Anglo-Chinese Leadership

A study of leadership within Asian-based executive teams, comprised of Hong Kong Chinese and Western managers

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Abstract
"Leadership in Anglo-Chinese executive teams....

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During the past 50 years, much has been written about the notions leadership and management. The last twenty years, however, has seen a strong research shift towards business leadership. For the most part, this research has been conducted in the West and focused on Western leaders. These findings have in turn been 'exported' to the developing economies of the world, mainly through Western educators, consultants, books and more recently, the internet. However, as far back as thirty years ago, the transferability of such ideas was challenged on the basis of culturally differing values and beliefs giving rise to different behaviours.

Much has since been written about cultural diversity. Most of these studies have been comparative in nature, with conclusions being drawn from cultures observed in isolation, rather than in the context of multicultural interaction. In more recent years, however, a growing interest has emerged in multicultural work groups. With this interest has emerged a growing recognition that culturally diverse teams, when managed well, can outperform their homogeneous counterparts. This finding has critical implications for business leaders, who now increasingly find themselves operating and living beyond their domestic boundaries.

This thesis is therefore about leadership in multicultural situations. More specifically, it is about senior level leadership within teams comprised of Hong Kong Chinese and Australian or British managers, working together in Asian-based, multinational organisations. The thesis will present arguments which challenge some of the conventional thinking about leadership, when applied to multicultural situations. The thesis will also provide new perspectives on the pitfalls of cultural stereotyping, identify underlying tensions which exist within multicultural executive teams, and the associated behaviours. However, most important of all, the thesis will add to our body of knowledge, by addressing what is arguably one of the most compelling business challenges for the new millennium, multicultural leadership.

** ACKNOWLEDGEMENTS **

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Chapter 1

Introduction

The purpose of this introductory chapter is to provide the reader with an overview of why this particular research was undertaken, the approaches adopted, and overall findings. The chapter is also intended as a 'compass' to help the reader navigate through some difficult and at times confusing terrain. It is hoped that the journey will be as captivating for the reader, as it has been for the Author. The chapter is divided into four main sections:

- Why this research was conducted;
- methodology used;
- overview of findings; and
- thesis structure and style.

Why this Research was Conducted

This thesis focuses on Hong Kong, with its rich mix of Western and Chinese cultures, which many attribute to the success and growth of the territory over the last century and a half. Despite the recent return of sovereignty to China and the economic turmoil that currently plagues Asia, Hong Kong remains relatively stable and continues to attract major foreign multinationals, who choose the territory as their preferred base of operations. Contrary to what was anticipated in the early 1990's, the number of professional expatriates arriving from the West has increased during the past three years. As recession bites and companies begin to fall, new opportunities and challenges present themselves, calling for a different set of skills. These skills include being able to manage shrinkage, work more effectively with foreign partners and generally deal with instability and change. New arrivals from overseas therefore continue to supplement skills which are in short supply in the local markets, and are likely to remain so. What has changed, however, is the trend towards Hong Kong Chinese nationals assuming key leadership positions within large multinational organisations, with Western managers taking on a more subordinate role. Thus, we now have a changing scenario in which individual ability, more than nationality, dictates

leadership. This situation means that it is becoming equally important for Chinese executives to be able to effectively lead multicultural management teams, as it has been for Western leaders in the past.

Much has been written about leadership and teamwork, particularly during the last thirty years. With a few notable exceptions, the vast majority of this research has been conducted in the West, by Western researchers, about Western leaders. Until relatively recently, it was widely believed that the theories, concepts and practices conceived in the West, were readily applicable to managers of all cultures. However, in the late 1970's a Dutchman called Hofstede (1979a) challenged the conventional wisdom of the day, by identifying the potential impact of cultural values on managerial behaviour. Since this study, evidence has continued to grow, which shows that cultural values can have a strong impact on the way organisations operate, managers lead, and subordinates respond. The 1980's substantially moved our thinking forward. But it is perhaps the 1990's where we have seen the greatest advances, particularly within the context of cultural diversity in business teams. Adler (1991) reports on a study, which looked at the performance of multicultural groups and concluded that cultural diversity can lead to superior performance, when it is well-managed. Studies undertaken by Ling (1990) and McLeod and Lobel (1992) in the West, identified that culturally diverse groups showed greater creativity than homogenous ones. These findings were partially supported by other findings in the West, including Kumar *et al* (1991) and Watson *et al* (1993), who examined team interaction and performance over time. Their complementary findings concluded that there were no significant differences in the interaction processes between homogeneous and culturally mixed groups. Furthermore, that during the early stages of group formation, culturally homogeneous teams 'interacted better and outperformed' mixed culture groups. However, overall, mixed teams offered a greater range of perspectives and generated more alternatives.

Cultural studies undertaken in the East, by either researchers of Asian origin, or Westerners living in Asia, really began in the 1970's (with the notable exception of Nakamura, 1964; and Hsieh *et al*, 1969). Names of prominence include; Hsu, 1970; Liang, 1974; Redding, 1975 and 1979; Chang, 1975; Matsui *et al*, 1975; and Lin, 1977. The eighties and nineties saw an increase in research activity, particularly amongst Hong Kong based academics studying the Chinese. The most prolific of writers of this era include Bond

(1982, 1986, 1991, 1992, 1996), Kirkbride and Tang (1989, 1991, 1992, 1993), and Redding (1980, 1982, 1986, 1990). A fuller account of their work can be found in the Chapter 2, but suffice to say, their combined contribution helped shift the focus from the purely sociological, to the more work-related aspects of Chinese culture. Redding, and to a lesser extent, Kirkbride and Tang, were particularly interested in the impact of cultural values and beliefs on managerial behaviour. Whilst comparisons were made between observed Chinese behaviour and what was already known about Western cultures, for the most part these studies were culturally-centric in nature, examining Chinese working alongside other Chinese. For example, Redding's most prominent work, *The Spirit of Chinese Capitalism* (1990) focused solely on Chinese family business owners, working in Chinese work environments. One can therefore conclude that the last two decades has taught us much about teamwork and leadership, albeit from a mainly Western perspective, and given us a better perspective about Chinese values and beliefs.

More recently, however there has been an growing understanding of how cultural diversity influences team dynamics, within the context of different ethnic races working together in a Western setting. The main conclusion to be reached thus far is that Western-based multicultural teams can outperform their homogeneous equivalents in certain areas, given the right leadership and circumstances. We also know a lot more about how Chinese values and associated behaviours differ from those of Westerners, particularly in relation to the Mainland Chinese. However, up to this point very little research exists which examines the cultural interaction between senior *Hong Kong* Chinese and Western executives, operating as a management team. Williams and Bent (1996) looked broadly at the development of expatriate managers for Southeast Asia, which focused quite strongly on Hong Kong, whilst Bent and Bond (1997) more specifically examined multicultural leadership in Hong Kong, drawing from the early findings of this research. In light of the comments made at the start of this chapter, it is therefore evident that a compelling gap exists in our knowledge about Anglo-Chinese executive team[1] leadership in Asia, which this research now sets out to redress.

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[1] 'Anglo-Chinese management teams' are explained more fully, later in the thesis. Sufficient to say at this stage, such teams are those led by either Western (British or Australian) or Hong Kong Chinese managers, and comprised of a mixture of Western and Chinese team members. The terms 'groups' and 'teams' are used interchangably.

Methodology

In deciding upon which methodology to adopt, the thesis followed three guiding principles. Firstly, a recognition that the complexity of leadership in a multicultural work environment was such, that the approach had to be sufficiently holistic and balanced in nature for it to be meaningful. Secondly, that the thesis needed a sound theoretical underpinning, which built upon the findings of other researchers in the field. And thirdly, that the final output had to make practical sense to senior level executives, so that it could be readily 'bought into' and developed further. In this regard, the Author was mindful of the advice given by Glaser and Strauss (1967), who believed that theory *inductively* developed out of systematic empirical research had a greater chance of fitting the data and was therefore 'more likely to be useable, plausible and accessible'. As a consequence, whilst the research begins with a predetermined framework (the *Managership* model), the design later allows freedom for greater inductive thinking, giving rise to a more grounded approach. Careful thought was also given to inherent difficulties that cross-cultural research presents, particularly in relation to objectivity. To help minimise these difficulties, an action-based, multi-method approach to the research was adopted, which Chapter 3 describes in more detail. These methods were:

- In depth interviews with senior level executives in a broad cross section of Hong Kong businesses and disciplines;
- video analyses of Anglo-Chinese management groups in action;
- analysis of psychometric data relating to senior Hong Kong Chinese and Western executives; and
- surveys, of managers, which looked specifically at the human resource management practices.

The subjects for this research were carefully chosen in order to obtain a truly representative group of managers, drawn from the middle and senior levels of different multinational organisations in Hong Kong. A wide selection of tools were used to process and analyse the raw data, many of which were IT based and developed specifically for this research. In each and every case, the aim was to identify significant behaviour patterns or trends in the data.

Overview of Findings

The findings of this research have helped to both confirm and refute those of other researchers, enabling broader generalisations to be made about cultural differences than were perhaps possible before. Equally important, new findings have emerged about multicultural leadership in overseas Chinese environments, which potentially have strong implications for the ways in which Asian-based multinational organisations select, align, manage and develop their leaders. The detailed findings and contribution to existing knowledge, are described more fully in the subsequent chapters, but broadly five themes emerge:

- Establishment of a new *Managership* model, which integrates new and existing theories about multicultural management and leadership, and provides a template for action .
- New perspectives on *cultural stereotyping*, which challenges some of the conventional thinking on the subject.
- Recognition of underlying *dynamic tensions*, which are continually influencing multicultural executive team capability, but are often ignored or not understood.
- Identification of specific, *culturally-bound management behaviours*, which create the tensions described and can either help or hinder group capability.
- The requirement for multicultural leaders to possess the critical aptitude of *cultural competence*, vital in helping him or her recognise and manage these tensions.

Thesis Structure and Style

The thesis consists of thirteen chapters, which takes the reader progressively through each phase of the research, in the process building and developing a new picture of Anglo-Chinese leadership. Guided by the 'original' *Managership* model (Chapter 2), which was spawned from existing studies of leadership and team work conducted in the East and West, chapters 4-11 provide factual accounts of the research results. No attempt is made at these stages to provide an explanation for what emerges. However, in the two final chapters, the results are drawn together and discussed, in turn providing a clearer understanding of the contribution this thesis has made to the existing literature and theory. The chapter sequence is as follows:

1. Introduction
2. Literature Review and Identification of Research Problem
3. Methodology
4. Establish Purpose
5. Communicate
6. Motivate
7. Manage
8. Climate
9. Membership
10. Methods
11. Critical Competencies
12. Conclusions and Discussion
13. Contribution to the Literature and Theory.

In many cases, actual company names are used. However, where the interviewee preferred their companies to remain anonymous, a description of the business is provided instead. Where appropriate, the actual words of the executives are used to support the commentaries made. The intention of this style is to enable the reader to acquire a better 'feel' for the people interviewed and the contexts in which they are operating. The study has been a complex, but intensely fascinating one, which has helped move our understanding of multicultural leadership several steps forward. The thesis begins by looking at the existing literature and research relating to teams and leadership.

Chapter 2

Literature Review and Identification of Research Problems

Development of a Framework for Review

The Literature Review consisted of two distinct phases. The first began with an examination of the Western literature on leadership and 'teams' or 'groups' (terms which henceforth will be used interchangeably). The framework for this initial Review was guided by the conceptual model in Figure 1, originally developed in conjunction with a consultant for team building purposes[2]. These findings were written up as two provisional chapters, but subsequently not included as part of this chapter on the basis that the key findings are embodied in the text which follows.
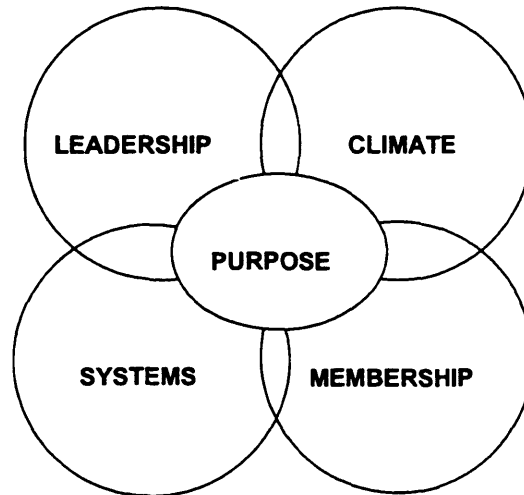
Figure 1

During the early stages of the Western Literature Review, Figure 1 went through several stages of development. Part of this evolution came from 'live' testing during team building and strategy workshops, and the remainder from new knowledge acquired during the study of the literature. In this regard, the action research phase of this project began at a very

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[2] Model developed by Dr. Dave Francis of Richmond Consultants and Ritchie Bent of Jardine Matheson in February 1994, during a team building event with the board of Jakarta Land, a major property development company in Indonesia.

early stage. As the framework developed, several new dimensions surfaced, which were subsequently integrated into the framework. The end product of this process is the hypothetical *Managership* model shown in Figure 2, which broadly encapsulates the current Western thinking about leadership, management and teams, with modification derived from the 'live' testing described earlier.

Figure 2

The second phase of the Review, which this chapter describes, explores the dimensions shown in Figure 2, within the context of research conducted with Chinese populations. Using the *Managership* model to navigate through this as yet unexplored literature, the chapter will develop a series of hypotheses and research questions about leadership in Anglo-Chinese management groups[3]. These questions will form the basis for the field research which subsequently follows. To help the reader track the rationale and maintain focus, explanations of the theoretical underpinnings are guided by the structure of the model and allowed to emerge 'naturally' as each dimension is explored. Before explaining the inner dimensions of the model in more detail, it is helpful at this early stage to clarify what is meant by 'culture'. By separating culture into three distinct levels, Sathe (1985) provides a useful 3 level framework in this respect:

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[3] Groups comprised of senior Hong Kong Chinese and Western managers, working in Western multinational organisations.

1. Manifest culture; which is evident from the visible and audible behaviours which we observe in people, such as dress, mannerisms, gestures, patterns of behaviour, and language.

2. Expressed values; which explain how people communicate, explain, rationalise, and justify what they say and do. In a sense these are the expressed values of a community, which have an impact upon people's interpretation of events and actions.

3. Basic assumptions; people's primary and deep-rooted assumptions about the world, which ultimately guides their thinking and action and what they do at the other two levels.

The first level is about what people 'do', the second about how they explain their actions, and the third relates to the deep-rooted reasons as to why. Sathe (1985:10) saw this final level as being the very essence of culture, describing it as *"...the set of important assumptions (often unstated) that members of a community share in common"*. Hofstede's (1980:35) earlier definition adds to our understanding, describing culture as *"the collective mental programming of a group of people"*.

The three inner circles in Figure 2 encapsulate seven dimensions, identified by the Western literature as being key considerations for leadership and teamwork in the West. The cluster of activities in the two inner-most circles broadly capture the personal 'leadership' element[4], strongly influenced by the works of Bennis and Nanus (1985), Kotter (1982, 1990b), Kouzes and Posner (1995), Taffinder (1995) and other contemporary writers, who have attempted to separate the functions of leadership and management. In broad terms, their combined findings suggest that to be effective, a leader must:

- initially establish and then continually reinforce a commonly understood and shared *purpose* or intent within the management team;
- *communicate* this to those involved;
- *motivate* the group members to want to achieve this aim; and
- *manage* the processes required to make it happen through the activities of problem-solving, decision-making and planning, coupled with an appropriate 'leadership style'.

For these actions to be effective, the literature suggests that they must be conducted within the context of the team, which is represented by the dimensions in the third circle. Inclusion of these dimensions are influenced by the works of many Western management thinkers, but more notably, Belbin (1981), Kepner and Tregoe (1981), Adair (1987) Rosseau (1988), Rentsch (1990), Dastmalchian et al (1991), and Hastings et al (1994). The findings of these writers suggest that within the context of a team, the leader must ensure that:

- the *climate* of the management group is sufficiently supportive, open and committed to encourage action;
- the *membership* of the group is balanced in terms of the mix of skills and 'roles' individuals assume; and
- that there are in place effective internal mechanisms to manage *performance* within the group.

The other important variable, *environment*, relates to the socio-economic, political and technological aspects which prevail during the period of research. Whilst changes in these factors may, in the long-term, influence the behaviours of a working group, the time span of the research is sufficiently short to allow these variables to remain relatively constant. *Environment* will therefore relate to the conditions which exist at present. The chapter will now consider these seven dimensions within the context of existing research into Chinese culture. Upon completion of discussion about each dimension, some initial conclusions will be drawn, which in turn give rise to the research questions which follow. The final part of the chapter will review some of the main methodologies used in previous cross-cultural research and the implications these may have for this study. Hofstede's (1980; 1981; 1983; 1991; 1993) four dimensions of cultural values[5] provide a useful anchor for the review and are likely have a bearing on all components of the *Managership* model to some degree. These four dimensions, coupled with Sathe's (1985) three levels of culture, will therefore provide a broad cultural framework for the chapter and will be drawn upon periodically for

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[4] Reference to a senior executive's personal characteristics, such as being 'honest, forward-looking, inspiring, and competent' (Kouzes and Posner, 1987) have been intentionally omitted from the model on the basis that these will emerge naturally from the seven dimensions described.

[5] Hofstede's (from 1991) four dimensions: 'Power Distance' - extent to which less powerful members of institutions and organisations within a country expect and accept unequal distribution of power. 'Collectivism' - opposite of 'Individualism', societies in which people are integrated into strong, cohesive ingroups which protects them, in return for unquestioning loyalty. 'Masculinity' - opposite of 'Femininity', societies in which social gender roles are distinct; men assertive, tough

insight and guidance. The chapter begins with the central dimension within in the *Managership* model, *purpose.*

Purpose
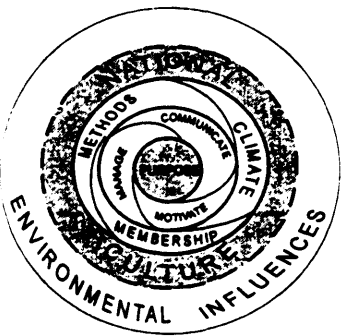
Within the context of this research, *purpose* relates to the manner in which a unit head perceives, formulates and describes notions of intent with his or her group. The *purpose* may be represented in broad and strategic terms, but can also be more specific in nature. For example, vision, mission and strategic intent would fall into the former category, whilst goals or objectives would be most applicable to the latter. Achievement of *purpose* is an ongoing process, which remains the daily concern of the group head. Amongst Anglo-Chinese groups, this raises two questions:

- Do Western and Chinese leaders approach the issue of *purpose* differently?
- Do Western and Chinese group members have different expectations of their bosses in this respect?

Establishing *Purpose* is seen as a key leadership function in the West

During the past decade, the terms purpose, vision, goals, and direction have been consistently recurrent themes in most of the major Western writing on leadership and teamwork (e.g., Bennis and Nanus, 1985; Kotter, 1990b; Katzenbach and Smith, 1994; Kouzes and Posner, 1987 and 1995). Similar themes can also be found in earlier works (e.g., Adair, 1968; MacGregor Burns, 1978; Peters and Waterman, 1982; Pascale and Athos, 1981; Larson and La Fasto, 1989). However, in general terms, the emphasis during this earlier period of research was directed more towards establishing short to mid-term objectives for the team or individual to follow, than the current grander ambitions of fundamentally changing organisations.

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and materialistic, women modest, tender and concerned about quality of life. 'Uncertainty Avoidance' - extent to which

This shift in thinking, which we have witnessed during the past 10-15 years, is probably a reflection of the need for companies to differentiate and adapt. It is also likely to reflect the increasing levels of competitiveness, greater complexity and rapid technological growth in business etc., than a fundamental difference in our understanding of leadership. Avolio *et al* (1991) helps guide our thinking further in this respect by differentiating between 'transactional' and 'transformative' leadership, with the latter being primarily concerned with moving organisations from their current positions to future states.

Most of the findings, particularly during the past 10 years, are based on extensive studies of senior executives (mainly North American) who run profitable commercial enterprises. From these studies, the evidence strongly suggests that for a Western leader to be successful, he or she must be able to articulate a clear *purpose*, which is openly shared, clearly understood and supported by people in the organisation.

Purpose may have a different meaning and weight for the Chinese

Western literature views *Purpose* as being predominantly about change. For most major Western companies, it often starts with some form of vision, such as 'Being the No.1 Choice of Supplier in the Market' etc., which is usually conceived by the top team and subsequently positioned as the guiding light for what is to follow. The vision in turn gives rise to a strategy or strategies, developed through the conceptual and analytical process of making sense of a diverse range of data, knowledge and experience from which is derived a broad, but coherent way forward. At unit level, *purpose* is generally more specific, involving the establishment of short-term and measurable goals, which are often indirectly linked to the overall strategy. This is, however, a Western interpretation of what *purpose* means. Research in recent years has provided some thought-provoking cultural insights into the ways in which Chinese business executives may view the notion of *purpose* differently than their Western counterparts. Perhaps first and foremost is the issue of change.

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members of a culture feel threatened by uncertain/unknown situations.

- **Attitude to Change:** As reflected earlier, the underlying rationale for *purpose* amongst leaders in the West is to bring about some form of change. However, Western attitudes to change are not necessarily similar to those of the Chinese. A culture's deep-rooted attitude towards change begins to delve into the realms of Sathe's (1985) third level of culture. Hsu (1970) observed that the Chinese tendency is to accept the situation as it is, rather than try to change it. Rothbaum, Weisz and Snyder (1982) findings advanced our thinking in reporting that in the West a dominant way to attain one's goals and wishes is to attempt to bring about objective change in the environment, which they called 'primary control'. Weisz, Rothbaum and Blackburn (1984) built on this argument, commenting that whilst 'primary control' is a predominant strategy in the West, in Asia 'secondary control' is prevalent, with people showing a stronger tendency towards fitting their actions to the environment. The authors attribute this mainly to the emphasis on interdependence and harmony within Chinese groups. Evan, Sculli and Yau (1987) have even gone as far as to suggest that Chinese organisations may put harmony before efficiency in terms of overall objectives. This begins to suggest that the *urgency* to bring about change, which we witness in the West, may not be so apparent amongst Chinese bosses. However, other findings have gone some way to build on this observation.

- **Pragmatism:** Some of the earliest observations in this respect have emerged from the work of Nakamura (1964), who identified several unique characteristics of Chinese thinking. Two in particular; 'practicality as a central focus' and 'emphasis on the perception of the concrete', have helped to capture the pragmatic nature of the Chinese and are likely to have some bearing on their perception of *purpose.* In the research which was to follow, pragmatism continued to emerge as a consistent theme (e.g., Needham, 1969; Lin Yutang 1977; Leung, 1987). Hofstede's (1991, p.72) more recent observations help express the sentiment of Chinese pragmatism; *"What is true or who is right is less important than what works and how the efforts of individuals with different thinking patterns can be coordinated towards a common goal".* Closely aligned to the issue of pragmatism, and likely to influence a manager's approach to *purpose,* is 'intuition'.

- **Intuition:** Intuition consistently emerges as a predominant factor in Chinese business thinking. Redding and Wong's (1986) research indicated that Chinese businessmen tend to act mainly upon business intuition to determine direction and that their plans will generally be loose and non-specific. Leung Kwok (1992) comments that *yan guang* (foresight) is regarded as a major asset in the Hong Kong business world. Westwood and Chan (1992) add support to this observation in noting that in Asia, organisational decisions are based more on personal knowledge and intuition, than objective criteria and methods.

The most extensive research into this area has been conducted by Professor Gordon Redding, formerly of the Hong Kong University Business School. Resulting from a series of in depth interviews with 73 Chinese family business heads and senior executives, Redding's (1990) findings have helped advance our understanding of how Western and Chinese managers may perceive various notions of management differently, including that of *purpose.* Intuition, rather than rigorous research and analysis, emerges as a key aspect of Chinese business thinking. This in turn raises another compelling question. If the tendency amongst Chinese executives is to be more reliant upon 'gut feel', than hard data on market potential, consumer perception, market trends, etc., then what else do they rely upon to support their decisions?

- **Luck or Fate:** A casual stroll through the back streets Hong Kong, Singapore, Taiwan and other Overseas Chinese areas across the world, will reveal a proliferation of dimly lit effigies, strategically positioned at the back of small shops and businesses. One might be forgiven for thinking that these can only be seen amongst the small and unsophisticated Chinese family businesses, but this would be a wrong assumption.

Evidence of man's attempts to influence the outcome of future events, or protect him or herself against misfortune, are evident in all cultures. For instance, the rabbit's foot, touching wood and throwing spilt salt over one's shoulder, are still common examples of behaviour designed to attract luck or provide protection against the unknown in Britain today. However, within Chinese society, it is the extent to which these beliefs have crept into the business world, which sets this culture apart from many of those the West.

These beliefs are likely to have an influence over the way people view *purpose*, and the actions they are prepared to take to achieve it. To illustrate:

In 1994, the report by the Hong Kong Government's Director of Audit revealed that US$67,000 was paid out that year for two *fung shui*[6] ceremonies to appease villagers' concern about the disruption caused by construction projects[7]. Gammon Construction Ltd, the largest and currently most successful company of its kind in Asia, ensures that its bid price as far as possible contains auspicious numbers, such as '8' (which can also signify wealth to the Chinese)[8]. Lucky gold coins are buried in strategic positions beneath all Marks and Spencer floors in Hong Kong[9]. First Pacific Company, one of Asia's most dynamic conglomerates, with revenues of over $5.2b in 1995, recently increased a bid to $1.6b for a site, because the company's resident geomancer (fung shui man) warned that the lower bid was not a propitious number[10].

McDonald and Roberts (1990), commenting on Asian marketing practices, identify 'luck' as being a very pervasive value in Chinese culture. Schutte and Vanier (1995), in discussing consumer behaviour in Asia, emphasise the importance of capitalising upon Asian beliefs in the supernatural. Lasserre and Schutte (1995) of the INSEAD EuroAsia Centre, note that geomacy, or *fung shui*, is still widely practiced in the Chinese world and plays a dominant role in real estate purchases and construction. Of Redding's (1990) survey of 73 chief/senior executives who ran Chinese family businesses, 80% claimed that they believed in luck and espoused it openly. Redding further noted that amongst Chinese business people, luck plays an influential role in strategic business making. The comments made during an interview (p.201) with the founder of a large and apparently sophisticated financial services organisation, regarding luck in business, offers further insight:

"We had a big debate on this in our company when a professional manager wanted to introduce organised training in the company. The opinion from the board is that training

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[6] *Fung shui* is the belief in propitious location, and embraces location of buildings, of offices, and of furniture. It also includes the timing of events and requires a geomacer to advise (Redding, 1990).
[7] Woo, A (1996), 'The Tao of Technology', *Asia Magazine,* Feb 16-18, pp. 10-12.
[8] Tutlewski, W.J. (May, 1996). Training and Quality and Assurance Manager, Gammon Construction Ltd.
[9] Woo, A (1996), *Asia Magazine,* Feb 16-18.b

is not important. There is a Chinese saying, 'the most important thing in life is whether you were born to be rich or not. The second is your luck. The third is fung shui. The fourth is when you accumulate a lot of charity'. So they believe that luck is very important actually. Very important. More important than anything else".

Academic research also adds weight to the observation that in general the Chinese may place a greater reliance on fate and luck than Westerners. One of the earliest cross-cultural studies in this respect involved the use of Rotter's (1966) Internal-External Control of Reinforcement Scale. This scale in essence measures the extent to which one believes rewards and punishments are a result of one's own efforts (*internality*), or uncontrollable outside influences, such as chance and luck (*externality*). Hsieh, Shybut and Lotsof (1969), surveyed 239 Anglo-Americans, 343 Hong Kong Chinese and 80 American-born Chinese. They found that the Anglo-Americans exhibited a stronger belief in *internal* factors, the Hong Kong Chinese in *external* factors, whilst the American-born Chinese fell in between. The higher *externality* of the Chinese was later supported by Tseng's (1972) study using Asian and American students at an American university.

What does this begin to tell us about *purpose*, within the context of Anglo-Chinese management groups?

From the analysis so far, three potential key areas of difference have begun to emerge which may have some influence over how Chinese executives might address the issue of *purpose*, as compared to their Western colleagues:

- a greater reliance on 'gut feel', luck or fate, than careful research and analysis, to evaluate opportunities, develop strategies and support decisions;
- a tendency to consider the broader context, with particular emphasis on the 'softer' intangible issues, such as relationships, rather than a focus on the 'hard' facts of a situation; and
- an inclination towards steering clear of major change.

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[10] 'The New Asian Manager: First Pacific's mix of East and West may be a model for the future'. *Business Week,* September 2, 1996, pp. 22-25.

If these observations are correct, then within the context of an Anglo-Chinese group, one might reasonably begin to anticipate different managerial expectations amongst the members about their leader. For example, Chinese group members may experience frustration with the seeming narrowness of a Western boss who insists on dwelling on the hard data and facts to develop strategy, to the apparent exclusion of the broader, less tangible, relationship issues. In a similar vein, Western group members might find it difficult to work with a Chinese boss who seems unanalytical, dismissive of professional expertise and overly-concerned about avoiding controversy in identifying *purpose* and implementing change.

Having now considered both the Western and Chinese managerial perspectives in respect to *purpose*, three key areas of research emerge about Anglo-Chinese groups, operating within foreign multi-nationals, which represent gaps in our knowledge:

1. **What degree of emphasis do Chinese bosses in these groups place on 'intuition' and 'fate' in establishing *purpose*, as compared to their Western counterparts?**
2. **To what extent do the expectations amongst the members of Anglo-Chinese groups differ in this respect?**
3. **Amongst Hong Kong based multi-national companies, to what extent does exposure to Western and Asian business practices influence the approach of senior executives towards *purpose*?**

This leads us to the second element in the *Managership* model, the manner in which information and intentions are *communicated* within Anglo-Chinese management groups.

Communicate
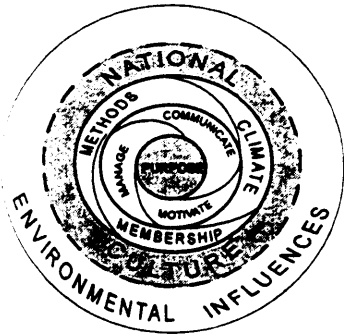
Communicate relates to the ongoing verbal and written dialogue which occurs between the leader and management group members. The dimension is directly linked to *purpose* and addresses the effectiveness by which this intent, and its supporting activities, is communicated, including the content, style and explicitness of dialogue. Amongst multi-national companies operating in Asia, English is the common language for multi-cultural teams, and is likely to remain so for the foreseeable future.

Daniels and Spiker (1987) contend that effective communication is vital in any group situation and should result in the creation of a 'shared meaning' between persons and a common interpretation of the message. It is reasonably safe to assume that Daniels and Spiker's assertion about the need for 'shared meaning' is equally applicable to multi-cultural groups, an observation which also ties in with the author's own 20 years experience of dealing with such groups. From the perspective of an Anglo-Chinese group, this then raises two important questions:

- which cultural factors, identified in the literature, potentially present blockages to effective communication within Anglo-Chinese groups; and
- what are their possible implications?

The *explicitness* of communication within mono-cultural management groups is conditioned by whether the members are predominantly 'individualist' or 'collectivist' by nature

A key aspect of culture which is reported as consistently differentiating the values of many Western cultures (e.g., UK and Australia) from most Southeast Asia cultures (e.g., Hong Kong Chinese), is Hofstede's (1980) 'individualist-collectivist' dimension. This measure has since been accepted by most established authorities in the field as an important dimension of cultural difference (e.g., Bond, 1986, 1996; Redding, 1990; Trompenaars, 1992; Kirkbride and Westwood, 1993; Lasserre and Schutte, 1995). Hofstede (1983) identified collectivist groups as being prevalent amongst Asian cultures, displaying an emphasis on

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'team' work, personalistic relationships, and a view of the organisation as a family. An individualist work group, on the other hand, is more likely to be found amongst Western cultures and will be characterised by a focus on individual performance, impersonal relationships and a limited expectation of the protection afforded by the company (Hofstede, 1983).

The evidence available tends to suggest that a work group's bias towards individualism or collectivism can have a bearing on the openness of communication. Hall (1976) provides a helpful starting point in this respect, by differentiating between 'high' and 'low-context' communication. He explains 'high-context' communication as being characterised by indirectness, implicitness and emphasis on non-verbal expressions (consistent with Smith's 1991 findings), whilst 'low' context communication emphasises directness, explicitness and non-verbal expressiveness. Gudykunst and Ting-Toomey (1988) comment that most individualist cultures tend to use 'low-context' communication, whilst the 'high-context' style is predominantly utilised by collectivist cultures, such as the Hong Kong Chinese. Gao, Ting-Toomey and Gudykunst (1996) further observe that Hall's description of high-context communication characterises the nature of Chinese communication in general.

The observations made so far begin to suggest that amongst culturally homogeneous groups, those of Western origin are likely to come to the point more quickly, be more outspoken and display more overt non-verbal behaviour, when compared to Asian groups. However, whilst going some way towards addressing Sathe's (1985) first level of culture by describing *what* behaviours might be observed, it doesn't as yet address Sathe's second and third levels, explaining *why* these occur.

The extent to which a culture is 'task' or 'relationship-driven' regulates the *manner and content* of communication

Whilst good 'relationships' are valued in all societies, what differentiates many Asian countries from those in the English speaking West, is the weight given to this particular cultural value and in turn the impact it may have on the manner in which messages, such as *purpose*, are communicated. Evidence of the importance of strong relationships, particularly amongst Chinese societies, emerges in many forms. For example, Liang (1974)

classified Chinese society as being neither individual nor society-based, but relationship-based, with the focus being not on any individual, but more on the special nature of relationship between individuals who associate with each other.

Hsu's (1971) assertion that social relationships and roles constitute the core of self in Chinese culture adds further weight to this observation. Tseng (1973) reinforces this view in noting that in Chinese society, being assertive reflects the bad character of an individual and threatens the harmony and cohesiveness of personal relations. Gao *et al* (1996) go as far as to declare that the primary function in Chinese communication is to maintain existing relationships, to reinforce role and status differences and to preserve harmony in the group.

Hofstede's (1980, 1983) 'Femininity-Masculinity' dimension helped capture the essence of this thinking in identifying Hong Kong Chinese as being more inclined to seek harmony and avoid confrontation than, for example, the British and North Americans. But it is perhaps Confucian doctrine, still believed by many to be the foundation of Chinese values and beliefs, which adds strongest support to the supposition that harmony and good relationships are a key facet of Chinese society. On this basis, one might reasonably expect Chinese executives to be less prepared to openly express points of view which are potentially controversial, for fear of damaging the relationship with an individual or group.

In Chinese culture, position and status influence *how much information is shared* with others

Western management research emphasises the importance of a two-way flow of information, advocating an honest and open dialogue between those in authority and their employees. The evidence tends to suggest that amongst purely Chinese groups, such as Chinese family businesses, there is significantly less inclination towards this openness in communication. This is linked to perceptions and expectations in regard to status and position.

Hofstede's (1980, 1983) 'power distance' dimension identifies the extent to which cultures are tolerant to differences in status. His findings, and those of others in the field, (e.g., Bond, 1996, 1991, 1986; Westwood and Chan, 1992; Redding, 1990; Lee and Yoo, 1987;

Redding and Wong, 1986; and Silin, 1976), indicate that Asian cultures in general (such as the Hong Kong Chinese) are highly tolerant of hierarchical differences. In the West, this tolerance is less so (such as with the British and Australians). With this tolerance comes an expectation about the degree of involvement a boss will allow the subordinates in the decision-making process, which generally appears less amongst Chinese groups. Bond's (1991: 83) observation of one particular Chinese cultural rule, *"honour the hierarchy first, your vision of truth second"*, helps capture some of the sentiment in this thinking.

Closely connected to subordinate involvement in the decision-making process and relevant to the issue of communication, is the extent to which senior level people are prepared to share the information they have acquired with those more junior to them. Secrecy emerges as a strong characteristic of the Chinese in this respect (Westwood and Chan, 1992). Silin (1976) comments that as a rule, Asian leaders (Chinese) will only pass information in a selective and fragmented manner to their subordinates. Redding (1990) observes that the organisational head is the only person to have the full array of information. Bond (1991) adds support to this claim in his observation that the rules, criteria and methods by which decisions are reached are not open to public scrutiny and that the intentions of the leader remain largely implicit and loosely formulated.

Chinese managers' *oral skills are less well-developed* than their counterparts in the West

Liu (1986) observes that during early education, most Chinese schools emphasise listening, memorising, writing and reading skills alone; children are in class solely to hear what the teacher has to say and not to question or discuss. This has a direct impact on Sathe's (1985) first level of culture. As a result, many Chinese children tend to have poor verbal fluency as compared to many Western children. Evidence of the relative lack of value placed on oral skills is also apparent elsewhere in the literature. Lindsay and Dempsey (1985) comment that feedback, challenging, questioning and interrupting others tends to be absent in Chinese managerial meetings, when compared to North American ones. Bond (1992) observed that amongst groups of Chinese-Western mix, the following occurs:

- Native speakers of English speak earlier than second-language speakers;
- British and American contributors speak for longer periods and often make more than one contribution, compared to Chinese speakers; and
- Chinese answers will often be judged as more general and more ambiguous than those from Westerners.

Research conducted by Wiemann, Chen and Giles (1986) indicated that the Chinese consider talk as less important than do Americans. Hildebrandt (1988) notes that Chinese managers rank oral communication skills as least important in a prospective employee's preparation for a position. Yum (1991) argues that communication in Asian cultures is primarily receiver-driven, allowing less opportunity for debate than is apparent amongst many Western cultures.

What are the implications of this within the context of Anglo-Chinese working groups?

The reader will recall that 'communication' within the context of *managership* relates to the style, content and explicitness, by which *purpose* or intent is related by a leader to a group. From the review so far, several interesting observations have emerged about the different manner in which Chinese bosses might communicate *purpose*, as compared to their Western counterparts. In general terms, the research suggests that compared to Western bosses, Chinese bosses may be more:

- vague in their explanation of the *purpose* or intent;
- selective and less open about the amount and type of information they are prepared to share with their team ;
- cautious about the possible impact of their words on the general harmony of the group;
- impassive and inarticulate in the manner in which they pass information; and
- dogmatic in their delivery.

For these observations to make practical managerial sense, it is important to consider the dimension of *communicate* in conjunction with that of *purpose.* On this basis, one can now begin to consider some of the potential cultural tensions within an Anglo-Chinese group, which in turn could affect its operational effectiveness. For example, the Chinese members

might view their Western boss' approach to communicating *purpose* as being overly ambitious, unnecessarily liberal in the amount of information released, too outspoken and generally insensitive to the broader issues. Conversely, Western members may view their Chinese boss as being unsure about what he or she wishes to achieve, awkward in expression (resulting partly from the use of their second language), uncommunicative, aloof, and unwilling to recognise the potential contribution of others.

From the perspective of an Anglo-Chinese group, which forms part of a multi-national firm, these findings highlight further gaps in our knowledge and raises the following research questions:

- **To be operationally effective, in what ways do the styles of communication required between boss and subordinates within Anglo-Chinese management groups differ from culturally-homogeneous Western groups?**
- **What are the key causes of communication misunderstandings in Anglo-Chinese management groups in regard to *purpose* or intent?**

The communication of *purpose* (explicit or otherwise) and execution of its aims are ongoing processes, which one can reasonably assume requires the co-operation of the group concerned. The Western literature strongly suggests that to obtain this co-operation, leaders must do more than *communicate* the *purpose*, they must also *motivate* the group to achieve this end.

Motivate

Motivate involves energising people to get the best out of them over a sustained period of time, whilst instilling within them a strong sense of commitment to achieve the *purpose* or intent. It also includes the actions which can be taken by a leader to encourage or discourage certain patterns of behaviour. The need for leaders to be able to *motivate* their subordinates emerges as one of the most prolific

and consistent themes in contemporary writing on leadership. Whilst the meaning of the word appears broadly common to most cultures, the ways in which leaders *motivate* are seemingly not. There is much evidence to suggest that even amongst the same culture, people are motivated by different things (e.g., Maslow, 1942; McClelland, 1953; Herzberg, 1959; McGregor, 1960; Vroom, 1964; Alderfer, 1972; Mowday, 1987).

Up until the 1970s, it was widely believed that motivation theories were readily transferable across cultures. Kraut and Ronen (1975), were amongst the first commentators to question the cultural transferability of one of the most popular motivation theories of the day, Frederick Herzberg's (1959) two factor 'extrinsic' and 'intrinsic' model. However, it was Hofstede's (1980b) declaration that Maslow's (1942) then popular dimension of 'self actualisation' reflected more the individualistic orientation of the US, than the orientation of the rest of the world, which served as the strongest catalyst for further cross-cultural research into this area.

Within the context of the *Managership* of Anglo-Chinese groups, this raises three important questions:

- How applicable are the Western theories of motivation to the Chinese?
- Where do the areas of similarity and difference lie in the motivation of Chinese and Western group members?
- What are implications of this for people leading Anglo-Chinese work groups?

The notion of 'motivation' is complex and involved, as evidenced by the plethora of theories which have been developed by Western researchers during the past fifty years. To make practical sense of these, the section will broadly categorise the theories into three groups, which for the purposes of this research will be defined as follows:

1. *Category 'A' Drivers* - Actions that modify the ways in which people behave, perhaps driven by the leader or other organisational influences.

2. *Category 'B' Drivers* - Natural desires arising from a compelling internal need or necessity, possibly socially acquired, over which the individual has limited, if any, power to resist.

3. *Category 'C' Drivers* - Self-motivated desires, derived from building up the expectation of certain favourable outcomes due to a particular course of action or actions.

This section will broadly review the Western research on 'motivation' and evaluate the findings in light of subsequent Asian-based research. From this evaluation, the section will then draw some initial conclusions about the managerial implications that these findings might hold for those who lead Anglo-Chinese work groups.

Category 'A' Drivers

The original foundation of Category A drivers evolved from the notion of *classical conditioning* (Thorndike, 1911). The key finding to emerge from this and associated theories was that learning will occur whenever a response is followed by a consequence which serves to encourage or discourage a particular behaviour. The modern variant of these principles is known as *Organisational Behaviour Modification,* which many claim is relevant to the work group situation (e.g., Fredricksen, 1982; Luthans and Krietner, 1985). Davis and Newstrom (1989), however, conclude that this modification is mainly applicable to specific areas, such as lateness, error rates etc., rather than complex areas of organisational behaviour.

So what might the findings mean in practical managerial terms? To illustrate; if a sales manager puts a lot of effort into a presentation and successfully secures a contract, the likelihood is that this level of effort will continue in the future. Even if the sales manager fails to secure the contract, but nevertheless receives high-level recognition for an excellent effort, the behaviour is likely to persist. Conversely, if the sales manager is brought before the marketing director and disciplined for having inadequately prepared, the harsh words may also have a similar impact. However, subsequent research conducted in the West suggests that positive, rather than negative reinforcement, is the most effective form of motivation (Skinner, 1969; Wiard, 1972; Podsakof et al; Luthans and Krietner, 1985).

If we are to accept that positive reinforcement (e.g. public recognition) and negative reinforcement (e.g. public admonishment) in the West can modify the ways in which managers act, which experience tells us is probably correct, then are the principles as equally applicable to Chinese managers? Westwood (1992) observes that there are likely to be important differences between the perception of what constitutes positive and negative consequences amongst different cultures. Viewed within the context of the Chinese, one particular cultural characteristic consistently emerges from the research, which is likely to have an impact on this perception, the notion of *face*, suggesting that:

- The significance which Chinese attach to *face* may influence the ways in which a leader should use positive and negative reinforcement to motivate

The existence of *face* is generally acknowledged by most cultures. Lasserre and Shutte (1995) define *face* as an individual's reputation vis a vis one's family, one's company, and one's society, as distinct from a private or individual sense of self-esteem. Amongst the Chinese, it is the social significance that is attributed to *face* that sets it apart from other cultures. Min Chen (1995) notes that the central goal of Confucianism is to achieve social harmony, which amongst other things, depends on an individual's *face*, or dignity, self respect and prestige. This involves the Chinese working towards protecting, saving, adding, giving, exchanging, and even borrowing *face*! One of the most illuminating explanations of *face* is that offered by Hsu (1971:52) who tells us that, *"face behaviour is a dominant social dynamic within Chinese culture; it is closely tied to status and social structures, and is a key mechanism for social order and harmony. Losing 'face' is the ultimate social sanction and is a real dread affecting the nervous system...more strongly than physical fear"*. The implications of this characteristic are self-evident and potentially carry across many facets of *managership*. However, it does appear to hold particular relevance for how leaders should *motivate* within the context of the Category A drivers.

W.F.Fullerton, MBE, a former Garrison Sergeant Major in the Scots Guards, and up until May 1995, head of Drill and Musketry for the Royal Hong Kong Police, provided an illuminating and earthy insight into the difference between motivating Chinese and British

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rank and file[11]. *"With a British squaddie you can tear him to bits on the square and then rebuild him from nothing...you can't do that with the Chinese... you upset one badly in front of his mates and you'll never get the bugger right again".* Negative reinforcement then, in a public forum at least, appears to be less effective with Chinese than Westerners. However, Bill Fullerton, would be the first to point out that whilst causing an individual Chinese to lose face in public is counter-productive, negative reinforcement in private confines can still be used to good effect.

On the basis that *face* is held in such high esteem, the giving of *face* may therefore have a stronger motivational impact on Chinese than Westerners, although there appears to be little evidence to support this as yet. What the research does suggest, however, is that the manner in which recognition or reward is given, can affect *face*. From the research currently available, we can reasonably assume that certain Confucian values, or at least Chinese traditions, still permeates Overseas Chinese everyday working and family life (Redding, 1990; Bond, 1991). Amongst the Confucian values apparently still held dear by many Chinese, are those of humbleness and non-competitiveness (Chinese Culture Connection,1987). Linked to this observation, Bond, Leung and Wan (1982) have documented Hong Kong Chinese as liking self-effacing people more than self-enhancing, even though the latter are perceived as more competent. However, the overt displays of wealth which one continually experiences amongst the rising middle class in Hong Kong, suggests a changing trend in values[12], which will be explored later in this chapter.

Despite this apparent contradiction, there is enough evidence to suggest that the importance attached to *face* by the Chinese can influence how a leader should use Category A drivers to *motivate*. We can also reasonably assume that the behaviour modification principles described are transferable across different cultural groups, but that the nature of these reinforcers, and manner in which they are applied, are likely to differ. For example, with Western managers it appears that public recognition can act as a powerful modifier of behaviour. The key question therefore emerges as to what types of reinforcer and manner of delivery works best with Chinese managers?

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[11] Fullerton, W.F. (January, 1995). Interview with the author at the RHKP Training School, Aberdeen, Hong Kong.

Category 'B' Drivers

Whilst Category 'A' drivers can be thought of as actions proactively taken by a leader to encourage or discourage certain behaviours in an individual, Category 'B' drivers work on the basis that human beings have specific and identifiable *needs* which to a large extent develop naturally. Through an understanding of what these needs are, leaders should in theory be able to provide the right climate and opportunities within a group to satisfy these *needs* and as a consequence, *motivate* their staff to achieve the *purpose*.

Four theorists emerge as being prominent in this area; Maslow (1942, 1954), McClelland (1953, 1961, 1985), Hertzberg (1959), and Alderfer (1972). Until relatively recently, it was generally accepted that the 'needs' identified by these authorities were common to all cultures. Indeed a cursory scan through the management syllabus of many college text books suggests that this belief persists. In keeping with Category A drivers, whilst the principles may be common to most cultures, it is the specific 'needs' which appear to differ. One of the most widely critiqued theories is Maslow's Hierarchy of Needs (1942).

• Needs tend to be culture-specific

Maslow (1942) identified five levels of human need; the most basic level being physiological and the highest 'self-actualisation', which is related to significant betterment of oneself (e.g., undertaking a Ph.D). Maslow believed that human beings had to firstly satisfy one level of need before moving onto the next. His model quickly gained popularity and before long found favour amongst teachers of management. In fairness to Maslow, his model was intended more as a thinking tool, than technique on how to motivate and indeed he was one of the first to state that it didn't apply to everyone. However, at the time, and in the absence of much else, it made a lot of sense and is still widely referred to today.

The main general criticism of Maslow's model was that cultures with different value systems tended to emphasise different needs. The first indication of this emerged from the work of Barrett and Bass (1976), who identified differences in the pattern of psychological need

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[12] Richard Lee, CEO of Jardine International Motors Ltd, February, 1996, Jardine Senior Managers' Meeting, Hong Kong: *"One in every nine cars currently on the road in Hong Kong is one of our Mercedes".*

between developing and developed countries, in which the struggle for food, clothing and shelter (Maslow's first level) was of paramount importance amongst developing nations. Hofstede (1980b) highlighted 'self-actualisation' as reflecting a strong individualistic and culturally-driven concern for personal development and growth, which amongst collectivist societies, such as Chinese, is believed to be less important.

However, this observation may be slightly misleading when one considers the importance which the Hong Kong Chinese, for example, assign to study and the achievement of qualifications. Redding's (1980) survey of Chinese middle managers provided some clarification in this respect, showing that whilst 'self-actualisation' was ranked as the most important need amongst the Chinese, the gap between this need and social need was significantly less than was evident amongst the Western sample. Interestingly, a decade earlier Hsu (1971) offered a distinctly Chinese perspective of what motivates, which builds on Redding's identification of the importance of social need amongst the Chinese. Identifying three basic needs; *sociability, security* and *status,* Hsu argues that each is satisfied through interpersonal interaction. Yang (1981:161) adds to this in noting that amongst the Chinese the need is *"...for a person to act in accordance with external expectations or social norms, rather than with internal wishes or personal integrity...",* which is in sharp contrast to the Western perspective, which centres around the individual.

The work of Alderfer (1972) builds on that of Maslow. Alderfer identifies three basic needs; *existence, relatedness* and *growth,* which broadly corresponds to Maslow's various levels of need. However, he offers an interesting perspective suggesting that the less a higher order need is satisfied, the more lower order needs are desired. Looked at in another context. The Chinese family businesses in which major decision-making is confined to the very top of the organisation hence possibly limiting professional development and *growth,* the social dependence (*relatedness*) becomes more exaggerated, than perhaps one would expect to find within a more open regime of many Western multi-nationals.

A study conducted by Graham and Leung (1987) added further support to the supposition that different cultures are motivated by different needs. A sample of Hong Kong Chinese middle managers were asked to rank 20 work-related items in order of their perceived motivational importance. These findings were then compared with similar studies done in

Australia and the US by Dowling and Nagel (1986), in which both countries yielded the same top four results. Items considered most important in order of priority were:

Hong Kong	US/Australia
1. Financial reward	Challenging work
2. Advancement	Advancement
3. Challenging work	Financial reward
4. Job security	Job security

Viewed within the context of Maslow and Alderfer's frameworks, we can begin to see that whilst all individuals have 'needs', the nature and importance which they are assigned will differ according to the culture. Amongst the Chinese, the need to be socially accepted appears to carry proportionately much greater importance than what one would expect to find amongst many Western cultures. However, Alderfer's observations regarding the reversion to lower order needs may have some bearing on this observation. The *acquired* needs approach proposed by McClelland (1953, 1961, 1985) offered a different perspective for practising managers:

- There are three specific areas of need; *Affiliation, Power,* and *Achievement*, all of which are socially acquired and therefore culturally conditioned

Whilst Maslow emphasises the importance of firstly satisfying the lower order needs, McClelland (1953) takes these as a given, making his model more readily applicable to people holding managerial positions. In identifying *Affiliation* needs (nAff), he suggests that humans develop a socially acquired desire to be associated with others, to be liked and to have a sense of belonging. Linking this observation to the importance some societies place on sociability, particularly Asian, one immediately begins to see how cultural values may potentially exert an influence over the nature of need to be satisfied. The second need, *Power* (nPow), relates to the desire to be in control of situations and people. This driver can again be linked to Hofstede's 'Power-Distance' dimension, which suggests that amongst many Asian societies, including the Hong Kong Chinese, the drive for nPow may be greater than what one might expect to see in societies such as Britain and the US. This is also

reflected to some extent by observation that many Chinese harbour a strong desire to eventually own a business (Redding, 1990), which in turn is linked to the third area of need, *Achievement* (nAch).

The nAch dimension is probably the most widely researched of the three and has resulted in some conflicting findings. McClelland describes nAch as the desire for people to take on challenging tasks and through their own efforts, complete them. Whilst not directly addressed, from a managerial perspective one can assume that this desire would also include getting the task done through others, providing the ultimate responsibility for success lies with the manager concerned.

Hofstede (1984) expresses some scepticism about McClelland's theory, believing that the word for 'achievement' is not readily translatable in many languages and holds different meanings for different cultures. He illustrates this by drawing on his own framework and arguing that high nAch correlates with cultures which show a combination of weak 'Uncertainty Avoidance' and strong 'Masculinity', i.e., a willingness to accept risk, coupled with a concern for performance. This combination is found amongst such societies as the Americans and British, but also with the Hong Kong and Singaporean Chinese (both showing weak UA and moderate 'Masculinity'). However, the Taiwanese Chinese findings tend to show the opposite (strong UA and Femininity), suggesting that considerable differences occur even amongst the overseas Chinese, making it dangerous to generalise. The picture is further confused by the findings of other studies, including those of Watrous and Hsu (1963), in which the Hong Kong Chinese students showed lower nAch scores than their American counterparts.

Some clarity is brought to the *Achievement* debate by Yang (1982), who makes a distinction between two forms of nAch: 'individual-oriented' and 'social-oriented'. In the former case, the orientation emphasises independence and reference to own standards, whilst the latter is more aligned to dependency and reference to group standards, as evident amongst collectivist cultures such as the Chinese. This tends to tie in with an observation by Abbott (1974), who suggests that amongst Chinese cultures, achievement is via conformance, whilst amongst Americans it is via independence.

The evidence then suggests that *Affiliation, Power* and *Achievement* can mean different things to different cultures and that, for example, a manager driven by high nPow, who McClelland (1975) would identify as being characteristically successful in the West, may not be so elsewhere. Other findings point fairly strongly towards social acceptance as being a significant motivational driver amongst many Chinese societies. However, the practical applicability of McClelland's approach to the motivation of a management team, particularly one of mixed culture, remains vague. The work of Frederick Herzberg and his colleagues in the late 1950's, based on a study involving engineers and accountants, offered a more tangible alternative in proposing specific areas, which could be addressed by a leader to *motivate* the members of his or her group.

- Within a work context, the presence of certain factors can serve to strongly *motivate* people towards achieving *purpose*, whilst the absence of other factors may de-motivate

The findings of Herzberg *et al* (1959) were to have a major influence over the ways in which people thought about motivation in the work place. The studies identified two broad human needs; the need to avoid discomfort, and the need to develop psychologically ('self-actualise'). Herzberg referred to the first set of factors as *hygiene* factors, which included such tangible aspects of working life as salary, working environment, company policies, benefits, and to an extent, relationships with bosses, peers and subordinates. The second set were described as *motivators*, which were far more intrinsic in nature and linked to such aspects as recognition, responsibility, feeling of growth, career prospects, and so on. Subsequent studies (Herzberg, 1968) provided further insight into what specific factors were considered to be motivational, and which de-motivational. On the basis of these findings, managers were able to rethink such issues as job design and take practical actions as a result. Herzberg (1966) was able provide a great deal of supporting evidence in terms of the applicability of his findings to both different occupational and cross-cultural situations. Other researchers were less convinced, particularly in respect to the cultural context.

For example, a study by Simmonetti and Weitz (1972) of Japanese subjects, indicated that both the extrinsic (*hygiene*) and instrinsic factors were equally important in motivating people to achieve. A survey conducted in China by Yu (1991), involving 17 Shanghainese

enterprises (544 persons), asked respondents to identify 'motivators' and 'de-motivators' in their work. A key element to emerge from this study was that, for example, 'fair rules and regulations' were considered motivators, whilst at the opposite end of the scale unfair rules etc. were described as de-motivators. The research findings with Western subjects point fairly conclusively towards such factors as achievement, recognition, nature of the work, responsibility, and so on, as motivating people. However, national culture does appear to have a bearing on which factors *motivate*, suggesting that it would be valuable to be able to establish what this might mean for Hong Kong Chinese managers/professionals.

It appears apparent from both the Western and Asian research that all humans have 'needs' which they strive to satisfy. These needs, however, seem to be inextricably linked to the cultural values, beliefs and expectations of the culture concerned. Several 'needs' emerge amongst the Chinese as being predominant, notably the desire to give, sustain and acquire *face,* and particularly the need to maintain harmony and good relations with others whom they come into contact with. These socially-driven desires also suggest that what might be viewed as sources of dissatisfaction (*hygiene* factors) amongst Western managers, may be considered as motivators to their Chinese colleagues, creating an interesting dynamic in terms of motivating an Anglo-Chinese group. As reflected earlier, expectations of the individual concerned represents an important aspect of motivation and leads us to the third category of motivational drivers.

Category 'C' Drivers

Expectancy theories represent the third broad category of motivational drivers. How they differ from the other two categories is that they are in a sense self-generated and driven. One occasionally hears about a person being described as 'highly self-motivated', a term which helps captures the essence of this theory. These type of people are much sought after by group heads and represent an important asset to any team. The theory, originally proposed by Vroom (1964), suggests that the amount of effort a person will put into a task will depend on a person's evaluation of a combination of factors. These factors include, the likelihood of achieving a high level of performance from that degree of effort (*expectancy*), the chances that it will be recognised (*instrumentality*), and the degree of importance that a

particular outcome holds for the person concerned (*valence*). Vroom presented these interconnected factors as a formula:

$$\text{Force} = \Sigma \text{ expectancy x instrumentality x valence}$$

Porter and Lawler (1968) refined Vroom's model in adding that performance level depended not only on effort, but also the skills and intelligence of the person concerned, coupled with the support of the organisation (e.g. the boss setting clear goals). Drawing on the work of Herzberg *et al* (1959), they also touch on the issue of intrinsic and extrinsic rewards (*valence*), and how people value these differently. Westwood (1992) makes an important point that the outcomes are highly subjective in nature and that all the factors described are based on a person's perception of the situation.

- A person's level of drive is dictated by their perception of the value of the reward and the degree to which they believe their own efforts will dictate outcome

From a cultural perspective, this observation has important implications, which also emerged in our review of the Category 'A' and 'B' drivers. Our earlier investigations indicated that perception of a situation is culturally-bound, suggesting that different people are likely to be driven by different rewards. Vroom's expectancy theory is very much linked to the probability of future outcomes, raising a second question about the amount of control a culture believes it has over the environment (see the earlier discussion on 'Luck or Fate') and therefore its level of commitment to certain courses of action. There has been seemingly little research conducted into the validity of the expectancy theory in Asia, although a study by Matsui and Terai (1975) suggests that the approach is applicable to Japan.

Viewed within the context of its applicability to Hong Kong Chinese executives, the expectancy theory raises further questions about the factors a leader needs to consider in order to effectively *motivate* the Chinese members of his or her group. These considerations include, the degree of importance which is likely to be assigned to a particular form of reward, the extent to which it is believed that fate or luck dictates outcome, and how much bearing cultural influences, such as the need to conform to group

particular outcome holds for the person concerned (*valence*). Vroom presented these interconnected factors as a formula:

$$\text{Force} = \Sigma \text{ expectancy} \times \text{instrumentality} \times \text{valence}$$

Porter and Lawler (1968) refined Vroom's model in adding that performance level depended not only on effort, but also the skills and intelligence of the person concerned, coupled with the support of the organisation (e.g. the boss setting clear goals). Drawing on the work of Herzberg *et al* (1959), they also touch on the issue of intrinsic and extrinsic rewards (*valence*), and how people value these differently. Westwood (1992) makes an important point that the outcomes are highly subjective in nature and that all the factors described are based on a person's perception of the situation.

- A person's level of drive is dictated by their perception of the value of the reward and the degree to which they believe their own efforts will dictate outcome

From a cultural perspective, this observation has important implications, which also emerged in our review of the Category 'A' and 'B' drivers. Our earlier investigations indicated that perception of a situation is culturally-bound, suggesting that different people are likely to be driven by different rewards. Vroom's expectancy theory is very much linked to the probability of future outcomes, raising a second question about the amount of control a culture believes it has over the environment (see the earlier discussion on 'Luck or Fate') and therefore its level of commitment to certain courses of action. There has been seemingly little research conducted into the validity of the expectancy theory in Asia, although a study by Matsui and Terai (1975) suggests that the approach is applicable to Japan.

Viewed within the context of its applicability to Hong Kong Chinese executives, the expectancy theory raises further questions about the factors a leader needs to consider in order to effectively *motivate* the Chinese members of his or her group. These considerations include, the degree of importance which is likely to be assigned to a particular form of reward, the extent to which it is believed that fate or luck dictates outcome, and how much bearing cultural influences, such as the need to conform to group

norms, might have on the amount of effort an executive is prepared to commit. As we dig deeper into the issue of motivation, it becomes increasingly apparent that different cultures may need to be motivated in different ways, which in turn could give rise to perceived disparities in reward between group members.

- People expect to receive rewards compatible to others who perform a similar task.

Equity theory (Adams, 1963; Mowday, 1987), describes a motivational driver which is familiar to most people in managerial positions. As the name suggests, it is concerned with fairness and balance in the way people are compensated for their efforts. In enlarging on the theory, Westwood (1992) explains that people are motivated when they perceive that their own level of reward is in line with others who perform to a similar level, in a comparable job or task. A person's self-perception, however, plays an important role in determining the value of a particular reward, be it economic or developmental in nature.

Even amongst the same cultural group, what is seen as 'reward' is likely to differ between individuals. For example, an unambitious young office clerk may be more excited and driven by the prospect of a big bonus than another employee who has been promised sponsorship at some local college or university. Both perceive their rewards as equitable and are therefore motivated to a similar level. Culture, however, may serve to exaggerate perceptions. Again drawing on the findings of Redding (1980), we find that Hong Kong Chinese managers attach relatively greater value to the relationship aspects of a job than do their Western colleagues, and may therefore take this into account in their overall evaluation of equity.

There is, however, evidence to suggest that differing cultural values may serve to influence the degree of tolerance a person may have for inequality in this respect. For example, the claim that the Chinese are inclined to avoid conflict and maintain harmony, suggests that they are less likely than many Western managers to openly voice their discontent about any inequity. This view is supported by Yu's (1991) findings, conducted in China, which indicated a willingness to accept some degree of difference before speaking out. However, it is important to bear in mind that silence doesn't mean that somebody is necessarily content, particularly in Asia.

From a practical perspective, the main learning to draw form these observations is that rewards are perceived differently between cultures, but that silence doesn't signify satisfaction, particularly amongst the Chinese. From the point of view of a boss, the key challenge appears to lie in being able to identify what motivates the different individuals and then trying to achieve a balance of drivers within the group that are viewed as equitable and therefore motivational.

The reader will recall that the dimension of *motivate* relates to the actions which a leader can take to develop commitment amongst a group of individuals to a *purpose*, and in turn get the best out of them over a sustained period of time. The overriding observation to emerge from this review is that 'perception' of what is important plays a vital role in determining the strength of a driver, and that the cultural values and beliefs described in Sathe's (1983) third level, are likely to exaggerate these perceptions. Whilst most of the principles described appear to be broadly applicable to the cultural groups studied, the nature of the motivational drivers and the manner in which they are applied will differ.

Looking at this from a practical perspective, the existing research primarily addresses the manner in which Western leaders *motivate* Western subordinates. However, the review has also provided insight into the different ways in which a Chinese boss might *motivate* a Chinese group. These include:

- the promise of acceptance into the in-group as a reward for performance and loyalty;
- careful attention to *face* as an implicit means of maintaining compliance and control;
- but with less inclination towards open recognition;
- greater effort directed towards creating a harmonious and conflict-free environment;
- strong reliance on group social norms to modify individual behaviour; and within the context of Hong Kong,
- possibly a stronger reliance on the promise of financial reward to encourage performance.

What might be the implications of these findings for Hong Kong Chinese or Western managers who lead and are required to *motivate* Anglo-Chinese management groups? In

general, the findings begin to suggest that Western group members may view their Chinese boss as being over-directive and discouraging of involvement in the decision-making processes. Furthermore, they may be restrictive in allowing opportunity for growth, averse to take firm action with poor performers, seemingly reluctant to give credit where it's due, and inclined to 'play favourites'. Conversely, Chinese members of the group may view their Western bosses as heavy-handed and unsubtle in the ways they encourage or discourage certain types of behaviour. They may also be seen as insensitive to the impact of their words and actions on relationships, over-generous and as a result seemingly insincere in their use of compliments, and inclined to undervalue the motivational effect of certain of the hygiene factors, e.g., relationships and money.

Within the context of motivating members of Anglo-Chinese groups, these observations raise several important research questions:

- **Do any motivational drivers exist which are common to both cultural groups and are equally valued by Hong Kong Chinese and Western (i.e. native English speakers) executives?**
- **Where do the major areas of difference lie, which could be potentially demotivating to one or other of the cultural groups concerned if not recognised by the leader?**
- **To what extent does the corporate culture of an organisation modify and merge cultural expectations of what is a fair and equitable reward for performance?**

Thus, up to this point, we have looked at the three key elements which are commonly identified by the contemporary Western literature as being part of 'leadership'. These include, the importance of identifying *purpose* or intent, the need to *communicate* this message to the group, and in turn *motivate* the members to achieve this end. The fourth element in the cluster of 'leadership' activities is one often ignored by the literature, but nevertheless seen as a vital element in the broader process of *Managership*; the need to *manage* these three elements.

Manage
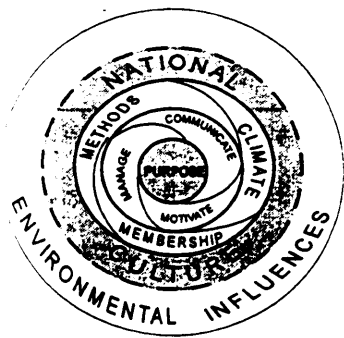
The *manage* dimension relates to the actions and personal approach adopted by a leader to establish *purpose*, *communicate* this to the group, and *motivate* the members to achieve this end. The term *manage* in this context therefore refers to the style an executive adopts to address the core activities of problem-solving, decision-making, and planning in relation to the implementation of the processes described.

The aim of this section is therefore to investigate:

- whether there is any evidence to suggest any fundamental differences between the ways in which Western and Hong Kong Chinese solve problems, make decisions and plan;
- how culture might influence the 'style' of approach; and
- what the implications of this might be for Anglo-Chinese groups.

The role of Problem-Solving, Decision-Making and Planning

Problem-solving, decision-making and planning (*manage*) all have a direct bearing on the three other dimensions described. The functions draw heavily upon the technical skills (industry specific), commercial expertise (finance, marketing, etc.) and experience of the manager, to help identify and articulate the exact nature of a problem or opportunity, make a decision, formulate a plan, and then execute it through the processes of communication and motivation.

To illustrate; a CEO and his team may discover that due to increasing competition, the margins on the services which their company offers have tightened to such an extent as to render them largely unprofitable. In response, the top team generates a number of potential options to address the problem. These include; reducing overheads, modifying the services, and even abandoning them all together. In the end they decide that the best strategic option is to try and market the company's services overseas. This thus becomes the core *purpose* for the company and all subsequent 'managerial' activities (such as

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problem-solving, planning, budgeting, staffing, and monitoring, etc.) would be guided by this direction.

Adler (1991) identified several steps in the problem-solving, decision-making process (derived from studies of Western subjects) that offers a useful framework to help us explore the cultural perspectives. She singles out five key sequential steps in the problem-solving/decision-making process, which have been expanded to aid understanding:

- problem recognition (identifying the *purpose*)
- information search (acquiring the facts)
- construction of alternatives (generating options)
- choice (making the decision)
- implementation (planning and execution)

Problem Recognition

The reader will recall cultural values and beliefs relating to change, pragmatism, intuition and luck, can all have a bearing on an executive's perception of a situation. The underlying message, reflected in the research to date, suggests that the Western inclination is to actively look for a problem and address it, whilst the Chinese are more inclined to allow issues to take their natural course. Hsu (1970), for example, argues that the Chinese have a tendency to tolerate the situation as it is, rather than try to change it. The roots of this inclination appear to partially evolve from Taoist doctrine. Taoism, and other closely associated beliefs (such as Buddhism), are still widely 'practised' in Hong Kong, as evidenced by the proliferation of effigies and symbols apparent in shop doorways, on the walls of small businesses and in the many temples of the territory. The basis of Taoism is a fundamental belief in the balance of nature (*yin* and *yang*) and the need to 'go with the flow', so to speak.

This belief gives rise to the principle of *wu-wei*[13], or 'active not-doing' (Redding, 1991). The concept is derived from what is undoubtedly one of the most widely read pieces of classical Chinese literature, Lao Tzu's (1972) *Tao Te Ching* (literally translated as 'how things happen'), which was originally published in the 6th century B.C. There are several

translations of this book, all of which strongly reflect the principle of *wu-wei*. Chang (1975:6), for example, highlights that *"the wise deals with things through non-interference and teaches through no-words"*, whilst the Feng and English (1972:5) translation identifies that *"if nothing is done, then all will be well"*. The extent to which these beliefs have carried through to modern society remains highly questionable and it could be reasonably argued that 'non-action' is derived more from a need to maintain harmony than adhere to somewhat obscure Taoist principles. Nevertheless there is evidence to suggest a stronger belief in fate in Asia than the West (see the earlier explanation of *fung shui*). These fairly common, semi-religious beliefs and superstitions may help provide further explanation as to why the Chinese are generally seen (by mainly Western researchers at least) as being less proactive than their Western counterparts in addressing problems.

This observation also suggests that what Westerners may perceive as a problem, the Chinese might not. Steers (1989) comments that culture influences how people define problems and that some practices which may be perceived as irrational in the Western world, might be considered totally rational to Chinese people. Kirkbride and Westwood (1993) pinpoint three interrelated factors which may influence the perception of how a person sees a situation or problem, and then addresses it, which they term 'causality'. The first of these factors relates to the perception of the problem. As reflected earlier in the chapter, the Chinese have been described as a 'high context' society in which relationships, situations and events are viewed within the context of which they happen.

In other words, rather than clinically viewing a problem in isolation, as is claimed to be the case with Westerners, the tendency of Chinese is to take into account a complex web of other factors, such as personal relationships, in deciding whether something is a problem or not. Thus to illustrate, a very long-serving member of a company who is clearly inept is likely to be fairly promptly removed from a Western firm, whilst this will not necessarily be the case in a Chinese firm.

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[13] Watts (1975) translates *Wu* as 'not', and *Wei* as 'forcing or meddling'.

Information Search

Indirectly connected to contextualism is the inclination of Westerners, in evaluating a situation, to dissect the problem into 'bits' (Kirkbride and Westwood, 1993), unlike the Chinese, who purportedly adopt a more holistic, 'catch-all' approach. Wright (1977) claims that these factors give rise to a Western 'probabilistic' style of thinking, largely alien to the Chinese, whereby past and present events are extrapolated into the future. This in turn gives rise to a sequential and linear approach, which tries to identify the relationship between cause and effect. The managerial implications of this apparent difference in approach are hinted at by Graham and Tuan (1988) and Leung (1987). They claim that Chinese managers are more likely to stay tuned into concrete events through informal contacts and intuition, than through systematic, analytical and quantitative acquisition of information and data; a belief also shared by Adler (1991). The extent to which this is applicable to Chinese managers operating in developed societies, however, remains unclear. For example, Tse, Lee, Vertinsky and Wehrung (1988) found that in making marketing decisions, Chinese executives from the PRC were less likely to attempt to control the environment, collect information relevant to decisions and develop alternatives, than were executives from Canada and Hong Kong. Amongst other things, this begins to suggest greater similarities between Westerners and Hong Kong Chinese, than PRC subjects.

The extent to which Chinese managers are inclined to draw on the knowledge of others for information has also been the subject of much research. Erez (1992) comments that in Western organisations, participatory management is considered motivational because it supports the culturally espoused values of democracy and individual expression, which is in sharp contrast to Chinese organisations. Extensive research by others supports this view. Surveys across a substantial cross section of Hong Kong and Singaporean managers indicated that Chinese managers in general were more directive and less ready to consult (Deyo, 1976, 1978; Redding and Casey, 1975; Redding and Richardson, 1986). However, an extensive longitudinal study by Wang (1989) involving nearly 400 PRC managers suggested that these managers were generally positive towards participation, even though not actively practising it. Hui and Tan (1996) comment that in light of Hong Kong's frequent and intensive exposure to Western culture, participatory management may be more widely

practised here than, for example, Taiwan where the Confucian philosophy of hierarchical relationship has retained a much stronger hold. Adler's (1991) third stage in the process of problem-solving/ decision-making is to generate options or alternatives, which specifically address the problem identified during stage one.

Construction of alternatives

This particular stage of the process deals with the ability of a manager to generate a number of courses of action to address a particular problem or opportunity. Aptitude in this area is inevitably linked to the extent of a manager's existing knowledge about a subject; whether it be about finance, marketing, the competition, or whatever. Indeed, Senge (1996)[14] goes as far as describing knowledge as being *"the capacity for action"*. Nevertheless, culture appears to play an important role in how this knowledge is collected and used to create alternatives. Adler (1991) observes that future-oriented cultures (typically Western cultures) tend to create more 'new' alternatives, whereas past-oriented cultures (typically Asian) often search for a historical precedent.

Some support for this observation is found in a study conducted by the INSEAD Euro-Asia Centre (Pan and Vanhonacker, 1992) involving 96 Chinese business students in Beijing and 96 American business students in Chicago, (with the Chinese version of the questionnaire being an exact translation of the English). The findings tended to show that there was a greater tendency amongst the Chinese to emphasise status quo and discourage innovative thinking. A study by Phillips and Wright (1977), examining cultural differences in probabilistic thinking between British, HK, Malaysian and Indonesian students, indicated that Southeast Asians tended to view the world in terms of certainty or total uncertainty. When asked to make probabilistic estimates, these tended to be less accurate than those made by the British students, due in part to the relatively smaller number of 'pros and cons' generated by the Southeast Asians.

More recent research into probability judgement, continues to support the view that the Chinese are inclined to generate less alternatives in response to a situation or problem

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[14] Senge, P. 'The First 'Worldwide Lessons in Leadership". How to Create Unstoppable Teams'. Conference, Hong Kong, 13 September, 1996.

than their Western counterparts. Yates *et al* (1990; 1992) believe that this in part stems from the Chinese education system, which generally discourages open debate and critical thinking, whilst continuing to follow the Confucian ideal about striving to achieve a greater understanding about what is already known, rather than not known (Hwu, 1993). This situation persists in Hong Kong primary and secondary schools today and is openly acknowledged by many Chinese managers as carrying through to adult life. Nakamura's (1964:343) earlier observation that *"etymologically, the Chinese word 'to learn' has no other meaning but 'to imitate' "*, offers an interesting perspective in this respect. Inevitably, lack of critical thinking is also likely to influence Adler's (1991) fourth stage, the decision about which particular alternative or course of action to follow.

'Choice' (or decision)

The cognitive process of making a 'choice' or decision about which alternative to choose is likely to be influenced to some extent by cultural values and beliefs. These influences would include values and beliefs related to hierarchy, risk, the past and future, fate, and decision-making style.

The research findings concerning hierarchical differences between Western and Chinese managers are now fairly well documented (e.g. Yang, 1993; Hofstede, 1991; Redding and Wong, 1986). In essence, these findings indicate that compared to Western societies, Chinese societies are sharply hierarchical, involving clear mutual obligations, behavioural norms and standards. The possible net result of all these factors is an inclination amongst Chinese senior managers to take decisions largely independently, with relatively little reference to the views of their staff, coupled with a similar expectation from their staff.

The second factor, 'risk', relates in part to the extent to which cultures are able to tolerate risk, which can be crudely interpreted as the willingness at an individual level to make decisions. Hofstede's (1991) 'Uncertainty Avoidance' (UA) dimension is closely related to risk and offers some insight in this respect. His earlier research, which included the major overseas Chinese communities, identified Singaporeans and Hong Kong Chinese as being relatively weak on the UA dimension and similar to the native English-speaking Western societies (e.g. British, Americans, Canadians, Australians, and New Zealanders), whilst the

Taiwanese tended to display stronger UA tendencies. However, in partial contradiction to this finding, the Chinese Culture Connection study (Bond, 1987), discussed later, failed to identify UA as being a key dimension of culture. Thus up to this point, the indication is that whilst Western and Chinese managers may exhibit a similar degree of willingness to take a decision, the extent to which they are prepared to confer with subordinates may differ.

Drawing on the views of Zhang (1992), Yates and Lee (1996:348) have coined the term 'folk precedent matching' to describe the notion of cultures who tend to draw heavily on collective past experience and knowledge to guide their decision-making. This observation appears to coincide with Adler's (1991) categorisation of past and future-oriented cultures. The authors note that decision theorists (e.g. Hogarth, 1981; Klein, 1993) are beginning to acknowledge that decision-making happens according to three distinct modes; analytic, rule-based, and automatic. The authors assert that whilst the Western scholarship tends to focus almost exclusively on the analytic mode, the Chinese tendency is towards rule-based decision-making. This focus even extends to the use of rules which find their origins in folk history; an observation which also emerged in this chapter's earlier discussions on 'Luck or Fate'.

Closely associated with decision-making modes, is style. Two relatively recent studies (Zhang, 1992; Furnham and Stringfield, 1993) suggested large differences in the decision-making styles of Chinese and non-Chinese, which are quite contrary to the relatively well-established research findings on contextualism. The implications of these findings were that the Chinese decision-making style tended to be highly dispassionate and 'rationalistic', tending to rely heavily on objective, situational facts, rather than people's feelings. Some explanation for this apparent contradiction may be drawn for Triandis *et al* (1988) and Yen *et al* (1991), who identified that people from collectivist cultures (such as the Chinese) tend to behave in extremely individualist ways when dealing with members of out-groups (as opposed to family and close associates). This may also help to explain much of the highly individualistic behaviour (interpreted as 'rudeness' by tourists!) which one encounters in Hong Kong's day to day public life.

Implementation

The final stage of Adler's (1991) model, 'implementation', relates to the planning and subsequent execution of the plan through the processes of *communication* and *motivation*, which have already been discussed. Culture undoubtedly has some influence over the approach adopted in the planning stage. For example, Graham and Tuan's (1988) studies of Chinese organisations highlight the absence of systematic, long-term and quantitatively based planning, which corresponds with the observations of Redding (1991). Cultural issues already discussed, such as intuition, fate, hierarchy, willingness to share information, precedent, and *wu-wei*, are all likely to impact on the ways in which a particular culture approaches the planning process.

Connected to the planning process is the Chinese notion of 'time', which is seemingly different to their Western counterparts. Kirkbride and Westwood (1993) describe Westerners as seeing the notion of time as linear and monochronic, whilst the Chinese perceive it as polychronic and cyclical. In practical terms, the polychronic conceptions of the Chinese tends to stress the involvement of people and completion of transactions, rather than adherence to preset schedules. Redding and Martyn-Johns (1979) also recognised this difference in thinking, believing it to manifest itself in a Chinese tendency to undertake several tasks at once, rather than adopting a sequential order. Fundamental differences in this respect are also believed by many observers in Hong Kong to have contributed to the eventual breakdown of the Sino-British negotiations on the future of the Territory.

However, this is not to say that the Chinese lack a long-term perspective. In fact quite the opposite. The Chinese Culture Connection (1987) identified that Confucian values as being built around a long-term perspective. As a result, many Asian countries have found it difficult to assimilate the Western emphasis on short-term results. Swerczek and Hirsch (1994) have noted that one of the key features in joint venture failures between Europeans and East Asians has been differences in time expectations.

- The implications for problem-solving, decision-making and planning in Anglo-Chinese working groups

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The functions of problem-solving, decision-making and planning therefore play a key role in how a leader *manages* purpose and its implementation through the processes of communication and motivation. The inferences to be drawn from the research so far suggests that in problem-solving, decision-making and planning the Chinese, compared to their Western counterparts may:

- perceive the magnitude, urgency, or relevance of a 'problem' (e.g *purpose)* differently;
- be more inclined to react to, rather than proactively search out a problem;
- prefer to address problems in a holistic and contextual, rather than analytical way;
- be less prepared to with consult others;
- draw more on 'gut feel' and personal knowledge, than carefully researched facts;
- produce fewer options to address a problem;
- rely more on past precedents and luck, than probability, in making decisions;
- be naturally less systematic, more structured, and more holistic in their planning; whilst
- also being more inclined to adopt a long-term perspective.

Like many of the observations made so far, the extent to which these particular values and beliefs are applicable to modern day executives, operating in a dynamic business context, have yet to be determined. Indeed, from a practical perspective, it is possible that the differences between individuals may be as great as the differences between cultures. However, one can begin to predict some of the possible cultural tensions and misunderstandings created by such a situation. For example, Chinese group members may perceive Western bosses who draw heavily on the team's ideas and insist on going through all the options in great detail, as overly-cautious, lacking in confidence, and indecisive. Alternatively, Western group members may view Chinese bosses as reactive, vague, and somewhat limited in their horizons.

As mentioned at the start of this chapter, the need for the group head to establish *purpose, communicate* these intentions to the group members, and *motivate* them to achieve this end, are all broadly viewed as interactive 'leadership' issues. In a sense, these represent the tangible aspects of what a manager must 'do' in order to have the members of the group operate effectively. However, these actions in themselves are unlikely to be sufficient

to guarantee success. The interpersonal approach or 'style' of the leader, which underpins much of what he or she does, is also likely to have an important influence over the level of commitment to the cause.

<u>Management style</u>

A great deal of attention has been given to the issue of leadership or management style (often used interchangeably) in the Western literature. Most of this research is based on studies of Western managers, largely initiated by the work of Bales in the 1950's and then developed extensively by researchers in the 1960's. However, arguably the most practical research, from a management development perspective, emerged from the work of Hersey and Blanchard (1977), who linked style to situation.

In broad terms, 'style' relates to the degree of control a manager exerts over the activities of others, and the extent to which he or she is prepared to consult during the problem-solving, decision-making and planning processes. In this respect, style cuts across all aspects of *Managership.* The behaviours associated with style are in turn seen as being contingent upon the situation, such as the level of experience of the subordinates and other extenuating circumstances. This section sets out to identify whether existing research has identified any broad tendencies or general characteristics in style amongst Chinese managers, which are different from those observed in Western managers.

One of the strongest and most consistent cultural values to emerge from the research is the generally higher level of acceptance of hierarchical position in Chinese society, when compared to the West (e.g. Hofstede, 1980). However, this is not to say that the Chinese necessarily err towards an autocratic style of management. A number of attempts have been made to identify whether a distinct form of Chinese leadership style exists. Bond (1996) comments that US theories tend to stress the individual, personal styles of behaviour, which are generally directed towards self-interest, generally failing to take into account such Asian cultural elements as collectivism and 'relationship-centredness'. This is an observation broadly shared by Adler (1991). Smith and Tayeb (1988) have shown that tests of leadership style theories across cultures have produced clearly different results, particularly when comparing collectivist and individualist cultures.

reinforce the hierarchical, power-distance characteristics described previously and suggest that in general, Mainland and overseas Chinese managers are more likely to adopt a controlling and less participative style than is typical amongst Western managers.

However, the research also suggests that this is not the purely autocratic style of behaviour which one commonly associates with a highly directive management style in the West, but a style that is distinctive to the Chinese. Ronen (1986) stresses the importance of benevolence, mutual obligation, and responsibility to others in the Chinese style of leadership. Bond and Hwang (1986) view the traditional concept of leadership in Chinese society as being modeled on the way a family head seeks to manage a household. In providing further enlightenment, Bond (1991) characterises the Chinese style as that of a 'wise and loving father'. Redding's (1990) extensive research into Chinese family businesses led to the notion of 'patrimonialism', which incorporates natural hierarchy, mutual obligation, responsibility, personalism and paternalism. Westwood and Chan (1992), drawing from Holloman (1986), use the term 'headship' to describe the style of Chinese leaders, which they see as being closer to the reality of the superior-subordinate organisational relationships in Hong Kong and elsewhere, than the Western notions of leadership style and behaviour.

What do the findings tell us?

Much of the research appears to have been directed towards identifying the differences, rather than similarities, between the Western and Chinese styles of leadership and the problem-solving, decision-making processes. In adopting this methodology one could reasonably anticipate that a number of differences would emerge. Indeed, most management developers would be quick to point out that one can expect wide differences of management style and approaches to problem-solving between different professional disciplines of the same culture, e.g., accountants and personnel people. The extent to which one is able to differentiate a common 'Chinese' style of leadership from a 'Western' one, therefore remains questionable. However, the research evidence is sufficiently strong to suggest that Chinese managers, on the whole, may view and respond to situations or problems differently, and are inclined to be more directive and possibly less participative

than their Western counterparts. Within the context of leading Anglo-Chinese management groups, this therefore raises two important research questions:

- **Do any particular areas of cultural difference emerge which consistently help or hinder the effectiveness the problem-solving, decision-making and planning processes amongst Anglo-Chinese groups?**
- **Does a management/leadership style exists which is most appropriate for Anglo-Chinese management groups in both times of stability and change?**

As reflected earlier, a manager's approach to problem-solving and general style of leadership, are is likely to cut across many dimensions of *managership*. In a sense, they represent the active elements of what a manager must 'do' in order to make things happen. However, these elements do not operate in isolation, but need to be considered within the broader context of the group. Creating a situation whereby the whole is greater than the sum of the parts requires the group head to pay attention to three additional areas. These areas are the operating *climate* of the group, the composition of its *membership*, and the *methods* that are in place to monitor and develop the performance of the group.

Climate
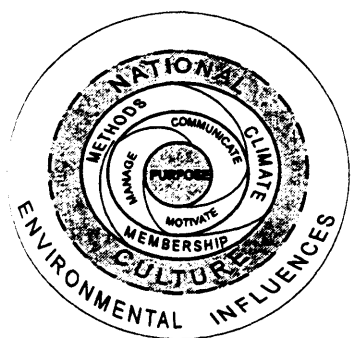
Climate is defined as the prevailing mood, culture and psychological well-being of a group at any particular point in time. A healthy *climate* is one that engenders cooperation, commitment, trust, openness, support and energy amongst a group of people who have to work together over a prolonged period of time. Certain key factors were identified during the initial review of the Western literature which were likely to influence this state. These included:

- prevailing 'mood' of the group;
- sub and corporate culture; and
- compatibility and suitability of the group members

This section will focus primarily on how the presence of Chinese values and beliefs might influence the 'normal' team processes, identified by the Western research, and ultimately what this might mean within the context of an Anglo-Chinese group. The last factor, 'compatibility and suitability of group members', will be addressed subsequently in this chapter under *membership*.

<u>Mood</u>

The 'mood' of a team is a phenomenon that appears to have received little if any direct attention in the Western literature. However, most experienced managers will be implicitly aware of its existence, although may not be able to articulate its meaning in words, other than perhaps associating it with the morale of the group. Mood, however, relates to the ongoing highs and lows in energy and commitment, which one tends to experience in teams over an extended period of time. Many factors appear to influence mood, ranging from an unpopular decision by the boss or uncertainty about the future of a group, to some political or socio-economic issue (e.g., the return of Hong Kong to the PRC) over which the team has little control. The influence that mood can have over a team's climate will inevitably influence its short to mid-term performance and if not carefully managed by the leader can lead to longer term problems, such as the loss of key staff.

One particular aspect of group dynamics, likely to impact on the mood of a group, was identified in the early 1960s. Tuckman (1965) identified four distinct phases in the development stages of a group, which were later labeled as 'forming, storming, norming, and performing'. Each phase was characterised by a particular set of behaviours, beginning with polite caution and excitement in the first stage, moving to competition and friction in the second, to the introduction of rules and operating procedures in the third, and finally spontaneity and co-operation at the 'performing' stage. Katzenbach and Smith (1994) observed a similar phenomenon in their study of nearly 50 teams, and linked this to the nature of group or team one is likely to encounter in a corporate setting:

- Working group ('forming')
- Pseudo/potential team ('storming')
- Real team ('norming')
- High-performing team ('performing')

The practical implication of these findings suggest that if a manager is able to identify the particular development stage of a group, through appropriate action he or she should be able to accelerate the transition from 'working group' to 'high-performing team'. Alternatively, by understanding what is happening at any particular point in time and therefore recognising the group's performance limitations, the manager should also be able to modify his or her managerial behaviour to best suit the situation. However, these observations were based solely on the study of mono-cultural Western groups. One might reasonably assume that the speed at which a Chinese group is able progress through these developmental stages will be affected by certain cultural values and beliefs. Tuckman's (1965) four stage model serves as a useful guide in exploring the cultural implications in that it helps us identify the Sathe's (1985) Level 1 behaviours, whilst providing insights into the deeper cultural issues.

Several cultural aspects appear likely to influence stage one ('forming'). Won-Doornick (1985), in studying communication styles within groups, concluded that self-disclosure is more valued amongst individualist cultures, whilst collectivist societies (such as the Chinese) strive more towards standing, affiliation and context. Relevant to multi-cultural groups, Wible and Hui (1985) warn against assumptions that linguistic fluency dictates task competence, and Everett *et al* (1984) sound an additional note of caution about the misunderstandings caused by stereo-typing. One may also reasonably assume that the importance of harmony, 'face' and hierarchical distance amongst the Chinese (discussed earlier), could also present barriers which would not be as apparent nor as restrictive amongst Western groups.

The second stage ('storming'), characterised amongst Western groups as the period which surfaces underlying tensions, may take a different form with the Chinese and be less apparent. The desire to maintain harmony and 'face' and avoid conflict is again likely to inhibit certain overt behaviours amongst the Chinese, which would be otherwise apparent

in Western groups. Smith and Noakes (1995) comment that there are considerable cultural differences in the perceived purpose of meetings. Amongst individualistic societies meetings are often seen as an occasion for differing opinions to be expressed. Amongst collectivist groups, the purpose of a meeting may be for the senior figure to announce the decision which has been made, on the basis that collectivist groups prefer to resolve conflicts in private.

Stage three ('norming') represents a period when the group members have developed a greater sense of understanding between each other and introduce systems and procedures (e.g., time keeping, agendas, objectives, questioning etc.). The cultural perception of time, described earlier (e.g., Kirkbride and Westwood, 1993), may possibly have some influence at this stage. This influence may include, Western groups being more inclined to stick rigidly to set agendas and time frames, whilst the Chinese might be more inclined to cut across several issues during the course of discussion. This inclination is likely to be exacerbated by the greater task-orientation exhibited by Westerners, as compared to their local counterparts, who would probably show greater concern for relationships (Wang, 1992).

The final stage ('performing') amongst Western groups is characterised by overt displays of spontaneity, involvement, co-operation, openness and understanding. The extent to which one is likely to witness this amongst Chinese groups remains questionable, particularly when one takes into account the possible inhibitions created by such factors as hierarchy and 'face'.

In summary, one may reasonably assume that whilst Chinese groups would progress through similar stages of development, the speed at which this happens is likely to be slower, and the behaviours which surface less obvious than what one would expect to see amongst purely Western groups. From the practical perspective of a manager in charge of an Anglo-Chinese group, the complexity increases in terms of identifying a group's stage of development through the recognition of specific behaviours. Thus the challenge for such a manager lies in knowing how to help a multi-cultural group progress as quickly as possible through the various stages of development, without unintentionally creating a reversion to a less effective state.

As reflected earlier, 'mood' is a changing facet of a group's personality, which can be conditioned by a number of factors. The evidence suggests that stages of development can exert a strong, albeit temporary, influence over the general *climate* of the group. Other factors which may influence 'mood' include isolated incidents, such as the departure of a popular member of the group, or team recognition for a job well done. What seems reasonably apparent is that the actions of the boss can have a strong influence over the 'mood' and ultimately the *climate* of a group. However, the research indicates that inherent in all groups is a more pervasive and sustainable aspect of its personality, which will henceforth be referred to as group sub-culture.

The impact of corporate and sub-culture on the *climate* of a group

The notion of corporate culture in Western organisations was covered extensively during the initial review of the Western literature. Several important observations emerged from the Review which are pertinent to this section. The first of these is that corporate culture, in broad terms, can be thought of as a system of shared meaning within a group or organisation which to a large extent conditions the way people behave. Kotter and Heskett (1992) further observed that all firms have multiple cultures, usually associated with different functional groupings or geographic locations. Schein (1990) adds reinforcement to this observation, commenting than within an organisation there are likely to be many sub-cultures, which can be independent of, or even in conflict with, the larger system.

Schein (1985), in keeping with Sathe's (1985) observations described earlier, categorised culture into three levels; 'behaviours and artifacts', which are the most apparent, 'beliefs and values' at the second level, and finally 'underlying assumptions'. Laurent (1986) argues that whereas corporate culture may modify the first two levels, it will have little if any effect on a person's 'underlying assumptions'. This observation is to some extent supported by the findings of Hofstede (1980), and later by Schneider (1987) in his identification of the difficulty experienced by multi-national companies attempting to develop their own corporate culture amongst local subsidiaries. However, this is not to suggest that corporate culture has no influence over sub-culture. Hampden-Turner (1994), for example, compares corporate culture to a hologram in which the overall pattern is repeated amongst smaller

parts, whilst Lansley and Riddick (1991) identify a close similarity between small group behaviours and those of the larger organisation.

It was perhaps Peters and Waterman (1982) who were amongst the first to highlight the importance of culture to group effectiveness, concluding from their extensive research into high-performing companies that *"the dominance and coherence of culture proved to be an essential quality of the excellent companies"*. Subsequent research tended to support this view (e.g. Nicholson and Johns, 1985; Weick, 1987; and Kotter and Heskett, 1992), although Dennison's (1990) research was to suggest that cultures which were less strong and less coherent at one point in time were associated with greater organisational effectiveness in the future. Relatively little research appears to have be directed towards the impact of corporate culture in Asian groups, although some thought-provoking insights were to emerge from Athos and Pascale's (1982) study of American and Japanese organisations and their corporate cultures. Using a diagnostic framework, which they described as the 'Seven S' diagram, two common areas of tension were identified within groups, which they termed the 'cold triangle' and 'warm square'. The 'triangle' consisted of the strategy, systems and structure of the organisation, whilst the 'square' comprised the staff, skills, style and superordinate goals. They concluded that a great part the Japanese success of the day was attributable to a generally more balanced managerial approach, which paid proportionately greater attention to the softer, people-related, 'warm square' elements, than the American companies studied. The reader will also note that the two areas of tension described in Athos and Pascale's framework are also present in the *Managership* model.

So what does this mean in a practical terms? Based on the evidence provided so far, it seems reasonable to conclude that corporate culture plays an important role in an organisation's effectiveness and has an ultimate effect on a group's working *climate*. All organisations have some form of overall culture, or personality, which is likely to carry through to its sub-units. The cultural characteristics of a group are also likely to be shaped by the particular function of that unit within the organisation and the balance of attention paid to the 'hard' and 'soft' issues (which could also be considered an element of management style). In broad terms, corporate culture is likely to impact on how people behave, and to a lesser extent, how they think. However, whilst one might anticipate certain

common characteristics amongst groups (such as a 'stay late' office culture), the underlying reasons for this behaviour are likely to differ between individuals due to differing national values and beliefs.

Arguably then, within the context of *climate*, one of the key responsibilities for a manager is to try to engender a culture that is most appropriate for that particular group's role in the organisation. To illustrate, if a personnel function is trying to move from a traditionally administrative to a more consultancy-driven role, then the group's culture and accompanying behaviour of its members may have to change, perhaps even radically. Working *Climate* should therefore be a major concern for any manager in charge of a group. From the perspective of an Anglo-Chinese group, certain key questions emerge which will be pursued further during the course of this research:

- **What actions can a manager of an Anglo-Chinese management group take to help develop the *climate* and associated behaviours most 'appropriate' for the role which the group needs to perform?**
- **Are there any approaches which would allow a manager to accelerate the unit's development stage from that of 'working group' through to one of a 'high-performing team' (Katzenbach and Smith, 1994)?**

The *climate* of a management team however, extends beyond the 'mood' of the group, its dominant sub-culture and the interventions of the person in charge. Research has also indicated that the operational efficiency and *climate* of a management group is also likely to be influenced by the balance of 'roles' and skills within in a team, which will henceforth be referred to as *membership*.

Membership
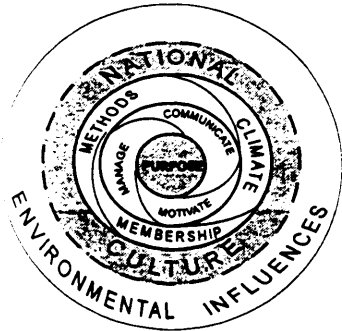
This section will explore the impact which national culture may have on the balance of a management team, in terms of the 'roles' members play in the group. An assumption will be made that the mix and level of technical/functional skills contained within the group are sufficient for the *purpose* and will therefore not be directly addressed in this section, although the development of individual members will be covered later.

Team roles

In the 1960's, Dr. Meredith Belbin (1981) and his Cambridge-based research unit identified that for a management team to operate effectively, eight specific 'roles' needed to be represented. These 'roles' included an ideas person (Plant), somebody who was prepared to organise the group (Co-ordinator), a member who was detail-conscious (Completer-Finisher), somebody who was concerned about the relationships within the group (Teamworker), etc. Belbin's team also identified the typical behaviour which one might expect to see emerge during a management team interaction. With the help of a questionnaire, Belbin was able to identify which specific roles a manager might naturally assume if working amongst a group of peers. Using this information to change the 'balance' of the group, he was then able to reliably predict team performance and construct groups which were either largely successful, or consistently failed.

During the past decade, Belbin's team role approach, and variations of it (e.g. Margerison and McCann's [1990] Team Management Index) have rapidly grown in commercial popularity, particularly amongst management developers. However, the approach has drawn criticism from authorities in the field. Adair (1987), for example, cautions strongly against stereo-typing people, whilst Fowler (1995) argues that individuals rarely fall neatly into Belbin-type categories. One must also question the level of validity in using an instrument either written in English, or directly translated from English, on the basis that the managerial values reflected in the questionnaire are not necessarily those shared by the

culture involved (see Chinese Culture Connection, 1987). Ashridge Management College's Belbin norm-base of 2,001 (1990-1992), for example, showed a strong preference amongst Singaporean managers towards assuming the 'Teamworker' role, which supports earlier observations about the importance of relationships and harmony within Chinese groups.

Despite these apparent disadvantages, there is strong evidence to suggest that in management teams certain roles need to be addressed in order for that team to function effectively. Within the context of an Anglo-Chinese management group, these observations raise two important questions:

- **To what extent is Belbin's Western model of a balanced management team relevant to an Anglo-Chinese group situation?**
- **Do one cultural group possess certain skills which the other lacks?**
- **What compensations are needed, if any, to address the potential skill and role imbalances within an Anglo-Chinese management team?**

The six dimensions described so far broadly represent what a leader must do in order to make the team run smoothly. However, a smooth running team will not in itself guarantee sucess. For this to happen, a unit head needs to go one step further in making sure that the energies of the group are aligned to the overall *purpose* and that measurable performance is achieved in the appropriate areas. To illustrate, if a sales division has the long-term goal of extending its services into China, but the incentive scheme is such that it is more lucrative for the sales managers continue to focus their attention on Hong Kong, then this misalignment will ultimately prevent the division from achieving its long-term *purpose.* The management of individual (and ultimately group) performance is hence a fundamental element of the *Managership* process. The next section, *methods*, therefore considers some of the systems, which are commonly used to set, monitor and develop performance within a group.

Methods
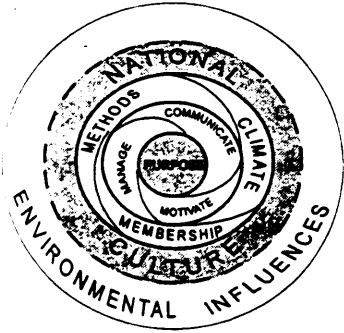
Within the context of this section, *methods*, relates to the generic term 'performance management', which is now in common use amongst personnel practitioners. Whilst its interpretation varies widely, Hartle (1995:12) provides a useful definition to help focus our attention in this respect. He defines this as, *"a process for establishing a shared understanding about what is to be achieved, and how it is to be achieved, and an approach to managing people which increases the probability of achieving job-related success"*.

Hartle's definition encompasses several aspects of performance management, which includes the establishment of *purpose*, mechanisms which help people to understand specifically what they need to achieve, and measures allowing them assess their own performance against goals. Supporting these mechanisms, means must also be in place to help people systematically develop the skills and competencies required to be successful in the current and future job. The objective of this section is to therefore review some of the more common methods currently being used by large organisations in the West and Hong Kong, which help group leaders manage performance.

Performance appraisal systems

In this context, 'performance appraisal systems' relate to the process whereby at year end, the manager and subordinate meet to agree a number of measurable personal objectives (linked to *purpose*) for the forthcoming year, which are then weighted according to importance. In conjunction with this process, the previous year's objectives are also discussed and graded and an agreement reached about past performance, areas of strength, areas for improvement, and general development needs. To illustrate the popularity of this approach:

In 1992 the Institute of Personnel Management undertook an extensive survey[15] of British companies, representing 20% of the workforce, to establish the effectiveness of performance management systems in the UK. The findings tended to high-light the

importance of such systems, indicating that 86% of employers were operating some kind of process to manage employee performance. Amongst Hong Kong companies, the incidence of performance management systems is also reasonably high, although likely to be confined to larger foreign, rather than smaller Chinese companies. In a survey of 361 companies conducted by Kirkbride and Tang (1989), 72% of the sample reported having some formal system of performance appraisal in place, 53% of which were 'results-oriented' systems. With the increase of foreign companies into Hong Kong during the past few years, this number is likely to have increased. However, the cultural transferability of the performance appraisal system remains in question.

Redding (1982), for example, has questioned the validity of Western performance appraisal systems (objective-linked) on the basis that they are culturally inappropriate for Hong Kong because they rest on (Western) assumptions which are not readily transferable to the Chinese culture. In support of this argument he puts forward several reasons:

- objective-linked systems tend to strongly focus on individual accountability and control, which are not readily acceptable in the more collectivist Chinese culture;
- the personalistic and paternalistic leadership styles of the Chinese manager run counter to the measurement of individual performance;
- the universalistic notions of fairness and objectivity, implicit in formal systems, do not sit easily with the particularistic[16] Chinese culture; and finally
- certain aspects of the appraisal system, which relies on two way communication and a right of appeal, are in potential conflict with the high power-distance culture of Hong Kong Chinese.

Drawing on the earlier observations of this chapter, the comparatively strong Chinese desire to maintain harmony and 'face', coupled with a tendency to avoid conflict, also appears to run contrary to the need for openness, which the system largely hinges on. Indeed, one of the greatest criticisms to emerge from the IPM survey (1992), was that Western managers were inclined to tolerate poor performance through simply avoiding the

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[15] Institute of Personnel Management (1992): *Performance Management: An Analysis of the Issues*. IPM: London.
[16] 'Particularism' is defined by Hofstede (1991) as a way of thinking in collectivist societies, in which the standards for the way a person should be treated depend on the group to which this person belongs.

issue; a situation which is likely to be aggravated further by the Chinese values described above.

In overall terms, the evidence appears to suggest that whilst the rationale of setting individual performance goals linked to *purpose* and followed by periodic reviews against target is appealing, the actual implementation of this process is difficult, particularly amongst collectivist, high power-distance cultures, such as the Chinese. However, the continued high incidence of these systems, suggests that many managers do find the process valuable. An earlier IPM (1986)[17] study, which surveyed 1,750 organisations in the UK, reported the benefits to include:

PURPOSE	% OF FIRMS
Improving organisational effectiveness	85
Motivating employees	57
Changing culture	54
Improving training and development	54
Linking pay to productivity	50

From the perspective of multi-cultural teams, this raises two questions :

- **Do Chinese managers assess the performance of subordinates differently than their Western counterparts?**
- **Which aspects of the performance appraisal system are viewed as useful by Anglo-Chinese groups (bosses and subordinates), and why?**

An important outcome of the performance appraisal system, evident from the survey described, is the identification of training needs. Whilst the value of this outcome has yet to be evaluated from the perspective of Anglo-Chinese groups, training and development nevertheless represents a fundamental aspect of the performance management systems for many large organisations in Hong Kong and elsewhere in the region. In the following section, we will therefore explore the degree of importance assigned to management

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[17] Long, P. (1986), *Performance Appraisal Revisted*, IPM, in Mitrani, Dalziel, and Fitt, (1994), eds, *Competency Based Human Resource Management,* Kogan Page: London.

training and development by Hong Kong organisations and the potential limitations to the practices used, resulting from differing cultural values and beliefs.

Training and Development Systems in Asian-based companies

An indication of the importance assigned to training and development can be roughly estimated by the amount of attention and resources, which are committed to the activity. Whilst education is highly regarded in Hong Kong (the territory now has 8 universities), management development and training has traditionally been confined mainly to the large organisations. The reasons for this are as one might expect; most businesses are small (99% of establishments in Hong Kong employ less than 200 people[18]), they generally have only a handful of managers, and are often unable or unwilling to devote large resources to training and development. A second and equally important factor, reported by Tam (1987), is that the truncated managerial systems of these small Chinese businesses are very different from the elaborate systems described in managerial texts, which are consequently seen as largely impractical.

However, in recent years strong evidence has emerged indicating a noticeable swing in the trend in the Chinese dominated territories of the region. In 1984, the Vocational Training Council of Hong Kong established the Management Development Centre of Hong Kong (Ch'ien, 1994); a large, government-sponsored institution which provides affordable management training and development to the general public. All of the eight universities in Hong Kong now have business faculties, three of which are large and well-established. The Singapore Government's official guideline for management training and development now stands at 4% of payroll[19]. A casual browse through Hong Kong's English and Chinese press reveals a huge offering of distance learning degrees from Europe, the US and Australia. In addition, a number of the better-known overseas business schools have now firmly established themselves in Hong Kong (notably the INSEAD Euro-Asia Centre and Michigan). Also apparent is the proliferation of short executive courses now being offered in Hong Kong by a wide variety of business schools and consultancies, as testified by the never ending flow of brochures into managers' intrays!

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[18] Census and Statistics Department, *Hong Kong Annual Digest of Statistics,* Government Printer: Hong Kong, 1990.
[19] David Cheah, Jardines Regional Training and Development Manager, Singapore, August, 1996.

Evidence of this trend is also seen in the amount of time and money companies are now committing to training and development of people in the region. To illustrate; Jardine Matheson, the largest employer in Hong Kong next to the government, now advocates 5 days training per year for its managers[20]. The Hang Seng Bank in Hong Kong spent 3.4% of payroll on training in 1995[21], and Motorola in Hong Kong commits 100 hours per person per year to training[22]. An indication of this growth and commitment is also evident from a survey conducted by Lasserre and Ching (1996) of the INSEAD Euro-Asia Centre, which looked at the training and development activities of large multi-nationals in the PRC:

COMPANIES	TRAINING TARGET/ BUDGET
ABB	7 man-days of training per annum
AT & T	5 man-days of training per annum
Ericsson	10 man-days per annum
Inchcape	2-6% of total corporate payroll
Unilever	8 man-days per annum and 6% of total corporate payroll

What is apparent to most senior managers in Hong Kong, and indeed elsewhere in Southeast Asia, is that a major proportion of the management programmes offered in the region are derived from the West, and often delivered by someone from the West. This raises an important question for business leaders, who are now beginning to make a considerable investment in training and development - how culturally transferable are such practices?

The cultural transferability and value of management training and development

Kirkbride, Tang et al (1989) argue strongly that certain elements of Chinese culture, even amongst the larger corporations of the region, affect the transferability of Western

[20] Ritchie Bent, General Manager, People Development, Jardine Matheson Ltd, HK. October, 1996.
[21] Jason Faris, Research and Surveys Executive, Hong Kong and Shanghai Banking Corporation Ltd, HK. September, 1996.
[22] Karen Otazo, Consultant, Hong Kong, 26 October, 1996.

management development practices to Chinese societies. In doing so, they pinpoint certain key cultural aspects of Chinese culture (Kirkbride and Westwood, 1993) which they believe create barriers to the effective transfer of managerial practice. These include; respect, harmony, conformity, power-distance, collectivism, and 'face', which the reader will recall from our earlier discussions. One further dimension identified by the authors, but not yet discussed, is that of 'Shame', in which Chinese behaviour is claimed to be measured against social norms, rather than internalised personal standards, as evident amongst Western 'guilt' cultures. Kirkbride, Tang *et al* (1989) have additionally identified three levels of cultural barrier, which appear to have a close association with Sathe's (1985) model described earlier. These levels provide a useful framework to help us explore the cultural issues further and will address:

1. The teaching and learning process - an assumption that people from different cultures learn in different ways and prefer particular teaching and learning approaches.

2. Compatibility of the managerial practice to the culture - the extent to which the practice being taught is relevant and acceptable to the values and beliefs of the culture.

3. How the managerial notion is conceptualized - what is understood by the concept which is being taught.

• **Level 1**, Hofstede (1986) notes that cultures which are collectivist in nature and of high power-distance (such as the Chinese), have certain expectations, which in turn impact on the ways in which training is delivered. These expectations include:

   • individual trainees only speaking up when called to do so;
   • individuals only speaking up in small groups;
   • great respect for the teacher (demonstrated, for example, by not raising uninvited questions);
   • stress on personal 'wisdom' which is transferred from the teacher to the student;
   • harmony and avoidance of conflict in the learning situation; and
   • the mutual maintenance of 'face' at all times.

One of the major outcomes, claimed to result from these factors, is a preference amongst the Chinese for didactic styles of teaching, which avoids conflict (e.g caused by debate) and maintains respect for the trainer. This preference tends to go against many Western forms of management development, which focuses on more participative approaches (Bond, 1991; Kirkbride, Tang and Shae, 1989; Bond, 1986; Redding, 1982, 1986). However, the author's own research (Bent, 1993) indicates that whilst this may be so for students, non-managerial staff, and managers in Chinese family businesses, it is not necessarily the case for Hong Kong Chinese managers working in large multi-nationals. The author's earlier research and personal experience suggests that whilst the training approach may need some modification (for example to avoid open conflict), Hong Kong Chinese managers nevertheless appear to welcome debate and challenge, providing that the environment created by the trainer is appropriate and 'safe'. This observation has implications for the next level of cultural barrier:

- **Level 2**, deals with cultural resistance to the 'content' of the managerial techniques, practices and processes. Chang Chih-tung's (Bond, 1991, p.88) exhortation *"Western learning for technology, Chinese learning for the essentials'*, echoes the words of Chairman Mao, *"we cannot adopt Western learning as the substance - we can only use Western technology'* (Cambridge History, 1991, p.588) and provides some insight into why Western methods may be resisted. Picking up from these sentiments, Bond (1991) observes that some management expertise, such as finance and certain aspects of marketing, are sufficiently mechanical and standardised to be taught in a routine and didactic fashion. Other 'softer' areas however, like planning, leadership, communication, conflict resolution and performance evaluation, are more influenced by the cultural values and beliefs of the manager concerned and hence more difficult to transfer.

Indeed, Hofstede has long-cautioned against the uncritical import of Western management practices and theories, particularly those from America, which he claims reflect the culture of the day. This caution is echoed by Tang *et al* (1986) and Kirkbride *et al* (1991) who argue that Western managerial systems which assume Western conflict behaviour patterns are inappropriate for Chinese societies due to differences in conflict and resolution mechanisms. Bent's (1993) findings, however, suggest that within the context of multi-national organisations, this may not necessarily be the case, with

Chinese managers seemingly rating the less tangible areas of company training, such as teamwork and leadership, as being 'most useful in helping them do their job more effectively'.

- **Level 3**, relates to the ways in which Chinese managers might conceptualise various notions of management differently from their Western counterparts. Redding (1980a, 1980b) and Liu (1986) believe that cognitive differences do exist. However, Kirkbride and Tang (1992) point out that so far there has been only limited research in this area and as such evidence about cognitive differences has been inconclusive. In this respect, they argue that whilst differences may exist, they are not of such a magnitude as to render all cross-cultural management development invalid; an observation which corresponds with the author's earlier findings (Bent, 1993) and existing experience.

Possible implications of these findings for training and development systems within Anglo-Chinese groups?

Two aspects need to be considered in answering this question; what the team needs and what the individual needs. The Author's own experience suggests that for the forseeable future, English will remain the primary medium for teaching executive programmes and that much of this teaching will continue to be undertaken by Westerners, or 'Westernised' Asians. In addition, the trend will be for groups to become even more multi-cultural in nature, with most Asians having had quite extensive exposure to Western values and managerial practices. On this basis, there is a strong likelihood that whilst the region will continue to build on Western foundations of management, it will also begin to modify the practices to better suit the needs of the environment. These modifications might include, for example, a greater emphasis on the building of relationships and networks.

The key questions to emerge for Anglo-Chinese groups are therefore:

Do Chinese managers, as a whole, have learning preferences, which are different than those of their Western counterparts?

- **Which existing team/individual training and development practices appear to have most practical value?**
- **What other practices can be developed in light of the above?**

The chapter has now covered the seven core dimensions of the *Managership* model in a reasonable degree of depth, although the gestalt view may have raised more questions than it has answered! Apparent from the review is that for the most part, researchers have tended to look at different aspects of the managerial process largely in isolation, and in many cases the findings have emerged as a bi-product some other research. For example, it would be difficult for a senior executive to accept that the behaviours of 18 year old students would necessarily reflect those of experienced managers. This doubt therefore brings us to the final part of the chapter, *environmental influences*, which considers some of the findings within the context of how business and people are changing in Asia and the consequent limitations this has imposed on the existing research.

Environmental Influences
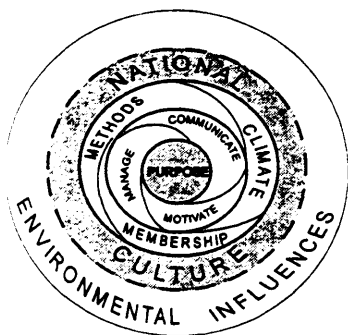
The last decade has witnessed a dramatic change in the way business is done in Southeast Asia. The rapid economic growth of the region continues to attract the attention of many large Western multinationals, with joint ventures between national and foreign organisations becoming increasingly common. This regional growth has also spawned the birth of some powerful new players, notably the Overseas Chinese, who no longer content with small family businesses, are now beginning to develop much larger regional enterprises.

Other factors have also relatively recently emerged. These factors include, closer trading links with the West, an influx of multinationals into the region, and higher levels of sophistication amongst Asian managers. A further factor is a generally more open attitude towards Western values and managerial practices (attributable in part to overseas

education, travel, and the international media), which has brought into question certain of the cross-cultural findings described earlier. The final part of this chapter will therefore consider certain environmental issues and then question the validity of some of these findings within the context of *Managership*.

Will developing Asian societies eventually follow the path of the West?

Two schools of thought exist in this respect. One believes that values, organisational systems and managerial practices will inevitably converge, whilst the other argues that the influence of culture and other factors are so strong as to cause societies to adopt divergent and largely unique paths.

One of the earliest advocates for convergence of societies came from Veblen (1915), who in writing about European and Japanese societies, argued that as countries modernised, values and organisational systems would converge. However, it was the ideas of Harbison and Myers (1959) which were to gain greatest attention, asserting that as countries industrialised a universal process would occur, regardless of the cultural context. Their ideas quickly gained support from the likes of Kerr *et al* (1964) and Moore (1965), who observed that the change in size and complexity of organisations, brought about by industrialisation, would result in greater formalisation, centralisation and differentiation. They believed that in turn managers would become increasingly participative in their style (Child, 1981).

Webber (1969), Kiggundu *et al* (1983) and Evans *et al* (1987), built on this argument suggesting that as technology spreads, it would have universal applicability and act as a force to push cultures together. Child and Tayeb (1982) viewed change from the perspective of the spread of industrial capitalism as a dominant eco/political system, which would bring about similarities in organisation and management. Adding support to this observation, Negandhi (1983:18) commented that *"there is increasing evidence to support the contention that managerial behaviour and effectiveness are as much, if not more, functions of contextual and environmental variables, as they are of socio-cultural variables"*. Chin and Farley (1987) hold that as internationalisation increases and the world becomes increasingly interconnected and interdependent through a growing sophistication in

communications and transport, the Western influence will become stronger. They support this argument with research showing, for example, that Singaporeans preferred imported products and Western advertising models to local ones. Wimalasiri (1988) observed that whilst the technology and basic structures of many organisations in Singapore are no different from those found in the US or Britain, what does differ is the behaviour found in those structures. Other writers have suggested that rather than national culture, it is the economic, political and other institutional factors which are most important in determining differences in organisation and management (Brossard *et al*, 1976; Maurice *et al*, 1980; Jamieson, 1980; Negandhi, 1983).

Whilst there appears to be strong evidence to indicate that organisational and structural parallels to the West will occur as countries develop and businesses grow, there is also much to suggest that at the personal level, people will retain their cultural values and beliefs. Oberg (1963) observed that cultures were slow to converge and that cultural influences were much stronger than commonly believed. Laurent (1983) found that employees working in multinational companies in different countries retained their culturally specific ways of working, despite common managerial policies and procedures. In his extensive study of Chinese businessmen, Redding (1990:41) commented that *"it is difficult at a practical level for Westerners to comprehend the way in which the power of Chinese tradition still permeates everyday life amongst the Overseas Chinese"*. Indeed, indications of this cultural retention are evident amongst the Overseas Chinese societies in the Pacific Basin, who have enjoyed considerable economic success without losing their unique cultural identity. Bond (1996) goes on to note that whatever the study and whatever the society, there are always selected dimensions on which all Chinese cultures are closely positioned. However, Yang (1988) cautions that the collectivist-familist value appears to be waning as modernisation and technological advancement drives societies to develop larger and more complex organisations. Hui and Tan (1996:377) add further weight to this observation in commenting that *"employees in Chinese societies, despite geographical separation, are becoming more and more similar to workers in the rest of the world"*.

One of the main conclusions to emerge from Hitchcock's study (1994:73), is that *"the common threads developing between East and West across the Pacific are far more significant than the differing values each holds dear"*. Naisbitt (1995), however, is keen to

emphasise that that the modernisation of Asia is best understood not as a 'Westernisation', but rather 'Asianisation', as certain trends in the region start to take hold which superficially mimic those of the developed West, but in reality are unique to the country concerned. In particular, he identifies that whilst certain traditional values are gradually being eroded away others, such as the family group and Confucian beliefs, to a large extent still remain an important part of the Asian identity and continue to influence the ways in which people behave. Other studies have suggested that adaptability to certain managerial practices are contingent upon the culture concerned. Redding and Martyn-Johns (1979) were amongst the first to postulate a relationship between management functions and certain cultural characteristics. For example, they contend that cultures, which define time as a linear function (British and Americans), would tend to place greater importance on the planning function than those who define time as a cyclical function (Chinese). Hofstede's (1980) survey found that 50% of the differences in employee attitudes and behaviours were attributable to cultural differences.

Culturally Homogeneous and heterogeneous work groups

In more recent years, there has been a growing interest amongst organisational researchers in multicultural teams, who have recognised the increasingly culturally heterogeneous nature of the workforce (e.g., McGrath, 1984; Hackman, 1987; Jackson *et al.*, 1992; Argote and McGrath, 1993; Watson *et al.*, 1993; Jackson, May and Whitney, 1995). Some key findings include:

- Culturally diverse work groups tend to be less socially integrated and experience more communication problems than homogeneous groups (Zenger and Lawrence, 1979; and O'Reilly, Caldwell and Barnett, 1989).
- Heterogeneous groups are also less willing to share information with each other (Amabile, 1988).
- Culturally diverse groups were more creative than homogeneous ones (Ling, 1990; Kumar *et al.*, 1991; McLeod and Lobel, 1992; and Watson *et al.*, 1993).
- Culturally diverse groups are either highly effective or highly ineffective (with more being ineffective than effective), whilst culturally homogeneous groups were more closely centred around average effectiveness. The overall conclusion to emerge from

this study is that cultural diversity can lead to superior performance, providing the group is well managed (Adler, 1991).

In concluding, the evidence to date indicates that as a result of various *environmental* influences, one may expect to see similarities emerge in certain areas. These areas will probably include, organisational structures, operating procedures and certain managerial practices of large Western and Asian firms[23], although perhaps less so amongst the proliferation small Chinese family businesses in the region (Redding, 1990). However, at a personal level, the cultural values and beliefs of the individual will continue to prevail and in turn influence the behaviours described in the seven dimensions of *Managership*. Studies made of culturally diverse groups in the West suggest that one will see different behaviours emerge, resulting from different perspectives of life and work. A series of assumptions have been made in this Review about what these behavioural outcomes might be. However, as a final step, it is important to examine the methodology of the research so far conducted, and the potential limitations of the findings in relation to managerial/professional staff who would form part of a multi-cultural management team.

Potential Limitations of the Existing Research

The casual Western observer, sitting in one of Hong Kong's busy Chinese restaurants on a Saturday morning, will quickly recognise behaviour patterns different from their own culture, such as eating habits, volume of discussion, etc. (corresponding with Sathe's, 1985, first level of culture). However, the content of the discussion is likely to be similar to what one might experience amongst Westerners. Visit a Sunday morning buffet in one of the large hotels, and one will note that apart from language, the local Chinese clientele will be behaving in much the same way as the Western visitors. Indeed, a number of Westerners living in Hong Kong would argue that too much is possibly being made of the 'differences' issue (Graham and Bent, 1996). Empirical observations of Hong Kong Chinese and English-speaking Westerners can be confusing, and are often in apparent contradiction to what some of the research findings would have us believe, particularly when applied to

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[23] Business Week (1995), 'Asia's New Giants: Many will be global player, but the challenges are huge', November 27, 30-40.

Chinese managers working in large foreign companies. This situation begs the question 'why?'

Part of the difficulty appears to be linked to certain areas, such as; the basic theories which underpin much of the existing research, the choice of subjects, the nationality of the researchers, and the approach - all of which are important considerations for the study which is to follow:

- Jamieson (1982) observed at the time that there had been little theorising about management in Asia, which meant that research was still being driven by Western theories and models. Whilst this situation is beginning to change, in the absence of any well-established Asian theories of management, Western models will continue to dominate and therefore to some extent influence the research findings.

- Gabrenya (1996), in reporting the results of his examination of the *Journal of Cross-Cultural Psychology* (1979-1993), noted that of the 101 articles involving studies of Chinese and other Asians, only 26% used behavioural methods. Furthermore, that the research had to date been overly dependent upon students, with Ongle and Smith's (1994) analysis determining that over 50% of studies on Chinese cultures relied solely on college students. A secondary issue, pertinent to the study of multi-cultural teams, is that in the vast majority of cases, research has centred on specific cultures in isolation, with very little consideration having been given to the impact of the interaction between different cultural values (Bent and Bond, 1997).

- Gabrenya's (1996) review of the *Journal of Cross-Cultural Psychology* further revealed that of the studies undertaken, only 30% of the authors were resident in a Chinese society and that the majority were American. Hofstede (1991:249) is keen to remind cross-cultural researchers that when a person X makes a statement about population group Y (his own or another), this statement always contains information about X. However, it is also important to note that even researchers who have lived in a foreign country for a number of years, are likely to have unwittingly developed their own cultural stereo-types.

- A final issue relates to what the researchers have actually been researching. Negandhi (1983:28) argues that *"many of the studies are at best cross-national rather than cross-cultural"* and as such the reported differences, purportedly attributable to culture, are more likely to be national in nature (e.g. political, educational etc.).

Amongst other things, these observations help to highlight the complexity of cross-cultural research and some of the potential pitfalls which can 'trap' a researcher. As a personal observation, it becomes increasingly apparent that the more one looks for differences between, or indeed within cultures, the more one finds. This study is about how Chinese and Western managers can work most effectively together to achieve identifiable ends. In this respect the research outcomes, whilst being academically rigorous, must also be of practical use to managers. Therefore similarities, as well as differences, will play an important role in what is to follow. In addressing the core research proposal, the following key questions therefore need to be addressed:

Key Research Problems
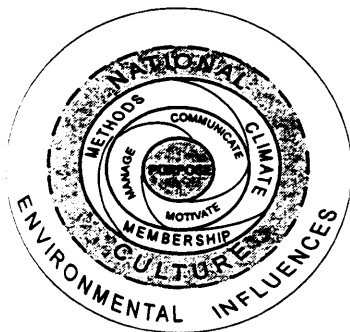
- To what extent are the dimensions and associated behaviours described in the existing *Managership* model, applicable to senior Anglo-Chinese executive groups?
- How does the mix of culture within Anglo-Chinese groups require leaders, whether of Western or Hong Kong Chinese descent, to modify the balance or nature of their behaviours in order to be effective?

In addressing these issues, the following research questions (which are for the most part comparative) will be explored against each of the *Managership* dimensions:

PURPOSE

1. The degree of importance Chinese and Western managers assign to having clearly defined, long term purpose or goals?

2. The amount of emphasis Chinese managers, compared to their Western counterparts, place on 'intuition' and 'fate' in establishing *purpose* or intent?

3. The extent to which the expectations of team members within Anglo-Chinese groups about the behaviour of their bosses differ in this respect?

COMMUNICATE

4. What are the most common communication misunderstandings experienced within Anglo-Chinese management groups in regard to *purpose* or intent?

5. What strategies do managers of both cultures adopt to enhance the understanding of their message within Anglo-Chinese management groups?

MOTIVATE

6. What motivational drivers exist, if any, which are common to both cultures?

7. Where do major areas of difference lie, if any, which could be potentially demotivating to one or other of the groups concerned, if not identified and acted upon by the leader?

MANAGE

8. Do any particular areas of cultural difference emerge, which consistently help or hinder the effectiveness of the problem recognition, diagnosis, decision-making and planning processes amongst Anglo-Chinese management groups?

9. Does a particular leadership style exist which is most appropriate for Anglo-Chinese management groups in times of both stability and change?

CLIMATE

10. Do any key differences exist between the ways in which Hong Kong Chinese and Western managers build and develop teams?

12. What differences exist, if any, in the ways in which either culture assess the 'health' or climate of a team?

13. Are there any approaches or behaviours which would allow a leader of either nationality to accelerate development of an Anglo-Chinese group from that of 'working group' to one of 'high-performing team' (Katzenbach and Smith, 1994)?

MEMBERSHIP

14. Are there any skills, broadly unique to either culture, which are brought to an Anglo-Chinese management team?

15. To what extent is Belbin's Western model of a 'balanced' management team relevant to an Anglo-Chinese management group situation?

16. What compensations need to be made by the leader, if any, to address potential role imbalances in an Anglo-Chinese management team?

METHODS

17. Which aspects of traditional performance appraisal systems are viewed as effective in setting standards, monitoring progress, and evaluating performance within Anglo-Chinese management groups and why?

18. Do Chinese and Western managers assess individual performance in similar or different ways?

19. Are there any differences in the ways each cultural group prefers to learn?

20. Which training and development approaches within Anglo-Chinese management groups are viewed as being most valid and why?

The Author is very mindful that the structure imposed in this research is based on a Western model of management and leadership and may therefore be inhibitive, even self-

fulfilling. The research design has therefore been crafted with this important consideration in mind, as the next chapter will explain.

Chapter 3

Methodology

Background

In 1994, the Author completed his Masters dissertation entitled, 'Western Management Training Practices; The Key to Developing the Asia-Manager?'. The main conclusion to emerge from this research was that, *"Whilst cultural differences are likely to influence the* <u>*ways*</u> *in which the practices are applied, the basic principles of Western management training continue to be a highly effective means of developing 'Asia-Managers' who work in large, international organisations'*. As one might anticipate, the research raised more questions than it answered, particularly in relation to the *ways* in which the practices are applied. In response to these and other important gaps in our knowledge, request was made to extend the work already done, resulting in the initiation of this new research. Since the submission of the original thesis proposal in May, 1994, two critical changes have happened in Hong Kong. The first of these events relates to the build-up and subsequent return of Hong Kong to China in June 1997. The second is the now well-publicised economic crisis, which took hold during the second half of 1997 and continues to rage across the length and breadth of Asia today. The environment in which this research has been conducted is therefore one of turbulence and change, but also one which reflects the reality of commercial life today, and indeed for the foreseeable future.

The research spanned a five year period and in many ways became an integral part of the Author's day to day work. The chart in Figure 1 provides an outline of the different phases which the research took.

	94	95	96	97	98	99
Submission & Acceptance of Proposal	■					
Literature Review & Model Development		■■				
Methodology & Software Design			■■			
Data Gathering				■■		
Analysis					■	
Write Up					■■	
Submission						■

Figure 1

Two important factors made this research possible. The first of these relates to the Author's unique position[24] within one of the largest multinationals in Asia[25]. This position allowed access to data, activities and senior executives, which would normally be difficult for other researchers to obtain. The second reason is a strongly-held belief by this company (predominantly a service organisation) that people play a key role in the sustainability and growth of the business. This belief led to both the funding, time and resources needed to conduct this research. From the Company's perspective, the expected returns on investment are new approaches to developing their multicultural management, coupled with the evolution of more effective human resource practices. To help the reader better understand the context, rationale, approach and validity of this research, the chapter will examine four broad aspects:

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[24] During the period which the research was conducted, the Author has held the positions of General Manager - Personnel Services; General Manager - People Development; and more recently, Director of Human Resources for the Group.

[25] Jardine Matheson, a company comprised of nearly 200,000 people, with 70,000 of these in Hong Kong.

- Choice of methodology;
- research design;
- data gathering and analysis methods; and
- documenting the findings

Choice of Methodology

Skepticism has been expressed about the practical usefulness of academic research. Bennett and Gill (1978), attributed the apparent lack of research credibility in the management sciences to a jaundiced perception amongst business managers about those conducting the research. In particular, these managers felt that the researchers were insufficiently familiar with the managerial culture of the organisations concerned to be able to make meaningful assessments of the situations they studied. Considerably more disturbing, however, was their finding that management research not only lacked cost effectiveness, but was also largely perceived as irrelevant to what managers actually did. Tinker and Lowe (1982) provided further insight, noting that *"Management science must hold the record among the sciences for the rate it has fragmented into factions and specialisms"*. Hogan *et al* (1994) attributes part of the difficulty experienced to the rules of psychological research. These rules require the focus to be held on narrowly defined issues, resulting in research findings which are primarily read by other psychologists and not those who actually make management decisions. In particular, they identify a gap between what the psychologists know, and what the leadership decision makers want to know. As a consequence, we have more recently witnessed the proliferation of 'pop' management books, which now adorn the shelves of our bookshops. But these were not the only considerations to have influenced the choice of methodology.

Debate about the rigour of social science research has been a perennial one. In the 1960's, Dalton (1964) and Laing (1967) were keen to point out that the research rules applicable to the natural sciences in which, for example, independent variables could be manipulated to assess impact upon dependent variables, were far more difficult to control in social science research. Liang further argued that human action has an *"internal logic"* which needs to be understood in order to make any observed action intelligible. This situation is unlike the

natural sciences, in which researchers can legitimately impose an *"external logic"* in order to understand it. On this basis, Dalton believed that natural science methods were inappropriate for the study of social situations and that hypotheses formulated from the outset could prove restrictive. The observations of other researchers provided further direction. Most notable amongst these was Mintzberg (1979a) who commented that, *"the field of organisation theory has paid dearly for the obsession with rigour in the choice of methodology"*. He emphasised that research should be *"purely inductive"*, identifying two clear steps, the first of these being 'detective work' in which one looks for order and patterns, the second 'creative leaps', involving the generalisation of findings beyond what is already known. McGrath *et al* (1982) noted that there are no ideal solutions to the choice of research approach, only a series of compromises.

Brewer and Hunter (1989) provided further insight, advocating the usefulness of multi-method approaches in social research, whilst Gill and Johnson (1991) reinforce the applicability of such methods to management research. Robson (1993) adds interesting substance to the debate, in relation to *action research.* He is keen to emphasise that whilst conventional 'laboratory-derived' research is primarily about describing, understanding and explaining, *action research* is aimed more at promoting change, which has more application to management situations. A second key observation he makes about *action research* is the close collaboration needed between researcher and researched. This, he sees as being in stark contrast to laboratory-derived research, which in the interests of objectivity, aims to resist such collaboration. Whilst management or social research is unlikely to ever gain the same degree of objectivity that one might expect from 'laboratory-derived' research, advances in modern research technologies now allow far greater rigour and objectivity than was possible in the recent past. It is argued that in all but a few exceptions, the task of trying to measure management behaviour in a controlled environment would rarely be representative of the true situation and will inevitably yield findings, which are unlikely to reflect reality of corporate life. The modern management researcher's goal must therefore be to develop methodologies which optimise objectivity and rigour, whilst still largely preserving the natural 'environment' in which the subject is being studied. These considerations played a major role in determining the design of this research. It is believed that the research methodologies applied in this thesis go beyond the norm, offer new insights, and provide other practitioner-researchers in the field new combination of tools

and techniques. However, equally important, it should also help put to rest some of the general criticisms expressed about the objectivity and validity of social science research.

Research Design

The design of this research is action-based. Its inception began with a rudimentary leadership framework (described in Chapter 2) which, through a process of 'live testing' with groups of managers over a two year period, evolved into a more substantial conceptual model. This model formed the foundation for the research which was to follow and represents a major element in this thesis. The subsequent research design follows an action-based, multi-method approach, which is intended to provide greater objectivity than one could expect from pure self-reporting. The key components of this design are shown in Figure 2.
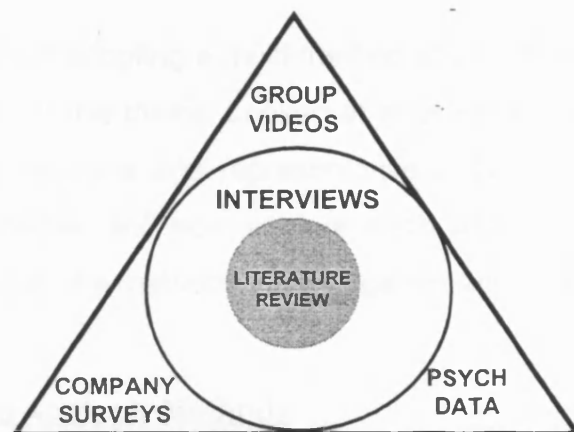
Figure 2

The approach utilises four quite different research methods, at the heart of which lies a guidance system in the form of the Literature Review. The interviews provided a rich and deep insight into the experiences and behaviours of a wide cross section of senior Chinese and Western executives and as such, formed the core of the research. However, it was anticipated that the espoused theories of the interviewees would not always reflect reality, as was subsequently found to be the case. This concern led to the introduction of a series of 'counter-measures', designed to improve objectivity. The first of these measures took the form of 'live' management group observation, using video. Analysis of these observations

were subsequently used to confirm the validity of some of the claims made about practised behaviour during the interviews. A second measure involved an analysis of psychometric data (Belbin), which was used to acquire a broader, more general perspective of preferred group behaviours amongst Hong Kong Chinese and Western managers operating in management teams. The third method targetted a specific aspect of the research, by surveying HR practices in 7 regional companies. The following provides further detail about the breadth and depth of this design:

- In-depth interviews with 50 Hong Kong based senior executives, representing 8 industry sectors;
- video recordings of 14 multicultural management teams in action, involving 47 different managers;
- questionnaires, covering 8 industries and 211 managers; and
- psychometric data[26] derived from 73 managers.

The primary intention of adopting a multi-method approach to this research was to increase the overall objectivity of this thesis. Looked at in its entirety, it is believed that the research design provides an objective and representative picture of multinational corporate life in Hong Kong. The chapter will now explore each aspect of this design in more detail, particularly in relation to the methods used to gather and analyse research data.

Data Gathering and Analysis Methods

The Interviews

Clear criteria was set for the choice of executive to be interviewed, all of whom were required to have either led, or been part, of an Anglo-Chinese management team. Other requirements, specific to each cultural group, included:

- **Western executives**, who were required to have no less than 3 years working experience in Hong Kong, be of British or Australian origin, hold a university degree,

and possess a job size[27] of no less than 600 Hay points for mid-level managers (defined as 'Managers'), and 900 for business or major department heads (defined as CEO's). 80% of the managers chosen had more than 10 years working experience in Hong Kong.

- **Chinese executives** were required to be of Hong Kong origin, matching the same job size requirements of the Western interviewees, educated to tertiary level, but having spent no more than 3 years living in a Western country.

Figure 3 shows the eight categories from which the sample group of 50 senior executives (10% of whom were women) were drawn. *Specialists*, in this context, refer to executives working in the engineering, law, finance or human resources fields, whilst *Generalists* refer to those holding senior line positions in such businesses as shipping, aviation, security, and sales.
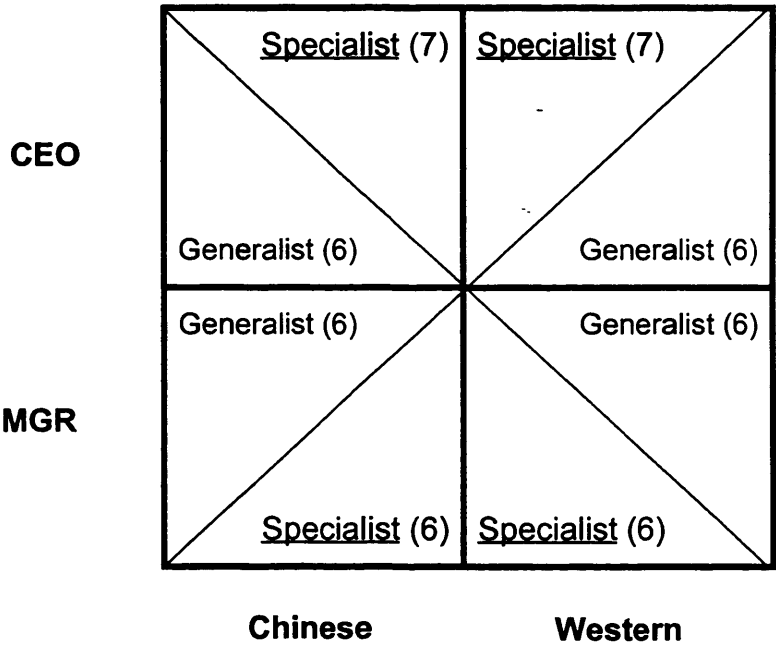
Figure 3

The interviewees were drawn from eight industry sectors, which included; hospitality, consulting, operations, sales and marketing, financial services, construction and engineering, aviation, and shipping. Seven central service units were drawn from these

[26] 'Psychometrics' are defined by Cronbach (1984) as, *"a standardised sample of behaviour which can be described by a numerical scale or score system"*.

sectors. These were; corporate finance, management services (IT), corporate communications (PR), corporate legal, audit, treasury, and personnel. Access to these executives was often made difficult due to the heavy travel schedules kept by those interviewed. However, through personal contacts, joint venture partners, consultants and referrals, meetings were eventually secured in all categories. In two cases, interviews were conducted in airport lounges and in one case, onboard a Beijing/Hong Kong flight! Despite the original target of 64 executives never being reached, the size and nature of sample group was nevertheless considered sufficiently representative of senior executives working in Hong Kong multinationals to offer a fairly reliable picture.

- **Questionnaire Design** - Prior to the meetings, two similar structured interview questionnaire were designed, with slight modifications to allow for whether the subject fell into the 'CEO' or 'Manager' category. The structure and flow of the interviews followed the seven dimensions of the *Managership* model (albeit not overtly), which were linked to the research questions identified in Chapter 2. The questionnaire was constructed in such a way as to guide the interviewee sequentially through each dimension, making use of several different types of question, designed to elicit either free-flowing discussion, or more specific comment that required ranking and weighting of items. Prior to starting the interview process, the questionnaire was reviewed and piloted with several people, including the Author's supervisor and a selection of informed people of Western and Chinese origin. A copy of the interview questionnaire can be found at Appendix 1.

- **Interview Process** – Care was taken prior to each interview to ensure that an uninterrupted 2.5 hours was set aside (reinforced through the secretaries the day prior to each meeting). To help create informality and openness, the majority of interviews were conducted in the interviewees' private offices. The interviews began with the usual exchange of pleasantries and small talk, after which an explanation was given about the purpose of the interview. The interviewees were then given a blank copy of the questionnaire for reference, with each question being verbally posed by the Author and expanded upon when unclear. The interviewees were initially asked a few personal

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[27] Job sizes were based on the Hay evaluation system, which numerically rates jobs according to problem solving, accountability, and know-how.

details, before moving on to describe their businesses and current challenges. At the start of the interview, and throughout its duration, the Author was careful to reinforce the need for the interviewees to draw from personal experience and support their comments as far as possible with specific examples. Periodically, a broad open question would be asked to try and gain a more holistic perspective from the interviewee. At the conclusion of the discussions, the interviewees were shown an illustration of the *Managership* model and briefly taken through each dimension. They were then asked to reflect back on their comments and identify three key pieces of advice which they felt would be vital for anyone leading an Anglo-Chinese management team. All comments were recorded in writing by the Author. A conscious decision was made not to use electronic recording devices during the interviews on the basis that it may have inhibited openness, particularly amongst the Chinese managers. Most of the interviews, on average, took around 2 hours to complete.

- **Potential Pitfalls** – The Author was conscious throughout that his own values were likely to creep into the process. As far as possible, he kept to the script, but at times when asked to expand, used the same examples. However, it was possible that the choice of word, example or emphasis may have influenced the comments and that his manual recording of the interview resulted in certain words or nuances being missed. It's also important to recognise that some of the comments made by the interviewees may reflect what they felt they should have said, rather than what they actually did in practice as managers. However, several checks and balances were built into the interview to try and overcome this situation, such as requiring specific examples, repeating the question in different forms, and asking them how other people in their own culture might behave. The sample size may also have limited the statistical significance of some of the quantitative conclusions drawn, although the type of analysis used made some allowance for this limitation. However, in overall terms, it is believed that the interviews were conducted in an objective, rigorous and consistent manner, and that the responses provided a reasonable and accurate account of the current situation within Hong Kong multinationals.

Each commentary made during interviews was recorded verbatim in writing and subsequently collated and analysed as follows:

- The interview record was firstly entered into a modified Microsoft Access data base, the 'front end' of which simulated the format of the structured questionnaire. This platform allowed the data to be reassembled according to name, position, industry, discipline, culture and subject matter.

- The data was then extracted from the data base and the content analysed using a matrix, which had been designed to allow the nature and frequency of comments to be recorded according to culture, position and discipline.

- This data was then further analysed, using a second software platform (Idon Hexagons). This particular tool enabled information from the matrices to be recorded on a series of electronically produced hexagons of differing colours, which were subsequently rearranged on the computer screen and clustered according to content. This process allowed patterns and trends in the data to be visually identified and as a consequence, better sense be made of the information presented.

The interviews also asked the respondents to numerically rank and rate various items, according to culture and subject. This data required a different form of analysis to be performed which, for example, would allow significance levels (p value) between two or more group means to be established. In other words, to allow determination of whether the cultural behaviour differences, described during the interviews, were statistically valid. The software tool used for this analysis (JMP IN[28]) is relatively recent and designed to cope with small sample sizes. The output produced by this software is both visual and numerical in nature, making it more user-friendly than many. Examples of the output from this software and the other analytical tools developed for this particular phase of the analysis are shown at Appendix 2.

Video Analysis of Anglo-Chinese Groups in Action

Structured interviews provided a powerful means to collect *personal* observations. However, they may not always have captured the true reality of the work place. It therefore seemed appropriate to supplement these observations with a method which would

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[28] JMP IN is the registered trademark of the SAS Institute Inc. in the USA. The software was developed by Sall, J., and Lehman, A., (1996) and distributed by Duxbury Press, Wadsworth Publishing Company: CAL 94002.

overcome the limitations of self-reporting, inherent in interviews, and open the way to greater objectivity. The wide selection of executive training programmes and company-specific workshops conducted by the Author's company offered such an opportunity.

- **Groups in Action** - A selection of video recordings, extending back to 1994, existed in the Author's department. These were supplemented by series of additional recordings made during the period 1995-97 specifically for this research. In total, 14 video recordings were identified, which offered a reasonable mix of Hong Kong Chinese and Western managers who matched the profile required. The activities involved discussions ranging from real strategic business problems, to more operationally related subjects. The quality of these videos were for the most part good, having been recorded by wall mounted cameras at Ashridge Management College, or similar equipment in the Hong Kong training rooms. Some videos were recorded off-site, using handicams and were therefore of a lesser quality, but nevertheless sufficient for the purposes of analysis. The duration of these videos ranged from 30 to around 45 minutes.

- **Subjects** – The 47 subjects (27 Chinese and 20 Western managers) were all within the job size range stipulated for this research, either in their capacity as participants of the Jardines General Management Programme[29] (held annually at Ashridge Management College), senior level business teams involved in strategy sessions, or development centre observers under training[30].

- **Potential Pitfalls** – Tracking the group behaviours on video proved to be a more difficult and time-consuming task than originally anticipated. Each video would be firstly viewed in its entirety in order to understand content and context. It was then viewed in short repeatable sequences, in order to accurately capture the appropriate behaviours. A decision was made to only view and analyse the first 20 minutes. There were two key reasons why this duration was chosen. Firstly, the time involved to rigorously analyse a group interaction lasting any longer than this period may have proved counter-productive. Secondly, by maintaining consistency in duration, some allowance was

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[29] Established in 1988, the Jardines General Management Programme span totally 31 days, involving a 3 day development centre, two week period at Ashridge Management College, and five month project phase. Attendees are managers of Hay job size 600+, of all nationalities, who are viewed as being of above 'average' in terms of performance and potential for higher things.

[30] Jardine Matheson conduct around 12 competency-based development centres a year (since 1988), which are either discipline-specific (HR or Finance), company-specific, or generic in nature. Senior level line managers are used as observers and attend a 2 day training module prior to a centre, which requires them to try out the various simulations and assess themselves, as part of their training.

made for the different development stages of groups, originally identified by Tuckman (1965). Despite these cautionary measures, the different content of discussions, group mix, development stages of groups, and the subsequent interpretation of behaviour[31], may have resulted in some degree of inconsistency. Furthermore the video was only used to track certain aspects, on the basis that the context and duration of the group discussions were only able to elicit certain types of managerial behaviour. However, different cultural patterns of behaviour did emerge which corroborated observations made both during the interviews and in the other areas of research. Whilst the results viewed in isolation were not in themselves conclusive, they nevertheless provided useful insight and support of other findings in the research.

- **Tracking Matrix** - A matrix consisting of 53 items was developed to track patterns and the frequency of behaviours displayed by individuals within the groups. Some of these behaviours were derived from the work of Bales (1950), supplemented by behaviour categories used in the Jardine Matheson development centres, and others which arose out of Chapter 2 (in particular, relating to the *Communicate, Motivate* and *Manage* dimensions). The pilot matrix was then 'tested' with one of the Author's Chinese colleagues, his supervisor, and a psychologist at the Chinese University of Hong Kong. The results were then entered onto a Microsoft Excel spreadsheet, which allowed totaling of behaviour type and frequency, according to culture. An example of the tracking matrix is provided at Appendix 3.

HR Audit Questionnaire

The opportunity to make use of some valuable supporting data presented itself during the early part of 1997. At this time, it was agreed with the Author's board of directors that an initiative would be launched to critically evaluate HR practices within the 20 or so companies which comprise the Jardine Matheson Group. The rationale behind this initiative was a much stronger acceptance by the holding company that HR was playing an increasingly more important role in the businesses and therefore required greater attention.

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[31] Both the Author and his Chinese colleague, Anita Lo, are trained and experienced development centre observers. The meaning of each behaviour item in the matrix was firstly explained to Anita and then a pilot conducted, using a particularly active video sequence. The findings of the Author and Anita were then compared. Overall, the conclusions and interpretations were found to be much the same.

The initiative involved a three-pronged approach, spearheaded by the central HR function. This initiative was aimed at creating a more cohesive 'stream' of HR practitioners, upgrading the level of professional skills[32] amongst HR practitioners, and critically reviewing the structure and practices of the HR functions concerned. Part way through the initiative, it became apparent that the 'HR Function Audit', within the limitations of the project scope, potentially offered some extremely valuable supporting data in relation to the *Methods* dimension of this research. A critical tool in this research is the HR Audit questionnaire, from which most of the data is derived:

- **HR Audit Questionnaire** – The questionnaire was designed in conjunction with the internal financial audit group, and the Author's own team. It was then extensively piloted with various managers and senior HR people, before being used with the first company. In each case, an agreement was reached between the CEO, his or her head of HR, and the Author to proceed. The questionnaire was then distributed to managers within the company concerned, accompanied by a supporting letter from the CEO. The target respondents, all 211 of whom were managers, were asked to complete the questionnaires anonymously and return them directly to the Author's department for analysis and follow up. Against a list of 32 HR activities, the questionnaire firstly asks the respondents to rate each activity according to the extent to which they believe it could potentially support their business goals, were it to be done properly. The second question then asks the respondents to rate each activity according to the effectiveness of service currently being delivered by their respective HR functions. The eventual output of these surveys was the identification of gaps between what was desired by the management of the target companies, and what was currently being delivered by the HR function concerned. This information subsequently provided the focus for a series of improvement workshops which followed.

- **Potential Pitfalls** – The Author is mindful that the survey was not specifically designed to support this research. However, at the start of the Audits, it became evident that the output was highly relevant to one particular segment and therefore clearly presented an opportunity too valuable to miss. In using the data from these surveys, several limiting factors were taken into account. The first of these factors was that the anonymity of the

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[32] The drive to upgrade professional skills and create greater cohesion amongst the HR practitioners is being partly achieved through a series of monthly modules, run by outside consultants and business school faculty, coupled with the

respondents needed to be preserved. It was therefore not possible to distinguish between the Chinese and Western respondents (who comprised 15% of the total group). However, the level of manager surveyed was very similar to the target group for this research. As with all questionnaires, particularly those written in English for a predominantly Chinese group, it was also difficult to guarantee that each statement would be similarly interpreted. However, the last part of the questionnaire asked a series of open questions, which helped clarify some of the ambiguities. Seven regional businesses were involved in the survey. These were; Hongkong Land (a property developer), Gammon Construction, Jardine Engineering Corporation, Pizza Hut, Jardine Office Systems, Jardine Airport Services Ltd., and Securicor. Three of these companies have joint venture relationships with the Jardine Matheson group, which may have influenced the outcome. However, it was felt that all were sufficiently diverse and independent to minimise the impact of this relationship. The output from these surveys provides a reasonably representative picture of what managers in Hong Kong based international companies want from their human resource functions (compared to what they are actually getting), and is therefore viewed as relevant to this research.

The respondents' ratings were transferred to a modified Excel spread sheet, which followed a similar format and layout to that of the questionnaire. Having experimented with variations of the mean, it became apparent that the most representative and meaningful way to present the data, was to plot the number of respondents against the scores given and identify the median in each case. For example, if 20 respondents rated 'accurate assessment of visible and invisible costs, caused by staff turnover' as '6' (moderate) in terms its potential support of business goals, then the weighting '20' would be placed at this point on the 0-10 scale. The median of respondents was then plotted and the output colour-coded red, yellow or green to help identify patterns or trends. The subsequent analysis revealed a fairly consistent picture of which HR activities were viewed as important by managers in Hong Kong, and where the general areas of weakness lay in the companies surveyed. Examples of the questionnaire and analysis can be found at Appendix 4.

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introduction of specifically designed development centres, which are based on a generic set of HR director competencies.

Psychometric Data

One of the core elements of the research related to *membership* within Anglo-Chinese management teams. In particular, this dimension was concerned with the balance of behaviours within teams and the 'roles' which managers of different culture naturally assume amongst a group of peers, such as a board of directors. The Author's department had been using Saville and Holdsworth's (SHL) Occupational Personality Questionnaire (OPQ) since 1988. This instrument has been internationally validated and is currently used extensively by many other large multinationals in Hong Kong and elsewhere in Asia[33]. Amongst other things, the OPQ questionnaire identifies Belbin management team role preferences amongst individuals (described in the Literature Review), which are of relevance to this research.

- **The Sample Group** – The Author derived his data from 36 Hong Kong Chinese and 37 Western managers attending the Jardine General Management Programme (GMP), during the period 1989-1997. All attending this programme satisfied the target group criteria described earlier, and were drawn from a wide cross section of disciplines and industries.

- **Potential Pitfalls** – Initially, an attempt was made to try and establish a correlation between the team role preferences identified in the OPQ and the associated behaviours observed during the GMP group video sequences. The duration and limited number of GMP sequences rendered this analysis impractical. The data could therefore only be relied upon to reveal personal preferences, without any third party corroboration. There is also a need to be wary of the potential pitfalls of using psychometric instruments developed in the West, which inevitably reflect Western values. Indeed, as the data was to subsequently reveal, the Western concept of what constitutes a *balanced* team may not necessarily apply to an Anglo-Chinese situation. The situation is further aggravated by the questions being asked in English and therefore an assumption being made that there is common understanding in interpretation. However, despite these limitations, all executives attending this course possessed a high level of English. The OPQ also

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[33] SHL, a UK-based company, has a global presence, with offices in Hong Kong, Singapore and most large cities in Australia. It has been operating in Hong Kong for over 10 years and is widely accepted as one of the most reputable groups of its kind. The OPQ is now available in several Asian languages. Other users include, Standard Chartered Bank,

incorporates a consistency rating and on this basis there was a good likelihood that individual interpretation of the items would be similar. As with the other research methods, the overall intention was to try and identify patterns or trends which would either support or refute other observations made. In this respect, the Belbin data was considered sufficiently valid to make a useful contribution to this research, in terms of enhancing objectivity and providing additional insights.

Using the JMP IN software described earlier, the mean average score of each sample group was calculated for each of the eight Belbin team role dimensions. This analysis enabled identification of significant differences (95% confidence level), according to culture. In addition, pairwise correlations were also calculated to determine the extent of differentiation between the various dimensions. To illustrate, the results revealed a positive correlation of +0.7 for the Implementer and Completer roles and a -0.6 negative correlation for the Teamworker and Shaper roles. These findings are consistent with what one would expect to find amongst purely Western groups, suggesting that the results are showing a reasonable level of reliability. An example of the output is shown at Appendix 5.

Documenting the Findings

The structure of chapters 4-11, broadly follow the dimensions of the *Managership* model, described in Chapter 2. Each chapter will initially define the associated research problem, summarise the existing knowledge identified in Chapter 2, and then provide a factual account of the results to emerge from the field research. In the process, the thesis will gradually build up a picture about Anglo-Chinese leadership. To add context to the observations made, a selection of quotes will be drawn from the interviews. The intention of these quotes is to complement the accompanying commentary, whilst at the same time helping to convey a better sense of meaning to the points being made. In each case, an indication will also be given (in % terms) of the proportion of interviewees who made similar remarks. In many cases, company names are provided, but where the interviewees preferred to remain anonymous, a description of the business is provided instead (see Appendix 6). Occasionally an explanation will be given as to *why* the observed cultural

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Hong Kong and Shanghai Bank, DHL, KCR Railways, Mass Transit Railway, and Inchcape. (Source: Neil Cowieson, MD, SHL, Hong Kong).

differences occur. However, in most cases these reasons will be left to the final chapters. Each chapter will end with a summary of the findings and will then lead the reader into the next phase of research. The final two chapters of this thesis will discuss the findings, underlying reasons and contributions in much more depth.

Cross-cultural research is a notoriously difficult area of study and highly vulnerable to misinterpretation. When this research was first conceived, it was tempting to limit the scope of data collection to short interviews and more extensive use of questionnaire survey, as appears to be the norm with this type of research. However, in hindsight, it was only through prolonged deep and focused discussion with these executives, that the real richness and meaning of cultural diversity began to emerge. The thesis would also argue that by using additional methods and adopting an action-based approach to this research, it provides a degree of objectivity that would approach be extremely difficult to emulate using more conventional self-reporting methodologies. This methodology is of course not perfect, and probably never will be. However, it is believed that the approach adapted in this thesis helps move social science research one step forward, and in the process offers a new combination of methodologies, which in the longer term could further both the cause and credibility of this science. On this closing remark, the thesis turns its attentions to the first area of research, that of managerial *Purpose*.

Chapter 4

Purpose

Research Problem

'To determine what similarities and differences exist in the ways in which Hong Kong Chinese[34] and Western managers, who are members of Anglo-Chinese executive teams, interpret and implement Purpose'

Within the context of this study, *Purpose* describes the ways in which heads of business units perceive, formulate and describe the intent of their organisation. Accordingly, a statement of *Purpose* might be defined as a long-term strategic goal, or an operational objective, dependant upon the time frame. The subject of 'objectives' will emerge again later in the research when the specific issue of problem solving is addressed. However, one should assume that the objectives referred to in this chapter are those which have a longer-term, strategic, perspective.

The Literature Review in Chapter 2 identified that during the past decade management research conducted in the West, but most notably in North America, highlighted the importance for a business unit or team to have a clearly defined and coherent *Purpose*. Furthermore, that it was important for this *Purpose* to be shared, understood and supported by those involved. However, for the most part, existing research has tended to focus on mono-cultural teams and has been fairly general in nature. It also emerged that most findings associated with *Purpose* appear to be drawn from either student bodies, or managers working in purely Asian work environments, such as overseas Chinese family businesses. Relatively little research in this respect, appears to have focused managers working in Hong Kong-based, multinational organisations. Chapter 2 highlighted that cultural factors, such as 'intuition' and 'pragmatism', strongly influenced the ways in which

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[34] The terms 'Chinese' and 'Hong Kong Chinese' will be used interchangeably from now on. The reader should assume that both these terms refer to the Hong Kong Chinese defined in Chapter 3, unless specified otherwise. The terms 'executive' and 'management' teams should be taken to mean the same thing.

Chinese managers think and act in managerial roles. However, the existing findings offer little insight as to what, specifically, *Purpose* might mean to managers of different culture, and in turn what impact these understandings may have on managerial behaviour. This chapter therefore sets out to explore these gaps, guided largely by the research questions articulated at the end of Chapter 2.

Chapter 4 will firstly describe the differences which have been identified by this research in terms of the ways in which each cultural group interprets and implements the notion of *Purpose.* It will then look specifically at the influence of luck or fate in determining or accounting for business success, before summarising and drawing some initial conclusions. In keeping with the chapters that follow, the approach has been to:

- try to establish the interviewees' beliefs, values and espoused managerial behaviours; then
- explore the interviewees' personal observations made of other managers' behaviour from their own and the other cultural group's perspective; and then
- identify evidence which supports or refutes these observations, using various research methods described in Chapter 3; in this case, an analysis of video recordings made of Anglo-Chinese teams in action.

Extracts from the interviews are included to help better illustrate the points made. In each case, the reader should assume that several other interviewees have also made similar comments and that the views expressed are not those of a single manager. In this regard, some indication of the proportion of interviewees who supported a particular point or observation will be shown in the form of a percentage.

Cultural Interpretations of *Purpose*

An analysis of the interview responses revealed three main areas of similarity or difference existing between Hong Kong Chinese and Western executives in regard to *Purpose.* These areas related to the:

- Value;

- breadth; and

- definitiveness of *Purpose*

During the first part of the interview, executives were asked to rate in percentage terms how *important* they felt it was 'for a major business or unit to have an overall *Purpose*, long term goals or objectives, which were understood by all managers in the company or unit'. A statistical analysis of the responses gave a strong indication that both cultural groups viewed this need as 'very important'. The 25 Chinese and 25 Western executives interviewed assigned average importance ratings of 83% and 87% respectively. Subsequent comments made during the course of interviews also helped reinforce these views.

The video analysis of multicultural management groups in action supported this observation. During the analysis, note was made of the frequency which each person either initiated, clarified, or reinforced the *Purpose*, or objective of the discussion. In 11 out of 14 of the group sessions analysed, a similar number of Chinese and Western managers introduced the element of *Purpose* into the discussion, with the frequency count being similar for each cultural group. There were three sessions where this similarity failed to emerge. In one session, only Chinese managers raised the issue, whilst in the other two sessions, only Westerners raised the issue.

Whilst the level of belief that it's important to have some kind of goal or purpose, appears to be similar amongst the Chinese and Western executives interviewed, this view in does not adequately tell us what the notion of *Purpose* might actually 'mean' to each cultural group. Further insight into this aspect was gained through deeper questioning. During the interviews, the respondents were asked for general observations about what they had experienced in terms of 'the ways in which Western and Chinese managers develop, work with, or respond to overall purpose or objectives'. 36% of the Chinese and 24% of the Western respondents indicated that they had not seen any major differences between Chinese and Westerners, with half of these attributing differences more to personality than culture. The remainder were less definitive, adding an 'apart from...' qualifier to their

answer. Two respondents remarked that 'whilst the interpretation was different, the tools used to achieve the *Purpose* were the same'.

Of the remaining group, 28% of the Chinese and 12% of Western executives described Chinese managers as being generally more short term in their thinking than Western managers, manifested through a stronger concern for profits and what the next two years would bring. When asked to identify 'what special abilities or aptitudes Chinese managers have which Western managers lack, and vice versa', 16% of interviewees from each cultural group described Westerners as being more inclined to see things from a wider perspective. Subsequent observations, made by 12% of interviewees from each cultural group, indicated that Chinese managers were more inclined to deal with the detail than their Western counterparts, reinforcing the observation about a more narrow or short-term focus. A selection of comments drawn from the interviews help further illustrate these observations:

The Chinese managing director of the large UK electronics company, Thorn Lighting, based in Hong Kong, described the situation of his Western (Hong Kong based) partners wanting to build seven factories in key cities across China within the next five years. His own (Chinese) board, however, were keen to limit this expansion to two factories in Southern China, within two years, believing this to be more realistic. He commented, *"Chinese managers tend to be clearer about short term goals, such as budgets. With Westerners, they tend to do things for the longer term, often at the expense of short term objectives, such as profit"*. This view was echoed by the Chinese managing director of an international restaurant franchise, Pizza Hut, who observed that, *"Westerners tend to be better at looking at the long-term, bigger picture, whilst Chinese look more towards short-term goals and what they can work towards and achieve"*. The Western finance director of a large transport services group described his Chinese managers as being *"...less inclined to build strategies and scenarios"*, and noted that they *"...don't really like long-term planning"*. A Western executive, holding one of the most senior personnel positions within Jardine Matheson, offered a further insight. He described Chinese managers in his experience as being *"...more short, than long term, and more concerned about what was going to realistically work"*, adding that, *"...in this sense, in a multinational, they seem less inclined to take risks than these small Chinese business owners would tend to suggest"*.

A strong body of opinion existed amongst both cultural groups that Western executives in multinational organisations may, in general, have a broader and longer-term perspective about *Purpose* than their Chinese counterparts. However, when asked to articulate the long-term goal or *Purpose* of their own units, no strong differences were evident in the breadth or scope of intentions described. In most cases, the goals were vague in nature, relating to either regional growth, market leadership, or becoming a preferred provider. In the case of central service unit heads interviewed, development of a stronger client-focus appeared to be the main theme. However, for the most part, the corporate intentions expressed by the interviewees tended to reflect more the opinion of the company (which in many cases was a joint venture), than those of the individuals interviewed.

The precision with which each cultural group described objectives or goals offered a further insight. 32% of Western interviewees described Chinese managers as preferring objectives to be more flexible in nature and less precise. To illustrate, a Western, Hong Kong based management consultant, with many years of experience living and working in Asia, had observed that, *"Western managers tend to look for tangible points of measurement. Whilst Chinese managers can get caught up in the vision, they tend not to have such definitive time points"*. The Western general manager of one of Hong Kong's major hotels, the New World Harbour View (part of the Marriott group), noted, *"Chinese managers don't follow (clear cut) objectives and have to be pointed in the right direction, usually by Western managers"*. Comments from several of the Chinese executives interviewed offered further reinforcement. A senior Chinese HR executive in the Jardine Pacific Group commented that, *"Western managers are more explicit and direct about goals, whilst Chinese managers tend to be more blurred"*. The Chinese Managing Director the Swiss lift business, Schindler, remarked that, *"Western managers are more systematic in their approach and better able to focus on objectives and goals. The Chinese in general will embroil themselves in the situation and are less likely to write down the key steps in point form"*.

In general terms, the findings suggest that Western and Hong Kong Chinese executives, working in Hong Kong based multinational organisations, both recognise the value of having some kind of objective. However, Western executives are more inclined to view these goals in broader and geographically wider terms, whilst the Chinese executives tend

to be more short term and Hong Kong-centric in perspective. A key difference also appears to lie in how the objective is framed, with Western executives preferring more definitive and measurable statement of intents, whilst the Chinese favour greater flexibility and leeway. To probe deeper into these different perspectives, the interviewees were then asked to comment on the possible impact of any differences they had identified, for Anglo-Chinese management groups. Two key areas emerged:

- Formulation; and
- buy-in to *Purpose.*

'Formulation' relates to the ways in which information is acquired and used to develop the *Purpose* or objectives. 16% of the Chinese interviewees identified Western managers as having a more analytical approach to information collection and processing, than their Chinese colleagues (an observation reinforced in subsequent chapters). The Chinese managing director of the American printing firm, R.R.Donnelly International commented, *"A lot of Chinese businessmen work on instinct because of fate, whereas Westerners tend to analyse things more carefully, even though the Chinese may pay more attention to minor detail. The Chinese will say 'I feel good about this, let's do it'".* A senior Chinese director in Gammon Construction saw these differences as an advantage; *"This is exactly what we have in the Foundations division. It creates good relationships because it offers a different approach. The Chinese tend to be more entrepreneurial, the Westerners more analytical. So one side gives me the commercial side, one the numbers, meaning the rationale and so on. They complement each other".* Interestingly, the tendency for Western managers to adopt a more analytical approach towards *Purpose*, was not specifically raised by any of the Western respondents under this dimension, but was raised on several occasions later in the interviews, particularly when addressing the related issue of problem solving *(Manage).*

Associated with these observations is also a belief held by many of the Chinese executives interviewed, that forces exist which are beyond their control, in turn influencing the extent to which they collect information and set definitive goals. A Chinese management consultant commented that, *"Goals are* (likely to be) *less aggressive in the case of the Chinese, due to them putting it down to luck".* A Chinese project manager from Gammon Construction

added, *"For the Chinese side, in relying more on luck, it will cause them to take a conservative approach. They don't believe that being aggressive will make the difference. For Westerners, they'll tend to be too aggressive, believing the more that they do, the more chance they have of succeeding".* The influence of luck or fate over business performance emerges as a key factor in the interviews and will be explored later in this chapter.

36% of the Western interviewees highlighted the difficulty of gaining true team consensus or 'buy in' within an Anglo-Chinese management team. Many attributed this difficulty to communication breakdowns (covered in the next chapter). Many also saw this problem as being a much deeper issue, consistent with Sathe's second level of culture. For example, The Western general manager of the Securicor Guarding Services business noted that, *"A Western manager will always try new ideas, but the Chinese won't because they like to predict and be more sure of the end result. They therefore may need more convincing".* The finance director of Reliance Environmental Services, a regional company which had recently been through a major change process, noted, *"You could end up with a totally different understanding between the Westerners and Chinese* (management), *as happened with us at the beginning. It's very difficult to achieve* (agreed) *goals because people are not communicating well. It also effects priorities, which will be different. For example, the Chinese being short-term".* 20% of the Chinese executives interviewed recognised similar difficulties to their Western counterparts. The managing director of Schindler Lifts suggested that the natural reticence of Chinese had a direct bearing over buy-in, *"...because Chinese managers are more reticent, you must really involve the Chinese, otherwise it will be the Westerners who set all the objectives".* The Chinese general manager of JOS, a regional retail IT distribution business, in comparing his experiences in Canada to Hong Kong, provided some further insight into what can inhibit agreement in an Anglo-Chinese management team. *"For example, where the business should be heading. Although there may be agreement to long-term goals, the approach may be different, e.g., the interaction and the personal attitude to business partners or peer group. In my experience, things should be handled in a straight- forward way* (in Canada), *but in Hong Kong you shouldn't expect a straight 'yes' or 'no' answer".*

These findings so far suggest that within an Anglo-Chinese management group, there is a reasonable likelihood that a larger proportion of the Western, than Chinese executives, will

look towards hard facts and data to help them formulate *Purpose.* Chinese managers are likely to believe that outcome is largely predetermined, and will therefore be less inclined to spend time on rigorous research. These different inclinations in turn impact on the time taken to achieve true 'buy-in', which is likely to be longer with Anglo-Chinese management groups, than a homogeneous one. The observations described so far capture some of the more visible, or *manifest* (Sathe, 1985) elements of *Purpose,* in essence, the 'what' of culture. However, to gain a deeper understanding of 'why' this happens, the research went deeper, exploring Sathe's next two levels, the *expressed values* and *basic assumptions.*

Chapter 2 identified certain Chinese cultural inclinations, which would offer plausible explanations as to why Chinese managers might conceptualise *Purpose* differently. For example, in comparison to Westerners, the Chinese have been identified as showing:

- lesser inclination towards change;
- greater reliance on intuition; and
- a more pragmatic outlook.

However, in taking these findings into account, one needs to take into account that most published findings in this area are based on studies of *general* Chinese populations, rather than senior level Hong Kong Chinese executives who form part of multinational business teams. If we are to be guided by the assertions of Hofstede (1980), Laurent (1986), and Schneider (1987) in Chapter 2, that values persist regardless of corporate context, then involvement in an international group should not make that much difference to what an individual believes. The basis for this assumption is that corporate culture has only limited impact upon personal values. Whilst this research offers some support for these findings, it would be a imprudent to assume that values always guide behaviour, particularly when people of different cultures are working together towards a common goal, or *Purpose.* In this respect, the cultural dynamics created by having senior Western and Hong Kong Chinese managers working together at a strategic level exposes an additional gap in our knowledge, and raises several important questions.

Why, for example, would Hong Kong Chinese executives, working in a multinational organisation, believe it important to have an overall goal or *Purpose,* but compared to their

Western colleagues, prefer to think in a two, rather than a five-year time horizon? What drives Hong Kong Chinese executives to show greater concern for the detail and immediate, rather than the 'big picture'? Why are Western managers more comfortable working with measurable objectives or goals than their Chinese counterparts? Different inclinations towards change, the use of intuition, and the degree of pragmatism shown, offers some explanation. However, an area of belief, which is commonly encountered in day-to-day Hong Kong business life, but receives only superficial mention in the research within the context of business practice[35], are the notions of luck or fate.

The Influence of Luck or Fate on Business Performance

Uninitiated references to 'luck' emerged several times during the early part of the interviews. However, as the interviews progressed, further questions were asked, which specifically explored the notions of luck or fate and their relationship with business performance. In each case, clarification was sought from each interviewee about what he or she understood by the term 'luck' or 'fate'. Both cultural groups, almost without exception, described the notions as being something about to do with the future, or destiny, over which they had little or no control. They were then asked to rate (in % terms) the extent to which they personally believed that luck or fate would influence how a business would ultimately perform over time. This theme was developed further with a similarly constructed question, asking the interviewees to rate the extent to which executives from their own, and in turn the other culture, believed luck or fate impacted upon business performance. The respondents were subsequently asked to provide specific examples to support their claims.

The first analysis dealt with the *Western* respondents' views, and looked at the extent to which this cultural group felt Western and Chinese executives believed luck or fate had an influence over business performance. The analysis produced mean average scores of 54% (*to a moderate extent*) for the Chinese, and 28% (*to a little extent*) (p [t] <0.0001)[36], for

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[35] Literature Review, refers to the work of Rotter (1966), Hseih *et al* (1969), and Tseng (1972), regarding the beliefs different cultures hold about the ability to control outside influences ('externality').

[36] In each case, the analysis was looking for a p value of less than 0.05, which would be regarded as a significant difference in the means. Graphical representations of the results and details of the other significance tests conducted on the data can be found in the accompanying attachments.

Western executives, with 22 out of 25 Western respondents rating the Chinese executives as generally having a stronger belief. Of the remainder, one interviewee was unable to distinguish, one felt that both cultural groups were the same, and one rated Westerners as having a stronger belief.

A similar analysis of the *Chinese* responses also revealed a significant difference, with mean average scores of 40% (*moderate extent*) for Chinese, and 25% (*little extent*) (p [t] 0.0025) for Western executives. Of these respondents, 14 out of 25 rated Chinese executives as having a stronger belief in luck or fate. Of the remainder, 6 rated Westerners and Chinese the same, 4 were unwilling to distinguish, and 1 felt that Westerners exhibited a stronger belief. Summarising up to this point, the findings suggest that both cultural groups perceive Chinese executives as placing more faith (or conversely Westerners less), in the influence of luck or fate over business performance.

However, the plot thickens. In analysing *personal* beliefs about the influence of luck or fate over business performance, a different picture emerges. A comparison between the Western and Chinese self-responses, reveals no statistically significant difference between the two cultures about the extent of their personal beliefs in this respect (31% and 28%, respectively). However, when asked to evaluate *other* managers from the same culture as their own, the *Chinese* respondents expressed the view that whilst they personally didn't believe much in luck or fate, their Chinese colleagues did (28% v 39% respectively, p [t] 0.0191). In the case of the Western respondents, no significant difference was revealed between how they viewed their own, compared to their other Western colleagues' beliefs (31% and 28%, respectively).

The findings suggest a stronger degree of caution amongst the Chinese respondents in committing to an answer, than is apparent amongst their Western colleagues. There are also indications that whilst being reluctant to admit more than a passing belief in luck or fate themselves, the Chinese respondents appear to have less difficulty in suggesting this not to be the case with their Chinese colleagues. When asked to explain why they had arrived at their particular conclusions, the respondents produced an interesting variety of reasons, which fell broadly into two categories:

- observation of ritual and ceremony; and
- control over outcomes.

The widespread use of auspicious dates, ceremonies and rituals emerged as key reasons in both cultural groups, as to why luck or fate was viewed as having an important influence over business performance. Several supporting examples, emerged during the interviews, providing some illuminating insights in this respect:

Entering the main office of Jardine Matheson Group's Personnel Services Department can be quite confusing for a first time visitor. It requires the visitor to take an immediate right turn off the main corridor and then, another immediate right (i.e. a 360-degree turn) to gain entry into the department. Bad design? Not at all. The head of this department, is a very senior and worldly Chinese executive who completed her secondary and tertiary education in the UK, and then spent the next twelve years working in England and Canada. When asked about this design, she was keen quick to point out that the positioning of the door was merely good *fung shui*[37], as it acted as a barrier to the bad *chi* (energy). In this respect, it was essential to the effective running of the department and the wellbeing of those working within. Interestingly, she was also one of the respondents who declined to provide a 'luck or fate' belief difference rating.

A senior Chinese director from Gammon construction (who gave a % belief rating for Chinese to Westerners as 50:20%) provided some particularly rich examples to support his evaluation. *"Westerners believe things happen individually, whilst the Chinese believe things happen together because of good fortune, even though they've been exposed to Western culture. Take for example our lawyer, May, who is Chinese but was born and brought up in the UK. She always goes to the Wong Tai Sin temple and brings me offerings, which I keep. I personally don't believe in fung shui".* He then recalled his involvement in large construction project in 1974, where they were required to build a fifth 'dummy' smoke stack on the Tsing Yi power station in Hong Kong (at an additional cost of $30m). The reason? Because four stacks ("sei") would have signified 'death' to the Chinese.

The Western respondents also provided some thought-provoking reasons, which had some similarity to those expressed by the Chinese interviewees. The managing director of Gammon Construction (80:40%), commented, *"It comes from experience of working with both (cultures). It's really the issues of fung shui and ceremonies we go through with new projects"*. In a compelling personal example, the Western police chief inspector, in charge of leadership, drill and musketry training for (the then) Royal Hong Kong Police, backed up his 70:25% belief rating, describing an personal incident that happened in 1982, when he had just left the Army to join the Police. He quickly noticed that his Chinese inspectors (many educated to tertiary level in the West) and sergeants, showed great reluctance to stand outside his office. It transpired that the Chinese chief inspector (whom he'd earlier argued with) in the adjacent office, had hung a small piece of tiger skin on his wall. Upon the advice of his Chinese inspectors, the Western chief inspector hung a mirror on his own wall to counter the effect. In response, the Chinese chief inspector mounted a small symbolic cannon and mirror. As a final resort, the Western chief inspector (again under the advice of his inspectors) acquired a Kwan Daai[38], which was subsequently taken to the Po Lin Monastery in Lantau and, over a two day period, 'brought to life', before being erected in his office. The problem ceased and to this day, whilst both inspectors are now on agreeable terms, mention has never been made of the incident. In another example, describing how his Chinese inspectors dealt with the issue of career advancement, he explained, *"In terms of promotion for example, if they shuffled the 'chim' and they drew the right straw, they'd really believe it. In fact it would give them confidence and you'd notice a change"*.

The extent of overt Chinese involvement in ritual and ceremony offers some explanation as to why Chinese managers are *perceived* by Westerners, and their own culture, as having the stronger belief in the influence of luck or fate over business performance. These findings take us into Sathe's (1985) second level of culture, the *expressed values*, and help provide some insight into why the two cultures have different perspectives about the future. However, the question remains as to what underlying reasons, or *basic assumptions* are

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[37] *Fung shui* is the belief in propitious location, further details of which can be found 2.3.2 of the Literature Review.
[38] Kwan Daai was a famous Chinese general who was deified several hundred years ago. His image can now be seen adorning every police station in Hong Kong, as well as a multitude of small business premises, (In February, 1997, the author counted effigies being present in 42 of the 55 small business establishments, occupying Hoi Kwong Road, opposite his office block). The figure represents loyalty, comradeship, and courage to most. Ironically, Kwan Daai is also the recognised 'patron saint' of Chinese triad societies!

behind the level of attention given to these practices by seemingly sophisticated and experienced Chinese managers. There is suggestion in some of the comments that part of the involvement in these rituals may be attributable to wanting to accommodate others' beliefs, rather than their own. However, a new perspective emerged from the data as a possible explanation, relating to control over outcomes.

Roughly a quarter of the Chinese and a third of the Western managers interviewed, drew a link between luck and business performance or outcome. Examples included, the Chinese CEO of a large logistics business (50 v 25%, Chinese v Western belief rating), who commented, *"From past experience. When analysing the results of operating units, the Chinese tend to use fate as an excuse"*. A Chinese director of Gammon (30:10%) explained, *"Chinese managers would put our poor performance and generally bad down time to luck. Westerners would work on the basis that if we hadn't built that shitty building there, we would have been OK"*. The Western respondents expressed similar views. The general manager of the New World Harbour View Hotel (70:40%) remarked that *"Western managers tend to analyse past performance working with facts and figures. Chinese managers are more superstitious and believe success is more attributable to good luck than planning"*. The Western head of Corporate Legal for Jardine Matheson (75:50%), in drawing upon his own experience of leading a team of Western and Chinese lawyers, commented, *"In my experience the Chinese give more credence to the culture of luck. They're more inclined to attribute business success to relationships and other things; i.e., things out of their control. Westerners tend to document and say how things will go. From day one, Westerners will try to find out where the problems are, whilst the Chinese won't. It tended to happen a lot in my own department"*. Interviewees from the finance field had also encountered similar experiences. The finance director (85:20%) of an international shipping group, explained, *"It's because I have great difficulty getting my Chinese (accountants) to undertake planning and there's a tendency to explain performance in terms of fortune"*. The Finance Director of Jardine Pacific's trading arm (45:30% rating) echoed a similar view, *"Westerners usually back judgement with action, whilst the Asians are more accepting that the uncontrollable may happen"*.

The Findings So Far

The findings have surfaced a number of key differences in the ways in which Western and Chinese managers, (working in Hong Kong based multinational companies), conceptualise, articulate, and address the notion of *Purpose*, in a business context. Observations of those interviewed, in part supported by video analysis of Anglo-Chinese management groups in action, indicate that:

- Chinese and Western managers assign a similar level of importance to having some kind of objective, goal or *Purpose* to guide managerial action; a finding which was supported by the video analysis.

- Western executives generally conceptualise *Purpose* in broader and more geographically ambitious terms than their Chinese counterparts, who tend to be shorter-term in perspective.

- In articulating objectives, the Western executives favour working with definitive and measurable statements of intent, whilst Chinese executives prefer greater flexibility and latitude.

- However, in apparent contradiction to these observations, there is evidence to suggest that Chinese executives show greater rigour in dealing with detail than do their Western counterparts.

When questioned about the impact of these factors on the dynamics of Anglo-Chinese management groups, the interviewees identified 'formulation' and 'buy-in' as two critical areas where difficulties can arise. The findings suggest that Western executives are keen try to ensure a degree of predictability, brought about by the systematic collection of data and facts. Conversely, Chinese executives are more inclined to view long-term outcomes as being largely predetermined, therefore rendering systematic collection of information as less useful. These culturally different perspectives also appear to create barriers to change amongst the Chinese, which can manifest itself in subtle ways that at times can be almost indiscernible to a Western executive.

During the course of the interviews, a second important consideration emerged; the extent to which the two cultural groups believe that 'luck or fate' has an influence over business success or performance. The following observations emerged, reflecting the views of a representative number of the respondents:

- Both Chinese and Western managers share a similar understanding of what is meant by the terms 'luck or fate'.

- Both cultural groups rate Chinese managers as having a stronger belief in the influence of 'luck or fate' over ultimate business performance, as compared to their Western counterparts.

- Of the small percentage of respondents who were unable to identify any differences, more were Chinese than Western.

- Whilst Chinese executives show a ready willingness to describe other managers from their own culture as having a relatively strong belief in the influence of 'luck or fate' over business performance, they are less inclined to admit this about themselves.

- Western executives consider themselves as having neither more nor less belief in the influence of 'luck or fate', than other Western managers.

- The reasons for the perception that Chinese managers appear to hold stronger beliefs about luck than their Western counterparts, seems to stem from the level of energy and attention devoted by Chinese to ritual and ceremony, designed to bring good fortune to the enterprise or person concerned.

- In this regard, there is also some suggestion that involvement of Chinese executives in ritual may be partly due to a desire to accommodate the beliefs of less educated, rather than those of the respondents.

- The remarks additionally suggest that part of the underlying reason is due to a higher level of desire amongst Chinese managers to reduce risk, and therefore self-exposure. Coupled with this desire, is an apparent stronger need amongst Chinese managers to 'hedge one's bets' and have available a face-saving means to rationalise lack of success as being something beyond one's personal control.

In considering the implications of these culturally different viewpoints, one can begin to reasonably expect that the development of, and buy-in to *Purpose* is going to take considerably longer in Anglo-Chinese management groups, than in homogeneous groups. Furthermore, the leaders of Anglo-Chinese management groups are likely to encounter

resistance which may assume a different form from that which they might encounter amongst their own culture. To complicate matters further, the manner in which the leader must *Communicate* the *Purpose* is also likely to be conditioned by these factors; a situation which the thesis will now explore.

Chapter 5

Communicate

Research Problem

'To determine what cultural-specific communication difficulties exist between members of an Anglo-Chinese management group and the strategies commonly adopted to overcome these'

Chapter 2 defined *Communicate* as the ongoing verbal interchange between the unit head and management group members. Within the context of this study, it relates specifically to how the *Purpose* or intent is conveyed in terms of content, style and explicitness of dialogue. The Review further identified communication, in mono and multi-cultural group situations, as effective when a common interpretation and shared meaning is created between the parties concerned.

Existing research has attempted to associate the manner, content, explicitness, and extent to which information is shared with cultural values (notably those identified by Hofstede, 1980, 1983). These findings tend to address Sathe's (1985) second and third levels of culture. Examples described in the Literature Review include:

- The 'high-context' style of communication, associated with collectivist cultures (e.g., Hong Kong Chinese), which is characterised by indirectness, implicitness and an emphasis on non-verbal expression (Hall: 1976, Gudykunst and Ting-Toomey: 1988, Smith: 1991, and Gao, *et al*: 1996).

- Unwillingness to share information, evident amongst high power-distance cultures, such as the Chinese, who are seen to pass on information to subordinates in a selective and fragmented manner, as compared to many Western cultures (e.g., British and Australian), (Silin; 1976, Westwood and Chan; 1992).

Whilst these findings provide important insights, they also have a number of shortcomings, pertinent to this study. For example, the findings are often quite general in nature and in many cases the samples are drawn from student, rather than managerial populations. A number of the studies have also been culture-centric, in the sense that they have been confined to observations of the interactions between people of the same cultural group. But perhaps most important of all, little research exists which specifically looks at the interaction (in English) between (Hong Kong based) *senior* Western executives and their Hong Kong Chinese counterparts. This therefore represents a further gap in our knowledge, which the research in this chapter now explores. The chapter will consist of four parts:

- The most important communication difficulties experienced between senior Hong Kong Chinese and Western executives, working in multinational organisations;
- communication strategies adopted to overcome these difficulties;
- the results to emerge from observations of groups in action (video analysis); and
- a summary of the findings.

Critical Cross-cultural Communication 'Inhibitors'

In the first question of this section, the interviewees were asked to identify the three most important communication difficulties, experienced in their interaction with the managers of the other culture. Five key areas emerged as being critical inhibitors to effective, cross-cultural communication in Anglo-Chinese groups:

- Priority Perception
- Accuracy of Expression
- Verbal and Non-verbal Signal Recognition
- Social Interaction
- Directness

'Priority perception' relates to the degree of importance attributed to a particular course of action or *Purpose.* Chapter 4 provided evidence to suggest that the need to have some kind of objective or goal was viewed as equally important to Chinese as Western

executives. However, it was not unusual for each cultural group to have a different perception of what this objective or goal should actually be. Further reinforcement of these observations emerged during this phase of the interviewing.

The Chinese managing director of R.R. Donnelly International had observed that, *"Locals and Westerners seem to have different views about what's urgent and what's not, what's important and what isn't. For example, it's easier to teach Westerners about service than Chinese, take a lipstick stain on a glass; it wouldn't be such a big deal to a Chinese person as a Western one"*. The Chinese managing director of Thorn Lighting commented, *"The way business is done, the Westerners are more systematic, punctual, think about deadlines, and so on, but with the Chinese it's less strong, they're more flexible"*. He then went on to add, *"People who are brought up in Hong Kong are able to understand the volatility of the market; it's difficult to strategize – the Chinese will therefore be less long-term"*. The Chinese vice president of HR for Chase Manhattan believed that part of the problem lay in the 'Western proactivity versus Chinese reactivity' and when prompted explained that, *"Most Western managers have different education, this means the thinking is different. For example, Western managers have broader views, particularly in terms of strategic issues"*.

Whilst 'priority perception' was viewed as less of a problem by the Western interviewees, three different points of view emerged which helped explain why differences in perception might occur. The Western general manager of the New World Harbour View Hotel observed, *"With a problem or complaint, the Chinese are more inclined to run away from it, particularly if dealing with Western guests. Hence you don't get the full information"*. The group personnel manager of Gammon Construction attributed the difficulties to, *"Timing and sense of urgency, which is less so with the Chinese"*. The quality assurance manager of the same company was less specific, putting the difficulty down to simply *"(not) understanding the same priorities"*. Whilst different 'priority perceptions' emerged as a key source of misunderstanding, a more fundamental problem appeared to lie in the use of English as a common medium of communication.

As one might anticipate, the most common area of difficulty in communication was defined broadly as 'language', with 68% of the Western and 60% of the Chinese interviewees

identifying this factor. On prompting, a number of the interviewees were able to articulate further what they meant by the term 'language', describing the degree of precision with which English is used. Several respondents from each cultural group identified the need for Westerners in particular to show greater 'precision' in their speech. A Chinese director from a regional construction company commented, *"The expat managers sometimes go on too much and it's difficult to catch the magnitude of the problem"*, in expanding on this statement, he explained, *"... the Chinese are also more specific when they give instructions. For example, a Chinese manager will say I want six men, whilst the expat will say a few"*. Another Chinese director from the same company reinforced this view in his observation that, *"Expats convey their message in a much less serious way and the Chinese managers cannot sometimes catch the seriousness of the message...the Chinese manager often doesn't know if his counterpart is joking or serious"*. In expanding on this comment, he recalled an incident involving a discussion between their board of directors about a wrongly constructed lift shaft in Thailand, which was too narrow to accommodate the lift. The company was potentially facing a huge financial exposure in this respect. Confusion arose for the Chinese directors in the team, when the Western members made light of the incident, for example, by one of the directors (the Western finance director) expressing the hope that the shaft wasn't too narrow for the project manager to jump down! A senior Chinese HR executive with Jardine Matheson was more explicit, explaining that, *"Language* (was the problem)*, especially in the case of sensitive issues, where a Chinese manager may lack the vocabulary to vocally express the factors properly"*. She enlarged on this explanation by adding, *"Westerners are more open, whilst Chinese are formal and therefore experience difficulty in choosing the right way to express a message"*.

A senior Western HR executive in Jardine Matheson saw a key problem as being, *"Westerners speaking too quickly and working on the basis that 100% of what they're saying is being understood"*, a view also shared by the Western management consultant interviewed. The Western general manager in charge of guarding services for Securicor added, *"When the pressure is on, forcing yourself to slow down* (is important)*, particularly when both you and the Chinese are under pressure"*. The Western managing director of Gammon Construction was more explicit; *"The subtleties in English can result in misunderstandings. In English, if you ask* (Chinese managers) *what you think of the*

Company and the answer is 'quite good', the adjective can have a number of meanings in the positive and negative sense, from 'good' to 'total crap'.

The ability of Western managers to recognise, accurately interpret, and then appropriately respond to the subtle verbal and non-verbal signals, displayed by Hong Kong Chinese managers, was also viewed as a critical factor in determining the effectiveness of communication between the two cultures. 36% of the Western executives identified this aspect as being an important inhibitor to effective communication. A senior HR executive in the Jardine Matheson group made a similar observation. *"Westerners virtually always dominate the discussion and fail to look and listen with sufficient care to the verbal and none verbal signals from the Chinese managers which indicate whether the message is really being understood or accepted".* The police chief inspector added, *"They* (Chinese inspectors) *don't respond facially, whilst Westerners do and because of this, you don't know if you've got through".* Whilst less explicit than the Western interviewees, 24% of the Chinese executives also identified similar issues. The Chinese management consultant interviewed enlarged on this, noting, *"From the Chinese perspective* (the difficulty lies in) *having the courage to clarify and confirm – they may say yes, but they won't mean it".* The issue of Westerners understanding when 'agreement' had been reached was also identified by the managing director of Schindler Lifts, who explained, *"With a lot of newer Western managers, when communicating and not getting a negative response, they take it as an agreement when it's probably not".*

The behaviours described so far are mainly those, which one would expect to experience in a work setting. However, several interviewees also identified social interaction as being a potentially powerful means to promote open communication, but one that within the Anglo-Chinese context, is often ineffective.

The Western managing director of a global ship management business observed that, *"The method of putting things across is different. Westerners pass messages over a beer or informally over coffee, whilst Chinese managers switch off when we're together socially".* The Western head of Jardine Matheson's corporate legal department described a personal difficulty he had experienced when he had invited his Chinese and Western lawyers to his home for a few drinks, *"There's a discomfort between the Westerners and Chinese which*

inhibits them communicating at the social level". A Chinese sales manager from the engineering company Trane reinforced this view, commenting that *"We have different preferences. For example the Westerners like to talk things out over a beer, whilst the Chinese won't".* The need to have a common interest to discuss emerged as an important factor in nurturing social interaction. A Chinese project manager from Gammon Construction had observed, *"It's to do with atmosphere. There is difficulty in Westerners and Chinese sharing humour or things they're interested in, like football, which the Chinese don't generally follow. They need to find a common area".*

The generally direct and open approach of many Westerners, compared to the more reserved nature of the Hong Kong Chinese, was viewed as a key inhibitor to effective Anglo-Chinese communication, with 40% of the Chinese and 60% of the Western executives identifying this factor as being important. The Chinese general manager looking after a regional IT retail business reinforced the view that differing values about directness, served to inhibit effective cross-cultural communication, attributing it in general terms to *"...Western managers being too outspoken and to the point, with Chinese managers being indirect".* The Chinese managing director of Schindler Lifts enlarged on these comments in noting, *"Because of the Western education system, people* (Western executives) *are more assertive and action-oriented which is, or can be, misinterpreted by Chinese managers as being aggressive or insensitive".* Many of the observations made by the Western executives interviewed supported those of their Chinese counterparts' views. The Western managing director of Gammon Construction had observed, *"Westerners are prepared to accept a degree of spirited disagreement, however the Chinese can't hack this".* The Western head of corporate communications for the Jardine Pacific Group had experienced that *"Giving face can obscure the impact of what is being said amongst the Chinese".* He added *"...this can bog down the dynamics of a meeting by people being risk-averse, for example, brainstorming is harder to implement here* (in Hong Kong)*".*

To try and gain reinforcement or clarification of the observations made, the interviewees were subsequently asked to describe the communication strategies personally used themselves, which they believed helped increase the understanding of what was being said. The Chinese respondents were additionally asked to firstly think how they might

communicate in Cantonese with the same culture as their own, and then how this approach might differ when they had to use English in a multi-cultural group.

Cross-cultural Communication Strategies

In general terms, the findings revealed that the Western executives interviewed used a wider selection of communication strategies or approaches than their Chinese counterparts to ensure that verbal interchanges in English between the two cultural groups were not misinterpreted. All 25 of the Western interviewees were able to describe approaches that were different from those they would use when communicating with their own culture alone, whilst 9 of the Chinese interviewees said that they wouldn't do anything differently. In total, five broad communication strategies emerged, which were:

- Keeping the dialogue slow and simple;
- Making greater use of repetition, reinforcement and clarification behaviours;
- Non-verbal sensitivity;
- Signalling intent;
- Modifying the degree of openness

16% of the Western and 28% of the Chinese interviewees viewed the use of simple English, delivered in a slow and clear manner, as an important consideration for achieving clear understanding. The Western general manager in charge of Securicor's cash business explained, *"I always think about what I'm trying to say at the meeting. I'll consciously speak slower and avoid colloquialisms. I'll ask for feedback"*. The Western quality assurance manager for Gammon Construction added, *"I consciously put things into plain English without belittling their* (Chinese managers) *ability in the language"*. The Chinese managing director of Schindler Lifts added, *"When I speak to others* (nationalities) *I will speak more slowly and try to use common words"*. The Chinese Vice President of HR at Chase Manhattan Bank commented, *"I would elaborate more and have to tone down a little and be more objective, i.e., my words will be more neutral in English, not sarcastic. In Chinese we use a lot of slang"*.

A second strategy, adopted by both cultural groups, related to a more frequent use of repetition, reinforcement and clarification behaviours than would be normally used when communicating amongst their own culture, with 56% of the Western, but only 16% of the Chinese interviewees advocating this strategy. The Western managing director of the Colonial Mutual Group had found the following approaches helpful, *"With key issues, I'd say them more than once publicly and then check privately later. I also write important messages down"*. The Western managing director of British Steel (Asia) added, *"Speak slowly. Repeat it. Relate back to the Chinese managers the things they said to you for clarification"*. The Western finance director of Reliance Environmental Services added, *"I speak more slowly. I reiterate points in a different way. I ask questions to check their understanding and always sum up at meetings"*. The Chinese managing director of Thorn Lighting added, *"(I'd show) greater patience, I spend a longer time explaining the rationale. I write things down on paper, such as the logic, agenda etc."*. The Chinese managing director of Pizza Hut (Hong Kong and China) commented that *"I'll follow up in writing"*, whilst the Chinese CEO of a major airport services business at the new Hong Kong international airport added, *"I help them express ideas more clearly by probing"*.

Several Western, but only one Chinese executive, emphasised the importance of non-verbal behaviour as being a means to confirm and reinforce understanding. The Western managing director of a ship management business commented, *"I make sure what's said is understood – I speak slowly and clearly and watch their faces and listen to their answers to make sure it's congruent with what I've said"*. A senior Western HR executive in Jardines adopts a similar strategy, *"I tend to watch very carefully when I say something to see whether it's really being understood"*. The Western managing director of The Optical Shop retail chain added, *"I think about things before I go into a meeting, such as how to give a business card[39], remembering not to talk about personal issues or business, the order that is, to start with. In terms of my body language, I will lower my chair so I'm not peering over somebody and looking intimidating"*. A senior Chinese director in Gammon Construction also recognised a need to show care with non-verbal signals, *"Body language and facial expressions should be commensurate with the seriousness of the situation"*.

A fourth strategy, identified by 20% of the Western, but none of the Chinese interviewees, involved giving early warning, or 'signalling' what was going to be said in advance. The Western managing director of a ship management business remarked, *"With Westerners you can be more direct. With HK Chinese, I give them an idea first of what's coming up, a warning if you like"*. The Western director in charge of business development at the new HK airport adopts a similar approach, *"I offer a choice, for example I'll say 'here are some problems, this is what I'd do, and here are some other options, what would you do?' I use this approach because it gives the Chinese managers something to refer to and modify, which often helps get to what they really think more quickly. I tend to give options often and add a 'but' to my suggestions"*. The managing director of Gammon Construction added, *"I like to pre-communicate and prepare people* (Chinese) *in advance for what I'm going to say"*. A Western director from the insurance group JLT finds it useful to adopt a similar approach, *"In Chinese culture, meetings have great importance. It's a very indecisive culture and it's therefore better to tee up the Chinese managers about what'll be said"*.

The issue of Westerners being generally more 'direct' than their Chinese counterparts again emerged as an important consideration for both cultural groups. 20% of the Western interviewees expressed a strong awareness of this factor and described how they modified their degree of directness, so as not to upset their Chinese colleagues. 24% of the Chinese interviewees also flagged this difference as an important communication issue and described how they adopted a *more* direct approach with Westerners, than their own culture, in order to be better understood.

The Western managing director of the international advertising agency MCIM commented, *"I'm far less direct with Chinese managers. I have a genuine fear of being misunderstood or upsetting the other side, such as through loss of face and so on"*. The Western managing director of The Optical Shop, a regional retail group, was more specific, *"I also think about tone, how polite it is, and so on. I ask myself why I'm not making the progress in the conversation I should be. I often ask my secretary for advice about the use of words, or how to talk to somebody about a difficult issue"*. Several of the Chinese executives also understood the potential communication blockages caused by differing levels of 'directness'

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[39] Across most of Asia, it's common decorum to show great interest in another's business card. This includes handing the card to the receiver with both hands in such a way that the receiver can read it. The receiver must then study the card

in the cultures and described how they modified their behaviour to be more in line with the Western approach. The Chinese director of the Jardine Shipping and Aviation businesses remarked, *"In a mixed group, the tendency is for me to be more straight-forward. In some cases you have to be careful though that people don't get the wrong idea of your intention, due mainly to a misunderstanding of English. Chinglish is therefore very helpful, for example with Securair where most their managers are Western".* The Chinese CEO of a global logistics business remarked, *"I think like a Gweilo* (Westerner), *I'm more direct and open. With Chinese you need to be careful with words".*

Video Analysis of Groups in Action

The findings presented so far are based on personal accounts of the communication difficulties and subsequent strategies used to overcome these problems. However, one can anticipate that verbal accounts of this nature, even though backed by personal example, may be influenced by cultural biases, management styles, and even the industry or discipline of the respondent. To obtain further insight, video studies were made of 14 Anglo-Chinese groups in deep discussion about various business issues. A guiding question throughout the analysis of the group interactions was 'who is the most influential communicator and why?' Two key factors emerged, which In addition to providing reinforcement for some of the views expressed, provided new insight as to why people may be perceived as influential in groups:

- Frequency and quality of contribution; and
- Ability to manage the discussion.

The perceived degree of influence in a group appeared to be partly determined by the amount of 'air time' a participant occupied. To evaluate 'air time', an input of more than 5 words was recorded as a 'significant' contribution. This enabled identification of the highest contributor (but not the quality of what was being said). In three of the group sessions, HK Chinese executives emerged as the highest contributors, whilst in the remaining sessions Western executives contributed most.

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carefully before pocketing it.

In terms of the 'quality' of content spoken, a differentiation was made between *'gives information'* and *'gives ideas/suggestions'*. In the case of the former, a regurgitation of the known facts would constitute a rating under this category, whilst new information or insights would be recorded under the latter. The frequency of contributions under the *'giving information'* category was virtually identical. However, the observations made under the category of *'giving ideas/suggestions'*, whilst not conclusive, suggested that Western managers were more inclined to contribute ideas than their local colleagues.

The second category related to an ability to manage the discussion. In this category, an analysis was made of the extent to which each cultural group attempted to structure and generally co-ordinate the discussion. Nineteen behaviours were tracked in this analysis. These included: establishing/clarifying purpose, structuring the approach, questioning, clarifying, summarising, gaining consensus, monitoring the time, and steering the group towards a decision. In pursuing the guiding principle of 'who was most influential', the Author specifically selected two of the group sessions and showed them to his Chinese colleague, asking her to identify at the end of each discussion, whom she felt was the most influential member of the group. In both cases she chose a Chinese participant and when asked why, explained that they appeared to say the most. At this point, the Chinese colleague was unaware of the types of behaviour being studied. A subsequent analysis of the video indicated that although the Chinese executives' overall contribution rate was no higher than certain other members of the group (Western), the extent to which they used 'establishing purpose', 'questioning' and 'summarising' behaviours was.

The overall analysis revealed a generally much stronger tendency amongst the Western managers to practice these types of behaviours, than their Chinese counterparts. In 9 out of 13 sessions, Western managers emerged as the most frequent contributors in this respect, whilst in the remaining discussion, neither cultural group dominated. Regardless of cultural group, those managers who initially established or clarified purpose, also tended to use more questioning, clarifying and summarising behaviours. The observations described begin to suggest that certain behaviours, practised in multi-cultural group situations, can help enhance the frequency, balance and general quality of communication, as well as increase the influence of those using such behaviours.

The Findings So Far

The research has identified five areas where differences exist and in turn appear to influence the effectiveness of communication between the two cultural groups:

- **Priority Perception** - HK Chinese and Western executives attach equal importance to having objectives, but what these might mean in terms of time frames and scope can often differ.

- **Verbal Expression** – HK Chinese executives at times experience difficulty in expressing themselves in English, but it is more often the Westerners' 'awkward' or imprecise use of their *own* language with the Chinese which creates most misunderstandings.

- **Signal Recognition** – HK Chinese executives generally display a much greater level of verbal and non-verbal subtlety in their communication, which can often be misinterpreted by their Western colleagues.

- **Social Interaction** – Both cultural groups view social interaction as an important vehicle for communication, however the mutual difficulty experienced in finding common social ground, inhibits interaction in this respect.

- **Directness** – The indirectness displayed by HK Chinese executives, coupled with an apparent stronger inclination to avoid embarrassment and 'loss of face', often comes into direct conflict with the more open and assertive style of Western executives, hence further inhibiting effective communication.

The last of these findings, *Directness,* largely supports the findings described in Chapter 2 and helps explain *why* Chinese executives tend to be less explicit, less open, and less assertive in their communication than their Western counterparts. Whilst Chinese managers' competency in *verbal expression* can create certain communication difficulties, confirming earlier findings, the greatest source of breakdown appears to lie in how Western managers use their *own* language to converse in Anglo-Chinese situations. The remaining categories all contribute to the Literature in offering new or further perspectives on Anglo-Chinese communication. However, implicit in most of what has been observed and recounted, is a strong inclination amongst both cultural groups to 'retain face' or avoid embarrassment amongst the Chinese.

Reinforcement for these findings is found in the communication strategies adopted by each cultural group to enhance the understanding of interaction in Anglo-Chinese situations. These are:

- Keeping the dialogue slow and simple;
- frequent use of repetition, reinforcement, and clarification behaviours;
- non-verbal sensitivity;
- signalling intent; and
- modifying the degree of openness.

The value of these observations lies not so much in the behaviours practised by the executives concerned, but more in how these strategies help reinforce the earlier observations about where Anglo-Chinese communication blockages lie. The question of which culture should adapt most is a provocative one. Indeed one might ask whether the use of another culture's language is in itself sufficient adaptation. This, and other equally compelling questions, will be pursued in subsequent chapters.

The video analysis offered both reinforcement and new insight. The greater tendency for Western executives to use 'questioning' and 'clarifying' ('confirms understanding') behaviours, recounted in the interviews, was reinforced in the video analysis. The analysis in particular revealed that whilst many of the Chinese members used these behaviours at some point or other, the *frequency* of use was higher amongst the Western group members. A similar pattern was also observed in respect to 'summarising' behaviours. What constitutes 'influence' in a management group requires further study. However, use of the behaviours just described appears, in at least two of the studies (those viewed by the Author's Chinese colleague), as being a key indicator of influence. Thus a picture begins to build up about the associations between different dimensions. The findings so far suggest a fairly strong link between how the 'formulation', 'articulation', and 'buy-in' to *Purpose* can be influenced by the communication issues discussed in this chapter. The next chapter develops the aspect of 'buy-in' further, by exploring the notion of 'motivation' in more depth.

Chapter 6

Motivate

Research Problem

'To determine what culturally-specific motivational similarities, differences, and expectations, exist within Anglo-Chinese executive teams'

Chapter 2 defines *Motivate* as 'energising people to get the best out of them over a sustained period of time, whilst instilling in them a strong sense of commitment to the *Purpose* or intent'. Up until the 1970's, it was believed (in the West anyway) that motivation theories were readily transferable across cultures. However, more recent research indicates that this is not necessarily the case, with people from different cultures being often motivated by different 'things'. Chapter 2 grouped the motivation theories into three broad categories, which will form the structure for this particular chapter:

- **'A' Drivers** – Actions or reinforcements, usually provided by the leader or organisation, which modifies or perpetuates behaviour. These are for the most part actions that are likely to be tangible in nature. They may also be thought of as the *manifest* representations of culture, described by Sathe (1985).

- **'B' Drivers** – Compelling needs, often socially acquired, which the individual finds difficult to resist. These desires are largely driven by the values or beliefs of the person concerned and linked to Sathe's second and third levels of culture (*expressed values* and *basic assumptions*), the *why*.

- **'C' Drivers** – Self generated desires, often peculiar to individuals, derived from the expectation that certain longer term outcomes will arise if a particular course of action or actions is followed, again linked to Sathe's second and third levels of culture.

Our knowledge about what motivates Westerners (particularly North Americans) is now fairly well developed, and seemingly applicable to both managerial and non-managerial groups. However, the Literature tells us less about what motivates the Chinese, causing us

to continue to base our assumptions on the experiences of the West (e.g., as evidenced by the use of conventional performance, objective-based, appraisal systems in Hong Kong and elsewhere). An incident described by the Western managing director of the Colonial Mutual Group, involving a group of Indonesian Chinese saleswomen in his company's Jakarta office, helps illustrate some of the false assumptions which can be made. *"The sales force contained a high proportion of women who were pretty wealthy in their own right. As a result, we found the basic rules for commission salesmen didn't apply so rigorously. They were more interested in recognition and being part of a family. Allowing them to be called 'manager' and giving them important looking business cards became quite powerful tools".*

This short, but engaging example, encapsulates a number of motivational issues, which depart from the 'norm' one might expect in Western societies. The 'important looking business cards' and title can be thought of as Category 'A' drivers, in that they represent tangible offerings which can be bestowed upon an individual to encourage desired behaviour. But beneath the desire for status, accorded by the business card and title, may lie a deeper set of values which condition ways in which Overseas Chinese executives may think or behave compared to their Western counterparts. 'Being part of a family' also suggests an underlying value or desire, described under Category 'B', which may drive executives from different cultures to manage and lead in different ways.

If we accept the anecdotal and research-based evidence that people from Western and Chinese cultures are motivated by different things, this situation gives rise to a compelling, and so far unanswered question, about the motivational dynamics of Hong Kong Chinese and Western managers, when they work in the same team, rather than independently. This chapter therefore sets out to explore the personal observations of executives who have had many years experience working in Anglo-Chinese management groups, with a view to identifying some of the key motivational drivers that exist within such groups. To provide structure and enable us to later link our observations to the theoretical underpinnings explained in chapter 2, the chapter will broadly group the observations into the three categories described at the beginning. In doing so, particular care has been taken not to underestimate the complexity of this area of study, which appears to have many overlaps and interconnections with areas already discussed.

The questions asked in this part of the interview were for the most part open-ended, with a view to eliciting the respondents' own words and interpretations of what they consider to be motivators. In the first question they were asked to think about their own cultural group and then identify three factors, which they have found motivates managerial as opposed to non-managerial staff to perform better. This line of exploration was followed by a subsequent question, which asked the respondents to compare the motivators of their own culture with those of the other group. In the final question of this section, the interviewees were asked to comment on their experience in Anglo-Chinese groups.

The Drivers

<u>Category A Drivers</u>

The reader will recall that these drivers relate to overt actions of some kind, which can be explicitly applied by a leader, or organisation, to influence or reinforce the ways in which people behave. In this respect, the leader has potentially a high degree of control at his or her disposal. Within the context of this study, Category 'A' drivers can be thought of as the visible, or *manifest* components of Sathe's cultural levels. In a series of open questions, two drivers emerged in this category, 'Financial remuneration' and 'Praise' as differentiating Chinese and Western managers.

'Financial remuneration' (in most cases simply described as *money*) emerged as a key driver for both cultures, but most notably the Chinese executives, 76% of whom explicitly identified this factor, compared to 48% of their Western counterparts. In a subsequent question, the interviewees were specifically asked to compare their own cultural group to the other and identify the most important driver for each. 'Money' was again identified by the Chinese and Western interviewees as being the most important driver for the Chinese executives, although in response to this question, less Chinese than Westerners (28% versus 48%) were inclined to highlight this driver as a primary motivator.

The Chinese managing director of an airline agency business commented, *"It all depends on the culture in the organisation. For example with ourselves versus Cheung Kong*

Holdings (part of the Li Ka Shing empire), which is Chinese, there is no question of being given housing. You're just given pure cash and it's up to you to decide how to spend it. It's only when you have mixed benefits that people start being differentiated and difficulties begin". A senior Chinese director with Gammon Construction added, "The difference lies in their values in life, therefore the motivators need to be better thought through than with a single culture team. For example, if you want to motivate Hong Kong (Chinese) managers, it's relatively easier than expats and Chinese together because expats need more than just (money) package, because they have multiple values". Several Western interviewees also identified compensation as being a key issue. The general manager of the New World Harbour View Hotel remarked, "The problem is that the Chinese managers are looking for money, whilst the Western managers are looking at career, therefore your decisions and actions have to be based with these thoughts in mind". The head of treasury for Jardine Matheson commented, "With Westerners money might mean less because they work on the basis that if they've done a good job it'll be recognised and this will be reflected in their careers. With the Chinese, I think they prefer money, although you need to bear in mind that everyone is different so you shouldn't be stereotypical".

'Praise' (also described as recognition and acknowledgement), which in this context is verbal in nature, emerged as a second key driver for both groups, with 64% of Western, compared to 40% of Chinese executives identifying this factor explicitly as a motivator. In a follow-up question that probed more deeply, several Western respondents (but not Chinese) again raised the issue of 'Praise', but this time within the context of the subtlety with which it is expressed or displayed by Chinese managers. A senior Western head of HR in Jardine Matheson was particularly explicit in this respect. "I think you have to be careful to recognise that although the Chinese manager will not make such a big issue as Westerners about being recognised, it's every bit as important to them and therefore you must keep this balance in mind and condition yourself to look for the good, even though it may have been expressed in a much lower profile way. If you don't it will take you from behind and you'll find they will move to other pastures without ever telling you why. One of my executives is a classic example of this. She approaches things in a very low profile way, hides her light under a bushel if you like, but is clearly highly valued by our Chinese internal clients. Whenever I hear from them, I always make sure I pass the compliment on to her". A similar observation was shared by the western head of audit for Jardine Matheson, "I

believe it's all the same, at the end of the day they are all people. It's the interpretations or external responses that differ, even with the bus drivers. It just may take longer to get a visual external response, internally things are the same. Westerners tend to think there's a difference, when in my view there isn't".

The video analysis of the Anglo-Chinese groups in action also surfaced some relevant behaviours. Using the template described earlier, the analysis tracked thirteen different types of behaviour, which were categorised by the author as potentially motivating within a group context. The frequency of behaviours recorded was insufficient to draw any firm conclusions. However, the findings provided certain insight, worthy of mention. Four behaviours emerged as being used frequently by both cultural groups, with 'Agreeing and Supporting' being used with the greatest degree of frequency. However, three other behaviours also featured. These were, 'Builds on Others' Ideas' (e.g., "...and picking up on John's idea I think we should..."). 'Verbal Rewards' (e.g., "I think that's a good idea"), and 'Visual Rewards' (nodding of head and smile, thumbs up, tap on the back, etc.), with the latter behaviour being used most frequently by the Western group members. These observations add some support to those made earlier about Westerners being more explicit in the ways in which they offer praise.

Category 'B' Drivers

In contrast to Category 'A' drivers, those classified under Category 'B' are less tangible in nature. They relate to desires, which arise from compelling internal needs to assume or avoid certain states of being. These desires appear to be socially acquired, enduring, and often linked to deep-rooted values. In this respect, the drivers tend not to be tangible offerings that the leader gives, but more the circumstances in a group that must be managed by the leader so that they align to the values of the people concerned. 'Working atmosphere' and 'Responsibility' emerged as key drivers in this respect.

'Working atmosphere' is best captured in the words of one of the interviewees, a Chinese CEO of a major airline handling agent (30% of flights into Hong Kong). "The working environment is one where one is working in the company of a supportive team who supports the vision. They must feel they are totally trusted and well regarded, that is to say,

have a feeling of ownership". The key finding to emerge from the analysis of responses was that whilst 56% of the Chinese respondents explicitly referred to 'working atmosphere' as an important motivational driver, only 16% of the Western respondents made reference to anything that could be vaguely construed as 'atmosphere' in this sense. The nature of descriptive words used also differed, with the Chinese interviewees appearing to speak from the perspective of the team, with frequent use of descriptive words such as 'trust', 'team spirit', and 'support'. The four Western respondents used more forceful and action-oriented phrases such as *"team, build it up - company fails then we fail', 'working as part of a team', 'positive attitude in the business unit, good leadership with direction'* and *'creating a sense of pride, being part of a winning team".* An explanation given by the Western management consultant helped differentiate the perspectives expressed by each cultural group. *"Westerners in this environment may subscribe to a team culture and would expect their Chinese colleagues to act the same way. With the Chinese it's about community, whilst with Westerners it's more of a squad approach. Westerners expect people in a team to have specific roles, whilst Chinese managers don't".*

The 'style' of the boss also emerged as an important contributing factor in developing a motivational 'working atmosphere'. Again, the words used by the interviewees suggested a different cultural perspective, with the Western respondents subscribing to a more 'up front' and overt style, whilst the Chinese were more inclined towards a nurturing and supportive style. The Western managing director of Gammon Construction explained, *"In our industry in managing a project, managing from the front really works best. Don't allow yourself to be isolated. Wander around and be visible".* A similar perspective was provided by the Western head of audit at Jardine Matheson, *"The leader must be leading by example, showing that he's ahead of them and could do a better job if you had the time...make them feel as if you care about them. Do something of a non-business nature, i.e., go the extra step".* The comment from the Western police chief inspector reinforced this view, *"Leadership by example, I'm motivated for example by somebody who's enthusiastic".* The Western general manager in charge of Securicor's guarding services business talked of, *"Leadership with direction. Constant encouragement, recognising that things go right and wrong and advising when it does go wrong, and praising when successful".* A senior Western HR executive with Jardine Matheson added, *"Getting excited and being positive*

and ambitious in thinking as a boss. Giving increasingly more exposure and development. Letting them take the glory, even though you may have been heavily involved yourself".

In contrast to the views of the Western interviewees, the Chinese interviewees' comments suggested a preference for a lower key, more nurturing form of support. The managing director of R.R. Donnelly explained, *"Make them feel good and happy in the operation, which relates to the atmosphere or climate. Train them, it makes them feel valued".* A senior director in Gammon Construction remarked, *"Look after your people, provide people with a sense of permanency in the organisation".* Another director from Gammon added, *"Giving a clear picture of their career and getting senior management's backing, such as introductions to associates and so on".* The sales manager from Trane added, *"Having a boss who is competent and backs you up. Working for somebody who knows, and lets us know, the long term objective".* The head or airport services at Kai Tak International Airport commented, *"Make sure they know that it is to both our benefits that we work well together. Monitor the performance of the staff, give them advice and guidance".*

'Responsibility' (also described as *accountability* and *autonomy*) within the existing job emerged as a key motivating driver for the Western interviewees, with 52% explicitly mentioning this factor, compared to 24% of the Chinese respondents. Greater responsibility in this context relates to existing role (i.e., not a promotion). Further light was shed on these apparently differing perspectives in an associated question asked later during the interviews, dealing with the extent to which managers from the different cultural groups are prepared to share responsibility, or more specifically 'Control'. In this question the interviewees were asked to compare the typical styles of Chinese and Western managers they knew in terms of the degree of control they shared with their managers. On a scale of 1-10, the respondents were asked to rate Chinese against Western managers, ranging from: *'Maintains complete control, rarely shares information, makes decisions alone'* (10), to: *'Highly involving with strong inclination to share power, information and responsibility with the team'* (1). Between each of these descriptors were two other statements, reflecting intermediary degrees of involvement.

An analysis of the ratings revealed a significantly greater degree of control exerted within management groups by Chinese bosses, compared to their Western counterparts. Results

from the Chinese executives interviewed revealed a mean average control rating of 6.9 for managers of their own culture, compared to a mean average of 5.0 for Western managers ($p> [t]$ 0.0001). Three of the interviewees were unwilling or unable to differentiate. The difference perceived by the Western executives was even greater, revealing a mean average control rating of 7.2 for Chinese, compared to 4.9 for Western managers ($p> [t]$ 0.0001). Two of the Western interviewees were unwilling or unable to answer. The two separate observations of the Chinese and Western management consultants helped shed further light on the implications of these findings, within the context of Anglo-Chinese management groups. The Chinese consultant commented, *"Chinese managers may not let Western managers take as many risks as they want to"*, whilst the Western consultant remarked, *"My observation is that Westerners would tend to assume more, whilst they would feel their Chinese colleagues were not proactive enough"*.

Category 'C' Drivers

Category 'C' Drivers largely relate to the Expectancy theories described in the Literature Review. These theories suggest that the amount of effort that a person puts into a task will depend upon such factors as; the chances of achieving a desired goal, likelihood of the effort being recognised, and the degree of importance that an anticipated outcome will hold for the person concerned. This driver differs from the other two in the following ways. With Category 'A' drivers, 'Money' and 'Praise' represent clear *tangibles* which the leader can readily give or withhold, dependant upon performance. Category 'B' drivers, relating to 'Working Atmosphere' and to a lesser extent 'Responsibility or Control', are group *environmental conditions* which the leader must try to create in order to nurture the required effort and commitment. Category 'C' Drivers are more complex in that they are associated with self-generated desires that are less readily influenced by either the leader or environment. The challenge for the leader in this context is therefore to offer *individual opportunity*, coupled with an expectation that the effort will be fairly rewarded.

The notion of 'fairness' appeared to hold slightly different meaning for the Chinese than Western executives. The Chinese general manager of The Optical Shop retail chain remarked, *"I would treat everyone in the team the same, I'd make sure I'd show care, talk to them and show my appreciation"*. Two Chinese HR executives, one from Jardine

Matheson, the other from the Chase Manhattan Bank commented, *"Treat all managers equal in terms of trust"*, and *"Fair treatment is vital, whether Chinese or Western"*. Associated with fairness was the issue of equal involvement. The Chinese board director in charge of the Jardine shipping and aviation businesses was more specific, *"In managing (Anglo-Chinese groups) you need to have different skills and understand it's a two-way street. For the Chinese you sometimes have to give more direction, for Westerners you may do the same, but not confine your consideration to their abilities alone, but also to the circumstances. Therefore, in a multinational company, you must keep this in mind"*. The Chinese managing director of the Pizza Hut described part of the challenge as being, *"How to get the balance between the views of both* (cultural groups). *Westerners will give ideas readily, but with Chinese you need to expect less and therefore need different tactics to get ideas, such as more questions"*.

The Western interviewees also understood the issue of 'fairness', but like the Chinese managing director of Pizza Hut, described this as being more in terms of involving both cultures. The director in charge of Jardine's property and financial businesses explained; *"With a mixed team I'd level the playing field by ensuring that the Chinese bias against standing out doesn't prevent them from getting their views across. If language were an issue, I'd protect them against that. I would also show stability by being predictable and protective in the way I behaved"*. A similar sentiment was expressed by the managing director of a ship management business, *"If it's decided by the Company the Chinese will go along with it, whilst the Europeans will question. You therefore must involve them"*. The Western general manager in charge of Securicor's cash handling business added, *"I try to probe deeply with Chinese managers to get them to give me feedback, but in a safe environment. I get much more on a one-to-one, so I tend to have lots of these with the Chinese managers"*. The Western finance director of an investment company took a similar approach, *"Managing expectations is more important in mixed teams. You need to be consultative with people and find out what individuals want, i.e., personalise things more"*. The Western police chief inspector added, *"You have to be more specific about what you want* (in Anglo-Chinese groups), *tailor your requests to both cultures, don't just direct it at the expats"*.

Linked to the issue of 'fairness' was 'career opportunity'. 32% of Chinese and 28% of Western respondents specifically highlighted this issue as being an important motivational driver. Whilst 'career' wasn't precisely defined by the respondents, terms used such as *'career path'*, *'advancement in career'*, and *'career development'*, indicated that it was future prospect, rather than assumption of greater responsibility or accountability within the existing job, that was the key driver.

General Cultural Awareness

Linked to many of the issues discussed, were also a number of general remarks about motivation in Anglo-Chinese management groups which, whilst not easily fitting into any particular category, nevertheless adds richness to the comments already made. The Chinese managing director of R.R.Donnelly remarked, *"For both managers, Western and Chinese, each needs to know what the other values. The also need to understand each other's difficulties. Therefore the one who manages a mixed team must have had broad exposure to different cultures, for example having lived elsewhere"*. The Chinese managing director of Thorn Lighting commented, *"It depends on how the CEO manages the situation. He needs to keep expectations met and should adjust things as necessary"*. A senior Chinese director in Gammon Construction added, *"The success of Gammon is because it's a mixed team. It's local, but not too local. Other companies all have gweilos at the top – it doesn't work. It's the same problem as the Mainland companies having all Mainland Chinese"*. The Chinese general manager in charge of a chain of IT retail outlets, in commenting about mixed teams, remarked, *"There will be possible political conflicts when needing to achieve certain objectives. When people have different priorities, things they hear and speak may be directed in that way. Some may be hidden agendas, which will lead to defensiveness"*. The Chinese head of the Jardine Matheson's management services department added, *"Manage them* (Western and Chinese managers) *with different techniques. Don't treat them the same. Expectations are pretty different"*.

The Western managing director of the Colonial Mutual (life assurance) Group in talking about the implications of managing Anglo-Chinese groups remarked, *"Get back to a sense of mission and commitment to common goals, then you can live with the differences* (in

motivating). *What I mean is take it from the personal to the corporate"*. The Western managing director of The Optical Shop retail chain commented, *"It's difficult to get everyone on the same timetable, Westerners may think things don't happen quickly enough whilst the Chinese think it's too quickly and feel they're being pulled. It's really a time frame disconnect. How a message is delivered also culturally has an impact*The head of corporate communications for Jardine Matheson summed up the implications for Anglo-Chinese groups as, *"having to accept that there are different strokes for different folks"*, whilst the head of corporate legal for Jardine Matheson commented, *"Maybe it's not the things which motivate people that are different, but more the way the message is put across"*.

The Findings So Far

In summary, five primary drivers or motivators have emerged, each of which appear to hold different degrees of importance for Western and Hong Kong Chinese executives. These are:

- **Financial Rewards** – Both groups interviewed clearly rated tangible cash reward as being a more potent motivator for Chinese, than Western managers. For Western managers, overall 'package' or remuneration appears to be the driving factor in this respect. There are several possible explanations for this, the most likely being related to family circumstances. The interviewee profile shows that with the exception of three Chinese and two Western executives, all are married with families. In this respect, expatriates are likely to favour the security and comfort of having everything provided, so they can concentrate on their jobs. For the Chinese executives, the ready availability of an extended family (mothers, aunts etc.) means that a substantial part of this security is already provided for. Evidence of this preference can also be seen in a decision by the Jardine Matheson group to offer 80 of their expatriates equivalent cash allowances, rather than housing, as part of their package. All 80 opted to remain with company provided accommodation[40]. The tendency for Hong Kong Chinese managers to have a

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[40] Nancy Chan, General Manager, Personnel Services Department, Jardine Pacific Group Ltd. February, 1998.

shorter-term perspective than their Western counterparts (Chapter 4), also offers a plausible explanation for this situation.

- **Praise** – The findings suggest that Western executives appear to place more emphasis on verbal praise as a motivator than do their Chinese counterparts, who may prefer to give recognition in different ways (e.g., money). However, this is not to suggest that Chinese managers don't enjoy verbal praise, but merely that they are relatively less inclined than their Western colleagues to use it as a motivator amongst their own and other cultural groups.

- **Working atmosphere** – The comments recorded indicate a preference amongst the Chinese executives for a more nurturing, supportive and directive environment that has a 'community' feel to it. This finding is in contrast to their Western counterparts, who were more inclined towards an action-oriented, 'all-in-the-same-boat' climate. The different inclinations were also reflected to some degree in the leadership styles expressed by each cultural group. The Chinese executives' expressed an inclination towards a softer, more guiding approach to managing subordinates, whilst the Western executives appeared to favour a more 'up front - can do' approach. Several observations in the previous chapter on communication tended to support these findings, particularly in regard to the lower profile and more conservative approach of Chinese managers.

- **Responsibility and Control** – There appear to be links between the observations about the differing styles and the degree of responsibility a culture welcomes or expects. The findings suggest that being given clear responsibility holds greater motivational appeal for the Western than Chinese executives interviewed. This conclusion finds further support in the significantly stronger desire amongst Chinese executives to confine control to themselves once they have acquired it. One can also reasonably assume a link between responsibility, greater exposure and therefore higher potential for conflict or loss of face, which may also inhibit this as a motivational driver for Hong Kong Chinese executives. However, this is not to suggest that Hong Kong Chinese executives don't value promotional steps any less than their Western counterparts, as the next section will show. The indication therefore appears to be that

responsibility will be welcomed, providing it has the security of title and authority to back
it up.

- **Fairness** – As the category suggests, the notion of 'fairness' relates to equality in terms
  of opportunity and general treatment. One can reasonably assume that the less
  outspoken nature of the Hong Kong Chinese and the comparatively higher level of
  acceptance of hierarchical differences (Hofstede, 1980), means that discontent about
  inequalities will be less readily expressed. In conjunction with these factors, the colonial
  legacy and long-term exposure to managers on expatriate packages, all contribute
  towards creating a greater tolerance of differences in Hong Kong than might be evident
  in many Western countries. The findings in this study are inconclusive, other than to say
  that different cultural expectations may exist as to what might be viewed as fair.
  However, the comments made in this and other chapters suggest that the desire for
  equal involvement in the decision-making process, coupled with an expectation of
  career opportunity, is common to both cultures, although may be expressed differently.
  There might also be some significance in the fact that 14 of the Chinese respondents
  classified the motivational drivers for both cultures as the *same*, compared to only 5
  Western respondents who perceived more differences to exist.

These findings provide reinforcement to those of other researchers, in showing that
different cultures are motivated by different factors, which are in turn contingent upon the
cultural values, situation and circumstances. However, two new findings emerge, which
show that even though senior Chinese and Western executives are working closely
together in the same team towards the same goals, they are likely to be motivated by
different factors. Furthermore, expectations of the leader are also likely to differ (e.g.,
Western managers anticipating more overt praise from a Chinese boss than Chinese
subordinates would).

So far, we have considered how the crafting of *Purpose* or intent is influenced by the
dynamics of having two cultures working towards the same business end. We then
explored how the communication of this intent is likely to be influenced by culturally
conditioned factors, which are often beyond the immediate control of the executive in
charge. In this chapter we explored the desires, expectations and conditions, which compel

Chinese and Western managers to behave in ways conducive to achieving this intent. Both chapters present a developing picture of the expectations of leadership within Anglo-Chinese executive groups. Our focus now shifts away from the 'softer' aspects of *Managership*, towards the 'harder', more tangible processes of problem-solving, decision-making and planning.

Chapter 7

Manage

Research Problem

'To determine the extent to which the Western concept of problem-solving, decision-making and planning applies to the Anglo-Chinese context'

The term *Manage*, in the context of this study, refers to the 'style' an executive adopts to address the problem-solving, decision-making and planning[41] processes in relation to the implementation of *Purpose*. The reader will recall that using Adler's (1991) linear five step 'problem-solving/ decision-making' model (derived from studies of Western subjects), Chapter 2 explored the potential impact of Hong Kong Chinese culture on each of these steps. These steps were as follows:

- Problem recognition;
- acquisition of information in relation to the problem;
- generation of alternatives;
- choice; and
- implementation

Previous research reveals clusters of values or behaviours, potentially relevant to these processes, which appear to be more prevalent amongst Chinese than Western societies. These findings include a stronger:

- belief in the influence of **fate** over outcomes;
- acceptance of the notion of ***wu-wei***, or 'active not-doing'.
- aversion to **risk** (associated in this context with potential loss of 'face');

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[41] From henceforth in this chapter, the term 'problem-solving' will be taken to mean the full sequence described by Adler. Specifically; problem recognition, information search, construction of alternatives, decision making, and planning.

- reliance on **intuition and precedent**;
- unwillingness to **sharing information**;
- need for **control**;
- tolerance and respect of **hierarchical differences**; and
- greater sensitivity to **contextualism** (i.e., taking into account all factors);

Other studies, described in chapter 2, have considered combinations of these elements in relation to their impact upon various aspects of managerial behaviour, particularly in relation to management style. However, no research of this nature appears to exist relative to the linear problem-solving approach described, particularly within the context of Anglo-Chinese groups. This chapter therefore sets out to explore the extent to which these and other cultural differences may influence the problem-solving and decision making approaches within such groups. A relatively recent newspaper article provides some context for this study.

On the 29 March, 1998, the South China Morning Post newspaper ran an article on Lim Por-yen, head of the Lai Sun Group, a company with a market value of more than $8b. In 1991, Lim took over as chief executive of ATV (already owning 67.5%), one of Hong Kong's two English language television stations. Both of these companies would fit the definition of being Anglo-Chinese in nature. Born in the Guangdong province of mainland China, Lim moved to Hong Kong as a child and in 1947 began a garment business, selling teashirts and jeans. The business flourished and in the 1980's, he diversified into property development and investments, acquiring in the process major interests in the Crocodile fashion company and Ritz-Carlton group. Whilst Lim remains head of the overall group, his two sons have now joined him in the upper echelons. The transition from garments and the like, to property, to diversified regional/ international businesses, is common to many of the prominent Hong Kong Chinese entrepreneurs (notably Li Ka Shing).

In the years that followed Lim's leadership as chief executive, the station went into decline, losing out heavily to its main competitor TVB. Lim recently left ATV under a cloud. Subsequent interviews with senior executives in the company suggested that Lim's management style was a major contributing factor in the station's decline. *"Lim's 'Chinese' style of management has come under much criticism from one-time insiders. His 'hands-on'*

approach meant he would by-pass his deputies – people he had hired to make crucial decisions – and consult with the next, lower level of management to discuss strategies. More perplexing, he would return to the deputies and tell them what to do. 'They were just his personal attendants instead of executives on the job, whom he would invite to eat meals with him. They were his dining companions. It was like the traditional Chinese household, where he was the almighty God and no one could challenge him'." Another former senior executive commented, "He used tired old strategies and never accommodated modern needs or looked to the future. There were rarely detailed surveys or deep research".

The profile is very similar to that painted by Redding (1990) of the patriarchal heads of Chinese family businesses. However, the findings presented so far in the preceding chapters suggest that Lim's style may not be confined owner-operators alone with, for example, the desire for 'control' being a characteristic more prevalent amongst the Hong Kong Chinese, than Western executives interviewed[42]. This research identified several aspects of behaviour, evident in Anglo-Chinese management teams, which supports the existing research, but also adds our body of knowledge. From the interviews, cultural differences in approach emerged in four key areas, which the chapter now describes:

- Problem recognition
- Acquisition of information
- Decision making
- Planning

Problem Recognition

In an open question, the interviewees were asked whether they had seen any evidence to show that Chinese and Western managers address problems differently. In broad terms, the responses indicated that the extent or speed with which Chinese managers openly acknowledge, proactively address or share a problem in an Anglo-Chinese management

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[42] As a point of anecdotal interest, in April 1998 the author counselled two Western executives, both working for different Hong Kong Chinese bosses, who were frustrated by the tendency of their bosses to bypass them and consult with their Chinese subordinates.

group was less than was evident with their Western counterparts. 32% of the Chinese and 56% of the Western interviewees made comment of this observation. Amongst the Chinese interviewees, the managing director of Pizza Hut (Hong Kong and greater China) remarked, *"Western managers find a solution first. They're keen to solve problems and will give you many ideas, whilst the Chinese will be less responsive"*. The Chinese head of Jardine Matheson's management services group commented, *"The Chinese are not as open as Westerners, they may hide a problem"*. The Chinese managing director of Schindler Lifts had noted, *"Westerners tend to be more result and action-oriented and are therefore more proactive, although some Chinese would do the same, but would try to find out more background.* A Chinese director from Gammon Construction commented, *"In the foundations division they've all been indoctrinated into my way of thinking so they're similar in thought. Gweilo's[43] will tend to act more quickly, whilst the Chinese will do it quietly and tend to think about it first"*.

Similar messages emerged from the Western interviewees. The general manager of the New World Harbour View Hotel commented, *"They (Chinese managers) will tell you a problem is solved when in fact it's just been put in the top drawer... the ostrich syndrome... the problem then pops up a week later. Western managers are more direct and deal with the problem immediately then move on to the next one"*. A senior HR executive in the Jardine Matheson Group had commented, *"I'm very sure that Chinese managers tend to keep things to themselves more than Western managers would. I still haven't figured out why, but suspect it's because they prefer to sort out things themselves. This even applies to the Chinese managers that I feel I know and have worked with for many years. I don't take this personally now, although I used to as a younger manager. At the other end of the spectrum, Western managers tend to say too much which can create waves and aggravate a problem even further"*. The managing director of the Colonial and Mutual Group added, *"Westerners tend to be more upfront and direct to getting to the root of the problems and sorting them out. The Chinese appear to be inhibited by face issues and look for extended negotiation which leads to compromise"*. The Western managing director of Gammon Construction added, *"Westerners can accept that there's a problem faster than Chinese managers. Chinese managers' response to and dealing with, or bringing up a problem, is slower"*. The managing director of The Optical Shop retail chain observed, *"With the*

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[43] Gweilo – colloquial term for a Westerner of European descent, which literally means 'ghost man'.

Chinese it tends to be a stepped and rigid approach with them often not opening their eyes to other problems which arise, that is to say they're single minded for the task in hand at the expense of other things".

Acquisition of Information

During the course of the interviews, the interviewees were posed a series of open questions, the first of which asked for any evidence they may have seen to suggest that Chinese and Western managers might address problems differently. The manner in which information was acquired and used emerged as an important area of difference, with 20% of the Chinese and 28% of the Western interviewees recognising that Western managers are more inclined to analyse and use hard facts to determine cause than their Chinese counterparts.

The Chinese director in charge of Jardine's trading and distribution businesses commented, *"Generalising, there's perhaps more of a tendency for a Chinese manager to be intuitive whilst Western managers are more analytical in approach"*. A Chinese director from Gammon Construction explained, *"Chinese managers use their past experience more to tackle a problem, whilst Westerners tend to listen and try to understand the problem first"*. The Chinese vice president of HR for Chase Manhattan Bank remarked, *"In departmental meetings, the problems expressed by Chinese managers tend to be more subjective, for example, I can remember Deborrah Sherring (Westerner) reacting in more rational ways. The subjective comment might not be wrong though"*. Similar views were also expressed by several of the Western interviewees. The police chief inspector explained, *"With the Chinese, they'll go into the problem much more quickly, whilst the expats tend to be slower and more analytical about it. The Chinese feel their way through things bit by bit. I think this is connected with them being less able to picture things in the same way as expats"*. A finance director from a global investment company, Matheson Investnet, remarked *"Westerners tend to be more analytical, whilst Chinese are more fatalistic about things"*.

The interview then probed more deeply and asked each interviewee to weight four factors[44] in terms of the degree of reliance they and others placed on each factor in trying to determine the cause of a problem. Prior to asking the question, each dimension was firstly explained as follows. 'Intuition' was defined as being an internal feeling that something was right or wrong. 'Experience' related to a tendency to refer to the ways things had been done, or worked in the past. 'Consultation with others' was self-evident. 'Analysis' was described as the proactive and structured collection and collation of information.

In the Chinese respondents' self-evaluation, reliance on 'Analysis' emerged as significantly more important than 'Intuition' in helping them determine the cause of a problem, revealing average mean score weightings of 3.6 and 1.2 respectively (Prob>F, <0.0001). 'Consultation' and 'Experience' fell between the two. However, when the Chinese interviewees were asked to rank other Chinese managers, 'Experience' clearly emerged as the most important factor, whilst 'Intuition' was again viewed as least important (showing average mean score weightings of 3.0 and 1.3, respectively). Conversely, the Western respondents' rating of Chinese managers' preferences suggested that they saw Chinese managers as relying mostly on 'Consultation' or 'Analysis', and least on 'Experience' (average mean scores of 3.0, 2.7, and 2.0 respectively. Prob>F, 0.0026).

The Western interviewees' evaluation of themselves showed a clear split between preference for 'Analysis' and 'Consultation' in determining the cause of a problem, compared to reliance on 'Experience' and 'Intuition' (average mean scores of 3.1 and 2.7, compared to 2.1 and 2.0, respectively. Prob>F, <0.0001). The Western evaluation of other Western managers showed a similar pattern, although the most significant preference difference emerged between 'Analysis' and 'Experience' (3.0 and 2.1, respectively. Prob>F, 0.0026). The Chinese interviewees' evaluation of Western managers also showed a similar pattern, with 'Analysis' clearly emerging as the strongest preference, whilst 'Intuition' appeared as the least (3.1 and 1.5, respectively. Prob>F, <0.0001).

Thus, summarising so far, both the Western and Chinese respondents viewed Western managers in multinational (Anglo-Chinese) organisations as placing most reliance on

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[44] In weighting the factors, the interviewees were asked to distribute 10 points amongst all of the factors according to the degree of weight, or reliance, they placed on each in helping them determine the cause of a problem.

'Analysis' in helping determining the cause of a problem, and least on either 'Experience' or 'Intuition'. However, with Chinese managers a mixed picture emerges. The Chinese interviewees felt that whilst they personally rely more on 'Analysis' to help them determine the cause, their Chinese counterparts were more inclined to fall back on 'Experience'. The Western perception of the Chinese to some extent supports the 'Analysis' preference, but tends to contradict the observation about 'Experience'.

Decision-making

The interviewees were subsequently asked two further questions, firstly about themselves and then about others. These questions related to the balance of weight or emphasis given to 'people' considerations, compared to 'task' considerations, when making important work-related decisions. In each case the interviewees were asked to allocate a total of 10 marks between the two dimensions, according to the degree of importance they attributed to each. Whilst the sample size was relatively small, the findings nevertheless provided some interesting insights, which when looked at in combination with other factors, point towards further important differences.

An analysis of the Chinese self-evaluation responses, indicated that the Chinese interviewees viewed themselves as being more 'task-oriented' than 'people-oriented', recording average mean score weightings of 5.5 and 4.5 respectively (Prob>F, 0.0767). However, when asked to rate other Chinese managers with whom they were familiar, a different picture emerged. Chinese managers in this analysis emerged as being marginally more inclined towards giving consideration to 'people' than 'task' aspects (recording mean average score weightings of 5.4 and 4.6 respectively). The Western interviewees' evaluation of Chinese managers indicated no statistically significant difference between the two dimensions, both showing average mean scores weightings of 5.0.

Likewise, the Western interviewees' evaluation of themselves indicated no statistically significant difference between the weight they personally gave to 'task' and 'people' considerations, recording average mean scores of 4.9 and 5.1 respectively. However, when asked to evaluate other managers from their own culture, Western managers emerged as

being significantly more 'task' than 'people-oriented', recording average mean score weightings of 5.7 and 4.3 respectively (Prob>F, 0.0202). A similar pattern was seen with the Chinese interviewees' evaluation of Western managers, with them assigning mean average score weightings of 3.6 for 'people', compared to 6.4 for 'task' (Prob>F, <0.0001). The results suggest that whilst Western managers assign more importance to 'task' issues, with Chinese managers there appears to be more of a balance.

Several comments made during the interviews provided further insight. The Chinese general manager of an IT distribution business commented, *"Westerners tend to be very systematic in approach compared to Chinese, with less of the human factor in their planning phase – to the point, no bullshit".* The Chinese general manager of a global freight forwarding business reinforced this view in noting that, *"Western managers are more inclined to do the plan first, then fit the people in. With the Chinese it's the other way around".* Several of the Western interviewees had also made similar observations. The Western finance director of the Jardine Trading and Distribution businesses remarked, *"The Chinese consider the people aspects more, irrespective of the issues. We (Westerners) think of managing it. For example, firing first then asking questions later".* The general manager in charge of Securicor's cash handling business observed, *"Chinese are more concerned with impact on existing staff and upsetting the status quo. Western managers are more likely to forcibly drive through projects, regardless of sensibilities".*

Planning

In exploring the issue of planning with the interviewees, 20% of the Chinese and 16% of the Western interviewees shared similar views. The observations to emerge suggested that Western managers are inclined to gather information more widely than their Chinese counterparts, and then structure and present this information in a different way than their Chinese counterparts. The Chinese head of a regional airport services business remarked, *"Westerners tend to speak to people more to get the facts and so on, whereas Chinese managers think about it more themselves. In other words, the degree of talking is less".* The Chinese managing director of R.R. Donnelly printing services commented, *"If they're both keen, the Chinese will tend to be more 'gung ho' (in moving to action), whilst the Western*

manager would take his time to plan. It doesn't reflect who is good, it's just the style. The Western managers tend to go after a lot more of the facts to plan than Chinese managers. The overseas-educated Chinese are more resourceful than their local counterparts. I think education is the cause of this". Several of the Western interviewees expressed similar views. The managing director of a global ship management business had observed, "If the Chinese are doing it on their own they'll do it steadily not wanting too much input. With Westerners it's not that smooth. In a group, Chinese will take a back seat whilst Westerners will over-contribute and dominate". The head of personnel for Gammon Construction remarked, "The Chinese tend to work more in isolation at the start, whereas the Westerners work more as a team".

Having acquired the information, the ways in which this data is then structured and presented for planning purposes also appears to differ according to the cultural group. 44% of the Chinese and 48% of the Western interviewees identified that Western managers were more inclined than Chinese managers to structure and document the information and intentions. The Chinese director in charge of the shipping and aviation businesses for the Jardine group remarked, "Generally it depends upon the individual, but Westerners may believe more in the sense of design, action plans and so on. In other words they're more organised than the Chinese in this respect". The Chinese managing director of Schindler Lifts observed, "Western managers are more systematic in their approach and more able to focus on objectives and goals. They always do things systematically, whilst the Chinese will embroil themselves in the situation and are less likely to write down the key steps in point form". A Chinese director in charge of the foundations division of Gammon Construction added, "Westerners tend to be more methodical, going step by step. The Chinese tend to be more skimming and jump steps in order to achieve more immediate gain. These approaches obviously have positives and negatives. In Hong Kong you sometimes need to move quickly". The Chinese vice president of HR with the Chase Manhattan Bank commented, "Western managers will do more planning and will follow the plan in implementing it. Chinese managers may not have a well-defined plan and rely a bit more on luck".

The views of many of the Westerners interviewed tended to reinforce these remarks. The director in charge of Jardine Matheson's property and finance businesses remarked,

"Westerners tend to set out a goal and then set out who does what, have weekly reviews and check it out. With the Chinese they would be less inclined to do this, although when I look at my YPO group, the Chinese chairman does this very well". The managing director of Gammon Construction was more explicit, "The Chinese are hopeless at planning. It's a real problem for them to recognise logistical chains. They're just not on top of the distribution and planning and I reckon it's not just in this industry. There's a cultural issue about Hong Kong Chinese, borrowed time, borrowed place and all that. It's also interesting that it doesn't seem to be such a problem with the Singaporeans". A Western management consultant had noted, "Western managers tend to develop visible plans and notes, whilst Chinese managers do it verbally". The manager in charge of quality assurance for Gammon Construction reinforced this view, "There tends to be more detail in a Western manager's approach to planning, as is the case in presentations. The Chinese may 'think' detail, but don't seem to present it".

Implications

In a final question in this phase of the interviews, the respondents were asked to reflect back on their observations about the problem-solving, decision-making and planning processes and comment on what these might mean for leaders of Anglo-Chinese management groups. Observations were offered by 36% of the Chinese and 56% of the Western interviewees and broadly fell into three areas, helping to reinforce some of the earlier observations :

- Sharing information;
- managing and balancing the differences; and
- allowing more time.

36% of the Chinese and 56% of the Western interviewees highlighted the greater reluctance shown by Chinese managers to share information. From amongst the Chinese interviewees, a senior HR executive with Jardine Matheson observed, "With a Westerner managing a mixed culture, he or she needs to be more careful in seeking out the opinions of the Chinese managers, who are less willing to speak up. If a Chinese manager is

heading a unit up, he must be more willing to involve others and be more transparent in the planning and decision-making process". A Chinese management consultant interviewed remarked, *"Chinese managers working for a Western boss will know more about what's going on in the company and what's needed. Working for a Chinese manager you need to guess and test whether you are doing the right thing"*. A Chinese director with Gammon Construction remarked, *"With the Chinese you need to encourage them to share more information. Westerners normally tell you without any prompting"*.

The Western interviewees expressed similar views. A senior HR executive with the Jardine Matheson group commented, *"It's as important for the Western managers to get off their butts and go and talk to the Chinese managers, armed with specific questions, as it is for the Chinese managers to be more forthcoming with the information they have. Realistically, I've found the best way is to 'pool' the information at our meetings and make light of the different tendencies, but couple this with an underlying push towards talking together more frequently. It of course involves give and take and I think Western managers have to learn to perhaps compromise more in this respect"*. The managing director of the advertising company MCIM remarked, *"I've found out from here that Chinese managers are more threatened by sharing information, whilst Westerners tend to be open with it"*. The finance director of the Jardine trading and distribution businesses had observed, *"A good example is me and Charles* (Western manager) *with Caroline* (Chinese manager) *on the IKEA board. We're trying to get the right answers, whilst she will be more secretive. The implications are that you need to mix so the information becomes more open. You need both cultures to get a full understanding of what's going on, i.e., have us all working at the same level"*.

44% of the Chinese and 24% of the Western interviewees identified the need to effectively manage the strengths and differences in order to achieve balance within the team and maximise performance. A Chinese director with Gammon Construction expressed the view that, *"It means that the senior person in the group will need the skill of making the best use of the strong points of each individual to complement the weak points of others. Therefore the case of the Chinese rushing in to get the work done needs to be modified. If the boss is skilful enough, he should be able to get the group to work together"*. The Chinese managing director of Pizza Hut added, *"You need to get the benefits of both styles. For*

example, with budgeting the Chinese are best, for getting ideas, action and results use Westerners". The Chinese general manager heading The Optical Shop retail chain commented, "The Chinese management style is more like father and son, whilst the Westerner operates more like a senior class mate. You need to recognise the differences. For example Westerners are better on the analysis side – analysis is useful, as long as there's not too much of it. Chinese think of things, such as problems, as wholes, whereas they (Westerners) tend to break things up to think about them".

The comments of many of the Western managers reinforced these views. The general manager of the New World Harbour View hotel had found that, "The boss has to understand the weaknesses of the multicultural team and then use these to best effect and work with what they have. You need to encourage people to talk about issues. For example, I don't tend to talk about issues, but more about people who are doing the job. That way it compels them to talk". The head of group audit for Jardine Matheson was more specific, "In a mixing pot, the mosaic of all cultures, there'll be a natural blending towards the middle. Westerners need to take the drive and motivation the Chinese have and encapsulate it in their culture. There's a resource in Hong Kong Chinese of energy for work, which Westerners don't have. If Westerners could tap into this and the Chinese become more open, it would be ideal – it's all about getting the mix right". The Western management consultant remarked, "Westerners have to be more sensitive to people issues, such as 'face'. Chinese bosses must not be driven (just) by people, but also what he wants to achieve. In other words, the reverse of the Western manager".

The extra time involved in communicating issues was highlighted by a smaller, but nevertheless significant number of the interviewees. The Western finance director of a global shipping group explained, "Recognise that these differences exist. You need to bring the Chinese into that process (planning), but must accept that certain aspects take longer, therefore you need to communicate more about why you're doing it in that way. For example, with the LLA re-engineering project, lots of time is being spent dispelling fears". The Western managing director of The Optical Shop added, "Accept that there's a difference between the cultures in terms of how decision-making and planning is approached. To get 'buy-in' you need to change your time-table in terms of quick results at the start, but you can make this up as you go on. There will be an underlying resistance

which you have to work through". The Chinese managing director of Thorn Lighting added, *"I like to explain about objectives and then invite ideas. With a mixed group I may talk things through longer".* A sales manager with Trane remarked, *"It all boils down to communication. The more you talk and understand the difficulties, the more this will help you achieve the job. Thus with English, this might take longer".*

The Findings So Far

The research supports the argument that many of the different culturally-specific characteristics, identified amongst general Chinese and Western populations, will persist even when the cultural groups are required to work together. However, perhaps more importantly, an association has now been established between these cultural inclinations and the problem-solving, decision-making and planning processes, particularly within Anglo-Chinese executive groups. In conjunction with these observations, three broad coping strategies have emerged, which are commonly used to address the difficulties described. From the perspective of both cultures, the need to create an open, two-way, free-flowing dialogue appears to be a critical element in the process. Creating balance through the careful identification and use of areas of strength, coupled with compensation for areas of incompatibility, also features strongly in the comments of both cultural groups. In summary, the following findings have emerged:

- **Problem recognition** – Fairly strong indications emerge from the interviews that Western managers are more inclined than their Chinese counterparts to proactively seek out and address problems. Chinese managers, on the other hand, display a greater tendency to either allow a problem to take its own course, or deal with it privately, involving few, if any other people.

- **Information search** - The findings suggest that Western managers are more inclined to draw on factual data in their analysis of problem cause, whilst the Chinese will tend to rely more heavily upon personal experience. In conjunction with this, Western managers will consult more widely and look more towards internal and external resources for supporting information.

- **Generation of alternatives** – This aspect was not specifically addressed in this part of the interview, but does emerge later in the research, and will show a stronger capacity amongst Western managers to generate options to address a problem.

- **Decision-making** – In moving towards a decision, the findings indicate that the Western managers will be more driven by 'task' considerations (getting the job done and worry about the people problems as they arise). Conversely, Chinese managers will display more of a balance between the 'task' and 'people' (keeping everyone happy) considerations.

- **Planning** – Relatively strong evidence emerges to show that Western managers are more visible, structured and systematic in their planning, more inclined to share information and intentions with their management team, and more likely to produce written plans. In contrast, Chinese managers tend to be to be less forthcoming about their intentions and more likely to verbalise, than document their plans.

The key finding to emerge from this analysis is that even within the context of a multinational managerial environment, different cultural groups will continue to naturally err towards approaches with which they feel most comfortable. Anglo-Chinese teams are therefore required to contend with the situation where one cultural part of the group may be more inclined to segment a problem, and then commit resources to collecting, analysing and structuring the data, as relevant to each part. In contrast, whilst publicly conforming to this approach (evidenced, for example, by Chinese managers viewing themselves as being personally more analytical than other Chinese), the Chinese group member's natural inclination will be more to look towards past experiences for solutions, and then adapt these to fit the situation. With these different approaches, each group is therefore likely to see things that the other does not. The three coping strategies proposed by the interviewees, aimed at creating understanding, managing the differences, and anticipating more time, therefore appear to make logical sense.

So far we have considered the requirements for the leader of an Anglo-Chinese management group to establish the *Purpose*, *Communicate* this to the team members, and then create the conditions which *Motivate* or compel people to achieve the desired aims. What is now beginning to emerge is that the 'style', or ways in which the leader *Manages* the various problem-solving, decision-making and planning processes, cuts across all

spects of *Managership*. The next chapter explores Anglo-Chinese team dynamics in more epth, particularly within the context of *Climate.*

Chapter 8

Climate

Research Problem

'To determine the extent to which Western concepts and thinking about 'Climate' and team development apply to an Anglo-Chinese executive group situation'

The Literature Review broadly defined *Climate* as the prevailing mood, culture and psychological well-being of a group. A 'healthy' *Climate* was further defined as one that engenders cooperation, commitment, trust, openness, support and energy amongst a group of people who have to work together over a prolonged period of time. Several factors were identified which were likely to influence the *climate* of a group. These included:

- leadership style of the person in charge;
- development stage of the group;
- prevailing 'mood'; and
- corporate culture.

It became apparent from Chapter 2 that within the context of mono-cultural teams, these factors have been the subject of much previous research in the West. However, as reflected in the opening chapters, studies of multicultural team dynamics have been a reasonably recent development and have almost entirely related to groups comprised of different Western cultures (e.g., Jackson, May, and Whitney, 1995; Jackson *et al.*, 1992; and Argote and McGrath, 1993). Suggestion was also made that certain cultural values might exert influence over these factors. Chapter 2 makes reference to research conducted by Zenger and Lawrence (1989) and O'Reilly, Caldwell, and Barnett (1989), who found that multicultural groups are often less socially integrated and experience more communication problems and turnover than do mono-cultural groups. Jackson *et al* (1995) and Zenger and Lawrence (1989) identified that in teams with moderate heterogeneity, dominant subgroups exist, which in the face of conflict form cliches. However, the Literature tells us nothing

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about *Climate* within the context of Anglo-Chinese management groups. This chapter therefore sets out to explore whether these (and possibly other) factors apply to Anglo-Chinese management groups and if so, the extent of this impact, and its potential implications for team development. Three broad aspects will be covered:

- The development of *Climate* in new teams;
- maintenance of long-term effectiveness; and
- evaluation of *Climate* in a team.

Development of *Climate* in a New Team

In the first part of this section, the interviewees were firstly asked to reflect back on management teams, which they had been associated with in the past. They were then asked to draw on their experience and identify three key *initial* actions, which they would recommend to a new director or senior manager, to ensure that a management team, in its initial development stage, became effective as soon as possible. Four primary areas emerged as being important:

- Giving the team direction;
- matching role and competence;
- measuring and monitoring systems; and
- integration and understanding.

Both cultural groups identified the need to provide some kind of **explicit direction** to the team. However, a greater number of Western, than Chinese respondents considered this important (68% v 40%). The Western head of audit for Jardine Matheson remarked, *"Have a clear vision of what needs to be done. It must have clarity. The top man must have clear understanding and he must be totally committed that it's right – a Maggie Thatcher if you like"*. A Western management consultant added, *"Establish a clear sense of direction"*. The head of Securicor's guarding business commented, *"Take control, give clear direction, listen to what everyone has to say"*. The Western head of corporate legal for Jardine Matheson advised, *"Make sure there is collective direction and measurable objectives"*,

whilst the Western managing director of British Steel (Asia) added, *"Get the long-term strategy and goals clear".* Whilst less explicit, several of the Chinese interviewees also raised the issue of clarity of direction as being an important consideration in a team 'start-up' situation. The managing director of Schindler Lifts added, *"Let them know the ultimate goals or objectives".* The head of corporate finance for Jardines added, *"Give them a mission".* The Chinese management consultant remarked, *"Give direction by clearly mentioning goals and objectives",* whilst a sales manager with Trane advised, *"Have clear objectives, long-term and individual".* In the case of both the Western and Chinese interviewees, the remaining remarks made short reference to having some form of goal or objective, with the Western executives making most frequent mention of these.

Having clarity about the **role and competence** of each person was raised again as an issue of importance by 68% of the Chinese, compared to 44% of the Western interviewees. Amongst the Western interviewees, the director in charge of business development for the new international airport commented, *"Have separate meetings with each of them to explain their role".* The managing director of the Colonial Mutual Group emphasised the importance of, *"Getting some short term goals and allocation of responsibility for achievement of the goals".* The head of corporate legal for Jardines added, *"Communicate with each individual to see what role they perceive for themselves in achieving the objectives".* The head of corporate communications for Jardine Matheson stated that, *"Setting of goals and roles and responsibilities are critical – in the West I could be less direct".* The management consultant added, *"Make goals very clear, e.g., think about accountability".* The Chinese interviewees expressed similar views, but with greater frequency. The director in charge of Jardine Matheson's trading and distribution businesses remarked, *"Make sure the team organisation is structured in such a way that the right people are in the right job and the individual feels she or he is really contributing to the job".* The director in charge of the Jardine aviation and shipping businesses added, *"Review the resources that you have and the strengths and weaknesses of the team. Choose the right managers for the business".* The managing director of Thorn Lighting remarked, *"He has to understand the strengths and weaknesses of team members. He needs to compare strengths to what's required and help with weaknesses".* A general manager with a regional airline agency commented about having, *"The right people in the right jobs. Does his experience fit? Can he get on with his staff, is he technically competent?"*

12% of the Chinese, compared to 32% of their Western counterparts, emphasised the need to have some kind of tangible progress **measurement system** in place. The Chinese head of corporate finance for Jardine Matheson remarked, *"Deadlines have to be set"*, whilst two Chinese HR executives with the same company talked about having, *"Systems to monitor and control performance"*, and the need to, *"Give them goals and deadlines"*. The Western director of business development for the new international airport commented, *"Give them targets and set completion dates"*. The head of corporate legal for Jardines talked about the need to, *"Have measurable objectives, coordinate communication and have continual assessment. Review personnel to ensure they are capable of delivering"*. The group head of HR for Gammon Construction commented on the need to, *"Set clear, and if necessary, written goals and objectives and follow them up"*.

'Mutual understanding', described as the need to create a two-way dialogue between the unit head and managers, also emerged as an important factor, holding a similar degree of importance for both the Chinese and Western executives interviewed (52%). Particular emphasis was placed on the need to socialise and have one-to-one interactions as a key requirement. Amongst the Chinese interviewees, the director in charge of the Jardine trading and distribution businesses commented, *"Develop personal rapport with individual members, that is to say one to one. Build up the chemistry. As soon as possible, create opportunities for interaction socially and in the work place so they really understand each other well"*. A senior Chinese director with Gammon Construction believed that a unit head must, *"Encourage tolerance of other ideas. When working on a site people tend to have blinkered views about building. Explain the value of working together as a team rather than individuals"*. The Chinese Vice President of HR for Chase Manhattan stressed the need to, *"Create some interaction between them and get them to share their own experiences so they know each other's working style. Make sure all understand the leader of the team, the style and personality of that person"*. The Western interviewees expressed similar views. The general manager of the New World Harbour View Hotel remarked, *"I'd involve myself in the initial planning and briefing prior to any action being taken. Have regular follow-ups, get the team to do a plan and then have it discussed with the senior team"*. A senior Western HR executive with Jardine Matheson commented, *"Get them to know each other, preferably off-site and socially. Get them to be open about themselves, but don't expect the*

Chinese managers to open up as readily (as Westerners) *to begin with".* The managing director of Gammon Construction emphasised the need to, *"Establish trust and respect. Recognise hidden views and wants about the way people want to be handled. Participate actively. In the case of Westerners* (i.e., Western bosses)*, don't rush it".*

Maintaining Long Term Team Effectiveness

The interviewees were then asked to describe three actions, which they would take in the *longer term* (once the team was established), to ensure that the team continued to operate effectively. Several areas emerged which appeared to hold varying degrees of importance for each cultural group, whilst one area seemed to be particularly important for one group, but not the other. These areas related to:

- Measurement of progress;
- managing group dynamics and cohesiveness;
- training and development;
- reward; and
- managing the differences.

Observations about the **introduction of measures** reinforced those made in relation to the forming stage of the team. However, the degree of importance attributed to such mechanisms differed according to cultural group. In this case more Western than Chinese interviewees identified measures as important, (60% Western v 32% Chinese interviewees). Amongst the Chinese interviewees, the director in charge of the Jardine trading and distribution businesses commented, *"Keep the momentum going to ensure everything is on track. In planning the task or development of business, set measurable milestones and if you exceed targets, celebrate, i.e., have several steps rather than one big step".* The managing director of airport services remarked, *"Do what you preach. Monitor what they are doing. Speak to them and get a feedback system in place",* whilst the managing director of Schindler Lifts advised about the need to have, *"Formal meetings to review against objectives".* The Western interviewees expressed similar views. The general manager of New World Harbour View advised, *"Get them to set their own budgets and*

controls and monitor them". The managing director of the Colonial and Mutual Group commented, *"Be aware of the financial implications for achievement of the goals. Start developing medium to long-term objectives"*. The managing director of the MCIM advertising group emphasised the need to, *"Have a goal to focus on, make people accountable"*.

The need to maintain and **develop the general cohesiveness** of the team through paying individual attention, involving them, and generally managing the interaction between group members, was raised by both cultural groups, but with greater frequency amongst the Western executives (64% Western v 40% Chinese). Amongst the Chinese interviewees, the managing director of R.R. Donnelly remarked, *"Do more on team atmosphere to develop the team, such as social activities. Try to understand each individual's good and bad points. Look at individuals' personal objectives; what is it that makes them happy?"* A senior director with Gammon Construction commented, *"Apart from work, they need to socialise amongst themselves – James Law takes his team drinking. The boss should encourage the building of respect for each other"*, whilst another director in the same company added, *"Provide a communal atmosphere and make sure the company is providing the right support, such as the top man giving them what's needed"*. The Western interviewees expressed the need for greater emphasis to be placed on interpersonal team dynamics. The managing director of a ship management business advised that a new senior manager or director should, *"Maintain proportion and let them realise that some meetings are going to bring conflicting views. Watch the 'face' element on both sides, tone down if necessary. Play down the inter-racial aspects"*. The managing director of British Steel (Asia) advised on the need to, *"Encourage team project work and ensure communication across the group"*, whilst the business development director of the new airport remarked, *"Team build with lunches and so on"*. The managing director of Gammon was more explicit, *"Maintain harmony. Bollock Chinese managers privately. Don't fire people if there's a problem, first time around"*. The group HR manager for Gammon Construction advised on the need to, *"Continue to emphasise relationships and hold 'daai sik woois'[45]. Have regular one-to-one 'yam chas' and be seen to be fair across the board"*.

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[45] A *'daai sik wooi'*, literally means 'big eating meeting' and is in essence a large Chinese banquet, which often begins with mahjong in a restaurant in late afternoon, leading to a multi course Chinese meal in the evening. *'Yam cha'* literally means 'drink tea' and relates to a dim sum meal taken in the morning or at lunch. All are noisy and highly interactive affairs.

Both cultural groups shared similar views about the importance of offering **training and career development** opportunities in the longer-term development phase of the team, although the Chinese interviewees appeared marginally more concerned about this aspect (36% Chinese v 24% Western). The Chinese managing director of Pizza Hut commented, *"Make full use of their strengths and give them new challenges, For example, I have a mature team with a problem in this respect. Make full use of their strengths"*. The Chinese head of the Jardine management services department added, *"Have everyone trained and adjust people according to the skills needed"*. The general manager in charge of a general airline handling agency remarked on the need to, *"Train and develop the staff. Have a clear succession plan in for promotion and expansion"*. Amongst the Western executives, the business development director of the new international airport remarked, *"Sketch out their career paths and make sure they have the opportunity for further training"*. The managing director of British Steel (Asia) stress the need to, *"Switch managers around"*, whilst the head of Securicor's cash handling business would advise a new senior manager or director to, *"Have clear cut hierarchies and individual career development for each manager"*.

The final area to receive mention as being important once a team is established, related to the issue of **reward**. However, whilst nearly 50% of the Chinese interviewees made explicit mention of this issue, there was notable absence of comment of this factor by the Western interviewees. Comments from the Chinese executives included that of the Jardine director in charge of their aviation and shipping businesses who remarked, *"Make sure the managers are paid the market rate. Give recognition"*, a comment reinforced by the managing director of Pizza Hut who added, *"Reward properly"*. A sales manager with Trane recommended that a new leader should, *"Motivate properly – give them them the right money"*.

In a follow-up question, designed to bring more focus to their comments, the interviewees were asked if the advice they offered to a new leader would be any different were the team an Anglo-Chinese one. 50% of the Chinese and a slightly larger proportion of the Western interviewees claimed that their advice would remain the same (it was likely that they were thinking about their own multicultural team situation anyway). However, the remaining interviewees identified further actions, which they saw as necessary to accelerate

multicultural team development. In all cases, the additional advice involved paying closer attention to **managing the differences**.

Amongst the Chinese interviewees, the CEO of an international shipping group advised, *"Remind them that there are cultural differences. For the Chinese to be more Western, that is to say, more open and prepared to share problems and consult. For Westerners to be more sensitive, for example, less confrontational"*. A director with Gammon Construction commented, *"Look for problems which might be related to cultural issues, such as pay differences because of race, promotions because of race, and so on"*. The head of the Jardine management services department added, *"I'll be more open with Westerners and more subtle with Chinese. I'll say the same things, but present them differently"*. The managing director of Schindler Lifts explained, *"Be aware that you have different backgrounds and therefore different behaviours in the team. Make sure you have social gatherings where the other team members talk about their community. For example, get the Chinese to talk about 'bisans'[46], or Westerners to talk about why they're so keen about getting drunk together!"*. The Western interviewees expressed similar views. A senior HR executive with the Jardine Matheson group commented, *"Not much different, other than perhaps keeping a closer watch on the interpersonal dynamics and probably devoting more time to talking with them both individually and as a group. I don't think I mentioned it earlier, but Chinese managers are far more forthcoming on a one to one, than they are in meetings. This means that the boss, whether Chinese or Western, needs to spend more time in this respect"*. The finance director of the Jardine trading and distribution businesses expressed similar views, *"More one to ones with Chinese management. I can remember a chat I had with Michael Lee who would never bring things out in-groups. Also I'd go down a couple of levels. The Chinese don't like socialising with Westerners (in the evening), lunches therefore tend to be better than dinners"*.

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[46] *'Bisans'* are literally ceremonies, usually involving offerings of suckling pig, oranges and other items to an effigy of some description (e.g., Tin Hau, goddess of the sea, Gwoon Yam, goddess of mercy, Kwan Daai, god of loyalty, courage and comradeship, or other deity) which are conducted to bring luck to a project or venture, celebrate success, or avoid further misfortune (e.g., police officers will always hold some kind of *bisan* after a death in service).

Evaluating *Climate*

In the final part of this section, the interviewees were asked to think of an Anglo-Chinese team with which they were familiar. They were then asked to comment on what signals they would look for to assess the working atmosphere or *climate* of that particular team. Four areas emerged from the interviews:

- Cross-cultural interaction;
- consistency of views;
- openness and respect; and
- level of activity.

Both cultural groups highlighted the degree to which **overt cultural interaction** occurred, as being an important indicator of the state of the *climate* within an Anglo-Chinese management team, although the more Chinese than Western interviewees raised this issue (60% v 36%). Amongst the Chinese interviewees, the director in charge of the Jardine trading and distribution businesses remarked, *"I'd look for cliques. How do people interact with each other? Is it one team, or a number of small groups? I would observe the way they communicate with each other, for example, are there lots of memos and therefore a reliance on the formal?"*. The managing director of Thorn Lighting commented, *"I'd look at the attitude of the people – are they motivated? Do they do that little bit extra? Do they cooperate willingly? Is there a hands-off attitude in terms of any area?* The managing director of Pizza Hut advised on the need to, *"Check the working relationship between cultures, for example, do they talk to each other? How cooperative are they?"*. The managing director of Schindler Lifts had observed, *"During conferences, tell-tale signs are at lunch where you can see the people sit. If they are culturally evenly mixed, that's good"*. The managing director of R.R. Donnelly International advised on the need to look to see, *"Is it a generally happy group? Are people mixing, even socially after work?"*. Several of the Western interviewees had also recognised cultural interaction as a particularly important area to watch. The managing director of a ship management business commented, *"I'd watch for the language they speak in, that is to say I'd look for sub groups in the meeting, because other people will pick up on it. Look for sensitivities in the parties, look for how controlled things are"*. The finance director of the Jardine trading and distribution

businesses remarked, "(I'd look) *that the cultural groups mixed in the office,* (that) *there weren't enclaves of Westerners who operated in their own comfort zones. If this happened, you wouldn't be getting the full picture. Also to see if the Chinese spoke up".* The managing director of the MCIM advertising company stressed the need to see, *"Is there interaction between each other? I'd look at the social aspect and the level of fun everyone is having".* The managing director of The Optical Shop retail chain advised to look and see, *"Is the group split down racial lines, or are they mixed? Who never moves across the floor, or who moves but looks uncomfortable? Does the conversation ever go beyond business?".*

A second area, raised by the interviewees related to the **consistency of views** evident within an Anglo-Chinese management group, with 20% of respondents from each cultural group mentioning this factor. Amongst the Chinese interviewees, the director heading up the Jardine aviation and shipping businesses remarked, *"Communication – is the message from the top the same as two or three levels down?".* The head of the Jardine management services added, *"I'd look at the ability of the team and see if they've all got the same vision".* The general manager of The Optical Shop retail chain commented, *"I'd look for the impression that they are thinking the same way".* A sales manager with Trane added, *"That they all understand the overall objectives. Whether you sense any political issues which you might sense from what they say".* The Western interviewees made similar observations. The director in charge of the Jardine property and financial services businesses commented, *"What are the signals coming from the operators about what they are doing. I'd do one to one interviews to look for commonality of drive".* The managing director of Gammon Construction remarked, *"In questions and answers with different people, see if you get similar responses",* a view which was also echoed by the general manager in charge of Securicor's guarding services, *"Are they all talking the same things? What sort of questions are being asked, mundane or strategic?".* The head of Jardine's corporate communications commented, *"I would look to see that they* (the Anglo-Chinese team) *know where the people are going and there is broad agreement in this respect, such as their annual targets".*

The extent to which people are open with each other, share information and **show mutual respect**, also emerged as an indicator of *climate* for both cultures. However, noticeably more Western than Chinese respondents highlighted this particular factor (52% v 32%). Amongst the Chinese executives interviewed, a director with Gammon Construction

explained that he would look for, *"How much openness there is around. How much exchange of ideas and information. Look at facial expressions?"*. Another senior director from the same company remarked, *"Have these people been well-motivated? Find this out by talking to them. See how each person reacts with the other. Do each respect each other? Good team spirit is the key"*. The head of management services for Jardine Matheson commented, *"I'd look for team work where there's openness and people are not hiding problems, just like the Japanese have done when the finance house went down"*. From amongst the Western interviewees, the general manager of the New World Harbour View Hotel remarked, *"I'd look for defensiveness about certain parts of the organisation. Also a lack of willingness to provide information, or people being critical about other companions"*. A senior HR executive with Jardine Matheson explained that he's look for, *"How they talk about each other behind closed doors. Listen for the underlying signals, which will come from the Chinese managers. Disgruntlement about different packages is usually more about expat and local packages. Also the way they talk to each other and listen when the other is making a contribution"*. The general manager heading Securicor's cash handling business added, *"Look at who's chairing the meeting, a Westerner or Chinese? Are you getting equal contribution from both cultures? Is there an atmosphere which allows people to argue and debate?"*.

The fourth area to emerge relates to the **overt level of energy** or activity displayed by the team. The only reference to this particular measure of *Climate* came from the Western interviewees (28%). The head of corporate legal for Jardines added, *"A general busy-ness, shared objectives, enthusiasm, and responsiveness. Evidence of a strategic analysis of how things are being achieved. The general level of energy and noise"*. The managing director of British Steel (Asia) commented, *"I'd look to see if there was 'noise', were people talking to each other? Do they look like they're enjoying it; smiling, concerned, or just plain bored? Do they have pride? Are they tidy? And so on"*. The head of quality assurance for Gammon Construction remarked. *"Are people from other departments coming in and out of the office? Is there any buzz, or is everyone quiet and insular? Do people smile when dealing with you?"*.

The Findings So Far

The reader will recall from the introduction that this phase of the study set out to explore the extent to which Western thinking and concepts about *Climate* and team related to Anglo-Chinese situations. In particular, the study considered the impact of the leader's behaviour or style on the formative and mature stages of team development, and what behaviours or signs they would look for in an Anglo-Chinese management team, in assessing the 'health' of that particular team.

Team Start-up

During the start-up stages of a management team, the interviewees identified four main actions, which they believed needed to be undertaken by a leader in order to ensure that the team became effective as soon as possible.

- **Integrating team members through mutual understanding** – 52% of respondents from each cultural group identified the need to integrate team members through the creation of mutual understanding. The methods for achieving this understanding ranged from the initiation of social interactions, such as lunch, to having one-to-one meetings.

- **Providing direction** – 68% of the Western and 40% of the Chinese interviewees raised the need to provide direction as being an important first step in the start-up stages of a team. Of these responses, there was a greater tendency amongst the Western interviewees to talk about direction in a wider sense, using such descriptive terms as 'broad goals', 'clear vision', 'collective direction', and 'long-term strategy'. Several of the Chinese interviewees also used similar descriptive terms, but the comments on the whole referred to shorter term 'objectives'.

- **Ensuring role clarity and job competence match** – 68% of the Chinese and 44% of the Western interviewees remarked on the need to make clear from the outset either the role a person was required to play in the team, or the skills of the person actually matched the job requirements.

- **Putting in place measurement and monitoring systems** – Less emphasis was placed on this particular aspect during the start-up phase. However, 32% of the Western and 12% of the Chinese interviewees remarked on the need to have such

mechanisms as 'deadlines', 'targets and completion dates', 'continual assessments', and 'follow-ups' in place.

Once the team is established

Five further actions were deemed as being important actions for the leader to maintain the effectiveness of the team over the longer-term.

- **Introducing measures and mechanisms to check progress** – These actions referred to having in place clear benchmarks or milestones, coupled with regular reviews or meetings. These factors emerged as being particularly important for the Western interviewees, with 60% raising the issue, compared to 32% of their Chinese counterparts.

- **Managing the interpersonal dynamics and team cohesiveness** – 64% of the Western and 40% of the Chinese interviewees raised this issue as being important. Where the two cultural groups differed in approach, lay in the more intrusive or 'hands on' approach advocated by the Western interviewees, reflected in such comments as "do the cultural awareness exercise", "intervene if it starts to falter", "bollock Chinese managers privately", and "hold daai sik woois".

- **Paying attention to personal and career development** – Whilst these aspects were raised by a comparatively smaller proportion of interviewees from each group, nevertheless, 36% of the Chinese and 24% of the Western executives considered these actions to be important. The provision of 'training' in particular appeared to hold more importance for the Chinese, than Western interviewees, who tended to focus more on career development.

- **Rewarding performance** – Almost half of the Chinese interviewees identified the need to reward, mainly through tangible means (particularly cash) as being important. No mention was made of reward in any form by the Western interviewees.

- **Managing the differences** - Up to this point in the questioning about team development, the interviewees had not been asked to differentiate between mono and multicultural teams (although it transpired that most had been thinking about mixed teams anyway). When subsequently asked whether they would have taken any

additional or different action, had the management team been Anglo-Chinese, 50% of interviewees from each cultural group said their actions would remain the same. However, 50% of the remaining interviewees further emphasised the importance of paying close attention to managing the differences within the team. Ways of managing these differences included, Chinese bosses encouraging their Chinese managers to be more open with Western colleagues. Saying the same thing, but in different ways. Proactively creating social interaction. Allowing greater time for people to 'warm up'. Balancing contributions in discussion, and talking to people more on an individual basis.

Several of these observations support those made in earlier chapters and begin to show the emergence of stronger patterns. These patterns include a greater inclination amongst Western executives to provide broad direction and have clearly defined measures (Chapter 4, *Purpose*). The tangible reward issue again surfaces as holding particular importance for the Chinese interviewees (Chapter 6, *Motivate*). Common to both cultural groups, however, are the issues of mutual understanding and integration, and the various means adopted to achieve these.

Evaluating *climate*

In the final part of this section of the interview, the participants were asked to comment on the signals which would look for in an Anglo-Chinese management teams, to assess the 'health' or *Climate* within that team. This question was designed to help elicit what each cultural group viewed as important in a team.

- **Consistency of views** – 20% of interviewees from each cultural group remarked that they would look for the extent to which members of the team were aligned in their overall views. Comments such as *"same vision", message from the top the same as two or three levels down", "all talking the same things"* and *"commonality of drive",* capture the meaning of what was expressed.

- **Level of intercultural interaction** – 60% of the Chinese, compared to 36% of the Western interviewees explained that they would look for the level of interaction taking place between the two cultures. Signals would include, evidence of cultural separation in the form of cliques, indications of the two cultures having lunch or generally socialising together, people talking, and non-verbal signals.

- **Degree of openness and mutual respect** – 52% of the Western, compared to 32% of the Chinese interviewees, explained that they would look at the level of openness and respect between different cultures within the team. Issues such as 'people hiding problems', 'willingness to speak out views', reserved and measured comments', 'sarcastic comments on the side', and 'an atmosphere which allows people to argue and debate', characterised the type of comments made by the interviewees.

- **Indications of overt activity** – 28% of the Western interviewees highlighted overt activity levels as an important indicator, whilst none of the Chinese interviewees viewed this as a key factor. Comments such as, *"How busy the office looks"*, *"Is there any buzz?"*, *"...see if there was 'noise'"*, *"...see if they're enthusiastic and enjoying themselves"*, and *"general level of energy an noise"*, all help capture the essence of this category.

In overall terms, the findings appear to broadly support the Western thinking about team dynamics described in the literature, in terms of the impact of leadership style and development stages on a group in relation to *Climate*. Within the context of Anglo-Chinese teams, the formation of cliques and communication difficulties have been identified, which further supports the findings in the literature about multi-cultural groups. In exploring the issue of *Climate* within Anglo-Chinese management groups, both the Chinese and Western executives interviewed shared a strong belief that leaders need to pay particular attention (i.e., more so than they would with a mono-cultural team) to managing the interpersonal dynamics and 'moods' created by cultural differences, which has not been overtly identified in the literature. The different approaches adopted by each culture to achieve integration and build the team, whilst appearing superficially similar, seem more specific to the Anglo-Chinese situation. These differences include a more overt 'hands-on' approach by Western leaders to mold and direct the team, but a stronger inclination amongst the Chinese managers to use social and one-to-one mechanisms to achieve the cohesiveness desired.

Differences also arose in terms of the combined expectations that Anglo-Chinese team members would have of their leaders, which in combination would differ from what is anticipated in mono-cultural teams. These factors include a greater expectation amongst the WESTERN team members that they will be provided with clear overall direction, be given measurable goals, and be party to a high level of openness. Amongst CHINESE

team members, there is likely to exist a greater expectation that they will be tangibly rewarded for their efforts, that there would be more one-to-one interaction with their leader, rather than of a group-based interaction, and that social interaction 'after work' (which includes lunch times) would play an important group development role. With these thoughts in mind, the next chapter explores the issue of 'competency match' further, by looking at the different skills sets and aptitudes offered by each culture in relation to the *Membership* within an Anglo-Chinese management group.

Chapter 9

Membership

Research Problem

'To identify the culturally-specific role preferences, behaviours and skills, within Anglo-Chinese management teams, and the implications of these for the leader'

Within the context of this research, *Membership* refers to the 'team roles' and mix of 'soft' skills or behaviours (as opposed to technical or functional skills) which need to exist within a management group in order for that team to operate effectively. The focus of this chapter is therefore on the team members, rather than in their leaders, as has been mostly the case in previous chapters. There has been fairly extensive research into the 'roles' (and associated behaviours) which need to be fulfilled within teams. Pioneers in this area include behaviouralists such as Benne and Sheats (1948), Gibb and Gibb (1955), Wallen (1963). However, this early research focused predominantly on mono-cultural, non-managerial groups. The subsequent work of Belbin (1981) and Margerison and McCann (1990) specifically addressed the issue of management teams, and in more recent years began to look at multi-cultural teams, albeit within the context of the instruments they had developed. In essence, these researchers have attempted to identify effective behaviours within management teams and then categorise them as specific 'roles' which a person will naturally assume in a team, given the opportunity to do so. The underlying rationale to this approach is the understanding that for teams to operate effectively there must be a balance of roles (or behaviour sets). If this requirement is not satisfied, then the team is unlikely to perform at an optimum level.

Existing research tells us nothing about the roles, behaviours and skills necessary for an effective Anglo-Chinese management team. The objective of this chapter is therefore to gain a better understanding of what these might be. The majority of findings that follow are derived from the 50 interviews, supported by an analysis of psychometric data, which is

intended to add further objectivity to the findings. In describing these findings, the chapter will cover two aspects:

- Team roles and behaviours.
- Culturally specific skills and aptitudes.

Team Role Preferences and Behaviours

During this phase of the questioning, the interviewees were asked to think about an Anglo-Chinese management team with which they had been involved, and then comment on the mix of personalities, abilities or behaviours which they viewed as important in such a team. At times the question elicited relatively superficial descriptions and drew out general characteristics, which the interviewees felt should be common to all team members. Nevertheless, behaviour patterns, peculiar to Anglo-Chinese management teams, did emerge, which lent some support to those characteristics identified by Belbin.

The need for team members to have the skills to **work harmoniously with others** emerged as the most frequently mentioned requirement by both cultural groups (68% of the Chinese and 52% of the Western interviewees). Amongst the Chinese interviewees, the director in charge of the Jardine trading and distribution businesses commented on the need to have, *"One or two in the team who have a sense of humour and keep the team spirit going"*. The CEO of an international shipping group talked of *"Teamwork, one who thinks group rather than unit wide"*. The management consultant emphasised the importance of having team members who are, *"Able to work in a team, for example, doing some things you like and some you don't"*, whilst a sales manager with Trane talked of having, *"Team players, who are willing to express concerns. A happy person"*. From amongst the Western executives interviewed, the finance director of the Jardine trading and distribution businesses commented on the need to have somebody with the, *"Ability to get on with people. Being a team player, like on this Sizzler negotiation we're currently going through in Oz. Being up-front with views"*. The general manager of the New World Harbour View Hotel commented on the need for, *"People who are good listeners, friendly and open personalities, rather than aggressive"*. The general manager in charge of

Securicor's guarding services business advised on the need to, *"Have people who work well with others. Each must have a common focus and want to be a member of the team"*.

The need for team members to have a **positive work attitude** was raised by both groups, with 24% of the Chinese and 36% of the Western interviewees identifying this behaviour. From amongst the Chinese interviewees, the managing director of Pizza Hut talked about *"Commitment to the job"*, whilst the CEO of an international shipping group commented on the need for, *"A dedicated, passionate and proactive person"*. The managing director of R.R. Donnelly International emphasised that, *"Attitude towards the job is also very important"*, whilst the Chinese managing director talked about members, *"Being open about oneself. Having a 'can do' attitude. Being able to cope with hard work and hard play"*. The managing director of Schindler Lifts stressed the need to have, *"People who have a positive outlook on life. Open people"*. The Western interviewees expressed similar views. The managing director of British Steel (Asia) commented on the need for, *"Work ethic, enthusiasm, will to get the job done, a desire to finish"*. The managing director of Gammon Construction stressed, *"Energy. Focus"*. The managing director of the Colonial Mutual Group commented on the need for people to have, *"A positive attitude about life in general"*, whilst the general manager of Securicor's guarding services business highlighted the importance of having, *"People with a will to win. Ability to recognise problems* (and) *people who will address them positively"*.

The need for **'ideas'**, or receptiveness to them, also surfaced as an important consideration, with 32% of the interviewees from each group signaling this behaviour as important. From amongst the Chinese interviewees, the director in charge of the Jardine trading and distribution businesses talked about having, *"People who have a natural thinking capability who can see things from a different angle"*. A senior director with Gammon Construction remarked on the need for, *"Someone who is open to new ideas. People who have been keeping up with new technology and on top of things in the industry"*. The head of Jardine Matheson's management services department talked about having, *"The visionary. People who have the ability to grow and learn new things"*, a view which was reinforced by an HR executive in the same company, *"They must be open to ideas and willing to learn from others"*. Another HR executive from the same group added, *"Ability to see beyond the obvious"*. Comments from the Western interviewees included, a

senior HR executive with Jardine Matheson who remarked, "(you need the) *creative type. You also need a strategic planner. That sounds obvious, but in a busy department everyone's so much involved in fighting fires that there's often little time to sit down and really think about where things are going"*. The director in charge of the Jardine property and finance businesses emphasised the need for, *"A creative 'off the wall' type who could think outside the box"*, whilst the finance director responsible for the company's trading and distribution businesses spoke of having someone who could, *"think ahead, even laterally"*. The head of audit for Jardine Matheson remarked, *"In a management team I'm always looking for the independent, bright idea, they're often the right idea. People who try different things"*.

16% of the Chinese and 28% of the Western interviewees highlighted the need to have somebody in the team who was able to **evaluate issues critically**. Amongst the Chinese interviewees, the director in charge of the Jardine trading and distribution businesses remarked on the need to have, *"One or two exceptionally logical minds. First rate organisers who can see holes in reports for example"*. The general manager of The Optical Shop retail chain stressed the need to have somebody, *"Who could see weaknesses in a plan"*. Amongst the Western interviewees, the director of corporate development at the new airport remarked on the need to have, *"Somebody who can clinically see things step by step"*. The general manager of the New World Harbour View commented on the need for, *"People who are willing to challenge"*.

The notion of **leadership**, whilst expressed in different ways, emerged as further requirement in management team, with 20% of the interviewees from each group emphasising its importance. Amongst the Chinese interviewees, the director in charge of the Jardine aviation and shipping businesses commented on the need to have, *"Leadership by example. How you add value to the operation"*. The head of management services for IT talked of having, *"The enforcer"*, whilst the managing director of Thorn Lighting remarked, *"Leadership is very important so people will talk to you when in trouble. Go for a more friendly style. Listen"*. The general manager of an IT distribution team remarked on the need to have, *"Someone who could glue the different talents and cultures together"*, whilst the general manager in charge of an international freight forwarding business talked about the need to have, *"Leadership to make it happen"*. Amongst the Western interviewees, the

director of corporate development for the new airport talked of the need for, *"Somebody who can be a team builder, that is to say, a social interacter"*. The director in charge of the Jardine finance and property businesses explained, *"I'd want an integrator. A leader"*. The head of the cash handing business for Securicor emphasised the need for a, *"Clear leader (who) understands cultural differences (and) actively compensates for these differences"*. Echoing these views, the finance director of Matheson Investnet spoke of the need to have, *"The motivator who keeps everyone looking forward, who takes a lead role and keeps the objectives in view"*.

A final area, which drew remarks from a small selection of interviewees, related to the need for **external focus** within the team. Amongst the Chinese interviewees, the general manager of an airline agency spoke of the need to have, *"Someone with contacts"*, whilst the general manager of The Optical Shop retail chain stressed, *"I'd want a contacts person in the team"*. Amongst the Western interviewees, a senior HR executive with the Jardine Matheson group remarked on the need for a, *"Contacts person, that is to say, somebody who can get information and so on from the outside. Somebody who understands the politics of the organisation well and how to work with it"*. The director in charge of the Jardine finance and property businesses stressed the need for, *"Somebody who knew the local lie of the land"*.

To test for any significant cultural team role preferences (Belbin), an analysis was conducted of 73 Saville and Holdsworth Occupational Personality Questionnaires (36 Hong Kong Chinese and 37 Western respondents). The respondents were drawn from a wide cross section of businesses and disciplines and had all atteneded the annual Jardine Matheson General Management Programme (GMP), between the period 1989-1996. The GMP is an extended development programme, designed for mid-level managers who were either due for promotion, or likely to assume greater responsibility in the future. In drawing conclusions from this data certain limitations, including those mentioned in Chapter 3, were taken into account:

- Whilst the level of seniority and job nature of the respondents matched the profile of those in the interview group of 50, none were interviewees themselves.

- All the participants on this programme were drawn from the same corporate group. However, in view of the diversity of the conglomerate and joint venture nature of the organisation, this was not considered to be a major issue.

Despite these reservations, in the balance it was felt that the data would add further rigour to the analysis in this particular section. In terms of correlation to behaviours within groups[47], four significant differences surfaced between the role preferences of the Chinese and Western managers who completed the questionnaire.

- **Shaper role** – This role is positively correlated to independent, decisive, worrying, and competitive behaviours within groups. Compared to the Chinese respondents, the Western managers overall showed a significantly stronger preference towards assuming this role, recording an mean average score 6.4 compared to the Chinese respondents' score of 4.9 (Prob> [t] 0.0008).

- **Implementer role** – Positively correlated to conscientiousness and forward-planning behaviours. The Chinese respondents, on average, showed a significantly stronger preference towards this role (6.9 v 5.6 / Prob> [t] 0.0063).

- **Completer role** – Positively correlated to detail conscious, forward-planning and conscientiousness behaviours. Again, the Chinese respondents showed a significantly stronger preference for this role (7.2 v 5.7 / Prob> [t] 0.0042).

- **Teamworker role** – Positively correlated to affiliative, behavioural, democratic, and caring behaviours, whilst negatively correlated to decisive, critical, and competitive behaviours in groups (6.5 v 5.2 / Prob>[t] 0.0012). The Chinese once again showed a stronger preference for this role.

The Skills and Aptitudes

Having explored the types of behaviours, the interviewees were then asked to think separately about Chinese and Western executives with whom they were familiar. They were then asked to comment on the special abilities or aptitudes (excluding language), brought to a management team by one cultural group, which were less evident amongst

the other group. From the responses, several skill or aptitude clusters emerged, which both cultures agreed were more evident in Hong Kong Chinese than Western senior managers:

<u>Skills and aptitudes more evident amongst Hong Kong CHINESE managers</u>

16% of the Chinese and 40% of the Western interviewees identified Hong Kong Chinese managers as displaying a generally **stronger work ethic** than their Western counterparts. From amongst the Chinese interviewees, the managing director of R.R. Donnelly International remarked, *"They (Chinese managers) work longer hours, although not necessarily harder"*, however, he qualified this remark by adding, *"We don't really have any 'typical' Chinese managers"*. A senior director with Gammon Construction commented, *"(Chinese are) more serious from the position of their job, whilst Western managers tend to be less serious*. An HR manager with Jardine Pacific commented, *"They're (Chinese) more serious about the task at hand, more willing to work hard and do unpopular tasks. They're more patient and show greater perseverance"*. Another senior HR executive from the same company commented, *"Chinese are harder working"*. Several of the Western interviewees expressed similar opinions, although in slightly different ways. The corporate development director of the new airport remarked, *"Ability to focus on the specific task if one is given"*, whilst the finance director of the Jardine trading and distribution businesses added, *"The ability to work hard. The Chinese are more diligent"*. The head of audit for Jardine Matheson highlighted greater *"stamina"*, whilst the head of corporate legal for the same company remarked, *"The Chinese are more likely to lead by their vision and orientation towards getting the task done. I see strengths and weaknesses in this"*. The managing director of The Optical Shop retail chain commented, *"Work ethic and great sense of loyalty to the patriach of the business, well beyond what Westerners would give"*.

44% of the Chinese and 32% of the Western interviewees identified **sensitivity for people** as being more evident amongst Hong Kong Chinese than Western managers. From amongst the Chinese interviewees, the director in charge of the Jardine trading and distribution businesses commented, *"They take longer time to build relationships, but when they're built, they last longer"*. The director in charge of the Jardine shipping and aviation

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[47] Neil Cowieson, Managing Director of Saville & Holdsworth Hong Kong Ltd. Correspondence with Author, dated 3 February, 1998.

businesses added, "(The Chinese managers are) *Humbler than expats, more sensitive to people issues",* a comment almost identical to one made by the head of the international airport services business, *"They're more sensitive to people issues".* The managing director of Pizza Hut had observed a particular skill amongst Chinese managers for, *"Observing people's behaviour, that is to say, they are more sensitive in terms of relationships".* The vice president of HR for Chase Manhattan had observed that Chinese managers, more so than Western managers, *"Bring relationships together, but if there are problems, he may form cliques to sort them out.* (They) *tend to be milder in their style, that is to say, are not that strict, are more flexible and not as rigid as Western managers".* From amongst the Western interviewees, the new airport's corporate development director remarked on the Chinese managers', *"Greater consideration for people's feelings".* The management consultant remarked, *"Loyalty and ability to make us think about people issues. Being a check point as to how effectively we are communicating".* The head of guarding services for Securicor observed that Chinese managers were, *"Better at giving face and therefore can handle certain situations better",* whilst his counterpart in the cash handling business remarked, *"More tact, more careful about offending sensibilities".*

Both cultural groups viewed Hong Kong Chinese managers as bringing more **local knowledge** to the team (32% of the Chinese and 20% of the Western interviewees). The local knowledge in this context relates predominantly to Hong Kong, rather than the wider Asia-Pacific region. Amongst the Chinese interviewees, a senior director with Gammon Construction commented, *"Understanding the local context, for example, what is the real degree of know how of the people working for them".* Another director from the same company added, *"Chinese managers know the local context better",* whilst a third senior director added, *"They* (Chinese) *also seem to be able to anticipate hidden problems better, maybe because of their contacts. Westerners tend to stay in their own circle and are not as socially outgoing with the Chinese".* The managing director of Schindler Lifts echoed a similar view, *"They* (Chinese) *listen to and observe the environment of the problem better than Westerners. Chinese see the whole thing together, rather than in bits".* A senior HR executive with the Jardine group had observed, *"Chinese understand the culture better, and the environment".* Several of the Western interviewees described similar observations. The director in charge of the Jardine property and financial businesses commented, *"Their knowledge of consumers is inevitably better than Westerners".* The finance director of the

Jardine trading and distribution businesses remarked, *"Local knowledge and attitudes"*, whilst the managing director of British Steel (Asia) commented, *"Contacts and the ability to readily fit into the Asian infrastructure"*. The manager in charge of quality assurance for Gammon Construction added, *"Local know how and a gut feel for how the local workforce will react"*.

28% of the Chinese and 20% of the Western interviewees identified an **aptitude for numbers and detail** as being more apparent amongst Hong Kong Chinese managers than Western managers. From amongst the Chinese interviewees, the director in charge of the shipping and aviation businesses briefly remarked that Chinese managers were, *"Quicker in their minds"*, whilst the managing director of Pizza Hut added, *"Analysing figures"*. The head of corporate finance for the Jardine Matheson group commented, *"Good on detail, which is vital in accounting. Westerners are not good on detail – some can't even add up right!"*. The general manager of an international freight forwarding business had observed, *"(Chinese) think things through more thoroughly before putting an idea forward and go into more detail"*. A contracts manager with Gammon Construction added, *"More sensitive to figures"*, whilst an HR executive with Jardine Pacific commented, *"They seem better numerically and statistically etc."* Amongst the Western interviewees, the managing director of MCIM advertising had observed, *"Attention to detail"*, as being an important differentiator, whilst a senior HR executive with the Jardine Matheson group commented, *"Numbers. On average I've found them to be more adept in work involving figures"*. The managing director of the Colonial and Mutual Group had made similar observations, *"The level of professional technical skills are higher. Financially* (they are) *more technically competent"*. The managing director of Gammon Construction had noted with the Chinese that, *"They're usually extremely numerate and have qualifications to back it up,* (as a result) *they can usually negotiate better"*, whilst the head of treasury for Jardine Matheson simply remarked, *"Precision"*.

A higher degree of **pragmatism** amongst Chinese managers was highlighted by 32% of Western interviewees, albeit less so from the Chinese. From amongst the Chinese interviewees, the VP HR for Chase Manhattan had observed that the Chinese were, *"More flexible and not as rigid as Western managers"*, whilst another HR executive from Jardines remarked, *"They are more practical, they are less troublesome"*. Amongst the Western

interviewees, the managing director of a ship management business commented, "(Chinese) *can be more objective or realistic in their decision-making, taking a longer view*". A senior HR executive with Jardine Matheson added, *"Ability to compromise and be flexible"*, whilst a similar view was echoed by a senior Jardine finance director, *"Practical mindset, for example with the Mulberry and MCM deal, the Chinese knew the MCM deal was right"*. The head of treasury for Jardine Matheson commented, *"The positive side of being fatalistic in that they get less personally depressed by the business not doing well"*. The head of corporate communications for Jardines added, *"Pragmatic, practical, realistic"*. The head of cash handling for Securicor simply remarked, *"Better at accepting compromise"*.

Skills and aptitudes more apparent amongst WESTERN senior managers

The **ability to think widely and broadly** about issues, was observed as being more apparent amongst Western, than Chinese managers (20% of the Chinese and 16% of the Western interviewees). From amongst the Chinese interviewees, the head of Jardine Matheson's management services department remarked that Westerners tend to have, *"More vision"*, a view reinforced by the managing director of Thorn Lighting who added, *"They seem to be able to look at things more widely than Chinese managers"*. A senior director with Gammon Construction commented, *"Westerners have broader knowledge"*, whilst the head of corporate finance for Jardines added that Westerners, *"Can be quite broad brush"*, and a Gammon contracts manager remarked, *"(Westerners) tend to be broader"*. Several of the Western interviewees had also identified differences in this area. A senior HR executive with Jardine Matheson commented, *"They also appear to be able to see the big picture more readily"*. The head of audit for Jardine Matheson remarked that Westerners have a *"Wider perspective"*. The head of treasury for the same company remarked on them, *"Being able to see the big picture"*, whilst the managing director of The Optical Shop retail group commented on Westerners' greater *"Strategic perspective"*.

Linked to the dimension of breadth of thought is the greater perceived ability of Western managers to **think laterally and creatively** about issues, identified by 20% of the interviewees from each group. Amongst the Chinese interviewees, an HR executive with the Jardines group remarked that Westerners were, *"Creative, with more ideas"*, whilst the

general manager of an IT retail group commented on them being, *"Willing to challenge conventional wisdom".* The HR VP of Chase Manhattan remarked, *"They act as a catalyst to bring new ideas in. They're more creative".* This observation was supported by another HR executive from the Jardine group who added that Western managers were, *"More creative and have more ideas than Chinese managers".* A contracts manager with Gammon Construction added, *"More creative. They're more prepared to explore risk".* From amongst the Western interviewees, the corporate development director of the new international airport commented on Westerners', *"Greater tendency towards lateral thinking, greater pragmatism".* The managing director of British Steel (Asia) remarked, *"Looking at problems from more angles, more innovative",* whilst a management consultant commented on Westerners' *"Creativity, being able to break the norm".* The head of corporate communications for Jardines had observed that Westerners were, *"More creative, more independence of spirit",* whilst the managing director of The Optical Shop group added, *"More creative and can look outside the box more readily for solutions".*

A third aptitude, identified by 24% of the Chinese and 36% of the Western interviewees, is the greater ability of Western managers to **be resourceful, adapt and act without direction.** From amongst the Chinese interviewees, the managing director of Pizza Hut remarked that Western managers were better at, *"Taking the initiative more readily, they're more decisive".* The managing director of R.R. Donnelly International added that Western managers were, *"More resourceful than local managers, more service oriented than the Chinese".* The managing director of Schindler Lifts remarked that Westerners were, *"More proactive and action and results oriented",* whilst a senior director from Gammon Construction added, *"A 35 year old Gweilo can handle things better than a 35 year old Chinese. Gweilos tend to be more self-dependent at 17 say, and this makes them more independent* (later in life)". The observations expressed by many of the Western interviewees supported these observations. The regional managing director of MCIM advertising group commented on Westerners', *"Ability to use initiative",* whilst the managing director of a global ship management business added, *"They can work more easily without precedence than the Chinese".* The general manager of guarding services for Securicor commented that Westerners show, *"More initiative, they'll have a go at something new. They can ride the punches better, probably because face is not such a strong issue. They're not hung up on face."* His counterpart in the cash handling business added that

Western managers were, *"More decisive, quicker to accept responsibility and accountability. Better at being objective"*.

The issue of Western **'openness'**, which in this context relates to a willingness to share information, interact, listen, and be direct, was identified by 36% of the Chinese and 32% of the Western interviewees as being a positive characteristic of Western managers that was less apparent in Chinese managers. Amongst the comments made by the Chinese interviewees, the CEO of an international shipping group remarked that he saw a strength of Western managers as being, *"More open"*. The general manager of an IT retail group commented that a positive aspect of Western managers was that they were more *"Straight to the point"*. A management consultant was a little more explicit, *"Western managers are more open than Chinese Managers. They take things less personally compared to Chinese, such as criticism, and admit more errors"*. A sales manager with Trane identified a strength as being, *"Westerners are more outspoken and therefore get more out of teams"*, whilst a senior HR executive with Jardines had observed that, *"Westerners are more open-minded and willing to listen to the problems of others"*. The Western interviewees expressed similar views. The director in charge of the Jardine financial and property businesses remarked about a Western strength as being a, *"More open style"*, whilst the finance director of the Jardine trading and distribution businesses added, *"Expats are more open"*. The head of group audit for Jardines remarked, *"Open style – they'll tell you more things quickly"*, whilst the head of corporate legal for Jardines added, *"Westerners are more inclined towards consensus and more open to cross cultural communication"*. The group HR manager of Gammon Construction had observed that Westerners had, *"More of a sense of humour and openness"*, whilst the finance director of an international shipping group added that Westerners were, *"More transparent"*.

24% of the Chinese and 20% of the Western interviewees identified the **use of 'analysis and structure'**, which relates to ways in which managers segment issues and apply structure to their approach, as a strength particularly evident amongst Western managers. From the Chinese interviewees' responses, the director in charge of the Jardine trading and distribution businesses remarked that Westerners were, *"More attuned to planning and organising"*. The managing director of Schindler Lifts remarked on Western managers being, *"More systematic in their approach to problems generally. They tend to cut out the*

woolly stuff quicker, whilst the Chinese get caught up in the details". The managing director of Thorn Lighting added weight to this observation in noting that, *"Westerners have more analytical minds"*, whilst a senior director with Gammon Construction remarked, *"They're more analytical"*. The Vice President of HR for Chase Manhattan added that Western managers in his experience were, *"More structured and organised"*. From amongst the Western interviewees, the general manager of the New World Harbour View Hotel had observed that Western managers were, *"More organised and better planners. More efficient decision makers"*. A senior HR executive with Jardine Matheson added, *"I've found them on the whole to be more thorough in planning in the sense that they seem to be able to identify more angles and pitfalls than Chinese managers and build this into their plans"*. The managing director of the Colonial Mutual Life Assurance Group had observed, *"Westerners have higher levels of management skills compared to the average Chinese manager in our office. Western managers would be better at planning etc."*.

The Findings So Far

The reader will recall that Chapter 8 explored the types of leadership behaviour considered appropriate and effective in an Anglo-Chinese management team. In conjunction with this process, the study also touched upon the differing expectations of the team members who comprised the team. This chapter set out to expand our understanding of team membership, by considering the mix of behaviours, skills and attributes viewed as important amongst team members within such a group. Two broad areas of finding emerged:

- Behaviours commonly agreed to be positive within Anglo-Chinese teams.
- Culturally-specific skills and aptitudes.

The first part of the Chapter identified specific team member behaviours, which were considered by the interviewees of both cultural groups to be key elements of an effective Anglo-Chinese management team. From the interviews a number of behaviours emerged, which have been broadly categorised into six 'roles' or sets of behaviours.

- **Team support behaviours** – relates to a cluster of behaviours which serve in different ways to strengthen the interpersonal relationships and contribute towards the harmony within the team. Team support behaviours drew most frequent mention from both groups interviewed, with more than two thirds of the Chinese and half the Western managers viewing these behaviours as an important element of Anglo-Chinese team management.

- **Enthusiast behaviours** – broadly describe the need to have people in the team with a positive, "can do", and committed attitude towards work. Roughly a quarter of the Chinese and a third of the Western interviewees identified these behaviours as important.

- **Lateral thinking behaviours** – relate to a capability to be creative, open to new ideas, and view issues from a variety of perspectives. Around a third of the interviewees from each cultural group identified this particular set of behaviours as being important in a management team.

- **Critical thinking behaviours** – refer to a set of behaviours, which address issues analytically and critically (e.g., "logical minds", "sees holes", "the sceptic"). Approximately a quarter of the Western, although a considerably smaller proportion the Chinese interviewees, viewed these particular behaviours as an important.

- **Leadership behaviours** – relate to action-oriented behaviours, which bring direction, cohesiveness and coordination to a team. A fifth of the interviewees from each group identified these types of behaviours being an important aspect of team effectiveness.

- **Outward-looking behaviours** – represent a group of behaviours, which describe an external perspective, extending beyond the immediate team. 10% of the total group identified these behaviours as being important in a team.

Some similarity between the six behaviour groups identified in this chapter and the roles described by Belbin (e.g., parallels between 'Team support' and "Team Worker" behaviours) begins to emerge. 'Team support' behaviours, in particular, begin to show a consistent pattern throughout the research as being important in Anglo-Chinese management teams, most notably for the Hong Kong Chinese respondents. Indeed, the analysis of the OPQ scores, described earlier, suggest that the likelihood of achieving Belbin's optimum 'balance' of behaviours (or roles) is less likely in Anglo-Chinese management teams, where there is a higher probability of having more "Team Workers"

represented in the group. The findings also suggest that the probability of experiencing *"Shaper"* behaviour (independent, decisive, worrying and competitive) amongst the Western team members is greater, and indeed may even be exaggerated in the relative absence of such behaviour from amongst their Hong Kong Chinese compatriots.

The second part of the chapter identified culturally specific skills which are brought to an Anglo-Chinese management team. The findings show a reasonable level of agreement amongst the Chinese and Western interviewees about the different, but often complementary skills, which each cultural group brings. Specific skills or attributes more likely to be brought to a team by **Hong Kong CHINESE** than Western managers include:

- **Application to the job** – The Western interviewees in particular, recognised the general work ethic of Hong Kong Chinese to be greater than that of the Western executives. Comments about the Chinese being, *'more serious from the position of their job"*, tending to *"show greater perseverance"* and being *"more diligent"*, help capture the meaning.

- **Aptitude for building relationships** – The findings in this research support the conventional thinking about the greater Chinese aptitude for building and maintaining relationships, albeit within a multinational context, this appears to apply more to internal, rather than external relationships. Comments such as *"more people sensitivity"*, and having a *"very good sense of decorum"* conveys some of the meaning in this respect.

- **Local knowledge** – This finding comes as no great surprise, with both groups recognising the greater capability of Hong Kong Chinese executives to understand what is going on in the local environment, linked partly to language, but also to a better understanding of their own culture.

- **Numeracy and detail** – The reader will recall that this aptitude emerged earlier in the interviews, and also in the OPQ Belbin analysis (*"Implementer"* role), with a clear pattern beginning to emerge in this respect. Observations about Hong Kong Chinese managers being *"more sensitive to figures"*, *"better numerically and statistically"*, and showing greater *"attention to detail"*, help define this particular competency.

- **Practical perspective** – In this context, 'practical perspective' relates to a greater willingness amongst Hong Kong Chinese executives to compromise, show flexibility, and view things from a 'will it work?' perspective, as compared on average to their

Western counterparts. The comment from a Western finance director succinctly sums up this particular ability, *"pragmatic, practical, realistic"*.

Skills or attributes viewed by both cultural groups as being more evident amongst **WESTERN executives** in Anglo-Chinese management teams include:

- **Breadth of thought** – This particular aptitude is most adroitly captured in a selection of the interviewees' words, which included, having *"vision"*, understanding the *"big picture"*, or *"seeing things more widely"* (e.g., geographically); the emphasis here being on breadth of thinking, rather than time span.

- **Creativity** – This attribute, which is attributed by both cultures more to Western than Hong Kong Chinese managers, extends beyond an ability to generate ideas or options, but also includes a higher receptiveness to new ideas, willingness to *"...break the norm"*, and try something different.

- **Initiative** – Relates to a greater inclination amongst Western managers to act without direction or *"precedence"* and take the initiative; an observation that has been made in an earlier part of the research which explored 'problem recognition' (*Manage*).

- **Openness** – This facet has been a recurring theme throughout the research and is emerging as a clear differentiator between Hong Kong Chinese and Western executive behaviour in Anglo-Chinese groups. The meaning in this context is best captured by the words of some of the interviewees. These include the observations that Western managers, *"take things less personally"*, are *"more happy to accept criticism or suggestion"*, get *"straight to the point"*, and are *"more prepared to speak their ideas"*.

- **Analysis and structure** – The observation by both cultural groups that Western managers are, on the whole, more adept at applying analysis and structure to managerial situations, is also consistent with earlier findings in this research, for example in relation to 'planning' (*Manage*).

Pertinent to these findings, is the recognition by *both* cultural groups that managerial skill or aptitude gaps do exist within Anglo-Chinese management teams, which are more readily filled by one cultural group than the other. This observation is reinforced by the interviewees' fairly unanimous agreement that strength comes from the effective joining of skills, coupled with a compensation by one cultural group for the inadequacies of the other.

However, the interviews also identified that a major vulnerability lay in misunderstandings between the two cultural groups, which are largely brought about by insensitivity to what is going on beneath the surface and how this should be managed. Surfacing of these tensions, coupled with identification and effective harnessing of culturally different skills and preferences, therefore emerges as an important aspect of an Anglo-Chinese team leader's role, which the next chapter explores.

Chapter 10

Methods

Research Problem

'To determine the extent to which existing thinking about performance appraisal and management training systems are applicable to current day Anglo-Chinese situations'

The last dimension of the *Managership* model, *Methods*, encompasses the variety of systems and processes currently utilised by leaders in most large multinational organisations to help manage the performance of their managers. 'Performance management' is defined by Hartle (1995) as, *"a process for establishing a shared understanding about what is to be achieved, and how it is to be achieved, and an approach to managing people which increases the probability of achieving job-related success"*. This part of the study will confine itself mainly to performance appraisal and executive development systems. However, some consideration will also be given to other issues, such as succession and career planning, which are an associated part of the processes described.

Chapter 2 identified that several researchers (e.g., Redding, 1982; Hofstede, 1986; Kirkbride and Tang, 1989; Bond 1991) expressed doubt as to the effectiveness of conventional Western approaches to performance appraisal and experiential/ participative learning with Hong Kong Chinese managers, even within the context of large companies. Much of this concern is derived from the view that certain cultural values and beliefs persist amongst Chinese managers, which tend to resist approaches that rely heavily upon free and open dialogue between the parties concerned. These values and beliefs include stronger inclinations amongst Chinese managers towards showing respect for people in authority (e.g., by not questioning), power-distance differences, avoidance of individual

accountability, particularism[48], conformity, maintaining harmony, avoiding conflict, and various issues related to the giving and maintaining of 'face'. Chapter 2 also highlighted a growing belief that with the internationalisation of business, organisational and structural parallels to the West will increase, whilst at the personal level, people will continue to retain their cultural values and beliefs (Obeng, 1963; Laurent, 1983; Redding, 1990; Bond, 1996). However, other observers are less convinced (e.g., Webber, 1969; Evans *et al*, 1987; Hitchcock, 1994; Hui and Tan, 1996), believing that values and beliefs will 'internationalise' as well.

This particular phase of the research therefore sets out to test the current thinking about the applicability of existing performance appraisal and management development approaches used in Hong Kong-based international businesses, but most particularly within the Anglo-Chinese context. The chapter is therefore split into two distinct sections, one which explores performance appraisal systems, the other executive education. The findings will be drawn from two sources:

- The in depth interviews with the 50 senior executives, which continue to be the core of this research; and
- surveys, conducted during 1998, covering 211 managers who represent seven different regional businesses.

Performance Appraisal Systems

Performance Appraisal Systems, in the context of this research, refers to formal, annual events in which the boss and subordinate meet to agree on performance during the past 12 months, and the objectives or requirements for the forthcoming year. All of the executives interviewed were actively involved in a formal annual appraisal of some nature with their managers, all of which were objective-linked. The interviews explored three areas:

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[48] 'Particularism' is defined by Hofstede (1991) as a way of thinking in collectivist societies, whereby standards for the

- The general effectiveness of performance appraisal systems.
- What is viewed as being the most effective means of measuring performance.
- The preferred methods for measuring performance on the job.

General effectiveness of performance appraisal systems

In the first interview question, the executives were asked to give a % effectiveness rating for their own system, in terms of *measuring managerial performance*. The overall mean average effectiveness ratings for the Chinese and Western interviewees were 52% and 51% ('to a moderate extent') respectively. In other words, the general feeling was that the formal performance appraisal systems currently in place in Hong Kong organisations were not particularly well regarded.

To test these findings, use was made of survey data, which covered both the appraisal and training aspects aspects of this research. The Survey questionnaires were firstly sent out by CEO's to their managers, who in turn were asked to complete them anonymously and return them directly to the Author. 96% of the surveys were returned. The survey required the respondents to answer two questions, related to 32 specific human resource activities. The respondents were also required to provide written comments. The returns were subsequently analysed and produced as a chart for this research (see Appendix 4). These questions were as follows:

- To what extent could each of the 32 HR activities specified in the questionnaire *potentially* support business goals if done properly; and
- what level of service was currently being delivered by the HR function concerned?

The returns were analysed, using the median of responses against two, 10 point rating scales, which ranged from 'High', 'Medium' to 'Low'. In order to maintain confidentiality, it was not possible to distinguish which cultural group completed each questionnaire (other than to say 15% of the total sample group were Western managers). The analysis is presented (in Appendix 4) in the form of an overall chart which broadly categorises the data into four key dimensions, which measures the expectation and delivery alignment against

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way a person should be treated depends upon group membership.

four dimensions. The second chart provides more specific detail. From this analysis, a reasonably clear picture emerges as to which HR activities are seen as potentially supportive of business goals in Hong Kong based multinationals, and which of these are being currently met. Several findings emerge, which include:

- General aligments between line manager expectation and the quality of what is currently being delivered in the areas of 'Resourcing, Reward and Admin' and 'Employee Relations'.
- Major misalignments in the areas of 'Strategy and Organisation' and 'Personal and Career Development' (which encompasses performance appraisal and executive development systems).
- Against the 32 activities, *'Provision of effective systems to assess executives' development needs'* and associated activities, emerge as a clear areas of need.

The overall picture to emerge from the Survey and interview findings was that whilst most executives in Anglo-Chinese organisations appreciate the importance of having some kind of system to measure performance on the job, the current approaches, on the whole, were viewed as inadequate and not meeting requirement. The next interview explored the possible reasons why in more depth, by asking the interviewees what they felt was *'the best way of measuring managerial performance on the job'.*

Most effective means of measuring managerial performance

Periodic or ongoing reviews – 52% of the Chinese and 44% of the Western interviewees expressed concern about the frequency of appraisals, believing that once a year was insufficient to adequately measure the performance of a manager on the job. Some believed that appraisals should be conducted every 3-6 months, whilst others felt that assessment should be a continual and ongoing process. A fairly even balance emerged between those who felt periodic formal appraisals were most appropriate, and those who were more inclined towards informal ongoing assessments.

From amongst the Chinese interviewees, the director of the Jardine aviation and shipping businesses remarked, *"Set targets and measure them, changing them throughout the year*

as necessary and linking them to remuneration". The managing director of R.R. Donnelly International commented, "Give them a specific task and measure regularly, for example, every three months. You must give people targets". The managing director of Schindler Lifts had found that, "It hinges on how well the objectives were set the previous year or how the environment has changed. You need some formal record, but apart from this you should do it more frequently". The general manager in charge of an IT retail chain remarked, "The current way is sufficient and well-defined. However, this is annual. It should be more frequent, for example bi-annual". The Western interviewees expressed similar views. The director in charge of the Jardine property and finance businesses remarked, "An annual review, plus watching the guy in action. Go around with him, see how he's handling his people, coupled with quarterly reviews of his objectives". The managing director of a global ship management business added, "I like the present system, but it needs to be a physical measure, i.e., targets. The review should be twice a year, not once". The group HR manager for Gammon Construction added, "I rate this (usefulness) low because given that we only get 80% of the 1,200 appraisals back and it takes six months to get them, only two pages long, with many containing only 20 words. (Best would be) a three monthly review against set performance criteria".

Measuring the 'soft' factors, as well as the 'hard – 44% of the Western, but notably none of the Chinese interviewees, remarked on the need for some kind of measure of the more intangible elements of a manager's performance. The managing director of MCIM Advertising commented on the need for, "Measurement against a basket of attributes – goals, leadership, and people interaction. Our business is a people business, we are therefore focused on them internally and externally". The managing director of British Steel (Asia) commented broadly on the need for, "Budget, objectives and the intangibles, such as people development". The general manager of guarding services for Securicor, who commented on the need to, "Have a model of all the competencies, that is to say, a balanced view, to check against". The managing director of The Optical Shop retail chain remarked on the need for a, "Firm mixture of objective driven measures against interpersonal skills and the development of their interpersonal skills. We tend to be too objective driven, but don't get me wrong, we need to get our budgets".

Ensuring the appraisors are competent – In associated observations, several of the interviewees inferred that the effectiveness of the formal performance appraisal system

also relied on the ability of the appraiser. From amongst the Chinese interviewees, the managing director of Thorn Lighting commented, *"The performance appraisal system is good, but of course you can talk to others as well. It's quite a useful tool, although you shouldn't rely totally on it".* A senior director with Gammon Construction added, *"The personal touch is so important. Don't be fooled by the one-off success or apparent smartness".* The Western interviewees expressed similar views. A senior HR executive with Jardine Matheson remarked, *"The annual performance appraisal can be a very powerful tool if the person using the tool is skilled. However, the reality is that this is often the minority, which therefore tends to hinder its usefulness".* The managing director of the Colonial and Mutual life assurance group added, *"As a tool it's OK. But it's about using the tool properly".* The managing director of Gammon Construction was more explicit in his remarks, *"It's crap in terms of using it to give feedback. I don't think people give honest feedback. However it's excellent for identifying training needs and target setting. I suppose what I'm saying is that it's the people, not the document, that's wrong".* The police chief inspector provided more insight, *"You've got to look at the Chinese differently. If you write a report that a Chinese inspector is not doing well, he won't respond, whilst an expat would. It also depends on who is writing it. With a Westerner, if you're straight it's useful. With the Chinese it has to be written differently. You're better telling them what's wrong, rather than writing it down exactly".*

Preferred means of measuring managerial performance

The previous question began to address Sathe's (1985) first level of culture, by exploring 'what' aspects of formal performance appraisal systems were viewed as inadequate by the users. This particular line of inquiry delved more deeply into the reasons 'why', by trying to identify the extent to which the interviewees' relied on either personal judgement, other's opinions, or hard measures in the form of objectives, to assess the performance of managers working for them. To help achieve this comparison, the interviewees were firstly given an explanation as to what each factor meant. They were then asked to distribute a total of 10 points between the three factors, according to the degree of reliance they placed on each in making an evaluation of a manager's performance (see questionnaire at Appendix 1).

Chinese managers

- In self-rating their *personal* inclination, Chinese interviewees placed most reliance on 'Clearly Defined Objectives', followed by 'Personal Judgement', and least reliance on 'Other's Opinions', with each factor revealing significantly different mean average scores of 5.2, 3.2, and 1.6, respectively (Prob>F, <.0001).

- However, in asking the Chinese interviewees to rate *other Chinese managers' inclinations*, significant differences emerged between two factors. 'Personal Judgement' emerged as the strongest inclination, and 'Other's Opinions' the least, with 'Clearly Defined Objectives' falling in between (4.5, 3.5, 2.0, Prob>F, 0.0002).

- The *Western interviewees'* evaluations of Chinese managers' inclinations showed a similar pattern, with significant differences showing between two factors. 'Personal Judgement' was rated as the strongest inclination, and 'Other's Opinions' the least, with 'Clearly Defined Objectives' again falling in between (4.3, 3.5, 2.5, Prob>F, 0.0163).

Western managers

- In self-rating their *personal* inclination, Western interviewees placed most reliance on 'Personal Judgement' (PJ), and least on 'Other's Opinions' (OO), with a significant difference also emerging between 'Clearly Defined Objectives' (CDO) and 'Other's Opinions'. (PJ: 4.5, CDO: 3.5, OO: 2.0, Prob>F, <0.0001).

- In asking the Western interviewees to rate *other Western managers' inclinations*, a similar pattern emerged, with significant differences emerging between all three factors. 'PJ' was rated as being the strongest inclination, followed by 'CDO', with 'OO' being the least (4.9, 3.3, and 1.7, respectively. Prob>F, <0.0001).

- The *Chinese interviewees'* evaluations of Western managers' inclinations showed a different picture. Significant differences emerged between all three factors, with 'CDO' emerging as the strongest inclination, 'PJ' the second, and 'OO' the least (5.0, 3.5, 1.5, respectively. Prob>F, <0.0001). These findings are summarised in the chart shown overleaf:

	CHINESE			WESTERN		
Eval by:	Self	Others	Western	Self	Other	Chinese
'PJ'	3.2 (2)	4.5 (1)	4.3 (1)	4.5 (1)	4.9 (1)	3.5 (2)
'CDO'	5.2 (1)	3.5 (2)	3.5 (2)	3.5 (2)	3.3 (2)	5.0 (1)
'OO'	1.6 (3)	2.0 (3)	2.5 (3)	2.0 (3)	1.7 (3)	1.5 (3)

( ) = Ranking   n = 50

The data begins to suggest that:

- Western and Chinese managers believe, on the whole, that *other* Chinese managers are inclined to place most reliance on 'Personal Judgement' to evaluate managerial performance. However, when asked about *themselves*, Chinese managers claim to personally rely most heavily upon 'Clearly Defined Objectives' to evaluate performance.

- Western managers see themselves and other Western managers as relying most heavily upon 'Personal Judgement' to evaluate performance. However, Chinese managers express a relatively strong belief that Western managers rely mostly upon 'Clearly Defined Objectives' to assess performance.

- Both Western and Chinese managers agree that they themselves, and other managers from both cultures, rely least heavily upon 'Other's Opinions' to evaluate managerial performance.

Western Management Training Practices

This phase of the interviews explored the perceived applicability of 'Western' management training practices to the Hong Kong business environment. The questions in this section were largely underpinned by the work of Kirkbride, Tang and Shae (1989), described in Chapter 2, which identified three cultural barriers to learning:

- The teaching and learning process – an assumption that people from different cultures learn in different ways and prefer particular teaching and learning processes.

- The compatibility of the managerial practice to the culture – the extent to which the practice being taught is relevant and acceptable to the values and beliefs of the culture.

- How the managerial notion is conceptualised – i.e., what is being understood by the concept that is being taught.

The intention of this part of the research was to test these and other arguments made in the Chapter 2, which suggested that within the context of the Hong Kong business environment:

- Hong Kong Chinese managers prefer the 'safer' didactic styles of teaching, which are contrary to the more participative approaches, favoured in the West.
- The content of certain subjects, such as finance and marketing, are sufficiently mechanical and standardised to be taught in a routine, didactic style. However, the 'softer' skills, such as leadership, negotiation, etc., are more influenced by the cultural values and beliefs and therefore more difficult to transfer.
- That cognitive differences exist as to the ways in which Hong Kong Chinese managers conceptualise various notions of management, compared to their Western counterparts, creating transfer barriers.

In addressing these issues, the next section will consider the importance and applicability of training practices, the effectiveness of specific processes, what interviewees considered to be their most valuable developmental experiences, and the issue of training design.

The importance and applicability of Western management training and development practices

The results from the Survey, also reflected in the accompanying comments made, emphasised the high value placed on training and development activities by the respondents. However, most notable from the managers' responses was the need for *'Provision of effective systems to assess executives' development needs'*, which cut across both appraisal and development delivery systems. These findings supported those of the interviews, in which the rmanagers were asked to rate the degree of applicability Western management training practices had in Hong Kong. 'Western' practices were described as the off-job management courses or workshops the interviewees had attended in their careers, which had been delivered by Western facilitators or tutors. In the question, the

interviewees were asked to give a rating to reflect the extent to which they *agreed* with the statement that, *"Western management training practices were* NOT *applicable in Hong Kong..."*. Whilst the question was a awkwardly constructed, the results indicated that:

- 72% of Chinese interviewees agreed to *'a very little extent'* with the statement, whilst the remaining 28% agreed to *'a little, or moderate'* extent.
- 52% of Western interviewees agreed to *'a very little extent'* with the statement, whilst the remaining 48% agreed to *'a little, or moderate'* extent.

Several of the interviewees provided additional comments to support their ratings. Amongst the Chinese interviewees, the managing director of Schindler Lifts in extolling the virtues of Western practices remarked, *"Management is management after all"*. A senior director with Gammon Construction explained, *"Western training is relevant; it's how it's adapted that's important. You get the basics, which are good, then it's up to you to transform them"*. The general manager of a regional IT retail chain commented, *"Except in certain types of training, like staff management where there's a human factor and therefore compromise is needed. For example, being able to inject local sensitivity into Westerners"*. The Chinese management consultant remarked, *"I'm thinking of American approaches to management training practices here. For example, we Chinese accept that things are not always equal, for example, like Li Ka Shing's son can be CEO of Star TV. Motivating, getting the numbers right, etc., are all applicable, but sacking is not as applicable here in Hong Kong"*. From amongst the Western interviewees, the finance director of the Jardine trading and distribution businesses commented, *"Western management practices need some modification to the local context"*, whilst the managing director of the Colonial and Mutual Group added, *"Western practices are applicable, but time needed to bring in is longer"*. The Western management consultant explained, *"I believe the principles are applicable anywhere; it's the behaviours which may differ and you have to take into account"*. The general manager of Securicor's guarding services business commented, *"I haven't seen any Chinese management training practices. The Western system formalises it, whilst the Chinese talk it. I believe in these practices because they work and Hong Kong has thrived on it"*. The police chief inspector added, *"The practices are relevant, that is to say, the objectives and content are the same, but the way they're achieved isn't. For example, you must have much more confirmation of understanding"*.

<u>Effectiveness of specific development processes</u>

A subsequent question attempted to identify which processes the interviewees considered important, in terms of developing managerial competence on the job. To achieve this goal, the interviewees were given a list of six specific approaches, and a seventh open option, with a brief verbal description to clarify what was meant in each case (see questionnaire at Appendix 4). They were then asked to distribute ten marks, in order to help establish the weight and priority of each method. In each case the interviewees were asked, as far as possible, to limit their distribution to those methods which, in their experience, were found to be most effective.

The **WESTERN** interviewees' results showed significant distinctions between three groups (Prob>F, <0.0001). 'On-the-job coaching' clearly emerged as being the most preferred method for *developing managerial competence* (mean average rating of 2.9). 'Job rotation', 'Business school executive programmes' and 'Allowing managers to learn from their own mistakes', featured in the second group (1.9, 1.8, and 1.6 respectively). The least preferred methods emerged as 'Special projects', such as serving on a corporate dance committee etc., and 'Part-time' development activities, such as pure distance-learning MBA's etc. (0.8 and 0.6).

The **CHINESE** interviewees' results showed a similar pattern, albeit a little less well-defined, with significant distinctions emerging between two groups (Prob>F, <0.0001). 'On-the-job coaching' was again rated as the most valued development process (2.7). The second group included, 'Allowing managers to learn from their own mistakes', 'Part-time courses', and 'Special projects' (1.2, 0.7 and 0.7, respectively). The remaining processes, 'Business school programmes' and 'Job rotation' (1.8, 2.0) fell between the two groups, without showing a significant distinction between either.

In overall terms, the results showed more similarities than differences between the development preferences of each cultural group. Both groups placed significantly greatest value on 'On-the job coaching' as a means for developing managerial competence. 'Distant Learning' methods and 'Special Projects' were rated as the least effective methods by both groups. However, a notable distinction emerged in the area of 'Allowing managers to learn

from their own mistakes', which the Chinese interviewees rated as a comparatively less effective method than their Western counterparts.

The most valuable developmental experiences

In the final question of this section, the interviewees were asked to think about their own careers and describe the most valuable developmental experience(s) they had encountered, in terms of accelerating their managerial growth. Whilst difficult to precisely categorise these experiences, common patterns surfaced in four areas:

- Variety and change;
- clear accountability;
- critical incidents; and
- learning from others.

The degree of **variety and change** emerged as a key factor in accelerating the managerial growth for the majority of executives interviewed, with 56% of the Chinese and 36% of the Western managers highlighting this issue. From amongst the Chinese interviewees, the managing director of R.R.Donnelly International added, *"Attending training in the US and attending management meetings there. This helped me understand their culture and thinking"*. A senior director with Gammon Construction remarked, *"On the job, learning from opportunities, and also being seconded to an international joint venture"*. Another director with Gammon commented, *"Staying abroad and working for a multicultural company – I spent nine years in the States"*. The managing director of Thorn Lighting added, *"Being exposed to all aspects of management in self-contained units. I've also instigated some strategic ventures from which I've learnt a lot, as well as developing China"*. From amongst the Western interviewees, the managing director of the Colonial and Mutual Group added, *"Job rotation – being put in different situations"*. The Western management consultant commented, *"Doing a regional project for Eli Lilly 5-6 years ago because it was about listening to the voice of the customer and problem improvement. Dealing with the diversity of each culture was very rewarding. Some really quite substantial results came through"*. The group HR manager for Gammon Construction explained, *"Doing my current job.*

Moving out of 20 years worth of government work to a completely different career, with new challenges, excitement, and a new dimension of learning".

20% of the Chinese and 24% of the Western interviewees highlighted the developmental value which came from them **being given full responsibility** for getting the job done. The director in charge of the Jardines trading and distribution businesses commented, *"On balance, my five years with Harry Wicking. This was the first time I was given real P and L accountability for a complete, stand-alone company. It helped widen my scope. I also did my MBA then".* The managing director of Schindler Lifts commented, *"During the period 1985-1986, managing a depression in Singapore. Also in 1981 when I was GM in Malaysia and had to learn everything".* An HR executive from the Jardine Pacific group remarked on the impact of being given, *"Full delegation to complete a task with some coaching and with the faults being pointed out. Then seeing things through to the end. New challenges are also important".* From amongst the Western interviewees, the general manager of the New World Harbour View Hotel remarked, *"Probably at the Turnberry Hotel in Scotland where I was given responsibility for a five star hotel at a very young age, coupled with good on-the-job coaching".* (He is today G. M. OF Turnberry) (The managing director of Gammon Construction added, *"Very early exposure to something I had to do myself, i.e., an early opportunity".* The treasurer for the Jardine Matheson group explained, *"My first treasury job. I'd never done any dealing. One day my staff was on holiday for four weeks and I covered the dealing desk. I only had the theoretical knowledge – I found out how different it was doing it for real".*

'Critical Incidents' emerged as another important factor. These related to situations, which presented abnormally high levels of stress for the people concerned. The Chinese interviewees were less forthcoming about this aspect, whilst 24% of the Western managers spoke readily about the difficulties they had faced and the benefits which were derived. Two Chinese managers were prepared to describe such challenges. A senior director with Gammon Construction explained, *"Our plant upgrade in 1993. The figures in 1990 suggested the construction market was going to boom, but we were too conservative and delayed in our investment in plant for two years, which hindered growth by us not having enough equipment capacity".* The CEO of an international shipping group added, *"My biggest mistake, which was in China in 1993".* The Western interviewees tended to be more

explicit and open in this respect. The director in charge of the Jardine finance and property businesses commented, *"The takeover of Dino's in Australia in 1989. Handling the franchisees, the conversions, balancing the short and long term, and the pressures. Also the deal I made with the franchisees which plagued me for years and taught me to be straight-forward"*. The managing director of British Steel (Asia) remarked on the, *"The time I misjudged the CAPEX* (Capital Expenditure) *on a project, which got me into a lot of trouble, but taught me a lot"*. The head of audit for the Jardine group commented on, *"The time I was given the role of maintaining a division, which was going wrong. It was the world's largest salvage fleet. A man in Holland had the rights for satellites. He was going to pull the plug on us, which would mean that the tugs around the world couldn't communicate and it would all fail. This taught me a hell of a lot. We had a week to sort it out"*. The general manager in charge of the Securicor cash handling business described a critical incident, which happened to his business in 1995, *"Suffering a major loss in Macau in which one of our cash vehicles was smuggled into China. It taught me the realities of the business I'm working in, the consequences, and how to avoid them"*.

The fourth area is linked to **learning from other people** with whom the interviewees have come into contact, throughout the course of their work. This section also includes the development derived from attendance on executive development programmes, although in the interests of clarity, these remarks remain integrated with the other interview comments. However, a review of the comments indicate that 20% of the Chinese, but only 8% of the Western interviewees specifically highlighted executive development programmes as playing a crucial role in their managerial development. In relation to learning from others on the job, from amongst the Chinese interviewees, the CEO of an airport services business remarked, *"Learning from others all the time. However my GMP and INSEAD course helped me a lot to consolidate my thoughts"*. The head of the Jardine management services department remarked, *"Working for good bosses who have been willing to point out my mistakes and give me goals"*, whilst the general manager of The Optical Shop retail chain added, *"Talking with others"*. A senior HR executive with Jardines commented, *"No one incident; it's more through having very supportive bosses who allowed me to go on programmes and supported me generally"*. From amongst the Western interviewees, the corporate development director of the new airport commented, *"Eighteen months working as an aide to the Governor of Hong Kong, Sir David Wilson, and being able to see how the*

head of a government works". The head of Jardine Matheson's legal department remarked, *"Observing other senior managers in action".* The managing director of The Optical Shop retail chain added, *"Having had a wide variety of bosses from which to learn",* whilst the police chief inspector added, *"Observation over time and watching good leaders".*

Anglo-Chinese Management Training Design

The findings presented so far addressed the issues of what is meant by the managerial concepts taught, and their general applicability to the job, as perceived by each cultural cultural group. These findings will be discussed in more depth at the end of this chapter, but suffice to say at this stage that whilst differences do exist, these appear to be outweighed by the similarities. The final part of this section sets out to explore further the teaching/learning process. To achieve this aim, the interviewees were put into the position of having to advise a consultant, who had never dealt with a mixed Chinese and Western group before, on the design of an effective management training programme or scheme. Three key considerations emerged:

- Highlighting cultural differences;
- developing interaction; and
- adapting delivery.

The need to **help the participants understand where differences** might lie in order to gain mutual respect, was raised by 40% of the interviewees in each cultural groups. From amongst the Chinese interviewees, the director in charge of the Jardine aviation and shipping businesses commented, *"Recognise cultural differences and behaviours that would effect their management decisions; the way they deal with people interactions and communication".* The CEO of an airport services business remarked, *"Highlight the good and bad about both cultures, and then blend them".* The managing director of R.R.Donnelly International added, *"Westerners and Chinese think differently; make them aware of these differences".* From amongst the Western interviewees, A senior HR executive with the Jardine group added, *"With a mixed group, you need to think carefully about breaking the ice and developing mutual respect between cultures. It's worthwhile spending a lot of time planning the mix of groups and sequencing of activities".* The director of corporate

development for the new airport advised, *"Try to recognise it's a multicultural group and devise a system which will allow the strengths of each to come through"*. The managing director of the Colonial Mutual Insurance Group added, *"make sure you take into account the different characteristics of each culture"*.

A second important consideration identified by 36% of the Chinese and 44% of the Western interviewees, was the need to **make sure that interaction occurred** between the different cultures represented on the course. The director in charge of the Jardine trading and distribution businesses commented, *"I'd advise him that he should always go for a mixed group, don't put them into groups of their own culture"*. The managing director of R.R.Donnelly International remarked, *"Ask them to do a lot of role play. Put the Chinese in Western situations and vice versa. For example, have a Chinese deal with an emotive subject, such as housing for Westerners – the Chinese tend to be jealous of this"*. These remarks were echoed by several of the Western interviewees. A senior HR executive with the Jardine Matheson group remarked, *"Conventional wisdom tells us about Chinese managers preferring the lecture approach. This, in my experience, is more applicable to students. Chinese managers enjoy experiential learning every bit as much as Western managers, as long as it's handed carefully by the facilitator"*. The managing director of British Steel (Asia) advised, *"Break them into groups and get them to work together, mixing cultures, but not always. Also get tutors who are of mixed culture"*.

28% of the Chinese and 44% of the Western interviewees highlighted the importance of **making allowances for the style of delivery, content**, with emphasis on the practical. From amongst the Chinese interviewees, the managing director of Pizza Hut advised, *"The structure and content should be the same, but how it's expressed is different. For example, in teaching leadership, you need to understand the Chinese view, such as the Chinese view of strategy being more practical"*. The managing director of R.R.Donnelly International advised, *"Bring in others who have experience, or draw upon case studies"*. A senior director with Gammon Construction remarked that, *"In this industry, engineers tend to comprehend solid examples better than theory or imaginary situations. Therefore with the Dave Francis style, people get much less than if the instructor gives specific examples – a case study if you like"*. From amongst the Western interviewees, a senior HR executive with the Jardine Matheson group commented that, *"Programmes and initiatives really have to be*

tailored in order to get maximum value. The Chinese are very pragmatic and thrive on practical examples, preferably from the region, rather than the West". The managing director of an international ship management business remarked, *"The scheme should only use people who are familiar with the cross-cultural issues. The providers must add value; real experience or knowledge".* The head of audit for Jardine Matheson commented, *"Use videos, role play with professional actors, scenarios of what you'd do. After 35 years, case studies don't work in my opinion. Keep it out of paper, keep it action oriented".* The finance director of Reliance Environmental Services business added, *"Remember that Asians are less up-front. You need to be softer in your approach. Win the people over early and then you'll slowly get everyone involved".*

The Findings So Far

Performance Appraisal Systems

In overall terms, the finidings indicated that existing performance appraisal systems used in the interviewees' companies were generally considered inadequate. In particular, the systems failed to adequately:

- evaluate managerial performance;
- assess executive training and development needs; and
- provide the necessary information for effective succession and career planning.

However, despite these inadequacies, both cultural groups considered it important to have some kind of formal or informal mechanism in place to assess managerial performance. The key reasons to emerge as to why the existing systems were not meeting the current and future needs of the business were:

- **Duration between reviews** - Roughly 50% of interviewees from each cultural group agreed that the existing 12 month period between each review was too long to adequately assess true performance, based on a few objectives. Most of these executives felt that the reviews should be conducted on either a job-by-job basis, or every three months.

- **Failure of system to measure the intangibles** – 40% of the Western, but notably none of the Chinese interviewees, emphasised the need to also assess 'softer' competencies, such as interpersonal skills, staff morale, people development, and leadership; an aspect which they felt was currently missing from the existing systems.
- **Appraisor skill level** - A small proportion of the interviewees also highlighted the skill level of the appraisors as being an important failing.

A subsequent series of questions explored executives' preferred means to assess managerial performance. The results indicated that amongst the interviewees:

- Both Western and Chinese executives believed that *other* Chinese managers relied most heavily upon 'Personal Judgement' to assess managerial performance.
- However, when asked about themselves, Chinese managers claim that they *personally* relied most heavily upon 'Clearly Defined Objectives'.
- Western executives see *themselves and other* Western managers as relying most heavily upon 'Personal Judgement' to assess managerial performance.
- However, Chinese executives view Westerners as relying most heavily upon 'Clearly Defined Objectives' in making this assessment.
- Both cultural groups rated 'Other's Opinions' as the least preferred method for themselves and other managers to rate managerial performance.

Training and Development Systems

The reader will recall that the research set out to explore the extent to which cultural values and beliefs influenced the conceptualisation of managerial notions, the compatibility of managerial practice, and the teaching and learning process. In particular, the research was keen to establish whether or not the current thinking about Chinese managerial learning preferences was correct. The following findings emerged:

- **Cognitive Differences** – The earlier findings in this research indicate that whilst both cultures generally share a broad common understanding of what is meant by different

management notions or terms, considerable differences may lie in their practical interpretation. For example, the reader will recall from Chapter 4 that whilst the term 'strategy' holds a similar meaning for Chinese and Western executives, the Chinese will generally tend conceptualise this notion in shorter and less wide-ranging terms than their Western counterparts. Likewise, in Chapter 6, the term 'motivate' was seen to hold generally the same meaning for Chinese and Western managers in terms of desired outcome, but the means used to achieve this end appeared to be influenced by the interviewees' cultural values and beliefs. A further illustration of this could be seen in the Western preference to use overt verbal praise as a motivator, compared to the Chinese inclination towards tangible rewards. This observation is also evident from the level of agreement expressed by both cultures in this chapter about the applicability of Western management training practices to the Hong Kong environment. From a training perspective, recognition that practical application often differs becomes an important consideration, if the facilitator or tutor is to retain credibility.

- **Transferability of 'soft' skills** – Previous research suggests that 'soft' skills, such as leadership, are likely to be less transferable than the more universal skills of, for example, finance and marketing, which tend to be guided by standard conventions and frameworks. The findings tend to support this proposition, partly for the reasons described in the previous paragraph, coupled with the earlier interview comments made about applicability. Most experienced facilitators with international experience now recognise transferability difficulties and make the necessary allowances. However, the issue here is not what makes sense to a Chinese or Western executive, but the extent to which a universal model of Management could be applied to an Anglo-Chinese situation. The evidence presented so far suggests that transferability in a multi-cultural context is possible; it just requires greater sensitivity, thought and anticipation of potential learning barriers on the part of the deliverer, than would be necessary in a mono-cultural situation.

- **Teaching and learning styles** – A common belief exists, supported by research and anecdotal evidence, that Hong Kong Chinese managers prefer more didactic styles of teaching and passive or reflective forms of learning, which avoids exposure or conflict. This belief has its origins in the style of teaching adopted in early education, surveys of

relatively junior managers, and the experience of tutors and managers, frustrated by an apparent lack of contribution by participants in courses and meetings. However, the video analysis indicates that this is not necessarily the case. Put a group of senior Hong Kong Chinese managers together to discuss an issue in their own language, they are anything but quiet! As one looks at the content, depth and detail of interview comments recorded in this research, it becomes apparent that the Chinese executives were as equally willing to express their views as the Western managers, given sufficient 'air time', but tend to be a little more guarded about their *personal* inclinations or style.

The responses also indicate a strong similarity in views about approaches to learning, with 'on-the-job' coaching being seen as the most effective method, pure 'distance learning' and 'special projects' as least effective, and executive courses and job rotation falling in between. A notable difference lay in the Chinese reluctance to allow managers to 'learn from their own mistakes', as compared to their Western counterparts. This reluctance may well be linked to the Chinese desire to retain control, identified and discussed in an earlier chapter. When asked about their most valuable developmental experiences, strong similarities again emerged in the comments of each cultural group. These included:

- Exposure to variety and change;
- being given clear accountability; and
- learning from others.

However, whilst the Western interviewees were forthcoming about 'critical incidents', or highly stressful situations which they had personally faced, the Chinese interviewees were less open in this respect. Further congruence of views was evident from the advice offered by the interviewees about designing a programme or training scheme for a mixed culture audience, which drew very similar levels of response from each group. The advice included the need to:

- Highlight potential cultural differences from the start;
- develop interaction between the participants; and
- adapt the style of delivery and content to the mixed culture, emphasising the practical.

The learning to be drawn from these findings is the acceptance by both cultural groups that sensitive issues need to be addressed and that interaction forms a key part of this requirement. Thus, if we revisit the initial proposition about Hong Kong Chinese managers preferring didactic teaching/ passive forms of learning, the evidence suggests that this may not be the case with senior executives, of the type represented in this research. The next chapter takes a more holistic view of the role of a senior Anglo-Chinese executive team leader and in doing so, further addresses some of the issues raised in this particular section.

Chapter 11

Critical Competencies

Research Problem

'To determine the relative degrees of importance of different 'Managership' behaviours within an Anglo-Chinese context'

The final part of the interviews had two objectives. Firstly, to gain a broad and holistic perspective of what the interviewees viewed as important in terms of the Anglo-Chinese leadership role. Secondly, to establish whether any further dimensions of behaviour existed, which had not yet been identified. The interviewees were initially shown the *Managership* model (for the first time), given a brief description of the dimensions, and explained that this was the structure, which the interview had followed. They were then asked to reflect back on their own comments made during the previous two hours and describe three critical pieces of advice that they would offer a senior Chinese or Western executive, who was about to assume leadership of an Anglo-Chinese management team *for the first time*. Where appropriate, the chapter links back to other areas of the research, which might offer explanation or support for some of the comments made. The importance of these findings which follow, lie not so much in what was said, but the *way* it was said, the links, and the relative degree of importance assigned to each aspect. The comments also helped to surface a new dimension, which was less evident during the earlier stages of interviews. The chapter now broadly describes these findings, using the existing *Managership* dimensions to categorise them.

Critical Competencies

- *Purpose* - The reader will recall that *purpose*, in the context of this research, refers to the need for an overall and long-term goal or intent. 20% of the Chinese and 44% of the Western interviewees identified this competency as being critical. The findings again

served to show that both the interpretation overall *purpose* in terms of extent, differed according to cultural group. Remarks made by two of the interviewees help reflect the general differences described. The Chinese managing director of Schindler Lifts remarked, *"The individuals must know what their own objectives are. They may get along great, but are unlikely to get anything done if they don't know their objective".* The Western managing director of The Optical Shop retail group advised, *"Never lose sight of the overall objective or vision. Be willing to accept that to achieve it, you may have to tread a different path from what you normally tread. As much as humanly possible, bring all the team with you".*

- **Communicate** - Within this context, communication refers to the flow of information between team members and its leader. 28% of the Chinese, compared to 44% of the Western interviewees identified this aspect as being critical, reinforcing earlier findings about the lesser inclination of Chinese executives to exchange information. Those Chinese interviewees who did identify this aspect as important, tended to be far less explicit in their explanations than their Western counterparts, as illustrated in the following extracts. The Jardine main board director in charge of the aviation and shipping businesses, in offering advice, simply remarked, *"Communication"*, whilst the HR VP for Chase Manhattan remarked, *"Communication – lots between both cultures".* The Western interviewees responses, however, tended to be far more explicit. The director in charge of the Jardine property and finance businesses advised on the need for, *"Communication, remaining unruffled and unemotional. Create a level playing field in terms of communication. Behave in a predictable and stable way so people can depend upon you".* The general manager of the New World Harbour View Hotel commented, *"Involve people in group discussions and ensure communication happens at the top, regularly",* whilst the managing director of an international ship management business commented, *"Europeans will be more open, Chinese more reserved, although not in a one-to-one situation, where the Chinese managers will open up more readily".* These differing degrees of explicitness also tended to reflect more the forthcoming nature of the Western managers, rather than difficulties with language on the part of the Chinese.

- *Motivate* – This dimension relates to the actions which need to be taken by a leader to gain sustained commitment and drive from a management team and its members. Whilst the *motivate* dimension received relatively less mention than others (20% of the Chinese and 12% of the Western interviewees), what was evident from the comments made, was the greater emphasis placed on tangible reward by the Chinese. By way of illustration, the Chinese managing director of R.R.Donnelly International advised on the need to, *"Provide different packages to meet different needs",* whilst the managing director of Thorn Lighting counselled that, *"You must have a fair remuneration scheme. Westerners and Asians must have the same things if they have the same skills. This will remove the barrier so we won't say, 'Oh those gweilos'".* The comments from the Western interviewees were notably less explicit in this respect. The head of treasury for the Jardine Matheson group added, *"Remember that you'll need different motivational methods for different people",* whilst the police chief inspector remarked, *"keep them motivated".*

- *Manage* - This dimension relates to the style and approach adopted by the leader to address problems, make decisions and plan. This competency drew comment from 52% of the Chinese and 44% of the Western interviewees, establishing it as one of the most important aspects. Whilst not conclusive from this part of the interview alone, a higher proportion of the Chinese managers inferred a stronger degree of self-reliance or independence in dealing with problems, making decisions and planning. Comments made by two of the interviewees help convey this sense. The Chinese head of the management services department for the Jardine Matheson group remarked, *"Really know your department. Take advice from your number 2, but use your own judgement. Differentiate between urgent and important and ensure the engine room runs smoothly".* The Western director of corporate development for the new international airport commented, *"Get your Chinese managers to talk and then listen to them. Listen to all their views before trying to decide. Get the team involved in the decisions. Make the objectives their objectives".* The tendency for Westerners to consult more widely than their Chinese counterparts and be more explicit in what they say and ask, begins to surface across all the dimensions discussed so far.

- **Climate** - within this context, relates to the environment which the leader needs to create in order to gain the cohesiveness, commitment, trust and cooperation described in a team, 48% of the Chinese and 40% of the Western interviewees identified this competency as critical. The key difference in the views expressed related to *how* the appropriate climate should be achieved. The Chinese managers tended to emphasise the use of social environments to nurture the 'right' climate, whilst the Westerners talked more in terms of 'building' the team climate within the work context. To illustrate, the Chinese managing director of Thorn Lighting advised, *"The senior manager must spend time on the social aspects, such as going* (horse) *racing. Remove the barriers as quick as you can"*. A senior Chinese director with Gammon Construction advised, *"Go generous with the time you spend with the team, both in the office and outside"*. Advice offered by the Western interviewees included those of the managing director of the MCIM advertising company, who advised, *"Be fair to both groups. Focus on your people; remember your investment disappears out of the door at 6 pm each day, so take care of them. The company is the people"*. The head of corporate development for the new international airport added, *"Treat the group as a unified team, but run it in a way which enables the strengths to be used to the full"*. The comments made in this part of the interview and elsewhere, also reflected slightly different perceptions of what appropriate *climate* means to each culture. The Westerner interviewees appeared to view *climate* more in the conventional sense of 'team spirit', whilst the Chinese appeared to think more in terms of a 'community', which the social aspect tends to reinforce.

- **Membership** – relates to acquisition, recognition, balancing and effective use of different skills, behaviours and attributes contained within a team. 32% of the Chinese and 16% of the Western interviewees viewed this area as important advice to give to a newcomer. All the comments made, touched on the need to identify the strengths of different people within the team and use these to best effect. No discernable differences were identified in the interpretation of the notion of *membership* in this part of the interview. The Chinese managing director of Pizza Hut advised, *"Two groups are better than one. Use the strengths of both"*, whilst the Chinese managing director of R.R.Donnelly International advised, *"Spend time with the individual and find out the differences. Be hands-on and understand the people"*. The Western manager in charge

of quality assurance for Gammon Construction added, *"Recognise the strengths of both cultures and use them. Make sure the strengths are understood and properly used"*, whilst his Western managing director remarked, *"Be careful who you can rely on in a technical and emotional sense – people cover up"*.

- **Methods** – The final dimension relates to the tangible people systems, procedures and processes, which support the operations of a team and its leaders. Only one interviewee from each cultural group viewed this as a critical issue for newcomers in managing an Anglo-Chinese management team. This lack of mention may reflect either an acceptance that such systems will already be in place, or that they are viewed as superfluous to the operation of the business. The company HR survey described in the previous chapter and at Appendix 4, tends to suggest the latter, with a question mark looming over the perceived business value of the 'professional' HR services (such as those relating to training and performance management in general), which are currently delivered. The only system perceived to be vital and currently supporting the business goals, happens to be administrative i.e., payroll. This observation may also show an education gap amongst line managers as to the extent to which well-delivered HR practices could potentially support their business goals.

Cultural Sensitivity

The need to be culturally sensitive has been implicitly evident throughout the course of this research. However, it surfaced particularly strongly during this phase, with 68% of the Chinese and 60% of the Western interviewees identifying this aspect as being key advice which they would offer a newcomer. The perceived importance of this competency was not only reflected by the number of interviewees who commented on this aspect, but also by the amount each cultural group had to say about the issue. To convey a better sense of what this means to each cultural group, the section devotes greater attention to the words of the interviewees, than has been evident in earlier chapters.

From amongst the Chinese interviewees, the director in charge of the Jardine trading and distribution businesses advised newcomers to, *"Be conscious of the cultural differences,*

but don't treat people differently, they're basically all members of the team. Treat your team members as individuals, which means being aware of the different cultural backgrounds; the differences may not be strengths nor weaknesses". The Chinese CEO of an international shipping group advised, *"Be conscious of the cultural differences; we may try to change it, but it will always be there. Why we use Ben* (Western finance director) *is because the Chinese are too kind. They wouldn't face the task. Asians are people-based, not so much task-based. We also use Westerners for their professional know-how".* A director with Gammon Construction advised, *"Appreciate that there are some cultural differences, for example Westerners being more outspoken. Never let race be an issue; be culturally fair. Don't favour a culture in terms of promotion etc. In fact forget culture if you can, in the sense of not being biased, but do be aware of cultural differences".* The general manager of a regional IT distributor advised newcomers to, *"Be very objective, don't be bound by the original wisdom about what a culture is or does. Be neutral-cultured, or multi-cultured, that is to say, don't be biased by your own cultural beliefs. Overall, it's a case of the Asians understanding what the Westerners bring to the party and vice versa. Both have advantages. It's not a case of one becoming more like the other, this cultural mixing is about two coming together, if you like, becoming multi-cultural".* The Chinese management consultant was particularly explicit on offering advice about dealing with cultural differences, *"Know your people, speak to them and spend time with them. Be a good listener and be culturally sensitive. For example Mark W got angry when we were talking about 'Golden Week' in Japan and he didn't understand what we were on about. He created a bad impression by this behaviour. Make sure the people in the team know there are differences between cultures and then give them the tools to test these assumptions out. Westerners are better at demonstrating what they've done, even if it's bad. The Chinese believe you don't need to boast about it, they believe the boss should recognise this. In this respect, they don't see it as important. In a multicultural environment the Chinese need to get better at this; they themselves don't realise they have to. You can't be Chinese dealing with gweilos and can't be gweilo dealing with Chinese, you have to be in between".*

Amongst the Western executives interviewed, a senior HR executive with the Jardine Matheson group advised, *"Understand that both sides have rational reasons for different perspectives and that you have to find out what both of these are. You therefore need to*

spend much more time than you normally might with a single culture team, talking to people on an individual basis with a view to both acquiring an accurate picture and winning them over". The managing director of the Colonial and Mutual Group advised on the need for, "Understanding the differences. Listen, watch and understand. Reinforce that we are in a multi-cultural environment and there will be differences. Try to understand them". The head of audit for the Jardine Matheson group advised that, "Hong Kong Chinese and Westerners are not as different as you'd think. He's got to be acutely aware of what he's not. If Chinese he needs to be more Western, if Western more Chinese, for example, working harder. For a Western boss, getting out with them (the Chinese) at lunch for a Chinese meal. For a Chinese boss, try and get out for a beer with the Westerners". A general manager with Securicor advised, "Be aware that there are radical differences, particularly in terms of how less inclined the Chinese are at expressing their feelings. Create a forum that will allow the Chinese managers to express their ideas. Be aware that cultures are different and you have to have a balanced outlook". The head of corporate communications for Jardines advised, "Recognise and accept that cultural barriers exist. Don't identify differences as weaknesses or strengths. If you accept differences, you won't become frustrated. Be culturally sensitive, don't be an Englishman abroad. Accommodate all the observations made about pragmatisms, creativity, etc.". The quality assurance manager for Gammon Construction added, "Be sensitive to the cultural differences. Westerners should give the local Chinese respect and recognise that because it's different, it's not wrong. The Chinese should recognise that Westerners have different outside needs and so, for example, may not be so financially driven as the Chinese; they may only want the experience. The senior manager will need to understand these different needs".

The Findings So Far

The findings emerging from this phase of the research provide further reinforcement to those previously described, as well as adding some new perspectives. In particular, the findings show that:

- Western managers assign greater weight to establishing broad, long term goals, and communicating widely with the team, than do their Chinese counterparts.

- Tangible rewards are viewed as more important by the Chinese than Western interviewees.

- Both cultural groups view the problem-solving and decision-making processes as a key areas of concern for Anglo-Chinese team leaders. However, each approach the process in a different way, with the Western managers tending to consult more widely, whilst the Chinese managers tend to be more independent in this respect.

- The concept of an appropriate work *climate,* whilst being viewed with equal importance by both cultural groups, appears to be interpreted in different ways. For Western managers, appropriate *climate* relates more to the Western notion of a 'team', whereby people are working together in unison as a tight and cohesive unit. For the Chinese, the notion appears to hold greater social significance and convey more of a 'community' feel.

- *Methods*, which in this context relate mainly to tangible people systems, drew little comment from either cultural group, suggesting that they were either viewed as unimportant, or taken for granted.

- The issue of cultural sensitivity emerges as the most compelling need for new (and established) Anglo-Chinese team leaders, and appears to cut across the full spectrum of *Managership* dimensions.

- The existing *Managership* model fails to adequately capture the holistic, interactive and interdependent nature of the dimensions, nor does it accurately describe the differing cultural interpretations of each. However, an integration of the Western notions of leadership and management appears to make more sense in an Anglo-Chinese context, than does a separation of the two.

This chapter brings to a close the decription of findings from this research. As far as possible, the commentaries of the last several chapters have remained factual and descriptive in nature, but in the process have begun to test the original propositions and in some cases, challenged existing thinking. Equally important, the findings have also started to build a more coherent and action-based picture of what senior level leadership means within an Anglo-Chinese, multinational context. The next chapter will consider these findings from a more holisitic perspective, address Sathe's (1985) second and third levels of culture, and in the process present a series of arguments, related to the propositions in Chapter 2.

Chapter 12

Discussion of Findings

The Arguments

Chapter 12 seeks to draw together the key findings described in Chapters 4-11 and relate them to the hypotheses, research questions and debates outlined in Chapter 2. This chapter will argue that whilst the broad concept of the *Managership* model (Figure 2, Chapter 2) is valid, cultural interpretations of what each dimension means, and the associated managerial behaviours employed in implementation, differ. The thesis will also challenge the current popular thinking about what leadership and management means, particularly within the context of an Anglo-Chinese environment. It will maintain that despite strong corporate cultures and structures imposed upon managers in multinational organisations, cultural values and beliefs persist. As a consequence, attempts to generalise and address the various managerial concepts and approaches in isolation, can create dangerous misconceptions. These misconceptions, in addition to having a bearing upon implementation, also raise certain important questions about how we should be developing leaders of multicultural executive teams. The final chapter will distil these findings into five key contributions or arguments, which are viewed as making important contributions to the existing Literature and theories about leadership and management. The research findings essentially fall into three interdependent categories or processes, *Aligning, Managing* and *Developing*, which form the broad framework for the discussions and arguments which follow:

Aligning

The research shows that the need to align understanding and behaviours, represents a critical aspect of an Anglo-Chinese team leader's role. The process involves three key actions. The first of these is establishing what needs to be done. Secondly, making sure that the 'Intent' is communicated and understood by all, and thirdly developing the

commitment, or 'buy-in', necessary to ensure that the effort is sustained. The thesis argues that the *Aligning* process is a fundamental part of implementation and should therefore not be seen as a sequential step, but more as an ongoing activity, which loops back on itself. In general terms, the findings from this part of the research shows that whilst the individual elements of *Aligning* are broadly understood, the perceptions of what these mean and the ways in which they are implemented will differ, according to the cultural background of the leader concerned. The *Aligning* process consists of three core segments; establishing, communicating and gaining commitment to the Intent.

Establishing Intent

Within the context of this dimension, 'Establishing Intent', relates to the development of long-term purpose, which is likely to be strategic in nature. The term 'Intent', rather than 'Purpose', was chosen as the key descriptor to more accurately reflect the strategic (and later operational) aspects of the dimension. The requirement to be clear about 'Intent' is also seen as an important consideration in the six other dimensions shown, although in each case related to shorter-term operational objectives or goals. The inclusion of this element elsewhere reflects the relatively greater need for leaders of multi-cultural management teams (as opposed to mono-cultural team leaders) to be absolutely clear about why they are adopting a particular approach or behaviour. This section, however, is concerned more with the longer-term, strategic considerations, which a leader must address. Whilst the research shows that the need for a leader to establish overall direction or intent is shared by both cultural groups, two key areas of tension emerged from the research: perception of intent, and evaluation of possibilities:

As the research progressed, it became increasingly evident that pronounced differences existed in ways in which each cultural group viewed geographical and time span considerations when formulating 'Intent'. Chinese managers, on the whole, showed a relatively stronger inclination towards localising the geographical extent of their operations, whilst limiting their time horizons to generally no more than a couple of years. The research additionally identified significant differences in the approach taken to assess future opportunities and direction. Western executives emerge as being keen to have supporting data in the form of market intelligence, industry trends, and so on, to help them make a

decision, whilst Chinese executives are more inclined to rely on 'feel'. There are several explanations as to why these differences exist. Chapter 2 identified, from research conducted in Asia, that the Chinese were:

- less inclined towards change;
- more reliant on intuition in coming to conclusions; and
- generally more pragmatic or practical in outlook than Western managers.

Whilst these findings are derived mainly from studies of general Chinese populations, ranging from undergraduates to owners of Chinese family businesses, this thesis argues that they do offer some plausible reasons as to why differences may exist. The reader will recall from Chapter 2 the findings of several Western researchers in the 1980's, who established that corporate culture had only limited influence over personal values. The findings from this research indicated that the values described are likely to persist amongst senior members of a multinational team, despite the prevailing influence of a strong corporate culture. An additional element, fatalism, has been attributed to some of the behaviours we observe in Chinese managers. Redding (1990:201), in particular, identified the pervasive influence of 'luck' amongst senior Chinese businessmen during times of instability, noting that, *"...it would be naive to consider their (superstitions) effects as entirely superficial. Such a world view, containing as it does the fatalistic belief that events of life are not within the control of individuals, can infiltrate thinking about the capacity of a managerial group to influence the destiny of an organisation"*. Redding's findings were based exclusively on interviews with owners of Chinese family businesses. However, if we are to accept that cultural values will persist, in spite of the prevailing corporate culture, then it is not unreasonable to expect that a belief in 'luck' will also influence behaviour patterns within Anglo-Chinese management teams. Support for this argument emerges in the findings of this research. The majority of Western and Chinese executives interviewed viewed Chinese managers as regarding 'luck' to be a more important determinant of business success, than would appear to be the case with Western managers. However, when asked about their own inclinations, the Chinese executives were reluctant to admit any strong personal belief in the influence of 'luck'. In contrast, their Western counterparts rated their own level of belief as being much the same as other Western managers. A relatively stronger belief in 'luck' as a determinant of business success therefore offers a

further plausible explanation for the different approaches of Hong Kong Chinese and Western managers in formulating 'Intent'.

However, the thesis further argues that cultural values alone may not account for the different patterns of behaviour encountered. Consideration must also be given to the dynamic and ever-changing nature of business in Asia-Pacific, which makes the predictability associated with the more stable economies of the West, less likely. As a consequence, the ability to anticipate future outcomes becomes increasingly difficult, and hence more risky, as recent events across Asia have shown. A close familiarity with the local context and environment, which the findings found to be inherent in Hong Kong Chinese managers, is therefore likely to exert a strong influence over their thinking and behaviour, serving to exaggerate the different perspectives. Indeed, if one looks at many of the tight-knit overseas Chinese communities in Asia, a key reason for their survival appears to lie in local focus, rather than regional ambition. This observation in part reflects the more pragmatic nature of the Chinese and lesser inclination to engage the unknown, which one often encounters with Western managers, including those interviewed for this research. The thesis posits that all of these factors are pertinent to the task of 'Establishing Intent' within an Anglo-Chinese management team, giving rise to two critical areas of difference:

- The geographical and chronological breadth of thinking of Western managers, compared to the more localised and contained perspective of the Chinese.
- The Western inclination to evaluate possibilities through the analysis of fact, data and scenarios, versus the Chinese evaluation of possibility through local knowledge, experience and feel.

The thesis further argues that the key to managing these two areas of difference lies in the two other dimensions of the alignment process, *Communicating* Intent and *Developing Commitment.*

Communicating Intent

Within the context of this research, 'Communicate' relates to the content, style and explicitness of dialogue, which needs to occur at both the strategic and operational levels

of management, between the leader and his or her managers, in order to achieve a shared understanding of the 'Intent'. The research surfaces five areas of tension, which the thesis argues leaders must manage in order to achieve effective communication within an Anglo-Chinese management team. The first of these areas relates to *'Verbal Fluency'*. As one might anticipate, expressing ideas or points of view succinctly and accurately in a second language (i.e., English) created difficulties for the Chinese managers. However, a more important cause of misunderstanding surfaced by the research, which was acknowledged by both cultural groups, lay in complicated or ambiguous use of English by Western managers, brought about through the sheer speed of delivery, or lack of precision in enunciation. A second area of tension is that of *'Signal Recognition'*. Both cultural groups identified the inability of Western managers to 'get behind the words' due to the lack of recognition of subtle non-verbal or verbal signals, as being a key source of misunderstanding. An associated observation to emerge from the interviews, was a tendency, not apparent amongst the Western interviewees, for Chinese executives to attribute certain behaviours to other Chinese managers, whilst claiming not to practice such behaviours themselves. Several examples of such claims occurred during the discussions, including claims from Chinese managers that, compared to other Chinese managers, they personally showed:

- Less belief in luck;
- a more analytical approach to identifying problem cause;
- a stronger task focus;
- more personal openness; and
- greater inclination to assess performance against clearly defined objectives.

'Social interaction' represents a third area of tension amongst the two cultural groups. Communicating within a social environment was viewed as particularly important for the Chinese executives interviewed. However, the extent to which this social interaction occurs between cultures is limited, resulting in much of the communication being confined to formal situations. The differing degrees of *'directness or openness'*, displayed by each cultural group, emerged as another important communication barrier within Anglo-Chinese management teams. The subtler and less direct approach of the Chinese, which seeks to avoid embarrassment amongst either party, was seen as a cause of misunderstanding and

frustration amongst Western managers. A video analysis of the Anglo-Chinese management groups in action showed that the ability to *'manage the dialogue'* represented another important factor in communicating the leader's intent. In the observed meetings, Western managers overall emerged as the highest contributors, and usually dominated the discussions. In terms of the 'quality' of contribution, more 'ideas and suggestions' were given by Western managers than their Chinese counterparts, whilst the extent to which managers of each cultural group shared 'known' information, was much the same. Three specific verbal behaviours emerged as being more frequently used by Western, than Chinese managers. These were: agreeing or reconfirming the objective or purpose of the discussion, questioning, and summarising at various points. An independent Chinese observer, (who was assisting with this phase of the research) identified two Chinese members, in two of the meetings, as being the most 'influential' in each group. Subsequent analysis of the interaction revealed that whilst these two group members' contributions were no more frequent than other members in the groups, the frequency with which they used establishing, questioning, and summarising behaviours was.

Chapter 2 provides several plausible explanations as to why these different communication behaviours might occur. The collectivist, high-context, relationship-driven, high power distance characteristics evident in many Hong Kong Chinese, contrasts sharply with the more individualist, low-context, task-driven, low power distance characteristics of the Australians and British. These characteristics are claimed to manifest themselves in the form of behaviours, such as:

- A stronger inclination amongst Chinese managers to avoid conflict and embarrassment;
- greater explicitness, openness, assertiveness, and verbal fluency amongst Western managers using English; and
- lesser inclination amongst Chinese managers to challenge the senior or dominant figure within a group.

The thesis largely supports these findings and it would therefore be tempting at this juncture to readily accept the documented research as offering plausible and sufficient explanation as to why Anglo-Chinese management teams encounter the communication tensions described. Indeed, whilst these findings are derived from studies of general Chinese populations, rather than senior level executives working in multinationals,

indications continue to emerge which suggest that regardless of corporate culture, underlying cultural values will persist and in turn influence behaviour. However, if one steps back for a moment and thinks empirically about senior executives operating in Cantonese, the behaviours described are less apparent. Indeed, Cantonese management groups are usually every bit as vocal as Western groups. These observations suggest that whilst the underlying cultural values remain, the use of English as a second language will exaggerate the behaviours observed. Language does make a difference. Evidence also emerges to suggest that Western managers tend to prefer explicit information, which is often easier to explain. Chinese managers, however, appear more comfortable dealing with tacit information, which is less easily articulated. Further discussion on this point follows later. The video analysis is revealing, in that it provides some indication that the specific dialogue management behaviours practised by Western managers (e.g., questioning and summarising) do not come as naturally to the Hong Kong Chinese. However, if used effectively, these behaviours can go some way towards exerting the control needed to manage the communication tensions described.

However, response and interaction alone are probably insufficient to establish true understanding. 'Signal Recognition' illustrates some of the unique difficulties experienced in Anglo-Chinese situations in achieving an understanding of what is meant. For example, why Chinese managers claim to practise one set of behaviours, whilst claiming other Chinese managers practise another, is puzzling. Whilst conceivable that the Chinese executives interviewed may indeed practise a different set of behaviours than their Chinese counterparts, the observations made by the Western interviewees suggest otherwise. A clue perhaps lies in an observation that the behaviours these managers claim to practise also happen to be those that they believe their Western counterparts should or are practising. This inclination suggests a desire to at least appear to the interviewer that they adopt a 'Western' approach to management. The ambiguity that such claims may create for the leader or other team members in an Anglo-Chinese team situation is self-apparent. The formulation of Intent, followed by the clear and unambiguous communication of its meaning, at both an operational and strategic levels of management, therefore represent the two important stages in the alignment process. However, experience in the West, and the findings of this research, indicate that understanding alone will be insufficient to gain the degree of 'buy-in' or commitment needed to achieve 'the Intent'. Indeed the reader may

already begin to recognise some of the unique challenges, inherent in gaining true commitment amongst members of an Anglo-Chinese management group. In this regard, the next phase of the research has helped to develop our thinking further by specifically looking at the third dimension of the Alignment process; development of commitment towards the 'Intent', purpose or goals.

Developing Commitment

'*Commitment*' was initially explored during the interviews under the banner of motivation. However, as the interviews progressed, it became increasingly apparent that Development of Commitment was not a sequential event, nor indeed a series of isolated actions taken by the leader. It was more an ongoing and renewable process, which ran through all aspects of the Managership process. As the interviews progressed, behaviour patterns surfaced, which were viewed by the managers concerned as having an influence on the level of commitment. Assuming that the Intent has been clearly communicated to the team, three areas of tension emerged, which could reasonably be expected to inhibit or encourage commitment. These areas are; Leadership Style, Team Climate, and Reward. The fourth area, Change Orientation, is viewed as a desired outcome of the three processes just described.

Two contrasting styles of *leadership* surfaced during the interviews. Chinese managers showed a relatively stronger inclination towards control, through the selective sharing of information and decisions, whilst showing particular sensitivity towards relationships and harmony within the team. Conversely, with Western managers, the inclination was more towards completion of the task, coupled with a relatively greater willingness to share information and decisions, whilst showing considerably less sensitivity to the impact of decisions on the relationships and morale within the team. Differing styles inevitably created tensions, associated with culturally differing expectations amongst team members as to how they should be led, and as a consequence, the degree to which individuals would be prepared to 'buy-in' to a proposal or plan. Associated with leadership style was the aspect of *climate*. Within the context of this study, 'climate' relates to the degree of cooperation, commitment, trust, openness, support and energy within a group. One might

reasonably anticipate that many factors either positively or negatively influence the *climate* of a management group, and therefore the level of commitment.

Leadership style appears to play a key role in all of this, contingent on how well the leader is able to manage the tensions caused by different expectations. For Western subordinates, these expectations are more likely to include; being given clear overall direction, involvement in the decision-making process, and the provision of measurable goals. Commitment is likely to be further conditioned by the degree of openness, and therefore trust, shown by the leader and team members. For Chinese subordinates, expectations are more likely to include; having clearly defined roles, which match competency levels, the degree of harmony existing within the group, and being tangibly rewarded for their efforts.

'*Reward*' in recognition for appropriate behaviour, emerges as playing an important role in nurturing commitment within an Anglo-Chinese management team. However, in the same way that team members have culturally different expectations about how they should be led, a similar situation exists in terms of how they should be rewarded. Evident from the interviews was the relatively greater degree of importance placed on tangible rewards, in particular hard cash and promotion, by the Chinese managers. Whilst Western managers viewed money as important, their preference appeared to be inclined more towards the provision of an overall package (which included such aspects as children's education, medical coverage, and so on), rather than hard cash. Overt verbal praise also emerged as being particularly important for Western managers, whereas Chinese leaders tended to use this form of reward more sparingly. A third area, favoured more by Western than Chinese managers, was the provision of clear accountability and responsibility; in essence being given a task and then left to get on with it. A final dimension to emerge during the research was that of 'change orientation'. One can anticipate that commitment to the 'Intent' is likely to hinge on a change in understanding and behaviour, which may be brought about by processes described. However, the interviews further revealed that a relatively greater level of receptiveness existed amongst Western managers 'to try something new', compared to their Chinese counterparts. This pattern revealed itself throughout the course of the interviews and emerged as a recurring theme or attitude, which one could reasonably expect to influence the speed and extent of 'buy-in'.

Analysis of the comments made during the interviews began to reveal a link between the four areas discussed. Alignment of these factors creates a virtuous circle, shown in Figure 1, whereby an appropriate style of leadership will encourage openness, co-operativeness and trust within the team. Behaviours can then be reinforced on an individual basis by various forms of reward, leading to a greater orientation towards change, and ultimately a higher level of commitment within the team.

LEADERSHIP STYLE

CHANGE ORIENTATION   **COMMITMENT**   **CLIMATE**

Figure 1

REWARD
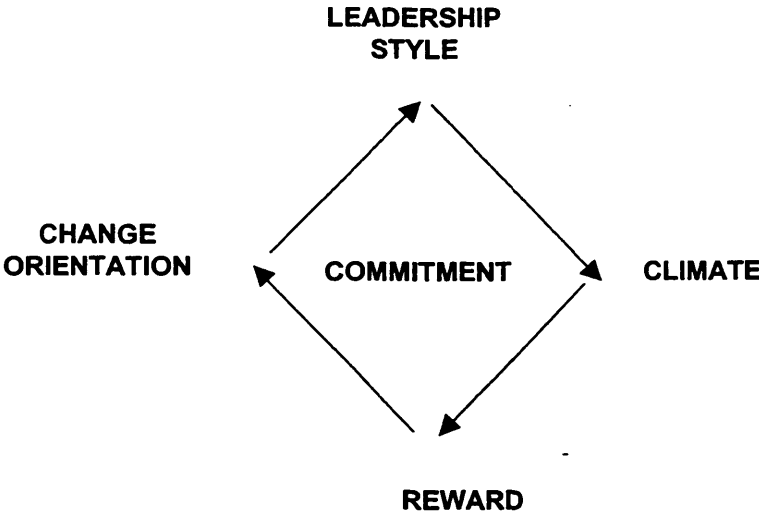
Whilst the principle appears sound, achieving this state of alignment appears to be strongly inhibited by the cultural tensions described. Understanding the underlying reasons why such tensions exist provides further insight. Chapter 2 described a greater acceptance of hierarchical differences amongst Chinese, than Western societies (e.g., British and Australian). The thesis supports these findings, revealing a significantly stronger desire for control amongst the Chinese managers interviewed, when compared to their Western counterparts. This control appears to be at least partially achieved through two methods. Firstly, through a greater inclination to 'hold' information and release it on a selective basis, which again supports other research findings. Secondly, through the development of loyalty, nurtured by the use of higher intensity social mixing, and a greater emphasis on one-to-one interactions, than appears to be the practice of Western managers. The other key consideration relates to the extent to which the leader is either 'relationship' or 'task-focused', with the majority of Western managers interviewed being more strongly inclined towards the latter approach. These behaviours appear consistent with those identified by other researchers in Chapter 2. However, the thesis argues that whilst the respective behaviours may be relatively more acceptable in culturally homogeneous groups, they are

less likely to be appropriate in Anglo-Chinese management situations, where open communication and involvement appears to be a critical requirement. Furthermore, one can reasonably anticipate that misunderstandings, which are more likely to occur in multicultural groups, will cause managers to retreat towards their culturally preferred way of operating, and as a consequence, serve to exaggerate the behaviours described.

The association between Leadership Style and Team Climate emerges quite strongly during the interviews. In addition to the observations already made, clear overall direction, openness and involvement are viewed by the interviewees as particularly important considerations for Western managers in teams. In the case of Chinese managers, harmony within the group is viewed as a key consideration. These findings are again consistent with those of other researchers. However, openness, in its purest form, will not sit comfortably with harmony, whilst control of information may be counter to the level of involvement now demanded by many Western and Chinese managers in Anglo-Chinese teams. Reinforcement of desired behaviour, through tangible and intangible reward, appears to be culturally and economically conditioned. The Western inclination to more readily give overt praise appears linked to the stronger individualistic nature of Western societies, which encourage overt competition and self-promotion. Chinese societies, on the other hand, have traditionally discouraged such behaviours in order to maintain the harmony within a group. From an economic perspective, greater Chinese familiarity with the local environment, more compelling extended family responsibilities, a liking for financial independence, and a stronger underlying inclination towards thrift, constitutes hard cash (rather than a smorgasbord of benefits) as a preferred reward for effort and behaviour.

The fourth dimension, *'change orientation'*, is a critical one around which 'commitment' hangs. Analysis of the interview comments suggests that Chinese managers are generally, less inclined to 'try something new'. This conclusion stems from the observations that Chinese managers less readily generate ideas or options than their Western counterparts, and that their business ambitions tend to be geographically and temporally narrower. However, this is not to suggest that Hong Kong managers will resist change at all costs, but more that it takes a little longer to convince them of the need for change. Indeed, one only has to look at the huge numbers of middle-level managers who relocated complete families to Canada, the US and Australia prior to 1997, to realise that change is something they will

readily embrace, given a pressing and practical need. Chapter 2 offers several plausible reasons why Hong Kong managers may need more convincing. 'Face', pragmatism, 'fate', and the notion of 'wu wei', or active not doing, provides some explanation for this apparent resistance. The preservation of 'face', through not making a mistake, is a highly compelling aspect of Hong Kong Chinese makeup and upbringing, which is directly linked to the degree of risk a manager is willing to tolerate.

In Chapter 2 Hofstede (1991) identified Hong Kong Chinese managers as possessing weak 'uncertainty avoidance' values, i.e., a higher tolerance for risk. However, these findings have not been confirmed by other studies (e.g., Bond's Culture Connection, 1987), and in some cases are contrary to those described later is this study. This thesis argues that Hofstede's findings (which only used a small H.K Chinese sample) may have reflected more the views of what the Hong Kong respondents felt they should have said, in his questionnaires, rather than what they actually believed. The reader will recall that evidence of this tendency also emerged earlier in this particular chapter. The stronger Hong Kong Chinese inclination towards pragmatism points towards a risk-control strategy, whilst an apparently stronger belief in 'fate' offers a face-preserving explanation (unconnected to the individual) as to why something didn't go according to plan. 'Wu wei' may be more related to maintaining the harmony described earlier, but could also reflect a stronger inclination amongst Hong Kong Chinese managers to 'go with the flow', rather than challenge the status quo, which is seen as a critical element of change in Western management thinking.

For the reasons outlined, the process of developing Commitment therefore presents itself as a major challenge for the leader of an Anglo-Chinese management team, where the tensions created by different approaches and expectations, combine to create a potentially complex situation. In keeping with earlier findings, we again see underlying Hong Kong Chinese values surfacing in the form of specific management behaviours. The thesis argues that in the context of the Asian environment, these behaviours are neither more nor less effective than those of their Western counterparts, but merely different and contingent upon the situation. Alignment of understanding and behaviour with the overall 'Intent' in Anglo-Chinese teams, through careful handling of the tensions inherent in communicating and developing commitment represents a key element of Managership. As debated earlier, the 'Aligning' dimension does not represent a one-off series of actions, but more a

continual and renewable process, which must work in conjunction with the second key dimension, 'Managing', to be effective.

Managing

Within the context of this research, 'Managing' represents the process of identifying opportunities or problems which may help or hinder the achievement of 'Intent', generating options to address these issues, and planning a course of action which will lead to the achievement of the 'Intent'. An adapted version of Adler's (1991) five-step model, described in the Chapter 2, has been used in this research as the template for comparing one cultural group's behaviour against the other. However, it is important to bear in mind that this is a model derived from studies of Western managers. In broad terms, the findings from this research show that Western and Hong Kong Chinese managers will pay attention to these different stages. However, the thesis will argue that the sequencing, degree of emphasis, and general approach towards each will often differ, according to cultural background, which as a consequence creates several sources of cultural tension. These tensions surface during two stages of the Managing process, identification of blockages to progress and the planning phase.

Identifying Blockages

'Blockages' refer to the day to day problems encountered by Anglo-Chinese team leaders, which may either increase or inhibit their ability to achieve the strategic or operational 'Intents' of the organisation or group. These issues may typically relate to such aspects as profitability, growth, service delivery (internal and external), as well as team-specific issues, such as processes or systems, competency levels, commitment, and so on. An initial stage in this process common to both Chinese and Western managers, is *the recognition that an opportunity or problem exists*. The interview responses indicate that the acceptance of what constitutes an opportunity or problem appears to be culturally conditioned. Some earlier findings are pertinent to this discussion. The reader will recall that in relation to 'Establishing (strategic) Intent', Chinese executives emerge as being more conservative than their Western counterparts, particularly in terms of the geographical growth ambitions

for their businesses. Further evidence, relating to 'commitment', suggested that Western executives were also quicker to embrace change, whilst Chinese executives generally required more convincing. A third area, relates to the relatively higher degree of importance that Chinese managers place on harmony and relationships, compared to their Western counterparts. These findings have an inevitable bearing on the speed and extent to which a certain set of conditions will be recognised as an opportunity or problem in an Anglo-Chinese group.

Evidence also emerges from the research that Western managers will more openly attempt to *acquire factual information* to help explain the cause of the problem, or support an opportunity. In most cases, this overt behaviour will be seen as a clear stage in their thinking. Chinese managers, however, appear less inclined to display this behaviour, tending to remain discrete in the ways in which they acquire information. Whilst not conclusive from this research, there is also some evidence to suggest that Chinese managers may be more inclined to rely on 'experience', or tacit knowledge, than the overtly acquired information (that questioning or research might yield), to determine cause or opportunity. In practice, the extent to which 'Opportunity or Problem Recognition' and 'Information Acquisition' can be separated into clearly distinct steps, remains open to debate. In the case of Chinese managers, behaviour observations suggest that there may be a fusion between the two.

A third area of potential cultural tension relates to the generation of options or alternatives to address a blockage. Whilst the interviews neglected to explicitly explore the issue of generating options, or alternative courses of action to address opportunities or problems, several indications emerged elsewhere which provided some insight into this aspect of the 'Managing' process. When asked about the skills which one cultural group displayed, which the other generally did not, a significant proportion of both the Chinese and Western interviewees identified Western managers as displaying greater levels of creativity and lateral thought. Research described in Chapter 2 provides further reinforcement for this argument.

The fourth area of potential tension, *decision-making*, relates to making a choice about which option or course of action to choose. Strong evidence emerges from the interviews to show that Hong Kong Chinese managers, in the main, display more consideration for

people and relationships when making decisions, than is evident amongst Western managers. This is not to say that Western managers ignore the people aspects, but more that they err towards getting the job done, whilst addressing people issues as they arise. With the Hong Kong Chinese managers, the evidence suggests more pre-thought and ongoing consideration is given to the impact of their decisions on people, as the task progresses. From the comments made during the interviews we are able to reasonably conclude that compared to Hong Kong Chinese managers, Western managers will more quickly and readily signal that an opportunity or problem exists. They will also ask more questions, collect more information from external sources to support their observations, generate more options or alternatives to address the issues, but give less consideration to the people issues in making their decisions. These observations represent the more overt tensions evident within Anglo-Chinese groups, but to understand 'why', we need to dig deeper.

The thesis argues that the differences described are at least partially exaggerated by the quieter and more reflective nature of the Hong Kong Chinese, possibly coupled with the need for Chinese managers to operate in a second language. However, in relation to initially identifying that an opportunity or problem exists, the evidence is sufficiently compelling to show that Chinese, compared to Western managers, will be more inclined to allow a situation to take its natural course, before making an intervention. It is also more likely, at this stage of the process anyway, for Chinese managers to act alone and place more reliance on their own experience and judgement for sources of inspiration. The research also identifies several other aspects of Chinese culture, which may account for these differences, particularly in relation to acquiring information. Questioning behaviours, for example, were less evident amongst Chinese than Western managers during the video analysis of Anglo-Chinese groups in action. The thesis would further argue that this tendency is at least partly attributable to Hong Kong primary and secondary education, which even to this day encourages passive and rote learning, rather than the exploration, questioning and debate, practised in the West. The tendency to imitate or copy, rather than extrapolate and deduce, is further conditioned by the early requirement for Chinese children to memorise 3,000 or more characters during their initial schooling. It is therefore reasonable to assume that at least some of this early conditioning will carry through to adulthood and create a situation whereby existing approaches, structures and models (i.e.,

experience) will be used as a primary frame of reference for managerial action. Furthermore, this reliance on established, or tried and tested methods, may in the short-term reduce the likelihood of mistakes, and account for the greater 'pragmatism' evident amongst Chinese managers. However, one can also anticipate that the greater predictability brought about by this approach, is also likely to inhibit lateral thinking or the desire to experiment.

The differences identified in relation to 'Decision-Making' appear to be influenced by two aspects. The relatively higher level of sensitivity shown by Chinese managers towards people and relationships creates a situation whereby the overall context, as opposed to the hard facts, dictate the nature and definitiveness of decision made. Some support for this observation can be seen in, for example, the degree of flexibility and latitude allowed in the objectives set by Chinese managers, compared to those of Western managers. A second influencing factor is the relatively stronger desire amongst Chinese managers to retain control, often achieved through closer involvement with the detail and more restricted release of information, than is evident amongst Western managers. Chapter 2 identified three modes of decision-making (Hogarth, 1981; Klein, 1993), rule-based, analytic, and automatic. Viewed within the context of the four 'stages' described, the rule-based decision-making appears to best describe the Chinese approach, whilst the 'analytic' mode seems most applicable to the Western approach.

In drawing conclusions from these findings, it is important to take into account that the separation of the activities into four distinct steps, is based on a Western logic and as such may create a misleading picture of how Chinese managers approach issues. The differences described so far, for example, suggest an unsystematic approach in the way Hong Kong Chinese managers address issues. However, viewed from a different perspective, it is argued that the sequential and linear approach adopted by Western managers also has inherent weaknesses, for example, an inadequate degree of consideration being given to the softer 'contextual' issues. Observations made in Chapter 2 and elsewhere suggest that Chinese managers will tend to 'bundle' these steps together and think of the broader context, rather than work in the sequential order described. These findings would support this argument. The observations therefore begin to raise further

critical questions about which approaches are most appropriate for Anglo-Chinese groups and leads us into the next area of the 'Managing' dimension, planning.

Planning Action

Planning relates to the process of formulating and articulating the courses of action, which need to be taken in order to achieve the chosen option or 'Intent'. Subsequent implementation of the plan is inherent in other parts of the Managership process, notably Aligning. Continuing to use the Western model as a basis for thinking, there are several phases evident in the planning process. The first relates to the acquisition of information, which helps establish the operational or short-term objectives or goals, and in turn allows the leader to track progress. There is then a need to organise resources, prioritise, schedule, delegate and often document intentions. In practice, these steps are unlikely to be as well defined as this account would have us believe (see Mintzberg, 1973 in Chapter 2). However, in the business planning processes of many multinational organisations, there is at least a general expectation that some degree of rigour will be applied to the process, which in the case of larger projects, would also involve documentation of the plan. Five key differences emerge from the interviews, which appear to correspond with the findings described in Chapter 2 and those revealed elsewhere. These differences represent an important source of cultural tension, which the interviewees suggest needs to be carefully managed or coordinated during the planning process, if optimum performance is to be achieved.

In keeping with identification of problem cause, decribed earlier, the first of these differences relates to information acquisition, which involves the bringing together of ideas and thoughts about how the core issues can be addressed. This information differs in nature from that acquired during the issue identification stage, in that the planning information relates more to factual issues, such as time and resources, than necessarily new ideas. In keeping with earlier findings during the interviews, Hong Kong Chinese managers again emerge as being less inclined to overtly seek out information in their planning, than is evident with Western managers. Linked to the acquisition of information is the setting of objectives, with the findings suggesting a lesser tendency amongst Hong Kong Chinese executives to set clearly defined objectives, in relation to definitive time

frames and measures. The issue of 'measures' also arose during the discussions about 'Climate', in which the Western interviewees expressed a markedly stronger preference than their Chinese counterparts for having in place clear measures of progress. The third area of potential tension relates to the extent to which Hong Kong Chinese managers are prepared to *involve their team* in the planning process, in terms of consulting and keeping them involved, with the evidence presented in the interviews suggesting a lesser inclination than Western managers. A fourth observation identified by a significant proportion of the interviewees, highlights a stronger tendency amongst Western managers to adopt a more *overtly systematic, methodical and structured approaches to the planning process.* In conjunction with this observation, clear indications emerged throughout the interviews that Western managers are seen to be more visible or transparent in their planning. This argument is at least partly based on observations about the extent to which Western managers are prepared to share information, involve others, and document their plans, again corresponding to earlier findings.

There are several explanations as to why these behavioural differences manifest themselves amongst Hong Kong Chinese and Western managers during the planning process. A stronger belief in the influence of fate over outcome, described earlier, may condition Chinese managers to be less explicit in the planning process, than is evident with Western managers. The Chinese cognitive perception of viewing situations as 'wholes', rather than 'bits', might also reasonably account for the lesser degree of sequence or structure, evident in the Chinese planning approach. Associated with this observation, the Literature Review also identified differences in the notion of time, with Westerners placing relatively more importance on the adherence to preset schedules, whilst the Chinese notion is more inclined towards the contextual issues of people and transactions. However, the thesis would argue that the most compelling explanation may well lie in the Chinese desire for 'control', which has been a recurrent theme throughout this research. This observation offers a plausible explanation as to why information might not be as readily shared, why involvement is restricted, and why structures, measurable outcomes and documented plans are more strongly resisted. From a Western perspective, clearly defined objectives and plans control the task, but by the same virtue also control the leader, through making him or her more publicly accountable. Therefore, from the Chinese perspective, the imposition of such measures may well be seen as a loss of personal

control. Michael Bond, Professor of Psychology at the Chinese University of Hong Kong, during a recent interview for this thesis[49], made an interesting remark, which tends to reinforce the arguments made, "*Every Chinese leader would like to have Sun Tzu's Art of War in his desk, providing only he had the key to it*". This leads us to the third and final dimension of Anglo-Chinese '*Managership*', that of *Developing*.

Developing

The process of *Developing*, in the context of this research, refers to the development of capability and performance. 'Capability' is related to the development of team and individual competencies[50], whilst 'performance' is connected to results and outcomes. Throughout this, and other chapters, considerable attention has been given to the differences in managerial approach of Chinese and Western managers, and in turn the tensions these differences generate. The reader will recall that certain managerial behaviours are more prevalent in one culture than the other, which need to be identified and harnessed by the leader. This section therefore begins by initially identifying those competencies, which are viewed by a significant number of interviewees from each group as being more common to one culture than the other. The second part then considers, from the perspective of the interviewees, the effectiveness or otherwise of different development processes currently practised in large multinational organisations.

Competencies viewed as most prevalent amongst CHINESE managers

The general *application* or work ethic of Chinese was identified as being a key strength that is more evident amongst Chinese than Western managers. In particular this ethic relates to persistence in seeing a job through to the end, even though it may be mundane in nature. Further support for this argument was evident from an analysis of Belbin team role scores. The results indicated a statistically significant stronger preference amongst Hong Kong Chinese managers for the 'Implementer' and 'Completer-Finisher' roles, which are both

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[49] Interview with the Author and Prof. Michael Bond, 16 October, 1998.
[50] 'Competencies', for the purpose of this research, are defined as the skills, attitudes, behaviours or knowledge, which enable a manager to work effectively within an Anglo-Chinese team context.

positively correlated to 'conscientiousness' behaviours[51]. A second area of Chinese strength relates to an aptitude with *numbers and detail*, identified by both cultural groups as being a positive attribute amongst Chinese managers, but less evident amongst Western managers. Adding some support to these observations, further analysis of Belbin team role scores showed a significantly stronger preference amongst Hong Kong Chinese managers for the 'Completer-Finisher' role, which is positively correlated to 'detail-conscious' behaviours. The second area of perceived Hong Kong Chinese strength lies in practical perspective, which relates to an ability to be flexible, accept compromise, and be generally pragmatic in approach, albeit an observation made by more Western than Chinese interviewees. Knowledge of the local environment, in this context, related to broader aspects of the Hong Kong society and culture, perhaps unsurprisingly, was identified by both cultural groups as being more evident amongst Hong Chinese managers than Western managers. The final area of strength, building and maintaining relationships, emerges as one of the most pronounced strengths identified by interviewees of both groups. This observation was also very evident in other areas of the interview, such as the discussions relating to 'Climate' and 'Membership'. In the case of the latter, the analysis of Belbin team roles also indicated a statistically significant stronger preference amongst Hong Kong Chinese managers for the 'Teamworker' role in management groups. This role is positively correlated to 'affiliative, behavioural, and caring' behaviours. Conversely, the Western managers surveyed showed a significantly stronger preference for the 'Shaper' role, which is positively correlated to 'independent, decisive, worrying, and competitive' behaviours within management groups.

Competencies viewed as more prevalent amongst WESTERN managers

Five key areas of strength emerge for Western managers which differentiates them from their Hong Kong Chinese counterparts. The first of these is general *breadth of thought*. The ability of Western managers to view issues from a wider perspective, emerged as a consistent theme throughout the interviews. The reader will also recall that the general breadth of Western thinking also emerged during the discussions relating to 'Purpose'. Associated with the aptitude of 'breadth of thought', is the Western ability to *think laterally*

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[51] Written correspondence between R.Bent and N.Cowieson, Managing Director of Saville and Holdsworth Ltd (HK), 3 February, 1998.

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or creatively about issues, which is readily recognised by both cultural groups interviewed as being a competency less evident amongst Hong Kong Chinese managers. The third area of Western competence relates to initiative. Within the context of this research, *'initiative'* means the ability to be independently resourceful and act without direction or precedence. Both cultural groups saw this competency as being more evident amongst Western than Chinese managers. The fourth area of Western strength relates to a relatively better developed ability to apply *analysis and structure* to the problem solving and planning processes, which also corresponds to earlier observations made. The final competency more strongly associated with Western managers by both groups is that of *openness*, described as the willingness to share information, interact, listen, and be direct (without offending).

The willingness of Western managers to more readily accept criticism and *"admit more errors"* begins to provide further insight into why Chinese managers might have developed strengths in certain areas, whilst Western managers have developed aptitudes in others. The thesis again argues that the Hong Kong primary and secondary education system emerges as a plausible explanation for these differences. Rote or mimic learning will inevitably reinforce the need to avoid 'mistakes' (and therefore loss of face). Indeed, it may be no accident that some of the most successful Chinese business tycoons in Asia (notably Li Ka Shing) had limited formal education and for the most part, acquired their business skills at a very young age literally selling plastic flowers from a cart. Amongst the Hong Kong educated Chinese, mistake-avoidance strategies might therefore reasonably include, careful attention to detail (e.g., numerical), pursuit of 'known' or practical paths, and a high level of dedication to the task.

At first glance, the Chinese inclination to avoid mistakes, or risk, seems in conflict with Hofstede's (1980) 'uncertainty avoidance' dimension, which he defines as *'the extent to which the members of a culture feel threatened by uncertain or unknown situations'* (1991:113). Hofstede's analysis concludes that the Hong Kong Chinese do not feel as threatened by the unknown, compared for example, to their British and Australian counterparts, who attempt to limit this threat by the introduction of systems, procedures, etc. Hofstede (1991:116) is keen to emphasise that 'uncertainty avoidance' is not the same as risk avoidance, describing the former as being more related to 'diffuse feelings, with no

object', in essence a 'what will be, will be' attitude towards life. Earlier findings in this research, regarding the Hong Kong Chinese inclination towards 'luck and fate', adds support to Hofstede's findings. However, it may also be pertinent that 'uncertainty avoidance' was the only Hofstede dimension not to emerge from Bond's Chinese Value Survey (1987); a questionnaire composed by 'Eastern' minds. The argument here is that there is a stronger tendency amongst Hong Kong Chinese managers to avoid risk (mistake-avoidance), which manifests itself as greater prudence, less willingness to try something new, and a greater inclination towards trying to control situations. The thesis further argues that the role of 'luck or fate', whether truly believed or not, provides an acceptable and convenient face-saving mechanism to depersonalise the issue and draw attention away from the individual, in the event of a mistake or misjudgement.

Two other strengths were identified by the interviewees as being more inherent in Hong Kong Chinese managers, one of these being a greater knowledge of the local environment. Although this finding is unsurprising, on the basis that Chinese managers share the same language and cultural values as the vast majority of the population in Hong Kong, it is likely that this familiarity will result in two aspects of the observed behaviour described. Firstly, to reinforce the 'local focus', thus limiting the possibility of making a mistake. Secondly, exaggerate the degree of pragmatism displayed (such as pursuing a course of action that has worked in the past), which as a consequence may inhibit lateral thinking. The reasons why the Hong Kong Chinese have greater competency in building and maintaining relationships is now well-documented, but in this context, adds some substance to the argument that the existence of harmonious relationships, through the avoidance of conflict, will serve to further reduce risk and hence avoid loss of face. Early social conditioning offers a reasonable explanation as to why mistake-avoidance behaviours surface as being more prevalent amongst Hong Kong Chinese, than Western managers. As articulated earlier, amongst Chinese managers, these behaviours manifest themselves in the form of a greater inclination to pursue tried and tested methods; more attention to detail, particularly numerical; and a higher level of application to the task at hand. The thesis argues that these behaviours are in sharp contrast to those displayed by Western managers, who on the whole tend to show, more inclination to experiment with new approaches; less attention to detail; greater tendency to think laterally about managerial issues; in turn 'tempered' by the use of analysis and structure.

Two other contrasting strengths are those of Chinese relationship sensitivity (conflict-avoidance) versus the Western inclination towards openness. The potential cultural tensions generated by these different behavioural inclinations are self-evident. Indeed, many of the comments made during the interviews reflect many of these tensions. However, It is important to stress that 'different' does not signify that one set of behaviours is managerially inferior to others. Indeed, when balanced these strengths should actually complement each other. The thesis argues that skilful coordination of the tensions not only presents a critical challenge for leaders of Anglo-Chinese management teams, but also offers the potential to develop a multi-cultural team capability, which is superior to that encountered in a mono-cultural management group (see Adler, 1991 in Chapter 1). Capability Development of both individuals and the team therefore represents a vital element of the leader's job, which the next section will now explore.

Building Capability

The research attempted to gain a general impression of the perceived applicability of Western[52] management training practices to the Hong Kong context. Both cultural groups rated such practices as having high applicability, an observation that was also reinforced by the additional survey conducted on HR practices, described in Chapter 10. However, despite these observations, the thesis would argue that the findings tend to mainly suggest that in the absence of any specifically Asian practices, 'Western' practices would continue to remain popular. The research then attempted to differentiate the perceived value of various management development practices, commonly used by multinational organisations. The interviewees were presented with six specific approaches and each cultural group was then asked to distribute a total of 10 points, with a view to providing a rating and of ranking the practices in order of perceived importance to the development process (see Chapter 10).

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[52] 'Western' training and development practices were described to the interviewees as those which were commonly used in multinational organisations, including workshops/courses run by mainly Western facilitators on or off site, distance or part-time learning, etc.

WESTERN	CHINESE
On the Job Training (2.9)	On the Job Training (2.7)
Job Rotation (1.9) Business School Programmes (1.8) Learning from Mistakes (1.6)	Job Rotation (2.0) Business School Programmes (1.8)
Special Projects (0.8) Distance Learning (0.6)	Learning from Mistakes (1.2) Special Projects (0.7) Distance Learning (0.7)

Table 1 – Importance of Training and Development Practices   n=50

The various approaches shown in Table 1 are clustered into three categories, under each cultural group (Western and Chinese). Each cultural category signifies that the activities contained within it are perceived as significantly[53] more developmental by the group concerned, when compared to those development activities contained within the two other categories. Thus, under the Chinese group, 'On the Job Training', was perceived by the Chinese interviewees as significantly more developmental than say 'Learning from Mistakes'. It is pertinent that the Chinese interviewees were not comfortable with the idea of people 'Learning from Mistakes', in that it reinforces the earlier argument about the culture's inclination towards mistake avoidance. It is also of interest to note that the traditionally most passive form of development, 'Distance Learning', is also the least well regarded by the Chinese executives interviewed.

In exploring development practices further, the interviewees were subsequently asked to reflect upon their own careers and describe what they saw as being their most valuable developmental experiences. Four key aspects of 'experience' were identified, which were shared by both cultural groups, albeit in some cases to a lesser or greater degree. The first of these was that of *variety and change*. Both cultural groups identified exposure to different countries and new job roles as being a key factor in their development. For some of the interviewees, it was the opportunity to work in another country, for others, exposure

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[53] 'Significant differences' (Prob>F, <0.0001), relate to differences in the groupings of average mean scores, according to each cultural group. Thus, in the case of the Western group, 'On the Job Training' achieved an average score of 2.9, which was 'significantly' different to the Job Rotation score of 1.9.

to new ways of doing things. *Freedom to act independently*, was identified by both cultural groups as valuable, particulary in the sense of being assigned a task and then essentially left to get on with it. *Learning from others*, although receiving less explicit comment, was nevertheless highlighted by a significant core of the interviewees as being valuable. Apparent, but not conclusive amongst the Chinese interviewees, was the relatively greater importance, which they appeared to attribute to formal executive development programmes. The Western interviewees made notably fewer comments about formal, on-course 'training', tending to view 'learning from others' as being within the context of the job. The fourth aspect was one of *critical incidents*, which in this context, included making mistakes. A significant number of the Western interviewees, but notably less of the Chinese, readily identified these experiences as being highly developmental. However, the findings described in earlier chapters suggests that the Chinese interviewees would be less forthcoming about their 'mistakes' than their Western counterparts in an interview such as this.

Reflecting back on the findings presented throughout this research and linking these back to the learning process, one is able to draw further conclusions. Redding (1980a), Liu (1986) and others described in Chapter 2, argued that Chinese managers conceptualise various notions of management differently than Westerners, which would effect the learning process. Kirkbride and Tang (1992), however, opine that the magnitude of differences in understanding may not be so great as to adversely effect the development process, albeit based on limited research. The thesis argues that the evidence presented throughout the research strongly indicates that there is a commonly shared superficial understanding between the two cultures about the broad meaning of managerial concepts, such as strategy, problem-solving and planning. However, approaches to implementation clearly differ and as such, need to be taken into account in the development process. The thesis further argues that amongst Hong Kong Chinese managers, mistake-avoidance, and associated values of control, pragmatism, attention to detail, coupled with high application, help account for why these implementation differences exist. These values in turn influence the extent to which the 'content' of what is being taught is accepted and internalised. This is particularly so in relation to the softer issues, such as leadership style and motivation, which are often strongly contextual in nature. The findings in this thesis thus provide some support for Kirkbride and Tang's hypothesis about understanding not being significantly

different. However, the thesis also argues that whilst developing a superficial and shared understanding about the meaning of various management notions, can arguably provide useful frameworks for thinking, and satisfy academic requirements, they may be less helpful in the actual implementation.

More conclusive is the rebut made in this thesis to the claims (in Chapter 2) that Chinese managers prefer 'safer', didactic styles of teaching, associated with passive learning and avoidance of conflict. Most facilitators and tutors from overseas remark on the relatively low degree of contribution they receive from Chinese managers during workshops and executive development programmes. The thesis offers an explanation which differs from the conventionally held views about Chinese disliking of conflict, not questioning due to respect for hierarchy, and so on, all of which still appears to apply to some extent. What does emerge from the research, is strong suggestion that Western managers appear to be considerably more comfortable working with *explicit* knowledge. That is to say, information which is rational and can be easily written down and explained (evident, for example, in the differing approaches to planning). Conversely, Chinese managers appear more strongly inclined to work with *tacit* knowledge, which relates closely to gut feel and personal experience, and is therefore often difficult to express in words or writing.

The thesis holds that these factors will at least partly account for the relative 'quietness' of Hong Kong Chinese participants, particularly when operating in a second language. However, evidence from the interviews and video analyses indicate that, given the right environment, structure and management of discussion, Hong Kong Chinese executives will be every bit as active as their Western counterparts. The thesis therefore concludes that the development of team and individual capability is contingent upon a variety of factors. In formal teaching situations, these include, particular care being given to linking concepts taught to real situations, Chinese managers being allowed sufficient 'air-time' to express their views, and as far as possible, the creation of a risk-free environment. The thesis would further dispute claims made in Chapter 2 about Chinese managers' preference for passive learning; an observation which appears to be more applicable to student populations, than mature managers. These observations would appear to hold particular relevance in multicultural situations. On-the-job training is perceived by both cultural groups in the research as by far the strongest form of development. However, the findings of this thesis

suggest that the considerations needed for 'classroom' learning, also have applicability to on-the-job learning. In this regard, 'risk' is likely to hold different meanings for each cultural group and would therefore need to be accommodated to in order to gain maximum developmental value from the job experience. These observations lead the discussion naturally to the final part of this research, the direction and measurement of performance and capability.

Direction and measurement of performance and capability

As part of the *Developing* process, there is a critical need to identify, harness, and direct capabilities to make sure they effectively support the strategic and operational 'Intents' of the organisation. Most multinationals rely on some form of objective setting mechanism to achieve this aim, usually the formal performance appraisal system. The research set out to identify the extent to which existing systems were achieving their intended goals. The findings discussed in this section were derived from two sources: interviews, and a series of anonymous surveys covering more than 200 managers working in seven regional companies, headquartered in Hong Kong (Appendix 4). The general consensus of opinion to emerge from both avenues of research was that existing performance appraisal systems in these organisations were viewed by the users as largely ineffective. In particular, the respondents felt that their own systems failed to adequately support the achievement of business goals, and were not particularly helpful in measuring either performance, nor the associated activities of personal development, career and succession planning. The three key failings pinpointed during the interviews were: *Reviews being too infrequent:* This particular aspect, drew most comment from the interviewees of both cultural groups. Most felt that the existing procedure of reviewing progress once a year was insufficient and didn't truly reflect performance. Whilst some of the interviewees believed that the review should be bi-annual, or even quarterly, a substantial proportion also felt that reviews of performance had to be a continual ongoing process, which the current system did not allow. *System failing to measure the 'soft' factors:* A substantial proportion of the Western, but interestingly none of the Chinese interviewees, remarked on the need for the system to explicitly measure the softer, intangible issues, such as effort expended in developing staff, relationships, leadership, interpersonal skills and morale. *Inadequate appraisal skills:* Several of the interviewees, from both cultural groups, inferred that the skill of the appraiser

was often inadequate and that the managers failed to make most effective use of the system provided.

The overall conclusion drawn from this and other relatively recent surveys[54], was that a large number of Western and Chinese managers in Hong Kong still lack confidence in the usefulness of a formal performance appraisal system, mainly for the reasons given. However, most of the managers interviewed appeared to intuitively understand the value of conducting some sort of review of those working for them. In Chapter 2, Redding (1982) identified several reasons why conventional performance appraisal systems (i.e., objective based) were not popular in Hong Kong. In particular he proposed that the underpinning values of the conventional performance appraisal system were Western in nature, contingent upon open dialogue between subordinate and superior, the right of appeal, and universalistic notions of objectivity (all of which potentially compromise 'face' and invite conflict). In general, these do not sit comfortably with many of the values held dear by Hong Kong Chinese managers. Furthermore, one can reasonably assume that the imposition of such a system would also serve to erode the degree of control that Chinese managers feel they may have over subordinates, through making themselves vulnerable to criticism or conflict.

The observations made during the interviews provided further insights into why such underlying resistance may exist. The interviewees were asked to rank and weight the extent to which they relied on either 'personal judgement', 'other's opinions' or 'clearly defined objectives' to measure the performance of those working under them. Both cultural groups claimed to place greatest weight on 'personal judgement' and least on 'other's opinions'. However, it was pertinent that whilst a substantial proportion of Chinese managers interviewed believed that other Chinese managers placed most reliance on 'personal judgement', they themselves claimed to rely most heavily upon 'clearly defined objectives'. The findings indicate that Chinese managers also viewed Western managers as placing most reliance on 'clearly defined objectives'. The thesis concludes that these

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[54] Unconnected to this research, a survey was conducted in April 1996 by the Author of the existing performance appraisal system in his own company, covering 70 senior managers. Similar findings emerged to suggest that a large proportion of the Western and Hong Kong Chinese executives were uncomfortable with the existing system. The reasons for their discontent were; people unwilling to be frank in their report backs, once a year not being enough, and too much emphasis placed on purely financial measures.

claims may be more a reflection of the Chinese interviewees wishing to appear 'Western' in their approach, than an indication of actual practice, supporting earlier arguments.

The thesis further argues that the preference expressed by both cultural groups to use 'personal judgement' as a primary means of assessing performance, reinforces the earlier observation about control. In the case of Chinese managers, such an approach allows them a higher degree of flexibility, through not being pinned down to documented specifics. In the process, this contextual approach also helps sustain the stability or harmony so highly valued by the Chinese. With Western managers, an erring towards 'personal judgement' allows them flexibility to take into account the 'softer' issues, which they feel are lacking in their existing systems. The earlier findings of this research, which identifies Western managers as being considerably more task-oriented than their Chinese counterparts, appears to offer some explanation as to why they were the only ones to highlight the lack of 'soft' measures as being a key failing. The thesis argues that Western managers, in recognising their tendency to focus on the task, and given their aptitude for structure, will be more inclined to try and build 'soft' measures into 'hard' systems. Kaplan and Norton's (1996) 'Balanced Scorecard' approach, which appears to be taking hold in Asia, appears to be one such response to this situation. However, it is argued that the majority of Western managers who were part of the interview group, through the experiential conditioning gained from working in Asia, will also recognise the discomfort that open dialogue creates for Chinese managers. As a consequence, one can anticipate a natural tendency to tone down the degree of frankness shown with the Chinese, compared to what they might normally exhibit with subordinates of the same culture. Whilst the value of many formal performance appraisal systems, in their current form, remains questionable, the need to find a culturally-compatible mechanism, which allows bosses and subordinates to exclusively discuss issues about performance, development and aspirations, in a non-threatening manner, is self-apparent and the subject for further research. Indeed, the three most critical findings to emerge from the HR Activities survey were precisely these issues.

Overall Conclusions

In this chapter we have explored several dimensions of Anglo-Chinese leadership, which were derivations of those contained in the original *Managership* model, described in Chapter 2. The thesis reinforces the conceptual validity of the model, but challenges the cultural interpretations of what each dimension means, particularly in relation to implementation. Furthermore, it reinforces the hypothesis that the dimensions are neither sequential in nature, nor independent of each other, but in fact integrated and mutually dependent. In this regard, from an Anglo-Chinese perspective, the model needs to be viewed holistically, whereby each dimension is recognised as containing elements of the other six. The thesis further argues that the managerial approaches which make Anglo-Chinese executive team leaders successful, may on the surface appear similar to those adopted in the West. However, in reality they are hybrids, which call for a different set of aptitudes and behaviours, despite the influence of strong corporate cultures and the imposition of managerial structures. The final chapter now considers these conclusions more broadly, and particularly focuses on the contribution that this thesis has made to the existing literature and theory.

Chapter 13

Contribution to the Literature and Theory

Chapter 2 provided the starting blocks for this thesis by presenting a conceptual framework, which offered a composite view of senior level leadership/management thinking, within the context of an Anglo-Chinese environment. The original framework was tested and developed, using team building and strategy workshops as a means to achieve this end. The culmination of this testing was the *Managership* model shown in Chapter 2, which formed the review structure and broad hypotheses for this research. Following Hopkin's (1985:114) 'action research' approach (described in Chapter 3), Chapters 4-11 set out to test these hypotheses through the analysis of data acquired during the field research. Chapter 12 then offered explanation and interpretation of these findings, through reference to theory and established practice. This final chapter consolidates these arguments and in doing so, explains the contribution that this thesis has made to the existing body of knowledge. Indeed, the issue of leadership within Anglo-Chinese executive teams is in itself a new area of investigation. However, a number of the findings are also generalisable to other multicultural leadership situations encountered in large international organisations today. In overall terms, five key contributions have emerged from this research, which are :

- An 'action-based', behaviourally-linked, *multicultural 'Managership' model*, which extends our knowledge about management and leadership within the context of an Anglo-Chinese work environment.
- Some new perspectives on *cultural stereotyping and behaviour integration.*
- Identification of *dynamic tensions*, which are continually present in executive teams, but more exaggerated in multicultural groups where the probability of misunderstanding substantially increases.
- Identification of *culturally-conditioned management behaviours*, which can either help or hinder Anglo-Chinese executive team capability.
- Recognition that multicultural leaders require a high level of *cultural competence,* which enables them to effectively manage and coordinate the tensions described.

Multi-Cultural Managership

In an attempt to better understand the processes of leadership and management, Western literature has attempted to separate the two notions. However, this thesis argues that what may be viewed as either management behaviour or leadership by Western observers, would be perceived differently by Hong Kong Chinese executives. For example, a Western manager's approach to strategic planning may well include the structured collection and analysis of data by his or her team, which by Western definition would be classified as a 'management' activity. Chinese managers, on the other hand, are more likely to arrive at their decisions through personal intuition, experience and feel. As such, they are likely to perceive this activity as an individual 'leadership' function. For these reasons, the separation of leadership and management in an Anglo-Chinese situation is both inappropriate and misleading. The thesis offers an alternative perspective in the form of the *multicultural Managership* model shown in Figure 1.
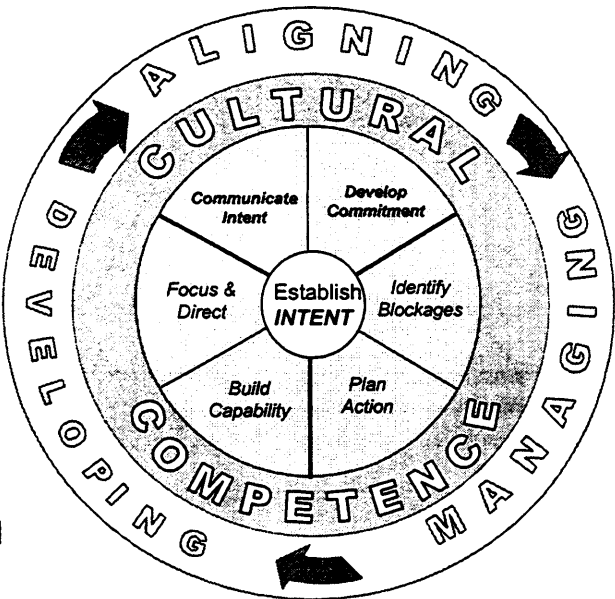
Figure 1

The various stages of field testing and enquiry served to rebut certain propositions made in the original hypotheses and model described in Chapter 2, but have in turn given rise to the modified model, shown in Figure 1. This model addresses the difficulties expressed about separation, by more fully integrating the 'soft' and 'hard' issues. Chapter 12 describes the meaning of each segment in greater detail, but suffice to say, all dimensions are interdependent, with each containing elements of the other. The contribution this model

makes to the Literature and theory lies not in each dimension, but in its composite whole. It also reinforces the recognition that interpretation of managerial notions are culturally conditioned, and that these notions do not readily avail themselves to being dissected and rationalised, as is the inclination with many Western studies.

Cultural Stereotyping and Behaviour Integration

As the research progressed it became increasingly apparent that categorising individual managerial behaviour, according to cultural upbringing, was also a risky strategy. The research strongly indicated that behaviours needed to be described not so much in black and white, but more in shades of gray. These findings gave rise to an important observation about *cultural stereotyping*, which is explained in Figure 2.
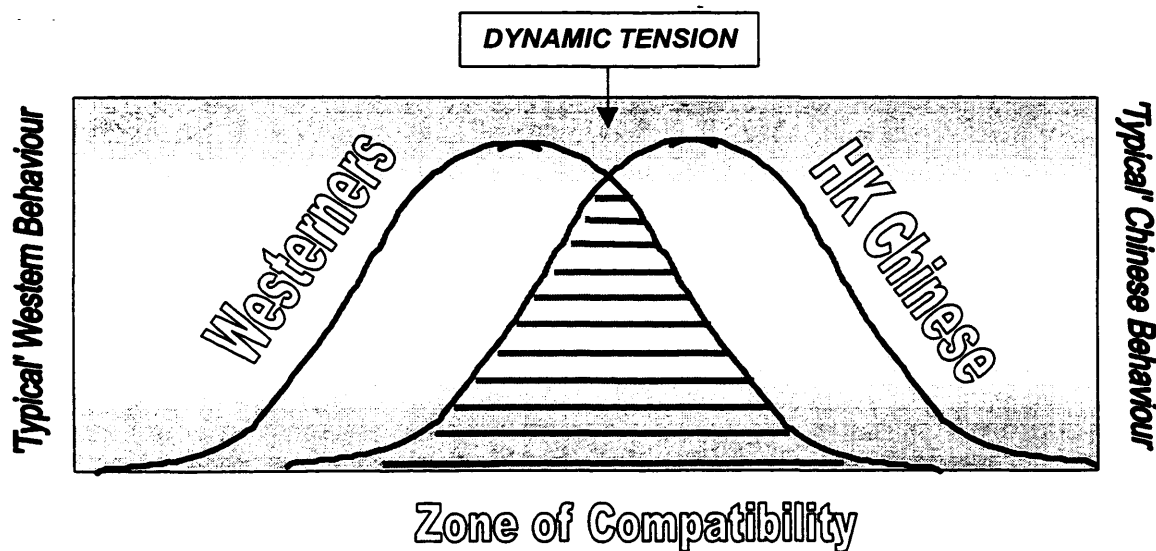
Figure 2

Figure 2 adds to our body of knowledge in showing that within an Anglo-Chinese management team, there will be certain behaviours practised by the majority of members from one cultural group, which are likely to be less evident amongst the bulk of members from the other group. Examples of these behaviours might include Chinese managers being less inclined to ask questions during meetings, or Western managers being generally more confrontational. Extremes of these behaviours are described as 'typical', but are only likely to be exhibited by a small proportion of the culture concerned. There is also a

probability that a small proportion of managers from each group will be more strongly inclined to display specific behaviours generally associated with the other cultural group, creating further tension. The focus of this thesis is directed towards the critical mass, shown by the peaks. These different inclinations give rise to *dynamic tensions,* which are explained in due course. However, there also exists a *zone of compatibility,* where the behaviours displayed by one cultural group may be largely indistinguishable from the behaviours of the other. This situation inevitably presents an Anglo-Chinese team leader with certain challenges, which are likely to be more demanding in multi-cultural than mono-cultural team situations. These challenges include:

- Needing to identify which behaviours are appropriate and which inappropriate in a multicultural management setting;
- Expanding the *zone of compatibility,* through the development of increased awareness and understanding between each cultural group; and
- Effectively managing the dynamics of the different cultural expectations experienced within the group, which manifest themselves in the form of the *dynamic tensions* described.

Figure 3 provides further clarification, by describing these challenges in the form of five behaviour segments. Within the context of a multi-cultural team, three of these segments need to be nurtured and encouraged, whilst the other two need to be marginalised or removed in order to improve the chances of that leader and team being effective.

Figure 3

Positive **CHINESE** Management Behaviour ✔

✗ Negative **WESTERN** Management Behaviour

Common Management Behaviour ✔

Positive **WESTERN** ✔ Management Behaviour

✗ Negative **CHINESE** Management Behaviour
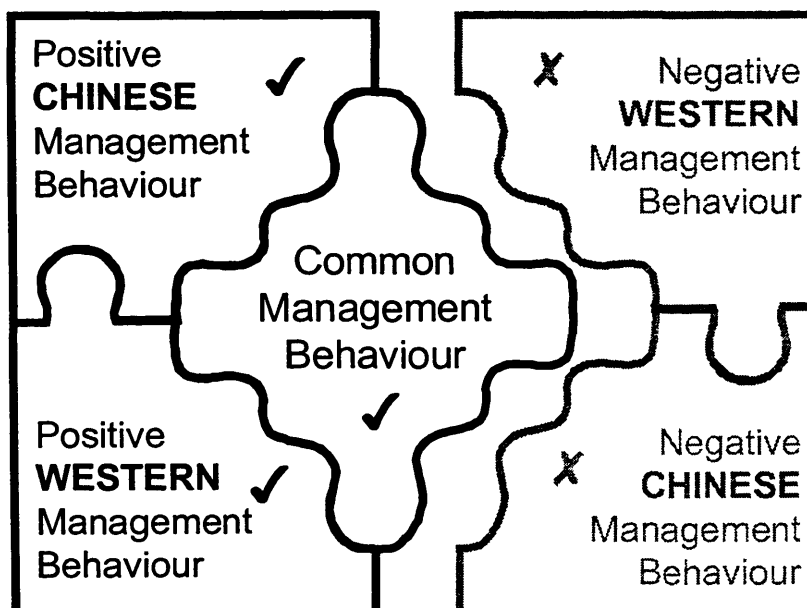
Two of these segments contain positive behaviours, which enhance the overall effectiveness of an Anglo-Chinese management team, but are more frequently displayed by one cultural group, than the other. Examples could include the Chinese aptitude for dealing with detail, or the Western ability to think laterally. The central segment includes positive management behaviours, which are common to both cultural groups, dictated perhaps by formal convention, corporate expectation or shared agreement (*zone of compatibility*). Conversely negative behaviours, which do not sit well in an Anglo-Chinese team, might include the Chinese inclination to withhold information, or the Western tendency to dominate at meetings. The forces, which resist these alliances, and potentially give rise to friction, are the *dynamic tensions* referred to earlier, which will always exist between the segments described.

Dynamic Tensions and Cultural Behaviours

Dynamic tensions are in essence forces generated by the differing cultural expectations and behavioural tendencies experienced within Anglo-Chinese and other multinational groups. For the most part, they are potentially positive forces which will allow the strengths of one cultural group to counterbalance the inadequacies of the other. For example, the Western inclination to initiate new ideas will benefit at times from the Chinese desire to bring caution and practicality to situations. These tensions are described as *dynamic* because they are ever changing, in the sense that at times certain cultural tendencies will 'pull' with greater force in one direction, whilst at other times this direction may shift. The challenge for the leader of an Anglo-Chinese group is therefore deciding when to allow one force to prevail and how to persuade the other cultural group that this makes sense!

Figure 4 describes in specific terms the culturally-bound management behaviours which one group will tend to exhibit more than the other, and the *tensions* which are generated as a result of these different perspectives. In interpreting this representation, it is better not to think of these *tensions* as being of equal strength, but more contingent upon the situation, style of leadership, and so on, which exists within that group. In this regard, it is quite possible to have a multi-cultural group which is out of kilter and therefore not working to its full capability. Alternatively, there will be times when certain types of behaviour need to prevail because of the circumstances.
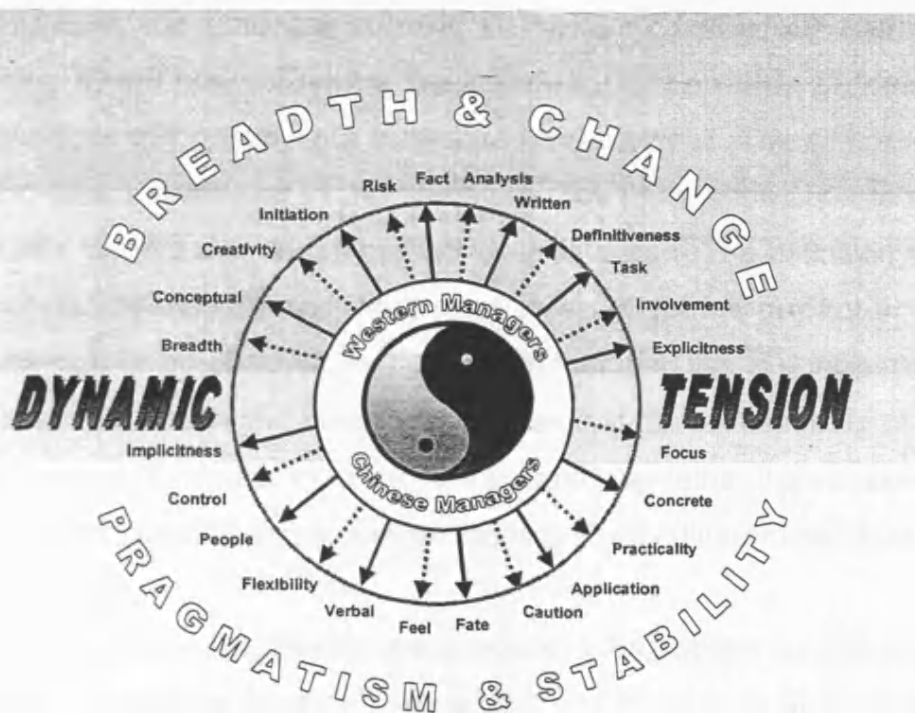
Figure 4

The 'yin and yang' symbol at the centre of Figure 4 depicts the interdependent, but largely opposite nature of the behaviours or values described. The *dynamic tensions* are the pressures created by such differences. The thesis argues that the leader of an Anglo-Chinese group should not necessarily be aiming to balance the behaviours, which in this context would be the same as compromise, but more towards creating mutual understanding, which will be the springboard for commitment, progress and change.

Cultural Competence

The findings in the thesis have added further reinforcement the propositions made in Chapter 2, that despite the influence of strong corporate cultures and the imposition of managerial structures and approaches, underlying cultural values and beliefs will persist. These cultural perspectives give rise to different work-related behaviours, which in turn generate *dynamic tensions* within a team that can either enhance or impair its capability. In order to manage these tensions effectively, leaders of Anglo-Chinese, and other multicultural executive teams, need to possess aptitudes different from those required by leaders of monocultural groups. This aptitude can be best described as a *cultural*

competence, defined by this thesis as, '*The ability to recognise or anticipate, and effectively coordinate, the different cultural patterns of behaviour and associated dynamic tensions, which may influence the capability of an Anglo-Chinese, or other multicultural management group, in a business environment*'. The difference between this definition and others described in the Literature, lies in its application to senior level business teams and leaders and its orientation towards action. The definition emphasises that 'knowing' cultural differences exist, and what these might be, are not in themselves enough. The challenge for an effective multicultural leader also lies in anticipating and then effectively coordinating or managing these tensions, so that the full capability of the team is unleased. In this respect the definition advocates a proactive, rather than passive stance to multicultural leadership, coupled with an understanding of *why* different behaviours occur.

The development of *cultural competence* in managers is the subject for ongoing research. However, the thesis identifies at least three variables, which will have an important bearing on how quickly a manager is able to acquire a competence in this area. The variety or breadth of exposure a person has to another culture will determine the extent of impressions gained. For example, managers who take short, but frequent business trips to a particular country and meet with a wide cross section of managers, are likely to gain strong, but superficial impressions of that particular culture. These impressions are in turn likely to give rise to cultural stereotyping. Conversely, managers who have deeper involvement with another culture, perhaps through temporary overseas secondments with multicultural project teams, are likely to acquire a substantially greater, albeit narrower, knowledge of what is different. One might therefore reasonably conclude that breadth and depth of exposure alone, would create sufficient understanding to achieve the level of competence described. However, this thesis would argue that because *cultural competence* is about leadership, it requires an understanding about not only what cultural differences exist, but also *why*. This situation brings into play a third variable, that of *guided reflection*, which involves active reflection about cross-cultural experiences, helped by a third party. The interview process adopted in this research offers some support for this assertion. As the interviews progressed, and managers were guided to reflect in greater depth about their own experiences, the more insightful became their comments about culture. This increasing awareness was evident from the largely unsolicited observations made about cultural sensitivity in the last question of the interviews, which are reported in

Chapter 11. The conceptual model in Figure 5 helps bring these thoughts together, with each quadrant describing outcomes.

			GUIDED REFLECTION
HIGH			

BREADTH OF CULTURAL INTERACTION

CULTURAL STEREOTYPING	CULTURAL COMPETENCE
CULTURAL IMPRESSIONS	CULTURAL KNOWLEDGE

LOW ——— **DEPTH OF CULTURAL INTERACTION** ——▶ HIGH
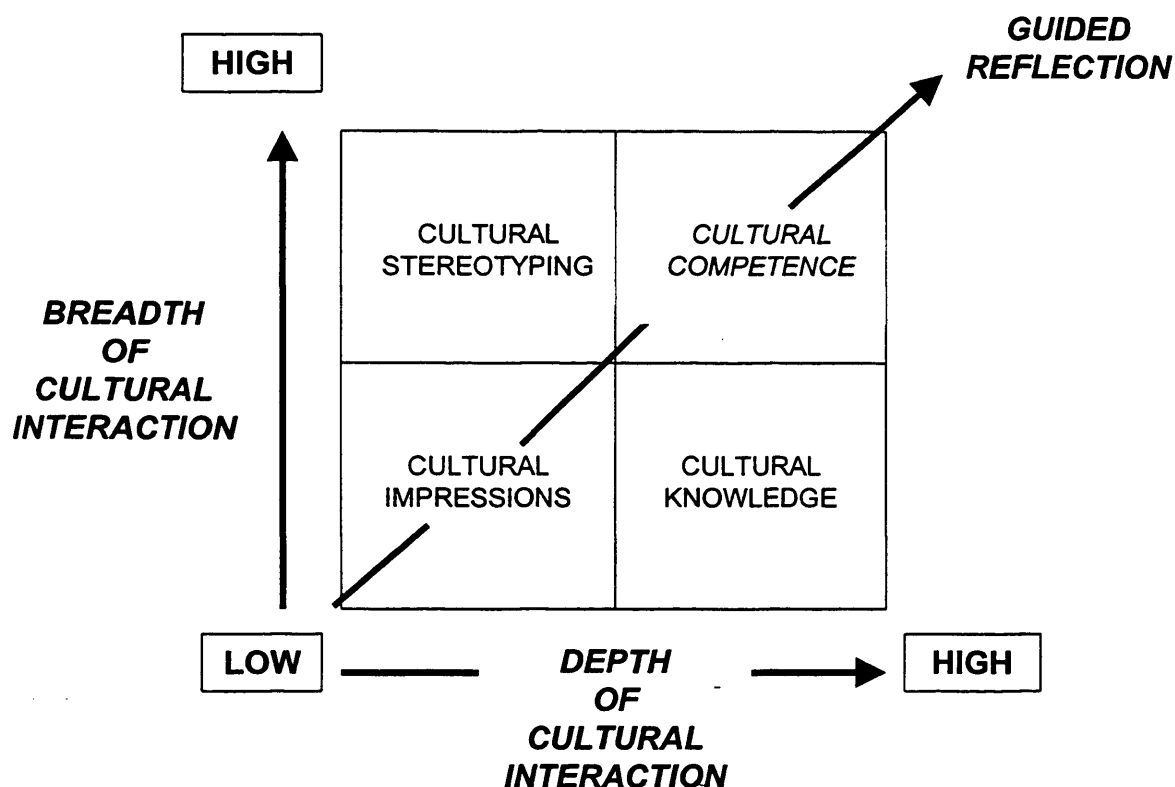
Figure 5

Where to from here?

The five key contributions or themes described in this chapter (coupled with the other insights explained in Chapter 12), hold implications that extend well beyond this thesis, which now need to be considered within the context of the current environment, that of economic turmoil in Asia.:

- **Realisation that the 'Asian way' of doing business, particularly within the context of large companies, no longer works as well as it used to.** Relationships will continue to play a key role. However, stakeholders, customers and employees are now demanding greater involvement in the decisions made by a company, more transparency in what is done, and a generally higher level of professionalism. The more

cynical would say that companies in Asia have made money in spite of themselves; an observation which may not be too far from the truth. As we see more and more companies go into liquidation, weak financial controls, short-termism, high debt, and poor human resource management practices, are beginning to emerge as being partly responsible for their demise. Asian companies have thrived in a period of growth, but are now realising the grim reality of managing in a recession. Different times call for different approaches and it is increasingly the experience of the West, which is going to help Asia through this recession. Two key aspects are particularly pertinent to this research:

- **The arrival of large companies from the West, keen to take advantage of new opportunities and fill the vacuums left.** The more optimistic view Asia's current recession as a passing phase or cyle. The reality is that it is likely to be at least several years before the region is able to regain any of its former glory. Many economies, as a result, have become politically unstable, most evident being Indonesia. However, the countries which have so far weathered the economic storm are those of Overseas Chinese origin, notably Hong Kong, Singapore, and Taiwan. China has seen some slowing of its growth, but continues to move forward, despite certain internal issues, such as the continued existence of debt-ladened, state owned enterprises. We can therefore anticipate the arrival of more and more expatriates to the region. Western companies, sensitive to the current risks, however, will be looking carefully at where they base their operations. In particular, they will be keen to have an efficient government, transparent legal and financial systems, good infrastructure, common language, well-educated workforce, low tax base, and political stability. Hong Kong, offers all these benefits. Hong Kong businesses, in particular, will be increasingly looking towards the West for the managerial structures, systems, processes and experience necessary to help them through the current crisis. More and more Western managers will be arriving in the region, armed with the hard tangibles, but lacking the soft *cultural competence* necessary to make these things work. We can therefore anticipate that human resource management will play an increasingly more important role than in the past, and emerge as one of the critical 'engines' of change in large organisations.

This thesis has helped confirm that the findings derived from many ethno-centric studies are generally transferable to multicultural situations. More important, it has also provided new insights and direction for those working in multicultural environments. But perhaps more compelling is the confirmation that cultural values and beliefs will persist regardless of the situation, even amongst executives working at the very highest levels of multinational organisations. Despite what may appear to be happening on the surface, when different cultures interact on a professional basis, strong underlying tensions will come into play, which need to be coordinated by those in leadership positions. In short, cultural differences do matter and will have a bearing on business success. This observation begs the question about what can now realistically be done to develop these findings, translate the knowledge into action, and ensure that the impetus is not lost? In the longer term, this work will be published. However, in the mid-term, three courses of action seem feasible:

- **Development of an instrument to assess Cultural Competence** – As emphasised at the start of this chapter, it is important to recognise different managers will possess different levels of *cultural competence*. This competence has nothing to do with being Chinese or Western. Indeed, as we discovered, some Chinese managers will display behaviours which would be considered typically 'Western', and vice versa. The issue is also not whether the behaviours are more 'Chinese' or 'Western'. It is whether they can be appropriately applied to an Anglo-Chinese team situation. A large proportion of 'appropriate behaviours' have been already been identified during the research, on the basis that they are being actively used on a daily basis by successful senior managers in Hong Kong based multinationals. Armed with this knowledge, we are in a better position to start to develop a diagnostic instrument, which will help identify managerial behaviour preferences, and in the process, *cultural competence* gaps. The potential value of such an instrument is enormous and might include: Selection of managers to lead Anglo-Chinese groups, possibly generalised later to other Anglo-Asian management teams. Identification of development needs, and various forms of team diagnosis, particularly at board level, where we often often encounter the greatest mix of cultural diversity. And of course, development of managers in the area of *cultural competence*. Design of such an instrument could be conducted 'in house', but would most likely benefit from the guidance of external bodies.

- **Integration of findings into the management training syllabus** – Jardine Matheson's extensive management training plan[55] and team development activities have been used as an ongoing test bed for the findings as they emerged. Indeed, explicit cross-cultural training represents key segments in certain of the programmes, but is also implicit in much of the team development activity. This activity will continue, but now needs to become more focused, from a managerial perspective, by making greater use of the *Managership* model as a guide for development.

- **Further research** – Several questions remain unanswered. For example, how generalisable are these findings to Anglo-Asian and other multicultural teams? How can one measure the effectiveness of behaviour within multicultural contexts? What is the most effective means to develop *cultural competence* in a manager? To what extent can developing economies of the East and their managers 'leap frog' the generations of managerial evolution, which in the West have helped shape work-related values and behaviours? Many questions remain unanswered. But it is hoped that this thesis has helped in some small way to build on the foundations of our existing knowledge, and at the same time provided new insight and direction for the multicultural leadership researchers of tomorrow.

Having conducted the majority of this research in the East, it seems fitting to end with a little piece of Chinese wisdom, taken from The Trimetrical Classic, by the philosopher Wang Po Hou (exact date unknown):

"If gems are unwrought, they will never form anything useful. If man does not learn, he will never educate himself"

Ritchie Bent

April 1999

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[55] Jardine Matheson has a 15 year management development plan, consisting of 24 modules, integrated by an in-house MBA, and series of competency-based development centres.

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Name:_____   Code Number:

Section 1: Background

Nationality: _____   Company: _____

Title: _____   Industry: _____

To begin, I would like to ask a few questions about your background as a manager.

1. How many years have you been in a managerial role?   _____

2. How many years have you worked as a manager in Hong Kong?   _____

3. Roughly, how many Western managers have worked for you whilst in Asia?   _____

4. What is the nationality of your immediate boss?   _____

5. Where else in Asia have you lived and worked and for how long?

6. How would you describe the performance of your business over the last 3 years?

Section 2: Managerial Work

I would now like to ask you a series of questions about how you lead and manage in your job. As far as possible, please try to draw on personal experience (providing examples if you can), rather than what you may have read.

PURPOSE
I would like to begin by asking you about objectives, goals or purpose in relation to your business. These can be both strategic and operational in nature.

7. To what extent do you agree with the statement *"it is important for a major business or unit to have an overall purpose, long term goals or objectives which are understood by all managers in the company?"*

    1. To a very little extent (0-20%)   ___%
    2. To a little extent (>20-40%)   ___
    3. To a moderate extent (>40-60%)   ___
    4. To a great extent (>60-80%)   ___
    5. To a very great extent (>80-100%)   ___
    6. Unsure   ___

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7. Does your business have any stated <u>overall purpose, long term goal or objective</u>, and if so what?

9. How was this overall purpose, goal or <u>objective derived</u>?

10. In your experience, what <u>differences</u> have you observed, if any, in the ways in which <u>Western and Chinese managers develop, work with, or respond</u> to overall purpose or objectives (describe)?

11. To what extent do you believe <u>luck or fate influences how a business will ultimately perform</u> over time?

    1. To a very little extent (0-20%)   ___%
    2. To a little extent (>20-40%)   ___
    3. To a moderate extent (>40-60%)   ___
    4. To a great extent (>60-80%)   ___
    5. To a very great extent (>80-100%)   ___
    X. Unsure   ___

12. To what <u>extent</u> do you feel that <u>Western/ Chinese managers generally believe that luck or fate</u> will ultimately have an influence over business performance?

	Chinese	Western
1. To a very little extent (0-20%)	_____%	_____%
2. To a little extent (>20-40%)	_____	_____
3. To a moderate extent (>40-60%)	_____	_____
4. To a great extent (>60-80%)	_____	_____
5. To a very great extent (>80-100%)	_____	_____
X. Unsure	_____	_____

13. Explain why you have arrived at these conclusions?

14. How might these differences (if any) effect the ways in which multi-cultural management teams might respond to purpose, long-term goals, or objectives?

<div align="right">ceo</div>

15. In a typical week, approximately what % of your time is spent in verbal communication with your managers (e.g. meetings or telephone calls), as opposed to dealing with the boss, planning alone, report writing etc, behind your desk?

     1.   0-20%   ___
     2. >20-40%   ___
     3. >40-60%   ___
     4. >60-80%   ___
     5. >80-100%   ___
     6. unable to say ___

16. What, in your experience, are the 3 most important communication difficulties between Chinese and Western managers? List in order of difficulty, with 'a' being most difficult:

    a. _____
    b. _____
    c. _____

17. In verbal communication with managers of a different culture than your own, are there any strategies you adopt which you believe helps increase the understanding of what you are saying? (explain)

18. Imagine that you were transferring to a different job and handing over your team to a new unit head. What 3 pieces of advice would you offer him or her in regard to communicating with a multi-cultural team comprised of both Chinese and Western managers?

    a. _____
    b. _____
    c. _____

MOTIVATE
I now wish to look at the issue of motivating members of management teams and the approaches which you have found to be most successful in this respect:

19. Based on your experience, which 3 factors have you found most effectively motivates managers (as opposed to non-managerial staff) to perform better? (List in order of impact with 'a' being the most powerful motivator)

    a _____   _____
    b _____   _____
    c _____   _____ ceo

20. I would now like you to think of these motivators in the context of Chinese and Western managers separately. Could you now re-rank these motivators, if you feel it's necessary, according to the cultural group, substituting new factors as you think fit:

Chinese Managers   Western Managers

a. _____   a. _____
b. _____   b. _____
c. _____   c. _____

21. What do you feel are the key implications of these observations about motivation in relation to multi-cultural management teams, comprised of Chinese and Western managers?

MANAGE
This section deals with how you address problems, how you like to plan, and your preferred style of managing. Again, please remember to draw on your own experience in answering these questions:

---

22. In dealing with a work-related problem (eg. falling sales, increasing staff turnover, or some other strategic or operational issue), typically, what initial steps might you take to start to address a problem?

23. Have you seen any evidence to suggest that Chinese and Western managers may address problems differently, and if so, what?

24. In trying to determine the cause of a problem, which of the following factors would you generally tend to rely more on in helping you arrive at a solution?

Distribute 10 points according to the degree of reliance you place on each:

a. Intuition or 'gut feel':   ___ points
b. Careful analysis of the facts: ___ points
c. Consultation with others: ___ points
d. Past experience: ___ points

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25. Now think about these factors in relation to how Chinese and Western managers address problems. Once again, distribute 10 points between each factor according to the degree of importance, in your experience, these managers tend to place on each:

	Chinese	Western
a. Intuition or 'gut feel':	___ points	___ points
b. Careful analysis of the facts:	___ points	___ points
c. Consultation with others:	___ points	___ points
d. Past experience:	___ points	___ points

26. In making an important work-related decision, how would you generally balance your attention in terms of the 'people' and 'task' related aspects of the job. Again, distribute 10 points according to the degree of importance you attribute to each:

a. The 'people' aspects: ___ points
b. The 'task' aspects: ___ points

27. From your experience, what degree of attention do Chinese, as compared to Western managers, give to these two aspects. Again, distribute 10 points between the two factors:

	Chinese	Western
a. The 'people' aspects:	___ points	___ points
b. The 'task' aspects:	___ points	___ points

28. In terms of planning a task or project, what differences have you observed, if any, between the ways in which Chinese and Western managers operate?

29. Comparing the typical styles of Chinese and Western managers, where would you plot each on the scale shown below in relation to level of interaction with their own management team?

MAINTAINS COMPLETE CONTROL, RARELY SHARES INFORMATION. MAKES MOST DECISIONS ALONE	LIMITED INVOLVEMENT INVOLVEMENT OF KEY MANAGERS AND WILLING TO SHARE SOME INFORMATION	REGULARLY INVOLVES MOST OF TEAM AND READILY SHARES INFORMATION	HIGHLY INVOLVING WITH STRONG INCLINATION TO SHARE POWER, INFO AND RESPONSIBILTY WITH TEAM
CHINESE: [10] [9] [8] [7] [6] [5] [4] [3] [2] [1]			
WESTERN: [10] [9] [8] [7] [6] [5] [4] [3] [2] [1]			

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5

30. What implications, if any, might these differences hold for the ways in which multi-cultural management teams address problems, make decisions, or plan?

_____

_____

_____

_____

_____

_____

CLIMATE
I am now going to ask you some questions about the climate, working atmosphere and general relationships within management teams which you have been associated with. Again, please try to draw on your own experience in answering these questions.

31. If you were talking to a new director or senior manager about forming a new management team, what _initial 3 key actions_ would you advise them to take to ensure that the team becomes effective as soon as possible?

   a._____

   b._____

   c._____

32. What **3 actions** would you advise them to take with this team <u>over the longer term</u> to ensure that it continues to operate effectively?

   a._____

   b._____

   c._____

33. I now want you to think <u>specifically about management teams which have a mixture of Chinese and Western managers</u>. In these circumstances, would the advice you offered your director/senior manager be any different to what has been just discussed and if so, how?

34. I want you now to imagine that you had been sent into a company to <u>'audit' the climate, relationships, or general working atmosphere of their top team</u> (take for example a multi-cultural team, such as Gammon or the JP Board). <u>What signals</u> would you be specifically looking out for to assess the 'health' of that team?

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6

> **MEMBERSHIP**
> If you think about some of the management teams which you have either led or been a part of, you may be able to recall that certain members naturally tended to be good at certain things. For example, you may have recognised that somebody always seemed able to come up with ideas, somebody appeared to have more contacts than anyone else, or someone appeared to have a talent for spotting weaknesses in a plan.

35. Assuming that you already have the necessary technical skills (e.g. financial, marketing etc.) in a management team, what other abilities, aptitudes or personality types would you consider important?

36. What special abilities or aptitudes (apart from language) do Chinese managers tend to have which Western managers lack, and vice versa?

Chinese Managers: _____

_____

_____

Western Managers: _____

_____

_____

37. Within the context of a multi-cultural group comprised of both Chinese and Western managers what advantages, or disadvantages might these differences present?

Advantages: _____

Disadvantages: _____

_____

38. What advice would you give to a senior manager who was taking over a multi-cultural group such as this for the first time?

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7

In this section I want to ask you about the systems and methods which you use to monitor the performance of your managers and generally develop their level of managerial competence within the job.

39. Does your business or unit have any formal mechanism to measure the performance of its managers? (If no, what method(s) do you use to measure a manager's performance on the job?)

40. How effective do you feel this method is in measuring managerial performance?

    1. To a very little extent (0-20%)   ___%
    2. To a little extent (>20-40%)   ___
    3. To a moderate extent (>40-60%)   ___
    4. To a great extent (>60-80%)   ___
    5. To a very great extent (>80-100%)   ___
    X. Unsure   ___

41. What do you feel is the best way of measuring managerial performance on the job?

42. In assessing the performance of a manager, distribute 10 points according to how much reliance you would place on each of the following methods to assess performance:

    Personal Judgment: _____ points
    Clearly defined objectives: _____ points
    Other's opinions: _____ points

43. Apart from technical skills, what three attributes would you rate as most important in a senior manager, in order of importance:

    1. _____
    2. _____
    3. _____

44. If I now asked you to separate these into Chinese and Western senior managers, in what ways, if at all, might the order or nature of these attributes change?

Chinese

    1._____
    2._____
    3._____

Western

    1._____
    2._____
    3._____   ceo

45. To what extent would you <u>agree</u> with the following statement *"Western management training practices are not applicable in Hong Kong due to the unique nature of business and cultural mix of the managers here".*

    1. To a very little extent (0-20%)   ___%

    2. To a little extent (>20-40%)   ___%

    3. To a moderate extent (>40-60%)   ___%

    4. To a great extent (>60-80%)   ___%

    5. To a very great extent (>80-100%)   ___%

    6. Unsure   ___

46. Please distribute 10 points amongst the following <u>systems or methods</u> according to how important you rate each in terms of <u>developing managerial competence</u>:

    a. Job rotation: ___ points
    b. Formal teaching at business schools/ on courses etc: ___ points
    c. On-the-job coaching: ___ points
    d. Allowing managers to learn from their own mistakes: ___ points
    e. Part-time courses, such as distance MBAs etc: ___ points
    f. Special projects: ___ points
    g. Other methods (explain):_____

47. Describe the most valuable developmental experience you have had in terms of your managerial growth and explain why?

48. If you were being asked for <u>your opinion on designing a management training scheme for a mixed audience</u> of senior Chinese and Western managers, what advice would you give?

OVERALL
During the past ___ hours we have looked at the issue of managing a multi-cultural team composed of a mixture of Chinese and Western managers. If I was now to ask you for 3 pieces of advice which you feel are vital for anyone managing such a group to know, what would they be?

    1._____

    2._____

    3._____

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INTERVIEW RECORD

INTERVIEW START: _____HRS

INTERVIEW END: _____HRS

DATE OF INTERVIEW: _____

ANY SPECIAL CIRCUMSTANCES OR OTHER INFORMATION RELEVANT TO THE INTERVIEW OR INTERVIEWEE:

Extension of responses

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Content Analysis

Dimension : _____

Question (   ):   Key observations :

_____   _____

_____   _____

_____   _____

Content	Chinese				Western			
	CEO		MANAGER		CEO		MANAGER	
	G	S	G	S	G	S	G	S

Appendix 2:(a) Content Analysis Matrix

Q10 - IN YOUR EXPERIENCE, WHAT DIFFERENCES HAVE YOU OBSERVED, IF ANY, IN THE WAYS IN WHICH WESTERN AND CHINESE MANAGERS DEVELOP, WORK WITH, OR RESPOND TO OVERALL PURPOSE OR OBJECTIVES (DESCRIBE)?

37 — PROACTIVITY

- 17: WEST'S RESPOND QUICKER G0 S0 G0 (C1) (W0)
- 22: WESTERNERS ARE COMPETITIVE G0 S1 G0 S0 (C1) (W0)
- 11: CHINESE WON'T CHALLENGE G0 S1 G0 S1 (C1) G0 S1 G0 S1 (W2)
- 28: WEST'S SHOW MORE INITIATIVE (C0) G1 S1 G0 S0 (W1)
- 23: WEST'S LOOK FOR PROBLEMS (C0) G1 S0 G0 S0 (W1)

35 — STYLE

- 5: CHINESE MORE CONSULTATIVE G1 S0 G0 S0 (C1) (W0)
- 4: WEST GIVES MORE DIRECTION G1 S0 G9 S0 (C1) G1 S2 G0 S1 (W4)
- 6: WEST MORE OPEN DIRECT, TRANSP'T G1 S2 G2 S0 (C5) G3 S4 G3 S1 (W11)
- 8: CHIN' DON'T SHARE PROBLEMS/ INFO G1 S2 G2 S0 (C5) G0 S1 G1 S0 (W2)
- 15: WEST'S GIVE MORE AUTONOMY G0 S0 G1 S1 (C2) G2 S0 G0 S0 (W2)
- 24: WEST'S WANT INVOL'T IN DECISION (C0) G1 S0 G0 S0 (W1)
- 16: CHIN'S MORE CONTROLLING G0 S0 G1 S1 (C2) (W0)
- 3: CHIN' ON PEOPLE WEST FOCUS TASK G1 S0 G1 S0 (C2) (W0)

36 — NO DIFFERENCE

- 11: NO DIFFERENCE CHINESE V WEST G3 S1 G3 S1 (C8) G1 S2 G1 S1 (W5)
- 12: INTERPRETATION DIFF TOOLS SAME G1 S0 G0 S0 (C1) G0 S1 G0 S0 (W1)

35 — OBJECTIVES

- 26: WEST'S LIKE IT IN WRITING (C0) G1 S0 G0 S1 (W2)
- 25: WEST'S LIKE CLEAR -CUT OBJECTIVES (C0) G1 S0 G1 S0 (W2)
- 20: CHINESE MORE PRACTICAL G0 S0 G0 S1 (C1) G1 S0 G0 S0 (W1)
- 27: CHINESE PREFER FLEXIBLE OBJECT'S (C0) G1 S0 G0 S3 (W4)
- 9: CHIN' FOCUS MORE ON DETAIL G1 S0 G0 S0 (C1) (W0)

35 — WORK ETHIC

- 29: WEST'S SHOW LESS DRIVE (C0) G1 S0 G0 S0 (W1)
- 12: CHINESE STRONGER WORK ETHIC G0 S1 G0 S0 (C1) G1 S1 G1 S0 (W3)
- 18: WEST'S HIGHER SERVICE EXPECT'N G0 S0 G0 S1 (C1) (W0)

35 — STRATEGIC PERSPECTIVE

- 13: CHINESE MORE LONG TERM G0 S1 G0 S0 (C1) G0 S0 G1 S0 (W1)
- 14: WEST'S MORE SHORT TERM G0 S1 G0 S0 (C1) G0 S0 G1 S0 (W1)
- 10: CHIN' FOCUS ON SMALL PICTURE G0 S1 G0 S0 (C1) G1 S0 G0 S1 (W2)
- 1: WEST'S LOOK AT BIG PICTURE G1 S1 G0 S1 (C1) G1 S0 G0 W1 (W2)
- 19: WEST'S MORE CREATIVE G0 S0 G0 S1 (C1) (W0)
- 30: CHINESE MORE RISK AVERSE (C0) G1 S0 G1 S0 (W2)
- 21: CHINESE MAIN FOCUS IS PROFIT G0 S0 G0 S1 (C1) G1 S0 G0 S0 (W1)

LUCK By CULTURE - WESTERN VIEW OTHERS

Oneway Anova
Summary of Fit

RSquare	0.420937
RSquare Adj	0.408349
Root Mean Square Error	15.47555
Mean of Response	41.25
Observations (or Sum Wgts)	48

t-Test

	Difference	t-Test	DF	Prob>|t|
Estimate	25.8333	5.783	46	<.0001
Std Error	4.4674			
Lower 95%	16.8409			
Upper 95%	34.8257			

Assuming equal variances

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Ratio
Model	1	8008.333	8008.33	33.4387
Error	46	11016.667	239.49	Prob>F
C Total	47	19025.000	404.79	<.0001

Means for Oneway Anova

Level	Number	Mean	Std Error
C	24	54.1667	3.1589
W	24	28.3333	3.1589

Std Error uses a pooled estimate of error variance

ONE SUBJECT UNWILLING
TO DIFFERENTIATE

Power Details

Test	1-way Anova
Power	

1

Alpha	Sigma	Delta	Number	Power	AdjPower	LowerCL	UpperCL
0.0500	15.47555	12.91667	48	0.9999	0.9998	0.9582	1.0000

Least Significant Number

Alpha	Sigma	Delta	Number(LSN)
0.0500	15.47555	12.91667	8.361939

Least Significant Value

Alpha	Sigma	Number	LSV
0.0500	15.47555	48	8.992425

GROUP:HK Land   DATE: 14.7.97   DURATION:25m   TASK:

PARTICIPANT	Asian	Lamb	Hawksw'h	Spence	Asian
COMMUNICATES					
Contrib.rate (5 words +)	7	8	10	6	3
Gives information	1	3	1	5	1
Gives ideas/suggestions	6	5	7	3	3
Times interjection					
Holds attention					
Uses simple English					
Slow with pause					
Clear/ articulate					
Confident in delivery					
Adapts tone					
Allows thought time					
Allows adeq. reply time					
Clarifies when unclear					
Uses visuals					
Active body lang (eyes etc)	2	1	2	1	
COMM. Total Cells 6-20:	9	9	10	9	4
MOTIVATES					
Acknowledges input				1	
Agrees/ supports	5	4	3		
Builds on others' ideas	1	1			
Verbally rewards			1		
Visually rewards					
Delegates sensitively					
Promotes openess/trust			1		
Disagrees sensitively		1		1	
Acknowledges expertise					
Maintains/gives 'face'	1		1		
Smiles/ laughs		2	2	3	
Displays enthusiasm					
Energises group					
MOTIV. Total Cells 23-35:	7	8	8	5	0
MANAGES					
Clarifies purpose		1	2		
Invites contribution		1	1		
Confirms understanding			2		1
Questions		1	2		
Offers alternatives					
Structures approach		1	2		
Keeps group on track			3		
Manages input balance					
Open with information					
Monitors time					
Records input visually			3		
Links contributions	1		1		
Summarises			4		
Gains consensus (agreemt)		1	4		
Manages tension					
Calm under pressure					
Steers group to decision			2		
Balances Task/Relat'nshps					
Adapts l'drship style					
MANAGES Cells 38-56:	1	5	26	0	1
HINDERING BEHAVIORS					
Aggressive					
Cuts in				2	
Puts down					
Negative					
Dominates					
Culture-centric					
Colloquial					
Inappropriate humour					
Hindering Beh. Cells 60-67:	0	0	0	2	0

R.Bent PhD 6/97

Sample letter to Respondents

JASL – HR FUNCTION REVIEW

I'd be grateful if you could spare 30 minutes of your time.

Background

As part of the ongoing development of JASL, it has been decided to conduct a review of our personnel systems and practices. The purpose of this review is to ensure that the services offered by your HR function are in line with what we are trying to achieve on the business front (now and in the future).

What this will involve

Basically, the Review will firstly involve getting *your* input (i.e., the 'customers'), and will then look closely at the operations of the HR Function, with a view to establishing how it can best serve the business. In this respect, the Review will critically evaluate both the 'hard' and 'soft' outputs of the unit.

Getting your opinions

Your opinions are a critical element; they will provide focus for what we should be addressing. Attached is a diagnostic 'tool', which will be distributed to a cross-section of our senior management. It aims to achieve two things:

1. Assess the quality of the services offered by your HR function; and
2. Gauge the extent to which these services currently support your operational goals.

To obtain as accurate an evaluation as possible, *it's important for you to be candid in your views, and to try and avoid using the centre of the rating scales.* You will note that there is no requirement to put your name on the form.

Benefits of the Review

These will obviously depend on what emerges in the subsequent analysis. However, you could typically expect the following, long-term, benefits:

- A more cost effective, responsive and focused HR function.
- Availability of more comprehensive and accurate information about staff.
- More effective management of your 'intellectual' capital.
- Reduction of ineffective, bureaucratic or redundant personnel practices.

Please return the completed questionnaire to Ritchie Bent of PDD in the envelope provided **no later than 4 Nov 1998**.

Thanks for your help.

Albert Fok
24 November 1998

✍ - Please comment on the following HR services in terms of :

1. Extent to which this service is **potentially capable** of "Supporting the Operational Goals".
2. "Quality of the Services" **currently delivered** by the HR function (*if service not offered, or you don't know, mark '0'*).

NATURE OF SERVICE	1. Support of Business Goals						2. Quality of Service					
	HIGH		MODERATE		LOW		HIGH		MODERATE		LOW	
	10	8	6	4	2	0	10	8	6	4	2	0
1. Early warning to directors of changing business trends and resultant HR implications												
2. Proactive proposal of strategies and approaches to address these issues												
3. Informed assistance to departments to help manage change initiatives												
4. Informed advice to senior managers on contacts and resources												
5. Close involvement in the business planning process												
6. Accurate assessment of visible and invisible costs, caused by staff turnover												
7. Active involvement in the recruitment and promotion of senior executives												
8. Close involvement in the formulation of strategic HR policy												
9. Effective recruitment system which quickly acquires quality people												
10. 'Fuss-free' administrative procedures on entering/leaving company												
11. Effective familiarisation programme for all new joiners												
12. 'User friendly' and transparent job specification and grading system												

NATURE OF SERVICE	1. Support of Business Goals						2. Quality of Service					
	HIGH		MODERATE		LOW		HIGH		MODERATE		LOW	
	10	8	6	4	2	0	10	8	6	4	2	0
13. Payment of people accurately and on time												
14. Speedy response to requests and queries about remuneration												
15. Informed advice on the suitability and competitiveness of executive packages												
16. Practical guidance in the design of performance-linked incentive schemes												

17. Arrangement of social functions which bring people together												
18. Efficient management of administrative matters relating to staff												
19. Timely updates and advice on employment and compliance issues												
20. Comprehensive provision of staff information when requested												

21. Provision of effective systems to gauge staff morale												
22. Proactive identification and action to remove organisation communication blockages												
23. Timely warning to senior management of potential staff problems												
24. Effective counseling service												

25. Maintenance of an effective, and 'user-friendly', performance appraisal system												
26. Chairing of regular and useful succession-planning meetings with the top team												
27. Maintenance of formal succession plans for filling the top 10 Company posts												
28. Maintenance of formal career plans for the senior 30 people, plus 'high-fliers'												

29. Provision of effective systems to assess executives' development needs												
30. Provision of practical advice on how development needs can be best addressed												
31. Professional management of resources to train and develop staff												
32. Maintenance of formalised training and development plans for staff												

✍- Finally under each category, please identify 3 things that the JASL personnel function should :

Do more of :		Stop doing :	
1.		1.	
2.		2.	
3.		3.	

✍ - Any other comments

◆ Thank you ◆

HR Services Alignment Check

Quality of Service
Support of Business Goals

Strategy + Organisation

**Personal /
Career
Development**

**Resourcing,
Reward
&
Admin**

{ }	= Difference
◆	Low
△	Moderate
●	High

n = 211

Employee Relations
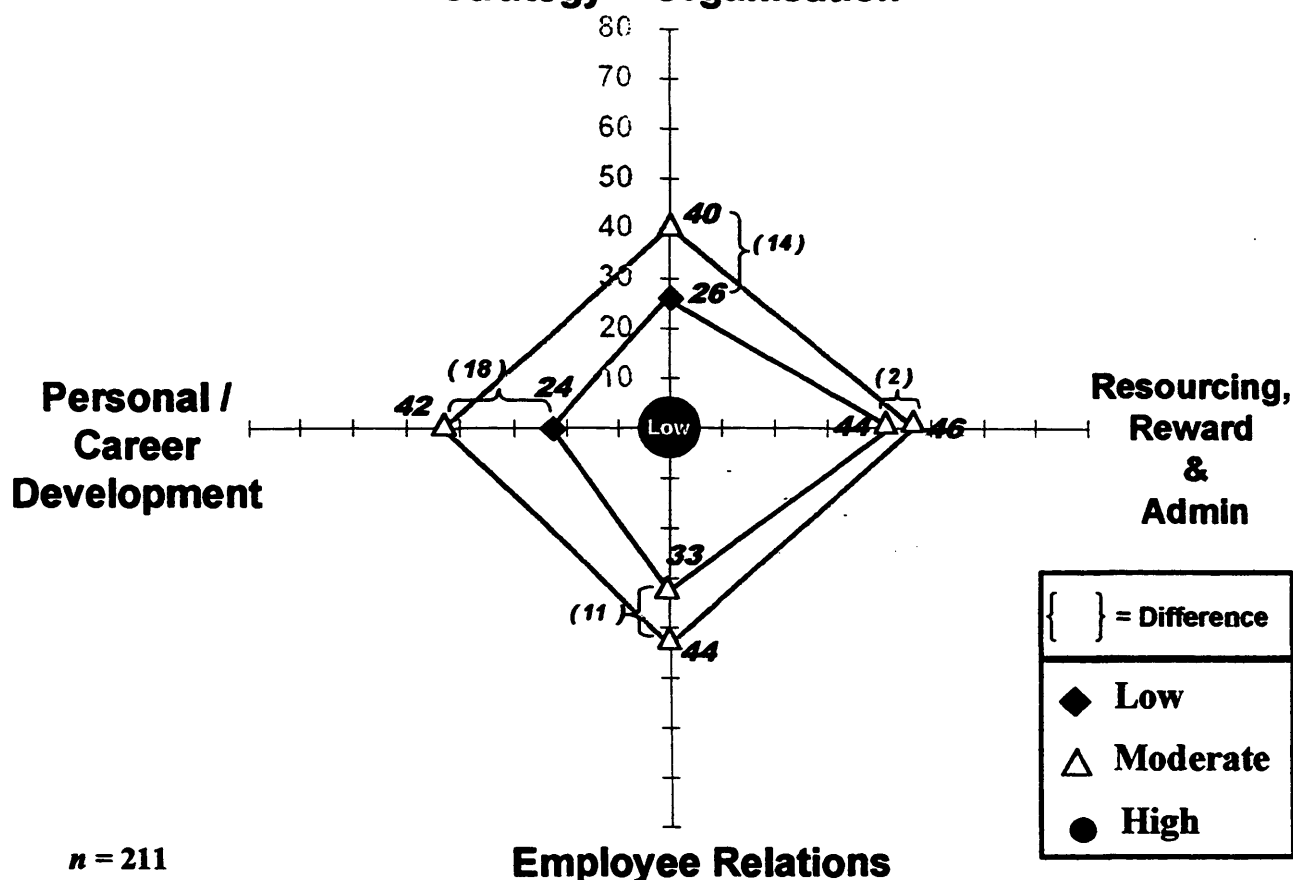
What this tells us in general

The outer gray diamond provides a general indication as to the extent to which 211 managers believe specific HR activities could potentially support their business goals. The inner blue diamond indicates the level of service currently being delivered by the HR function in this respect. The following provides an initial interpretation of the responses, based on the data provided in the attached.

HR Function Reviews
Composite Results
(HKL / GCL / JSG / PHD / JEC / JOS / JASL)

| HR Services Alignment Check	Support of Business Goal							Quality of Service						
	High		Mod		Low		AVG	High		Mod		Low		AVG
	10	8	6	4	2	0		10	8	6	4	2	0	
Strategy & Organisation														
1) Early warning to directors of changing business trends and resultant HR implications	16	51	48	27	21	14	5	1	22	23	24	38	66	3
2) Proactive proposal of strategies and approaches to address these issues	14	53	37	31	21	17	5	1	17	23	34	39	60	3
3) Informed assistance to departments to help manage change initiatives	11	57	49	29	34	12	5	1	21	24	48	51	47	3
4) Informed advice to senior managers on contacts and resources	9	60	61	38	32	11	5	1	22	41	39	58	50	4
5) Close involvement in the business planning process	9	51	45	35	47	24	5	3	18	27	33	63	67	3
6) Accurate assessment of visible and invisible costs, caused by staff turnover	11	57	58	39	34	15	5	1	22	38	41	59	50	4
7) Active involvement in the recruitment and promotion of senior executives	10	58	54	42	19	26	5	2	23	35	50	47	54	4
8) Close involvement in the formulation of strategic HR policy	18	66	52	33	18	24	6	4	22	36	47	52	50	4
AVG							40							26
Resourcing & Reward														
1) Effective recruitment system which quickly acquires quality people	29	73	34	27	22	8	6	1	27	53	60	44	18	4
2) 'Fuss-free' administrative procedures on entering/leaving company	6	38	66	45	13	7	5	10	47	78	54	14	10	6
3) Effective familiarisation programme for all new joiners	16	48	71	36	15	8	5	14	53	69	48	18	9	6
4) 'User friendly' and transparent job specification and grading system	16	54	69	35	26	11	6	8	48	66	40	37	13	5
5) Payment of people accurately and on time	58		34	30	9	2	7	67		30	18	10	4	8
6) Speedy response to requests and queries about remuneration	25	61	66	38	18	3	6	24	67	63	32	19	6	6
7) Informed advice on the suitability and competitiveness of executive packages	18	63	68	34	24	14	6	10	53	63	39	29	26	5
8) Practical guidance in the design of performance-linked incentive schemes	18	58	60	25	34	16	6	14	53	52	25	40	26	5
AVG							46							44
Employee Relations														
1) Arrangement of social functions which bring people together	12	37	76	32	23	13	5	11	37	51	39	31	24	4
2) Efficient management of administrative matters relating to staff	14	53	52	41	14	0	5	10	49	59	37	13	6	5
3) Timely updates and advice on employment and compliance issues	15	53	60	40	23	1	5	11	46	64	44	27	10	5
4) Comprehensive provision of staff information when requested	21	53	65	52	16	4	6	17	63	62	40	20	9	6
5) Provision of effective systems to gauge staff morale	25	62	60	29	36	9	6	1	17	32	69	65	37	3
6) Proactive identification and action to remove organisation communication blockages	18	65	53	33	31	11	6	6	15	32	58	62	38	3
7) Timely warning to senior management of potential staff problems	21	65	46	31	32	16	6	2	20	32	60	54	53	3
8) Effective counseling service	7	42	71	42	33	16	5	0	15	41	44	69	42	3
AVG							44							33
Personal / Career Development														
1) Maintenance of an effective, and 'user-friendly', performance appraisal system	10	61	63	37	26	6	5	0	37	48	62	38	8	4
2) Chairing of regular and useful succession-planning meetings with the top team	10	39	53	25	22	25	4	1	9	20	24	48	72	2
3) Maintenance of formal succession plans for filling the top 10 Company posts	21	42	44	27	26	32	5	0	8	16	29	43	96	2
4) Maintenance of formal career plans for the senior 30 people, plus 'high-fliers'	21	61	43	20	33	32	5	2	9	26	24	49	101	2
5) Provision of effective systems to assess executives' development needs	15	69	54	27	30	16	6	3	13	42	46	53	54	3
6) Provision of practical advice on how development needs can be best addressed	12	56	59	46	19	19	5	2	18	35	54	48	54	3
7) Professional management of resources to train and develop staff	18	72	67	28	22	14	6	1	36	39	47	47	41	4
8) Maintenance of formalised training and development plans for staff	14	68	62	33	24	10	6	3	27	52	55	48	26	4
AVG							42							24

* **numbers** = number of respondents

▭ = Median (106)

n = 211

23/2/99

...rk By Culture)

Culture
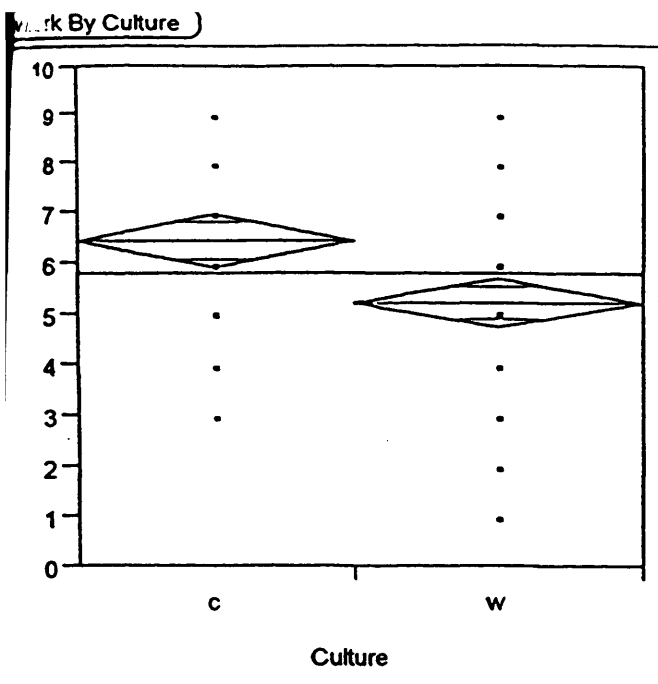
E..ay Anova)

...mary of Fit)

...uare	0.138371
Square Adj	0.126235
...Mean Square Error	1.588881
...n of Response .	5.835616
bservations (or Sum Wgts)	73

...st)

	Difference	t-Test	DF	Prob>|t|
...nate	1.25601	3.377	71	0.0012
L Error	0.37196			
...wer 95%	0.51433			
...er 95%	1.99768			
...ming equal variances				

...alysis of Variance)

...rce	DF	Sum of Squares	Mean Square	F Ratio
...odel	1	28.78490	28.7849	11.4020
...or	71	179.24249	2.5245	Prob>F
...otal	72	208.02740	2.8893	0.0012

...ans for Oneway Anova)

...vel	Number	Mean	Std Error
	36	6.47222	0.26481
	37	5.21622	0.26121

...i Error uses a pooled estimate of error variance

1

Western Interviewee Profile

Name	Category	Title	Industry
illar, K	WCEO (Generalist)	General Manager	Hospitality
Byrne, J		Managing Director	Advertising
ˉchlee, C		Director	Property
nderhill, P		Managing Director	Shipping
Barrow, M		Director	HR (General)
ɔeks, C		Director	Aviation
itzgerald, P	WCEO (Specialist)	Director	Finance
Amos, P		Managing Director	Insurance
tephenson, K		General Manager	Audit
..ɹxen, S		General Manager	Legal
Perryman, J		Managing Director	Engineering
adaway, M		Managing Director	Construction
ᴗallnow-Smith		Director	Treasury
O'Neil, A	WMGR (Generalist)	Consultant	Consultancy
edd, J		General Manager	Security
ᴎeid, P		General Manager	Security
Taylor- Smith, D		General Manager	Communications
utlewski, W		Manager	Construction
ᴗloyd-Jones, C		Managing Director*	Retail
Fullerton, W	WMGR (Specialist)	Chief Inspector	Police
mith, T		Director	Insurance
ᴧarons, B		Director	Finance
Williams, B		Director	Shipping
rown, G		Director	Finance
Wink, I		Manager	Construction

WCEO = Western Chief Executive – Hay job size >900
WMGR = Western Manager – Hay job size <900
* Titles do not always reflect job size