People could be jailed for their inappropriate words, and couples, parents and family members could not be reliable and trusted at that time.' (Senior Key Account Manager, Chinese)

'Chinese traditional culture had been changed a lot with the change of eras. With the establishment of socialist state in China, Confucianism and other traditional culture was destructed a lot in the turbulent periods of "Destroy the Four Olds" and "Culture Revolution". Since the inception of reform and opening-up policy, egalitarianism and the practice of "eating from the same big pot" (吃大锅饭) had been broken, but more and more people have become money hungry and material based. A small group of Chinese have taken advantages and become rich using various measures and special guanxi, but virtues and ethics could be ignored.' (People Development Director, Chinese)

The following examples imply that China has been under dramatic changes, and thus there were significant differences or even culture dislocations between generations. The generation of 50s grew up in the pure socialist environment and was only educated by socialist ideology. They, thus, were usually described as being more traditional and difficult to adapt to change; however, they followed orders and instructions very well. The generations of 60s and 70s grew up in the era of reform and opening-up and experienced dramatic social changes with the dual influences of socialism and capitalism. As a result, on one hand, they were usually seen as being more open and adaptable for change and were perceived to emphasize diversity much more than previous generations; on the other hand, they were often described to heritage some of traditional Chinese values, such as loyalty, diligence, persistence, a sense of responsibility, emphasis on collective interests, and family concept, etc. However, the young generations looked more individualistic. More quotes are shown in Appendix 6.81.

'There are also some differences between different generations. For the first generation, I mean the Chinese, who were born in 50s or earlier and educated by communist educational system, are very traditional and difficult to change. They can follow the orders very well, but can not lead change, as what they were educated was following orders from their superiors. For the second generation of 60s or 70s, they grew up in the era when the society has been changing dramatically, and they were educated not only by communism but also by capitalism, so they are more open for the change and sometimes (but not often) lead change. They hold quite different values from their parents, and exhibit more diversities and personalities than the elder Chinese, but meanwhile, they also heritage many good values derived from traditional Chinese culture, such as loyalty, respect, diligence, and integrity... The values of Chinese people have changed in the past three decades, and the young generations are becoming more independent, individualistic and ambitious.'
(Director of R&D Centre, American)

'There are big differences between 80s–90s generation, 60s–70s generation, and 50s generation, especially for the Chinese people working for foreign ventures. They are quite different from the people working for Chinese government, state owned enterprises or private companies... For 80s and 90s generations, collectivism is not reflected among them as much as 60s and 70s generations. Collectivism was much

emphasized in the education of 60s, 70s and earlier; however, individualism was ignored completely as it was usually viewed as negative at that time. I do not want to say none of the generations after 80s has a sense of collectivism, but relatively they seem to emphasize diversity and individuality.' (Engineering Director, Chinese)

From the following examples provided in the interviews, there has been a positive change tendency of the young generations in mainland China. The young generations were felt to have become more individualistic, and have become more open and confident to speak out their unique ideas and perspectives. They were usually described to have a lot of innovation and drive to try new things with diverse values and thoughts. Globalization, convenient communication tools and media, as well as Western culture influences were often viewed by the respondents to closely link to these changes. More examples can be seen in Appendix 6.82.

'When 30 years go by, many young people have a lot of innovation and a lot of drive, and if they are successful, they will get money.' (Vice President of Procurement, American)

'The younger staffs we have here have very different outlook on work process than older staffs. These younger staffs seem to be much more willing to try new things. They expose to more cultures outside growing up than older staffs...' (Director of Product Development, American)

'An interesting tendency is that the young Chinese born in 80s or 90s emphasize individualism and personality development much more than elders. They are more open with broader mindset, and have a strong sense of mission for the nation. They are really eager to contribute to the country and want to do more for the society. They also dare to argue with their parents on some sensible problems to show their confidence and unique viewpoints. Thus it is a tendency to be more open, more democratic, and closer to the whole world. I believe this is a positive change.' (HR Director, Chinese)

Nevertheless, some felt that there were some negative changes in values between generations in mainland China. Young generations were often perceived by the respondents to be more money focused, materialized and self-centred. Furthermore,

they were also felt to seek for their own comfort and enjoyment without considering others' feelings but lack of loyalty, self-discipline, persistence, thrifty and a sense of responsibility. These feelings were described in the following two responses. More examples are shown in Appendix 6.83.

'I found 80s and 90s generations are really driven by money but not as loyal as their parents. Sometimes I was shocked by their frequent job changes when reading their CVs. They work for money, and they will leave the company without any hesitation once there are good opportunities outside with more money.' (Director of R&D Centre, American)

'For us, our self-discipline is so strong that we do not feel confined at all in the company, but for the "after-80s" or "after-90s", they do not care about it... The young generations do not care about giving others mianzi (face) to keep good guanxi with others. Of course, I do not mean each of them behaves like this, but it is much popular among them. I think these differences also reflect their individuality. It is obvious that they seldom give up their own pleasure to care about others' feelings or to keep harmonious.' (Engineering Director, Chinese)

With the growing social problems, such as moral crisis, and growing disparity between rich and poor, more and more Chinese people have realized the importance of traditional Chinese culture and values. In this sense, then, traditional Chinese culture and values appeared to have been gradually recovering in recent years as is evident in the following examples. However, it seemed to take longer time than anticipated. Another example can be seen in Appendix 6.84.

'In recent years, more and more Chinese have realized the problem of widening gap between rich and poor, as well as moral crisis in China, and thus Confucianism and traditional Chinese values have been gradually recovering.' (Senior Training Manager, Chinese)

'Recently, it has been a tendency that Chinese culture is gradually recovering in mainland China, but most of these activities look more like business speculation but not academic research. I think it could take longer time to see the full recovery of Chinese traditional culture.' (Operations Director of China, Chinese)

When asking the attitudes towards traditional Chinese culture, nearly all the respondents believed that traditional Chinese culture had both positive and negative sides. Loving peace and harmony, emphasis on equal dialogue between different cultures, and rejection of pillage and exploitation, were usually perceived as the positive side to maintain. However, conservatism and ignorance of individuality were often felt as the negative side. The following two quotes taken from a Chinese senior manager and a Chinese general manager indicate this. Interestingly, a Chinese operations director felt that Confucianism could be suitable to govern a nation; whereas, it might be ineffective to manage a business organization especially within the current competitive business environment. Confucianism, therefore, just can be used as a lubricant in business management. Moreover, a Chinese director of global supplier quality criticized the obedience behaviour of Chinese people and viewed it as a bad habit as it made leaders control over others more easily. The full quotations from these two Chinese directors are provided in Appendix 6.85.

‘On one hand, we need to retain valuable Chinese culture, such as loving peace, harmony, stressing equal dialogue between different cultures, and rejecting pillage and exploitation; on the other hand, we also need to change ourselves to be more open and more proactive.’ (Senior Key Account Manager, Chinese)

‘When Americans promote democracy, affect and reciprocal favour might be largely ignored, but affect and reciprocal favour could obstruct people to reach results. Contributing to collectivist benefits is advocated by Chinese people, but self-interests and individuality might be sacrificed.’ (General Manager, Chinese)

Some of respondents summarized that as there were both positive and negative sides in traditional Chinese culture, neither total negation nor total affirmation was advisable, and development with the progress of eras was always critical as is evident in the following quotes taken from two Chinese executives in the sample.

‘Confucianism has many advantages because Chinese people had been managed very well with it in ancient China, but it also has disadvantages. Confucianism did not seem to be positively developed and changed with the vicissitude of society. That was why Mao Zedong strongly pushed to destroy those conservative and antiquated thoughts and customs. However, entirely extirpating them so quickly was not correct

either. It was impossible uprooting these conservative and antiquated thoughts which have existed for thousands of years in such a big country with the largest population in a short period of time. We do need to keep those positive and valuable essentials of Confucianism and Chinese culture. Chinese people and the government have realized it, and thus the recovery of Confucianism has become the hot topic now.' (General Manager/Operations Director of China, Chinese)

'Confucianism and other schools of thought can be viewed as the essence of Chinese culture, but they also need to develop with the progress of eras.' (General Manager, Chinese)

5.1.1.2 American culture

In response to American culture, almost all the Chinese respondents felt that compared with China, freedom, democracy, individuality, diversity, independency and equality were usually promoted in the US. Since the US is an immigrant country with a short national history, most of the respondents believed that the US has no historical problems and traditions as many as China. This is clearly demonstrated in the following extracts. These findings are consistent with the descriptions on low power distance and high individualism of the US and also suggest one of the probable explanations for the macro and rational leadership styles of American executives. More excerpts are provided in Appendix 6.86.

'Americans grew up under the environment where freedom, democracy, individuality, and diversity tolerance are promoted, so they look more independent and diverse.' (Sales Director of South China, Chinese)

'The US is an immigrant country with the history of only 200-300 years, and democracy and freedom are originally promoted. The relationship between American parents and their children is independent, and, of course, so do others. But the relationship between Chinese parents and their children is very close in China. My father exactly knew how much money I earned and how much my salary was increased, but it is impossible in the US.' (General Manager, Chinese)

Similarly, nearly all the American respondents also believed that diversity, equality,

openness and directness, individualism and freedom were highly valued in American culture as the following quotes demonstrate. More quotes are shown in Appendix 6.87. These comments from both Chinese and American respondents on American culture, therefore, seem helpful to explain why the leadership styles of American executives were often perceived to be more macro and rational, and why American executives looked more ‘vocal’ and more tolerant of different voices, and why they exhibited obvious transformational leadership and more transactional contingent reward.

‘Americans value diversity, individualism and adventure, but in China, I don’t know how much diversity can be accepted when you are trying not to stand out, so I don’t think that goes hand to hand.’ (Director - Marketing and Sales Support, American)

‘As an American, whether the older or younger people they are, I don’t give them more or less respect in business environment. Senior staff position to me, I give them respect based on their positions, but I am not going to give them self-determination of my thought. If I disagree with them, I am going to say “no, I disagree with you” and give them the answers. Americans are a little bit more loose and free, and a little more relaxed.’ (Director of International Materials, American)

It is interesting to note that both Chinese and American respondents believed that there were also positive and negative sides in American culture. Commenting on this, a Chinese financial controller and an American director stated that:

‘I think due to Iraq War and Afghan War, there were many negative news and reports regarding the US, and I believe the American culture has both positive and negative sides.’ (Financial Controller, Chinese)

‘Everything looks perfect and best in the US from outside, and it could be, but once people learn more about the US, they will know many Americans never come out of the US.’ (Director of Supplier Quality, American)

Moreover, as highlighted in the following quote, an American director felt that work ethic and the sense of responsibility in the US was declined particularly among young generations. However, based upon his working experience in China, the sense of responsibility of Chinese young generations was felt stronger than American young

people. In this example, American young generations were described as being rather short-term oriented and would like to get what they wanted quickly without long-term effort. In this sense, therefore, it could provide a probable explanation for why American leaders seemed extremely business oriented and why they tended to exhibit more transactional contingent reward.

'Just from my opinions, the current status of the US, work ethic is not what it used to be, so I see more of what I remember during my time grown up. In China, where the Chinese people I am currently working with, they are doing it in the US last a few years. So it is one of the things that I enjoy, you know goes back to people, who work hard everyday, who are dedicated to what they are doing... In the US, as a manager or supervisor or leader, all we have to be saying "make sure you have to stay today to get this complete"; otherwise, there is a chance they might not be done. In China, it seems a lot more apt to be more responsible at younger age than the US... I don't think young Americans believe that they go to school, get education and once they do that, they should automatically go to the college and get a job, doing whatever they want, making X amount of dollars. I don't see a lot of people who want to go in and say "ok, I need to pay my dos. I need to start here and learn business and then jump right into..." I am from a large family, and I have five siblings there, and I can say that my younger siblings are also examples of this. They skip over this first part where you have to do all the things get dirty, and get to the middle part you are working the way to the top. I think there is heavy emphasis placed on a lot of stuff, things, facts, and people don't work hard to get to these things. People want things now; everything is "now" in the US. There are not a lot of people, who think about five years from now. It's "now". I want a nice car now; I want a nice house now; I want to go on a nice vacation and wear nice clothes now.' (Director - Marketing and Sales Support, American)

5.1.2 Education

In addition to national culture, education was also viewed by nearly all the respondents as another cultural cause leading to the differences in leadership styles between Chinese and American executives. In the following excerpts, it seems clear that Chinese children and students were usually educated to possess certain values and virtues no matter they were in school or family. In this sense, then, collectivism, contribution and commitment to the nation, obedience and loyalty, diligence and

humility were often highly emphasized by both Chinese teachers and parents; however, independence, diversity and creativity appeared to be largely ignored. These findings, therefore, give probable explanations for why Chinese executives were felt to be process/detail driven with close supervision and narrow perspective, and why they tended to emphasize people's feelings and guanxi maintenance. Moreover, these findings are also helpful to explain the divergent perspectives on leadership charisma between Chinese and Americans and why Chinese executives tended to provide specific advices when coaching people but felt uncomfortable for different ideas and viewpoints. More examples can be seen in Appendix 6.88.

'Communism like based on people not thinking for themselves, and Chinese parents, too. The children are always told, you do this, you do that in school, so it is very difficult to develop that level of creativity and be good decision makers. Everyone is looking for someone else to make decision for them, and they don't have to do it.'
(Director of Product Development, American)

'The education system of mainland China emphasizes collectivism and organization but not diversity or individuality. I think diversity and independence might be highly emphasized in the American education system. What I was educated at school before was following leaders and their orders, but not challenging authority. Organization was always emphasized, and people were controlled by personal archives. The existing Chinese education system restrains people's thoughts and destroys diversity.'
(Engineering Director, Chinese)

In response to teaching styles of Chinese societies, a number of respondents believed that they were often one-way, examination oriented, or even spoon-feeding without sufficient interactions between teachers and students. Chinese children and students were perceived not to either feel free to raise questions and discuss problems with their teachers and parents in equal status or express their creative ideas and viewpoints openly and directly. Since Chinese teaching styles were usually seen to serve examination grades, competence and behaviour development seemed to have been largely ignored, and the ability of free thinking and creativity could not be developed either. On the contrary, American teaching styles were often described to be two-way and interactive, and facts, open discussion and direct expression were highly valued. The following examples taken from both Chinese and American

executives in the sample indicate this (please refer to Appendix 6.89 for more examples). These findings, thus, could provide possible explanations for why Chinese leadership styles were often seen as being more micro, and why American leaders were usually felt to be more comfortable and tolerant of different voices from others.

'There are not lot of free thinking. In the class, a teacher does not say "World War II caused by Hitler. Does anybody agree or disagree?" I don't think that happens in China. Teachers are getting better now, but I think the problems stem from not given lot of choices, or being able to express their opinion during schooling.' (Vice President of Procurement, American)

'Chinese parents always warn their children not to do this, not to try that, so the development of behaviours and competences of Chinese children is restrained... What you were told in school was only learning by rote for numerous examinations in order to go to good universities in the future, so there were no many opportunities for Chinese students to develop their own interests. What students learnt was only knowledge for numerous examinations, but not behaviours - the way of thinking and skills.' (People Development Director, Chinese)

'Compared with one-way teaching style of Chinese teachers, American teaching style aims to inspire students to think about things in their own ways, and two-way equal communication is much emphasized, so American students are not restricted by conventional thinking. Chinese usually hesitate to express their ideas straightforward, and they seldom raise questions on the meeting.' (General Manager, Chinese)

Moreover, some of respondents felt that compared with American children and students, Chinese children and students were often criticized by their parents and teachers rather than were encouraged and recognized. Chinese parents and teachers seemed never satisfied with the progress of their children and students, and they always expected continuous improvement and further progress. Though part of Chinese parents and teachers had already realized this problem, they behave unconsciously. Consequently it could also help explain why Chinese executives were often described to supervise their people closely and focus on mistakes and deviations, but why American executives were perceived to exhibit contingent reward more frequently. Specific comments illustrating this are shown below:

'Just like Chinese parents, when their children go to school, everybody gets grade – what position in the class. If the son put his grade from 5 to 3, his parents say “grade 3, you should be number one”. They are not used to that, most of time, they are angry, always pushing. In America, it is very different, come home, they get 99, “good job”, if the grade is number 5, “it’s great, keep it”. Because of that, it transfers to work environment, too.' (Vice President of Procurement, American)

'I sometimes criticize my child unconsciously when I find she does something wrong although I always tell me I should encourage her more in daily life. I always say to my children “you did this or that wrong”, but not say “well done, good job”.' (R&D Director, Chinese)

It is of particular interest to note that Chinese people’s abilities of thinking and judgement were felt by a few Chinese respondents to be highly influenced by the ‘education of Chinese Communist Party’ (党化教育), as a Chinese senior manager commented that:

'Americans are educated with scientific thought in school, but the education system of China is actually “education of party”, so some of Chinese could lack of the ability of judgement. American culture encourages individuality, but in China, the people are always expected to be the same just like from the same mould, and individuality and creativity are often erased.' (Senior Sourcing Manager, Chinese)

However, a number of respondents argued that there has been a positive tendency in education reform in mainland China once more and more Chinese parents and teachers had realized the shortcomings of traditional teaching style and existing education system. In this sense, then, nowadays Chinese students are taught with a more interactive style by which they are encouraged and recognized more frequently. In addition, Chinese students are also able to express their own opinions with more self-confidence. As demonstrated in the following examples, it can not be denied that the gradual change of teaching style and education system could also cause the values changes of Chinese young generations.

'I think the education system of China has become better. In my daughter's squad, the students can elect their squad leader (班长) and squad committee (班委), and the students can do presentation in the class to draw votes, but it was impossible when we were children... My daughter was encouraged to present herself in front of the classmates and the teachers, and now she can organize and chair the squad meeting independently and successfully. When these new generations grow up, their thoughts and concepts could be more westernized and could be quite different from ours. Of course, my thoughts are also quite different from my parents. Culture and values are continuously changing and developing.' (General Manager, Chinese)

'Chinese teachers were usually critical because of Chinese traditional values, but now it has been changing, and more and more people suggest "appreciative education" (赏识教育). When we were students before, keeping modest was much emphasized by teachers and parents. If a student said "I am the best", this student would be viewed as arrogant and criticized by others at that time. Nowadays kids never need to hide their happiness when they are praised by their teachers, and they feel free to speak out "I am the best".' (HR Director of China, Chinese)

5.1.3 Social system

The following evidence suggests that in addition to the cultural causes, one of the situational causes – social system also influenced leadership styles. As the US was usually perceived as a democratic society but China was the society with communist one-party system, the gap in social system between the US and China was felt as one of the factors that made the leadership styles different. Since people were impossible to entirely get rid of the influence of social system, most of the respondents believed that the communist one-party system by which power, authority and control were highly emphasized, still exerted strong influence on the leadership styles of Chinese executives. The gap in social system, therefore, provides another probable explanation for why Chinese leadership styles were often described as being more process/detail driven and more flexible and subjective, and why Chinese leaders looked more reluctant for different ideas and viewpoints but tended to supervise people closely.

'Social system also causes the differences. Democracy is about everybody has right to speak out their opinions, but 25 years ago, speaking their opinions in China may

bring big trouble if you have wrong opinion. So everybody has the same opinion or has no opinion.’ (Vice President of Procurement, American)

‘In China, supervision of power and authority has been out of control. Due to one-party dictatorship, the government can do anything they want to do. These concepts have exerted strong influences on the people, even on the Chinese executives working for American companies.’ (HR Director, Chinese)

Unsurprisingly, from the following examples provided in the interviews, since economics of China was often felt to be controlled and managed by a ‘tangible hand’ – one party rule in politics, being associated with the Chinese government and politics seemed inevitable when doing business in mainland China. However, this kind of situation appeared to continuously puzzle American executives working in mainland China. Hence it could be helpful to explain why Chinese executives tended to attach great attention on guanxi maintenance with Chinese government.

‘The China experiment in market driven economy has proven that you can have both politics and business pretty well, and you can have a one party rule in politics and have a competitive market driven kind of thing here working in a business side. Americans just don’t understand that... In China, it is not the same kind of links into business, and it is totally different in structuring management oversight in the US from government standpoint. In China, there are a lot of internal links controlling the foreign currencies, controlling production volumes or recommendations. The Beijing Olympics is a good example. How can you close factories for three or four months? It could improve the air quality, but how these factories can be still alive. It is amazing to me those things can happen. Because of one party rules and directions, they can achieve that. I think that’s the tough thing as an American or a Chinese when working in business in China, you will struggle with that.’ (Director of International Materials, American)

‘In China, the government uses the “tangible hand” – government control, to manage economy; in contrast, in the US, they use the “intangible hand” – market, to adjust economy. Either overemphasizing government intervention or overemphasizing free market might lead to extreme.’ (Operations Director of China, Chinese)

Furthermore, as the following excerpts illustrate, due to the poor social security

system of mainland China, Chinese people often looked very worried about their job security and future and seemed more money hungry as well. In this sense, thus, it could explain why some of Chinese employees were described to expect benevolence of their Chinese leaders, and why Chinese leaders appeared to provide comprehensive consideration to their people but seemed cautious of their people's development.

'There is no future security here. If you loose your job here and don't find another one, you are not going to eat and pay the house, so you really need to keep your job, or you must collect cash as much as you can and try to move on. In the US, there is a little different. There is resource security, and if you are really death broke, the government will take care of you.' (Director of Product Development, American)

'Especially in China, where the social security system is not in place, people have a strong sense of insecurity. Moreover, laws are not enforced very well, and the cost of breaking the law is relatively low. Therefore Chinese people have such an impulse to break the law and ignore ethics.' (Operations Director of China, Chinese)

When asking the attitudes towards the gap in social system between the US and China, the respondents' views were also divergent. Some believed that American social system had more advantages. In the following example, a Chinese operations director stated that democracy, the legal system and self-correcting mechanism were the advantages of American social system, and thus the US would be recovered from this financial crisis very soon. He further stated that, in mainland China, most of decisions were only made by a few people or a certain small group of Chinese central government without open discussion for the opinions of the majority. Therefore, once these decisions were incorrect, Chinese people had to suffer a lot. Similarly, an American director also expressed his dissatisfaction on the existing social system of mainland China. According to this American director, though China was a so called 'socialist country', Chinese people looked rather capitalistic and materialistic, but only certain people had more opportunities to earn money and enjoy the existing social system. He felt that most Chinese people's rights and interests did not seem to be duly protected and guaranteed although they created values and paid tax to the country. The full quotation from this American director is presented in Appendix 6.90.

'The strength of the US is that there is effective self-correcting mechanism based upon democracy and the legal system. That is the big advantage. But in China, all the critical decisions are only made by a few people or a certain small group. Once their decisions are wrong, all the Chinese people have to suffer. I believe the US will recover from this financial crisis very soon and adjust their way with improved supervision and control system. The US can place the problems of the financial crisis on the table for a world wide discussion, but I don't think Chinese government dares to do that. The differences in democracy between China and the US are not about whether or not there is democracy in China or the US, but about whether or not the democracy is sufficient and how many people can get involved in open discussion. The democracy only for a small group of people is not a real democracy but is just for the interest allocation.' (Operations Director of China, Chinese)

However, some argued that American social system also had its own problems, and the US was never as perfect as people usually thought as the realities could be distorted and exaggerated as indicated in the following quotes.

'When I communicated with some American colleagues, they said they were also very disappointed with those politicians because they usually propose their appealing visions and suggestions for the future to attract more votes, but they often don't walk what they talk once they win the election campaign.' (Senior Commodity Business Manager – Global Purchasing Materials & Components, Chinese)

'Society is not pure, where many things are exaggerated, distorted, and reflected. What we learnt about the US might be distorted as well, and just like my current American boss said "superstructure of the US is also very foul".' (Director of Global Supplier Quality, Chinese)

In addition, commenting on command economy, a Chinese financial controller stated that due to nowadays technology, it had become more possible to realize and implement command economy more effectively, and an appropriate convergence of market economy and command economy could be a better way to avoid and cope with financial crises. He believed that according to the actual situation of China, once the policies and strategies were advisable, the existing communist one-party rule could be more efficient than any other types of social system. Similarly, another

Chinese senior manager also believed that total westernization had been approved inappropriate for China, and any schools of thought including Marxism or Communism had their own historical limits, and thus the claim of ‘Socialism with Chinese characteristics’ seemed suitable for China. Though some individuals may be dissatisfied with the current situation of China, the whole nation had been developed a lot. The full example is provided in Appendix 6.91.

‘Actually I thought over market economy and command economy before. I found many things could not be controlled by socialist command economy without internet and computers, and people could not manage every single country town and village before, but now the modern technologies and internet can support command economy for further improvement. Wal-Mart, for example, is just using these modern technologies to manage and allocate all resources world wide. So I believe an appropriate convergence of planning and certain level of competition could be a better resolution to avoid finance crises, and either pure command economy or pure market economy is not the ideal approach. From a static perspective, I believe due to the communist one-party system, the approach to manage and control the resources in China could be much more efficient than other countries. In the current phase, the government of China could be more effective to make policies and develop strategies for successful implementation only if these policies and strategies are correct and appropriate.’ (Financial Controller, Chinese)

However, it can not be denied that despite the existing social system of China and the economic achievements, the Chinese people, especially the middle class’ claims on institutions, politics, human rights, citizen rights and individual interests could not be neglected, and more and more Chinese people expected and called for political reform in mainland China. These feelings were described in following two excerpts.

‘But for middle class Chinese people, they most expect equality, fairness, democracy and law.’ (Senior Program Manager, Chinese)

‘However, with 30 years’ reform and open door policy, there are no famous Chinese scholars in the fields of thought and culture. Even though material conditions have been improved a lot, the thought and human rights of Chinese people are shackled. Particularly for the group of people like the middle class indeed have the needs of

equality and freedom, and expect to have opportunities to voice ourselves. These people indeed expect further improvement of equality, fairness and institutions. At present, we have no any opportunities and channels to fulfil these needs. The reform of the government is far behind of the economic development, and I believe they need to be more forward looking but not simply control and ban the Chinese people's needs of politics and human rights.' (Senior Commodity Business Manager – Global Purchasing Materials & Components, Chinese)

5.1.4 Disparities in positions and resources, economic base, and value chain

5.1.4.1 Disparity in positions and resources

The disparity in positions and resources was identified as another situational factor causing the leadership differences between Chinese and American executives. As illustrated in the following quotes taken from two Chinese respondents, American executives usually occupied relatively higher positions with more power and resources in American companies; conversely, Chinese executives' positions were relatively lower. Even if their positions were similar, compared with Chinese executives, American executives seemed to possess more power and resources. In this sense, thus, American executives appeared to be able to focus more on the whole picture and strategies but have less opportunities to get involved into details and execution; in contrast, Chinese executives seemed more partial picture and execution focused. As turning strategies into reality appeared to be the crucial role of Chinese executives, in the course of implementation, their involvements into details were needed.

'I think it also relates to positions and resources. I mean most of American executives are usually at higher levels in organizations, so they are impossible to look at too many details. But Chinese executives are at relatively lower levels, and that's why they are able to pay more attention to details.' (Senior Quality Manager of Asia, Chinese)

'The position levels of most of Chinese executives working for American companies are usually lower than those of American executives who usually possess more power and resources. Even if their positions are similar, American executives tend to be sufficiently delegated by the corporate. The role of Chinese executives usually focuses

on implementing the strategies developed by the head office of China or the corporate in the US, and turning these strategies into reality. Chinese executives have to get involved in details and process much more than American executives and exert great effort to achieve the objectives.’ (HR Director of China, Chinese)

As demonstrated in the following examples taken from two Chinese respondents, though American companies always depended upon Chinese executives to execute strategies in China, American executives seemed to be delegated by the corporate more sufficiently than local Chinese. Chinese executives, therefore, had to work much harder than Americans to establish their leadership credibility in the organization. In this sense, then, this could provide another explanation of hard working and execution focused behaviour of Chinese executives.

‘When I proposed a suggestion for a serious quality problem, they were doubt about it and sent two American engineers to China to verify the effectiveness. If these American engineers were rather competent, they should tell me how to solve it, yet they had no any solutions. Americans are not confident with Chinese expertises even if Chinese expertises are able to provide more effective solutions for difficult technical problems.’ (Senior System Quality Manager, Chinese)

‘I find those Chinese executives, who are at top positions, often have to work much harder than Americans to establish their credibility in front of their American leaders; however, those Americans don’t work too hard because they are appointed to China with great authority and superiority... Anyway I had to solve actual problems.’ (Director of Global Supplier Quality, Chinese)

In addition, in the following quotes, two Chinese respondents explained that, when American executives possessed real power and substantial resources but Chinese executives looked rather reluctant to provide sufficient support and resources to their people, the people could feel their Chinese leaders to be less authoritative and charismatic.

‘One of my colleagues said “the big boss (Chinese) looks funny. At the beginning, he said a thing A, but the thing became B later, and finally turn to C.” I mean he wanted to do thing A, but finally he had to do thing B or C because many final decisions will

be made by Americans but not him. It is not easy for Chinese executives to survive in American companies as they have no real power.' (HR Director of China, Chinese)

'Chinese subordinates are always supported by their American leaders with sufficient resources; in contrast, Chinese executives sometimes look reluctant to provide sufficient support or resources. On one hand, they are usually not delegated with sufficient resources and power by the corporate; on the other hand, when they newly join a company, they need to exert much more efforts to build up their leadership credibility.' (Senior Key Account Manager, Chinese)

5.1.4.2 Disparity in economic base

The disparity in economic base between China and the US was suggested by a few Chinese respondents as the root cause of the differences in leadership styles between Chinese and American executives. Commenting on this, two Chinese respondents stated that:

'I believe economic base is the critical cause leading to the differences in leadership styles. Just like two trees, one trunk of which is straight, and the trunk of the other is curve, but we can not say the fruits of these trees are different because the trunks we have seen are different. As a matter of fact, the differences in roots and nutrition result in the differences in fruits.' (Senior Quality Manager of Asia, Chinese)

'Chinese and Americans are in different macro situations including economics and politics. The US is a super state which consumes 45% energy of the world but with only 3% of population of the world; in contrast, China has a population of 1.3 billion, but only consumes less 10% energy of the world.' (Finance Director of China, Chinese)

A Chinese senior quality manager of Asia firmly believed that China had been rather poor, and limited resources and substance were usually controlled and allocated by authorities; therefore these authorities used their power to control over people for their own interests, but the ordinary people had to be submissive for survival. The findings might reveal a probable cause of why Chinese executives tended to be cost conscious and intolerant of deviation but supervise people closely. It could also help to explain

why Chinese followers appeared to follow instructions from their leaders, and why individualism and freedom were not emphasized in China. In addition, it seems helpful to explain why Chinese executives tended to provide comprehensive consideration to their people, and the Chinese people also expected benevolence from their leaders. Commenting on the disparity in economic base between China and the US, this Chinese senior manager stated that:

'Since the US is a developed and rich country, what Americans are thinking about is solving problems smoothly and making people happy but not those little money spent... The leadership style of Chinese managers is micro because China was a very poor country before, and many Chinese lacked of enough foods, clothes and security... The Chinese, who had power and authority, controlled and managed most of resources and substance, and they decided how to allocate them, so ordinary people had to be submissive. That's why many Chinese subordinates are still used to following orders from their leaders, but individuality and freedom are not emphasised very much. In the US, the population is not large, but the resources are so abundant that they do not need to depend upon superiors or authorities at all... Most of Chinese executives also grew up in an environment shortage of substance and security. That's why they often care about each other.' (Senior Quality Manager of Asia, Chinese)

In addition, some of Chinese respondents believed that one's self-confidence also reflects the economic base and national power of a country where he/she grew up and lived. Due to the gap in economic base between China and the US, compared with Chinese executives, American executives were often perceived to be more convinced and self-confident when communicating with others. These feelings were described in the following extracts. Therefore it could help to explain why charismatic American leaders were usually described as good 'talkers' with powerful presentation skills, convincing speech ability, as well as mature selling technique.

'People's self-confidence sometimes depends upon whether or not their country is powerful and strong enough. The modern history of China was a record of subjection to aggression, dismemberment and humiliation by foreign powers; hence Chinese people could not become confident unless China becomes stronger... Americans and

Europeans usually look more confident just because of the stronger economic base and certain advantages of their nations.’ (HR Director of China, Chinese)

‘Due to the social environment, economic base and positions, some of Chinese executives may have a feeling of inferiority. Some of them don’t feel free to express themselves confidently and speak up what they think and communicate with others straightforward.’ (Operations Director of China, Chinese)

5.1.4.3 Disparity in value chain

Another interesting finding derived from the responses from a few Chinese respondents was concerned with the disparity in value chain between China and the US. The following example taken from a Chinese director of global supplier quality implies that a big majority of the foreign ventures invested in mainland China were labour-intensive. As the biggest developing country in the world, China was usually located at the lowest position in the whole value chain, such as low-value-added manufacturing; in contrast, the developed countries, such as the US, usually occupied the highest position in the whole value chain and creamed off the highest profits. Hence it provides another possible explanation for the micro leadership style of Chinese executives.

‘Many American and European labour-intensive enterprises are based in mainland China... Many Asian countries are in the exactly same situation because most of the labour-incentive industries, which are at the lowest position of the whole value chain, are based in Asia. Using a two-dimensional coordinates, you could find that the developed countries are distributed in the area of high value in the whole value chain, but the developing countries are distributed in the area of low value. Under the actual circumstance, doing comparison in culture, institutions, society systems, and leadership styles could be rather complex.’ (Director of Global Supplier Quality, Chinese)

In the following excerpt, this Chinese director further used a metaphor to make comparison between the professionals working in the finance centre of Shanghai and the construction workers for Beijing Olympic Games to explain the disparity in value chain between China and the US. In this sense, thus, the differences in leadership

styles between Chinese and American executives also somewhat reflect the unequal status in value chain between China and the US.

'The manufacturing in mainland China is low-value-added and is at the lowest status in the whole value chain. It might be appropriate that talking about "elegance and courtesy" with the people working in Lujiazhui (the finance centre of Shanghai), but it could be inappropriate for those working in construction sites for Beijing Olympic Games because of underlying unequal status.' (Director of Global Supplier Quality, Chinese)

5.1.5 Leadership and management maturity

The following evidence suggests that leadership and management maturity was another possible cause of the differences in leadership styles between Chinese and American executives. There were three explanations for why American executives' leadership and management styles were perceived to be more mature than Chinese executives. First, the contemporary leadership and management concepts and theories were derived from Europe and the US, and there was still a big gap in academic study on leadership and management between China and the US. American executives, therefore, had more advantages in learning and practising these leadership and management concepts and theories. Second, along with industrial revolution and hundreds years of Capitalism development, institutions, management systems and infrastructures, and people's concepts on leadership and management in the US and European countries had been much more mature than in China. The third possible explanation might lie in professionalism development. American executives were usually felt to be more professional with substantial practices and experiences in leading and managing people. However, due to only 30 years' professionalism development of Chinese managers, the gap in professionalism between Chinese and American managers still seemed wide. More quotes can be seen in Appendix 6.92. Therefore it is another probable explanation for why the leadership styles of American executives were usually felt to be macro and rational, but why the leadership styles of Chinese executives were often rated as being micro and perceptual.

'The capitalist economics and management and leadership theories in Western countries have been developing for many years, but China has been an agricultural

society for thousands of years without experiencing industrial revolution. Chinese executives' concepts on contemporary management and leadership are not as solid as American or Western executives'.' (HR Director of China, Chinese)

'Along with many years' industry development, there are many guild regulations or common practices in the US and Western countries, yet these have been not fully developed in China. Even though China is so called "the manufacturing centre of the world", its management systems and infrastructures are not as mature as the developed countries'. Without strong infrastructures, the differences in fundamental consensus on matters and working styles between Chinese and American executives are still significant... We still have many things to improve at national level.' (Director of Global Supplier Quality, Chinese)

'Generally, there is still a gap in management concepts and theories between Chinese and American managers because the professionalism of Chinese managers in mainland China has been developed for only 30 years.' (General Manager, Chinese)

5.1.6 Understanding of China

In response to the main causes of the leadership differences between Chinese and American executives, understanding of China was felt by some of the respondents as another probable one. The following examples taken from two Chinese executives in the sample imply that American executives were usually seen as being less familiar with the culture, actual situation and business practices of China, and therefore they usually relied on Chinese executives for execution without excessive intervention into details, and there often was a clear separation between American leaders and Chinese subordinates. On the contrary, as Chinese executives seemed quite familiar with China, they tended to provide specific instructions and suggestions to their people with excessive intervention. However, the relationship between Chinese leaders and followers was often seen as being close. Therefore it is helpful to explain why the leadership styles of Chinese executives were usually felt to be micro and perceptual.

'When American executives come to China, they know a little about China, so they have to adapt to local culture and rely on local management to help them execute and realize the vision and strategies.' (Finance Director of China, Chinese)

'American executives couldn't propose better suggestions without good understanding of the market and actual practices of China, so they would rather accept the suggestions or proposals from Chinese subordinates to make decisions... As Chinese executives may think they are quite familiar with and deeply understand of the actual situation of China and Chinese people, they often ask their subordinates to follow their ideas and instructions.' (Senior Key Account Manager, Chinese)

The incidents described by two Chinese respondents in the following quotes indicate their feelings once they realized that American executives were actually not familiar with local culture, actual situation and business practices but often relied on Chinese managers in the course of execution. More quotes are shown in Appendix 6.93.

'Once my American leader came to China, he established the framework for future work, but he had to rely on us to fulfil it. He had to depend upon Chinese managers to execute many things, such as XXX system, the cooperation between IT and finance etc. Moreover, he did not know anything about local taxation, but Chinese people can execute very well with his direction. Of course, sometimes we also need to remind him of what he wants to do is incorrect or unsuitable for local practice.' (Finance Director of China, Chinese)

'I don't think the American director understands the actual conditions of China. He did not seem to realize that the approval procedure of Chinese government is rather complex. The agreement he negotiated and signed with the agent just covered certain changes in business scope and approval by foreign economic and trade commission... He looked very angry and felt he was cheated when he realized the agent did not complete the entire case.' (Finance Manager of China, Chinese)

5.1.7 Interaction between leaders and followers

From the following examples provided in the interviews, personal values, personalities and working styles between leaders and followers were often felt divergent, and thus the compatibility between leaders and followers' values, personalities and working styles was usually viewed crucial to leadership success. Once leaders' and followers' personal values, personalities and working styles were

coincident, the leadership usually seemed more effective, and followers appeared to be more satisfied with their leaders and might have better career prospects.

'I think the compatibility between leaders and followers' values and working styles really makes a difference... Working with leaders whose working styles are similar or compatible with the subordinates' is critical for leadership effectiveness and career development. Once both a leader and a follower are doers, they will hit it off (一拍即合). If a leader is a talker (doer), but a follower is a doer (or talker), it usually leads to bad results.' (Senior Manager – Production Development, Chinese)

'Chinese employees are various, and the leadership could be more effective when the personalities, values and manners between leaders and followers are coincident.' (Finance Analysis Manager, Chinese)

In this sense, then, some felt that the interaction between leaders and followers inevitably related to competition pressure and mutual trust between them. Due to the short tenure of American executives in China, there seemed to be no serious concerns about competition pressure and mutual trust between American leaders and Chinese followers. However, as some of Chinese executives appeared to worry about their job security, these concerns seemed more serious between Chinese leaders and followers. That could be helpful to explain why the leadership styles of Chinese executives were often seen as being micro and perceptual.

5.1.7.1 Competition pressure

Due to fierce competition in China, job security seemed to worry both Chinese leaders and followers. Some of Chinese executives believed that once they lost control of their people, their people would probably have power to control over them or surpass them, and thus their career prospects could be damaged. The fear of loss of control might help answer why Chinese executives tended to supervise people closely but seldom recognize people in public, and why Chinese executives were seen as being process/detail driven and being reserved and deliberate. This is clearly demonstrated in the following extracts. Please refer to Appendix 6.94 for more extracts.

'Due to the big population and limited resources, the competition in China seems more fierce than in the US or Western countries. That's why Chinese always focus on the areas for improvement but not recognition. However, Americans pay more attention to personal life and how to enjoy life, and they tend to look at what have been done well. I think that's the cause of the differences in reward and recognition between Chinese and American leaders.' (R&D Director, Chinese)

'The reality is that Chinese have to think about results carefully before making any decisions. If there are only 100 million people in China, the situation could be totally different, but the competition is rather fierce because of the large population in China. They have to be very deliberate and cautious on everything. But it does not mean they have no their own ideas and viewpoints. They are just not willing to come into direct conflicts with others.' (Financial Controller, Chinese)

5.1.7.2 Mutual trust

Another finding derived from the interviews was related to the mutual trust between leaders and followers. The following two examples imply that once Chinese executives were not confident of their people's abilities or did not trust their people, they appeared to be more cautious of details and deviations from their instructions and tended to interfere in their people's jobs more frequently and supervise people more closely. This seems accordant with Hersey and Blanchard's (1982) situational leadership by which the prescribed leadership style is contingent on follower maturity. In this sense, then, mutual trust is another probable cause for the micro leadership style of Chinese executives. Another example taken from a Chinese HR director is provided in Appendix 6.95.

'Another reason of the micro leadership style of Chinese executives is that Chinese executives are not very confident about their people's abilities, and thus they not only give their people directions but also tell them what they exactly need to do to achieve objectives.' (Financial Controller, Chinese)

'I believe the Chinese general manager didn't trust the sales director very much and tended to make all the decisions by himself. What most frustrated the sales director was that the general manager seldom communicated with him but often contacted his subordinates directly for any information. The sales director felt he

was only a figurehead in sales and then decided to leave the company.' (Director of Supply Chain, Chinese)

5.1.8 Language

The following evidence gathered from both Chinese and American respondents illustrates that language was viewed as the communication barrier between American leaders and Chinese subordinates, and it sometimes caused misunderstanding or confusion between them. Due to the language barrier, Chinese staffs were probably not able to express themselves freely and raise questions and discuss problems in English with self-confidence. However, some believed that Chinese staffs would be more open, straightforward, and confident when communicating in Chinese. The language barrier, on the other hand, was seen to disable American executives from communicating with Chinese staffs more frequently and effectively and from getting involved in the details. In this sense, then, Chinese staffs were probably seen by American executives as being reserved and not open. This may also help explain why American executives were often felt by Chinese staffs as being business oriented without close relationship with Chinese people. More quotations can be seen in Appendix 6.96.

'Some have language barrier to express them self... communication in English is probably part of confusion. So if you start out with some basic on primary sentences, subject nouns, verbs, and try to get the basic understanding and ask them the basic, what, why questions, and then you will do much better. In American business, we will ask three or more questions in one sentence, and I can imagine if you are sitting and talking to me in simple Chinese, I can understand a little, but if you ask me three questions in one second, I will be also confused because I only heard the first verb and interpreted it and understood. So that's the tough part.' (Director of International Materials, American)

'The disadvantage in language is another reason of why Chinese do not speak out, and it affects Chinese executives' self-confidence. When Chinese executives are presenting in Chinese, they often look much more confident.' (HR Director of China, Chinese)

As English language has been strongly associated with the appropriation of particular discourses, the ability to speak English creates advantages for English speaking international managers (Tietze, 2008). Particularly, though some of Chinese staffs were indeed rather competent and creative, once they were not able to communicate in English fluently, their leadership, functional or technical competencies were probably underestimated. Conversely, the ones who had good command of English were often seen as being more competent and intelligent. Some of the respondents, therefore, argued that it seemed unfair to equate one's English ability with his/her competencies. The following examples taken from both Chinese and American executives in the sample indicate this.

'The challenge of American managers, when they come over here, is they have to go through the language barrier because when managers and engineers can speak to you in English, you assume they know more. Once they can't speak English, they don't sound of intelligent, yet we have to realize just because they can speak English doesn't mean they are smarter than those who can't speak English... I work with a lot of good engineers, and they can't speak English very well, but they are very smart and work very hard. They are good employees.' (Director of Product Development, American)

'As many Chinese staffs could not communicate their ideas fluently in English, they sometimes look more introverted when communicating or discussing some topics in English. They were afraid of losing face in terms of any inappropriate ideas or behaviour. Some of Americans, hence, might view those Chinese people as stupid, but they always had their own significant ideas and opinions in their minds and strong learning ability.' (General Manager, Chinese)

5.1.9 Tenure

The following examples taken from both Chinese and American executives in the sample imply that when American executives were transferred to China with short tenure, it appeared to cause their certain leadership styles and behaviours quite different from Chinese. As American executives usually returned to the US or other European countries with promotion after several years' working experience in China, it seemed unnecessary for them to focus on the long-term business success in China

and maintain close relationship with Chinese people. Chinese subordinates, therefore, could feel unstable or insecure when working with them. In particular, once American executives came to China on contracts, they were often seen as being rather aggressive to push people to achieve certain business objectives. In this sense, thus, it provided another probable explanation for why American executives were usually described as being business focused with short-term orientation, and why there was no close relationship between American leaders and Chinese staffs.

‘American executives could view the working experience in China as a springboard as they will be promoted in several years. When they come to China on this purpose, their leadership styles will be quite different. Job rotation between different countries is the common practice of this company. These American executives are usually rotated by every four years, and they may be promoted to higher positions with larger scope of responsibilities when moving to other countries.’ (Senior Commodity Business Manager – Global Purchasing Materials & Components, Chinese)

‘American executives might only stay in China for three or four years, and then they go to the US or European countries for other higher positions. For them, it is unnecessary to keep special relationship with Chinese staffs or play political games. When you work with American leaders, the bad thing is that you might feel unstable because of their short tenure.’ (Sales Director of China, Chinese)

‘When some of American executives come here on the contract visas, they need to achieve certain objectives before they can go back to their home country. When they go back to their home country, they want to be promoted. They will be very aggressive for how to achieve that objective, so you’ll see that in these three years. I am going to really push to get that objective because that’s going to be my record.’ (Vice President, American)

In this section, a number of cultural and situational factors resulting in the differences in leadership styles between Chinese and American executives working for American companies in mainland China have been discussed. These probable causes have been summarized in *table 5.1*. First, it is not surprising that as cultural causes, national culture and education are shown to closely link to all the differences in leadership styles between Chinese and American executives. *Table 5.2* further presents the

linkages between Chinese leadership styles and Chinese cultural elements. The findings of the study have shown that these Chinese cultural elements appear to be somewhat in accordance with the Chinese cultural characteristics described in the culture studies, such as high power distance, collectivism and long-term orientation (Hofstede, 2001; Hofstede & Hofstede, 2005), and particularism, communitarianism, neutrality, diffuseness, ascription, external control and future orientation (Trompenaars & Hampden-Turner, 1997). However, these cultural dimensions seem inadequate to provide an entire picture of Chinese culture and comprehensively explain the relationship between Chinese culture and the leadership styles of Chinese executives. Due to the complexity of Chinese culture, the Chinese cultural elements have been used to discuss the cultural causes of the leadership styles of Chinese executives. As indicated in *Table 5.2*, Confucianism has linkages with all the components of Chinese leadership styles. It seems that Confucianism still plays the most important role in Chinese culture. Second, it is also evident that some of situational factors, including social system, leadership and management maturity, and disparities in positions and resources, economic base and value chain are demonstrated to closely relate to all the components of micro leadership style of Chinese executives and macro leadership style of American executives as presented in *table 5.1*. Third, *table 5.1* shows that social system and the interaction between leaders and followers are also closely relating to all the components of perceptual leadership style of Chinese executives and rational leadership style of American executives. Furthermore, social system and leadership and management maturity are also found to closely concern with the differences in transformational and transactional leadership styles between Chinese and American executives. Last, as *table 5.1* illustrates, the situational causes, such as understanding of China and language, appear to somewhat relate to the differences in leadership styles between Chinese and American executives, but tenure does not seem to have direct linkage with micro and macro leadership styles.

DIFFERENCES IN LEADERSHIP STYLES		CULTURAL CAUSES		SITUATIONAL CAUSES						
CHINESE EXECUTIVES	AMERICAN EXECUTIVES	NC	ED	SS	DPE	LMM	UC	ILF	LA	TE
<i>Micro leadership</i>	<i>Macro leadership</i>									
- Process/detail driven	- Direction/result driven	X	X	X	X	X	X	X	X	
- Close supervision	- Loose supervision	X	X	X	X	X		X		
- Narrow perspective	- Broad perspective	X	X	X	X	X	X			
<i>Perceptual leadership</i>	<i>Rational leadership</i>									
- Emphasis on people's feelings	- Emphasis on business results	X	X	X	X		X	X	X	X
- Guanxi maintenance	- Clear separation between business and people	X	X	X			X	X	X	X
- Flexibility	- System and mechanism	X	X	X		X		X		
<i>Transformational leadership</i>	<i>Transformational leadership</i>									
- Modest idealized influence as good 'doers'	- Obvious idealized influence as good 'talkers'	X	X		X	X			X	
- Perceptual and contextual concept on ethics	- Rationalist and rule following concept on ethics	X	X	X						
- Modest inspirational motivation	- Obvious inspirational motivation	X	X	X	X	X		X		
- Modest intellectual stimulation	- Obvious intellectual stimulation	X	X	X		X	X	X		
- Individualized consideration in private	- Individualized consideration at workplace	X	X	X	X	X	X	X	X	X
<i>Transactional leadership</i>	<i>Transactional leadership</i>									
- Less contingent reward	- More contingent reward	X	X		X	X		X		X
- More management-by-exception (active)	- Less management-by-exception (active)	X	X	X	X	X	X	X		

N.B. NC – National culture

DPE – Disparities in positions and resources, economic base, and value chain

ILF – Interaction between leaders and followers

ED – Education

LMM – Leadership and management maturity

LA – Language

SS – Social system

UC – Understanding of China

TE – Tenure

Table 5.1: Probable causes resulting in the differences in leadership styles between Chinese and American executives

LEADERSHIP STYLES OF CHINESE EXECUTIVES	CHINESE CULTURAL ELEMENTS					
	CONFUCIANISM	LEGALISM	TAOISM	FAMILY CONCEPT/ GUANXI	CENTRALIZED GOVERNANCE	ANCIENT STRATEGIES
<i>Micro leadership</i>						
- Process/detail driven	X	X			X	X
- Close supervision	X	X			X	X
- Narrow perspective	X				X	
<i>Perceptual leadership</i>						
- Emphasis on people's feelings	X		X	X		X
- Guanxi maintenance	X		X	X		X
- Flexibility	X		X	X	X	X
<i>Transformational leadership</i>						
- Modest idealized influence as good 'doers'	X		X		X	
- Perceptual and contextual concept on ethics	X		X	X		
- Modest inspirational motivation	X		X		X	
- Modest intellectual stimulation	X	X	X	X	X	
- Individualized consideration in private	X			X		
<i>Transactional leadership</i>						
- Less contingent reward	X		X			
- More management-by-exception (active)	X	X			X	X

Table 5.2: The linkage between Chinese cultural elements and Chinese leadership styles

5.2 Main Causes of the Similarities in Leadership Styles between Chinese and American Executives

This section considers the responses to questions concerned directly with the main causes of the similarities in leadership styles between Chinese and American executives. American corporate culture influence has been identified as one of the critical factors, and the influence of American (or Western) management theories was also highlighted to be closely linked to these similarities. Relevant comments are fully explored and discussed in this section.

5.2.1 Corporate culture influence

Nearly all the respondents believed that the influence of American corporate culture was one of the major factors causing the similarities in leadership styles between Chinese and American executives and the Americanization of Chinese executives' leadership styles. In the following excerpts taken from two respondents, it is clear that the candidates were usually assessed by the people selection and assessment process of American companies so that the right talents who fitted well within the corporate culture and requirements were identified and selected. American companies' training and people development system also played an important role in the Americanization of Chinese executives' leadership styles. More excerpts are shown in Appendix 6.97.

'I think the people hired in foreign or American companies especially in the big companies are through the process of company's selection and evaluation and are becoming similar with American managers.' (Vice President of Procurement, American)

'There are over 30 plants in mainland China invested by the company, but I find the leadership styles of all the leaders of these plants are very similar. After all, these talents have been identified, assessed, and developed based upon the core values of the company.' (Director of APSCO, Chinese)

Moreover, the following examples taken from two Chinese respondents imply that there were usually specific requirements and expectations on business objectives, core

values and behaviour norms, ethical code of conduct, system and procedures, as well as leadership competencies in the large American companies. In this sense, then, no matter Chinese executives agreed with these requirements and expectations or not, it seemed advisable for them to adjust their leadership styles and behaviours to meet the requirements and satisfy the expectations for their career prospects. Please refer to Appendix 6.98 for more examples.

'These big American companies are really result oriented and always expect quick business returns. The shareholders always want to earn money as quick as possible and could not bear the executives who can not deliver results and make profit for the company. Both American and Chinese executives usually comply with local law, regulations, company policies and ethical conduct because breaking them perhaps leads to disastrous consequences for the company.' (HR Director of China, Chinese)

'Both of them could be influenced by the corporate culture when working for American companies, and some could also change or adjust their leadership styles and behaviours. If one expects great career development in an American company, he/she must have a strong identity with the company and satisfy the company's expectations on integrity, code of conduct and behaviours etc. I think my leadership style was also adjusted accordingly. In American companies, I need to think about things more independently, and I can achieve the expected results if I take ownership and work hard.' (Quality Director of Asia, Chinese)

However, it seemed clear that though Chinese executives probably adjusted their leadership styles and behaviours to meet American companies' requirements and to satisfy the expectations, their personal values and beliefs appeared to be rather difficult to change as is evident from the following examples taken from two Chinese executives in the sample. Despite the changes of Chinese executives' behaviours, their core values and beliefs and unique personal characteristics probably remained unchanged.

'On one hand, Chinese executives work according to the company's rules; on the other hand, Chinese executives, particularly those top guys still attempt to remain their unique characteristics consistent with their core values. People hold different core values, but it is very important to keep their behaviours consistent with the

company's requirements. But it must be very difficult to totally change people's core values and beliefs; otherwise, they are just puppets.' (General Manager, Chinese)

'They may change their behaviours in order to match the corporate culture and expectations, but the personal values, concepts and mindsets will be never changed easily.' (HR Director of China, Chinese)

5.2.2 Influence of American and Western management theories

The following responses taken from two Chinese executives in the sample illustrate that in addition to the influence of corporate culture, the influence of American (or Western) management theories was also identified as another key factor causing the leadership similarities between Chinese and American executives. As most of the contemporary management and leadership concepts that Chinese executives were taught and learnt were derived from American (or Western) management theories, and more and more Chinese executives were educated in the US and Europe, it was not surprising that in the era of globalization, their leadership styles could become Americanized or westernized.

'The large majority of management and leadership theories are from the US and Europe, and the mainstream concepts and theories on management and leadership worldwide appear to have become more similar. With China's reform and opening-up and the impact of internet and global media, more and more Chinese people can easily access the American and Western culture, and more and more Chinese executives have been educated abroad.' (HR Director of China, Chinese)

'Once I find my leadership style doesn't suit Western management and leadership theories and concepts and doesn't fit the company's requirements, I tend to adjust my leadership style in the job.' (HR Director, Chinese)

5.3 Summary

In this chapter, consideration of the findings that relate to the cultural and situational causes of the differences and similarities in leadership styles between Chinese and American executives has been made. These findings suggest that there are a number of limitations in the leadership literature. In particular, the findings from the cases

indicate that much of the leadership literature usually focus on a single aspect or variable influencing leadership styles. Many of the arguments on leadership differences appear to focus on cultural differences; however, due to the complexity of Chinese culture, previous studies on cultural dimensions seem inadequate to provide an entire picture of Chinese culture and comprehensively explain the relationship between Chinese culture and the leadership styles of Chinese executives. The findings further demonstrate that there are rather limited literature on the situational causes, such as leadership and management maturity, and disparities in positions and resources, economic base, and value chain. Furthermore, the findings also highlight that language, tenure, understanding of local culture, as well as the interaction between leaders and followers probably also influence the leadership differences. Nevertheless, due to the influences of corporate culture and American (or Western) management theories, the probability of leadership convergence has been highlighted.

Chapter 6 ADMIRER LEADERSHIP STYLES IN AMERICAN COMPANIES IN MAINLAND CHINA

6.0 Introduction

This chapter analyzes the materials that are concerned with the admired leadership styles in American companies in mainland China, and a number of relevant findings are explored and discussed. It begins with looking at the general view of leadership styles of Chinese and American executives. Willingness to follow Chinese or American leaders, culture adaptability, the trend of localization, as well as individual differences are also discussed in detail in the first section. Next, the respondents' suggestions on the leadership styles of Chinese and American executives are explored respectively in the second and the third section. Lastly, the admired leadership styles proposed by the respondents are introduced.

6.1 General View of Leadership Styles of Chinese and American Executives

6.1.1 Willingness to follow Chinese or American leaders

In the following quotes taken from two Chinese executives, it is clear that American executives were regarded to have certain advantages in their leadership styles, and some of Chinese respondents preferred to follow American leaders as American leaders were perceived to be more open, straightforward, and willing to delegate people to work independently. Moreover, American executives tended to promote fairness and equality by which people would be rewarded once they performed well. Therefore Chinese followers often felt relaxed and free when working with American leaders. Please refer to Appendix 6.99 for more examples.

'Many Chinese staffs expect to follow American leaders, as they believe American leaders bring in different working styles, such as fairness, simplicity and directness, but without complex interpersonal interruptions. They believe their expectations of position, salary and career development will be fulfilled once they perform well.'
(Regional Financial Controller of South China, Chinese)

'I would follow American leaders because I am a straightforward person. I do believe it is impossible that each American leader treats others fairly, and you can find some American leaders arrogant and impatient, but in general, American leaders do better.' (Senior Manager – Export and Retails, Chinese)

However, the above opinions towards American leaders were denied by some others, who would rather follow Chinese leaders. They rejected that American executives' leadership styles were more effective or excellent than Chinese executives' and did not believe that American executives really understood Chinese people and culture. They interpreted that Chinese leadership styles were more suitable to lead Chinese people in American companies, and Chinese leaders would achieve business objectives more efficiently than Americans as the distance between American leaders and Chinese people was wide, and the communication as well as mutual understanding between them was far from sufficient.

'I would follow Chinese leaders because I can't exactly know what American leaders think when working with them. I need to know their ideas and requirements to guide my work because leaders are always the most important customers for their followers, but the distance between American leaders and Chinese followers is still very large.' (General Manager, Chinese)

'I don't think American executives' leadership styles are more effective than Chinese executives'. When the followers are Chinese, I am convinced that Chinese executives will achieve the results earlier than Americans.' (Quality Director of Asia, Chinese)

'I never thought all the American executives of the company were excellent, and some of them even have no regular meeting with their people. Due to cultural differences, I still believe the American companies in mainland China should be managed by excellent Chinese executives. Americans actually do not understand Chinese people.' (Senior Manager – Production Development, Chinese)

As illustrated in the next first quote from a Chinese senior manager, some Chinese respondents believed that viewing the leadership styles of American executives were more effective or advanced was mistaken. As the second quote taken from a Chinese quality director indicated, since the US was usually viewed as a developed country

with the strongest comprehensive national power, some of Chinese people subconsciously felt American leadership styles to be more advanced. Furthermore, Chinese executives had more opportunities than American executives to expose themselves to their Chinese subordinates due to their relatively lower positions, and the resources that Chinese executives could provide to their people were also felt to be less sufficient than those American executives could provide. The leadership styles of Chinese executives, therefore, looked less attractive, and Chinese executives had to exert more effort to establish their leadership credibility.

'Some American executives are indeed great talkers with strong professional abilities, but not all the American executives are excellent. Viewing American leaders as much better than Chinese is mistaken.' (Senior Manager – Production Development, Chinese)

'If the leadership styles of American executives look advanced or better, that is just because overall quality of the entire people of the nation and the comprehensive national power of China need to be improved further.' (Quality Director of Asia, Chinese)

'Chinese subordinates could have question mark of whether or not their Chinese leaders are brilliant. We also have the same question mark on American executives, but we couldn't probe their background and experiences in the US. Chinese subordinates always can be supported with sufficient resources from their American leaders; in contrast, Chinese executives sometimes look reluctant to provide their people sufficient resources. Since Chinese executives are usually not delegated with sufficient resources and power by the corporate, they have to exert much more effort to build up their leadership credibility. That's why some Chinese people might think Chinese executives are just so-so.' (Senior Key Account Manager, Chinese)

In particular, American executives were regarded as being arrogant with a superior attitude, and they seldom communicated with first-line employees as they usually thought highly of themselves. Thus some of Chinese respondents did not believe that American executives really treated Chinese people as equals. Specific comments illustrating this are shown below:

'Generally Americans are very confident and think of themselves as the best, but some of them are arrogant and don't tell you or teach you what they have already known. That's the tough part.' (HR Director, Chinese)

'Americans have a superior attitude in their hearts, and they never view Chinese as equal people with them, but they don't show arrogant superiority to Chinese. For those top American executives, they seldom communicate with their people in private, and they might think that's unnecessary.' (Senior Sourcing Manager, Chinese)

In the following incident, how a Chinese general manager felt and how Chinese managers responded when an American director treated Chinese managers arrogantly on a management meeting was described. It seems clear that Chinese managers were indeed discontented with the American director's arrogance.

'I think some of American executives have an inbred superior attitude, and they often view them as much better than Chinese... On the meeting, the American operations director of Asia asked the management team whether or not we knew fish-bone diagram and six-sigma, but you know, there were several six-sigma black belts in the management team. One of them came out and drew a fish-bone diagram on the white board very quickly, and then said to the American director that even the first-line leaders and operators here knew how to use fish-bone diagram and other quality tools to solve on-line problems.' (General Manager, Chinese)

6.1.2 Culture adaptability

The following two excerpts give the evidence that some of American executives attempted to know, understand and accept Chinese culture and present status of China by learning Chinese language, creating more opportunities to communicate with Chinese customers, suppliers and employees, and getting involved in first-line management and actual operations. Obviously, these adaptations and involvements were highly recognized and appreciated by the Chinese people.

'The American supply chain director has been in China for around five or six years already, and he has more opportunities to contact and communicate with Chinese customers and suppliers, so that he can understand the current conditions and national culture of China very well. When I talk with him, I know he is quite familiar

with those internal and external problems of China.' (Finance Manager of China, Chinese)

'The big difference in leadership styles between this American general manager and other American executives was his high involvement in the first-line production management. I think this difference was related to his previous war experience because he had to clearly understand the situation at the front when he was served in troops. He spoke Chinese very well and encouraged his two daughters and a son to study Chinese as well. Sometimes he even sent out e-mails in Chinese, and that was really surprising.' (Operations Director of China, Chinese)

Similarly, a Chinese general manager described two incidents related to two American executives respectively. In the following incident, an American general manager, who tried to adapt to Chinese culture and traditions, was described. In the other incident (please see Appendix 6.100 for the full description), an American president of Asia, who attempted to narrow the distance with the Chinese employees via dressing in traditional Chinese-style custom and singing a Chinese song, was described. It seems clear that the deeds of both American executives won the Chinese employees' respect.

'I found the first American general manager liked China very much and tried to know Chinese culture and traditions. Last year, I met him in Beijing. When we had dinner in the evening, he held a pair of chopsticks in his hands and rubbed against each other. We were quite confused with his behaviour and asked him why he rubbed the chopsticks against each other. His answer made us laugh. He said every Chinese rubbed the chopsticks against each other before eating. Some of Chinese rubbed their chopsticks against each other to clear prickles when using disposable chopsticks.' (General Manager, Chinese)

In contrast, some of American executives were felt to be rather reluctant to understand, accept and adapt to Chinese culture, and thus their leadership effectiveness was affected as a Chinese general manager stated in the following excerpt. More excerpts are shown in Appendix 6.101.

'Some of American executives are not willing to know, understand or accept local culture or whatever... Two years ago, we had a new American operations director of

Asia, who was rather tough and inhumane, and his leadership style completely could not match Chinese culture. Several general managers of China were just afraid of reporting to him, and many people complained of his aggressiveness.’ (General Manager, Chinese)

However, Chinese executives seemed to have the similar problem as some of Chinese executives also felt reluctant and difficult to accept and adapt to other cultures when leading international teams in their jobs as a Chinese general manager commented that:

‘I think Chinese also have the same problem that we are not willing to know and accept other cultures either. I prefer to speak Chinese than English, and I don’t like leading an international team as it is usually troublesome and difficult to combine Western and Chinese values together. But it has been an inevitable tendency being an executive with an international perspective.’ (General Manager, Chinese)

6.1.3 Localization

Nearly all the Chinese respondents felt that localization had been a tendency, and more and more senior management positions have been occupied by local Chinese executives when manufacturing centres have been transferring to China and with the gradual development and maturity of local Chinese executives, as the following quotes illustrate. Some felt that American companies led by American executives might not make profit or even had deficit due to high cost operations and unfamiliarity with Chinese culture and China market. The evidence of localization tendency also demonstrated that more and more American companies had realized the importance of low cost and profitable business operations in mainland China as Chinese executives had deep insights into local market and actual situation and indeed understood how to run business successfully in China with competitive cost of human resources and operations. Please refer to Appendix 6.102 for more quotes.

‘I think Chinese executives are rather familiar with China market and they know very well how to run business here. That’s why localization is a tendency in American ventures in mainland China. More and more American companies recruit local Chinese executives to lead and manage local business since the concepts and working

styles between Chinese and Americans are quite different. Many American companies in mainland China are not profitable even deficient because Americans do not understand how to run a profitable business in mainland China based on actual situation.' (Technical Director, Chinese)

'The company has done a very good job in management localization. The business and operations in mainland China have become much more mature and have been running rather smoothly. At present, in the head office of China, most of the executives are Chinese. Despite young management team, I am convinced we have sufficient experiences and knowledge to support any new business and manufacturing. After all, American executives often have to spend quite a lot of time to adapt to local culture, the way of thinking, and the working styles. Transferring Americans to China also means high cost, so except for those critical positions, management localization has been the first choice for the corporate.' (General Manager, Chinese)

6.1.4 Individual differences

A number of differences and similarities in the leadership styles between Chinese and American executives have been explored and discussed in the previous chapter. As the following quotes illustrate, most of the Chinese and American respondents, however, believed that there were lots of individual differences in leadership behaviours between Chinese executives or between American executives. A variety of personal values and personalities were perceived as critical factors leading to these individual differences in leadership. More excerpts can be seen in Appendix 6.103.

'Different people hold different values and personalities... American leaders tend to accept different ideas, but not all the Americans behave like that.' (Vice president, American)

'I find the leadership behaviours of these American executives are also quite different. Some of American executives are irritable, and some of them look very calm, but generally they look more open and direct. I believe the differences in personal values and personalities might be the important factors leading to the individual differences.' (Operations Director, Chinese)

'I think it really depends upon individuals. The Chinese regional executives of this company look quite different because of their personalities and values. Some of them trust and motivate people to achieve excellence, but some of them only focus on performance with carrots and sticks and emphasize obedience very much.' (Senior HR manager – East and South China, Chinese)

6.2 Suggestions on Leadership Styles of Chinese Executives

According to some of respondents, Chinese executives were expected to realize the positive elements of Chinese culture and values and retain certain positive elements of Chinese leadership styles, such as being familiar with first-line operations, and providing comprehensive consideration to people, etc. In the next first excerpt, a Chinese general manager commented that successful business depended upon the involvement in first-line operations because only reading reports in office could not understand the actual situation of the company. In the second excerpt, a Chinese senior quality manager also felt that in terms of existing national conditions of China, Chinese subordinates still had the needs of being cared and considered; however, this kind of needs could be decreased along with the gradual improvement on living conditions. Furthermore, an American director of supplier quality (see Appendix 6.104) stated that traditional Chinese culture and values should not be forgotten, and learning something from the US did not mean completely abandoning Chinese culture.

'A noted Chinese agronomist, Yuan Long-ping said "you could not farm and harvest rice in your computer". In other words, you should be never absent from presence. A production manager must work with operators in workshop, and a marketing manager must go to the market to collect information and understand customers. A leader, who solves problems by only reading reports in office, will be never successful in business. Involvement and following up is always very important.' (General Manager/Operations Director of China, Chinese)

'From my point of view, taking care of subordinates should be kept in Chinese leadership styles, as China came from a very poor background in recent 200-300 years, and many Chinese still strongly need to be considered and protected, but I think these needs will be decreased once their living conditions are getting better and better.' (Senior Quality Manager of Asia, Chinese)

However, the respondents proposed some suggestions on the leadership styles of Chinese executives for their improvement. First, the leadership styles of Chinese executives were expected to be more macro by almost all the respondents, such as more sufficient delegation with a broader perspective. Chinese leaders were expected to delegate people to work independently without too much intervention and control, and once objectives and expectations were clarified, subordinates should be delegated to achieve them with their own approaches. This is clearly demonstrated in the following extracts.

'Once goals and objectives are confirmed, I hope Chinese leaders can delegate me completely and enable me to perform I perform but not always intervene in my project. I do not hope a leader asks me too many details about my project or task everyday because recruiting me is to help the leader but not do things instead of me.'
(EHS Manager of China, Chinese)

'Chinese executives still need to improve their leadership and functional competencies and technical knowledge through continuous learning. Leaders should have abilities enabling people to do their job spontaneously and inspiring people to follow them. Those only using authority power to manage and control people are not real leaders.' (Senior Manager – Production Development, Chinese)

As illustrated in the following examples, it can not be denied that Chinese executives were expected by the respondents to lead and motivate people with a broad vision and a global perspective so that leaders could develop themselves to higher levels and win the fierce competition with sustainable management in the world-wide business environment.

'If Chinese executives expect further development in American companies, continuous learning is a must as changes always happen. Successfully surviving and growing with the company together in such uncertain environment could be the biggest challenge for Chinese leaders. They must proactively get involved in world-wide competition with an open mind and a broad perspective. China is big, but it is not bigger than the world.' (General Manager, Chinese)

'Chinese executives need to view things with a global perspective and withdraw themselves from the micro scope and upgrade themselves to a higher level with a broader mindset to win the fierce competition.' (Director of Supply Chain Management, Chinese)

Second, in response to suggestions on leadership styles, a number of respondents felt that the leadership styles of Chinese executives should be more rational. More specifically, Chinese executives were expected to eliminate the negative side of guanxi and lead people and manage business in a more systematic, scientific and objective way. They were expected by almost all the Chinese respondents to attach great attention to systems and procedures and eliminate subjective influences. They also needed to emphasize figures and precision and make decisions based upon facts and systematic analysis. Two Chinese executives described their experiences as below. More quotes are shown in Appendix 6.105.

'Compared with American executives, Chinese executives should give more attention to systems, procedures and regulations, and have a precise attitude, since Chinese people often say the words, such as "almost", "just" and "nearly" in their jobs.' (HR Director of China, Chinese)

'Chinese executives need to be more objective and rational with the matter-of-fact attitude when looking at things and making decisions, but subjective and perceptual adjustment, guanxi, nepotism, and personal preference must be eliminated.' (HR Director, Chinese)

Similarly, the following quotes also illustrate that guanxi was expected by Chinese respondents to be eliminated from the leadership styles of Chinese executives because guanxi might cause negative influence (e.g. office politics, unfairness, etc.) on performance management and talent development.

'Chinese leaders need to get ride of guanxi further as it sometimes leads to unfairness, disparity and demotivation once we only emphasise guanxi. In a constitutional society, everybody has a fair foundation for competition and development. We need to depend upon law and regulations but not man because man is not reliable.' (EHS Manager of China, Chinese)

‘Chinese executives should put performance as their top priority because it is the most important success factor in American companies. The business will be failed once guanxi is too much focused but performance is largely ignored... The situation, where leaders rely on guanxi too much, must be changed. The company, where only the people having good guanxi with leaders can be developed well, will finally lose real talents and potentials.’ (Senior Manager – Production Development, Chinese)

Third, a number of evidence shows that subordinates probably hold more creative and effective ideas, and thus Chinese executives were expected by most of the respondents to be more open for and be more tolerant of different opinions and ideas to encourage their people to get involved in decision making so that the people’s strengths and self-confidence would be developed, and the people’s expectations would be satisfied. This is clearly demonstrated in the following quotes taken from two Chinese executives. More quotes are provided in Appendix 6.106.

‘Chinese executives need to trust others but not always think highly of themselves. They need to listen to others for different opinions and ideas rather than view them as perfect leaders knowing everything. This company always encourages people to get involved in business and to be creative; therefore the employees, who have worked for it for only three years, might have been rather competent in their jobs.’ (Director of APSCO, Chinese)

‘As the situation where organizations compete fiercely has become more complex, Chinese executives should be more open, and any paternalistic or autocratic leadership styles will be incompatible with subordinates’ expectations... Chinese executives need to value subordinates’ ideas and suggestions and empower them to achieve success without too much intervention so that the people have more opportunities to develop their strengths with self-confidence and a great sense of achievement.’ (Senior Key Account Manager, Chinese)

In addition, the following evidence suggests that some of Chinese respondents expressed their dissatisfaction on leaders’ criticism, and they felt that people needed to be rewarded and recognized once business goals were achieved and expectations were satisfied.

'Subordinates should be provided appropriate opportunities for their development, and they should be complemented and recognized when they have done good jobs.'
(Senior Key Account Manager, Chinese)

'Chinese executives need to recognize and encourage people in time when they have done very good jobs, but not always criticize them.' (HR Director, Chinese)

6.3 Suggestions on Leadership Styles of American Executives

From the following examples provided in the interviews, it appeared that American executives indeed had certain advantages, such as certain factors of American culture, management concepts and experiences, etc., and they were expected by these respondents to retain and develop these advantages to exert positive influences to Chinese employees.

'I think we should keep the stand for quality, transparency, honesty, procedure, and control the company's structure.' (General Manager, American)

'When American executives come to China, they have already had some advantages in culture, management experiences and concepts, but they still need to constantly develop these advantages to inspire high commitment of Chinese subordinates. The worst result may be they lose their advantages and learn certain negative things in China.' (Operations Director of China, Chinese)

Nevertheless, as demonstrated in the following responses, there were some suggestions on the leadership styles of American executives. The first point is that transferring American leadership styles and working styles that American executives adopted in the US without appropriate adjustments to China could be ineffective. Appropriate adjustments of American leadership styles to match the context of China, that had huge history and was undergone dramatic changes, were necessary, but rejecting adjustments or resisting changes would cause the failure of leadership. Please refer to Appendix 6.107 for more examples.

'Americans executives have to change a little bit to adapt to Chinese people, Chinese way, and Chinese environment, but not completely “入乡随俗” (do in Rome as Rome

does). Of course, you should keep your core values. I think it is ok to go to dinner with Chinese workers and drink “白酒” (white wine) with them. It might be helpful to build relationship.’ (General Manager, American)

‘You have to acknowledge that there is difference, and that’s cultural difference. I think I learnt it early on that you have to be able to assess the things you are working within and learn how to work with the things and not try to eliminate. “I don’t want to come it, no, we are no longer doing like this anymore. This is all the Chinese way doing it, and now we just do it all like American way to do everything.” It doesn’t motivate people to feel what they are doing is valued. You have to correct things, and you have to improve things, but there is a way to do it without like stopping overlook everybody.’ (Director - Marketing and Sales Support, American)

‘American executives need to understand Chinese culture more deeply and adjust their leadership styles somewhat to match the actual context because it is the reality and nobody can ignore it.’ (Financial Controller, Chinese)

Next, as two Chinese executives explained in the following excerpts, American executives needed to enhance communication with Chinese people and respect and understand Chinese culture and values, traditions, local practices, as well as Chinese way of thinking. The leadership effectiveness of American executives, therefore, would be increased and mutual understanding between American leaders and Chinese people would be enhanced. More excerpts are shown in Appendix 6.108.

‘There are no many daily communications between American leaders and Chinese subordinates, and there are basically no communications between them after work. Chinese subordinates, therefore, have no opportunities to seek information regarding the company changes or whatever else from their American leaders. Chinese usually believe that what they have seen superficially must be different from the reality... They need to understand Chinese culture and local practices and try to adapt to them but not simply transfer the American leadership styles and practices to China; otherwise, they will never succeed.’ (General Manager, Chinese)

‘I think American executives need to understand, communicate with and listen to Chinese employees to achieve a win-win situation, and they need to get interested in mainland China as well, just like most of Chinese are really interested in foreign

countries. They need to know more Chinese history and the current status of China... They also have to know more policies and regulations of China, especially those related to local government and customs, etc. because there are many regulations underneath. (Director of APSCO, Chinese)

Moreover, American executives were expected by the respondents to be more people oriented with a long-term view when working in mainland China. Their affinity would be recognized and appreciated by Chinese staffs when they attempted to establish and maintain reasonable and healthy relationship with Chinese staffs and tried to exhibit their consideration to their people, as the following examples illustrate.

'American executives need to be more people oriented with a long-term view but not to focus on short-term interests only.' (Quality Director of Asia, Chinese)

'Americans executives need to try to know more background of their Chinese subordinates, not only their work but also their personal lives, such as what kind of sports they like, where they go at weekend.' (Director of APSCO, Chinese)

'American executives working in China need to know some Chinese characteristics, such as guanxi and affect. Both guanxi and affect can not be ignored when leading Chinese people so that Chinese staffs can feel humanity from their American leaders, but not only naked Capitalism.' (Director of Supply Chain Management, Chinese)

Lastly, according to a few American executives in the sample, due to significant differences in culture and practices between China and the US, it seemed unadvisable to assume that the American leadership styles and practices would be also effective in mainland China. American executives, hence, needed to be more patient to increase mutual trust and mutual understanding through effective interactions between American leaders and Chinese staff as the following two examples indicate.

'I currently read a statement – "In China, nothing is impossible, but everything is difficult", and I think that's the pretty fair statement. The difficulties are, as an American manager, trying to manage the company within the context of business in China. My recommendation is patience and asking same questions three times differently. When I am working with my staff, if you ask the question once and you don't follow up as some points with the same question differently, you don't get an

answer because a lot of times, one, they maybe don't translate it right, two, you maybe not answer it right because of maybe the negative questions confuse them, or they don't want to tell you because it is bad news. They believe the messenger will be getting shot, so if they deliver a bad news, they are worried about giving shot. I think overall American managers have to be patient, have to ask a lot of questions.' (Director of International Materials, American)

'Don't believe everything at the first time, and you have to ask questions, and you have to challenge. Definitely don't think someone can speak English, they know what you are talking about.' (Director of Product Development, American)

6.4 Admired Leadership Styles in American Companies in Mainland China

As explored and discussed in the previous chapters, micro and macro leadership styles, and perceptual and rational leadership styles both have advantages and disadvantages. Compliance with systems and procedures were important; however, appropriate flexibilities within a certain scope might be reasonable and advisable in current business environment that was rather complex and undergone dramatic changes. Strategic thinking and clear directions were crucial for business success; nonetheless, ignoring details and neglecting actual operations could lead to business failure. Therefore, as demonstrated in the following two quotes, leadership convergence and how to balance the advantages and disadvantages of Chinese and American leadership styles could be a challenge for both Chinese and American executives.

'I think both Chinese and American executives should lead their people under principles, and if someone breaks rules, he/she has to be punished. However, within the scope of principles, we should be flexible to cope with the changes.' (Technical Director, Chinese)

'Ignoring details just like Americans might be inadvisable, but neglecting directions could be unacceptable either... It would be much better combining both approaches of focusing on direction and paying attention to details. Holding a clear vision and a direction can help us avoid getting lost or detours, and emphasizing details with a clear direction can also enable us to move ahead without obstacles.' (Senior Quality Manager of Asia, Chinese)

Similarly, in the following examples, it is clear that since both Chinese and American cultures had merits and demerits, and both Chinese and American leadership styles had strengths and weaknesses, in multi-cultural companies, effort should be made to allow leadership styles and practices to converge for leadership success. However, the process appeared to be challenging and time consuming. More examples are shown in Appendix 6.109.

'We need to learn more from others, especially Chinese history and American leadership. As the US is the leader of the world, many new ideas have been generated and lots of new products have been developed in the US. Many companies have been learning from the US, such as IT industry. I think all of these successes are closely associated with American leadership styles, but they might be not suitable for every nation, so mutual understanding and convergence is necessary.' (Director of APSCO, Chinese)

'We need to make effort to allow Chinese and American leadership styles to converge and learn from each other, and I also believe that the convergence of Chinese and American cultures is absolutely possible. Just like Chinese Kong Fu, only a person, who is good at playing both "hard Kong Fu" and "soft Kong Fu", is a real "guru". It does not work if there are no objectives in an organization, but it could lead to negative results once objectives impress people too much. Only an effective convergence of both "hard" and "soft" approaches will lead to ideal results.' (Quality Director of Asia, Chinese)

'It is necessary to allow Chinese and American cultures to converge in American companies in mainland China. I mean Chinese need to learn from Americans, and Americans need to learn from Chinese as well, at least both of their cultures should be respected. But this is a gradual change and is time consuming.' (Senior Sourcing Manager, Chinese)

Interestingly, as an American director stated below, there might be no universally effective leadership styles suitable for all the nations and situations. Therefore how to choose or alter leadership styles according to complicated situations to make sure the leadership effectiveness and business success might be the biggest challenge for business leaders.

'From the dictatorial approach to a participative or a team approach of the work, I think the challenges you have to figure out which one will work on your personality. I can't be 100% dictatorial, and I can't be 100% team leader. You have to understand when you have to be both, so there is no only one style, and you have to feel for what kind of situation is and respond pretty well. That's the hard thing because sometimes situations are very emotional, but you have to move forward. I think the biggest challenge in leadership standpoint is which one you need to use. If you are comfortable with that, you can sleep night yourself and it will be ok.' (Director of International Materials, American)

6.5 Summary

In this chapter, a number of findings relating to the general view of leadership styles of Chinese and American executives, suggestions on their leadership styles, and admired leadership styles were explored and discussed. Some of respondents were willing to follow American leaders; nevertheless, some would rather follow Chinese leaders. The findings indicate that not all the American executives working in mainland China adapted to Chinese culture very well, and there was a tendency of management localization in American ventures in mainland China. It was proposed here that both Chinese and American executives needed to retain certain advantages of their leadership styles. However, the leadership styles of Chinese executives were expected by the respondents to be more macro and rational. Furthermore, Chinese executives were expected to be more open and tolerant of different viewpoints and ideas, and reward and recognition of achievements was appreciated. Similarly, American executives were expected by the respondents to be more people oriented with a long-term view and sufficient communications with their Chinese followers to understand and adapt to Chinese culture and actual situation. Lastly, the findings suggest that in multi-cultural companies, effort should be made to allow leadership styles to converge.

Chapter 7 CONCLUSIONS

7.0 Introduction

This chapter concludes the thesis, based upon the research findings, by considering the value and implications of the study for existing knowledge about leadership styles of Chinese executive level managers. The contributions this study makes to present theory and practice are reviewed and discussed. Limitations of this study are also concluded and some recommendations are made for further research.

7.1 Major Findings and Conclusions

In brief, this study has sought to achieve the broad research aim concerned with exploring the leadership styles of Chinese executives working for American companies in mainland China. There are three principal objectives towards reaching the research aim. This is firstly, to discover any major differences in leadership styles between Chinese and American executive level managers in mainland China; secondly, to ascertain the causes of the differences in leadership styles between Chinese and American executive level managers in mainland China, and thirdly, to investigate how the differences of leadership styles between Chinese and American executive level managers in mainland China are influenced by cultural differences between the Chinese and the American, as experienced in multi-cultural organizations.

The research aim and objectives have emerged because of the claims that there are universally effective leadership styles across cultures. Although Bass (1997) asserts that there is universality in the transactional-transformational leadership paradigm across cultures, Yukl (1989) states that the two factor theory of leadership is an unwarranted oversimplification of a complex phenomenon. Some also argue that specific cultural traditions and norms are bound to differentiate leadership styles (Hofstede, 2001; Trompenaars & Hampden-Turner, 1998). Furthermore, organizational culture (Harris, 1994; Schein, 1985, 1992), interaction between leaders and followers (Grint, 2000; Hollander & Offerman, 1990; Lord & Macher, 1990; Stewart, 1982), as well as leaders' core value and belief systems (Krishnan, 2001;

Sarros & Santora, 2001) are also viewed as variables causing different leadership styles.

Adopting a realist philosophy and a case study strategy, this study embodies both qualitative and quantitative perspectives though the quantitative material has been used as an adjunct to the case study interviews rather than as a representative and random survey. Materials have been obtained by critical-incident interviews and Multifactor Leadership Questionnaire (MLQ Form 5X-Short) from sixty five Chinese and American executive level managers within medium to large sized wholly American-owned companies of electronics industry in mainland China.

Analysis of the qualitative and quantitative materials revealed a number of themes that were discussed in the previous chapters. *Figure 7.1* depicts the major findings of this study including the major differences and similarities in leadership styles between Chinese and American executives as well as the main probable causes. The case analysis has indicated that the leadership styles of Chinese and American executives can be both transformational and transactional. However, the findings suggest that American executives generally exhibited obvious transformational leadership, but also transactional contingent reward; conversely, Chinese executives displayed modest transformational leadership and more transactional management-by-exception (active).

This study has argued that leadership seems to be oversimplified in Bass' two-factor theory since there are a number of flaws that exist within the literature. Leadership styles and effectiveness were perceived by both Chinese and American executives to be rather situational. Divergent or contradictory underlying assumptions about people and organizations between cultures consequently lead to misinterpretation and incomprehension of transactional and transformational leadership between Chinese and American leaders. As this study has shown, the transactional-transformational leadership theory is, generally applicable, but is inadequate to explain all the differences and similarities between Chinese and American executives. This is the first study to discover micro and perceptual leadership styles of Chinese leaders and macro and rational leadership styles of American leaders. The identification of Chinese-American leadership differences and similarities and special cases provide insights for understanding the dynamic process of leadership.

It is not surprising that national culture and education were identified as main cultural causes of the differences in leadership styles between Chinese and American executives; furthermore, the findings also reveal a number of situational causes influencing leadership styles, such as social system, disparities in positions and resources, economic base and value chain, leadership and management maturity, understanding of China, interaction between leaders and followers, language and tenure. Nevertheless, with the influx of American (or Western) management theories and the influence of American corporate culture, performance orientation and compliance with ethics, rules and regulations were found as the major similarities in leadership styles between Chinese and American executives, and the change trend of leadership styles of Chinese executives towards an American style was also discovered. Finally, the findings suggest that in multi-cultural organizations, effort should be made to allow leadership styles to converge. The major findings and conclusions of this study are explored more fully later in this chapter.

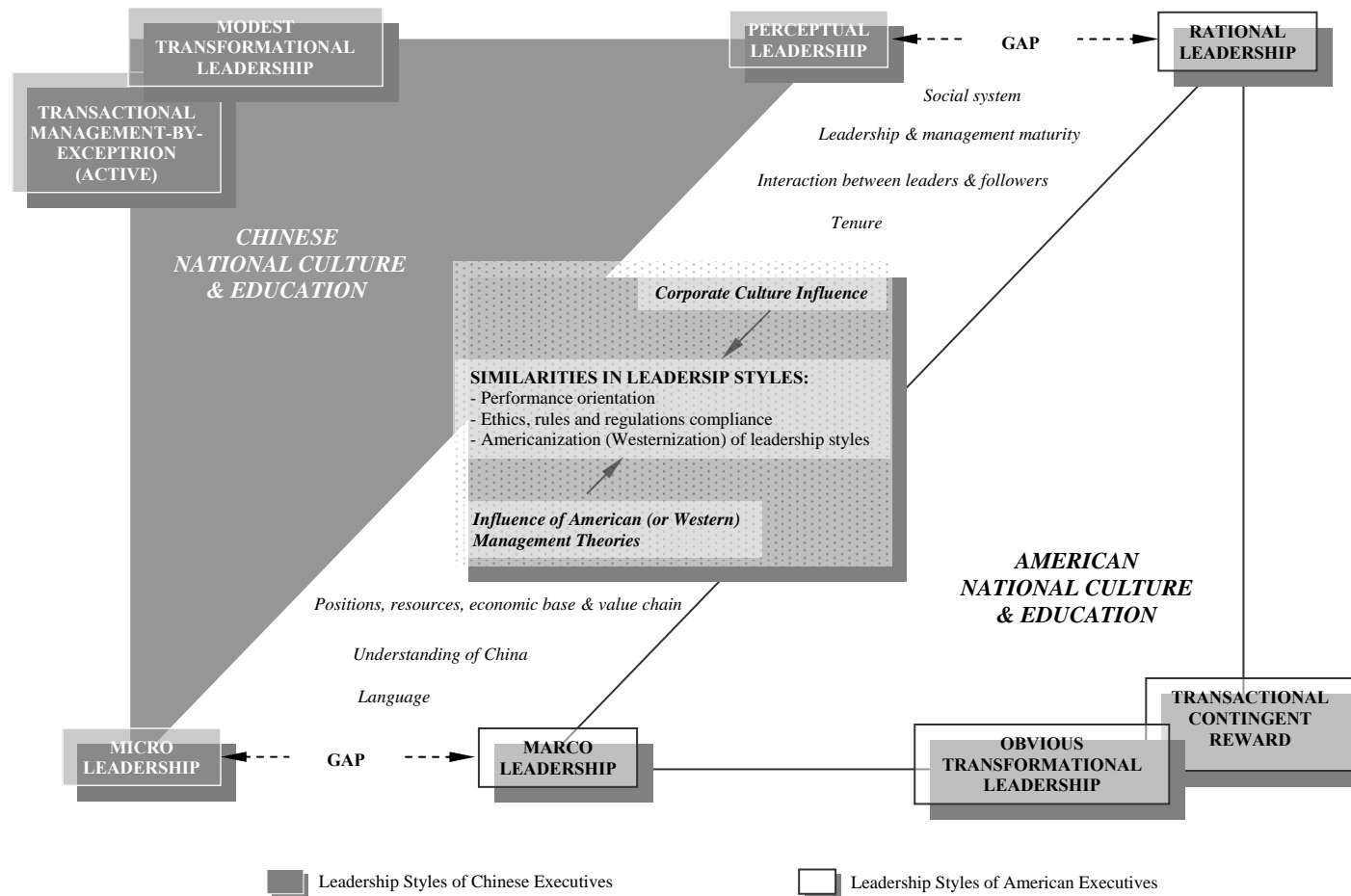


Figure 7.1: Leadership styles of Chinese and American executives working for American companies in mainland China and main causes

MAJOR DIFFERENCES

Micro Leadership*Process/detail driven*

- Provide instruction
- Details intervention
- Work hard

Close supervision

- Control
- Intolerance of deviation

Narrow perspective

- Partial picture
- Execution

Perceptual leadership*Emphasis on people's feelings*

- Keep harmonious
- Be reserved and deliberate
- Comprehensive consideration

Guanxi maintenance

- Guanxi between leaders and followers
- Guanxi between colleagues
- Guanxi with outside

Flexibility

- Subjective adjustment
- Tolerate ambiguity

Transformational Leadership

- Modest idealized influence as good 'doers'
- Perceptual and contextual concept on ethics
- Modest inspirational motivation
- Modest intellectual stimulation
- Individualized consideration in private

Transactional Leadership

- Less contingent reward
- More management-by-exception (active)

Macro Leadership*Direction/result driven*

- Provide direction
- Extensive management
- Seek balance

Loose supervision

- Delegation
- Tolerance of deviation

Broad perspective

- Whole picture
- Strategy

Rational leadership*Emphasis on business results*

- Tolerate conflicts
- Be open and straightforward
- Business focus

Clear separation between business and people

- Separation between leaders and followers
- Separation between colleagues
- Separation with outside

System and mechanism

- Compliance with systems and regulations
- Ensure precision

Transformational Leadership

- Obvious idealized influence as good 'talkers'
- Rationalist and rule following concept on ethics
- Obvious inspirational motivation
- Obvious intellectual stimulation
- Individualized consideration at workplace

Transactional Leadership

- More contingent reward
- Less management-by-exception (active)

MAJOR SIMILARITIES

- Performance orientation
- Ethics, rules and regulations compliance
- Americanization (westernization) of leadership styles

Table 7.1: Contrasts in leadership styles between Chinese and American executives working for American companies in mainland China

7.1.1 Major differences and similarities in leadership styles between Chinese and American executives

Table 7.1 gives a summary of the contrasts in leadership styles between Chinese and American executive level managers working for American companies in mainland China. The major differences in leadership styles between Chinese and American executives contrast the new theories developed by the researcher and the transactional-transformational leadership paradigm. How these leadership styles have been mapped out each other will be discussed later. Firstly, findings of this study are presented that the leadership styles of Chinese executives appeared to be micro, but the leadership styles of American executives tended to be macro. Chinese executives were often perceived to be process/detail driven with close supervision and a narrow perspective; in contrast, American executives were usually described as being more direction/result driven with loose supervision and a broad perspective. Both positive and negative attitudes towards micro and macro leadership styles have been revealed. According to both Chinese and American respondents, some of Chinese followers indeed expected specific instructions and responded better with precise instructions, and the micro leadership style might be helpful for leaders to understand concrete details and actual situations of business and to increase efficiency and avoid risks and unexpected results. However, micro leadership style was criticized by many Chinese and American respondents as people felt demotivated, and leaders might lose their focus on the whole picture and strategy when adopting micro leadership style. Though macro leadership style might sometimes slow down projects, and people might also feel difficult to implement strategies when there were no specific instructions and supports from their leaders, most of Chinese and American respondents appeared to be more satisfied with macro leadership style.

Secondly, the findings also reveal that the leadership styles of Chinese executives tended to be perceptual, but the leadership styles of American executives appeared to be rational. It is fairly clear that Chinese executives tended to emphasize people's feelings, *guanxi* maintenance and flexibility; conversely, American executives appeared to emphasize business results, clear separation between business and people, and system and mechanism. Similarly, the attitudes towards perceptual and rational leadership styles were also found to be divergent. According to both Chinese and

American respondents, harmony based upon integrity, healthy guanxi maintenance, comprehensive consideration to people, and appropriate flexibility seemed advisable when leading Chinese people. Nonetheless, the leadership styles of Chinese executives were often expected by their people to be more rational, objective and systematic because guanxi probably led to negative influences on people and organizations, and keeping the reasonable distance between leaders and followers also seemed helpful for leadership effectiveness. Despite the merits of rational leadership style, Chinese people appeared to be disappointed with the business focus and the immediate and short-term transactional behaviour of American executives as people's feelings might be ignored, and the long-term success could be sacrificed.

Thirdly, there is evidence that the leadership styles of Chinese and American executives can be both transformational and transactional. However, the transformational leadership style of American executives generally seemed more obvious; whereas, Chinese executives exhibited transformational leadership in a modest way. Moreover, American executives tended to display more transactional contingent reward than Chinese executives, but Chinese executives exhibited more transactional management-by-exception (active) than American executives. More specifically, charismatic Chinese executives were usually described as good 'doers' with modest leadership behaviour in idealized influence, inspirational motivation and intellectual stimulation; conversely, charismatic American executives were often perceived as good 'talkers' with more obvious leadership behaviour. Rather than rationalist and absolute principles on ethics, Chinese people's concept on ethics seemed more perceptual and contextual. Moreover, American executives seemed to exhibit individualized consideration at workplace only; nevertheless, Chinese executives' individualized consideration looked more private. Even though the Chinese respondents seemed more satisfied with contingent reward from American executives, the evidence shows that impatient and short-term transactional leadership behaviour disabled American executives from focusing on long-term strategies and sustainable success. It seems fairly clear that both Chinese and American executives seldom exhibited management-by-exception (passive) and laissez-faire leadership. The findings on MLQ responses of this study are also somewhat consistent with Bass' (1997) claim that transformational leadership tends to be more effective and satisfying than contingent rewarding. Contingent rewarding is more effective and satisfying than

managing by exception, and managing by exception is more effective and satisfying than laissez-faire leadership (Bass, 1997). Nonetheless, it is interesting to note that, as measured by the items in MLQ, transformational leadership (overall) and leadership success (overall) of both Chinese and American executives were not significantly satisfying to their people.

There is no doubt that there were substantial common elements in leadership styles between local and overseas Chinese executives working for American companies. With certain advantages in education and social system, professional competencies, integrity and commitment to the job, and language, overseas Chinese executives occupied a large proportion of top positions in American companies in mainland China. However, the study shows the Chinese respondents' dissatisfaction towards their superior attitude, harsh leadership styles with excessive cost consciousness and political behaviour.

It is of particular interest to note in the findings that there have been some special cases of macro and rational leadership styles of Chinese executives but of micro and perceptual leadership styles of American executives. Despite a variety of differences in leadership styles between Chinese and American executives, the main similarities in leadership styles between them were found in three areas as presented in *Figure 7.1* and *Table 7.1*. The results of the study reveal that achieving business targets and performance results were usually viewed as the first priority by both Chinese and American leaders, and compliance with ethics, rules and regulations were also highly emphasized by both of them. Otherwise, they could not be successful or even survivable in the performance oriented American companies. In addition, the findings also reveal the trend of Americanization (or westernization) of leadership styles of Chinese executives.

7.1.2 Main causes leading to the differences and similarities in leadership styles between Chinese and American executives

Analysis of the interview materials revealed a variety of probable causes leading to the differences and similarities in leadership styles between Chinese and American executives. *Figure 7.1* gives a resume of these causes that have been fully discussed

in chapter 5. It is not surprising that as cultural causes, national culture and education obviously play dominant roles influencing leadership styles and behaviours of Chinese and American executives. These findings seem consistent with a great deal of previous cross-culture research having shown that the frames of reference by which both Chinese and American cultures view their world are divergent or even contradictory. The examples of contradictory cultural elements and value systems are found in those relating to power distance (or universalism-particularism), individualism-collectivism (or individualism-communitarianism), uncertainty avoidance (or specificity-diffuseness), internal-external control, neutrality-affectivity, achievement-ascription, and time orientation, etc. However, as the evidence of the complexity of Chinese culture provided in this study, these previous cross-cultural studies seem inadequate to discover the entire secret of culture and comprehensively explain the relationship between Chinese culture and the leadership styles of Chinese executives. The major schools of thought – Confucianism, Legalism and Taoism, family concept and guanxi, centralized governance, and ancient strategies have come together in modern China and have affected leadership styles and behaviours of Chinese executives. The 2,000 years of continuous history seems to have embedded these fundamental cultural elements in the Chinese minds.

Both positive and negative attitudes towards Chinese and American national culture and education have been revealed, and the gradual change of national culture and education in China was also discovered. Despite the strong influences of socialist ideology and the impact of a series of socialist movements during the last several decades in mainland China, the traditions of Chinese culture and values seemed never to have been completely damaged, and they appeared to have been gradually recovering in recent years. Moreover, research findings of this study on significant differences between generations in mainland China have shown that young generations seemed more open, confident, innovative and individualistic, but also appeared to be more money-focused, materialized and self-centred.

In addition to the cultural causes, other probable situational causes leading to the leadership differences have also been identified. Generally, the findings of these situational causes have demonstrated the gaps in social system, positions and resources, economic base and value chain, leadership and management maturity,

understanding of China, interaction between leaders and followers, language and tenure between Chinese (or China) and American executives (or the US). Similarly, divergent attitudes towards these gaps have also been shown in the findings. First, despite American executives' confusion and Chinese executives' frustration with the social system of China, the communist one-party system was felt by some Chinese respondents to be more suitable for the current situation in China. Second, disparities in positions and resources, economic base and value chain, and the gap in leadership and management maturity were often felt by the Chinese respondents to lead to unequal status between Chinese (or China) and American executives (or the US). Third, due to the gaps in understanding of China, leader-follower interaction, and language between Chinese and Americans, American executives seemed unable to be micro and perceptual in their leadership styles. Last, American executives' tenure in China also appeared to cause their short-term transactional and business oriented leadership behaviour.

In terms of main causes of the similarities in leadership styles between Chinese and American executives, the study highlighted two factors as indicated in *Figure 7.1*. The one probable cause is the influence of American (or Western) management theories. The gradual change and Americanization (or westernization) of leadership styles of Chinese executives seemed inevitable when American (or Western) management theories have become prevalent in mainland China. According to statistics from Amazon.com by 31st July 2009, none of the top 100 bestselling management and leadership books was written by Chinese authors (www.amazon.com, 2009). The leadership books in mandarin that are translations of English books occupied 42% of the top 100 bestselling leadership books listed in Chinese Amazon.cn by 31st July 2009 (www.amazon.cn, 2009). Additionally, the growing number of overseas students and universities' joint programs with foreign counterparts also provides more opportunities for Chinese people to learn from American (or Western) management concepts and practices. The other probable cause is the influence of corporate culture. The findings of this study reveal that American corporate culture exerted strong influence on the leadership styles of Chinese executives through people selection, evaluation and development system, and companies' requirements and expectations.

7.1.3 Admired leadership styles in American companies in mainland China

Analysis of the interview materials revealed Chinese respondents' divergent willingness to follow Chinese or American leaders. Some of Chinese respondents preferred to follow American leaders; however, some believed that Chinese leadership styles were more suitable to lead Chinese people. In particular, some argued that it was a mistaken assumption that the leadership styles of American leaders were more effective or advanced, and they were indeed discontented with the superior attitude and arrogance of some of Americans. Due to people's mistaken assumption and the disparity in positions and resources between Chinese and American executives, Chinese executives seemed to have to exert much more effort to establish their leadership credibility. It seems clear that American executives' adaption of Chinese culture was usually appreciated by Chinese people, and management localization has also been a tendency in American companies in mainland China.

Despite the positive and negative sides of both leadership styles of Chinese and American executives, Chinese followers appeared to expect more macro, rational and transformational leadership styles and more contingent reward of their Chinese leaders. Conversely, the leadership styles of American executives were usually expected by their Chinese followers to be more people oriented with a long-term perspective and patience so that mutual understanding and trust between American leaders and Chinese followers could be enhanced. The underlying basic assumptions and values exist at a largely unconscious level and are difficult to discern (Schein, 1985, 1990, 1992). As underlying assumptions about people and organizations are rooted deeply in national society and history, it seems inadvisable to transfer 'leadership' or 'management' between cultures without appropriate adjustments. An appreciation of national culture is necessary for sustainable success.

As discussed in chapter 2, the Chinese Yin Yang philosophy, that views all universal phenomena as being created by dual cosmic energies: Yin and Yang, offers a holistic and paradoxical worldview and methodology. The image of Yin Yang (see *Figure 7.2*) suggests that there is no absolute borderline between Yin (black) and Yang (white) as the two parts represent a balance flux, each half containing a seed of the other at its core. The two forces can be seen as not being conflict but in continuing change and

interaction. As a metaphor, the Yin Yang philosophy has implications for understanding the paradoxical nature of culture depending upon situation, context and time (Fang, 2006). According to Faure and Fang (2008), the Yin Yang philosophy may provide explanations on many Chinese concepts and practices that may look inconsistent and puzzling to Westerners, such as ‘one country two systems’, and ‘socialist market economy’. As paradoxical orientations and phenomena have always coexisted in China, a dynamic Yin Yang model (*Figure 7.2*) of admired leadership styles in American companies in mainland China has been suggested. Within current dynamics of national culture and business environment, effort should be made to allow Chinese and American leadership styles to converge depended upon situation, context and time. In addition, the leadership styles of both Chinese and American executives have been also suggested moving from transactional to transformational.

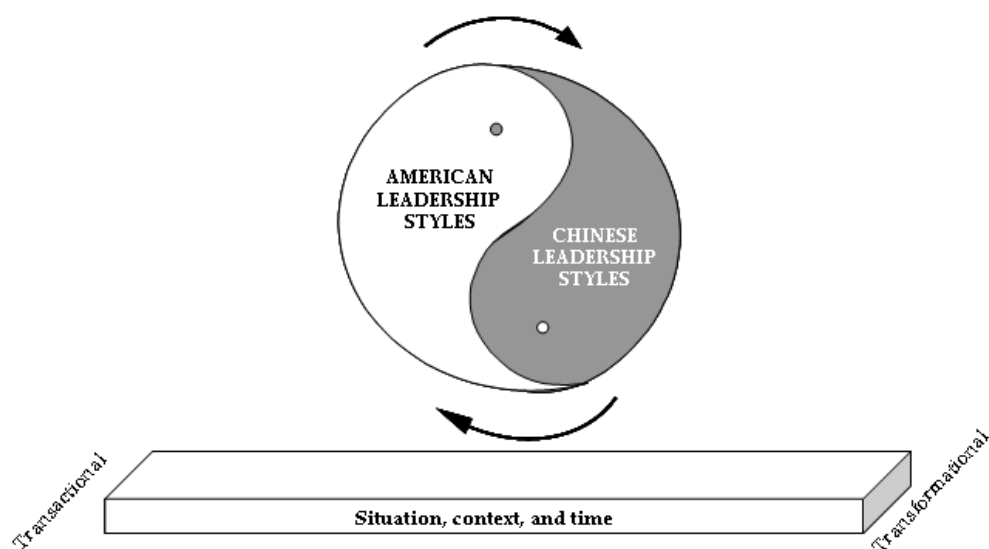


Figure 7.2: Admired leadership styles in American companies in mainland China

7.2 The Implications of the Research

This study was original in a number of ways. This section will discuss the contribution this study makes and the implications this study has for existing knowledge on comparisons of leadership styles across cultures at both theoretical and practical levels.

7.2.1 Discovery of leadership styles

This study has shown that the transactional-transformational leadership theory is, generally applicable, but is inadequate to explain all the differences and similarities between Chinese and American executives. This research has discovered and discussed leadership styles with a different perspective from existing leadership theories. A key original contribution this study makes to knowledge is in exploring the leadership styles of Chinese and American executives. This is the first such study to discover micro and perceptual leadership styles of Chinese executives, as well as macro and rational leadership styles of American executives. Consequently, a comparative analysis on these leadership styles as well as the relationships between these leadership styles and transactional-transformational leadership were carried out. As presented in *Figure 7.3*, transformational leadership and all the components of macro and perceptual leadership seem closely interconnected. *Figure 7.3* also shows that transactional management-by-exception (active) and all the components of micro leadership appear to be interconnected, and the strong linkage between transactional contingent reward and rational leadership has been also discovered. Moreover, linkages between transactional contingent reward and certain components of macro and perceptual leadership have been identified; whereas, there does not seem to be interconnected between micro leadership and transactional contingent reward. As we have discussed in the previous chapters, micro leadership style is process/detail driven, and Chinese leaders tended to less recognize their people in public. Micro and macro leadership, and perceptual and rational leadership can be thought of as being at opposite ends respectively; nonetheless, the findings of this study have provided further evidence for Bass' (1985) claim that transactional and transformational leadership can be viewed as separate dimensions and a leader can be both transactional and transformational. Thus these findings have also somewhat supported Hersey and Blanchard's (1982) situational leadership by which the prescribed leadership style is contingent on follower maturity.

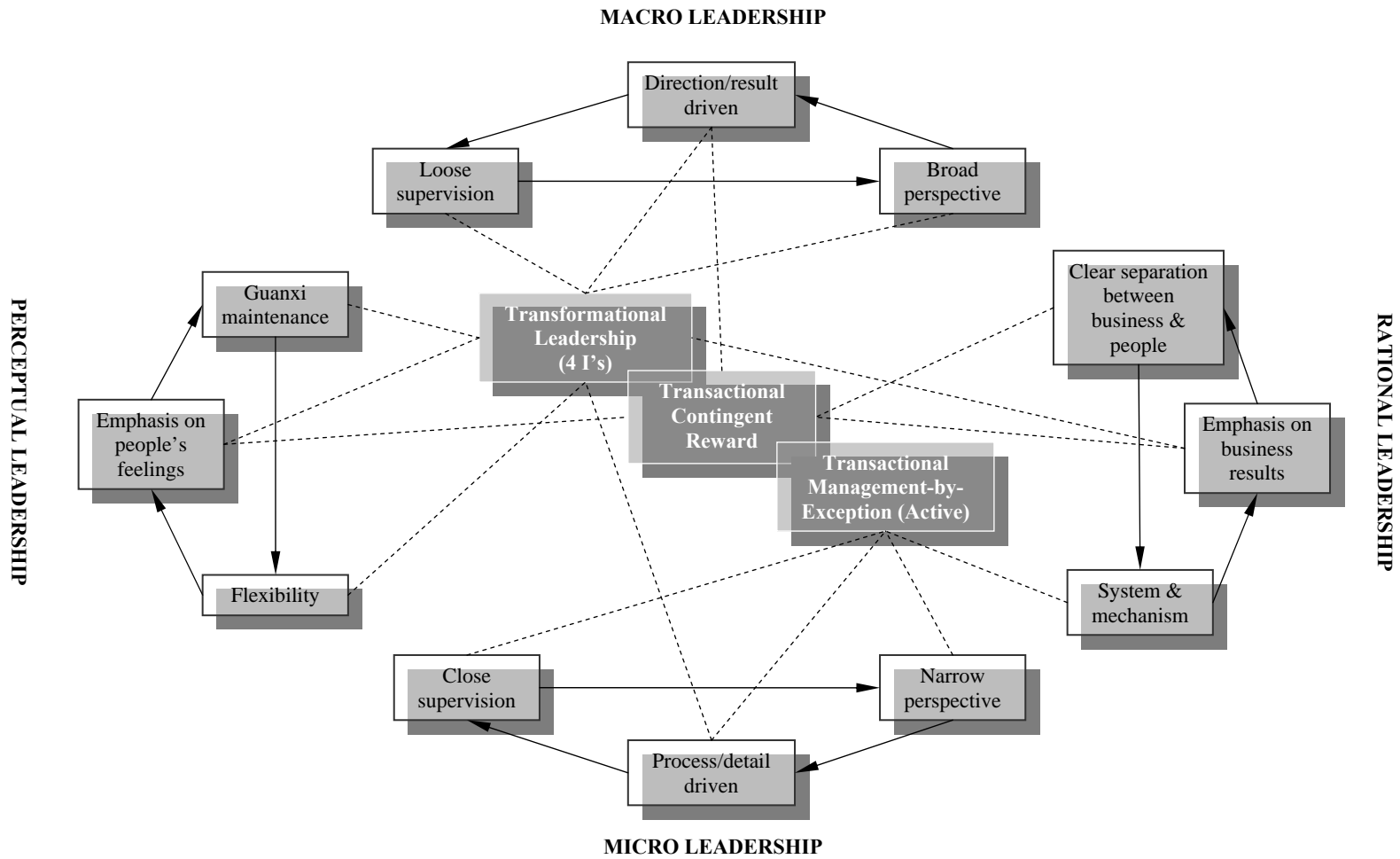


Figure 7.3: Interconnections between leadership styles

The implications of this study are apparent that leadership in practice is a rather complex process, and the findings of this study have further demonstrated that leadership seems to be oversimplified in Bass' two-factor theory. Transactional and transformational theories attempt to develop full range leadership and predict leadership success in terms of people's perceptions. As yet, however, there does not appear to be an entirely developed framework for the analysis and development of leadership at both theoretical and practical levels as the evidence provided in this study. First, certain themes (e.g. work hard vs. seek balance, Guanxi maintenance vs. clear separation between business and people) of micro and macro leadership and perceptual and rational leadership were found not included in transactional and transformational leadership theories.

Second, a review of literature demonstrated that the underlying assumptions about people and organizations between cultures are sometimes divergent or contradictory. As this research has highlighted, this consequently leads to misinterpretation and incomprehension of transactional and transformational leadership between Chinese and American leaders. This study, therefore, has supported the argument that transactional and transformational leadership theories are not easily transferred across cultures without appropriate adjustments (Black & Porter, *et al.*, 1991; Hofstede, 1980b; Hofstede, 1993; Jung & Avolio 1999; Shao & Webber, 2006; Trompenaars & Hampden-Turner, 1997).

Third, the relationship between personality and transactional-transformational leadership still remains ambiguous. Perceptual and rational leadership styles appear to closely relate to Myers-Briggs Type Indicator (Myers, 1962; Myers & McCaulley, 1985, Myers *et al.*, 1998), a personality inventory adapting and developing the model originally outlined by Jung (1971) in his '*Psychological Types*'. As discussed, the findings of this study have suggested that the leadership styles of American executives were rational; conversely, the leadership styles of Chinese executives were perceptual. American executives generally exhibited obvious transformational leadership, but also transactional contingent reward; however, Chinese executives displayed modest transformational leadership and more transactional management-by-exception (active). Therefore, it seems to contradict with Bass and Riggio's (2005) statement that transformational leaders exhibit less thinking than feeling, and

transactional leaders exhibit more thinking than feeling. Hautala (2006) argues that subordinates' and leaders' ratings on personality (MBTI) and transformational leadership did not converge. Leaders' self-ratings indicated that the extraverted, intuitive and perceiving preferences favour transformational leadership; on the contrary, subordinates' appraisals showed that the most transformational leaders were sensing leaders (Hautala, 2006). Thus further examination of the dynamic relationship between personality and leadership style is necessary.

Another implication of this study is about the relationship between Chinese leadership theories and other leadership theories. In previous studies on Chinese leadership style, CPM leadership (Ling *et al.*, 1987) and paternalistic leadership (PL) (Farh & Cheng, 2000) appear to be prevalent. There seems to be a certain linkage between 'character & moral' of CPM leadership (or 'moral' of paternalistic leadership) and transformational leadership (or perceptual leadership), and a certain linkage between 'maintenance' of CPM leadership (or 'benevolence' of paternalistic leadership) and transformational leadership (or perceptual leadership). Moreover, 'performance' of CPM leadership (or 'authoritarianism' of paternalistic leadership) also seems to closely link to active management-by-exception (or micro leadership). However, in terms of the findings of leadership differences between Chinese organizations and American ventures, as experienced in multi-cultural organizations, the suitability of these Chinese leadership theories and practices derived from only Chinese organizations should be questioned.

7.2.2 Identification of Chinese-American leadership differences and similarities

Comparisons of leadership across different cultures are of considerable theoretical and practical importance, and this study has made a progress in this field of inquiry. As a result, this study has been able to demonstrate that the differences in leadership styles between Chinese and American executives were still significant or even contradictory sometimes as is evident in micro and perceptual leadership styles of Chinese executives, but macro and rational leadership styles of American executives. The case analysis has also indicated that the leadership styles of Chinese and American executives can be both transformational and transactional. However, American executives generally exhibited obvious transformational leadership, but also more

transactional contingent reward; conversely, Chinese executives displayed modest transformational leadership and more transactional management-by-exception (active). In addition, the work undertaken in this thesis has also provided an overview of people's divergent attitudes and expectations towards Chinese and American leadership styles as experienced in multi-cultural organizations. This research, therefore, has contributed to appeals made by the proponents of culture-specific leadership and management (Black & Porter, 1991; Bond & Hwang, 1986; Jung & Avolio, 1999; Kim, 1994; Schein, 1992; Wang & Heller, 1993).

However, with the trend of the global village and less impact of local culture, there have been many studies in leadership literature to demonstrate that cross-national similarities in leadership profiles do exist (Javidan & Carl, 2005). Chinese companies and executives will eventually be influenced by Western management theories and practices of joint ventures (Fernandez & Underwood, 2006; Worn, 1998). By identifying performance orientation, ethics, rules and regulations compliance, and Americanization (or westernization) of leadership styles as the major similarities in leadership styles between Chinese and American executives, this thesis has demonstrated the probability of leadership convergence, particularly in multi-cultural organizations.

Identification of Chinese-American leadership differences and similarities in this study, consequently, provides insights for understanding the dynamic process of leadership depending upon situation, context and time. It is of particular interest to note that the findings of special cases and changes of leadership styles of Chinese and American executives have supported the perspective of crossvergence phenomena (Kelley *et al.*, 2006; Ralston *et al.*, 1997) across nations, particularly in commercial contexts in which fierce competition constantly pressure organizations to improve. Additionally, the evidence of some of Chinese executives' inside struggles with the dual impacts from Chinese culture and American (or Western) management concepts and practices has also supported the argument that intercultural movement through the dialectic occurs by diminishing the horizons of intercultural conflict from inter-group through inter-personal to intra-personal tensions (Fisher *et al.*, 2008). Hence time has to be spent understanding and appreciating the differences and similarities between two cultures and leadership practices.

7.2.3 Understanding causes leading to leadership differences and similarities

This study has proposed that a number of probable causes lead to the differences and similarities in leadership styles between Chinese and American executives, and developing an understanding of the links between these causes and leadership styles can be seen as another contribution this research has made. In the general sense of the findings of this study, as the main causes, national culture and education differences between China and the US appeared to shape divergent leadership styles and mediate leadership processes. The examples of contradictory cultural elements are somewhat consistent with certain cultural dimensions developed by Hofstede (1997, 2001) and Trompenaars and Hampden-Turner (1997). However, as the evidence of the complexity of Chinese culture provided in this study, cultures are rather complex, pervasive and somewhat intangible. Due to the shortcomings of these previous cross-cultural studies, the entire secret of culture does not seem to be discovered, and a great deal of careful attention has to be given to identifying cultural elements and then applying them in practice.

This thesis has also identified other situational causes leading to leadership differences, but not previously given much attention in the literature. In addition to the cultural causes, the probable causes become more complex when national culture and education differences between China and the US are overlaid by the gaps in social system, positions and resources, economic base and value chain, leadership and management maturity, understanding of China, interaction between leaders and followers, language and tenure between Chinese (or China) and American executives (or the US). On one hand, these gaps often caused barriers or confusions in the interaction between Chinese and Americans, as well as divergent leadership styles between them. On the other hand, Chinese and American executives appeared to make efforts to complement each other in leadership style to narrow these gaps between them to meet business requirements and actual context and to satisfy followers' expectations.

The influences of corporate culture and American (or Western) management theories have been identified as two critical forces causing the similarities in leadership styles

between Chinese and American executives. This study, therefore, has contributed to knowledge on the probability of leadership convergence. Moreover, research findings of the Chinese culture change and the differences between generations have shown certain consistency with increased individual-oriented characters and decreased social-oriented characters among young Chinese people (Yang, 1996), and have provided further evidence for culture convergence with the trend of globalization and increased circulation of cross-cultural communications (Ralston, *et al.*, 1997). However, as reported in this study, the evidence of the special cases and the changes of leadership styles of Chinese and American executives are somewhat consistent with the perspective of culture crossvergence, particularly in multi-cultural organizations (Kelley *et al.*, 2006; Ralston *et al.*, 1997). Hence this research has provided implications for understanding the convergence-divergence-crossvergence process of culture based upon dynamic ideas.

7.2.4 Should organizations support the convergence of leadership styles

This study proposes a dynamic Yin Yang model for admired leadership styles in American companies in mainland China. As Bennett (1986) advocated, the development model of the intercultural sensitivity is a dynamic process. Fisher *et al.* (2008) further provide new insights that the process of managerial intercultural encounters is dialectical and probably regressive and recursive. As illustrated in *Figure 7.2*, this Yin Yang model of admired leadership styles is a dynamic approach by which effort should be made to allow Chinese and American leadership styles to converge and adjust according to situation, context and time. As we have discussed in the previous sections, in a multinational organization, there is a great probability of allowing cultures and leadership styles to converge through the importation of American (or Western) management thoughts and practices and the strong influence of American corporate culture. However, as the findings of this study have highlighted, leadership styles and effectiveness were perceived by both Chinese and American interview respondents to be rather situational, and both Chinese and American executives were expected by the respondents to respectively retain their unique characteristics of culture and leadership style. Even though the impact of China's modernization during the past three decades on the changes of Chinese behaviors is salient, China seems to have never given up its most important cultural

characteristics (Faure & Fang, 2008). Consequently, the implications that this study has made are, in a multinational corporation, the diverse individual work values, leadership styles and behaviours from the various geographic locations may need to converge and integrate into a common set of values and behaviour norms within a universal corporate culture. However, I believe that this process appears to be crossvergent and time consuming.

The suggestions and expectations on leadership styles provide practical guidelines for both Chinese and American executives working for American companies in mainland China to adjust their leadership styles and maximize their leadership success to meet organizations' requirements and followers' expectations. In addition, these may be not only available for managers working for American companies but also useful for managers working for other types of joint ventures or wholly owned foreign ventures for leadership and business success in mainland China.

In summary, this study has contributed to existing knowledge, in particular, in Chinese-American leadership styles in cross-cultural studies. This thesis has discovered distinct leadership styles of Chinese and American executives and has provided a comprehensive perspective of how people viewed these leadership styles in their jobs. This thesis, therefore, has added to the leadership literature by demonstrating the significant differences and similarities in leadership styles between Chinese and American executives. Moreover, this research has been able to identify the cultural and situational causes of these differences and similarities, especially, some of variables were not previously given much attention in the leadership literature. These findings can input into leadership development and practice in American companies in mainland China. Lastly, this thesis has proposed a dynamic Yin Yang model of admired leadership styles for convergence and adjustment of diverse leadership styles based upon situation, context and time.

7.3 Limitations of the Research and Recommendations for Future Research

In this section, the main limitations of this research are considered that include how the materials were collected and analyzed, and how the findings of his study were produced. The recommendations for further research are also proposed in this section.

7.3.1 Limitations on sampling and data collection

First of all, the sample of qualitative data was limited to the organizations that were the American-owned companies of electronics industry in mainland China. Although focusing on a specific sector has the major benefit of controlling a major variable, the obtained results might be context-specific, and the generalizability of the study might be somewhat sacrificed. Secondly, since purposive and snowball sampling strategies were adopted to locate appropriate candidates, the first eligible respondents were the researcher's former superiors, colleagues and acquaintances working for American companies in mainland China, and the selection of responses to interview was largely determined by the main contacts of the researcher. Generally, the larger the snowball while rolling, the more difficult the respondents suggested others. Thirdly, the quality of interview data depended upon the quality of interaction between the researcher and the respondent and how interested the respondent was in the research. In general, the more interested the respondent was in it, the longer the interview tended to be. Moreover, as the time spent interviewing some respondents was restricted, it limited the researcher to further explore, probe and clarify the meanings and areas of interest by asking follow-up questions.

In terms of quantitative data collection, the sampling strategies and the sample size limited the results of this study. It could disable the researcher from viewing a more comprehensive perspective on transactional and transformational leadership styles of Chinese and American executives. Although the response to the survey was high at 91% and using the Multifactor Leadership Questionnaire (MLQ Form 5X-Short) in this study to collect quantitative data was not aiming to give population generalization, the survey results were limited by only surveying the interviewees as one way to validate the responses. Thus further use of the MLQ survey and 360° feedback would be more helpful to avoid self-selecting bias and develop a more comprehensive perspective on transactional and transformational leadership styles of Chinese and American leaders. Additionally, since the English version of MLQ could be interpreted differently and discriminated by the respondents between cultures, the using of bilingual version of MLQ in both English and Chinese for survey in this study would be more effective.

7.3.2 Limitations on data analysis and findings

As a standardized guide for analysis of interviews, a coding system attempts to explain how interviews should be assessed and how themes should be determined. 'It is essential that the coding system be explicitly defined, so that its application results in highly reliable data and so that two judges applying it to the same interview agree to a great extent on how it is to be coded.' (Boyatzis, 1982:51) A limitation of qualitative data analysis of this study is that it has been done by only one researcher. This means coding and analysis of the interviews was conducted by the researcher only, in particular, the coding manual of the research study to help analyze the qualitative data and present findings has only developed from the researcher's interpretations of the interview materials. However, both qualitative and quantitative methods have been used in order to construct the validity and reliability. In addition, case study database and the details of data collection and analysis with anonymity and confidentiality were also archived, and a chain of evidence was maintained as well.

Another probable limitation of this study is the differences in leadership styles between people from various geographic locations of mainland China. Chinese appear to exhibit strong regional identity and believe that there are striking differences between people from various parts of China (Redding, 1990). However, the researcher has selected the similar numbers of respondents from Beijing Municipality, Yangtze River Delta, and Pearl River Delta that were chosen as centres for this study, and very few respondents mentioned the leadership differences between these three areas. Moreover, high talent mobility among these three areas has probably decreased the geographic differences particularly when these talents were working for American companies. Lastly, exploring the geographic differences between people from different parts of China is not the aim of this research after all.

7.3.3 Recommendations for future research

Further refinement of micro and macro leadership styles, perceptual and rational leadership styles, as well as relevant themes and categories is necessary to further enhance validity and reliability. Developing survey questionnaires relating to these

leadership styles with further data collection and analysis can also offer more evidence concerning the results suggested in this study. Future research should try to further clarify the leadership differences and similarities discovered in this research between different levels, gender, and geographies of China in order to add further understanding of the variety of leadership styles. Additionally, the relationship between leadership effectiveness and leadership style in different context, and the relationship between personality and leadership style should be also explored with various approaches, such as case studies, observations, action research, employee engagement survey and 360° feedback etc. This, therefore, could help leaders of multinational organizations to enhance their leadership effectiveness and to satisfy followers' expectations for business success across cultures.

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Appendix 1: Research Background and Information Sheet

Thank you for the interest you have shown in taking part in this research project. Before you agree to participate, I would like you read through the following information which will help to explain the project in more detail and what I'd like your input to be. If you have any questions about the project, or the nature of your participation which are not answered here, please do feel free to get in touch (contact details can be found at the end of this document).

Aims of the project

The broad aim of the project is to explore the leadership styles of Chinese and American executive level managers working for American ventures in mainland China. The main focus is on qualitative research, by understanding the differences into the leadership styles of Chinese and American executive level managers in mainland China, where limited research and theories currently exists. The specific objectives are:

- To discover any major differences in leadership styles between Chinese and American executive level managers in mainland China
- To ascertain the causes of the differences in leadership styles between Chinese and American executive level managers in mainland China
- To investigate how the differences of leadership styles between Chinese and American executive level managers in mainland China are influenced by cultural differences between the Chinese and the American as experienced in multi-cultural organizations

The researcher

My name is Xianjun Shen, a PhD student of Nottingham Business School of Nottingham Trent University. Before I came to the UK, I worked for several foreign ventures in Guangdong China as a learning and development manager and a Senior Human Resources manager. A combination of my working experience and research interest led to the conception of this research project.

Your contribution

I would like to conduct an interview (of up to about one and half an hour long), in which I would like to discuss the leadership styles of Chinese and American executive level managers. I would like to talk to you about the things such as how you think about the leadership styles attribute to successful Chinese executives, and what you think the main causes resulting in the differences between Chinese and American executive level managers. I would like to audio record the interviews, since this will enable me to listen to what you are saying more at the time, rather than having to write lots of notes. It also means that I will have a precise record of what you have said.

Storage and use of the data

Once your interview has been recorded, it will be transferred to my PC as a digital recording. I will then transcribe your interview so I can import it into a qualitative analysis package as a text document. I will keep the recordings and transcriptions until the end of the project, after which they will be destroyed. The research will be not intended to be published with quotes from your interview in the future.

Anonymity and confidentiality

I will use a number of measures to ensure your data is kept confidential, and that you remain anonymous. Any files (digital audio and textual) which contain data will be kept securely on a PC and backup storage device in a password protected folder. Your name will be removed from any data that will not be linked to your name, or initials. In addition, anything you mention in your interview which could be used to identify you will also be removed.

Your rights

There is absolutely no expectation that you *must* take part in this research project. Participation is entirely voluntary, and should you wish to withdraw at any time, you may do so and any data recorded up to that point will be destroyed.

Are there any disadvantages to me taking part?

You will need to give up one and half of an hour of your time, but it is hoped that you find the interview interesting and useful enough to outweigh this draw upon your time.

I do not intend to ask you about any sensitive topics or issues, and if you feel that at any time you would prefer not to answer a question, that is absolutely fine.

The project has also been approved by the College Ethics Committee.

What's in it for you?

It is hoped that you will find participating in the research an interesting and useful experience. Simply talking to someone about your own experience and point of view on leadership styles of Chinese executive level managers can be a useful way of reflecting upon the experience and thought, and some people might find that this may help them when it comes to their own working situation.

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Appendix 2: Voluntary Participation Consent Form

Please read and confirm your consent to being interviewed for this project by initiation the appropriate box (ex) and signing and dating this form.

1. I confirm that the purpose of the project has been explained to me, that I have been given information about it in writing, and that I have had the opportunity to ask questions about the research.

2. I understand that my participation is voluntary, and that I am free to withdraw at any time without giving any reason and without any implications for my legal rights.

3. I give permission for the interview to be audio-recorded by the researcher, on the understanding that the recording will be destroyed at the end of the project.

4. I agree to take part in this project.

Name of participant

Date

Signature

Appendix 3: Interview Process

Preamble

- Quick overview of what the research is about, stressing the purpose and the specific objectives
- Interview will be recorded (already agreed in consent form, but check).
- Reminder of anonymity and confidentiality.
- Reminder that participant has right to withdraw at any time, and if they want to see transcript, they are welcome to.
- Any questions? Comfortable?

Opener

- I would like to talk to you today about your leadership experiences and thoughts, particularly the leadership styles of Chinese and American executive level managers.
- Do you mind talking about your career history, especially the working experiences in American ventures in mainland China?
- Is this something you would like to talk about your experiences or thoughts regarding the leadership styles of Chinese and American executive level managers working in American ventures in mainland China?

Differences of leadership styles

- Could you please describe three incidents in which you feel different in the leadership styles between Chinese and American executive level managers in the job?
- Could you please describe incidents where the differences of leadership styles were helpful (or not helpful)?
- Could you please tell me why you think they are different? And what the main causes you think make them different?
- Fining out more: ask further questions the interviewer is unclear and to probe the respondent's reasons, feelings, opinions and beliefs.

Similarity of leadership styles

- Could you please describe three incidents in which you feel similar in the leadership styles between Chinese and American executive level managers in the job?
- Could you please describe incidents where the similarities of leadership styles were helpful (or not helpful)?
- Could you please tell me why you think they are similar? And what the main causes you think make them similar?
- Fining out more: ask further questions the interviewer is unclear and to probe the respondent's reasons, feelings, opinions and beliefs.

Closing

- Any other experiences, feelings, opinions and beliefs about the leadership styles of Chinese and American executive level managers you would like to share?
- Remind how helpful and interesting participant has been.
- Anything else they would like to add.

Go over ethics

- Any points they make that they would like to retract?
- Remind of anonymity and confidentiality, storage of data.

Thank once again.

End.

Appendix 4: MLQ Multifactor Leadership Questionnaire Rater Form (5x-Short)

For use by XIANJUN SHEN only. Received from Mind Garden, Inc. on June 13, 2008

Name of Leader: N/A

Date: _____

Organization ID #: N/A

Leader ID #: N/A

This questionnaire is to describe the leadership style of the above-mentioned individual as you perceive it. Please answer all items on this answer sheet. **If an item is irrelevant, or if you are unsure or do not know the answer, leave the answer blank.** Please answer this questionnaire anonymously.

IMPORTANT (necessary for processing): Which best describes you?

I am at a higher organizational level than the person I am rating.

The person I am rating is at my organizational level.

I am at a lower organizational level than the person I am rating.

I do not wish my organizational level to be known.

Forty-five descriptive statements are listed on the following pages. Judge how frequently each statement fits the person you are describing. Use the following rating scale:

Not at all	Once in a while	Sometimes	Fairly often	Frequently, if not always
0	1	2	3	4

THE PERSON I AM RATING. . .

Sample Items...

1. Provides me with assistance in exchange for my efforts0 1 2 3 4

10. Instills pride in me for being associated with him/her0 1 2 3 4

20. Demonstrates that problems must become chronic before taking action.....0 1 2 3 4

30. Gets me to look at problems from many different angles.....0 1 2 3 4

40. Is effective in representing me to higher authority0 1 2 3 4

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Published by Mind Garden, Inc., www.mindgarden.com

Appendix 5: Leadership Styles of Overseas Chinese Executives

Many issues that relate to the leadership styles of overseas Chinese executives working for American companies in mainland China are discussed in this section. These overseas Chinese executives include Hong Kong, Singaporean and Taiwanese executives etc. The advantages of overseas Chinese executives perceived by local Chinese respondents are examined, and the respondents' perspectives and concerns on their leadership styles are explored. In addition, problems arising from the differences among overseas Chinese executives and findings that relate to traditional Chinese culture maintenance are also discussed.

As illustrated in the following quotes taken from four Chinese respondents, overseas Chinese executives appeared to occupy a big proportion of top positions in American companies in mainland China. Though some of the Chinese respondents felt that the advantages of overseas Chinese executives seemed to have been reduced and more and more local Chinese occupied those top positions, local Chinese executives appeared to be put in an embarrassing status.

'We have to realize that the number of American executives working in mainland China has gone down, but Hongkongese, Singaporeans, and overseas Chinese still occupy the largest percentage of the top positions in American companies in mainland China.' (Director of Global Supplier Quality, Chinese)

'Many Hongkongese, Singaporeans, and Taiwanese work for American companies as top executives in mainland China.' (Senior Sourcing Manager, Chinese)

'Another thing I would like to mention is that Chinese managers, who belong to middle levels, are in an embarrassing status, as they have to report to American or overseas Chinese, such as Hong Kong, Taiwan, or Singaporean Chinese, with limited delegation. Sometimes they feel very repressed.' (HR Director, Chinese)

'Many top positions of American companies in mainland China have been occupied by overseas Chinese. But, it can not be denied that the advantages of these overseas Chinese have been reduced than before, and more and more local Chinese executives occupy those top positions.' (HR Director of China, Chinese)

In the following excerpts taken from two Chinese respondents, it is clear that there are indeed many similarities in leadership styles between local and overseas Chinese executives.

'I think local Chinese executives and those overseas Chinese from Hong Kong, Taiwan, and Singapore share many similarities in leadership styles.' (HR Director of China, Chinese)

'If only the leaders are Chinese, there must be many similarities in their leadership styles. I mean no matter they are local Chinese, or Hong Kong, Taiwan and Singaporean Chinese, their leadership styles must share many similarities.' (Operations Director of China, Chinese)

Compared with local Chinese executives, overseas Chinese executives were often seen as having certain advantages in their jobs due to familiarity with Chinese culture and the certain advantages of education and social system. Moreover, they were also usually described as the leaders that worked very hard with professional competencies, integrity and commitment to the job, and better command of English. Specific comments illustrating this are shown below:

'Most of local Chinese think these people from Hong Kong, Taiwan, or Singapore work very hard and tribute all they can do, even their personal time and effort for the company. They often lead by example and even work at weekends, and their ability of following up is very good as well. They always follow up their subordinates so tightly that the people could hardly breathe.' (Sales Director of China, Chinese)

'I think the big differences between local Chinese executives and overseas Chinese executives are overseas Chinese executives might have better work ethic and stronger professional competencies than local Chinese executives... Sometimes I also think about why some of American companies or foreign companies prefer to use those overseas Chinese rather than use local Chinese as top executives in China. I believe except the gaps in language and professional competencies, work ethics and integrity might be the very sensitive point. Many examples have shown that work ethics and integrity problems of some of local Chinese executives have led to very negative

impact on the whole image of local Chinese executives.' (Operations Director of China, Chinese)

'I believe these Chinese American executives have great advantages when working in mainland China because they are familiar with both American and Chinese culture and can communicate with both of them effectively... I think Hong Kong executives or Singaporean executives look more internationalized and tough... These Hong Kong or Singaporean executives tend to be more internationalized than local Chinese executives because of their advantages of language and education.' (Financial Controller, Chinese)

However, in response to the differences in leadership styles between local and overseas Chinese executives, even though these overseas Chinese executives were perceived to have to work in mainland China, they were often considered to have a superior attitude, and they tended to exhibit the sense of superiority by unequal treatment between local and overseas Chinese employees. These feelings are described in the following extracts.

'Some of overseas Chinese have a superior attitude. I think it comes from their advantages of institution, social and economy system.' (Operations Director of China, Chinese)

'I think it is related to the concept of hierarchy from overseas Chinese executives, especially Hong Kong managers as they might think they are more superior... I mean different positions or levels mean what type of hotel you can stay and how much travel expenses you can reimburse, so people at higher levels look more superior.' (HR Director, Chinese)

'Hong Kong executives working in mainland China looked different, and they seldom motivate people. On one hand, they display a patronizingly superior attitude (莫名奇妙的优越感); on the other hand, they still have to work in mainland China.' (Quality Director of Asia, Chinese)

'The big problem is that these overseas Chinese tend to think highly of them and exhibit a superior attitude when working with local Chinese people. They could think

they have certain advantages of education, social and economy system, but the reality is they have to work in China.’ (HR Director of China, Chinese)

‘I heard some Hong Kong employees had different canteen with local Chinese employees in the same company. But Americans never do it, and they always have dinner in the same canteen with all the employees. At least, Americans look equal. Taiwanese are similar with Hong Kong people for both of them exhibit a patronizingly superior attitude... Thus many Chinese managers dislike some of Taiwan or Hong Kong executives.’ (Senior Sourcing Manager, Chinese)

A Chinese director of global supplier quality described an incident when she was working for her former company in which the general manager was a Taiwanese. The Taiwanese general manager devalued the ISO9000 system of the company and what quality staff had done to develop the quality and environment system of the company. The Taiwanese general manager, therefore, criticized her on the meeting of quality review and improvement. The following example taken from her describes how she felt when the Taiwanese general manager challenged her with a superior attitude.

‘Since I was the management representative at that time, I just felt very embarrassed and “loosing face” on the meeting when he asked me “why does this meeting needs 4 hours? I think 1 or 2 hours are enough. Why are you talking about something not related to your responsibilities?” There were many similar cases. I knew that he was restricted in his limited knowledge and concepts, and he still remained unchanged even if the company had been upgraded to a higher level... I just went ahead and presented what I wanted to present according to the original meeting schedule, but I did not make a summary. Because of his objection, we did not have group discussions for the current problems and status at the end of the meeting, and the summary report was missed as well.’ (Director of Global Supplier Quality, Chinese)

Moreover, evidence from the following examples taken from the Chinese executives in the sample also suggests that compared to local Chinese executives, some of overseas Chinese executives tended to be more result oriented rather than care about people, and they were often perceived to ignore people’s welfare and blame others’ mistakes. The leadership styles of these overseas Chinese executives, therefore, were

described as being rather harsh and less interested in people's feelings and their future development.

'I have worked with several Hong Kong executives. I think they just cared about "tasks" but not "people", and they looked less interested in motivating people and their career development. Although they exactly know some of their people have experiences and great potentials, they seldom communicate with these talents whether or not they like their current jobs, and what the true meaning of the jobs. There are no sufficient communications between Hong Kong executives and local Chinese people, and local Chinese people never feel Hong Kong executives really care about their people's career prospects and future development.' (Quality Director of Asia, Chinese)

'I have worked for several American companies, and many Hong Kong managers are very harsh to their subordinates. I still remember a case that a Hong Kong manager was so harsh that I cried many years ago. But later on, I reported to a local Chinese leader, and I felt that the mutual understanding between us was much more effective. When I was dissatisfied with something or looked unhappy, she understood me so well and supported me as much as she can. However, for Hong Kong managers, they seldom care about your feelings and your unhappiness. They might think that is your problem, and the only thing they care about it result. They are quite result oriented.' (HR Director, Chinese)

'A Singaporean director didn't think his one of the subordinates, who was in maternity leave, should have annual bonus, even if this was not compliant with the company policy. You know he has some opportunities to take initiative for his subordinates' benefits, but he never did it.' (Director of Global Supplier Quality, Chinese)

'Most of them expect their subordinates to be submissive with strong concept of hierarchy, so you can find their subordinates often work overtime and work very hard to satisfy their Hong Kong leaders' expectations. I think that is a rather harsh leadership style.' (Operations Director of China, Chinese)

'The Singaporean director is quite different, since he is very tough and often accuses others of their mistakes.' (Sales Director of South China, Chinese)

The following example, in which a Philippine Chinese general manager's leadership style and the people's feelings were described, reiterates these points discussed above.

'A series of cost saving measures were taken afterwards, such as reducing salaries, dismissing the people whose salaries were high but performance was not good enough, cancelling the shuttle bus as well as buffet lunch. It was the nightmare for all the employees, and some of them were fired or resigned for other opportunities. There were significant differences in leadership styles between the American general manager, who treated people very kindly and equally, and the Philippine Chinese general manager, who was cost saving oriented. I do not think local Chinese executives will behave just like the Philippine Chinese general manager. I think local Chinese executives will keep good people, who are competent and perform well, and provide competitive salaries to them although the salaries may not be the highest but at least reasonable... Overseas Chinese executives are used to saving cost through cutting employees' compensation and benefits... I disliked Malaysian Chinese leaders either because the Malaysian Chinese leaders I have met were much worse than American and local Chinese executives.' (Technical Director, Chinese)

Additionally, comments made by some of Chinese respondents indicated that overseas Chinese executives were usually seen as being rather political. The political behaviour was seen to be caused by the confined living space and fierce competition. This is clearly demonstrated in the following extracts.

'Hong Kong, Taiwan and Singapore are very small areas, so the people's living space is rather limited with fierce competition. If they want to survive and develop well in this kind of living conditions, they have to take many things into account before doing everything, so sometimes they appear to be more stingy and political.' (HR Director of China, Chinese)

'Last time the American big boss came over to visit the company, Hong Kong general managers spent a lot of time to arrange the details, such as presentation, meeting schedules, etc. For them, where the American boss sat was selective and could not be neglected. These general managers sat down after the American boss. Another interesting thing was that these Hong Kong general managers wore formal suits and ties at first; however, they immediately took off the ties once they found the American

CEO wore casual clothes. They might think the American leader might be impressed with what they have done and recognize them. I think their behaviours relate to the fierce competition and the limited development space in Hong Kong.’ (HR Director, Chinese)

In the following example, another HR director described an incident in which some Hong Kong executives played a political game so that an American senior vice president had to move to another plant. The new Hong Kong vice president was perceived by the HR director as a person that only focused on personal interests and superficial work. The HR director believed that the poor leadership style of the Hong Kong vice president caused the decrease of customer orders and operator strike.

‘I heard some Hong Kong top executives complained to the board that the American senior vice president only emphasized the production but neglected employees’ benefits, but we knew that was not true because most of us were satisfied with his leadership. Eventually he was transferred to other factory in Philippines, but this American senior vice president might never know how political these Hong Kong people were... Later on, a new Hong Kong vice president joined the company, but I found what he focused on was his personal interests only. For instance, he often asked the cleaners of the company to clean his personal car, and he even called me to improve the park management just because one day he had no place to park his car. Many slogans were posted in workshop beautifully according to his ideas, such as “creating a learning organization” or “5S+1” etc., but customer orders were decreased rapidly and operators even went on strike two days ago... The production has been getting worse and worse, and the XXX product line was stopped six months ago.’ (HR Director, Chinese)

This HR director further stated that the recent operator strikes were caused by the decrease of their salaries, poor benefits and inappropriate management styles. This Hong Kong vice president only emphasized cost saving and work efficiency improvement; however, the mutual communication between operators and the management, operators’ welfare, as well as people’s feelings were largely ignored. In this sense, then, this case also indicates the relationship between leadership styles and employees’ job satisfaction and work effectiveness. Remarking on the Hong Kong vice president’s leadership style, this HR director commented that:

'The operator strikes were caused by the sharp decrease of their salaries. You know only several hundred RMB could have a big impact on their daily lives... Recently there have been several strikes in the company. The operators of plant X and Y went on strike two months ago because of the poor meal quality of the canteen and the first-line production supervisors and managers' management styles. These operators complained that there were no any communications between operators and first-line supervisors and managers, and the operators' grievance were often suppressed by production supervisors without informing the management team, so they were too depressed to work. Moreover, the operators also complained about the efficiency improvement in workshop. Three operators used to operate two machines before, but later on, one operator had to operate one machine, and now, two operators have to operate three machines. Moreover, the operators had chairs to sit in before, but now they have to stand and run around to operate those machines, so they are too tired to go on working.' (HR Director Chinese)

It is of particular interest to note that a series of socialist movements, such as 'Culture Revolution', and 'Smash the Four Olds', etc., were seen to have had a tremendous impact on the traditional Chinese culture in mainland China, and at least one or two generations appeared to have been dissociated from the traditional Chinese culture. However, the traditional Chinese culture seemed to have been maintained much better in Hong Kong and Taiwan due to the different social systems. These feelings are described in the following quote taken from a Chinese operations director.

'I think the traditional Chinese culture have been maintained much better in Hong Kong and Taiwan, especially in Taiwan. I think there was "culture dislocation" (文化断层) in one or two generations of China, especially in the period of the "Culture Revolution". These one or two generations seem to have dissociated from the traditional Chinese culture because of the socialist movements, such as "Smash the Four Olds" (破四旧). When Chiang Kai-shek heard Mao Zedong launched "Culture Revolution" in mainland China, he was very angry that launched a ten years' movement of "Chinese Culture Renaissance" (中华文化复兴运动). Therefore, the Chinese traditional culture maintained very well in Taiwan. I heard college entrance examination of Taiwan and 50% of contents of textbooks were still in Ancient Chinese till the middle of 90s. Contemporary management theories and traditional Chinese

culture have been integrated very well in Taiwan, and there have been many relevant books published there. In 1990s, many researchers abroad were very interested in studying Chinese culture, but most of them viewed Taiwan as a bridge to Chinese culture because many mainland Chinese experts and masters of ancient Chinese culture had past away during the “Culture Revolution”.’ (Operations Director, Chinese)

In summary, then, though local and overseas Chinese indeed were considered to share many similarities in leadership styles, overseas Chinese occupied a big proportion of top positions in American companies with certain advantages. Nevertheless, some of Chinese respondents had some concerns on the superior attitude, harsh leadership, excessive cost consciousness, and political behaviour of these overseas Chinese executives. In addition, the findings also revealed that as a series of socialist movements had a tremendous impact on traditional Chinese culture in mainland China, the traditional Chinese culture seemed to have been maintained much better in Taiwan and Hong Kong.

Appendix 6: Interview Quotes

6.1

'The Chinese director said it was unnecessary to travel to the client's plant if the problem could be solved via conference call, and he expected to solve it with the lowest cost. In this case, the client insisted that I had to go to their plant to solve the technical problem with them face to face otherwise they had to stop payment; in contrast, the Chinese director challenged me and said why you had to go there if the problem could be solved by analyzing the sample. When I communicated with the client to ask them to send a sample to us for further analysis, they replied me that we had to go there to check all the products. Of course, the Chinese director's concept was not wrong either; we did need to solve a problem in a cost-effective way, but sometimes the clients never compromised, so there were many arguments between the company and the client. Finally I had to travel to the client to analyze and solve the quality problem within a half day, but the previous arguments had taken us five days already.' (Senior Quality Manager of Asia, Chinese)

6.2

'The sales director just left the company, as he can't endure the leadership style of this Chinese general manager. As a sales director, he should have right to make reasonable decisions when dealing with customers, but the general manager kept his eyes on all the matters no matter they were major or not.' (Director of Procurement, Chinese)

6.3

'He (Chinese vice president) is quite familiar with every single detail of the company and even knows how to reduce and control the lighting time and industrial water use to save the operations cost... Even in the canteen, he usually asks the canteen workers to remind the employees not taking a lot of food at first time to avoid any waste, but the employees should be provided more food once they need.' (Financial Controller, Chinese)

6.4

'He (Chinese operation director) worked very hard. He went down to the floor area once a day and walked up the back door and down the stairs and spent about 10 or 15 minutes. He made it a point when he'd got the people in on Saturday to go down there and be highly visible. Unless it was absolutely impossible, he got in there. It gave his people a chance to say hello, or ask some questions. It also showed the employees, on Saturdays, that he didn't ask them to do something he would not do.' (General Manager, American)

6.5

'Can you see the big LCD TV in the reception hall? That is used to show the company's industry safety guideline for visitors. For this kind of very small things, we are also afraid of making decision. Because our suggestions are always rejected by him, the best solution is following his order. In this small case, we suggested to hang up the LCD TV in the reception hall because we thought this was a very easy approach, and we also could save space as well, but he was not persuaded at all. He asked us to design an automatic device so that the TV setting could rise when the button was pressed. Since the device designed with his request was so complicated that it was finally broken because of the receptionist's false operation. Of course, this design was also very expensive. He does request us to bring our own ideas to the meeting for discussion, but our ideas or suggestions are often criticized and rejected.'
(Engineering Director, Chinese)

6.6

'When I was working for that American company, I was only one local Chinese, but later we developed several local Chinese managers as young and top potentials to join the leadership team. When they first attended the leadership team meeting, they were not used to express their ideas and present something on the meeting, as they still needed to broaden their eyesight with mature leadership. They still thought about things in their familiar areas but not from the whole picture. On the conference, they just talked about the problems of quality, engineering or other specific fields without thinking about the things at the organizational level.' (HR Director, Chinese)

6.7

'I believe it is necessary refreshing the company's strategies every 2 or 3 years, and some of managers also talked to me that we needed to discuss 3-5 years strategies, so we had a workshop at the beginning of this year to identify SWOT and to discuss the strategies accordingly. In the workshop, I found some of managers never thought of the company strategies and never thought out of box, and what they really focused on were details, but it is not enough at all only completing what their leaders assign to them... They indeed proactively got involved in the discussions in the workshop, and I bought the books of strategy management for all the management team members. I think most of them have been busy training their people, but their training needs could be ignored. Some of them did not know what they should do and what they were going to do, but the problem was how they

could identify their people's training and development needs if they didn't exactly know where they needed to go.' (General Manager, Chinese)

6.8

'Recently there was an employee grievance about a production manager's management style, and I delegated a HR manager to investigate and deal with this case, but he just described to me what the employees said and why they complained about their manager without comprehensive investigation, analysis and suggestions. When I had to investigate this case by myself, he started providing his ideas, opinions and suggestions, so his behaviour was contradictory. When I delegated him to handle this case, he didn't complete it, but when I investigated it by myself, his suggestions and ideas came out. The investigation is still in progress. From this case, we can see Chinese people used to following their leaders' decisions, but they would not make any decisions by themselves.' (HR Director, Chinese)

6.9

'From my point of view, that was not a big problem at all, and he (Chinese finance director of China) should clarify his expectations and delegate her to do complete the job. Criticising subordinates in public was really demotivated.' (Finance Manager of China, Chinese)

'Some of leaders do like showing off their status by simply bossing people around with their authority power but not virtues so that the people know they are "leaders", and others have to follow them... Chinese executives usually care about some details to show their authority, but that really wastes a lot of time and energy. For instance, once they feel the proposals or solutions are not effective, subordinates have to explain to them or adjust these proposal and solutions to meet their leaders' expectations, but some fierce arguments could be raised when both leaders and subordinates insist on their own opinions. Internal friction (内耗) could make objectives failed.' (Senior Key Account Manager, Chinese)

'My boss is responsible for dozens of projects even hundreds of projects, and how he can remember every detail and provide guidance and instructions just based on those limited reports from his people? They should respect their people as their people are really clear about what are actually going on, and they should provide their support and resources when necessary.' (Senior System Quality Manager, Chinese)

6.10

'We are trying to grow the business we have in our unit, we call Asia. In order to grow the business in Asia, we need to recruit people, and because of the business, they need to be trained and enhance their experiences in the projects. I even can not just get somebody who has been operations manager come in the project, he will fail, because the requirement of projects managers are trying to be somebody doing with C level clients, the CEO, CFO people like that, so somebody who is very good at communication, but also very detail oriented. That means who are the people in this team, what they are doing, how they are interacting with clients at that level. So it has been very hard to find people like that, and we want to recruit people from outside who have been trained overseas, the other opportunities are to get people from overseas to come in and help train our people, like project managers. So the issue we are now facing with head office is that head office thinks when you have projects, you need to pick it, but people need time to train up. And the alternative solutions to have people overseas to help, that hasn't been very helpful because when they are very busy overseas, I do not have anybody can help you.' (Vice President, American)

6.11

'I think American leaders working in China only "use" you but not care about you, but Chinese really care about people.' (Finance Director of Greater China, Chinese)

'American executives often clearly separate work and life, but Chinese executives usually keep close relationship with people not only in the job but also in private. Compared to American executives, Chinese executives pay more attention to people.' (Finance Manager of China, Chinese)

'American executives emphasise process and systems and treat others in a more consistent way, but Chinese are rather subjective and flexible with consideration to the people's feelings when leading people.' (Training Manager of China, Chinese)

6.12

'For instance, when I went to one of the factories of the company, some HR people came to me to seek for my suggestions and replies on certain HR matters, but I found the plant HR manager looked unhappy with that. When I asked him four or five times why he looked unhappy, he just said nothing. He was used to ring me every week for some HR matters, but from then on, he seldom rang me again. I thought there must be something wrong, so I asked him again when I went to the factory. Eventually he said he felt uncomfortable as I usually

provided suggestions and replied to them directly without discussing with him, and sometimes what I suggested or replied to his people contradicted with his ideas. From then on, I paid attention to it and discussed with him for his ideas and opinions first. He emphasizes “face” very much, but it sometimes costs a lot.’ (HR Director, Chinese)

6.13

‘On the business review meeting with the senior vice president of Asia, for instance, the supply chain director of Asia pointed out that we had a large stock of components just because of inaccurate forecast. Actually in this industry, 100% accuracy of forecast is impossible, and 80% accuracy is not bad at all. The forecast accuracy depends upon the sales forecast and raw materials planning. But the president of greater China didn’t argue that and told relevant managers to discuss this issue with their people later for further improvement in the coming days.’ (Operations Director of China, Chinese)

6.14

‘Somebody in the company doing something wrong, making mistake, and against the company procedures, and I asked him (Chinese quality manager) who was, he does not want to tell me, so he is a little afraid of making somebody angry, and it happened several times... And I actually do not think it is a way to work, because you don’t need to please them or give them special value to special type of for them to cooperate with you because you are quality manager. As a quality manager, you are always telling people to change or do something different or work harder.’ (General Manager, American)

6.15

‘We had a project for a new product development before, and I really hope we can have a team leader to take lead for this project; however, nobody would like to take this role voluntarily when I asked team members who would be the leader. So I often feel very frustrated when Chinese people don’t compete with others in a team and do not proactively take responsibilities... It is really hard to find Chinese managers who are initiative, have very strong sense of competition, proactively take responsibilities and communicate with others straight forward.’ (Director of R&D Centre, American)

6.16

‘Chinese managers like collecting information, studying and not giving immediate commitments on certain things. It’s very hard for me to give you an example. Chinese managers never throw all the cards on the table immediately, but it maybe a good thing. They

usually think very carefully first and then make decisions... all of us needed to clearly explain our view points and reasons in discussion. Chinese people are indeed not as direct as Americans. They need a little bit more time to think about it to make their decisions. So somebody says we need to get a sleep, and then everything would be ok tomorrow morning.' (Director of Supplier Quality, American)

6.17

'There was a QA manager of China reporting to the American general manager at that time, and he arranged the American general manager to visit all the factories very well within a short period. But one month later, the American general manager was not satisfied with the QA manager of China anymore, and he expressed his dissatisfaction directly on the management meeting or in his e-mails, so everybody knew the QA manager of China had to improve himself quickly. When the American general manager newly joined the company, the QA manager of China had worked for the company for only six months, but it was unacceptable for the American general manager that the QA manager of China didn't know the actual situation of quality and production quite well and could not provide comprehensive technical and customer data to him in time.' (Operations Director of China, Chinese)

6.18

'I think Chinese executives show their consideration to their people via paying attention to their job, understanding and coaching them. Moreover, Chinese executives often care about their people's personal lives and provide assistance when necessary.' (Senior manager – supply chain management, Chinese)

'I believe the differences in leadership styles between Chinese and American executives relate to personality and cultural background. Chinese executives seem more humane to care about their subordinates' work and lives with great attention to details.' (Sales Director of South China, Chinese)

'Frankly speaking, I never felt being cared by the American director, so I do not know how he takes care of his people. He never skimped his reward and recognition, but never provided his consideration to my daily work or personal life.' (Senior Quality Manager of Asia, Chinese)

'Americans seldom care about people's personal lives... and basically there is no communication between American leaders and Chinese followers after work...' (Senior manager – production development, Chinese)

6.19

'I think my current boss shares some similarities with the senior quality manager of Asia. Both of them try their best to help people when necessary and appeal to benefits for us, such as training and development opportunities. Training program application has been rather difficult this year because of the financial crisis, but he still approved my application for two learning programs regarding leadership and quality management for he knows I am working on a very important project now, and the progress of the project looks very good as well.'
(Senior System Quality Manager, Chinese)

6.20

'That day is Mid-autumn festival (Chinese traditional festival). When the Chinese general manager met me in the plant, he had a chat with me and invited me for the dinner with other managers staying in the plant that day. I mean Chinese leaders care about their subordinates with "renqingwei" (warmth) and provide their support to them even for their personal lives, but American leaders might not.' (Engineering Director, Chinese)

'I often invite my people, sometimes those first-line operators, to have dinner together, or have a celebration party, once I find some people work very hard in order to fulfil orders or some key staff looks unstable in certain period, of course, I use my own money. I entertain them without thinking about any returns or appreciations because I just think they do need to have a rest, or we need more communications in a leisure environment to understand each other, or relax the nervous relationship with someone who might dislike you because of your criticism. Many displeasure or conflicts could be released when you ask them whether they have any difficulties in their lives or how their new born babies are, etc. I think this is positive side of Chinese culture and values.' (General Manager and Technical Director of China, Chinese)

'There are many examples in the job. Chinese executives often show their consideration and understanding to their people through informal communication, such as caring their people's families and children. For instance, when I looked nervous and anxious in the job, my former Chinese boss usually understood me very much and asked me to solve my personal matters to meet my family needs first and then came back to work.' (Senior commodity business manager – Global purchasing materials & components, Chinese)

6.21

'I can meet the security guard at the gate of the factory everyday. I found he looked worried one day, so I spent a little time to ask him what he was worrying about. He told me he lived with his wife's parents, but the relationship between them was not good at that time, and they sometimes quarrelled. I said to him family was also very important and encouraged him to communicate with them with open mind and mutual understanding. Although I didn't offer substantial assistance to him, I still heard from his manager that he seemed more proactive in the job and performed much better than before. Even if the relationship between him and his family didn't improve a lot, he still felt he was supported and understood when somebody was willing to listen to him and coach him.' (HR Director, Chinese)

6.22

'When I was working for the previous American company, my Chinese leader often asked me whether or not I was happy with my job and life, and he asked me to seek his help once I had any difficulties in the job or life. At that time, my home was far away from the factory, so I asked him if it was possible to move in the apartment of the company, and he agreed it without any hesitation. He also asked me whether I was satisfied with my current salary or not when I newly joined the company, and he promised to review my salary at appropriate time. What he most expected of us was frankly telling him whether or not we still had any dissatisfaction and difficulties so that he could do what he could do to help us. He got along with many operators very well. For instance, he found an operator looked very sad those days, so he approved her annual leave to return home to look after her father once he knew from her director supervisor that her father was very ill. He always proactively provided his help and support to his people so that they were very happy working here and stable. The employee turn over rate in the department was very low.' (Senior Quality Manager of Asia, Chinese)

6.23

'When I first came to the previous American company I worked before, the former staff had left already without appropriate work handover, and many jobs were in a mess. When I started the job, I did not deal with those problems very well, and some managers complained to the American supply director directly, but my previous boss, finance director provided strong support to me to protect me very well. He emphasized the problems of work handover and actual status and the difficulties of finance department; in contrast, American executives only look at results but not excuses.' (Finance Analysis Manager, Chinese)

6.24

'I hope top Chinese executives to care about Chinese employees as they have the similar needs with us. Of course, some functions, such as IT and HR, have their websites for all the employees, and there are some leisure activities organized by the company as well, but I don't think it is enough. We need to provide more opportunities for our people to communicate with different levels of managers. In Shanghai, we have an annual family day for all the employees, but the effectiveness looks not really good, and the employees did not feel free to communicate with their leaders due to the distance between positions.' (General Manager, Chinese)

6.25

'Till today, most of Chinese managers often provide what they can offer to help their people once these people are in difficulties or trouble, but they never expect returns of their people. Of course, they must use their private resources but not the company's. Chinese people, who have received their leaders' help, always work very hard with loyalty and sacrifice themselves to contribute to the company as returns although their leaders never expect returns from them.' (General Manager and Technical Director of China, Chinese)

6.26

'Most of the employees were very dissatisfied with the decision of no salary increase, and most of them thought no salary increase meant salary decrease because the prices of commodity were still going up. Although American executives knew the employees' dissatisfaction, they were rather determined as the company could not survive and satisfy shareholders' expectations without this kind of decisions. They insisted that the employees have to understand it.' (Senior sourcing manager, Chinese)

6.27

'When I talked this issue with the second American general manager in dinner, he never answered my questions and did not say anything. I did not say we needed to donate to help her (a line leader who had stomach cancer) or took other actions helpful for her treatment, but I knew if he donated money for her, many people of the company would follow. He spent RMB2,000 to buy a present when he knew his secretary was going to marry, but he never provided his personal support to the girl, who had cancer. For Chinese employees, the prime need is not "more flowers on the brocade" (锦上添花), but "fuel in snowy weather" (雪中送炭).' (General Manager, Chinese)

6.28

'I mean some of them like China, and they want to stay, but you know, when you come in as expatriates, you are very expensive, and the company send you here to achieve certain objectives and to get market share and create possibility, so they have to do that, and they want to stay, and maybe they behave in a different way, you know, to get points with that bosses. On the other hand, they still have to be very result oriented, because you know, as American companies, you have to report the results at least every quarter, so the pressure is at every quarter. Again I am not generalizing here, I mean some of them could be very impatient. If I take one senior manager, you know, he is very impatient if Chinese managers don't achieve results that month, he can't accept that, and the pressure keeps getting on, and he just wants to have constant review on business, just see where Chinese managers are and what they are doing about it, which means Chinese managers become very busy doing business reviews with American senior management instead of getting on the business. American leaders become impatient and very aggressive to push for results.' (Vice President, American)

6.29

'A distinct characteristic of my former boss was that we had very close guanxi. The guanxi between us was so close that she gave me her brand name clothes and cared about my personal matters very much... I had very close guanxi with my people just like very good friends. We talked about our families and relations between mother-in-law and daughter-in-law (婆媳关系), and we often had dinner together.' (Senior HR Manager – East and South China, Chinese)

'Personal interaction is also useful for that, such as dining with people together. For instance, we had celebrations to recognize the people contributing a lot to meet the project targets, such as industrial safety, and I also took this opportunity to dine with managers, supervisors and other employees and cared about their personal lives so that we could know each other better and got closer to them. I know many people like sports, so actually I hope to play football with them when available, yet it is not realized.' (General Manager, Chinese)

'He has great affinity for he often communicates with us face to face and discusses any difficulties in our jobs for better solutions. He has dinner with us every week so that we have more opportunities talking to each other in variety of subjects, such as "milk powder crisis", financial crisis, or any matters of the company.' (Senior Manager – Production Development, Chinese)

6.30

'I knew an American executive who had many Chinese managers to report to. He found a HR manager he trusted, and maintained good relationship with this manager in order to rally other Chinese managers. This American executive might not feel comfortable to do things like this, but he had no choice since he was working in mainland China and managing Chinese people. For he was still not good at managing Chinese managers in a Chinese way, he had to find an agent to help him, so I think that was typical case. In general, I think most of American executives are very professional and ethical, but they don't emphasise interpersonal relationships as much as Chinese.' (People Development Director, Chinese)

6.31

'Chinese followers might think that's all if they can accomplish their jobs and achieve objectives according to American leaders' expectations, and they might never expect their American leaders to treat them dinner or communicate with them frequently as they know there are no common language and interests between them because of culture differences. Of course, most of American leaders working in China are at upper levels, and they are not accustomed to keeping too close relationship with Chinese managers as well. Chinese followers never expect their American leaders bring them to higher positions once American leaders are promoted. They know there is no strong guanxi between them, and they lack of the sense of belonging.' (People Development Director, Chinese)

6.32

'There are established systems and procedures in this company, but Chinese executives often deviate from standard when implementing them, and all the people will make up data and figures, which should be prepared in advance, once the general manager gives the commend. Chinese executives could be rather pragmatic or so called "flexible".' (Director of Supply Chain Management, Chinese)

'When rewarding and motivating employees, Chinese leaders sometimes hold the concept which is this is my team or this is somebody related to me, so I need to pay attention to them or give a little more to them... Although Chinese leaders working for American companies know what professionalism is, it is just a subconscious habit. They might feel sorry if they can not provide special care to their people close to them because the employees they are leading are Chinese. Chinese leaders are also used to identifying their favourite and trusted followers through guanxi if they know they can benefit from it.' (HR Director, Chinese)

6.33

'One time I found this staff was playing computer games in the office, so I told her it was not allowed. She looked very angry and shouted at me saying she did not play the computer games at all, and this is just her own way to relax. I went to the HR office and confirmed playing computer games broke the company's regulations, so I suggested giving her an oral warning in terms of the relevant item. The general manager looked very reluctant to give her an oral warning because they have good guanxi. But I insisted on this action, and told the general manager, I had to resign if we can not follow our company policies and treat all the employees equally. I do not think it is right treating others differently based on guanxi.'
(Engineering Director, Chinese)

6.34

'The results were substantial, and I sent the comprehensive report and evidence to the president when I came back from Hei Long Jiang province. We discussed the report and the evidence with the president and the national sales director. They thought the complaint could be true, but the performance of that sales manager was great, and the sales volume of that area was increasing rapidly, so they worried it could impact our business once we took actions to him; moreover, the sales director looked very satisfied with the sales manager and had good guanxi with him. Eventually, the president said there was the evidence, but it didn't seem direct to the sales manager, and he decided to give the sales manager a warning letter and asked the sales director to improve their supervision system. That case was closed then. I think if the president was American, the sales manager must have been fired already.' (HR Director of China, Chinese)

6.35

'Chinese leader are so flexible that they always can find the gap between the system and the reality and take flexible actions according to the actual situation. For example, we already have specific standards and regulations on incoming materials; however, the Chinese general manager often provides special approval for the materials which do not meet the requirements. American leaders just follow the specific systems and procedures to do the work and make decisions, so we rarely find them breaking the rules, but Chinese tend to be flexible.' (Senior Quality Manager, Chinese)

'However, when we talk about legal compliance, Americans are much better because they take strong measures against copyright piracy and do not touch the grey area of the law or

regulations. But you know some of Chinese lack of legal awareness even though it has been much improved. For instance, I heard from our HR director that a new training manager just wanted to purchase part of the copyrighted materials for a training course in order to save money, but he told this training manager “copyright piracy is not permitted in the American company. We need to ensure all the participants of this training course hold the learning materials copyrighted”. For Americans, the baseline of what they do is the law and regulations, and it is regardless virtue.’ (HR Director, Chinese)

6.36

‘In my first American company, we had a product quality accident. That was not about the product quality, and it was just because what the company stated about that type of products was different from the fact. The American general manager immediately sent out an open letter to all of the employees to describe what happened in the company and regularly updated the press release in the bulletin board so that all the employees understood the actual situation and progress. So you know, they took transparent and prompt actions when the accident happened. That American company respected and strictly complied with the law and regulations of China but never thought of cutting corners and taking risks in this area... But if the general manager was a local Chinese, I guess he/she might not communicate and update with all the employees in a transparent way, but they might try to smooth this case out without the expansion and might try to prevent the company from any negative news.’ (Financial Controller, Chinese)

6.37

‘...and she (American technical director) found the statements for the products parts were not clear and specific at all. When she joined the company, she asked all of us to make clear and specific statement for each part of the product strictly based on the procedures and operational instructions as she thought we needed to be responsible for all the customers using our products, no matter they were Chinese or Americans. At the first, we did not understand why we had to follow the procedures mechanically, but with deeper insights into the American management styles and more communication between us, we fully understood that the desired results came from the right procedures and implementation.’ (Technical Director, Chinese)

6.38

‘His (American director) reports also looked great and very tidy, and the systems and procedures were always emphasized as well. He was very punctual for meetings, and he

usually sent out e-mail to others in advance once he was not available to attend the meeting, but some Chinese executives were not punctual, and some of them never replied the meeting organizer for their absence. The American director set up an e-room as the company intranet so that the new products can be updated, and many resources and best practices can be shared.’ (Senior Program Manager, Chinese)

6.39

‘Sometimes I feel my current American boss takes good care of us. For instance, when he knew my birthday was in June, he asked the admin colleagues to buy a birthday cake for me and had a simple birthday party in the meeting room along with the HR people of Beijing and Guangzhou via conference call.’ (Senior HR manager – East and South China, Chinese)

6.40

‘Everything has both sides. The judgement of good or bad really depends upon the actual situation. If the leader is a Chinese, an introverted style of subordinates could be better, but if the leader is an American, an open and straightforward style could be more appropriate. If both leader and follower are open, many things can be solved at work place, if not, one to one and private communication seems necessary.’ (Senior Sourcing Manager, Chinese)

6.41

‘I think it depends upon the situation. For instance, guanxi is a good thing for Chinese as you can make the things smoother and easier when using guanxi, but it might result in office politics or very negative impact on business and the organization once guanxi is overused. Thus it is about “moderation”... Sometimes relationship orientation should be emphasised, but sometimes result orientation should be focused based upon the development stage of an organization. For instance, at the early stage, results must be the first without strong relationship behaviour as survival is essential. In addition, if an organization is in a crisis or at the edge of failure, autocratic or authoritative leadership styles could be effective, so it sounds impossible to care about people or develop people in this kind of situation.’ (People Development Director, Chinese)

6.42

‘I think these interactions help me lead and manage them in the job. Of course, it can not go too far; otherwise, your leadership authority could be challenged. For instance, I assigned a task to a subordinate and expected him to complete it within five days, but he said to me he could not complete it on time because of other urgent jobs. He knew we were good friends,

and I could feel embarrassed if I pushed him too hard. Once some Chinese people have good guanxi with their Chinese leaders, and they view this as a kind of advantage, they probably blur the line between work and privacy.’ (Quality Director of Asia, Chinese)

‘Leaders must have authority in front of their subordinates. Leaders need to keep certain distance from their people as their people might look down upon leaders and ignore the orders from them once the relationship between them just likes brothers. I think leaders and subordinates have to keep the reasonable distance which is not too large or not too close, so that subordinates respect their leaders and follow the orders with a little fear. However, it is not good either once the distance between leaders and followers is too large to make people comfortable. Making jokes sometimes and having dinner together is necessary to show leaders’ affinity, but authority can not be neglected.’ (Director of Supply Chain Management, Chinese)

6.43

‘I think American executives are more realistic and objective when making decisions and judging possibilities, but they often clamour after immediate successes and short-term gains (急功近利).’ (Finance Analysis Manager, Chinese)

‘There are many factors leading to the different results. It could impact Chinese employees’ moral and satisfaction if American executives only look at those figures and financial reports... There was an American general manager in one of the factories in China two years ago, and he did very good job to establish systems and procedures for continuous improvement, but the company didn’t make profit at all.’ (General Manager, Chinese)

6.44

‘The customer orders in this industry usually last 3 or 5 years. This factory is the single one supplier that XXX (company name) nominated in global, but the relationship between the corporate and XXX (company name) seemed not very good; therefore there were no many orders from it. If we had no more orders from them till 2011, this factory might be closed... I emphasized the urgency of this issue to the board and urged them to get more orders so that the corporate would pay attention to it; otherwise, this factory would be closed... The relationship between the corporate and XXX (company name) was not good because XXX (company name) always asked for 3%-5% of price reduction every year, and the total price reduction within three or five years could be very significant. So the corporate thought it was more likely impossible to reduce the price by certain percentage every year due to the prices

increase of raw materials. But in this factory, we have been trying our best to negotiate with the customer for the long-term relationship and win-win solution. We discussed with the customer to replace certain components with other types of components with lower price and the same quality, so that we could maintain the same level of margin, and they got the lower price. With our great effort, the relationship between us has become much better than before with high product quality and competitive price, and this factory was awarded “the global quality award” by XXX (company name) last year. This factory is the first and the only one supplier which was awarded by XXX (company name) in China.’ (General Manager, Chinese)

6.45

‘The American LPD manager asked for leave in one afternoon because his son was very ill. He arranged all the parts very well before leaving, but the warehouse supervisor was not competent enough and did not find these parts, so the product lines were stopped in the afternoon. When all the managers were together to discuss this issue on the meeting, he did not blame the warehouse supervisor and the product line to shift his responsibility. He said he needed to not only arrange the parts production needed but also label them clearly in a separate space so that others could identify and find them easily.’ (HR Director, Chinese)

6.46

‘Americans are always willing to present themselves, so we usually find American executives look very sharp, but Chinese executives seem modest and mild.’ (General Manager, Chinese)

‘Americans leaders might be good at promoting and presenting themselves more than Chinese because “diligence” and “humility” are always viewed as the important virtues for Chinese.’ (HR Director, Chinese)

‘American executives really attach great importance to presentation. Their presentation powerpoint materials look more attractive to draw people’s attention. These things, such as how many lines in each slide, how to highlight important things, and how to use figures and pictures to make better explanation, are usually well considered in their presentation materials. They really emphasize presentation to sell their points to others and persuade others to accept their ideas and opinions, so customers may be very impressed with them and remember them.’ (General Manager, Chinese)

6.47

'Leadership charisma of American executives comes from their powerful presentation, manners and equal status, and they are approachable as well. When people challenge some points of their presentation, they feel quite comfortable to debate and sometimes to challenge back as well. Their presentations usually look logical and convincing. On the annual business review meeting in Hong Kong, for instance, some senior managers challenged the president of Asia my boss directly reports to, but he was very nice and comfortable to discuss these points with them. He is charismatic with his great performance, strong communication skills and negotiation skills... and what he talks to people is usually very convincing so that people often feel quite happy to follow his guidance.' (Senior Manager – Production Development, Chinese)

6.48

'American executives still keep certain distance with local Chinese managers, especially those Chinese employees at lower levels. I believe it is more likely impossible that they have dinner with those first-line operators together... Once the HR manager suggested changing a new car for me because the current one was out of order, I told him that a second-hand car was ok for me because the car was for transportation but not for showing off.' (General Manager/Operations Director of China, Chinese)

6.49

'One thousand years ago, Lou Shide (娄师德), the prime minister of Tang Dynasty, advised his younger brother to endure anything, and his younger brother answered that he would sleeve the spit off his face if anyone spitted at him. Yet Lou said it was not good enough because that only meant he wanted to avoid the angry from others if he just sleeved the spit off in front of others. Therefore he should leave the spit dry by itself on his face. This story told us people should endure to the end without any resistance for the long-term interest.' (HR Director, Chinese)

6.50

'What most impressed me was that he prepared and sent "our commitment" cards to all the HR members on the first day he joined the company. I still remember the content: we are aiming to establish high performance work team with high integrity through continuously improving working systems, sharing and communicating information each other with an open mind. I believe the organizational culture must be much better if all the people can work with this commitment.' (HR Director, Chinese)

6.51

'For the passion, you can feel it, you can feel the future he (American senior vice president) wants to create, the motivation and his beliefs of developing people when he delivers his speech and presents his ideas and thoughts.' (Finance Director of Greater China, Chinese)

6.52

'Americans are relatively more willing to accept different view points or suggestions, and discussions and criticism are very common in daily work. They believe the best solution will come out with direct communication and open discussion face to face.' (Regional Financial Controller of South China, Chinese)

'I think diversity, innovation and creativity are more encouraged and valued by American leaders, but for Chinese leaders, they might be used to following rules without breaking them. I mean American leaders are more tolerant of diversity, but Chinese leaders are not tolerant of different ideas or opinions as much as American leaders.' (EHS Manager of China, Chinese)

'If you have your own ideas, American executives support you very much and seldom depress you, as they advocate independence very much. That's why they always tell you "you are good" and "good job". For them, suppressing others' ideas often means depriving legal rights of the people.' (Director of Global Supplier Quality, Chinese)

6.53

'I value what they are doing and just because I am a manager doesn't mean I know every thing, doesn't mean I have all the answers, doesn't mean I want to have all the answers. I want to surround myself with my people, and if I am not the top person, I need to have somebody that is. I can go to say "hey, this is the problem, what are your dots on it?" That's my approach I utilize in the US and utilize here. I want to say "I am not sure about it, but I know you know the answer, so let's talk about this", and I think that is a kind of different approach.' (Director - Marketing and Sales Support, American)

6.54

'The leader might feel "no face" once his/her subordinate points out his/her mistakes or holds different views. In order to keep face, some leaders might ignore principles, objectivity or fairness.' (HR director, Chinese)

'Many Chinese executives are just afraid of being challenged by their subordinates. If their subordinates challenge them, they might be against these subordinates, but Americans might not.' (Director of Global Supplier Quality, Chinese)

6.55

'Chinese are usually obedient and well-behaved (循规蹈矩), and most of Chinese executives are willing to accept the reasonable suggestions and comments from their people at the right time. The crucial consideration is that those suggestions and comments must be discussed and recognized by leaders when appropriate.' (General Manager, Chinese)

6.56

'He (Chinese general manager) looked rather uncomfortable when I asked him how the number of 30% came out, but he said he did not calculate the number very carefully, but he knew if he wanted to save certain number of money, he had to lay off 30% of operators. After the meeting, I worked with the operations director to do comparison analysis so that the cost of recruitment, training and efficiency loss were considered. We then proposed a suggestion to the general manager. Furthermore, the new labour contract law would be issued soon, so we had to take this matter into account. We suggested only laying off those operators whose performance was poor and employment agreements were going to expire, so only less than 10% of operators could be laid off. Eventually he accepted our suggestion once he saw the detailed data and analysis.' (Senior HR manager – East and South China, Chinese)

6.57

'He was a very good trainer as well. Every month, he prepared a three-hour training course with all the team members, and all the team members really enjoyed it. During that time, he delivered a series of HR management training, meeting management skills, communication skills, and "the 7 Habits of highly effective people", etc., so we learnt a lot. One year later, he encouraged all the HR supervisors to develop their own training courses and shared with others so that the knowledge and experiences were shared, and our training skills were developed. At that time, the learning atmosphere was great in the department.' (HR Director of China, Chinese)

6.58

'When he (American senior vice president) joined our company, he introduced many training programs and developed some internal facilitators in the company, such as series training

course of DDI, and I am the qualified DDI facilitator as well. The senior management had a 7-day training program in Singapore where he was a one of the trainers. He really attends employee development and values the young managers' enthusiasm. He is never worried about if you are experienced or not, but he often shows his recognition when you improved day to day.' (Finance Director of Greater China, Chinese)

6.59

'I dealt with a key account before, and once my former Chinese leader read the e-mail I sent out to the customer, he told me I should find more data and evidence to support my feedback before I replied to the customers. Another case was about a conference call. After the conference call with a customer, he said it was unnecessary to argue with the customer for a certain single point, and what we needed to do was clarifying our standpoint and negotiated with the customer for the critical elements.' (Senior Program Manager, Chinese)

'The former Chinese boss, who was rather mature and thoughtful, usually provided me very detail advices in the job, and she seldom spoke up without careful considerations. For instance, when I spoke to the former American president, I usually described the background a lot and then come to the end with slow pace, but the American president was very aggressive, result oriented, and always acted with urgency. So my former Chinese boss advised me to get to the points directly and fast without too many background information and mood particles when communicating with the president. I highly appreciated her as she always gave me valuable advices that I did not realize at all.' (Senior HR manager – East and South China, Chinese)

6.60

'When I newly joined the company, I continuously asked for his (American director) approval for many projects, but he was very busy, and many projects were postponed to wait for his approval. Later, he told me I was the owner of these projects, and I definitely had right to make decisions and went ahead for next steps when I thought my ideas were correct. He gives me plenty of space and provides his support when necessary, but he does not expect me to follow his orders to work.' (Senior HR manager – East and South China, Chinese)

6.61

'American executives often encourage people to achieve excellent results through proving them new opportunities, new positions, training programs or exciting challenges, and American executives expect great performance of their people. Sometimes some of Chinese

executives could control or restrict people a little bit more than American because they might be worried about the security of their jobs and positions. Of course, there are still lots of Chinese executives doing great to develop people.' (Senior HR Manager, Chinese)

'American executives could train and coach you without any reservations, but Chinese could not because some of them are afraid of losing their authorities or positions once their subordinates become competent enough to replace them.' (Technical Director, Chinese)

6.62

'I think Chinese executives expect development of their people and coach them with heart when they have good relationship, but Americans coach people with skills without deep mutual understanding although they could be willing to do this. Perhaps they have been in China for several years, yet they do not really understand Chinese culture and Chinese people, so they had to coach people with skills only.' (HR Director, Chinese)

6.63

'I think American executives do better than Chinese executives when recognizing people. American executives recognize people naturally, and the former American senior vice president said "good job" all the time, but Chinese executives often look uncomfortable when recognizing people.' (HR Director, Chinese)

'From my view point, local Chinese leaders do not know very well how to appreciate and praise others; they seldom praise somebody who performs very well. So you know, you just work harder and harder, but seldom hear your Chinese say "you are doing well", till some day, you really feel depressed.' (R&D Director, Chinese)

6.64

'In the annual HR gathering, my boss usually takes this opportunity to reward and recognize people. He recognizes those small successes in our job although we have not made significant achievements. For instance, the regional general manager asked HR to organize the annual dinner for them even if it was not the responsibility of HR. We supported them to prepare and organize the annual dinner successfully, so we were recognized because of teamwork. Every year, HR function has a kick-off meeting and gathering for people's commitment on next year's objectives. He is not critical and often talks about what we have done well so that the people feel better and confident for themselves, and they are motivated very much.' (Senior HR manager – East and South China, Chinese)

6.65

'American executives often say "good job" to people to recognize their performance, but Chinese executives' recognition is more private. Instead of public commendments, they usually invite people to have dinner together and praise them for what they have done and appreciate for their work.' (Senior Sourcing Manager, Chinese)

'Both Chinese and American executives recognize people when they have done great job. Americans are more open and straightforward without any hesitation, but Chinese executives look more introverted and usually express their recognition with delicacy, and they don't recognize people as frequently as American executives.' (Senior Program Manager, Chinese)

'Another difference in leadership styles between them is the approach of motivating people. American executives motivate people with a more straightforward approach, such as saying "well done" face to face or via telephone or e-mail, but their criticism is also straightforward. Chinese executives are more introverted and tactful when praising or recognizing people.' (Senior Commodity Business Manager – Global Purchasing Materials & Components, Chinese)

6.66

'Chinese executives often show their recognition through assigning more projects or paying more attention to their people's jobs. When the former HR director left the company, a new HR director joined us, but he was not familiar with the working procedures and systems of the company. When he assigned me some projects to support him, I always completed them successfully according to his ideas without any deviation, so he was more attentive on my work and delegated me more HR projects. In the annual performance appraisal and salary review, I always got the best salary increment. Since he trusted me very much, he usually sought for my support on many things, even on his personal matters, but he seldom praised me in public. Once I made a proposal regarding the talent development program, he called me to come to his office and said he had not revised any single word and let me go ahead to implement it. I knew that was a great recognition from him. I also feel embarrassed when praising my people in public, but I feel more comfortable to recognize them via e-mail.' (HR Director, Chinese)

6.67

'American executives are usually good at praising their people, but many of Chinese executives are introverted and often praise less but criticize more. I am the same. Sometimes I talk to my people in joke "it is the praise if I don't criticize them", but I must let them understand my criticism is helpful for their jobs.' (General Manager, Chinese)

'Chinese executives usually manage people with more criticism but less encouragement; in contrast, American executives recognize people with a carrot in time.' (HR Director, Chinese)

6.68

'I was very critical before, and I often directly pointed out my people's mistakes and areas for improvement, but I often praised a subordinate, who always worked very well. I just could not help myself praising him on the meeting. I noticed one of my subordinates looked depressed those days, so I asked her why she looked unhappy. She told me she was also eager to be recognized and encouraged as she had tried her best to drive those projects, but I usually focused on what she needed to improve but not what she had done great, and I often praised the "star" employee, but others' contributions were largely ignored. I thought the expectations from my people were different. The "star" employee told me that my suggestions and criticism were very helpful for his further improvement, but for the other subordinate, I needed to provide more recognition to motivate her and make her more confident in the job. I started paying attention to my people's different expectations and needs afterwards and found more opportunities to recognize and encourage her. I also assigned her more HR projects. As a project leader, she had right to assign me some action items and to ask me to update my progress so that she became more confident.' (Senior HR manager – East and South China, Chinese)

6.69

'They (Chinese executives) often reward and recognize people with promotion and salary increase.' (Senior Manager – Production Development, Chinese)

'Chinese followers sometimes pay great attention to material returns, such as salary increment due to high living cost and pressure, but Americans often emphasise opportunities of learning and development, such as placing the staffs into the pool of management potentials, or conference with higher authority of the corporate.' (Senior Quality Manager, Chinese)

6.70

'Americans usually send out e-mails to recognize people when they have done a good job, but they maybe do it a little bit too much. People don't believe them anymore after ten times.'

(Director of Supplier Quality, American)

'American executives could say "very good" when people have done something great, but they never do something else, such as showing close guanxi with people, to value you, so it is a rather simple way to recognize people. Simply saying "very good" often means a transaction between a leader and a follower is completed, but it could not enhance the guanxi between leaders and followers.' (Senior Training Manager, Chinese)

'When they send out e-mails to others, they are always very courteous, and they always say "good" to praise people, who actually are not good enough.' (Director of Supply Chain Management, Chinese)

6.71

'For Americans, what they expect on paying you salaries, this is what you have to do, and this is the bonus that could drive the extra performance. If you look at American reward system, besides the salary, there is also performance based bonuses, where if you achieve certain things, you will get certain bonuses, as well as stocks options, so if there are lots of monetary side things plus the promise that you can be promoted and move on to higher level within the organization.' (Vice President, American)

'American executives are driving staff to those performance and numbers. They are very transaction oriented, so it seems rather difficult for them to drive for long term importance.'

(Director of International Materials, American)

'I think the relationship between American executives and their followers seems more transactional compared to Chinese...' (Senior HR manager – East and South China, Chinese)

'From the view of American executives, once they exert their efforts in their jobs, they expect returns from their leaders, and they are open to communicate their salaries with their leaders, because they think they should be rewarded to exchange their efforts. I believe it is transactional relationship between American leaders and followers. I knew an American vice president, and when we talked about business objectives, he said his boss told him his salary

was increased by a certain percentage, but he had to get things done and meet objectives; otherwise, he would be fired.' (General Manager, Chinese)

6.72

'American companies are very tough and result oriented, and the work pressure is rather high. Under the performance management system, no matter what kind of measures Chinese or American executives shall take, achieving objectives is always the top priority in American companies.' (Senior Program Manager, Chinese)

'It's no doubt that both of Chinese and Americans leaders are performance oriented as both of them under the performance management system of the American organizations.' (HR Director, Chinese)

'Both Chinese and American leaders view competencies as very important elements. You might get some short-term help or support from others through guanxi, but you must be competent; otherwise you could not survive in American companies in mainland China. Performance and results are the most important factors, no matter you have good guanxi or not. In American companies, you still need to achieve objectives and perform.' (EHS Manager of China, Chinese)

'I think both of them emphasize performance, but there are differences in the process and methods to achieve objectives.' (Senior Sourcing Manager, Chinese)

6.73

'Confucians advocate "social order", such as father and son, ruler and subject, etc., and the people in different positions should talk what suitable for the positions. Not all the Chinese people understand Confucianism very well, but it can not be denied that the influences of Confucianism have been deeply rooted in every word and deed (一言一行) of Chinese people.' (Senior System Quality Manager, Chinese)

'Chinese always emphasize the family concept, and filial piety (孝道), family etiquette, virtues, "three obedience and four virtues for women" (三从四德), and "three cardinal guides and the five constant virtues" (三纲五常) have been much promoted in Confucian ideology.' (Director of Supply Chain, Chinese)

'They still view paternalistic dignity and authority as very important and view protecting and taking care of their people as their obligations. For sure, subordinates also need to respect and obey their leaders and maintain dignity and authority of their leaders. Many of Chinese subordinates expect considerations, protection, help and coaching from their leaders. These traditions were also strongly linked to one of the main concepts of Confucianism, "social order".' (HR Director of China, Chinese)

6.74

'Confucians suggest "harmony", and we were often educated by our parents that "the bird projecting its head first must be shot first" (枪打出头鸟).' (Senior Manager – Export and Retails, Chinese)

'Confucians suggest "respecting relatives and living in peace with neighbours" (尊亲睦邻) so that the whole harmonious society can be maintained.' (General Manager/Operations Director of China, Chinese)

6.75

"Self-cultivation, regulating the family, governing the country and establishing peace throughout the world" (修身, 齐家, 治国, 平天下) was the traditional Confucian aspirations.' (Senior Key Account Manager, Chinese)

'In Chinese culture or tradition, keeping low profile and modest is valued very much, so Chinese people might think it is rude if you always ask questions and compete in an aggressive way. However, in China, there are some different value systems derived from Confucianism and other schools of thought that advocate society harmony, justice, and benevolence.' (Director of R&D Centre, American)

'Modesty, moderation and introspection are usually viewed as virtues in Confucianism, and Chinese executives tend to not praise their people too much but to emphasize the areas for improvement so that people can improve and develop themselves constantly.' (HR Director of China, Chinese)

'Ordinary people strongly expect "benevolence" (仁慈) and "virtue" (德行) of their leaders because they can enjoy their lives under a smart and humane leader but suffer a lot once the leaders are besotted (昏君). Chinese always treat others as ones would like to be treated

oneself, and hence the ones will have good returns if they treat others kindly.’ (General Manager/Operations Director of China, Chinese)

‘Confucius strongly suggested benevolent governance (仁政) but rejected tyranny, just like he said “trenchant tyranny goes beyond the tiger” (苛政猛于虎). Moreover, the other representative of the school of Confucianism is Mencius (孟子), who emphasized the power of the people and compared the relationship between ruler and subject to the relationship between ship and water. His opinion of “the water that bears the boat is the same that swallows it up” (水能载舟, 亦能覆舟) had become a household word.’ (Senior Sourcing Manager, Chinese)

6.76

‘Taoism emphasizes spiritual refinement (修炼), and it helps people balance physics and mentality and understand themselves more clearly.’ (Quality Director of Asia, Chinese)

‘According to Tao Te Ching (the representative of Taoism 道德经), “naming represents a way of thinking or observation” (道可道, 非常道). Objective laws always could be discovered when communicating with and observing people, and most of the ideas, thoughts and philosophies of China come from the experiences and conjectures of ancient Chinese people without systematic analysis and verification... According to Taoism, everything is changing, and there are no absolute things unchanged. That is why Chinese always say sadness and gladness succeed one another.’ (乐极生悲, 否极泰来)’ (HR Director, Chinese)

6.77

‘For most of Chinese, guanxi is definitely important as Chinese advocate a big and extended family. That’s why Chinese must get together in Chinese New Year when people can do a lot to keep good guanxi with families and other people. In ancient China, “zhu lian jiu zu” (诛连九族) is very common, which means that the all relatives will be executed if a member of a family committed a serious crime.’ (Finance Director of Greater China, Chinese)

‘Different from Western countries, China had been an agricultural society for a long time, and family has been the most important unit for working and centralising resources to maximize the harvest and protect their interest.’ (EHS Manager of China, Chinese)

6.78

'I think that derives from "officialdom culture" (官僚作风) of ancient China. You know China had been under the culture of "rule by man" for thousands of years, and officials always had the power of how to allocate resources and even deciding life and death so the fear of officials was just nature feeling under this kind of situation.' (HR Director, Chinese)

'The power of government authority is extremely centralized so ordinary people have to follow the orders; otherwise they will be in danger... China has been a society which is "rule by man" for thousands of years, and most of Chinese hold the concept of "being a person higher than others" (人上人). So when some of them have suffered a lot to get to the higher position, they really want to be paid back.' (R&D Director, Chinese)

'It is caused by the thought of "official worship" (官本位) of Chinese. In feudal society, the government hierarchy supported by the examination system deeply rooted in the minds of Chinese people. Being an official usually means a lot, such as wealth, power and dignity.' (Senior HR manager – East and South China, Chinese)

6.79

'Chinese people emphasize ancient strategies and tactics (谋略), and there are many works regarding tactics and strategies in ancient China, such as "the Art of war" (孙子兵法) and "the Thirty-Six Strategies" (三十六计) which are the most famous representative works. In order to achieve goals, Chinese always think over many feasible measures, and many tactics and strategies are very flexible and difficult to predict. Chinese executives and managers have to closely monitor and control their people's performance so that the goals can be achieved without too much deviation.' (HR Director, Chinese)

6.80

'I think Socialism belief has caused tremendous destruction to Chinese traditional culture and religions, such as Confucianism, Buddhism and Taoism, and the traditional Chinese values were destructed as well. There is the "culture dislocation" (文化断层) in the generations of 60s and 50s, who were impacted in the Culture Revolution very much, and it have impacted the education for the next generation.' (Operations Director of China, Chinese)

'I think there is a tendency that the influences of Confucian, Taoism, and Buddhism on leadership styles of Chinese executives have been weakened. Since the most of these current

Chinese executive level managers experienced the era of “Culture Revolution”, reform and opening up, when the Confucianism had been devastated badly for many years.’ (Regional Financial Controller of South China, Chinese)

6.81

‘I think the 60s’ and 70s’ Chinese people have strong sense of responsibility with the concept of contribution... They have strong burden on their shoulders. In the company, I need to make my people happy, and when I return home, I not only need to make my parents happy but also need to make my son and my husband happy, but my happiness is often forgotten. Sometimes I am scowled because of my busy work, but I have to pretend to be quite happy; otherwise, my parents, my son and my husband will be unhappy then. Americans respect their parents, but the relationship between parents and children in the US is never similar with the one in China. Filial piety (孝心) is always much emphasized in Chinese families.’ (General Manager, Chinese)

6.82

‘Many Chinese born in 80s or 90s have more diverse ideas and thoughts compared with their parents because they have received a lot of information via media, cartoon and internet. They highly appreciate diversity and individuality.’ (Technical Director, Chinese)

‘But I will say from my standpoint, as a diverse person in Chinese environment, I find the people are very curious and have a lot of questions and want to know a lot of things and ask me a lot of specific questions about the US and what things go on in the US, so there is real thirst for knowledge of different things among younger people. If I go to the supermarket, there are younger people, like younger students because of their uniforms, they will always speak to me and ask me questions. They want to know where I am from, and they want to know a lot of different things about the US, so I think that maybe changing.’ (Director - Marketing and Sales Support, American)

‘The young generations of 80s and 90s are much more open and confident than the generations of 60s and 70s, and they are more aggressive to speak out their ideas and suggestions without fear of their leaders.’ (Senior HR Manager, Chinese)

‘But nowadays kids are quite different as they usually want to view the world and practise with their own perspectives and styles. For instance, I told my 8 years old son to call uncles or aunties when my friends came over, but my son looked unhappy and said “why I have to

call them uncles and aunts, I even don't know them at all, and why you always enforce your view on me. They are your friends, but do not mean they must be my friends.”... There was only single value system before, but now the values have become diverse. Chinese people have become more open to learn from others.’ (HR Director of China, Chinese)

6.83

‘The society of China has been changing rapidly, but many good values along with bad concepts have been abandoned together. The new generations of 80s and 90s are as not thrifty and perseverant as the previous generations, and they look more selfish as well. They learnt something bad and superficial from Western countries, such as excessive consumption (提前消费) and sex liberation etc. I believe many young people have been materialized, and some good Chinese values are lost.’ (HR Director, Chinese)

‘The major problem in China is young generations are jumping and jumping jobs for chasing money. When I look resumes, they are terrible. 9 months as a buyer, normally, they have 3 jobs in one year, and just one job for 2 or 3 years. When I ask why they leave that after three years, that's good job, what I think is that they think they should get promotion in 2 or 3 years. They think they got skills, but they did not.’ (Vice President of Procurement, American)

‘The Chinese born in 70s or earlier are still very diligent and manageable, but the young Chinese people born in 80s do not care about who the boss is, and they do what they want to do without considering others. When we had a meeting last month, for instance, the generation of 70s were still very polite and paid attention to the status and positions of the chairs, so they left the best chairs and positions to the top management, but the generation of 80s just sit where they like to sit. So you know, the impact of era changes on personal values is really big, and it has been a tendency that Chinese values seem to be westernised with the influx of Western values in the era of globalisation.’ (HR Director, Chinese)

‘The Chinese youth of 80s and 90s don't like being monitored. Several days ago, a production operator left the company without noticing her line leader and supervisor only because the line leader criticized her for her inappropriate operations on line... the Chinese youth of 80s and 90s, they are being themselves no matter others are happy or unhappy. They are more self-centred, and they can do everything to make themselves happy.’ (General Manager, Chinese)

6.84

'Confucianism and other national cultural traditions seem to have been recovering step by step these years. I mean we start seeing some good behaviour of traditional etiquette in public, such as giving up seats for elders in bus or metro.' (HR Director, Chinese)

6.85

'I don't think the principles of Confucianism are suitable for modern business management because business competition in contemporary world is rather fierce, but Confucianism advocates harmony, moderation and less extreme competition. Confucianism could be more suitable to manage a country, but in business environment, it just can be viewed as a lubricant.' (Operations Director of China, Chinese)

'I found the emcee of a famous TV show for Chinese celebrities interviews often asked the interviewees the same question which was "have you been beaten by your parents when you were a child?", and interestingly most of the Chinese interviewees answered they were beaten in their childhood. When they were talking about their experiences of being beaten by their parents, they just felt very normal without any complaints about their parents. It exactly reflected the bad habits (陋习) in Chinese traditional culture. I do think that is the bad habit, and that's why Chinese managers used to accuse subordinate of mistakes or inadequacy.' (Director of Global Supplier Quality, Chinese)

6.86

'Americans always advocate freedom, and they might view people's abilities are similar, and they only pay attention to your abilities and performance but not job titles, no matter you are an assistant manager or a vice president. They view everyone shares similar abilities. Even if I am his subordinate, he always trusts me and my abilities to handle things successfully.' (Director of APSCO, Chinese)

'In the USA, deciding one is a winner or a loser depends upon evidence. If you have convinced evidence but not supported by most of people, you still have right to insist till succeed as there is the political and social system in the US to ensure you to speak out and prove yourself.' (HR Director, Chinese)

'Diversity seems to be promoted in American culture, and the people can develop themselves according to their own interests. In some American TV shows, a lot of Americans have crazy ideas, such as putting wings to motor mower, which many Chinese could think are ridiculous,

but these ideas are often recognized and promoted in the US.' (Senior Sourcing Manager, Chinese)

6.87

'In America, there are a lot of different people, black people, white people, yellow people, who have different religions, different political view points, and in China, most people are Han Chinese.' (General Manager, American)

'Some American managers think employees can take holiday for Christmas, but they do not understand why employees have to go home in Chinese New Year. I mean you have been 35 years old, why you need to go home. That's the very significant difference.' (Vice President – Supply Chain, American)

6.88

'Socialism and collectivism is always emphasized very much in Chinese education system so the Chinese people, who work hard and work long time even sacrifice their personal interests to achieve team objectives with high commitment and loyalty to their leaders, are usually appreciated.' (Regional Financial Controller of South China, Chinese)

'Contributing to the nation is one of the main concepts of the education system in China.' (Senior Key Account Manager, Chinese)

'Chinese are good at setting examples, such as Lei Feng (雷锋, an example of serving people), Huang Jiguang (黄继光, a combat hero in Korean War), etc. Of course, it is also related to our education system. Chinese really emphasise "virtue" of their leaders, and Chinese would follow and learn from the leaders who are competent with high degree of "virtue" (德行高).' (People Development Director, Chinese)

6.89

'I think American executives were educated to think of things with a matter-of-fact attitude when they were children, but the education system of China is quite different. When Chinese children write compositions, they are usually not asked to research relevant literature in library and cite references... I think it is because of the differences in education. Americans may have more opportunities to express their own opinions and ideas and participate into various activities when they are children. But when we were children, we must listen to the

teachers, and it was unacceptable that the students were out of control of their teachers.'
(General Manager, Chinese)

'The teaching styles in China are often spoon-feeding (填鸭式的) without too much free debate and inspiration.' (Director of Supply Chain Management, Chinese)

6.90

'I know the factory manager has friends from local government. I think the government salary is 4,000 RMB a month, but they have several cars, big apartments placed in Beijing and Shanghai. It's very interesting to me because China was becoming socialist country, but people are very capitalistic and very materialistic, too. Everybody wants to have a Benz car, and it is true in Hong Kong, too. When you look at all the high ends and clothing brands, every woman has a LV in Hong Kong. It is very materialistic, but I think the US is not so much, and people like discounts. I can't understand what is going on here, Chinese pay 30% income tax. There is no regulation, and I think that's the biggest problem because it is not officially capitalism. So they just do what they want to do, and there is no regulation. It is unfair. Certain people can own a factory and make lots of money in the factory, but for average person to invest in the factory and to buy a home, they can't do that, and only selected people can own these things, but for else, they can't do anything with their money except spend it. With the many taxes payers, they pay 30% income tax, but the road is bad, school is bad, police is bad, so what you pay 30% for. In the US, people probably pay 30%, too, but all those things are there. I mean if you leave the factory, you will see 30 people sleeping on the street, but they spend 40 billion US dollars on the Olympics.' (Director of Product Development, American)

6.91

'Could Marxism and Communism be realized? Any schools of thought or doctrine have their historical limits, and they need to adjust in practice. The theory of "building socialism with Chinese characteristics" is great because it is flexible and changeable to meet the changing situation of China and the world. We have been absorbing many good concepts and successful practices from Western countries, such as economic development, democracy and legal system so that China has been continuously developing and improving. Technology has changed our lives and communication, but both our economic and political structures have to be reformed as well. With reform and open door policy, we have changed from taking class struggle as the central task to concentrating on economy and modernization because our economy was at the edge of collapse, yet a new ideology was not established at that time. In

21st century, some Chinese leaders tried to develop the new ideology to unite people to move towards the same goal, such as Jiang Zeming's "the thought of three representation" (三个代表), and Hu Jintao's "harmonious society". Some people advocate China should be totally westernized (全盘西化), but it has been approved wrong, and current achievements of China are satisfactory. Although individuals may not be very satisfied with current status, the whole nation has been much better than before.' (Senior Key Account Manager, Chinese)

6.92

'Since some of American companies have been existed for more than 100 years, there are mature and successful management systems, procedures, experiences and the culture in these American companies,' (Director of Supply China, Chinese)

'After all, the leadership and management concepts and theories were well developed in Western countries so their concepts of leadership could be more advanced.' (Technical Director, Chinese)

'I think Chinese managers working for foreign ventures have more and more opportunities with reform and opening-up of China, but the time for their development is so short that they are not mature leaders with very limited experiences in leadership and management because foreign direct investments (FDI) were not allowed 30 years ago. At first, these American leaders came to China to recruit, coach and develop Chinese leaders and potentials and then left because of cost saving and localization. Therefore many Chinese managers have been put in the places without enough experiences, readiness and maturity, but leadership always needs longer time to learn and experience.' (HR Director of China, Chinese)

'Since most of the theories on management and leadership came from the US and Western countries, American executives usually look more mature than local Chinese executives... After all, industrial civilization started from Western countries, and they have sufficient theories and experiences in management and leadership, but with gradual reform and opening up, more and more Chinese executives have become more mature. Flashback to 30 years ago, the management maturity of Chinese executives at that time was far from enough so they also need time to learn and practise.' (Senior HR Manager of South and East China, Chinese)

'If some of people say Chinese executives are micro managers, but American executives are macro managers, the reason is whether or not there are systems and procedures are in place,

and whether or not these systems and procedures can be implemented very well. Since American executives believe in and follow these systems and procedures and manage the process with them, their result orientation and macro leadership style is understandable.' (Operations Director of China, Chinese)

6.93

'Most of customers and suppliers of the business we were talking about are based in Asia, particularly in China, Korea and Japan, but Americans had no sufficient experiences in these areas, although the product research and development in the US could be still one of their advantages. Since we were quite familiar with the business in Asia, the suggestions and ideas, such as how to invest in manufacturing, and how to build up sales distribution, impressed the Americans very much.' (General Manager, Chinese)

6.94

'But everyone is very specific, this is my job, it is only thing I do, I don't do anything else. I have seen it here. Even in McDonalds of the US or France, they have to clean your table, but in China, they yell at you because there is someone's job to clean the table, and if they don't do it for them, they are not happy. Because everybody cleans their table, they don't be there anymore. Maybe there is in general here just a large fear of job security. Nobody wants to be unemployed.' (Director of Product Development, American)

'They think if they have all the information, they believe that the people underneath them have power control over them.' (Vice President of Procurement, American)

'The living pressure in China is much higher than in the US, and that's why Chinese people focus on details and what deviate from standards; otherwise, they could lose their jobs.' (Senior Quality Manager, Chinese)

'Chinese executives usually expect obedience of their people and make sure everything is under their control because losing control usually means the end of their career in the company.' (HR Director, Chinese)

6.95

'Chinese people are sometimes afraid of suffering the bad results once they tell the truth. If both leaders and followers trust each other, both sides don't mind being told the truth; however, people will never tell the truth once they find telling truth could make others

unhappy and dissatisfied with them or lead to losses of their self-interests.’ (HR Director of China, Chinese)

6.96

‘Language is the other problem. After all, English is not the mother language of Chinese people, but I believe Chinese might raise many questions if the presentation is in Chinese.’ (Director of APSCO, Chinese)

‘I think language is the first barrier between Chinese and Americans as management communication is critical in an organization. Except managers and professionals, most of Chinese employees’ English are not good enough to communicate very well with the American leaders.’ (Technical Director, Chinese)

‘The differences in culture and language could exert strong influences in communication. Although many Chinese executives can speak English fluently, all of them prefer to speak Chinese because speaking native language makes people comfortable and ease.’ (Senior Commodity Business Manager – Global Purchasing Materials & Components, Chinese)

‘One of the major disadvantages of some of local Chinese executives and managers is language ability because they can not communicate with American executives in English with 100% confidence.’ (Financial Controller, Chinese)

6.97

‘Their leadership and management experiences and skills have been well developed now via observing more eligible leaders and learning more in training and development programs. They have been improving their leadership and management skills when they have solid knowledge and concepts in their minds.’ (General Manager, Chinese)

‘The managers, no matter they are working in the US, Europe or China, are extremely result oriented, so the corporate advocates “being inclusive” very much now. With many training programs, clubs and activities regarding “being inclusive”, the managers could change themselves gradually.’ (Senior HR manager – East and South China, Chinese)

‘When Chinese executives work for American companies in mainland China, the strong influences of the corporate culture, talent selection and development system and various

training programs may also cause the similar leadership styles between Chinese and American executives.’ (HR Director of China, Chinese)

6.98

‘It depends upon whether or not the organizational culture is strong enough. In my current company, the organizational culture is so strong that all the managers are shaped with the consistent model, and both Chinese and American executives share many similarities.’ (Senior HR manager – East and South China, Chinese)

‘Achieving results are the imperative from the corporate. No matter you are a Chinese leader or an American leader, you have to meet the objectives and achieve results; otherwise you will be replaced.’ (EHS Manager of China, Chinese)

‘The Chinese managers working for American companies have to be complaint with the company values and behaviour norms no matter whether they agree these values and norms or not.’ (HR Director, Chinese)

6.99

‘If let me choose my leader, I prefer an American leader because American leaders are very straightforward with clear performance expectations.’ (R&D Director, Chinese)

‘I would rather work with this American leader as you feel relaxed and have more freedom to implement a task or a project with your own measures.’ (Engineering Director, Chinese)

‘I still like working for foreign ventures because of my personality, and I would follow American leaders. If my leader is a Chinese, I really hope he/she can behave like American leaders.’ (EHS Manager of China, Chinese)

6.100

‘The American president of Asia liked singing, and when he tried to learn to sing a Chinese song, we understand he accepted China as well as Chinese culture. He was invited to join the company’s annual dinner of 2004. He dressed in Chinese-style costume, and he sung a Chinese song – “the jasmine” (茉莉花) as he was playing guitar. His performance caused a sensation, and all the employees felt surprised so the distance between Chinese people and him was narrowed.’ (General Manager, Chinese)

6.101

'My current American leader has been in China for around two years, but he seems rather reluctant to blend into China, and he even does not know how to get to the company by bus and taxi from his house.' (Finance Manager of China, Chinese)

'American executives usually have their own social circle. It is more likely impossible for them to get involved in Chinese people's lives easily because of the culture differences.' (Senior Manager – Supply Chain Management)

6.102

'I think it is a tendency that senior management has been localized. Our company has been developing rapidly in recent 2 years with localization of the senior management, including finance director, sales director, marketing director, etc. I do not know if there is the causation between business booming and localization, but I know all the middle management are local Chinese now, and they know they can also develop very well in the future.' (Finance Director of Greater China, Chinese)

'We have many factories in mainland China, and more and more factories are now managed by the Chinese executives probably because of cost consideration. But leadership and management skills of local Chinese executives are not bad, and they usually have deep insights into the China market and Chinese employees.' (General Manager, Chinese)

6.103

'I do not think all the Chinese executives behave like that Chinese director possibly because of different personalities... Leadership styles of Chinese executives are also diverse due to different personalities and experiences.' (Director of APSCO, Chinese)

'Even if in a same American company, no matter Chinese or American leaders, they could behave quite differently because of their various personalities, and they could exert different influences to the organization. Therefore, the corporate culture really needs to be maintained and implemented very well with consistent.' (Senior Manager – Export and Retail, Chinese)

6.104

'Chinese people can take over many things from the US, but the platform, the Chinese culture, traditions and values should not be forgotten. Chinese could be very happy with having many

foreign investments, but it does not mean they have to throw away their culture.' (Director of Supplier Quality, American)

6.105

'I believe Chinese executives need to learn the working styles from American executives to emphasize procedures, systems, objectivity and the rational approach.' (General Manager, Chinese)

'Chinese need to learn the systematic and scientific working style from Americans and adopt a flexible approach to suit the changing environment. Chinese admire "the Doctrine of the Mean" and "Taiji" (paradox) very much because they believe they can react freely in any situation and succeed with this principle.' (Technical Director, Chinese)

'I do hope Chinese managers can be more professional, and they should not view their departments as their personal territories. I hope Chinese managers can put "facts" first and respect and encourage their people from heart.' (R&D Director, Chinese)

6.106

'I think Chinese executives need to be more open with a broader mind, and they should focus more on the big picture in the job and should be more tolerant of different voices even bad news from their people, but appropriate guidance and coaching is necessary.' (Senior Manager – Supply Chain Management, Chinese)

'I think Chinese executives should be more inclusive like Americans since new generations of Chinese are more individualistic. Chinese executives have to be more tolerant of different voices and need to view things with a broader perspective but not subjective judgements.' (Senior Quality Manager, Chinese)

'In American companies, those Chinese executives, whose leadership styles are somewhat paternalistic, indeed need to learn to be more open for different ideas and to delegate and empower people to achieve excellent results.' (Finance Manager of China, Chinese)

6.107

'For American leaders in China, I suggest them to understand the Chinese culture and local practice but not only simply copy the American approach.' (Finance Director of Greater China, Chinese)

'What I believe is that it might be ineffective to lead Chinese followers in the way you are always doing in the US... Simply transferring the American leadership style to China does not work in China which has a long history and is changing dramatically.' (Director of R&D Centre, American)

'American executives have to realize that the American management approach could be ineffective in mainland China because China is not the US.' (Director of APSCO, Chinese)

'Some of American companies failed in China because they did not understand the sales as well as channel in China but just transferred the American approach to China without any adjustments. For instance, the sales volume of the American company I worked before was dropped significantly at first when they just transferred the system that is used in the US to China. If Americans want to run business successfully in China, Chinese "game rules" have to be followed, and it seems inadvisable that Americans do exactly the same what they are doing in the US.' (Technical Director, Chinese)

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'I do not mean American executives have to completely accept the Chinese values, but when they work in China, they need to understand them. If they want to know the taste of pear, they must taste it first. I saw some American managers were in a training program in which they were taught what they need to pay attention to when doing business with Japanese, and how to communicate with Japanese etc. Traditional culture is too complex to describe, but it is embodied in many small things in daily life so they need to have more opportunities to get involved in the Chinese culture with a long-term view.' (General Manager, Chinese)

'American executives have some advantages in their leadership styles, but they need to communicate more with their Chinese people and understand what Chinese employees are thinking. They need to be sensitive on the fierce talent war, high employee turn over rate and the actual situation in mainland China.' (Senior Program Manager, Chinese)

'American executives need to communicate more with Chinese followers and understand them since the thinking ways and cultures between Chinese and Americans are quite different.' (Senior Quality Manager, Chinese)

'For American leaders, I think they should try to know more Chinese way of thinking and life style as most of the people they are leading are Chinese. Once they understand more, they

will know how to work with them so that productivity will be increased. In China, it might cause a big problem if American leaders still behave what they behave in the US.' (Engineering Director, Chinese)

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'Many Chinese executives are usually well educated. Most of them are provided more opportunities travelling to other countries even working abroad so they are more open minded and look at things with a world wide perspective. Some of them look charismatic because they make effort to allow the Chinese and American leadership styles to converge when working for American companies in mainland China.' (Senior Commodity Business Manager – Global Purchasing Materials & Components, Chinese)

'I am convinced that the convergence of Chinese thoughts and American theories, and the convergence of Chinese and American leadership styles will be most effective way for both Chinese and American executives working for American companies in mainland China. I think this principle is undoubtedly true.' (Technical Director, Chinese)

'Only the convergence of Chinese and Western cultures (中西合璧) can develop China. Those good Chinese values, such as diligence, persistence, loving peace, and harmony, should be retained and developed further, but we also need to be more determined to achieve excellent results and to be more ambitious and aggressive.' (Senior Key Account Manager, Chinese)