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**FACULTÉ DES ÉTUDES SUPÉRIEURES
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**FACULTY OF GRADUATE AND
POSTDOCTORAL STUDIES**

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M.Sc. (Systems Science)

GRADE / DEGRÉ

Systems Science

FACULTÉ, ÉCOLE, DÉPARTEMENT / FACULTY, SCHOOL, DEPARTMENT

Leadership in Modern China: Old Models to New

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Leadership in Modern China: Old Models to New

A thesis submitted to the

Faculty of Graduate and Postdoctoral Studies

In partial fulfillment of the requirements for the degree of

Master of Science

In

System Science

School of Management

University of Ottawa

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Your file *Votre référence*
ISBN: 978-0-494-18491-2
Our file *Notre référence*
ISBN: 978-0-494-18491-2

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Abstracts

The purpose of this research is to propose a leadership model for Chinese enterprises which could be suitable to the current diverse and changing environment in China. The Chinese business environment is under extraordinary pressures and its organizations face many challenges including integration into the global market. In the face of these challenges, it is very important to enhance the competitive position of Chinese organizations. A critical aspect of such an enhanced position is the leadership and management of Chinese businesses and enterprises.

The current ideal leadership behaviors in contemporary China appear to be quite different from the more traditional style since leaders are challenged by a changing business environment driven by global dynamics and changing skills and expectations in the workforce. Chinese managers and leaders have more opportunities to be exposed to and draw from Western advanced managerial theories since China has largely opened itself to the world. Chinese leadership behaviors are none-the-less sculptured by Chinese customs, and leaders still carry on some traditional ways that reflect their culture. This study examines descriptions of preferred Chinese leadership behavior generated from an elite group of Chinese MBA students, themselves having been leaders in modern Chinese businesses. It proposes a leadership model which combines old and new styles together in a way designed to improve not only productivity and performance but also the relationship and connection with followers in order to lead Chinese organizations to success.

Acknowledgements

I am grateful to my thesis supervisor Dr. Michael Miles who helped me develop such an interesting subject and provided me full support and valuable advice during the whole period of the study. I deeply appreciated that his selflessly provision to me of the data for this research. He has contributed many good ideas and useful comments on my thesis. I also wish to thank for CEIBS (the China Europe International Business School) and their students who wrote such wonderful stories about leadership. Their contribution built the data foundation for my analysis.

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1. Introduction

In the modern world of innovation, quality and service people often talk about leadership as the key factor to success. After MacGregor founded leadership as discipline (Attwood, Pedler, Pritchard and Wilkinson 2003) and despite over half a century of research into leadership, the model of leadership or best practice of leadership is still a hot topic among thousands of executives or managers. Searching the keyword “leadership” on Amazon.com, results in the identification of more than 18,000 books for sale related to it. Googling “leadership” on the Internet identifies almost 485,000,000 related articles. The amount of effort undertaken to identify effective leadership behavior is immense.

In this paper, the discussion will be focused on leadership in business organizations. Review of the literature results in the conclusion that most theories, models and definitions of leadership precede from the assumption that leadership is about getting people to do something. Many leaders see it as their job to introduce change, including such processes as restructuring, reengineering, delaying, downsizing, outsourcing, increasing quality and empowering their staff (Attwood, Pedler, Pritchard and Wilkinson 2003). They have pursued shareholder value, created vision and mission statements, written strategic plans, policy statements and volumes of procedures and quality control documentation. It is also interesting that a large portion of the leadership literature connects leadership to the topic of change management (Yukl, 2006; Tjstvold and Leung, 2004; and Carter, Ulrich, Goldsmith, 2005). With fast changing business environments globally, leaders are deemed to hold the important role of shifting the old paradigms to new business and organizational models in order to build up competitive and successful businesses. Therefore, leadership has tended to

be synonymous with identifying and driving solutions to the changing organizational needs. Getting people to adapt their behavior to thrive in this different environment is the mark of leadership. In the uncertainties produced by rapid and complex change, there is a demand for leadership both by individuals and by the organizations to which they belong.

In recent decades, China as a nation has achieved dramatic changes in policies, economics and technologies after the declaration of the Chinese Open Policy. With globalization as a trend, Chinese leaders face the challenge of managing diverse changes (Cooper, 2005). These include cross-regional joint ventures and wholly-owned ventures which have been the most frequent entry mode for overseas Chinese entrepreneurs, small or medium-sized international firms, and leading multinational companies. Multinational mergers and acquisitions are becoming more and more popular forms of new business ventures in China (Chen, et al., 2001). These changes challenge leaders to take new management approaches to deal with changes and diversities. Many potential managers and business leaders have become aware of the need for improving their management ability, and many programs which are based on Western management theories, such as CEIBS (China Europe International Business School) and Tsinghua's MIT-affiliated MBA program, are now readily available in China. The Chinese themselves are highly encouraged to open themselves to the world and adopt globalization by their government, and, through this process, to try to adopt optimized or advanced new knowledge of management.

By exposing themselves to Western management practice, the ways of Chinese leader thinking, talking and doing things have been changed over this period as well. Some things reflecting Chinese culture, however, have not changed. It is doubtful, for example, if such

traditional approaches as the use of relationship (*guanxi*) as a primary business tool or hierarchical structure as the preferred organizational form have shifted as rapidly as other aspects of the business culture. Within the changing business environment in China, the question as to whether this traditional culture, as a “pure business model”, can merge effectively with the more modern demands for empowerment and rational organization practice common to more globalized management practices.

This controversy of Western versus Eastern leadership practice exists in the minds of Chinese businesspeople. This thesis reviews a sample of contemporary stories of effective Chinese leadership behavior. The intention of this study is to provide a script for ideal leadership in modern China based on the perception of the managers who told the stories. At the same time, a review of a Chinese representation of leadership expectations, embedded in the stories, can assist in training not only Chinese managers but also foreign managers who will work in China by providing them with a new perspective on emergent Chinese leadership.

2. Statement of the Problem

While tremendous changes are happening in the globalized ‘enterprise culture’ (Cooper, 1999), the Chinese industrial environment has been changed perhaps more than others. In 1978, the most important reform of China’s Open Policy was implemented by Deng Xiaoping through all of the country after his famous statement: “it is good to be rich!” (Healy and Hsieh 1997). China has achieved an amazing progress in economics. This dramatic progress has resulted in numerous organizational problems. In the old planned economy system, Chinese local enterprises were responsible to absorb labor by government

arrangement to provide a stable economic environment for the public. In the new market economy, however, enterprises have their own pressure in their competitive markets. Some disposed of superfluous employees in order to release their trouble, but it resulted in losing trust and loyalty of employees. Furthermore, under the old policy, the government directed what Chinese enterprises should do and how they should develop since the government managed all supply and demand in the market. In contemporary China, with the exception of a few industries such as the automobile sector, fair and free competition has been introduced into the Chinese market. As a result, customer needs are more frequently considered and it is much more important to have customer and employee relationships based on trust than bureaucratic policy. With International Joint Ventures (JV) or foreign investment mushrooming in China, more and more studies research the impact upon leadership process within Foreign Invested Enterprises (FIE) as well as those state owned enterprises (SOE) in China (Smith, Wang, and Leung, 1997, Chen, 1995; Tjosvold and Leung, 2004; Adler, 2002; Wang, 1999). Many FIEs prefer to train their Chinese managers to work with Western style management. Considering that cultural factors must necessarily heavily influence Chinese management style and practices, many leaders have begun to doubt if a western-style of leadership could actually be effective for Chinese managers (Kang and Chang, 2001). On the contrary, these local managers in SOEs appear to be developing a hybrid leadership style – a mixture of foreign and traditional leadership approaches – to help their companies catch up with the fast pace of global development.

The culture system is influential in all aspects of Chinese social lives including organizational leadership. Effective leadership behavior should be based on the consideration of the actual cultural dimensions of the society in which it is being practiced

(Li, 1998). Most Chinese are influenced by Confucianism which advocates family as the most important consideration. In the Chinese context, the individual is not born as an isolated entity. Family, party and nation are the first concerns and the Chinese citizen would consider the benefits to the group rather than those of their persons as a primary consideration. Relationship is another important reflection which originated through Confucius. In this school of thought, five levels of relationship are significant: sincerity between father and son, righteousness between ruler and subjects, distinction or separate functions between husband and wife, order between older brothers and younger brothers, and faithfulness among friends (Chen, 1995). Therefore, people pay more regard to interpersonal relationship, a factor that makes society into an ordered harmonious whole. For most Chinese, the traditional ethics still directs their behaviors and believes. As a result, people emphasize the importance of '*guanxi*' (or "relationship") to get things done. Associated concepts include the tolerance of hierarchy, sensitivity to 'face', and richness in indirect communication in the "high context" that China represents so well (Blackman, 2000, and Young, 1994). These cultural factors define for Chinese leaders their specified behavior and values such as harmony, filial piety (obedience), tolerance, persistence, and patience, yet all these characters are not well represented in Western approaches to leadership. In the face of this reality, of course, we must accept that culture changes during development. More and more of the highly educated younger generation are taking over the role of management and they may therefore be more willing to accept Western approach of management though such change takes time and will also require changes in cultural norms and people's attitudes (Ng, 1998). These twin factors of traditional Chinese business culture and the changing culture of the modernized and more globalized generation should

be jointly taken into consideration in the development of an effective leadership model for today's Chinese organizations.

In order to find a more suitable and effective leadership model for leaders in contemporary Chinese organizations, this thesis will discuss the above related issues based on data gathered from a group of elite MBA students who have both management experience in China as well as some clearly defined ideas concerning effective leadership behaviors relative to the current environment. A brief overview of leadership theory and current Chinese leadership practice, including current dilemmas, will be provided along with a description of the methodology followed by this study. Discussion and analysis of the data gathered will be detailed and the author will draw some tentative conclusions about an effective model for modern leadership in China based on the sample data, including an analysis of links between the new behavior and traditional Chinese culture where appropriate. Hopefully, the conclusions of the study will be helpful for Chinese managers or leaders to enhance their skills and bring out the best in them to lead Chinese business to compete for global market share.

3. Methodology

To develop a comprehensive model of Chinese leadership, the thesis will analyze a set of data drawn from MBA candidates in a Chinese business school environment. Those data are leadership stories written by 165 Chinese local MBA students of the China Europe International Business School (CEIBS) in Shanghai in the fall of 2005. Each of these students was asked to write a story describing the leadership behaviors of a successful leader in their experiences. While they were specifically directed to focus on behavioral

components of the leadership style, the eventual written stories also included and implied characteristics and skills as well as behaviors of an effective Chinese leadership.

The primary analysis began with the above data. Using Atlas.TI qualitative analysis software, the author reviewed all 165 stories and noted each time a behavior related to leadership was mentioned. Every quotation describing similar leaders' behaviors was assigned the same code. When one behavior was logically related to other behaviors, then a link was made between them. The linkage can be defined according to the relations between them. For example, according to student's explanation, motivation has a causal relation with good relationship, so the linkage is made with its direction from "motivation" to "good relationship" and with the relation of "is cause of". Some students indicate that good relationship results in trust between leaders and followers, so the link is made from code "good relationship" to "trust" and it involves the relation of "results in". Furthermore, each category of focused behaviors could be drawn as a graphical network based on their relations. The direction can be displayed by lines with arrows and also the relations can be shown as well. In the above case, "reason" and "result" represent the above two relations respectively. There are more relations in the study, such as "for" representing "is for the purpose of"; "associate" for "is associated with"; "condition" for "is condition of"; "improve" for "is helpful to"; "cause" for "causes"; and "affect" for "has impact on". The number of counts for each code and links is displayed beside each node in the graph.

Using the capabilities of Atlas.TI, these behaviors were grouped both nominally and graphically into categories of leadership characteristics and behavior, resulting in the development of a tentative behavioral model of leadership based on the CEIBS MBA

students' perceptions. In order to ensure that the coding of the behaviors was accurate, assistance was sought from additional research assistants to read a sample of stories and categorize the behaviors using a similar system to the author. Where there were discrepancies in the interpretation of the data, the coding system was discussed and modified to ensure similarity of final coded results.

The above described analysis of the data, resulted in an eight-component model of leadership for the Chinese culture based on the 165 stories that form the basis of the analysis. In addition, the CEIBS study participants were requested to provide a rationale as to why the particular leadership behaviors were essential or important for good leadership. The study summarizes these opinions and makes a link between the student rationales and Chinese culture. As a final level of analysis, the data generated was differentiated according to the type of organizations in which the respondents had working experience (such as FIE (Foreign Investment Enterprise), JV (Joint Venture), SOE (Stated Owned Enterprise) and PB (Private Business)). As a final level of analysis, the author tentatively notes differences of leadership models across types of enterprise.

4. Literature Review of Leadership

4.1 Definition of Leadership

Traditionally, leadership is defined by its alleged opposite: management. According to the literature, management is concerned with executing routines and maintaining organizational stability while leadership is essentially linked to change, movement and persuasion. (Grint, 2005) Managers have the role to control while leaders set direction. In other words,

management implies that managers have seen it all before and simply need to respond correctly to the situation by categorizing it and executing the appropriate process. Leadership implies that leaders have never seen anything like it before and must therefore construct a novel strategy (Grint, 2005). Hence leadership roles actually require both recognition of the novelty in a situation and invention to deal with this novelty.

With the shift to the 21st century, leadership may have to change aspects of its traditional definition (Cooper, 2005) because of enormous change and widening diversity of expectations. For example, organizational structures become much flatter compared to former hierarchical models and the number of multinational or cross-culture companies is increasing. This evolution of the 21st organization may cause traditional leadership to fall short in such a context (Chowdhury, 2003). In the newest list of America's Best Leaders, (U.S.News, 2005), leadership styles vary from organization to organization. E-Bay's president and CEO, Meg Whitman, succeeds through collaboration, while Donna Shalala, the president of University of Miami, leads by listening. C-SPAN's CEO Brian Lamb runs his shop by "walking around". Commonly, they all have a clearly articulated vision, measurable results, and well-defined "stretch" goals. Their leading style, designed uniquely for their operating environments, could present possible models for many leaders who are pursuing the same achievements in similar environments. The Chinese organization finds itself in an environment of global competition, increasing multi-national structures, and changing culture values while seeking a new image or position on world stage for China. Across both the North American and the Chinese environment, however, leaders not only help reduce ambiguity and uncertainty in people's lives but also add clarity and direction to life and make life more meaningful (Sashkin and Sashkin, 2003). It is the exploration of the

behavior of contemporary Chinese leaders that achieves these ends that will be the focus of this study.

4.2 Models of leadership in Western management context: transactional and transformational leadership frameworks

According to the research of Keeley (2005), if people are asked to list the characteristics of an effective leader, the list generally includes the following: trustworthy, good listeners, ability to articulate a vision and make it meaningful, ability to coach, ability to hold people accountable to get things done, credible, excellent communicator, results orientation, ability to help people to make sense of uncertainty, approachable, goal oriented, positive and optimistic, inspirational, and timely decision-maker. By contrast, an ineffective leader tends to be unable to inspire confidence, use positional power to get things done, is stubborn and unwilling to consider other points of view, does not build teams, are poor communicators, make poor decisions with little consultation, discourages people from bringing problems or issues to him/her, plays favorites, is mean with opportunities, and does not do what he/she says they will do. The above list is not exhaustive. Bad leaders, as do great or effective leaders, come in all types. But, as Keeley suggests, they do tend to share broadly similar characteristics. The research into the leadership stories generated through this research supports this line of thinking and develops a list, similar to Keeley, which proposes common behaviors and characteristics of effective leaders.

Management literature in the West supports the movement to group characteristics of leadership behavior into competing schools of thought. In the attempt to develop relatively universal schools of management theory, two models tend to dominate: transactional and transformational leadership (Burns, 1978; Bennis, 1989). Transactional leadership focuses

on the exchanges that occur between managers and their followers (Northouse, 1997). Some authors refer to transactional leadership as “managing”, since it tends to focus on achieving current organizational goals through existing mechanisms (Cooper, 2005). In contrast, transformational leadership involves the process through which an individual engages with others and creates a connection that raises the level of motivation and moral in both the leader and the subordinates (Northouse, 1997). This process Cooper (2005) refers to as “leadership”. In his view it is more concerned with influence, guiding in a particular direction, charting a course of action and inspiring extraordinary effort (Shelton and Darling, 2001).

Transactional Leadership

The transactional model of leadership has developed largely from a social exchange perspective that stressed transaction between leaders and followers to yield effectiveness. (Hollander, 1964; Homans, 1961) The exchange could be leaders giving benefits to followers such as concrete rewards, or more interpersonal benefits such as direction, vision, recognition or other esteem needs that are returned by followers via responsiveness to the leaders, such as working. Hence, it is a two-way influence relationship (Chemers and Ayman, 1993). Graen (1975) developed the leader-member exchange (LMX) model of leader-follower relations. The relationship includes noneconomic exchange. The better relationship the followers have with the leader, the higher expectations for their loyalty and performance they have. The looser the relationship is, the fewer demands and fewer rewards followers receive from the leader. For instance, subordinates, having a high-quality relationship with the leader, usually are assigned more job responsibility, contribute more to the organization and were rated as higher performers than those with low-quality

relationship. Therefore, this model focuses on the followers' perceptions of and expectations about the leader's actions and motives. Table 1 lists the characteristics and behaviors of transactional managers.

Table 1: Model of Transactional Leadership

Transactional Leadership (Managers)	
Conceptual characteristics	Behaviors
Caretakers	Focus on control
Effective in situation	Prefer security
Directive	Limit the danger and uncertainty
Task oriented	Control deviation by set norms and punish recalcitrance
Disciplinary and punitive	Avoid complexity
Mediocritized	Attempt to ensure tangible, detached control
Veering towards consolidation	Suffocate innovation and creative
Inter-organizational power sensitive	Favor loyalty, conformity, co-ordination, and team spirit
	Favor proven technologies and hierarchical structures
	Maximize output

(The list was developed according to the research of following authors: Warburton, 1993; Bradford and Cohen 1984; Zemke, 1987; McDermott, 1969; McAdam, 1993; Fairholm, 1991; French and Raven, 1959, McGregor, 1960, Korukonda and Hunt, 1989)

Transformation Leadership

The concept of transformational leader was developed by Burns (1978) and applied to organization leadership by Bass (1985) and Bennis and Nanus (1985). The main idea of this concept is that the leader strives to go beyond the usual norm, and to redirect and bring about a change in follower thinking and action (Fiedler and House, 1988). According to Burn's

idea, transformational leadership involves highly limited transactional factors as well as charisma, intellectual stimulation, and individual attention to followers. However, according to Bass, (1985), transformational leadership is absolutely the opposite to transactional leadership. With the quantitative research of Bennis and Bass, it was found that two models actual operate on two different dimensions. By interviewing 90 CEOs, Bennis and House found that *attention, communication, trust, respect, and risk* are the five issues central to the leader-follower relationship. Kouzes and Posner also developed a list of behavior traits of transactional leaders and found that transformational leaders operated by: *challenging the process, inspiring a shared vision, enabling others to act, modeling the way, and encouraging the heart*. Transformational leadership has also been perceived as revived charismatic leadership theory (a model defined by Weber 1947 & 1968) since the charismatic model is predicated on the basis that great leaders are ‘possessed of a unique ability to transform as a result of an exceptional human nature’ (Kakabadse and Kakabadse, 1999) and it is the only way to realize organizational transformation (Burns, 1978; Bass, 1985; Kozmetsky, 1985; Tichy and Devanna, 1986; Avolio et al., 1991). Characteristics and behavior of transformational leaders are outlined in Table 2.

Table 2: Model of Transformational Leadership

Transformational Leadership (Leaders)	
Characteristics	Behaviors
Dissatisfied with the status quo	Search for new opportunities
Restless and energetic	Fight battles for the good of others
Action oriented	Enable empowerment
Potent and virile individualists	Be a long-standing organizational employee
Entrepreneurial	Articulate a vision
Gifted	Make big picture

	Build alliances
	Make people feel special
	Set examples for others to strive for

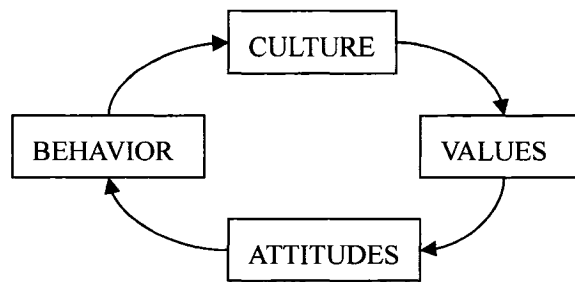
(The list is based on research of the following authors: Kakabadse, 1991; Bass, 1985,1990; Avolio and Bass, 1988; Kets de Vries, 1998;)

The concept of transformational leadership leads to the perception that ‘corporations are lead by heroes’ (Wilson, 1992). For example, Jach Welch is said to have “single handedly” changed GE. Sir Collin Marshall, ex CEO of British Airways, transformed the culture of British Airways from pleasing the boss to pleasing the customer. Gordon Bethune, ex-CEO of Continental Airlines, USA, was attributed with turning around the airline from “worst to first” by using transformational motivation techniques. William McKnight, ex-CEO of 3M, made 3M among the most innovative companies in the world. Most of those great leaders had been members of their respective organizations for quite a long time, so their insights to the difficulties or complexities of their enterprise were deep. But their ability to influence their organizations in the ways that they did had very much to do with their *style* of engaging the people in the company to go beyond where they normally would go. The term “transformational” fits well their roles and impact as leaders.

The models of transactional vs. transformational leadership are included in this study because it fits with the more traditional breakdown of descriptions of different approaches to leadership in China (Bond, 1991). Analysis of the leadership stories provided by study participants led to the conclusion that modern effective Chinese leadership combined the characteristics of both transactional and transformational leadership in ways that reflected Chinese culture very directly. This conclusion will be further explored in the results section of this study.

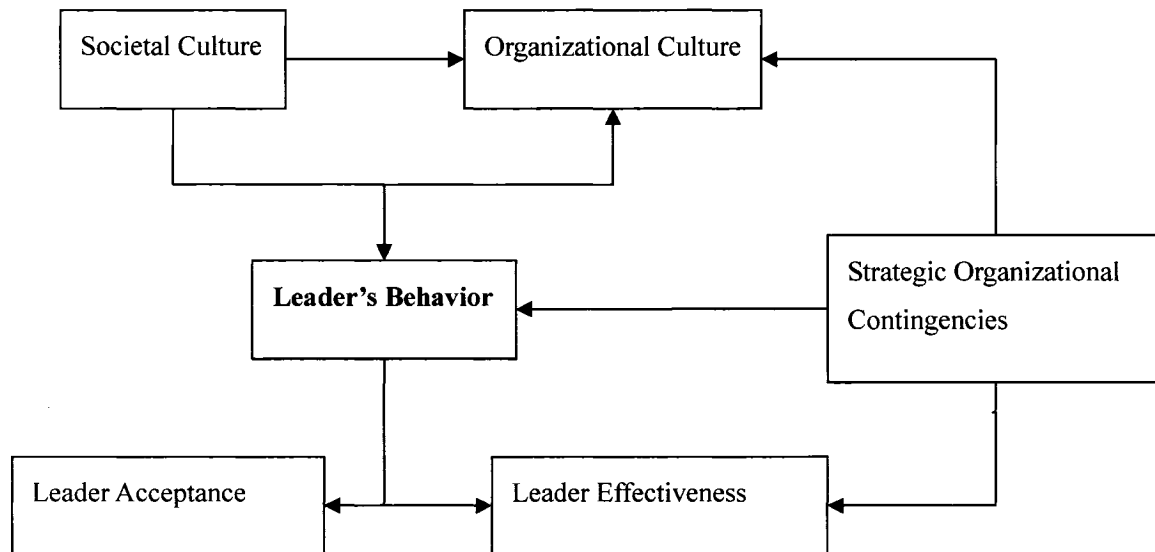
4.3 Cultural impacts on Chinese Leadership

Living within society's patterns, culture has a great deal of bearing on people's behavior. According to Adler's chart of the behavioral impact cycle (Figure 1), the dynamics of culture has a definite influence on the behavioral dimension. In Adler's model, culture is expressed by individuals through the values they hold about life and the world around them. Then their values influence their attitudes about the form of behavior that is considered most appropriate under given circumstance. By generating the behavioral norms to be applied to a specific culture, the attitudes in turn provide the basis for daily behavior. Finally, the repeatedly changing pattern of behavior affects the society's culture. A new cycle begins.

Figure 1: Influence of culture on behavior

Source: (Adler, 1991, p.16)

Leadership, as a critical element of organizations embedded in a society, is culturally contingent, so the values and resultant behavior of leadership varies across culture. (Hofstede, 1984; Ronen and Shenkar, 1985; Schwartz and Bilsky, 1987) For example, Western leaders encourage followers to enjoy their leisure time after work, but Asian leaders may encourage followers to contribute as much time as they could to their work because the former culture is individualistic while the later is collaborative. Modal leader behavior patterns differ widely across countries in their emphasis on individualistic versus team orientation; particularism versus universalism; performance versus maintenance orientation; authoritarian versus democratic orientation; paternalism; reliance on personal abilities, subordinates, or rules; leader influence processes; and consensual decision making and service orientation (House et al., 2004). The following graph illustrates how leader's behaviors are affected by culture.

Figure 2: Relationship between Leadership behavior and cultural related impacts

Source: Revised by the author according to the original model demonstrated by House, Hanges, Javidan, Dorfman and Gupta (2004)

In Figure 2, *Leader behavior* and management practice are strongly affected by their *societal culture* (Dorfman, 2004; House, Wright & Aditya, 1997; Schein, 1992). For example, leaders may establish selection criteria for hiring and promotions, serve as role models by setting personal examples, and socialize organizational members in a manner that reflects the broader culture in which they function. Then, the leader's attributes and behaviors are reflecting *organizational culture* in their industries (Bass, 1985; Miller & Droge, 1986), such as creating a harmonious environment to encourage followers to collaborate. At the same time, social norms, values or practice have an impact on *organization culture*. For example, in North America, popular culture traditionally sees people as a mixture of good and evil but a critical belief is that it is possible to be changed. As a result, in US organizations, training and development are emphasized and opportunities are provided for people to learn (Adler,

2002). Over time, the movement of *organizational culture* will impel leadership characteristics. Leaders try to adjust their response to the *organizational culture* (Bass, 1985; Miller & Droge, 1986; and Schein, 1992). In the above case, the organizational culture results in leaders training employees by modeling the way. *Strategic organizational contingencies* such as organizational environment, size and technology guide the form of the *leader's behaviors* (Burns & Stalker, 1961; and Donaldson, 1993). For instance, leaders use e-mail as a tool of effective and fast communication after the technologies of the Internet and computer networks were developed. As a result, culture endorsed leader behavior will improve leader acceptance by their organization and followers since it more fits the organizational culture. Meanwhile, it also affects *leader effectiveness* while interacting with *strategic organizational contingencies* (House, et al, 2004).

Though it has been discussed that culture has impacts on leaders' behaviors, any leadership model should be buildt with considerations to its situation context. (Sashkin & Sashkin, 2003) In the case of this thesis, the special context for consideration is culture. Inevitably, Chinese leadership is related to Chinese culture. Since culture affects leader's behaviors, a leadership strategy effective in one culture can be counter-productive in another and leading Chinese people can not be the same as leading Westerners (Tjosvold & Leung, 2004). In the newly open China, international interactions are blooming too, which results in foreign invested companies coming to China and local enterprises going to the global market. Along with exposing Chinese themselves to other cultures, the impacts of Chinese culture are even enlarged. For example, in Chinese culture, the favorite mode of response may be a relativistic "maybe" or "perhaps" instead of "yes" or "no". If a Chinese person is not willing to do a favor for you, he or she may respond to a request by saying "when I have time,

maybe I will do it for you.” Almost every Chinese understands that such a response is just an euphemistic way to refuse your request. Such an expression may be taken as an agreement by Western people, however, and may lead to bad feelings when he or she doesn’t receive anything back in the end. Such encounters decrease effectiveness of leadership if this happens. Leaders on both sides of such encounters face such kind of business challenges directly as a result of Chinese cultural elements. When leading in a Chinese culture, therefore, leaders should recognize critical culture differences and create an effective way to take advantages of culture influences. The following sections of this thesis outline areas of cultural consideration that any leadership model must address in a Chinese context.

4.3.1 Relationship (*Guanxi*) and Leadership in China

Relationship or *Guanxi*, which is a close, personal relationship based upon particularistic ties (Hwang, 1987), has traditionally been a core idea in Chinese culture. Relationship is among the central components of Chinese leadership (Guzzo & Shea, 1992; Wang, 1995; Lou, 1997; Dyer & Singh, 1998; Tjosvold, Hui & Law, 1998). In the study on the relationship between personality and performance, Wang (2000) found that interpersonal relationship building skills proved to be an effective performance predictor for Chinese employees and leaders. Studies show that employees who have high quality relationships with leaders can perform their jobs well and appear more willing to contribute to the organization (Hui, Law, & Chen, 1999). Personal relationship thus has influence on effective leadership. The more close the relationships with the leader, the higher commitment and the more effective work the employees can make (Tjosvold & Leung, 2004). As a result, relationship in a Chinese context becomes central to successful business leadership.

The main elements of relationship are seeking harmony and maintaining face (Tjosvold & Leung, 2004). Again, Confucius asserted that any individual is actually not independent (Chen, 1995). The five-factor relationship mentioned before shows that people are encouraged to build harmonious order among family, friends, and social groups. Behavior is based on loyalty, trust, morality, and respect in an ordered society (Wikipedia.org). Therefore leaders are the key people to take actions to manage conflicts and maintain group harmony among Chinese employees. This aspect is not emphasized as a key point in Western style leadership.

Face is another important concern by Chinese. Within a relationship-based networking system, people are linked more closely such that they consider the emotional effect when they ask or offer someone favors. There are two factors included in “Face” – *lian* and *mianzi*. *Lian* is showing one’s moral integrity while *mianzi* refers to social status (Chen, 1995 & Harris, 1994). For example, one who is caught for cheating will lose *lian* and one who is ignored when giving a speech will lose *mianzi* because his low social status causes no one showing respect to him. Employees will be regarded as offensive if their words make their leaders lose face especially in public. Leaders also consider protecting face of followers, so they try not to blame followers in public in order to save face for them. As leaders, they avoid losing face in order to give a good impression to the followers. Traditionally, Chinese care about their personal image in front of social groups (Zhu, 1989). Chinese care about the ways people look at them, so they try their best to protect their dignity, self-respect, and prestige. Based on this set of cultural values, leaders behave very much with the concept of face or face-saving in mind.

4.3.2 Communication and leadership

Communication skills are noted by many researchers as one of the key leadership strategies of effective leaders (Bennis & Nanus 1985, Kouses & Posner, 2003; Wang, 2003; Cooper, 2005, and Gandossy & Effron, 2004). Both transactional and transformational leaders need good communication skills to make complex ideas clear. Chinese communication is different from Western communication because China is a high context type of culture while Western cultures are more typically low context (Hall, 1976) According to Hall's research, the words people say in high context cultures link strongly to the context and much of their meaning is not spoken directly.

Table 3: High context and Low context communication types

High Context	Low Context
✧ Meaning is implicit in relationship and situation	✧ Meaning is explicit in the words spoken
✧ Emphasis on the group (collectivist)	✧ Emphasis on the individual
✧ Indirectness valued	✧ (individualist)
✧ Expressive-oriented	✧ Straight talk valued
✧ Non-confrontational attitude	✧ Instrumental-oriented Confrontational attitude
✧ "face" and relationship-oriented	✧ Action and solution-oriented

Source: Negotiation in China-Stereotypes and fallacies (Hou, 2000)

Discussions tend to be indirect and roundabout until others find the point themselves. The speaker puts all the related points or explanations into place except the crucial one. The emphasis in such nonverbal communication is largely tied to the emphasis on long-term relationships and the importance of face and social harmony. In practice, the indirectness may cause failure to state the situation and problems. Leaders who use this approach expect

the employees find the hidden information in their words (Blackman, 2000). It is a way for leaders to shirk their responsibility to directly state issues since they never say the point directly by themselves. Employees may feel troubled to figure out what the leaders really expects them to do. This form of communication is also a way to protect face since, through its use, the leader never imposes ideas on others. Moreover, like Gandossy and Effron (2004) conclude in their book, CEOs do not like their message stick. Without effective communication, tasks, responsibilities, commitments, ideas, passions and visions can not be sent out the all employees, customers, organizations, industries and even worldwide.

4.3.3 Hierarchical structure and leadership

People in Chinese organizations, especially stated-owned enterprises, respect hierarchical structure and find it a natural way to organize life. This could be traced back to the five-order relationship of Confucianism. Confucius' concept of social order indicates the certain way that one is expected to act depending on one's place. In these relationships, junior pays senior respect and obedience; in turn, the senior gives junior protection, consideration, help, support, and assistance (House, et al, 2004). Rulers are expected to be benevolent in exchange for loyalty from their subjects. Older friends will serve as mentors to their younger acquaintances (Riel, 2004). Each Chinese individual has a social rank and all are expected to know where they fit into the hierarchy and to behave accordingly. There are many implications of this approach for organizational leadership. For example, promotions at work in Chinese organization are based on age not ability. In addition, the advice and opinions of an older worker are generally valued more than the words of a younger person. The young, in turn, are deferential and respectful to their older co-workers and business associates.

GLOBE (Global Leadership and Organizational Behavior Effectiveness) program research (House et, al 2004) shows that Chinese culture expects high power distance between leaders and their followers. Hierarchical superiors hold centralized authority and keep the distance with lower level workers (Chen, 1995). Leaders control information and subordinates in order to maintain their power. This style of leadership is prevailing in private business, because leaders usually are the owners (Silin,1976; Redding, 1990; and Westwood.1997). However, regardless of organizational type, hierarchy defines responsibilities and authorities for leaders and followers in their orders (Chowdhury, 2003). Highest order leaders are responsible for functional and jurisdictional decision-making such as creating visions and setting long-term goals; middle level managers are in charge of supervising specific tasks and assignment implementation such as delegating responsibility or providing sufficient resources; lower level employees are accountable for accomplishing work (Chowdhury, 2003).

The other influence of hierarchy is on decision-making. In private business, family-type ownership structure dominates in China which means leaders are the owner and their relatives take some position in the business. It is a highly authority centralized organization, so leaders make decisions in private and on intuition or experience (Chen, 1995; Harris, 2000). In state-owned enterprise, however, leaders like to pass up decision-making to higher levels in order to avoid risks and responsibilities (Blackman, 2000). Most Chinese managers or officials just hope to keep their position stable, and are reluctant to take responsibilities or to be involved in difficulties. Therefore, they transfer possible risks to others. When they have to make the decision, Chinese managers like to discuss the issue, ask for feedback and explain the decision's rationale time after time so as to gather as much information as

possible before taking an important final decision. This process helps them to have excuses to issue because their decision is based on others' feedback or certain rules and policies.

4.3.4 Rising Challenges in the Chinese culture concerning leadership

Culture engraves itself on leadership. Analysis of the stories associated with this research indicate that building relationship, creating a harmonious environment, caring for followers' needs and feelings, saving face for others and developing people are among the critical required skills for leading in Chinese organization because Chinese emphasize relationship or *guanxi*, harmony, benevolence, indirect expression and high power distance. These same behaviors, however, when strictly applied in Chinese organizations, have been found to decrease the management effectiveness (Blackman, 2000). Leaders pay too much attention to a harmonious environment, so reward and punishment is not fair or reasonable which causes employees' initiatives and morale to decrease and produce low performance. Influenced by the Confucian concept, Chinese collectivism is based on family, so teamwork works inside the bounds of a Chinese personal relationship network but does not extend to include those outside the network (Wong, 1985). This makes highly functioning team-based organizations difficult to develop. Implicit expression encounters face problem but causes low efficiency of communication. It also conflicts with the present practice of encouraging employees to communicate with their superiors openly without fear ((Huang, Vliert and Vegt, 2005). When employees are reluctant to question authority and to disagree with their leaders, this makes it hard for followers to report negative things to senior managers (Pun, Chin & Lau, 2000). Hence, managers may get insufficient information so as to make the wrong decision for the lack of communication from top to the bottom in the organization

(Fukuda, 1994). In recent times, with the quick development of companies, particularly Joint Ventures, many companies face the need for quick decisions with little experience base or policy guidelines. This makes it harder to make decisions since no rules are available to be applied. In the face of such situations, new leadership approaches have to be adopted to manage risk and protect both individuals and companies from mistakes. High power distance sets the obstacles to encourage employees' participation while modern leadership practice demands followers participate and involve themselves in decision-making (Huang, Vliert and Vegt, 2005). These represents a dilemma for leaders in today's China.

Like fish will not notice the importance of water until it leaves the ocean, Chinese find their troubles facing other cultures. Challenges emerge with the traditional Chinese leadership style facing dynamic change and new forms of Western dominated management penetrating into Chinese enterprises. The above-described issues challenge Chinese leaders to adjust their behavior to manage effectively. By studying the actual behavior of effective leaders through leadership stories, a new experimental model of modern Chinese leadership can be developed directly from practice. This is precisely the approach and intent of this study. The findings aim at improving Chinese leadership efficiency and performance, so it not only suggests the possibility of avoiding negative impacts of traditional culture but also taking positive or effective influences of culture into account.

5. Findings and Discussion

The research reviewed leadership stories provided by 165 MBA students at the prestigious Chine Europe International Business School. Of the total sample, 26 submissions were excluded from the research because the stories about their ideal leadership were provided by

non-Chinese students who described their experience of leaders from outside a Chinese culture context. Of the 139 stories of leadership, 45 stories were provided by female students, (32.4 %), and 88 were from male study participants (63.3 %). A further 6 (4%) did not identify their genders. The ratio of male versus female is around 2:1. Leaders in their stories were categorized by three groups based on the types of enterprise. The profile of the leaders described includes 50% from Foreign Invested Enterprises (FIE) including joint ventures, 25% from State Owned Enterprises (SOE), and 8% from Private Businesses (PB) and approximately 10.8% who are not leaders in specific managerial positions in companies, but who played other roles in the respondents' lives (such as mother, school teacher, soccer team member, classmate, friend, traveler, colleague, or secretary). The remainder of the respondents (6.5%) did not identify the type of enterprise that their nominated leader worked in but simply identified them as Chinese managers. Among those leaders identified as working in a FIE environment, stories described two kinds of leaders: Expatriate Managers coming from outside China (10%) and Chinese Managers (90%). In this study, a Chinese manager is defined as a leader with Chinese cultural background including those from the mainland, Hong Kong, Taiwan, and even overseas. In contrast, a foreigner is defined as a person whose ethnic group is non-Chinese. The detailed demographic description of the sample leaders described by respondents is listed in Tables 4 and 5.

Table 4: Demographic profile of sample data

Variable	Category	n	Percentage
Ethnic group	Chinese	139	84.2%
	Non Chinese	26	15.8%
organization	Foreign Invested Enterprise (FIE)	69	49.6%
	State Owned Enterprise (SOE)	34	24.5%
	Private Business (PB)	12	8.6%
	Missing Data	9	6.5%
	Non enterprise	15	10.8%
Leaders described	Chinese Managers	112	90.3%
	Foreign Managers	12	9.7%
Gender	Male	88	63.3%
	Female	45	32.4%
	Missing data	6	4.3%

Table 5: Gender distribution

Type of Enterprise	Male	Female	Male/Female Ratio
FIE	40	23	1.74:1
SOE	20	12	1.67:1
Others	28	10	2.80:1
Total	88	45	1.97:1

5.1 Leadership Behavioral Traits in stories

Analysis of the data identified a total of 95 traits in the stories. Using the capabilities of Atlas.TI, a qualitative data analysis software package, an overview listing of behaviors and

traits associated with good leadership was developed. These are summarized in Table 6. The top ten mentioned behaviors and traits included demonstration of trust, communication of vision, motivating others, development of relationship, demonstration of respect, giving of encouragement, giving clear direction, creative problem solving, moral personality and effective decision-making.

Table 6: List of Leader Traits and Behaviors*

Items of Behaviors / Traits	Frequency in the Data	Items of Behaviors / Traits	Frequency in the Data
01. demonstrates trust	52	49. cultivates followers' honesty and loyalty	7
02. constructs vision - clear future	52	50. balances personal life and work	6
03. motivates / inspires others	50	51. communicates clearly	6
04. maintains good relationship	42	52. disciplines others	6
05. respects others	41	53. honest	6
06. encourages others	40	54. treats followers fairly	5
07. gives clear direction / clarifies responsibilities	39	55. helps followers to achieve their personal goals	5
08. introduces creative / innovation	38	56. intelligent	5
09. good personality	36	57. open-minded	5
10. makes effective decisions	32	58. flexible	4
11. solves problem / challenges	29	59. good-tempered	4
12. result-based	29	60. loyal to company	4
13. seeks harmony	27	61. takes moral / righteousness	4
14. knowledgeable / experienced	27	62. optimistic	4
15. coaches followers	26	63. patient	4
16. communicates effectively	25	64. reliable	4
17. cares about followers	23	65. respects culture	3
18. demonstrates team work	23	66. works hard	3

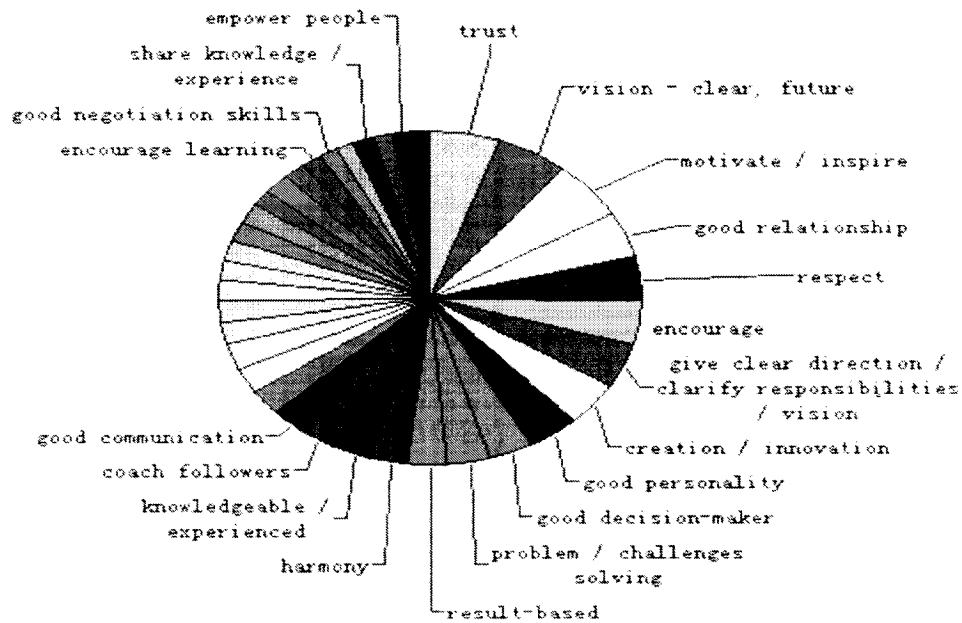
19.supports followers decisions at work	22	67.has analytical thinking	2
20.confident	20	68.contributes to society	2
21.passionate / enthusiastic / committed	20	69.evaluates performance / uses KPI assessment	2
22.promotes / cultivates talent	19	70.demonstrates initiative	2
23.takes risks	19	71.shows interpersonal ability	2
24.trains others	19	72.involves in local culture	2
25.manages with skills	18	73.restrictive	2
26.listens to others	17	74.provides benefit to followers	1
27.leads change	17	75.competent in job	1
28.takes responsibility	17	76.conscientious	1
29.keeps learning / improves own skills	16	77.crude and blunt	1
30.encourages learning in others	14	78.directs followers	1
31.negotiates effectively	14	79.empathetic	1
32.recognizes followers' achievements	14	80.focuses on details	1
33.shares knowledge / experience	14	81.friendly	1
34.asks opinion from followers	13	82.tracks external environment (government regulations and market competition)	1
35.empower people	13	83.handles difficulty situation	1
36.provides practice or learning opportunities to followers	13	84.maintains high standards	1
37.builds followers support	12	85.influences different people in different way	1
38.keeps promises/ commitment	10	86.loyal to employees	1
39.collaborates	9	87.humble	1
40.gets right resource / people for	9	88.demonstrates positive	1

work		attitude	
41.persistence / patient	9	89.uses power/ authority	1
42.plans strategically	9	90.predicts / judges correctly	1
43.aggressive/ ambitious	8	91.maintains relationship with government	1
44.charming to others	8	92.sincere	1
45.adaptive	7	93.strives for excellence	1
46.takes care of customer needs	7	94.tolerates mistakes	1
47.charismatic	7	95 shows transparency	1
48.courageous	7		

*** Specific wording of individual element represents, as closely as possible, specific wording drawn directly from participant responses and submission in their “leadership stories”.**

The mean frequency of the nominated traits and behaviors is 12.13, so those 36 behaviors and traits over mean frequency are outlined in the following pie chart (Figure 3). Of those outlined in the table, the top 10 elements represent almost 50% of the factors. The convergence of the data suggests that these ten factors will represent an important group to analyze for this study. Based on this observation, the discussion of leadership behaviors from male and female perspective as well as the difference in FIE, SOE and PB will be based mostly on the top 10 most frequently occurring leadership behaviors and traits.

Figure 3: Top 36 traits of leadership



<input type="checkbox"/> trust	<input checked="" type="checkbox"/> vision - clear, future
<input type="checkbox"/> motivate / inspire	<input type="checkbox"/> good relationship
<input checked="" type="checkbox"/> respect	<input type="checkbox"/> encourage
<input checked="" type="checkbox"/> give clear direction / clarify responsibilities / vision	<input type="checkbox"/> creation / innovation
<input checked="" type="checkbox"/> good personality	<input checked="" type="checkbox"/> good decision-maker
<input type="checkbox"/> problem / challenges solving	<input checked="" type="checkbox"/> result-based
<input checked="" type="checkbox"/> harmony	<input checked="" type="checkbox"/> knowledgeable / experienced
<input checked="" type="checkbox"/> coach followers	<input checked="" type="checkbox"/> good communication
<input checked="" type="checkbox"/> care about followers / humanity	<input type="checkbox"/> team work
<input type="checkbox"/> support followers decision/work	<input type="checkbox"/> confident
<input type="checkbox"/> passion / enthusiasm / commitment	<input type="checkbox"/> promote / cultivate talent
<input type="checkbox"/> take risks	<input type="checkbox"/> training
<input checked="" type="checkbox"/> managerial skill	<input checked="" type="checkbox"/> good listener
<input checked="" type="checkbox"/> leading change / improvement	<input checked="" type="checkbox"/> take responsibility
<input checked="" type="checkbox"/> keep learning / self improvement	<input checked="" type="checkbox"/> encourage learning
<input checked="" type="checkbox"/> good negotiation skills	<input checked="" type="checkbox"/> recognize followers achievement
<input checked="" type="checkbox"/> share knowledge / experience	<input checked="" type="checkbox"/> ask opinion from followers
<input checked="" type="checkbox"/> empower people	<input checked="" type="checkbox"/> provide practice or learning opportunities to followers

In addition to the behaviors and traits noted, participants were asked to describe elements of the Chinese culture that, in their opinion, illustrate how culture influenced their managers' behaviors in a Chinese environment.. Among the 10 most frequently mentioned cultural factors, the issue of face is the most frequently nominated factor affecting leadership

behavior. In the stories, many respondents indicate their belief that Chinese people care about other's face very much, leading to the leadership approach of not discussing topics which are sensitive to employees in public to avoid loss of face. Hierarchical structure is another frequently mentioned factor. In Chinese organizations, especially in government or SOEs, hierarchy has been an important element of business culture for long time, deeply rooted in Confucian tradition and, in a parallel sense, deeply rooted in modern organizational processes. It reinforces a "high power distance" approach to doing business (Hofstede, 1980). Additional Chinese characteristics such as introversion, modesty, neutrality and solidarity with the group were seen as influencing the leader skills of communication and people management. These factors, as identified by study participants through analysis of the data itself, exactly match the relation between Chinese culture and leadership behaviors discussed above. The further explanation of their impact on leaders' behaviors will be explored below.

Table 7: Cultural factors Affecting Leader Behavior

Culture Factors	Frequency in the Data	Culture Factors	Frequency in the Data
Culture - face issue	15	Culture - authority and bureaucracy	1
Culture - hierarchical structure	9	Culture - corruption	1
Culture - introvert	3	Culture - low individualism	1
Culture – responsibility avoidance	2	Culture - modesty and neutrality	1
Culture - high power distance	2	Culture - solidarity and cooperation	1

Data Validity

In order to ensure the accuracy of the coding of the leadership behaviors, a series of stories

were randomly picked and distributed to a group of research assistants for coding analysis. The assistances were also provided with a list of codes that had been developed by the author and used in the analysis process. The assistants were requested to select the codes provided by the author if they found them in the stories. The null hypothesis of this experiment was that the assistants would agree with the author’s coding more than 80% of the time. In total 25 sample codes were involved, and each one was assigned a score according to percentage of the number of people agreeing with the author’s assignment of the code to a particular behavior or characteristic. The result of the experiment was that the one way sample proportion testing failed to reject the null hypothesis. The result suggests that the codes used by the author are accepted by most people. The detailed testing is shown in the following table 8. The detailed statistic sheet is attached in appendix 2.

Table 8: Data Validity Hypothesis Test

One-Sample T: Proportion							
Test of mu = 0.8 vs < 0.8							
Variable	N	Mean	StDev	SE Mean	95% Upper Bound	T	P
Proportion	25	0.730000	0.213717	0.042743	0.803129	-1.64	0.057
{P-val=0.057} > {α=0.05} Do not reject null hypothesis							

5.2 Leadership behaviors cluster

Analysis of the data resulted in several conceptual challenges. In the process of establishing categories of elements in the data, some terms as nominated by the respondents appeared to be synonyms (such as “encourage” and “motivate”). In the actual story content, however,

encouragement implies acts that encourage people’s heart and build their confidence to do something, while motivation represents efforts to make people willing to do something by rewarding or promising something. The distinction, based on traditional leadership theory, breaks down across the transformational vs. transactional leadership frameworks. Additionally, some traits and behaviors nominated are supplementary elements of larger categories. For example, giving clear direction is part of the larger category which might be titled “providing structure”. Moreover, some traits may be viewed as the cause of other traits. For instance, trust could be perceived as the cause of supporting followers’ decision and work. Based on this set of assumptions and after analysis, the 95 traits and behaviors have been grouped into 8 behaviors and traits clusters according to analysis of the meaning embodied in the contexts of stories. The categories identified include trust and respect, vision, encouragement and motivation, good relationship, managerial skills, effective communication, learning, and good human personality. They are outlined in Table 9. The detailed description and analysis of clusters of behavior will be outlined in detail in the sector-specific sections that follow in this paper.

Table 9: Eight clusters of leadership behaviors and traits

1. trust and respect	demonstrates trust
	respects followers
	treats followers fairly
	helps followers to achieve personal goals
	cares about followers
	provides benefit to followers
	tolerates mistake
	influences different people in different way
	gives clear direction / clarifies responsibilities / vision
	supports followers decision at work

	Asks opinion from followers
	empowers people
	demonstrates loyalty to company
	respects culture
	keeps promises/ commitment
2. vision	constructs future vision
	introduces creative / innovation
	passionate / enthusiastic / committed
	takes risks
	leads change / improvement
	plans strategic
	courageous
	predicts / judges correctly
3. encourage and motivate	motivates / inspires others
	recognizes followers' achievements
	evaluates performance / uses KPI assessment
	demonstrates positive attitude
4. good relationship	seeks harmony
	builds followers support
	takes care of customer needs
	cultivates followers' honesty and loyalty to leaders
	balances personal life and work
	shows interpersonal ability
5. managerial skill	makes effective decision
	solves problem / challenges
	result-based
	disciplines others
	Demonstrates team work
	takes responsibility
	collaborates
	gets right resource / people for work
	works hard
	handles difficulty situation
6. learning	knowledgeable / experienced

	Coaches followers
	promotes / cultivates talent
	trains others
	keeps learning / improves own skills
	Encourages learning in others
	shares knowledge / experience
	provides practice or learning opportunities to followers
7. good communication	listens to others
	negotiates effectively
	communicates effectively
	Directs followers
8. good personality	good personality
	aggressive/ ambitious
	charming to others
	adaptive
	charismatic
	Honest
	intelligent
	open-minded
	flexible
	good-tempered
	moral / righteous
	optimistic
	Patient
	reliable
	initiative
	conscientious
	friendly

5.2.1 Trust and Respect and Leadership

“Don’t suspect your employee. If one is suspicious,
don’t employ him.” (Chinese Proverb)

Analysis of the data indicates that, from both male and female's perception, trust and respect on the part of the leader were both highly nominated behaviors and traits. "Trust" in the story usually refers to mutual trust which means both leaders and followers could be certain about each other's actions. For instance, in one story, a financial supervisor rejected a sales director's reimbursement, and the director complained about this to her leader. The leader rejected the director's request because he said he trusted the financial supervisor's judgment and supported her decision. Chinese culture very much focuses on relationship such that trust enables people to feel comfortable and secure in their relationship with a person they trust (Tjosvold & Leung, 2004). Trust in a person or by a person is a consequence of one's action (Cooper, 2005). In the research, students also indicated that trust was two-way in nature: it could cause some actions to happen while it could also be affected by the results of actions. In the relationship network of each code found in data, trust appears to be a result of good relationship. While certain trust is built between leaders and followers, a large number of stories indicate that leaders are likely to cultivate or promote those followers they trust by training, empowering or coaching through direct connection. Since they believe in their followers' abilities or potential, they apply encouragement, inspiration and support when their followers meet difficulties, problems or awkward situation. Hence, the relationship between leader and follower becomes more and more stable and firm. Finally the benefits begin to apply for the achievement of harmony. In the end, such good relationships can come together to build more trust. Leaders try to keep their promise or commitment in this way to build more credit. In other words, they do what they say they will do which is part of the element of good transformational leaders (Bennis & Nanus, 1985 and Kouzes, Ponsner, 1987).

“Respect yourself and others will respect you.”

(Quotation of Confucius)

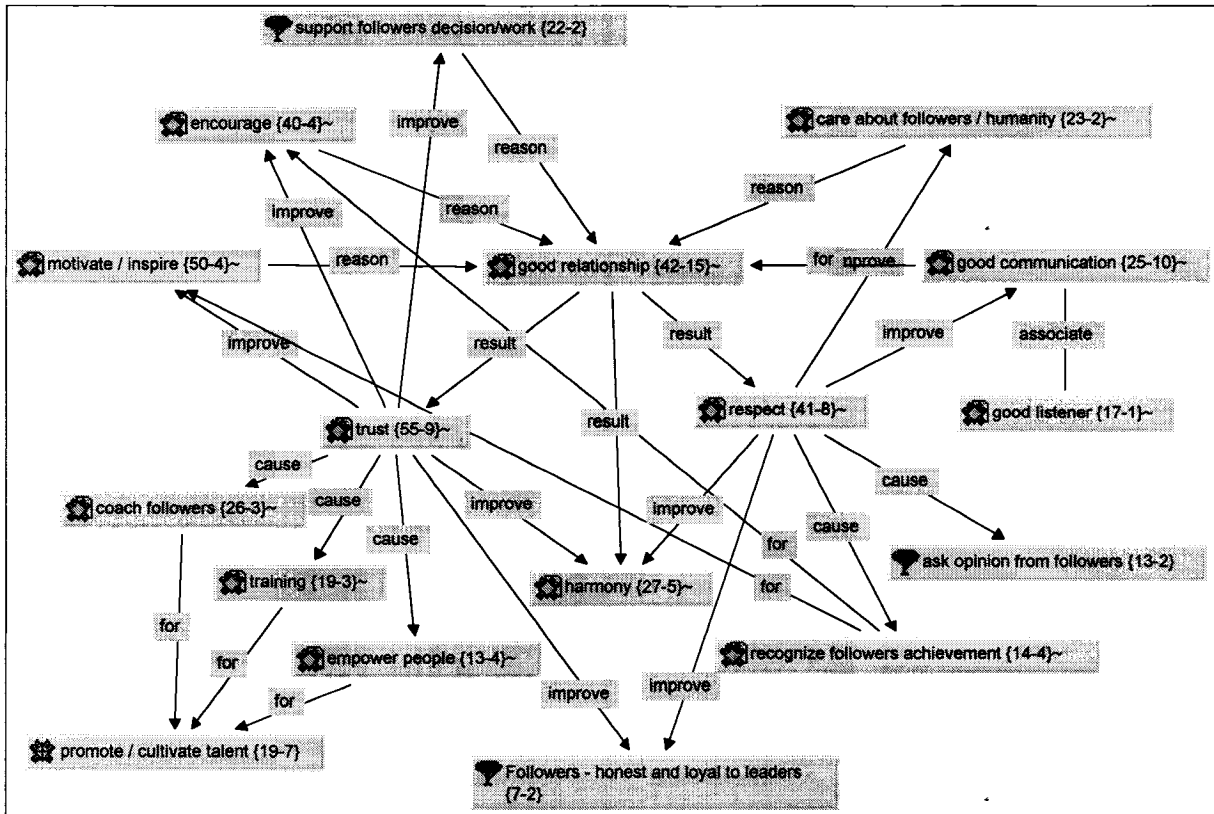
Good relationships make people respect each others. Because leaders respect followers, so they would ask opinions from followers and recognize followers' achievements. Similarly, because followers respect their leaders, they work hard and try their best to support their leaders to reach their mutual goals. The stories in relation to good leadership stated that respect could be shown by caring people. In the actual experiences of leadership demonstrated in the stories, 16.5 % of the respondents mentioned directly that their leaders cared about them very much, not only by meeting their needs but also by doing some subtle things to make their heart experience a warm feeling. In one case a secretary asked to resign in order to take care of her severely sick father. Her leader didn't accept her request and instead, he kept her on job with less work and even went to visit her father on the weekend. This demonstration of respect for the situation on the part of the leaders also resulted in a return of high performance on the part of the secretary. Remembering staffs' birthdays, treating them like family especially when they are out of hometown, or showing concern for their difficulties demonstrate deep levels of respect for the individual in a Chinese context. Such behavior also improves relationship. The stories also suggest that leaders who pay respect to followers also communicate in good ways because they listen to their employees' ideas, paying respect in this additional manner. Listening attentively to their followers telling needs, giving suggestions, or describing ideas may help leaders to find problems in operation and even to re-form visions (Cooper, 2005).

Analysis of the stories indicates that “respect” also embodies mutual respect. Many leaders

earn respect from their followers by taking some responsibilities for their followers or keeping promises. In many bureaucratic SOEs, most leaders are promoted for their age so they usually are older than followers. Recalling the five orders in relationship described above, younger workers should pay respect to older supervisors. However, China is growing and people begin to open their mind to the world. The rule of respect for hierarchy is not followed as strictly as before. The stories provided by respondents indicate that followers increasingly show respect to their leaders only when they really feel leaders care about them rather than based on a system of age status.

Finally, the consequence of demonstration of respect appears also to enhance trust. Followers' morale is encouraged or motivated when their achievements are rewarded. Such approaches to encouragement and motivation were noted as building good relationships with associated increases in trust. In this sense, respect and trust reinforce each other since they all have an affection cycle with relationship. That is the reason why they were grouped together.

Figure 4: Network of Elements Focused on Trust and Respect



5.2.2 Visionary Leadership

“Some leaders look but don’t see how things happen...

Understanding how things happen makes the right actions obvious...

Effective leaders understand the consequences of actions (Tao Te Ching).”

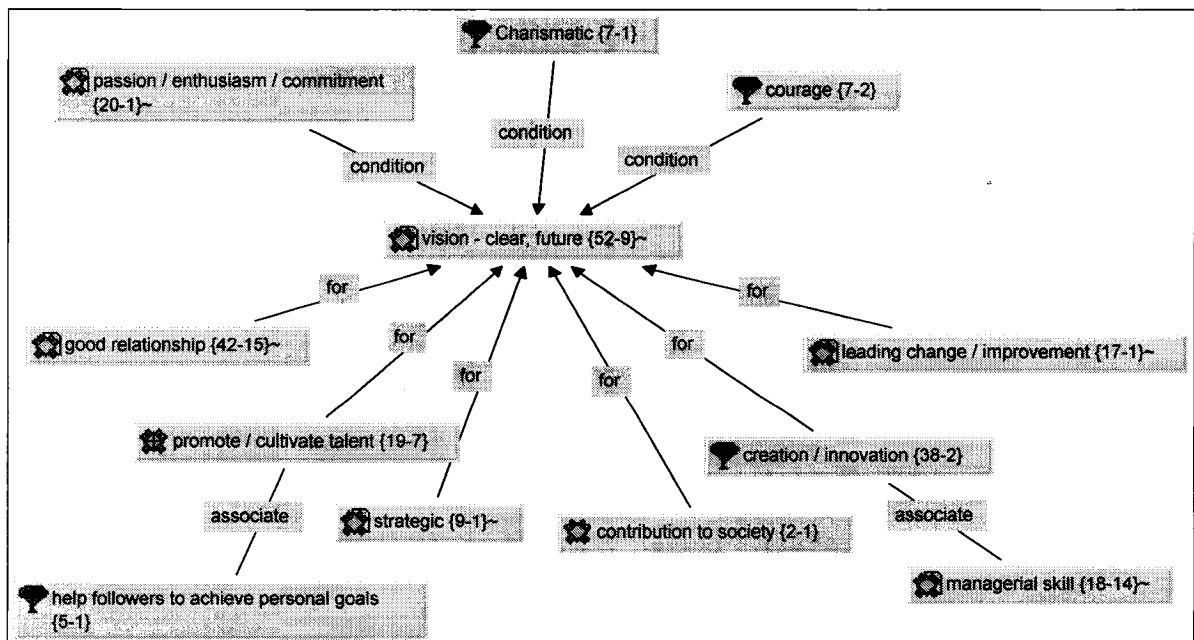
In the stories, an extremely large number (37.4%) of the respondents nominated constructing or communicating vision as a significant element of being a good leader. In the stories, vision is about an ideal future goal shared by the whole team. For example, one leader involved her followers in deciding if it was a good time to invest in a new Internet service industry. After the whole team agreed to the new project, she told them she had already had

the plan for it in fact. The purpose of holding the conversation was to get the mutual agreement of the team on organization goals. In addition, many leaders in the stories are described as looking for long term growth of business instead of short-term success. Some even think of shifting the company's focus to new industries that no one is currently paying attention to. Philosopher John Schaar noted that "the future is not a result of choices among alternative paths offered by the present but a place that is created. Created first in mind and will, created next in activity. The future is not some place we are going to but one we are creating. The paths to it are not found but made, and the activity of making them changes both the maker and the destination." (Sashkin & Sashikin, 2003). The stories of respondents frequently outline this kind of visionary quality and behavior in their experience of good Chinese leadership.

Good leaders are expected to construct a future for both their organizations, teams, followers and themselves. The process of creating vision is much more important than the vision itself (Gandossy & Effron, 2004). With passion and enthusiasm, leaders have courage to envision the future. In the stories, some charismatic leaders were described as having the kind of ability to make drive their vision into the future. Alternatively, several leadership actions were noted as behaviors used by leaders to move the whole team to achieve the vision. Being creative and innovative was described as a critical element of visioning. Most leaders also demonstrated critical and strategic thinking, and they designed strategic plans to move forward to goals. They structured the movement toward the vision by making tangible changes and improvement happen first. They build relationship internally with subordinates as well as externally with government and customers and communicated the vision to them as well. Sometime, they also make some contribution to society. For instance, one story

mentioned the leader donated a batch of communication equipment to Indonesia government after tsunami which helped them win lots of government contracts later. So the leader in this case saw the connection between a short term action and the long term vision for the company. In another case, the managing director of 3M China donated masks to the Chinese government during the outbreak of SARS. Confucianism educates people to have strong social responsibilities and obligations, so many leaders, especially of big-name companies, desire to make contribution to their society and promote this as part of the vision of their companies. Pursuit of such vision is, of course, also a smart way to build good relationship with government agencies in China which may bring many benefits to the business in the long run as well. Finally, the stories noted that effective leaders paid increasing attention to cultivate talents and promote employees to assist in reaching achievements directly linked to both the company vision and personal goals.

Figure 5: Network of Elements Focused on Vision

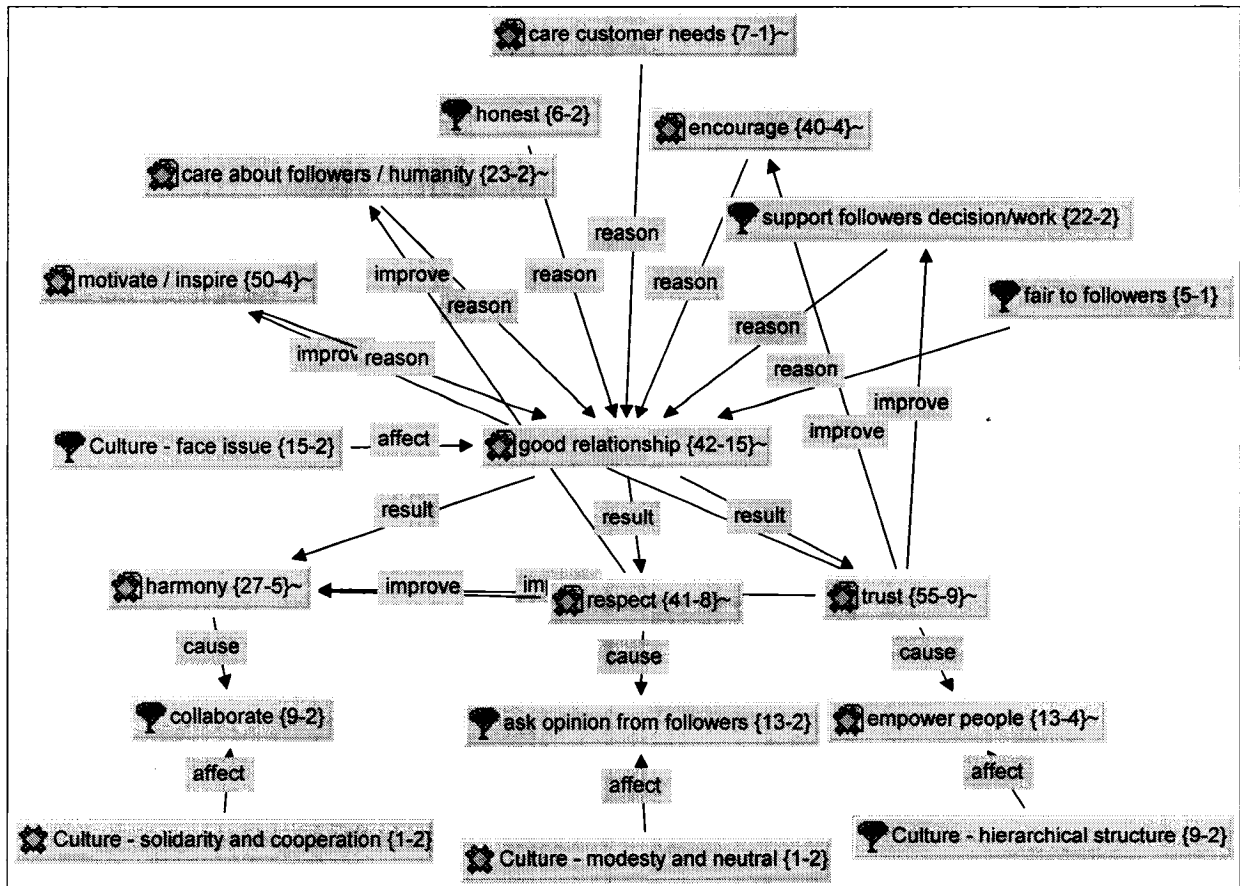


5.2.3 Relationship Oriented Leadership

It has been noted above that relationship or *guanxi* is central to successful business and management in China. In the research of all data, the ability to develop and foster relationship was listed as the fifth most frequently noted behavior with 42 specific counts. Relationship for purposes of this study includes the relationship with customers, followers and government as well. Of the total respondent pool, 30.2% mentioned that building long-term relationship is critical for a good leader to be able to develop business. Leaders show their fairness, caring, honesty, motivational ability, and willingness to support others through their ability to build profound relationships. Analysis of the stories also highlights the importance of face as an important Chinese cultural characteristic affecting relationship building. Scolding or blaming in public is offensive for most Chinese. If any one is insulted by his or her leader in public, the relationship between them will be hard to maintain. Additionally, good relationship results in harmony, respect and trust among leaders and followers. About 20% of the data generated for this study shows leaders seeking a harmonious environment for subordinates. Chinese leaders also demonstrate a spirit of solidarity and cooperation in their actions, so collaboration is a natural product of good relationship. Respect and trust, two critical elements of effective a positive relationship, result in additional related behaviors, such as asking for opinions from follows and empowering people. Under the influence of other Chinese cultural values such as modesty, discussing organizational issues with followers shows a leader's sincerity. Based on the leader's clearly demonstrated interest in building and maintaining positive relationships with them, followers are willing to give out their thoughts more honestly.

Relationship with customers has also traditionally received attention by leaders. In the current environment, the research data suggest that a customer-oriented strategy, with a strong focus on deep levels of relationship or network, becomes critical to the strategy of business development. Many Chinese leaders are described as making decisions not on the transaction itself but also on the network. In such a context, building good relationships with partners could possibly get more advantages in the next deal or future cooperation. One example in the stories describes a leader who chose to give up participating in a bid to become a product distributor in order to leave more competitive bidding space for the seller. Both the ultimate buyer and the supplier appreciated her willingness to think of the broader issues at stake. Consequently, the company received business recommendations from the buyer with its customers and moved business successfully from the drygoods industry to the more profitable pharmacy and agricultural sectors. Understanding customer needs and furthering relationships with them clearly help leaders to construct visions and transform organizations to a new stage.

Figure 6: Network of Elements Focused on Good Relationships

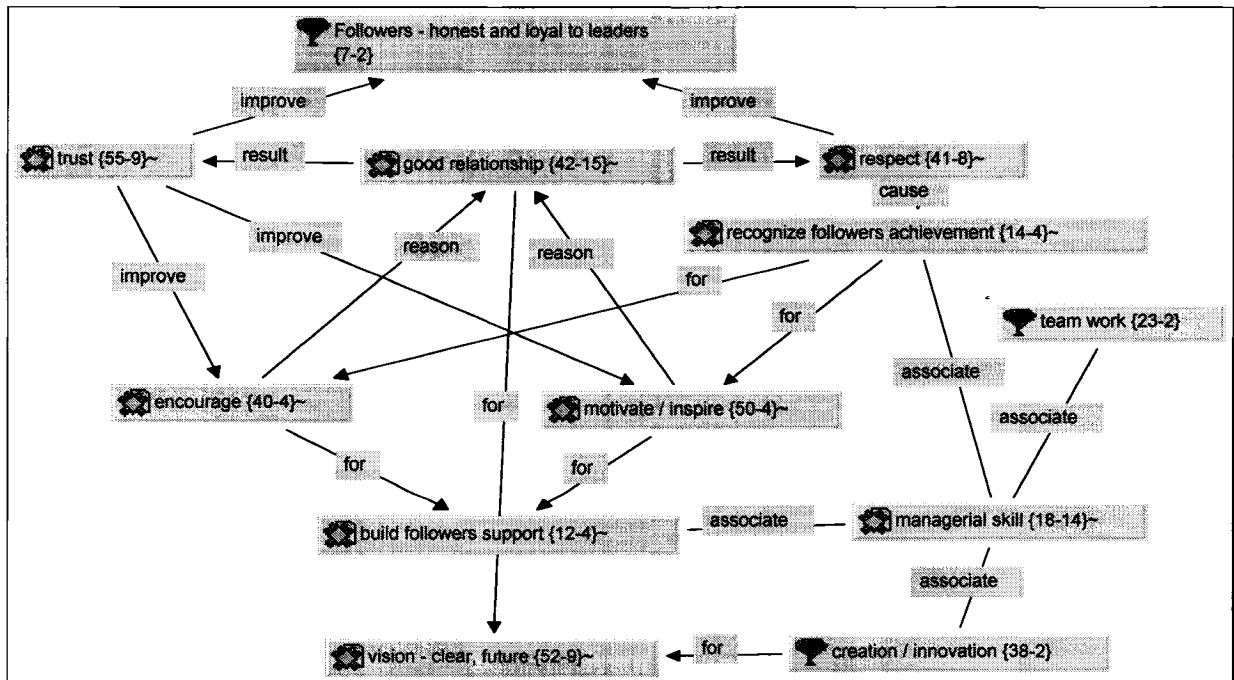


5.2.4 Encouraging and motivating leadership

Analysis of the research data indicate that many Chinese employees have needs for encouragement and inspiration whenever they have difficulties or, alternatively, when they have achievements. One story of leader behavior in the face of this need described the case of leader working with an employee who was struggling with a failed project. When the employee reported being in trouble with the project, the leader encouraged him by noting that one would never be very successful if he had never failed. He told his follower his own failure story to make him relax when facing problems. Such encouragement is also a result of trust. Because leaders believe in followers' abilities, they trust that they eventually can

overcome any difficulties. It has already been noted above that recognizing followers' achievements is perceived by Chinese employees as a sign of a leader's respect. Such behavior as described in the stories was represented in some cases only in simple words such as 'good job' but also in form of rewards like a prize or bonus. Leaders also encourage and motivate followers to foster team morale, using relationship to cause more trust and respect which could improve the degree of honesty and loyalty of followers. The data also shows that leaders seek support from their teams by encouraging and motivating them. In conclusion, having the support of followers, leaders have the chance to reach their vision, and the effective management skills such as encouraging teamwork and introducing innovation and the healthy relationship internally and externally could pave the way for their success.

Figure 7: Focused Network on encourage and motivate



5.2.5 Management Sills and Leadership

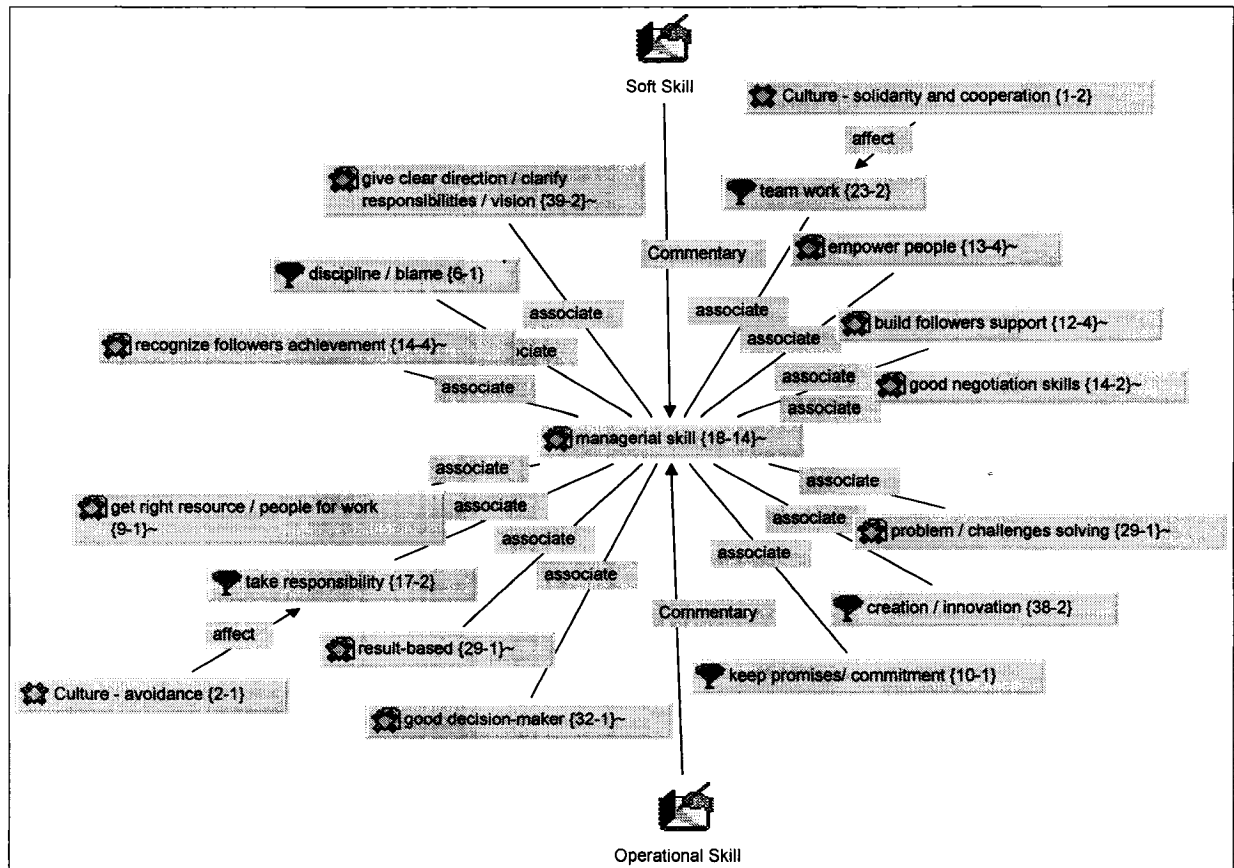
“The effective leader is aware of the importance
of small actions.” (Tao Te Ching)

Review of the leadership stories indicates that many of the management skills traditionally highlighted in Western management programs are also respected in China. For example, 28% of respondents regard giving a clear direction or clarifying responsibilities as an important leader behavior. Leaders have the power to give orders or assign tasks to followers. However, if they can not accurately state their orders and define the tasks, subordinators may misunderstand the real responsibilities, struggle with ambiguity and even do things in the wrong way. This is especially true within a Chinese cultural context where expression is indirect. In such cases, ineffective communication may cause followers to have difficulty in fulfilling tasks. As such, if an ideal vision can not be communicated clearly to followers, it will be hard for leaders to realize it since followers may not clearly understand where they are required to go. Study data also highlighted that leaders should be good decision-makers who can solve problems and take challenges. These two behavioral traits were listed as number 10 and 11 ranking in terms of frequency. There are many additional traits and behaviors related to management skills as noted by the respondents. These include emphasizing teamwork, empowering people, and selecting the right resource or people to do the right things. In addition, a large number of respondents (29) described their leaders as results-driven in the pursuit of their goals. When faced with problems or challenges, good leaders were described as having the ability to make quick and effective decisions through effective analysis of the issues. Risk taking was also highlighted as a highly valued behavior

of effective leaders. This was true even in the fact of Chinese culture in which people seek safety and stability. It is always said the more you do the more mistakes you will make, so Chinese prefer to avoid taking risk and responsibilities. The data in this study, however, showed that followers appreciated their leaders putting trust on them and empowering them but taking responsibilities for them in times where they made errors. Such behavior on the part of leaders generated strong support by followers, and also a deep motivation that inspired them to work collectively, actively and participatively.

Management skills highlighted by this study can be broken down into “soft skills” used to deal with people (such as negotiation skills), and operational skill used to handle the work itself (such as analytical skills associated with solving problems). Referring to the two Western leadership models noted earlier, the managerial skills mentioned in stories represent a combination of transactional and transformational leadership skills.

Figure 8: Focused Network on: managerial skill



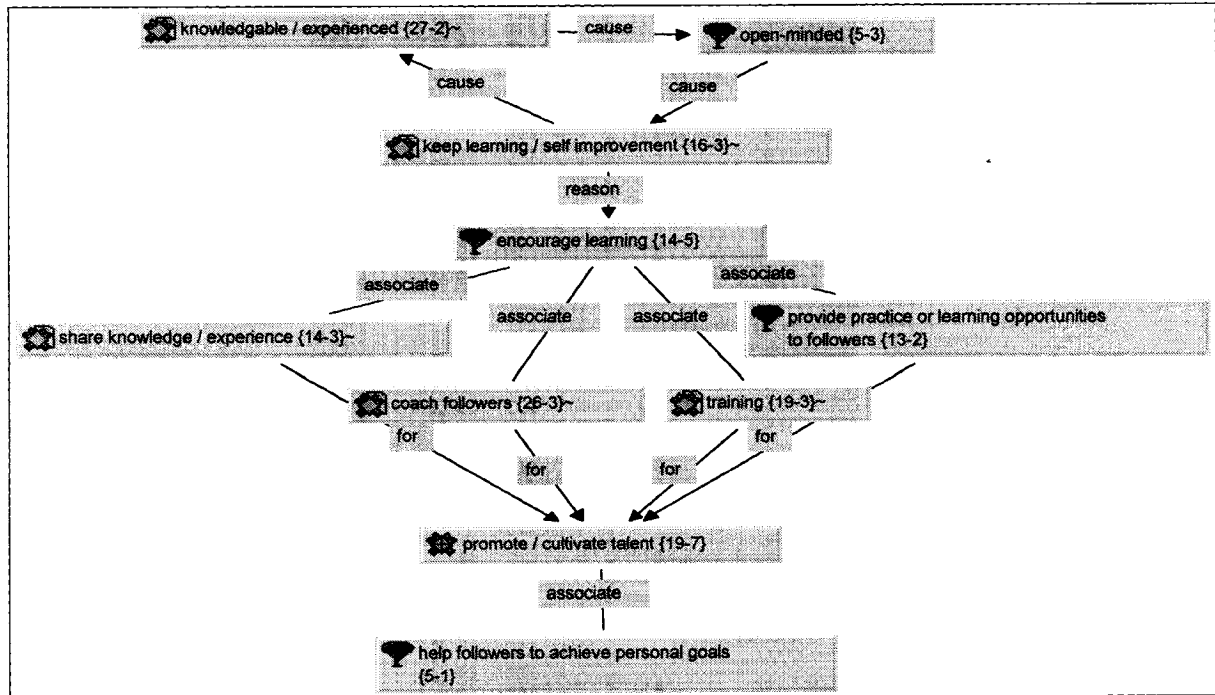
5.2.6 Learning and Leadership

“Give a man a fish, feed him for a day;

teach a man to fish, feed him for a lifetime.” (Chinese proverb)

Knowledge has always been an attractive asset for a Chinese leader. In this particular study, approximately 20% of respondents described a critical aspect of their leader’s behavior as based in the fact that their leaders were experts in their work. People respect experts in China. Most of knowledgeable leaders are open-minded, so they keep improving themselves continuously to catch the cutting edge technology and updated information. Besides self-learning, most leaders demonstrate their willingness to encourage others to keep

learning. Hence, they like to share their knowledge or experience with followers and even become models by coaching followers. One student described his leader behavior in personally showing some less-educated workers how to operate a particular piece of software. This action made the respondent understand the significance of setting an example for followers as potentially more effective than teaching them theories in some situation. Similarly, effective leaders were known for provided training for followers to master necessary know-how to serve their leaders best. In addition to training, practice is essential for effective learning. Respondents noted that good leaders found every possible opportunity for their followers to practice their new ideas and skills. Leaders in these stories also paid attention to encourage those who have potential abilities to sacrifice current ease of life for innovation or additional learning focused on future organizational and personal goals. Finally, a number of respondents commented on the emphasis some leaders paid on the personal goals of followers, taking these into account in their plans. Effective leaders were characterized as seeking win-win results, including personal achievements. In this way, more support and loyalty could be generated among followers.

Figure 9: Network of Elements Focused on Learning

5.2.7 Communication and Leadership

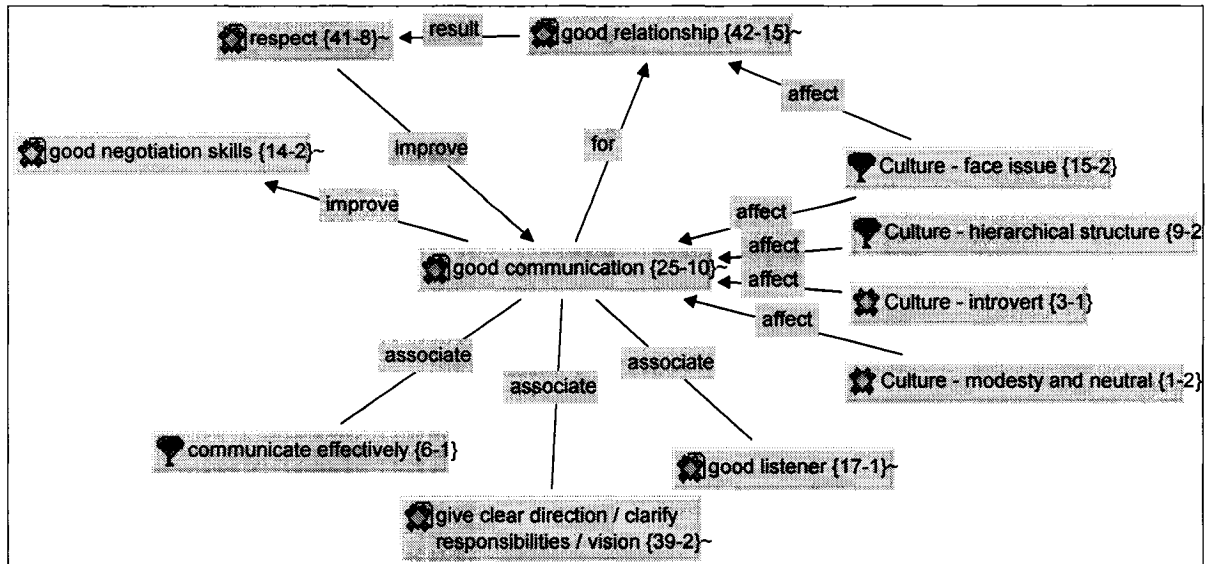
Effective communication was listed as 16th in the hierarchy of most frequently nominated behaviors and traits of leaders. In the stories, effective communications was highlighted both inside the company and with the external world. One successful example in the stories is that of the behavior of a leader of the China Aero-Technology International Engineering in dealing with managers at the Ethiopian Airline Company (EAL). Initially because the two parties lacked effective communication processes an increasing misunderstanding stopped work from being carried out. The leader of CATIC then flew to the project site to hold a meeting with EAL. He communicated that CATIC colleagues would in future show their respect to local work methodology and local culture, but also required EAL to cooperate to get administrative paper work done in order to continue the project. Finally, he successfully

eliminated all obstacles existing in the situation, erased the awkward connection between CATIC and EAL, and created a peaceful and healthy circumstance for future work. The leader's personal skills included effective listening, negotiating, and clarifying skills in this case, but his reputation as an effective communicator was enhanced through his success at this and other similar tough situations.

As discussed in the section on networking above, people try to cement relationships through communicating in the right way so as to demonstrate and earn respect for both communicators. Such respect, once earned, could improve the effective interaction as well. Good communication includes communicating effectively, providing clear directions, and being a good listener. Elements of the Chinese culture such as face issues, hierarchical structure, introverted character, modesty and neutral behavior have impacts on the way of communication. Usually, Chinese people may not speak out their thoughts in the same way as Western people. Indirect expression may soften the point of person sending the message in efforts to save the face of the message receivers. Hierarchical structure reflects the high power distance among leaders and followers, resulting in followers being unable to express themselves exactly as they think, especial when they hold negative advice or opposite opinions. Analysis of the data indicates that effective leaders structure communication to minimize the impacts of hierarchy and achieve as full an exchange of information as possible. Effective communication helps leaders with negotiation, especially their ability to be an active listener in order to gain the necessary understanding of followers' needs or customers' requirements, and to obtain sincere suggestions. In the study, respondents indicated that, in their experience, skilled communication not only helps leaders avoid

embarrassment but also help leaders acquire resources, build relationships, develop support, perceive mutual understanding, and keep informed so as to move more close to the success.

Figure 10: Network of Elements Focused on Good Communication

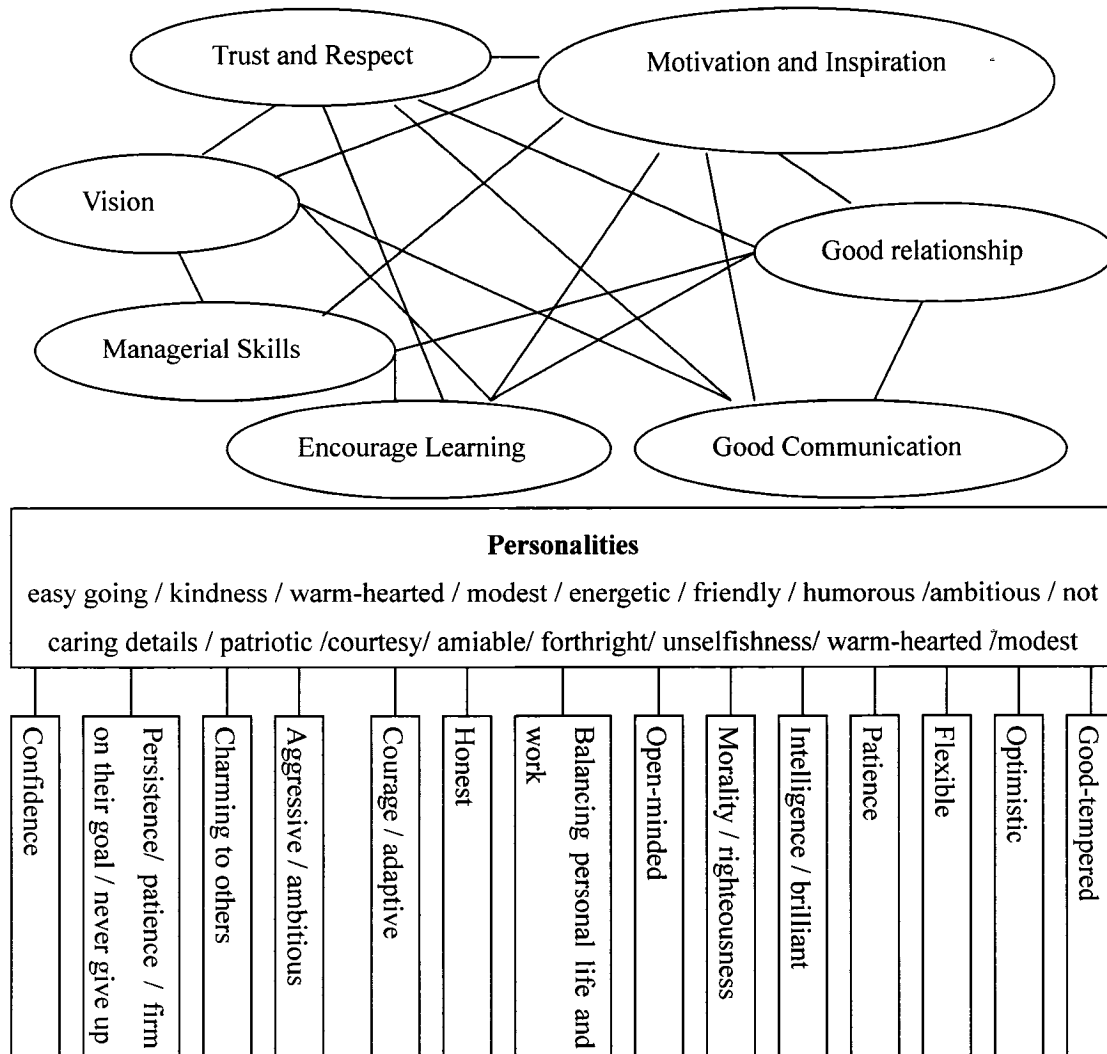


5.2.8 Good personality and Leadership

Analysis of the respondents’ stories yielded all of the above-noted concrete traits and behaviors. In addition to these, however, there emerged an underlying theme associated with the “good person” aspect of the leader. From the statistics of the study, as a good leader, an individual must have developed what respondents referred to as a “good personality” in order to support all of the other critical behaviors. Leaders who were seen as caring for their followers were variously characterized as easy going, kind, warm-hearted, modest, unselfish, and friendly. Confidence as a trait was seen to make leaders more reliable, and this was noted to boost followers’ confidence. Patience and persistence were additional personal traits viewed as key to helping leaders remain firm in their goals even if facing serious difficulties.

Troubles and problems were described in the stories as frequent in the leader's life. Successful leaders were described as possessing the character traits of aggression, ambition and courage to help them deal with these challenges. Given the diversity of the Chinese environment and the multiple changes that are happening there, effective leaders were also described as adaptive to the quickly changing markets. Finally, 6 respondents noted that their leaders were succeeding in both their businesses as well as having a happy family. They took care of their family carefully even though they were such busy with work. They demonstrated the ability to balance personal and working life, and encouraged followers to enjoy their leisure time. Such sort of leaders were viewed as charming to followers, and to some extent, they influence people through this charm. With a good personality, leaders could be giants when doing business but also friends after work.

Figure 11: Network of Elements Focused on Good personality



5.2.9 Three dimensional scale leadership

In the classic book *Tao Te Ching*, the author Lao Tzu, a Chinese scholar two thousand years ago, said that good leadership consists of doing less and being more (Heider, 1986). Other ancient Chinese texts including, the *Analects of Confucius* (Luen-Yu), *The Works of Mencius* (Meng-Tz), *The Great Learning* (Da-Shiue), *Jung-Uung*, *Han Fei Tzu*, *The Laws of War* by Sun Tzu (Suem-Tz-Bing-Fa), and *The Romance of the Three Kingdoms*

(San-Guo-Yan-I), have discussed or illustrated how to be a better leader (Kang & Chang, 2001). The encapsulations of culture and history have affected Chinese people's values unconsciously and deeply, providing models of the behavior and conception of preferred Chinese leadership behavior for daily use by modern Chinese leaders. Analysis of the data presented by 124 stories about leadership performance in a modern Chinese cultural context, results in the development of a practical leadership framework which has clearly drawn from and built on the images and expectations of traditional Chinese leadership but which reflects current modern demands. The resulting model of this study includes 7 key behavioral traits and a more general personality descriptor: *trust and respect in others, possessing and communicating a vision, relationship-oriented, encouraging and motivating others, management-capable, learning, communicating effectively, and possessing a good personality*. With the exception of the personality as a basis of being good leaders, the other 7 can be divided to three dimensions: emotion, action, and interaction.

Table 10: Three Dimensions of Leadership for Chinese Enterprises.

Model	Strategies	Behavioral Traits
Emotional leadership	Show love and care to followers	<ul style="list-style-type: none"> ◇ Relationship oriented ◇ Trust and respect in others ◇ Encouraging and motivating others
Actionable leadership	Take necessary actions at the right time with the right method	<ul style="list-style-type: none"> ◇ Managing effectively and skillfully ◇ Processing and communicating visions
Interactive leadership	Involve followers in management	<ul style="list-style-type: none"> ◇ Learning ◇ Communicating effectively

First of all, emotion is attached to Chinese leadership style. Chinese culture emphasizes family collectivism such that individuals are highly related to their family, group, community and nation (Triandis, Bontempo, Villareal, Asai, & Lucca, 1988). It indicates that people experience a high degree of emotional attachment to a group which leads to collaboration to reach the goals and values of the group (Allen & Meyer, 1990; Buchanan, 1974). In Chinese enterprises, supervisors and workers, managers and subordinates, executives and assistants all live or work not only within the definition of their relationships as colleagues, leaders, and followers but more like a big family. The main reason is because Chinese are guided by the definitions of relationship created by Confucius and, within each of those five levels of relationship, people hold affection for those with close relation to them. The harmonious relationships also help leaders establish their trust and respect in front of followers. Leaders treat followers as friends or family members, so they naturally think of followers' needs and feeling. When followers are disappointed, leaders offer them encouragement; when they lack of confidence, leaders provide them with motivation. Followers work comfortably in such environments and increase their effectiveness. Although cooperation or teamwork is traditional in a Chinese work environment, it is mainly based on emotional bonds among team members.

Secondly, correct and wise action processes are necessary for leaders to guide organizations. Leaders need to have a sense of market or society. Leader insight into development trends and the ability to attract talent can result in companies being ahead of competition, not following others. For example, one leader decided to reduce his selling price lower than their bottom line at the last minute when participating in an electronic bidding process and won the project. They did not lose benefit in so doing – in contrast, they gained more revenue from

an add-on service contract which the leader had anticipated as part of the deal. Thus it can be seen that necessary managerial skills like decision-making, negotiation skills, empowering people, or cultivating talent will be central to a leader's ability of move his or her organization forward effectively.

Finally, leading requires interpersonal interaction. Leading companies is not only a personal responsibility of leaders but also involves followers' participation. Leaders are usually expert in their special fields, but if they work alone, it is impossible to conduct innovation. Hence, coaching or training followers in essential knowledge is beneficial for leaders in their efforts to achieve common team goals. Leaders convey their knowledge to potential subordinates so as to cultivate talent for the organization. Outstanding people are easy to spot (Gandossy & Efron, 2004), and effective leaders notice them and provide enough opportunity for them to practice their knowledge. Training and development and knowledge management allow top people to grow and learn. It induces more returns from followers. Communication is another interactive leadership skill. As noted above, leadership is people oriented. Ideas, opinions, thoughts, and perspectives transfer from one to one by communication. An active interaction ability effectively helps leaders deliver orders, information, statements of care, and vision to followers and to achieve response, understand, loyalty and support from followers. All of these are required for the purpose of realizing future common goals.

5.3 Chinese model and Western model

Within the 8 clusters of leadership behaviors and traits, some accord with the characteristic of transactional leaders while others are in line with the behaviors of transformational

leaders. Transactional leadership, in Western theories, is a social exchange between boss and subordinates. The relationship between managers and followers is a process of “barter”. Chinese managers are improving their managerial skills and abilities as a transactional leaders, for example, set fairness to discipline and reward followers, work hard, focus on results, emphasize teamwork and collaboration, handle difficulties and make effective decision to solve problems. By so doing, leaders could get their goals or targets done by followers. However, some managerial skills (such as empowering people, building follows’ support, and taking risks) are the behaviors of transformational leadership model. Hence, the managerial skills represented in the study stories are combinations of those two Western leaderships. Additionally, in Western literature, constructing a future vision, caring about people, encouraging the heart, modeling the way, paying respects to others, trusting in followers, communicating effectively are all critical for a transformational leader (Kouzes and Ponsner, 1987, Bennis & Nause 1985, and Cooper, 2005). The behaviors of processing and communicating visions, trusting in and respecting to others, maintaining relationships, encouraging and motivating followers, learning, and communicating effectively exactly match the Western so-called transformational leadership behaviors. The current situation in China is dominated by change. Uncertainty exists in all business situations, and there is no certain path that any leader could learn or follow to ensure the success of their Chinese enterprise. In such situations, effective Chinese leaders have no choice but to have a well-developed ability to create their future by themselves through strong and well-communicated visions. To achieve the future goals, collaboration between leaders and followers is necessary. Trusting, respecting, encouraging, motivating, learning, and communicating are involved in the process of collaboration to firm the deeply relationship

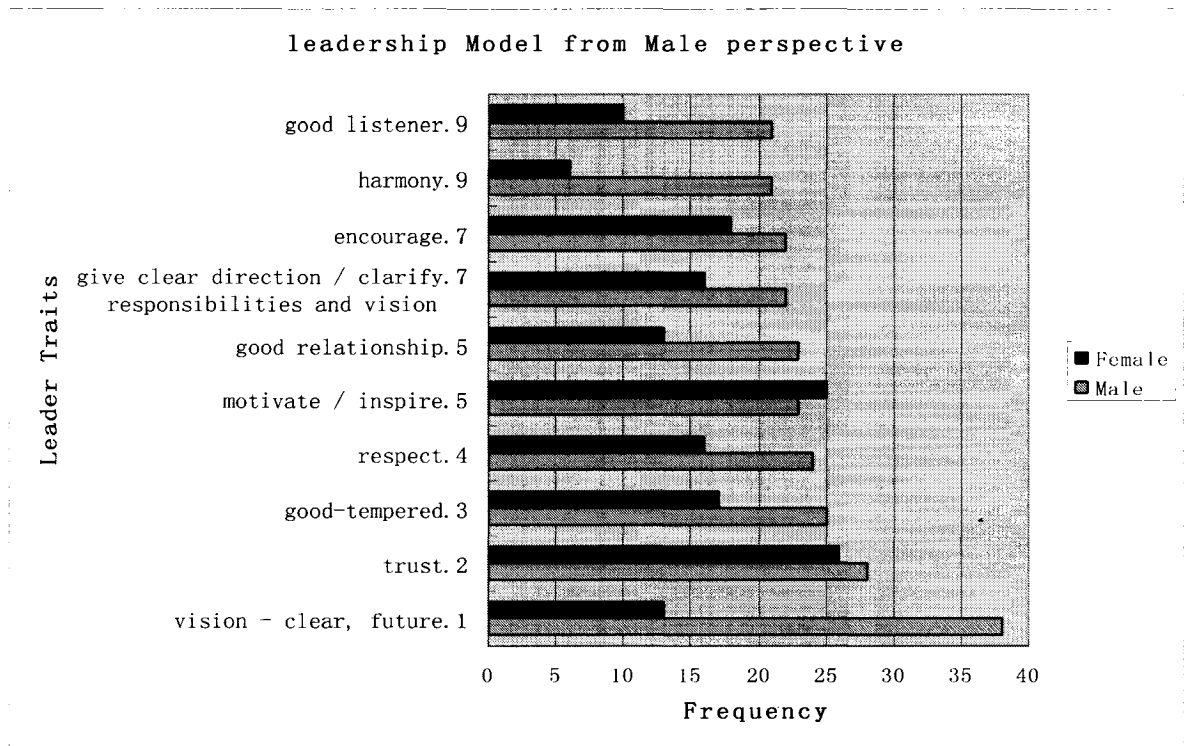
between leaders and followers in order to ensure and fasten final achievements. These elements of Chinese leadership were well represented in the leadership stories provided by study respondents. Therefore, modern Chinese leadership can be regarded as a combination of leadership of transactional and transformational models. It is also following the trend of much more emphasizing on transformational leadership in Western literature.

5.4 Leadership differences from male and female perspective

The data generated by the study respondents represented both male and female perspectives related to leadership. The following two bar charts (Figures 12 & 13) summarize the top 10 behavioral traits of good leaders in keeping with the data generated in the study. Males are of the opinion that it is most important for an effective leader to have clear and long term vision while for women, vision is the ninth listed of the top 10 traits. Women think that the most important behavioral trait for effective leaders is for them to be able to demonstrate and develop trust, a behavioral trait that males place second in their list. From the perspective of females, mutual trust between leaders and followers is much more important in working. Women appear to appreciate more inspiration and encouragement from their leaders than do men (women rank this as the second most important behavioral trait while men rank it fifth). Furthermore, innovation is expected more by female employees than male (females' rank this third while males do not include this trait in their top ten list). However, males pay more attention to building and maintaining good relationships than females (males rank this fifth while females place it ninth). From this last ranking we might draw the conclusion that males prefer their leaders to have broad interpersonal networking skills. Giving clear direction or clarifying responsibilities ranks almost the same as a managerial skill for across both genders (seventh and eighth respectively). One final contrast is that males prefer leaders

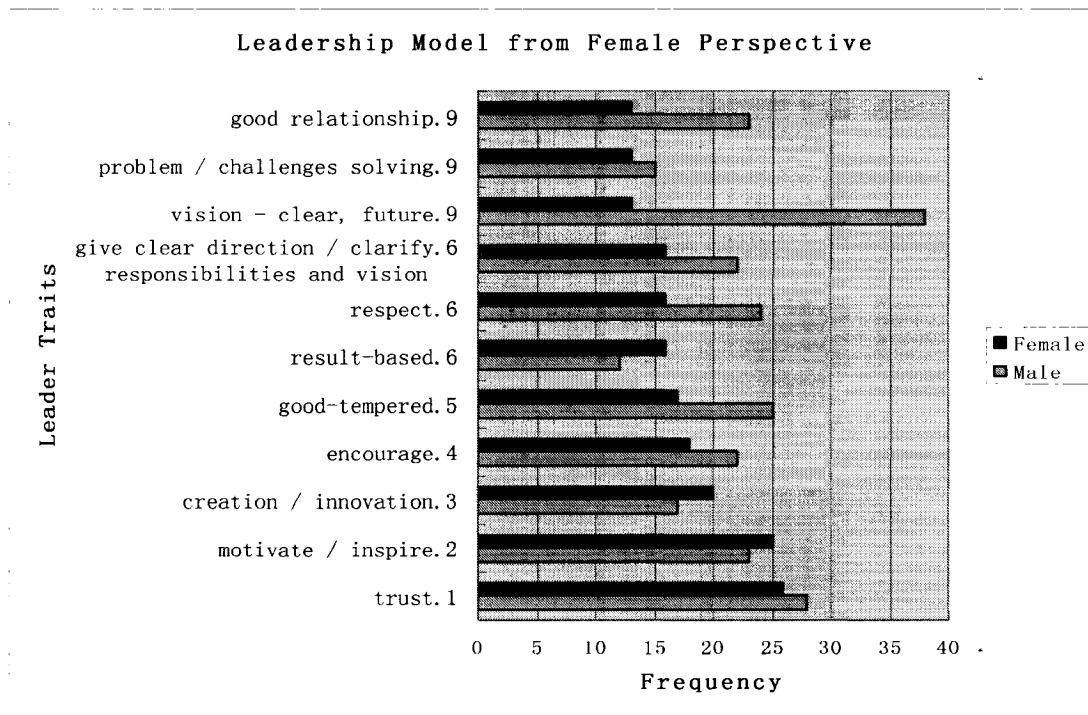
with good temper than female (third to fifth respectively). In general, however, the difference across groups, with the exceptions noted above, is slight and they evenly touch the eight components of Chinese leadership model.

Figure 12: Leadership traits sorting by male*



* Ranking is based on counts of each behavioral trait and those with same counts are placed in same proximity. Same rule is applied to the following Figure 13-16 and table 11.

Figure 13: Leadership traits sorting by female



5.5 Leader behavior difference in three types of enterprise

When comparisons related to differences in perceived effective leader behavior in various types of organization structures (FIE, SOE and PB) is made, the data indicates that different type of enterprises do indeed emphasize different leadership behavioral traits. These differences are outlined in Table 11 and Figures 14-16. Some behavioral traits (such as processing and communicating visions, trust in others, motivating and inspiring others and having good temper) are required for leaders in all three type of enterprises. Vision is the most importance in SOE and PB and second in FIE. In SOE, besides taking constructing vision as the most seriously, motivating and inspiring followers is the second crucial behavior of good leaders. This behavior is also the second essential for FIE leaders, with a little lower importance in PB (eighth place). Demonstrating trust is regarded as the most vital in FIE, sixth in SOE and tied for eighth in PB. Leaders in SOE and FIE get similar

scores for good temper while leaders in PB see this as less significant (again tied for eighth place). Some behavior traits are taken as important for leaders in two types of companies, for examples, encouraging followers and giving clear direction or clarifying responsibility and constructing and communicating visions are shared integrities by leaders in FIE and SOE, being a good listener and being creative and introducing innovation are common important for leaders in FIE and PB, and showing respect to others is more essential in SOE and PB. Finally, some behavioral traits are especially focused on in each enterprise. In FIE, leaders pay more attention to relationship building to create a harmonious environment for followers. Managerial skills like problem solving, supporting follower's work and decisions, and emphasizing team work are generally scored the same in all three. In SOEs, courage is ranked as the third important trait for leaders because in traditional enterprise, change represents a constant and serious challenge for leaders as they work in environments heavily shaped by old rules and out-of-date management processes. SOE leaders also are seen as having confidence and good skill in making decisions to choose the proper change. SOEs have more leaders promoted by age, so those elder leaders are more likely to be in a position to act as models for followers in the process of learning as indicated by the respondent data. In PB, leaders are perceived to be more result-oriented since most of them are the owners of enterprises. Their final goal is to seek either a short-term payoff or a long term profit. Because PB is like a big family, leaders are also perceived to care about their followers more frequently and recognize their achievements. Referring to the 8-behavioral traits groups, it can be concluded that processing and communicating visions, encouraging and motivating others, demonstrating trust and respect in others are all highly valued in the three type of organizations. However, FIE leaders focus on better managerial skills than the other two.

Relationship between followers and leaders is more emphasized in FIE, but SOE leaders encourage learning more than others.

Table 11: leadership behavioral traits of FIE vs. SOE vs. PB

Leadership Traits of FIE vs. SOE vs. PB		
FIE Managers	SOE Managers	PB Managers
1.trusts in others	1.motivates / inspires followers	1.constructs and communicates vision - clear, future
2.motivates / inspires followers	1.constructs and communicates vision - clear, future	2.respects others
3.constructs and communicates visions - clear, future	3.courage	2.result-based
4.encourages others	4.good-tempered	2.listens to others
5.good-tempered	4.respects others	2.good personality
5.maintains good relationship	6.trusts in others	6.recognizes followers achievement
7.listens to others	6.encourages others	6.introduces innovation / creative
8.gives clear direction / clarifies responsibilities / vision	6.gives clear direction / clarifies responsibilities / vision	8.motivates / inspires followers
9.introduces innovations /creative	6.coachs followers	8.good-tempered
10.seek harmony	10.makes effective decisions	8.trusts in others
10.problem / challenges solving	10.confident	8.cares about followers
10.supports followers decision/work		
10.emphasizes team work		

Figure 14: leadership traits comparing among FIE, SOE and PB (sorting by FIE)

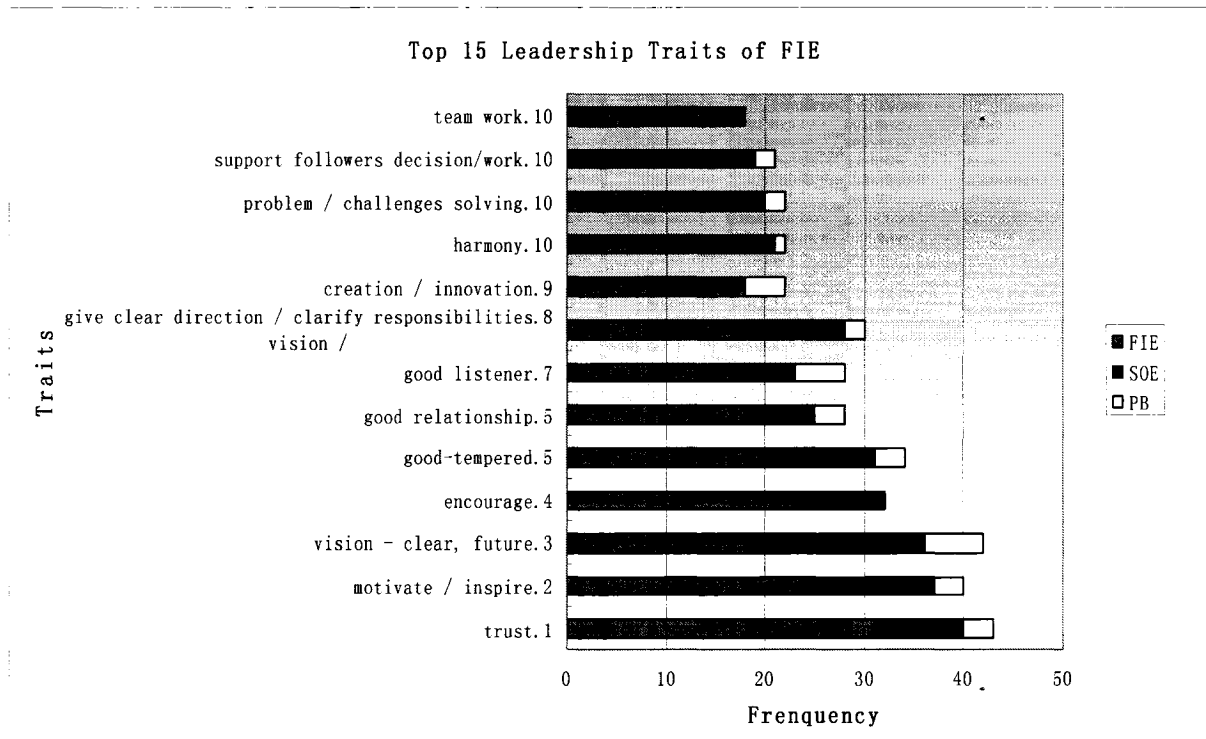


Figure 15: leadership traits comparing among FIE, SOE and PB (sorting by SOE)

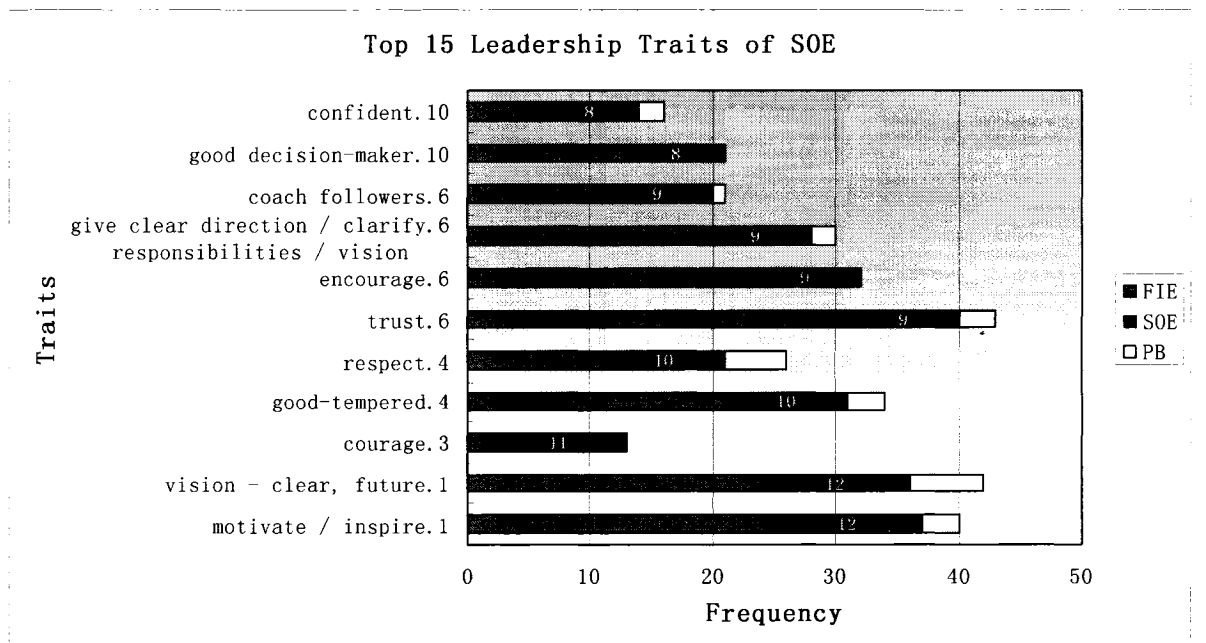
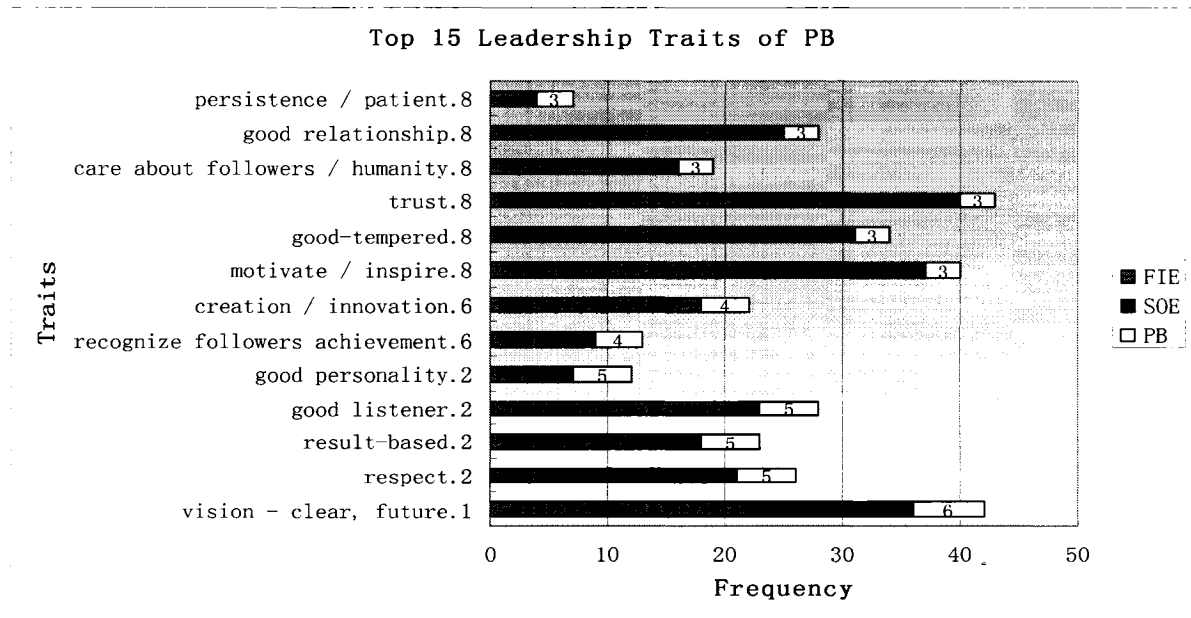


Figure 16: leadership traits comparing among FIE, SOE and PB (sorting by PB)

5.6 Limitation and future study

A key limitation of the present discussion is sample bias. The CEIBS MBA program has maintained the first place among Asian MBA programs for three consecutive years and 21st in the *Financial Times* world's MBA program ranking list. From this we can conclude that the students in the program are of a high quality and, by implication, the opinions represented by the data from its students are also of high quality. However, the sample size of each type of enterprises is not even. Within total 124 research data, only 8.6% of the stories focused on private business leaders' behaviors. Therefore, those data might not exactly represent the real leadership in this type of enterprise.

Another issue focuses on traits scale. All traits listed above were drawn directly from the stories. No academically standardized structure was used to direct the analysis of the descriptions of behavior in the stories. For example, some respondents stated that their

leaders remembered followers' birthday. The author categorized this behavior under the behavioral trait 'cares about followers' although the respondent did not mention this term directly. As a result, the model developed using the behaviors and traits collected was decided by the author's understanding of the content of the stories. This could affect data validity.

A combined limitation and strength of the study is that the model is built on the view point of Chinese respondents. The study did not involve a foreigners' perspective. More and more expatriates from different countries work in multinational or global organizations in China. The culture conflicts will be directly experienced by them, resulting in a potentially clear and profound statement of effective and ineffective leadership practice from their perspective. Future research could focus on modeling leadership from a foreign leader perspective. As it is said, culture affects people's value and behavior, but only people from other cultures can easily observe its conflicts, differences and shortcoming by comparison to their experience in other contexts. Foreigners may be in a position to bring more valuable ideas of effective leadership of Chinese organization which could be more suitable for global competition.

An additional issue is that the above research does not differentiate leadership behavior across industry types. While China is opening itself to global influences, the emergence of new industries within China itself demands strongly capable leaders. Traditional industries like manufacturing and new industries like information technology may need different leaders. Leaders in traditional industry need pay more attention to innovation if old work procedure can not fit modern society while leaders in high tech industry might work on

talent cultivation because of highly frequent job-hopping. Different industries would have different requirement of leadership.

Finally, gender of leadership has not been discussed in this study. Research in the literature identifies only a few small differences between the transformational leadership of male and female executives (Sashkin and Sashkin, 2003). This could be the result of feminist liberation in Western society. However, it is not clear what the differences between male and female leadership styles might be in China, where social responsibilities and activities were mostly dominated by males before globalization began. In China, females are usually thought to be weaker than males, and power is centralized in a male-dominated culture, particularly in SOEs. Based on this observation, male and female leadership differences could be considered by future research.

6. Summary

As Chinese enterprises gradually gain prevalence on the global stage and multinationals expand their leverage of the Chinese cost base, the next group of global competitors is likely to emerge from China, either in the form of Chinese local organizations or multinationals that most successfully leverage Chinese operations for a global competitive advantage. With an effective or optimized model of leadership, China would have more creative and competitive business and enterprises to survive in the circumstance of globalization.

In the past, Chinese organization leadership was more paternalistic (Chen, 1995; Tjosvold & Leung, 2004). High power distance was maintained between higher level colleagues and lower level employees, so followers could only obey leaders' orders and commands. It was

very unusual to voice opposing opinions, the act of which would be thought as being offensive to leaders. Relationship was the key to develop business in Chinese State Owned Enterprises. Regulations, decisions, promotion, and negotiation all depended on how strong the relationship between the players was. However, in this environment, leaders acted more like mentors since traditionally humanity is a significant trait of Chinese characters. In addition, due to Chinese conservative policy and a planned economic system plus a high uncertainty avoidance cultural context, Chinese leaders did not focus their work on long-term goals and strategies. Taking responsibility or carrying out innovation in the organization was perceived to potentially expose leaders to trouble, so their leadership pattern was just same as it of their predecessors. At those times with a less turbulent business environment, it was no problem to run organizations in that way. In the current situation, however, such approaches will not due to globalization and the new diversity of opportunity in the environment.

Chinese organizations have been forced to find a suitable leadership model in line with Chinese cultural concerns and changing organizational demands. With the open policy defined by the great Chinese leader Deng Xiao Ping, China is a developing socialism with Chinese characteristics. Western style leadership works effectively much more in Western culture other than in Chinese cultural context. Old Chinese model of leadership worked well in old times, but not in present days. The study of 165 leadership stories from students in a CEIBS MBA program provides an opportunity to reflect on behaviors associated with modern Chinese leadership and to develop a model consistent with Chinese characteristics.

The new Chinese leadership must, by definition, combine traits of the old model with new

elements emerging from modern Chinese organizations behavior. Analysis of the stories provided by this study's participants indicate that current effective leadership behaviors in China converge on 8 factors summarized as *trust and respect to others, processing and communicating visions, encouraging and motivating others, relationship-oriented, managerial ability, learning, communicating effectively and holding good personality*. Contemporary Chinese leaders strongly advocate a more democratic workplace in which all employees participate more fully and, through participation, improve their production capabilities. They encourage collaboration and broad participation in decision making by balancing individual rewards with team-based and organization-based rewards. Trusting and respecting people and their abilities, leaders are more willing to delegate tasks, allow employees to structure their own work, and feel less necessity to supervise or control work flow directly (Adler, 2002). Furthermore, the leadership model outlined above could be divided across three elements including emotional leadership, actionable leadership and interactive leadership.

Chinese leadership is highly emotion-based. The base to Confucianism's core idea is related to affection based on respect for the relationships between people. Emotional reaction is involved in leadership. As a result, caring for followers becomes very important in Chinese leadership. Leader behavior also involves interaction between leaders and followers. Communication between effective leaders and their followers is perceived to be more open than before, and leaders successfully ask for feedback from employees for suggestion and advice on organization management and reconstruction. Proper management skills would improve the efficiency of work. Modern Chinese leaders should know how to make decisions, build internal and external relationships, and promote young talent. Moreover,

leadership style across the different types of organizations in China has common factors as well as differences. Trust and respect, encouraging and motivating, and visionary leadership, however, are perceived as significant for all Chinese leaders, irrespective of the type of organization they work in. Relationship is often used by Chinese leaders to lead their organizations forward and good managerial skills have caught their attention more and more in recent years. The research data indicate that modern Chinese leaders have not only inherited old fashioned behaviors from traditional Chinese leadership theories, such as highly relationship-orientation, but also adopted new ways from Western concepts, for example, the creation and communication of vision for the organization. Selected quotations for each element of Chinese leadership model from the stories were listed in Appendix 3, and the tentative difference behaviors between Western and Chinese Leaders are indicated in Appendix 4. In conclusion, Chinese leadership is shifting itself from traditional style to new model in order to catch up the fast development and diversity change. It has been being developed or adjusted in line with Chinese organizations growth, environment change and the whole global trends.

7. Appendix 1

Table: Leadership Traits

Traits	Grounded	% total (/130)	Male (88)	% Male (88)	Female (45)	% Female (45)	SOE (34)	% SOE (34)	FIE (69)	% FIE (69)	PB	%PB (12)	CHN MGR (/112)	% CHN MGR (/112)	FIE NCH (/12)	% FIE NCH (/12)
trust	52	37.4%	28	31.8%	26	57.8%	9	26.5%	31	44.9%	3	25.0%	46	41.1%	6	50.0%
vision - clear, future	52	37.4%	38	43.2%	13	28.9%	12	35.3%	24	34.8%	6	50.0%	43	38.4%	2	16.7%
motivate / inspire	50	36.0%	23	26.1%	25	55.6%	12	35.3%	25	36.2%	3	25.0%	40	35.7%	3	25.0%
good relationship	42	30.2%	23	26.1%	13	28.9%	4	11.8%	21	30.4%	3	25.0%	32	28.6%	1	8.3%
respect	41	29.5%	24	27.3%	16	35.6%	10	29.4%	11	15.9%	5	41.7%	35	31.3%	0	0.0%
encourage	40	28.8%	22	25.0%	18	40.0%	9	26.5%	23	33.3%	0	0.0%	32	28.6%	7	58.3%
give clear direction / clarify responsibilities / vision	39	28.1%	22	25.0%	16	35.6%	9	26.5%	19	27.5%	2	16.7%	30	26.8%	4	33.3%
creation / innovation	38	27.3%	17	19.3%	20	44.4%	0	0.0%	18	26.1%	4	33.3%	34	30.4%	3	25.0%
good personality	36	25.9%	5	5.7%	9	20.0%	3	8.8%	4	5.8%	5	41.7%	12	10.7%	2	16.7%
good decision-maker	32	23.0%	13	14.8%	11	24.4%	8	23.5%	13	18.8%	0	0.0%	22	19.6%	4	33.3%
problem / challenges solving	29	20.9%	15	17.0%	13	28.9%	6	17.6%	14	20.3%	2	16.7%	24	21.4%	0	0.0%
result-based	29	20.9%	12	13.6%	16	35.6%	6	17.6%	12	17.4%	5	41.7%	26	23.2%	1	8.3%
harmony	27	19.4%	21	23.9%	6	13.3%	7	20.6%	14	20.3%	1	8.3%	24	21.4%	1	8.3%
knowledgeable / experienced	27	19.4%	17	19.3%	9	20.0%	7	20.6%	12	17.4%	2	16.7%	23	20.5%	1	8.3%
coach followers	26	18.7%	13	14.8%	12	26.7%	9	26.5%	11	15.9%	1	8.3%	24	21.4%	2	16.7%
good communication	25	18.0%	4	4.5%	0	0.0%	1	2.9%	2	2.9%	0	0.0%	4	3.6%	0	0.0%
care about followers /	23	16.5%	16	18.2%	8	17.8%	6	17.6%	10	14.5%	3	25.0%	20	17.9%	3	25.0%
team work	23	16.5%	14	15.9%	8	17.8%	4	11.8%	14	20.3%	0	0.0%	17	15.2%	2	16.7%
support followers	22	15.8%	14	15.9%	8	17.8%	5	14.7%	14	20.3%	2	16.7%	19	17.0%	3	25.0%
confident	20	14.4%	12	13.6%	8	17.8%	8	23.5%	6	8.7%	2	16.7%	16	14.3%	3	25.0%
passion / enthusiasm /	20	14.4%	11	12.5%	9	20.0%	4	11.8%	9	13.0%	1	8.3%	14	12.5%	2	16.7%
pragmatic / cultivate talent	19	13.7%	12	13.6%	6	13.3%	6	17.6%	10	14.5%	0	0.0%	17	15.2%	2	16.7%
take risks	19	13.7%	12	13.6%	7	15.6%	6	17.6%	7	10.1%	1	8.3%	15	13.4%	3	25.0%
training	19	13.7%	14	15.9%	5	11.1%	7	20.6%	10	14.5%	0	0.0%	17	15.2%	0	0.0%

managerial skill	18	12.9%	11	12.5%	7	15.6%	4	11.8%	6	8.7%	0	0.0%	14	12.5%	3	25.0%
good listener	17	12.2%	21	23.9%	10	22.2%	3	8.8%	20	29.0%	5	41.7%	27	24.1%	3	25.0%
leading change / improvement	17	12.2%	9	10.2%	8	17.8%	4	11.8%	11	15.9%	0	0.0%	15	13.4%	2	16.7%
take responsibility	17	12.2%	13	14.8%	4	8.9%	4	11.8%	8	11.6%	1	8.3%	14	12.5%	0	0.0%
keep learning / self	16	11.5%	10	11.4%	6	13.3%	6	17.6%	5	7.2%	2	16.7%	13	11.6%	1	8.3%
encourage learning	14	10.1%	8	9.1%	6	13.3%	4	11.8%	5	7.2%	1	8.3%	12	10.7%	0	0.0%
good negotiation skills	14	10.1%	10	11.4%	7	15.6%	4	11.8%	9	13.0%	1	8.3%	14	12.5%	2	16.7%
recognize followers	14	10.1%	10	11.4%	4	8.9%	4	11.8%	5	7.2%	4	33.3%	14	12.5%	0	0.0%
share knowledge / experience	14	10.1%	9	10.2%	4	8.9%	4	11.8%	5	7.2%	2	16.7%	10	8.9%	1	8.3%
ask opinion from followers	13	9.4%	8	9.1%	5	11.1%	2	5.9%	8	11.6%	1	8.3%	9	8.0%	4	33.3%
empower people	13	9.4%	8	9.1%	5	11.1%	3	8.8%	6	8.7%	1	8.3%	11	9.8%	2	16.7%
provide practice or learning opportunities to followers	13	9.4%	7	8.0%	6	13.3%	4	11.8%	6	8.7%	1	8.3%	11	9.8%	2	16.7%
build followers support	12	8.6%	6	6.8%	6	13.3%	1	2.9%	5	7.2%	2	16.7%	12	10.7%	0	0.0%
keep promises/ commitment	10	7.2%	5	5.7%	5	11.1%	2	5.9%	7	10.1%	1	8.3%	10	8.9%	0	0.0%
collaborate	9	6.5%	5	5.7%	4	8.9%	1	2.9%	4	5.8%	2	16.7%	9	8.0%	0	0.0%
get right resource / people for	9	6.5%	5	5.7%	4	8.9%	3	8.8%	4	5.8%	1	8.3%	9	8.0%	0	0.0%
persistence / patient	9	6.5%	5	5.7%	4	8.9%	1	2.9%	3	4.3%	3	25.0%	6	5.4%	1	8.3%
strategic	9	6.5%	5	5.7%	4	8.9%	2	5.9%	3	4.3%	2	16.7%	6	5.4%	2	16.7%
aggressive/ ambitious	8	5.8%	5	5.7%	3	6.7%	1	2.9%	5	7.2%	1	8.3%	6	5.4%	0	0.0%
charming to others/ influence on people	8	5.8%	5	5.7%	3	6.7%	0	0.0%	3	4.3%	0	0.0%	5	4.5%	1	8.3%
adaptive	7	5.0%	4	4.5%	3	6.7%	1	2.9%	4	5.8%	0	0.0%	5	4.5%	1	8.3%
care customer needs	7	5.0%	1	1.1%	6	13.3%	2	5.9%	2	2.9%	0	0.0%	7	6.3%	0	0.0%
Charismatic	7	5.0%	6	6.8%	1	2.2%	1	2.9%	4	5.8%	1	8.3%	6	5.4%	1	8.3%
courage	7	5.0%	5	5.7%	1	2.2%	11	32.4%	2	2.9%	0	0.0%	6	5.4%	0	0.0%
Followers - honest and loyal to leaders	7	5.0%	4	4.5%	3	6.7%	0	0.0%	3	4.3%	2	16.7%	6	5.4%	0	0.0%
balancing personal life and	6	4.3%	2	2.3%	4	8.9%	1	2.9%	2	2.9%	1	8.3%	4	3.6%	0	0.0%

communicate effectively	6	4.3%	2	2.3%	3	6.7%	4	11.8%	0	0.0%	1	8.3%	5	4.5%	0	0.0%
discipline / blame	6	4.3%	5	5.7%	1	2.2%	0	0.0%	3	4.3%	2	16.7%	6	5.4%	0	0.0%
honest	6	4.3%	4	4.5%	2	4.4%	1	2.9%	4	5.8%	0	0.0%	6	5.4%	0	0.0%
fair to followers	5	3.6%	5	5.7%	0	0.0%	1	2.9%	0	0.0%	1	8.3%	5	4.5%	0	0.0%
help followers to achieve personal goals	5	3.6%	3	3.4%	2	4.4%	1	2.9%	4	5.8%	0	0.0%	5	4.5%	0	0.0%
intelligent/crilliant	5	3.6%	3	3.4%	2	4.4%	0	0.0%	3	4.3%	0	0.0%	2	1.8%	0	0.0%
open-minded	5	3.6%	3	3.4%	2	4.4%	1	2.9%	2	2.9%	0	0.0%	4	3.6%	0	0.0%
flexible	4	2.9%	3	3.4%	1	2.2%	1	2.9%	1	1.4%	2	16.7%	4	3.6%	0	0.0%
good-tempered	4	2.9%	25	28.4%	17	37.8%	10	29.4%	21	30.4%	3	25.0%	36	32.1%	4	33.3%
loyalty to company	4	2.9%	4	4.5%	0	0.0%	1	2.9%	3	4.3%	0	0.0%	4	3.6%	0	0.0%
morality / righteousness	4	2.9%	3	3.4%	1	2.2%	0	0.0%	3	4.3%	1	8.3%	4	3.6%	0	0.0%
optimistic	4	2.9%	2	2.3%	2	4.4%	0	0.0%	2	2.9%	1	8.3%	2	1.8%	1	8.3%
patience	4	2.9%	2	2.3%	2	4.4%	1	2.9%	3	4.3%	0	0.0%	3	2.7%	1	8.3%
reliable	4	2.9%	3	3.4%	1	2.2%	1	2.9%	1	1.4%	0	0.0%	3	2.7%	1	8.3%
respect culture	3	2.2%	1	1.1%	2	4.4%	1	2.9%	1	1.4%	0	0.0%	2	1.8%	1	8.3%
work hard	3	2.2%	1	1.1%	2	4.4%	0	0.0%	2	2.9%	0	0.0%	2	1.8%	1	8.3%
Analytical	2	1.4%	2	2.3%	0	0.0%	0	0.0%	1	1.4%	0	0.0%	2	1.8%	0	0.0%
contribution to society	2	1.4%	2	2.3%	0	0.0%	3	8.8%	2	2.9%	0	0.0%	2	1.8%	0	0.0%
evaluate performance / KPI / assessment	2	1.4%	0	0.0%	2	4.4%	0	0.0%	2	2.9%	0	0.0%	1	0.9%	1	8.3%
initiative	2	1.4%	0	0.0%	2	4.4%	2	5.9%	0	0.0%	0	0.0%	2	1.8%	0	0.0%
interpersonal ability	2	1.4%	2	2.3%	0	0.0%	0	0.0%	2	2.9%	0	0.0%	2	1.8%	0	0.0%
involved into local culture	2	1.4%	0	0.0%	2	4.4%	0	0.0%	2	2.9%	0	0.0%	0	0.0%	2	16.7%
restrictive	2	1.4%	1	1.1%	1	2.2%	0	0.0%	1	1.4%	0	0.0%	2	1.8%	0	0.0%
benefit to followers	1	0.7%	0	0.0%	1	2.2%	0	0.0%	1	1.4%	0	0.0%	1	0.9%	0	0.0%
competence	1	0.7%	1	1.1%	0	0.0%	0	0.0%	1	1.4%	0	0.0%	1	0.9%	0	0.0%
conscientiousness	1	0.7%	1	1.1%	0	0.0%	1	2.9%	0	0.0%	0	0.0%	1	0.9%	0	0.0%
crude and blunt	1	0.7%	0	0.0%	0	0.0%	0	0.0%	1	1.4%	0	0.0%	1	0.9%	0	0.0%

direction	1	0.7%	1	1.1%	0	0.0%	0	0.0%	1	1.4%	0	0.0%	1	0.9%	0	0.0%
empathetic	1	0.7%	1	1.1%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	1	0.9%	0	0.0%
focuses on details	1	0.7%	1	1.1%	0	0.0%	0	0.0%	1	1.4%	0	0.0%	1	0.9%	0	0.0%
friendliness	1	0.7%	1	1.1%	0	0.0%	0	0.0%	1	1.4%	0	0.0%	1	0.9%	0	0.0%
government regulations and market competition	1	0.7%	1	1.1%	0	0.0%	1	2.9%	0	0.0%	0	0.0%	1	0.9%	0	0.0%
handle difficulty situation	1	0.7%	0	0.0%	1	2.2%	0	0.0%	1	1.4%	0	0.0%	1	0.9%	0	0.0%
high standard	1	0.7%	1	1.1%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	1	0.9%	0	0.0%
influence different people in different way	1	0.7%	0	0.0%	1	2.2%	0	0.0%	1	1.4%	0	0.0%	1	0.9%	0	0.0%
loyalty	1	0.7%	1	1.1%	0	0.0%	0	0.0%	1	1.4%	0	0.0%	1	0.9%	0	0.0%
not arrogant	1	0.7%	1	1.1%	0	0.0%	0	0.0%	1	1.4%	0	0.0%	0	0.0%	1	8.3%
positive attitude	1	0.7%	0	0.0%	1	2.2%	0	0.0%	0	0.0%	1	8.3%	1	0.9%	0	0.0%
power/ authority	1	0.7%	1	1.1%	0	0.0%	0	0.0%	0	0.0%	1	8.3%	1	0.9%	0	0.0%
predict / judgment correctly	1	0.7%	0	0.0%	1	2.2%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
relationship with government	1	0.7%	0	0.0%	1	2.2%	0	0.0%	1	1.4%	0	0.0%	1	0.9%	0	0.0%
sincerity	1	0.7%	1	1.1%	0	0.0%	0	0.0%	1	1.4%	0	0.0%	1	0.9%	0	0.0%
strive for excellence	1	0.7%	1	1.1%	0	0.0%	0	0.0%	1	1.4%	0	0.0%	1	0.9%	0	0.0%
tolerance of mistake	1	0.7%	1	1.1%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	1	0.9%	0	0.0%
transparency	1	0.7%	1	1.1%	0	0.0%	0	0.0%	1	1.4%	0	0.0%	1	0.9%	0	0.0%

8. Appendix 2

Data Validity Stats

Traits	If in story, indicate y									Score
	1	2	3	4	5	6	7	8	9	
1. encourage	y	y	y	y	y		y	y	y	8
2. Good listener	y	y	y	y		y		y	y	7
3. Give clear direction	y	y	y	y	y		y	y		7
4. Clarify responsibility		y		y	y			y	y	5
5. Recognize followers achievement	y	y	y	y	y	y	y	y	y	9
6. Coach followers	y	y	y	y	y			y		6
7. Result-based	y	y	y	y	y			y	y	7
8. Support followers decision / work	y	y	y	y	y		y	y	y	8
9. Communicate effectively	y	y		y	y	y	y	y	y	8
10. Patience	y	y		y				y	y	5
11. Respect	y	y	y	y	y	y		y	y	8
12. Trust	y	y	y	y	y		y	y	y	8
13. Good relationship	y	y	y	y	y			y	y	7
14. Fair to followers	y	y		y	y			y		5
15. Creation		y		y				y		3
16. Innovation	y	y	y	y	y	y		y	y	8
17. Keep learning	y	y	y	y			y	y	y	7
18. Self-improvement	y	y	y	y	y			y	y	7
19. Care about followers	y	y	y	y	y		y	y	y	8
20. Humanity	y	y						y	y	4
21. Encourage learning		y		y	y			y	y	5
22. Build followers support	y	y	y	y	y	y	y	y	y	9
Items	Similar function or not?									
3 Give clear direction and 4 Clarify responsibility		y		y				y		3
17 keep learning and 18 self-improvement	y	y	y	y	y	y	y	y	y	9
19 care about followers and 20 Humanity	y	y						y		3

9. Appendix 3

Elements of Leadership Model

Model Elements	Representative Quotes from Stories
Trusting and Respecting	<p>“China society is lacking of public credit, therefore a good leader must have good reputation and extensive network.” (Ramon Peng)</p> <p>“Leadership is something that attracts others to think that a person can be trusted, be reliable, and be respected, regardless of whether that one is his leader or workmate.” (Jason Lian)</p> <p>“A true leader does not enforce his leadership. Instead, by being an example for others and showing respect and humbleness, others will naturally follow.” (Oliver Cheung)</p>
Processing Vision	<p>“A good manager must consider the events not from his own department interests, but from company interests and a good manager should know the marketing trend.” (Ross Li)</p> <p>“A good leader should have a long-term vision and communicate with his organization about this vision to get buy-in then lead the whole organization continuously to improve to achieve success in the future.” (Mark Wang)</p> <p>“Big Picture: A leader must know the big picture. He must be clear where the company goes. When it is enough for an employee to do well the job on hand, a leader should always be proactive to see what is coming next.” (unknown name)</p>
Building Relationship	<p>“In China, solid <i>GuanXi</i> or good personal relationship is vital to doing business and many deals are conducted in restaurants after drinking enough hard drinks (white wines).”</p>

	<p>(unknown name)</p> <p>“The deeper the relationships with friends, business partners, government, and employees, the more stable leaders can solidify their leadership position.” (Ramon Peng)</p> <p>“Another interesting aspect is that in such a relationship-oriented country as China, returning a favor sometimes is the strongest incentive behind people behavior no matter how trivial that favor is.” (unknown name)</p>
<p>Encouraging and Motivating</p>	<p>“When team members meet problems and impact the success of the whole team, the value of a good leader is shown. Encouraging the subordinates and supporting them from behind are fundamental but crucial qualities that a wise leader should have.” (Qi Tang)</p> <p>““Hi, girl, you are the best in my eyes. Failure is natural and normal to any success. Never give up and you will win!’ I did win in the following competitions. But the most valuable are the words rather than any merit. She is such a LEADER with encouragement and inspiration on the way to my achievement.” (Elaine Zou)</p> <p>“A great leader knows how to inspire his team with limited resources and build the business environment as desired.” (unknown name)</p>
<p>Managing skillfully</p>	<p>“some of the characteristics and behaviors that a leader should have to reach this kind of position within a company (decision making capabilities, problem solving skills, power managing and influence building behaviors, reliability, credibility, etc). This is nothing extraordinary: good management people must have some of these qualities and behaviors.” (unknown name)</p> <p>“he had an exceptional organizational talent: by this, I do not only mean the way he distributed the workload among our</p>

	<p>team and scheduled the tasks we had to fulfill, but also the way our offices were organized physically, how files were kept and organized, how written reports had to be drafted and structured.” (student # 051120)</p> <p>“...leaders have to gain insight. Information. and support from solid network, for business decision and activities. to gain trusts, build network, and shape a leader in China.” (Ramon Peng)</p>
<p>Communicating effectively</p>	<p>“Effective interpersonal communication with people helps him establish a strong relationship inside and outside the hospital, which enables him to develop his department forward.” (Annie Huang)</p> <p>“Listen to their thoughts and explain your idea to them. They will become the real doers. I suddenly understood that was why Woo often communicated with the colleagues before meeting and assignment.” (unknown name)</p> <p>“Communications and positive feedback are crucial to cultivate a harmony atmosphere within the group.” (Billy Gan)</p>
<p>Learning</p>	<p>“...so you should never end learning new knowledge and developing new opportunity. Whenever you master some kind of knowledge or skills, coach your subordinates, and let them take a chance, as well as challenge, to carry out the new tasks.” (Jerry Guan)</p> <p>“...an excellent leader is also an excellent learner.” (Wesley Luo)</p> <p>“...he gave me much knowledge about HK GAAP and US GAAP and I improved myself quickly with his help. To be a good leader, one of the most important characters is how to affect the team to reach the goal rather than let the members obey the order.” (Amy Wang)</p>

<p>Good personality</p>	<p>“She is so successful not just because she has admirable technical knowledge but more importantly because her good personality helps build up trust from people around her and draws people close to her.” (unknown name)</p> <p>“Leadership is ordinary people + strong personality.” (Charles Song)</p> <p>“...is a professional leader with pleasant and charming personality...He can balance the business and private relationship so well...Beyond the business, Mr. Tang is more like a brother who will give generous help to his friends.” (Seeger Wang)</p>
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10. Appendix 3

Leadership Practice in Culture Context of Western vs. Chinese

Elements Leadership Model	Preferred Western Leader Behavior	Preferred Chinese Leader Behavior
Trusting and Respecting	<ul style="list-style-type: none"> • Treat people consistently to earn trust • Show respect toward others, whether friends or strangers • Build credibility by telling truth (Sashkin & Sashkin, 2003) 	<ul style="list-style-type: none"> • Demonstrate reliability to earn trust • Respect people who are experts or can perform better • Gain trust from employees by asking good questions and sharing worries
Processing Vision	<ul style="list-style-type: none"> • Construct a future vision • Building follower support for the vision • Willing to challenge the danger and difficulties (Bennis & Nanus, 1985) 	<ul style="list-style-type: none"> • Build short term as well as long term goals • Make follower understand the common goals • Create reliable and sensible targets to avoid less risks
Building Relationship	<ul style="list-style-type: none"> • Emerge to emphasize on developing effective relationships with and among employees • Foster interaction to help employees feel committed and motivated to contribute to the organization (Bass, 1997) 	<ul style="list-style-type: none"> • Cultivate long term relationship with no purpose at the beginning • Business relationship is highly based on personal relationship and social network
Encouraging and Motivating	<ul style="list-style-type: none"> • Inspire followers to become committed to the shared vision 	<ul style="list-style-type: none"> • Enhance personal image in front of the social public • Show paternalistic caring

	<ul style="list-style-type: none"> • Use symbols and emotional appeals to focus group members' efforts to achieve more (Northouse, 1997) 	<p>through encouraging words</p>
Managing skillfully	<ul style="list-style-type: none"> • Rely on own experience and training in dealing with key leadership events (Tjosvold & Leung, 2004) • Promote follower thinking things out on their own and engaging in careful problem solving (Northouse, 1997) • Involve a willingness to empower others and take risks for innovation (Sashikin & Sashikin, 2003) 	<ul style="list-style-type: none"> • Rely on social norms and widespread beliefs in dealing with key leadership events • Solve problems through various of kinds of relationship and social network • Be cautious of changes and avoid failure
Communicating Effectively	<ul style="list-style-type: none"> • Tell people the truth even if it is painful to them • Focus attention and make complex ideas clear by using metaphors (Bennis & Nanus, 1985) • Reinforce messages and involve repetition of the same conversations (Cooper, 2005) 	<ul style="list-style-type: none"> • Express in very precise and polite words to save face for message receivers • Give explicit work instructions and spell out expectations of the end results
Learning	<ul style="list-style-type: none"> • Set the examples by one's own behavior • Focus on step-by-step accomplishments by followers, so that large-scale goals seem 	<ul style="list-style-type: none"> • Encourage to use methodologies and comprehend by analogy • Take every possible chances to learn

	<p>more realistic and attainable through a process of many “small wins” (Kouzes & Posner, 2003)</p>	
<p>Being a good person</p>	<ul style="list-style-type: none"> • Be characterized by a strong need for power • Have an above-average concern for achievement (McClelland, 1977) 	<ul style="list-style-type: none"> • Stress morality is the foundation of all things • Demonstrate humanity, benevolence, righteousness, propriety, wisdom and trustworthiness

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