A View of a Traditional Foundry’s Leadership - Do they follow the Chinese Cultural in the way they lead?

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Master Thesis

May 2008

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Summary:

Title: A View of a Traditional Foundry’s Leadership - Do they follow the Chinese Cultural in the way they lead?

Seminar date: June 2nd

Course: Masters thesis in Business Administration, Programme for Managing People, Knowledge and Change, 15 University Credit Points (15 ECTS).

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Five key words: Chinese Culture, Leadership, Eustress Emotional Attachment, Conflict Resolution, Motivation,

Purpose: Goals of this thesis is to investigate how the Foundry Chinese Managers perceive leadership, and how they construct their leadership skills in their daily working environment in that specific foundry context and whether the Chinese leadership is still following the traditional Chinese Culture or they have their own ways to lead.

Methodology: We are using a qualitative/inductive method. We are using already existing theories and testing these by conducting interviews. The data that we are collecting are deep and detailed.


Empirical foundation: Semi-Structured Telephone Interview with factory in Shenyang.

Conclusions: By applying the Hofstede (1980) Culture Consequences theory to show that the former perception of Chinese Culture did not have a complete impact on those leaders’ behaviors; House (2004) and Bakka et al (2001) illustrated that the leaders should have sufficient relative skills; and Hertzberg’s (1959) Two Factor theory demonstrated that the recognition and tangible benefits are most accept tools to motivate employees in this foundry. Furthermore, we find out the leaders use Occupational Eustress as besides other motivation tools. Furthermore, employees’s turnover in this heavy industrial foundry is very low, it contradicting with certain journal stated that Chinese employees are not likely to stay at one position more than two years. We found out those former perceptions of Chinese Leadership attitude in need of adjustment.
1 Introduction

The introduction begins with a background to the thesis. Then we discuss our problematization that our thesis is based on. The purpose and delimitations are formulated and ultimately the continuing disposition is presented.

1.1 Background

The ability to organize ourselves appears to be a skill that humans have had as long as we have been civilized or even longer. The first humans on earth had to organize their lives in a rational way so that they could survive. The pyramids in Egypt were built by thousands of people and the vast Roman Empire was controlled without modern-day technology (Laius & Leijon, 1996) and the Chinese wall and so on.

How were they able to succeed without the modern-day technology that we are accustomed to? You can speculate in this in many ways but one of the main reasons for their success might be the leadership.

Since the beginning of time men have lead their people in battle our under a hunt to supply themselves with food. If somebody in the group made an incorrect action or misunderstood a directive it could have fatal consequences. It was literally essential to obey your leader. (Ibid)

This shows how the importance of a good leader always has been crucial for surviving. You can put this in comparison with the fact that a company’s capability to survive and thrive has a lot to do with the choices that the leader has made.
1.1.2 China - the new economic superpower

China is on its way to becoming an economic superpower. The countries GDP has quadrupled in the last 20 year, it is now the second largest economy in the world. Almost every big business corporation has a part of its manufacturing process located there. (Fang, 2005)

It has been said that the 21st century belongs to China, just like the 20th century was the century of the United States. The number of company’s lead by Chinese people or doing business with China will increase markedly. (Chien, 2006)

This contributes to some “growing pains”.

This rapid expansion is creating a gaping hole in leadership talent and is contributing to premature promotions which lead to poor leadership quality. (Frauenheim, 2007)

“The growth of the economy in China is outpacing the growth of skilled talent.”

Wellin (Ketter, 2008)

1.1.3 East meets West

China is one of the most relationship-based cultures in the world. Business is driven by relationships. “The Western way” is the opposite; it’s a model that they find more comfortable. (Turley, 2006)

The Chinese culture is heavily influenced by Confucianism that focuses on human morality and good deeds. Confucianism is a complex system of moral, social, political, philosophical and quasi-religious thought that has had tremendous influence on the culture and history of East Asia. Unlike most European and Americans philosophers, Confucius did not rely on deductive reasoning to convince his listeners. Instead, he used figures of rhetoric such as analogy and aphorism to explain his ideas. Most of the time these techniques were highly contextualized. For these reasons, European and America businessmen often think that the way Chinese people talk are very complicated.
Chinese culture is relationship based, and the differing duties arising from the different status one held in relation to others. Consequently, social harmony are the great goal of Confucianism – thus results partly from every individual knowing his or her place in the social order and playing his or her part well. (Chan, 2008)

“There is government, when the prince is prince, and the minister is minister; when the father is father, and the son is son.”

(Confucius)

There is a significant hierarchy in Chinese social relations. Therefore, face-saving is a very important factor that refers to a person who maintains their confidence and prestige in Chinese Culture. Face also translates into power and influence and affects goodwill. A loss of face would result in loss of trust within a social network and would likely result in a loss of authority. Consequently, the traditional way to solve the conflicts is to avoid conflicts in China, Chinese in general will avoid causing another person to lose face by not bring up embarrassing facts in public. (Ho, 1976)

The Chinese economic reform started as a program of economic reforms called "Socialism with Chinese characteristics" in the People's Republic of China (PRC) that were started in 1978 by pragmatists within the Communist Party of China (CPC) led by Deng Xiaoping and are ongoing as of the early 21st century. The goal of Chinese economic reform was to generate sufficient surplus value to finance the modernization of the mainland Chinese economy. Western Investment came into China; as a result, globalization propagates western influence in China. Chinese officials have insisted that its system is socialism; however, many in the West have characterized its economic reform as a tendency to Capitalism. Several studies also shows that the “Western Management Model” significantly affect Chinese Leadership. (Li. & Guo. & Liu, 2008)
1.2 Problematication

Since globalization and modernization are affecting not only the Chinese culture, but also within the workplace, Economic Reform continuously brought the *Iron Rice Bowl* system (Hanser, 2005) to an end and contributed to a more open labor market, increased autonomy of government-owned enterprises. It also increased the authority of local government officials and permitted a wide variety of private enterprises in other industries.

Our Case foundry is a semi-government-owned factory, which directly reports to its local government. This foundry was found in 1970 and it has been running smoothly more than thirty years. We assumed the main departmental leaders’ participation in this foundry play the central role of its successful operation until today. Secondly, we would like to investigate their perception of leadership, how they construct their leadership in the daily operation. Since all the employees are Chinese, and one of the Interviewee has been working for this foundry more than thirty years. We would like to find the answers of our intended questions:

- Does the traditional Chinese culture have an impact on their leadership styles?
- Since the employment market in China is very competitive, we would like to look into the turnover rate in this specific heavy industrial foundry, and how the leaders motivate and retain those workers.

1.3 Purpose

The Goals of this thesis is to investigate how the Foundry Chinese Managers perceive leadership, and how they construct their leadership skills in their daily working environment in that specific foundry context.
1.4 Continuing Disposition

Chapter two – The method chapter is where we describe the thesis working procedure. We also describe how our study was performed and what methods we used.

Chapter three – The theory chapter is where we discuss previous theories and findings about leadership and leadership in China.

Chapter four – The empirical findings chapter is where we compile the information from the interviews.

Chapter five – The conclusion chapter is where we analyze the empirical findings that we made and compare them with previous theories.

Chapter six – The Further Research chapter is where we give suggestions for further research.
2 Method

In this chapter we describe the working procedure and the methods we have used. Also a more broad description of our case company is made.

2.1 Working Procedure
2.1.1 Descriptive vs. Normative Theory

A descriptive theory is used to create understanding and explanation. (Artsberg, 2005)

If the object of the study is improvement, then a normative theory is being used. If there is something to improve, there must be something that is seen as a problem. To be able to identify what you can better you have to get an understanding of the facts. So a good normative theory is dependent on a good descriptive theory. (Ibid)

2.1.2 Deductive vs. Inductive Method

With a deductive method the existing theory is the starting point and the purpose is to test this theory as opposed to the inductive method were the empirical findings is the starting point and the purpose is to build up a new theory, that is new knowledge. (Ibid)

2.1.3 Qualitative vs. Quantitative Method

Using a qualitative method means that the empirics are open and polysemous. It derives from the study objects perspective while the quantitative method derives from the researchers ideas of what dimensions and categories that shall be in focus. (Alvesson & Sköldberg, 2008)

The data that is gathered with a quantitative method needs to be measurable. A common example of a quantitative method is standardize interviews were you learn a little about a lot. (Halvorsen, 1992)

With the qualitative method you dig deeper so that you can get plenty of information. It leads to a result in the shape of text. (Ibid)

2.1.4 Phenomenological Study
Phenomenological study describes the meaning for several individuals of their lived experiences of a concept or a phenomenon. It describing what all participants has in common as they experience a phenomenon. (Creswell, 1998)

2.1.5 Our Research Methods

We are using a qualitative/inductive method. We are using already existing theories and testing these by conducting interviews. The data that we are collecting are deep and detailed.

In our case, all the managers are from the same cultural background, and working under the same environment. The basic purpose of phenomenology is to identify a phenomenon; consequently “leadership” will be this phenomenon. Data through interview will be collected and analyzed by those five managers who have experienced the phenomenon and develops a complex description of the essence of their experience.

2.1.6 Consequences Of The Research Method

By using the qualitative method we don’t get as wide information as you get when you conduct a quantitative research. By only interview a couple of people you the information is thorough but narrow at the same time in contrast to a quantitave research were you can get a vast amount of information. We believe that the information we received is more valuable than the information we would receive in a survey.

2.2 Data Gathering
2.2.1 The Case Company

Our Case Foundry is based in Shenyang City. Shenyang City is the capital of Liaoning Province in Northeast China. The city is an important industrial center in China, and the transportation and commercial centre of China's northeastern region. At its peak (1970s), Shenyang is one of the top three industrial centers in China. However, after the 1980s, the heavy industry has declined gradually. The economy of the city has revived significantly in recent years, thanks to Chinese government's "Revitalize Northeast China" campaign and the rapid development of software and auto manufacture industries. The fifth China International Equipment Manufacturing Exposition was held at Shenyang International Exhibition Center on August 2006. This exposition promoted the revitalization of Northeastern traditional Industrial Foundation and opened this Industrial City to the world. This Exposition took Shenyang to a global heavy industrial manufacturing city, and invited some major foreign industrial companies set their headquarters in Shenyang. (www.shenyang.gov)

2.2.2 Primary Data

A total sum of five interviews was carried out by telephone calls and emails from March to April 2008. We prepared twenty-two questions in advance, but the questions are not strictly structured. We got the approval of the Operation Director Sun Yunxia and she permitted us to call the interviewees at home in the evening. Therefore, the interviewee becomes very relaxed at their homes and we had very friendly and honest dialogues through the telephones conversation. We added more follow-up questions related to the content, according to the topics the interviewees emphasized.

Most of the interviews were recorded using an MP3 Recorder with agreements from the interviewees. Because each interview usually take more than one and a half hour, sometimes the timing was not enough, we had to continuously make phone calls when they could continue the interviews. We also follow up
the ambiguous answers by sending them emails and continuous phone calls. We clearly informed about the fact that the interviews were going to be used in an academic field. They agree to use their real names. All the interviews were carried out in Chinese. I have done my utmost to make sure that the translations of the answers are as close to the original Chinese words meaning as possible.

2.2.3 Secondary Data

The secondary data consist of information that is already available to us. It has in contrast to primary data been taken from other researchers. For example articles, literature etc. (Halvorsen, 1992)
3 Theory

In this chapter we account for the theories that are significant for our thesis.

3.1 Leadership

“Leadership is the ability of an individual to influence, motivate and enable others to contribute toward the effectiveness and success of the (groups) of which they are members.”

House (Schaffer, 2008)

We believe that there can only be a leader when there is someone to lead, therefore are the organization and the people in this organization that are being lead an important part of the leader.

How the workgroup function is crucial when it comes to how we enjoy our workplace. A workgroup goes through different phases according to the American psychologist Schultz. Schultz builds his theory on three central phases and two transition phases. (Laius & Leijon, 1996)

Phase 1

When the group is formed the members are very friendly and polite. Conflicts are avoided and there is a big need to have a leader.

Phase 1:1

This is the honeymoon period, conflicts are still avoided. The group is high on team spirit
Phase 2

A leader in the group is now needed. This causes rivalry and conflicts in the group. Structure is needed but the members don’t want a leader to fill this need. This is the most demanding phase. The most important issue is leadership.

Phase 2:1

Now the members know their place in the group and they can recover from the conflict heavy time they just had.

Phase 3

To be able to reach this phase you must have good leaders that are perceptive to the members needs so that they can evolve.

The role as a leader is considered to be a coordinating role so it’s important that the leader creates a well-functioning team/group. (Ibid)

But how should you lead and motivate your team?

The authoritarian leader – His/hers power base is the most important thing, the status of being the leader. He/she is dominant. Leads through giving orders and directives. There is a distance between the leader and the group he/she is leading. Creates a certain security but also a certain insecurity due to the fact that the workers are dependent on the leader and doesn’t “know” how to make a decision by themselves. (Bakka et al, 2001)

The democratical leader – He/she practices a group oriented leadership. The work process perceives like a commonly controlled process and happens through independent assistance by the workers. Creates certain insecurity because the workers don’t know their part or place in the work process. But this insecurity is handled frequently by the controlled processes in the group. This helps build a greater understanding for the structure of the organization. (Ibid)
Laissez-faire leader – He/she practices a passive leadership. Doesn’t partake in the work process and doesn’t stimulate or organize the work. Creates a substantially insecurity for the workers who often feels like everything is “going with the flow”. The leader takes a layback disposition that perceives like indifference and this rubs off on the workers. The motivation drops. (Ibid)

We believe that motivation is a key ingredient for a successful leadership. The leader must motivate the people to work.

Frederick Hertzberg’s motivation theory tells us that responsibility, perfectibility and stimulus in the work are important for the work moral. Hertzberg divides the working conditions in two different groups. (Laius & Leijon, 1996)

Hygiene factors

Here he accounts for salary, environment and camaraderie. These factors give a satisfaction with the work your doing.

Motivations factors

Development, responsibility and stimulus can give a high job satisfaction to the individual worker.

How the leader organizes his team and how he/she leads the work depends on how the leader sees the workers.

Douglas McGregor’s X and Y theory is built on how the leader sees his/her workers. This outlook reflects the leadership. (Ibid)

According to theory X humans are lazy and uninterested of work as opposed to theory Y were humans are considered to be active, full of ideas and more than willing to work.
3.2 Chinese Culture And Leadership

Cultural difference affects leadership, management systems, management effectiveness and the organizations performance. So the ability to understand difference between China and other countries are significant. (Chein, 2006)

Also Casimir & Waldman (2007) stated that Cultural background and difference influences the perceived importance of various traits with regard to effective leadership.

Leaders find themselves in a cultural clash by a society influenced by Confucius and global corporations that favor flat and egalitarian styles. (Frauenheim, 2007)

“The Chinese leader has to translate the expectations of the foreign party into something that works in the Chinese settings.”

Carmosky (Ibid)

According to the survey Employee Retention In China, 2006-2007 most employees are not expected to stay at their company more than two years and that the high-level leaders were the ones that were most likely to leave their organization within the next year. (Ketter, 2008)

Many people in China believe that they have to change their jobs every two years to ensure that their career is going to develop. (Frauenheim, 2007)

Why have it become a culture in China to change their jobs so often?

Three out of four retention drivers are directly related to leadership. Employees are more likely to stay at their current job if they had great company leadership. (Ketter, 2008)

As stated before the number of company’s lead by Chinese people or doing business with China will increase markedly. (Chien, 2006) This would also probably lead to a lot of the leaders in the companies will be western leaders.
How this will affect the leadership and the organization of the company can be discussed. According to Chen & Tjosvold (2006) the results of the survey they conducted indicated that there were no significant differences in employee ratings of the American and the Chinese managers.

This can be explained by the fact that China will become and has become more similar to Western cultures when it becomes wealthier and wealthier. (Leung, 2008)

But by saying this it doesn’t mean that traditional Chinese values necessasary obstruct modern and effective ways of working and that modernization doesn’t require s break from traditional values. It can however be more difficult to apply then before because of state owned enterprises, private enterprises, share ownership and so on. (Tjosvold, Yu & Liu, 2004)

Knowing about face-saving and so on is useful but this knowledge cannot be expected to be applicable to all the Chinese people. (Frauenheim, 2007)

According to the survey Leadership In China: Keeping Pace With An Growing Economy 2005 the top skills that were considered necessary for a leader to possess is the ability to motivate others, build trust, retain talent and lead a team. (Hulme, 2006)

There is a big interest for the leader’s personal qualities and skills. Robert L. Katz divided different skills into three groups that he accounted for in an article “Skills of an effective administrator” (Bakka et al, 2001)

**Group 1 – Technical skills**

Specialized knowledge about methods, processes, execution and different techniques to implement into the work.

**Group 2 – Interpersonal skills**

The leader is well aware of his/hers opinion of other people. The leader accepts and understand others communication and are sensitive to other people’s needs and motivation.
Group 3 – Conceptual skills

The leader has to be able to understand how the organization works as a whole. He/she should be able to analyze the organization as a system.

Hofstede’s (1980) Individualism versus Collectivism, individualism on the one side versus its opposite, collectivism, is the degree to which individuals are integrated into groups. On the individualist side, we find societies in which the ties between individuals are loose: everyone is expected to look after him/herself and his/her immediate family. On collectivist side, we find societies in which people from birth onwards are integrated intro strong, cohesive in –groups, often extended families (with uncles, aunts, and grandparents) which continue protecting them in exchange for unquestioning loyalty. The word “collectivism” in this sense has no political meaning: it refers to the group not to the states. In Collectivism Societies work place, value standards differ for in-group and out-groups: particularism; relationship prevails over task, moral model of employer and employee relationship. In Individualism Societies work place, same value standards apply to all: universalism; task prevails over relationship, calculative model of employer and employee relationship. Particularism is a way of thinking in which the standards for the way a person should be treated depend on the group or category to which this person belongs. Universalism is a way of thinking in which the standards for the way a person should be treated are the same for everybody.

Third dimension,(Hofstede, 1980) uncertainty avoidance, concerns how society deals with the fact that time only runs one way; that is, we are all caught in the reality of past, present and future and we have to live with uncertainty because the future is unknown and will always be so. Some societies teach their people to accept this uncertainty and not to become upset by it. People in such societies will accept each day more easily as it comes. They will take risks rather easily, and they will not work so hard. The will be relatively tolerant of behaviors and opinions different from their own because they do not feel threatened by them. Such societies are weak-uncertainty-avoidance societies;
their people have a natural tendency to feel relatively secure. He found out most of countries in East Asia, such as China, Japan and Korea which belongs to strong-uncertainty-avoidance societies.
4 Empirical findings

In this chapter we account for what have been said under the interviews.

4.1 Case Foundry

The Operation Director Sun Yunxia gave me a brief introduction about Shenyang Hongfa Foundry, Shenyang Hongfa Foundry was established in 1970, it is situated in Shenyang City. It has 500 employees, including 100 Engineering Technicians and Managerial and Supervision Employees. It is a jobbing and production foundry specializing in Class 20, 25, 30 and 35 Iron Castings. It utilizes Disamatic Molding Machines to produce molds for castings. Production volumes range from 100 to 900,000 parts. The major products include trucking, construction, pumps, valves, compressors, bearings, and industrial equipments. It is currently under the leadership of Sun Yunxia, who is holding the Operation Director Position. She has been working for it since 1976.

We selected this specific foundry because of a number of reasons. Shenyang is an important industrial center in China, after Shanghai and Tianjin. Some International Heavy Industrial corporation has their production plant in Shenyang. Such as, Bayerische Motoren Werke AG (BMW) started investment in 2003.

Shenyang Hongfa Foundry, it is a traditional and successful Chinese heavy industry company with all Chinese employees we might see how Chinese managers perceive their leadership in this foundry. Thirdly, the managers we had investigated all have management experience in their field. Fourthly, since this foundry steadily maintains its excellent operation, while other competitors continuously shut down theirs in the market.
During the interviews, we found out these five leaders pay very much attention on talking about Perception of leadership, Conflict settlement; Management Style, and Motivation. They believe those are the most important factor contributing to a qualified leadership. Consequently, according to the empirical findings from interviews, we have divided our analysis of the empirical findings into four major themes:

Each theme is further divided into specific subcategories.

4.2 Background of each manager

Mr. Ma Kedu

Loss & Prevention Department Assistant Director, 42 years old, has Engineering Bachelor Degree. He has been working in Loss & Prevention Department for 15 years in different industries and he has worked for seven years in this foundry. He has eleven subordinates, and is responsible for reducing losses of employees, factory, and customers.

Mrs. Sun Yunxia

Operation Director, 55 years old, has Statistic Bachelor. She has been working for this Foundry since 1976. She has been working 30 years in this foundry and has sufficient management experience. She is responsible for the overall operation such as human resources, strategies, decision-making, and understands basic technical knowledge. There are around 300 employees in this foundry.

Mr. Ai Xin

Senior Engineering Department Manager, 50 years old, has civil Engineering Bachelor. He got his first management position 20 years ago. He directs ad coordinates activities of engineering department to design, manufacture and testing components, products and systems. He is partially in charge of 200 employees. In our interview, he showed very interests in leadership literature.
Mr. Yi San

Finance Department Director, 35 years old, has Bachelor Degree in Accounting. He has financial management experience more than eight years. There are 7 employees under his position. He is in charge of the accounting; finance and budget functions within all departments. He took over the Department Director position five years ago.

Ms. Guan Can

She is working as the Sales & Marketing Manager, 33 years old, and has a Chinese Literature Bachelor Degree. She is responsible for leading and motivating the sales staff toward their goal of increasing sales, increasing the foundry revenue. She has 5 marketing and 15 sales employees. She has worked here since 2000.

4.3 Perception of leadership

4.3.1 Self-perception and perception of leadership

“When I work as a leader I have my self-respect, pride, status. I should be an example for employees, such as when we are committed to certain goals we have to work together. Achieving goals is not only my followers’ job, I am also a member in my team and I should throw away my bossiness and take action with them together. I personally work with them is one of the motivation for my employees to do the job in a better way. I am always there with them. The leader’s quality should be an example for others to respect and follow his directions. At least the leader should be a very good Role Model to his subordinates. If not, the followers will do the same mistakes. He should work hard for his followers and company.”

(Ma Kedu)

“I am very proud to work as a leader by having authority, and people will listen to me. I am good at observing and give all of my employees a good example. I must resolve the conflicts immediately, lead workers to finish the all the work assignment. I like to take care of them. My superiors and
subordinates perceive me as a hard-worker and have a very good ability to solve the problems. As a leader, He should have a better education, very experienced with his field business, and has intensive management experience. He must make correct decision, resolve the problems properly, and must have the ability to influence other workers behaviors, and let the workers to do the jobs under his "leadership". Keep on update with the latest market information, and have his own management system, which is applied to his organization. He should make the organization develop smoothly.”

(Sun Yunxia)

“I can perceive my subordinates emotions, well-beings, and take care of them, and maintain a very professional relationship. Therefore, you can make correct judgment, and make important decision. I do not concern too much with employees because I know if I care them too much, it will affect the productivity and departmental goals. You must be able to make decision, and put your employees in certain stress so that they can work harder. I think I work as a leader; my job is to let the other people do their job. Leader should make sure other people do better jobs instead of being a person to make the best product. Leadership is created from daily experience within a specific field, he should have specific interpersonal skills and abilities as competence.”

(Ai Xin)

“I have more than 10 years of Finance Department experience; I take care of my employees, make correct decisions, and have to make them get the jobs done. Leader is some one that has to take care of the employees and let them do the job and contribute their talents and abilities.”

(Yi San)

“I believe I have the distinct personality that suits my Sales & Marketing Career, I love to interact with people. I make sure I am happy and making correct decisions, because I have a great influence to my employees’ mental and physical well-being. I strongly believe leader is someone with the inborn
personality traits, and his managerial experience helps him to climb to higher leading position."

(Guan Cen)

Summary:

• A good ‘work buddy’ or a “role model” with whom to share ideas, able to build a nice team, and achieve excellent work.

(Ma Kedu)

• A hard worker and a role model with intensive management experience and the ability to solve problems. I am very experienced with my field business, and have the ability to influence other workers behaviors and let the workers to do the jobs under my "leadership". I have my own management system, which applies to my organization. I make the organization develop smoothly.

(Sun Yunxia)

• I am very experienced in my field and care about my employees. I have the excellent related skills and I am very experienced in my field, I also care about my employees.

(Yi San)

• Taking care of employees, make correct decisions, and make employees get the job done.

(Ai Xin)

• I have the ability to influence, motivate, influence the employees’ thinking and behaviors, as well as correct decision making.

(Guan Cen)
All five managers perceive themselves positively and agree that a leader should be a good example for their subordinates. They put themselves as one of the team members and work with their employees physically together to get the jobs done. Consequently, their employees believe their managers are with them all the time. The managers also show their attention by caring their staff mentally and physically. As a result, the employees will positively follow those “Role Model” and identify themselves with their leaders in terms of their thinking and behaviors. It is the essence to build a harmonious working team. All managers prioritized decision-making as the most important factor of leadership.

4.3.2 Delegation

“I just want to emphasize about empowerment for your followers. Actually, the word empowerment is derived from Power. Leader should have two things, the first one is ‘Fame’ and the next is ‘Power’, “Power” is obtained from your fame. For getting fame, you need to work hard and be an example to your followers, and share your authority with them. Once you have fame, automatically you will gain more authority by your good work. The leader you should have the main power to make decision, and let his followers follow direction.”

(Ma Kedu)

“I like power. I can manage people and give them order. However, you should behave in an acceptable way; you should share your authority and responsibilities with your workers. Because, the higher position you climb, you will have to take more responsibilities. When you share your work with your employees, you will feel not very tired, and workers will consider you respect their professional skills. So, have a harmony and coordinated working environment, build a great team. You must immediately solve the internal problems, in order to prevent your workers disclose any negative information to outsiders. Otherwise, outsiders will take the opportunity to make your internal problems worse and worse.”

(Sun Yunxia)
“You should trust your employees by giving them responsibility and let them decide what they should do. Otherwise, they will keep on come to you and ask for your approval, eventually you will get annoyed. You have to keep your employees happy, do not show outsiders any signs of weakness, otherwise outsiders will think your department have a very poor management. When employees are not happy, they will spread rumors; the rumors will negatively affect you and your department. Worse image will bring you less resource, money or less help from other divisions.”

(Ai Xin)

“I have more experience than my workers in my department; of course, I will get lots of jobs to do. However, I share my responsibilities with them. It is one of the ways for them to learn new things and skills from me, when they feel they do not know how to get the work done.”

(Yi San)

“No matter how much I sell, my income is fixed. So, I share my sales target with my workers and they will get paid more, and they will be happier.”

(Guan Cen)

Summary

- A good quality leader has a good image among his employees, so his empowerment comes from the support of his employees.

  (Ma Kedu)

- If you can delegate your power within your team properly, you will have an image that is more positive.

  (Sun Yunxia)

- Power comes with responsibility. People expect more of you, judge you more often, and put you under more pressure. Sharing your authority and responsibilities with your employees, the result is very pleasant.
• Assign your workload with your subordinates, is to enrich their jobs.

(Yi San)

• More power comes with more accurate decision and responsibilities. People will have more expectation.

(Guan Cen)

They stated Leadership automatically comes with power, which control and influence the behavior or choices of other employees. In this Foundry, a common problem is some employees behave to work very hard when the leader is around, and they tend to become lazy when leaders are absent. Ma Kedu stated that once the work assignment is given, he would distribute the workload fairly to his employees, he physically work with his subordinates together to get the jobs done. Delegation of your workload and responsibilities with your employees will make them feel they are empowered, and skilled. It also will increase their self-confidence by thinking his leader trust him. On the other hand, each employees has their own strength, they have their own way to get jobs done. Through delegation, you will find out there are different innovative results. Yi San explained he continuously allocates his authority and responsibilities to his workers. It is one of the ways to improve the communication through different ideas towards solutions, and increase the social interaction. In the end, leader is the one who makes final decision.
4.4 Conflict Resolutions

“Being a leader, I must keep my eyes and ears open in order to know what is going on. Currently, there are no conflicts in my department. If the conflicts happen, I will invite involved people to my office, let them sit down, and listen to their statements. I am as a Judge, and help them to think in a wider sense so that they will become calm and get relieved from the tension. Helping them to make wise decision so that they will become happy again. If there is any dispute with my bosses, I will be open and discuss with him about my ideas face to face.”

(Ma Kedu)

“The problems cause conflicts are we have different opinion towards the work, and most of the employees make mistake and they do not work hard. There are so many different ideas towards the work, they do not understand each other. You must stop the conflicts as soon as possible, otherwise the work will be delayed. First, you have to have a meeting when everyone is calm down. You have to find the main problem that caused the conflicts, then coordinate and fix the problems. Then let them understand we must have a shared goal in our teamwork. Each individual cannot work independently. If I have disagreements with my superiors, my way to deal with the disagreements is I express my opinion directly. I discuss details and my opinions with them face to face.”

(Sun Yunxia)

“In fact, I believe that the conflict is the "hidden stress", the conflict is an emotional issue. For example, three people have been fighting for a safety helmet. From surface, we may see they have conflicts regarding a safety helmet, in fact there is other "underlying issue" that cause the conflict, not only because of the safety helmet. Stress is unavoidable; maybe they have been having personal "problems" with each other for a long time, so the "problems" grows. Therefore, I have to reduce the "problems" which will damage the whole working environment or project in the future. You should have very good
interpersonal skills to recognize the attitudes and behaviors of your employees. In other words, you should be able to anticipate what they think and needs before they tell you explicitly. So, when you feel or recognize something is wrong between your subordinates, you should be able to stop the problem grow. When you try to solve the conflicts, you should not show your likeness or hate towards different employees, those also causes conflicts. For example, they are fighting because of the safety helmet, as a leader you may provide them different or extra safety helmets, or let them separate from each other, in order to reduce the "underlying stress."

(Ai Xin)

“Normally the conflicts caused by different people having different opinions towards the work, they defend their different ideas, and I will help them to evaluate the advantage and disadvantage of their opinions, to solve their problems. Being fair and open is very important.

(Yi San)

“In my department, the conflicts usually are personal, such as jealousy. Because in Sales & Marketing Department different sales performance comes with different incentives. However, my employees are very social and good at solving conflicts by themselves, they usually knows how to solve their problems. Otherwise, I will call them to my office and have an open talk with them, and solve the problem immediately.

(Guan Cen)

Summary

- Gain access and open discuss with the persons who have different opinions
  - One to one meeting, counseling and coaching
  - Seek immediate solution.

(Ma Kedu)
• Find the main problem that caused the conflicts in the meeting, then you coordinate and fix the problems. Then let them understand that we must have a shared goal in our teamwork. Each individual can not work independently.

  (Sun Yunxia)

• Resolve the problems immediately by providing tools necessary. Separation of workers sometimes works well.

  (Ai Xin)

• Gathering accurate information and the truth about the problems. Have meetings to solve the problems. I express and discuss details and my opinions with them face to face.

  (Yi San)

• Have staff meeting, find out the causes of the problems to be resolved immediately.

  (Guan Cen)

Great amounts of empirical and theoretical findings have been paying attention to the organizational inter-group conflict and its impact on team performance, cause arguments, performance delayed, time waste. We examined that the five managers agreed that leaders should have the ability to recognize the existing conflicts and initiate dialogue, which is following the immediate conflict resolutions, are most acceptable ways to solve the conflicts between and within teams. Sun Yunxia told us Conflicts are generally caused by misunderstanding, in-coordination of workload, different opinions towards the goal, lack of resources. In general, those leaders hold meetings under calm situation and invite different employees’ statements towards the conflict. Secondly, explaining, coaching, and collaborate to find a mutually favorable resolutions. Last, distributing work assignment fairly within the team. Furthermore, the leaders should be the central coordinator that gives emotional, social support that provide a sense of emotional safety and security, and promote the organizational members trust, cooperate, and support one another.
4.5 Emotional Attachment

“I certainly have emotional attachment with my employees; we respect each other’s ideas, proposals, decisions and feelings. I am very friendly and build strong relationship in the sense of being cooperative, motivating them by giving your help. One hand, you will get your job done; on the other hand your good relationship with your team will help you solve problems easily and your employees will respect your decision. I do agree I should maintain certain emotional distance.”

(Ma Kedu)

“I do have certain emotional attachment. Emotional attachment increase communication. We help each other not only in the factory but also when they have problems outside the factory. I have to support them.”

(Sun Yunxia)

“I think working as a leader is not only make employees happy, I also believe my job is to maximize the organizational performances, such as profit, and better employees performance, you also have to be able to coordinate the working conditions. I do not want to have too much emotional involvement with subordinates. Because once you have personal emotional involvement with them, you will have difficulties to make correct judgment and decisions. As a leader, your job is not only to take care of each individual's emotional/physical health. Yes, you have made sure their emotional/physical well-being, but your main duty is to make sure they will work as much as they can. Certain emotional attachment is necessary. You care about them, but if you let this emotional attachment goes deeper, such as being friends hanging out outside, you will have difficulties when the problems come, such as promotions, paying problem, or termination.”

(Ai Xin)
“I do have emotional attachment with my employees; I make sure they are physically and mentally healthy, so they can work properly.”

(Yi San)

“No matter how much emotional involvement you have with your employees, you should attempt to ascertain your decisions would not be affected by your emotions.”

(Guan Cen)

Summary

• Respect the ideas, proposals, decisions and feelings of others. At the same time, you should maintain a certain emotional distance..

(Ma Kedu)

• She does have certain emotional attachment with employees. Emotional attachment increases the quality of communication.

(Sun Yunxia)

• Too much emotional involvement will, however, affect judgments and decision-making. Take care of employees but make sure they will work as much as they can. You should have ability to regulate emotional attachment/detachment.

(Ai Xin)

• You should make sure your employees are physically and mentally healthy.

(Yi San)
• No matter how much emotional involvement you have with your employees you should attempt to ascertain your decisions would not be affected by your emotions.

(Guan Cen)

All of the managers claimed that they have emotional attachment with their employees. They show their emotional attachment by talking and listening, caring their physical and mental health; Sun Yunxia gave certain concerns even advices regarding her employees’ family problems. Ma Kedu also suggests his sick employees take extra breaks or sick-leaves. The impact of emotional attachment on organizational performance could be significant. Taking care of employees builds an emotional attachment, which indicates that they are appreciated and valued. Leaders only lead their employees through explicit instructions and suggestions would be a very poor choice in today business society. Building emotional connection with subordinates certainly increase the quality of communications, honesty, trust, and cooperation. By doing so, employees will find out their values and roles of who they are through those interactions. Employees might be considerably influenced by and adopt their leaders’ value. Thus, leaders will find out the best ways to encourage each different individual in various situations to perform at their best.

On the other hand, In this foundry, managers also keep certain emotional distance while they take care of their employees. They claimed that a leader should maintain a very professional relationship with employees in order to make correct judgments, and important decisions. Ai Xin told gave us an example, being a leadership you should not get drunk in front of your employees and disclose too much personal information. You certainly will lose respect from them. Too much concern about employees will affect the productivity and departmental performance, such as promotions and termination. Keep oneself as calm as possible to make reasonable decision in order to achieve the organizational mission.
4.6 Natural Leaders

“I have not attended it yet. I have lots of managerial experience, maybe the management training courses will improve myself. However, you should adapt whatever you learnt to your daily life, and make quick, wise, decision.”

(Ma KeDu)

“I have management experience over 30 years. My factory once gave me training opportunity, but it is all about theory. When I study those courses, I understood the theory, but I did not apply too much in reality. Maybe those new training program such as MBA will benefit young and new managers, but it would be not very useful for me.”

(Sun Yunxia)

“Professional training, I think it should come to the least important factor. If you do not have the required interpersonal skills or experience I can say those professional training are substantially useless. First, you should make sure you have the basic capacity to be a leader. Leadership is a tacit knowledge, or it is a kind of Art. If you do not have the "connection" with "leadership", you will never be a successful leader.”

(Ai Xin)

“Leadership training course sounds interesting; however, I am trying to learn more about my Financial Knowledge which indeed help my daily working life.”

(Yi San)

“I received a great amount of leadership training course outside, however, it does not fully help me to cope with my working situation, however, I made lots of friends whom I study together with.”

(Guan Cen)
Summary

• Leader should take quick, wise decisions that are based on leadership talents and certain amount of professional training.
  
  (Ma KeDu)

• Maybe those training program will benefit young and new managers, but it would be not very useful for me.

  (Sun Yunxia)

• It should come to the least important factor. You should learn from others and do it in daily life.

  (Ai Xin)

• “Leadership training course” sounds interesting.

  (Yi San)

• I received a great amount of leadership education, but it does not fully help me to cope with my working situation.

  (Guan Cen)

All the five managers claimed that they are uncertain about the professional leadership training programs will benefit the real life leadership. They realized that most of management trainings are about theories, which is unlikely to be applied in the real life work environment. Ai Xin explained “Leadership is a tacit knowledge, or a kind of Art. Leaders are using their interpersonal skills such as personalities, optimism, determinism, and empathy. If you do not have the internal connection with leadership, you will never be a successful leader. They construct or organize experiences about themselves and their social and interpersonal environments, through this process, they construct the meaning out of their experience and make the employees understand, perform and follow their guidance.
On the other hand, we found out that all leaders possess intensive management experience and specific abilities, skills, and knowledge within their specific department. Therefore, practical management experience is the most important factor, which is obtained through previous education, influence of previous managers’ style, daily observing and practicing. Leadership might be understood as a daily life experience, which is constituted within this human society. A leader who does not possess the required specific field skills and abilities can manage no employees. All the leaders gain their credibility, trust, and respect through their professional skills contribution and efficient interaction with employees.

4.7. Motivation tools

4.7.1 Recognition and Benefits

“I should not behave like a BOSS all the time. Be with your team as a friend, work shoulder to shoulder giving my full support and be physically available with the team to help them. I also give emotional support so that my employees will do and accomplish their responsibilities without stress. I do appreciate my employees, usually just a big smile and “Thank you” for the good job they have done.”

(Ma Kedu)

“First, you have to verbally confirm their performance. I will give them monetary motivation when it is necessary. I believe emotional and monetary motivations are most acceptable.”

(Sun Yunxia)

“Firstly, I appreciate their performance verbally; secondly, I give employees rewards such as nice work environment, gifts, bonus; thirdly, Carrot and stick, means rewards good behavior and punish bad behavior.”

(Ai Xin)
“Two ways, one is to increase salaries or other tangible benefits; the other one is job enrichment, such as giving more training to learn new skills and to get more experience from other workers.”

(Yi San)

“Financial incentives are the best, as well as verbal compliments. Other motivations should take into account according to the specific situation.”

(Guan Cen)

Summary

• Personally work together with the team members to accomplish organizational goals, and showing your appreciation to employees.
  (Ma Kedu)

• Motivating employees by emotional and financial instruments. Those two are most acceptable.
  (Sun Yunxia)

• Emotional and Monetary motivation, and Carrot and Stick motivation method.
  (Ai Xin)

• Tangible benefits, job enrichment are motivation tools.
  (Yi San)

• Giving financial incentive, and verbal compliments.
  (Guan Cen)

We found out that in this foundry, tangible rewards such as increase salary, bonus, and verbal compliments are the most common and acceptable tools to motivate its employees.
How the leader organizes his team and how he/she leads, the work depends on how the leader sees the workers. We get the answers from Ma Kedu and Sun Yunxia who stated that they recognize the workers’ performance by giving verbal confirmation, appreciation. Ma Kedu also emphasized that he is always physically with employees working together to achieve goals. In Finance Department, Yi San claimed that he has been learning financial knowledge and he usually gives some task to their employees to enrich their reutilized daily working. As a result, most of the manager agreed that the Recognition such as encouragement, appreciation, and financial incentive are the most acceptable among employees in this foundry, other incentives will be given based on different situations.

4.7. 2 Occupational Eustress

“Stress is one of the reason causes conflicts and problems in my department, It is bad, however the short time stress, of course, it is part of life you cannot avoid at all.”

(Ma Kedu)

“When you give them some stress, they will have motivation to work towards the goal. However, too much stress will make employees unhealthy and low productive. Most of the employees naturally have stress because they worry about their own age, facing unemployment, qualification.”

(Sun Yunxia)

“I can divide stress in two types. Negative stress, which means that, will cause damage to employees. Positive Stress: If the workers have positive stress, they will try their best to do the jobs. One of the factor causing stress in my department is the working condition is horrible. I reduce their stress is not based on individual level. I reduce stress from the organizational/departmental level instead of individual level. I mean you should not always consider from each specific individual level.”

(Ai Xin)
“Everyone knows stress is bad, but sometimes you must give them a push, otherwise, they will never finish the work, I give them deadline, such as you must finish by the end of this week.”

(Yi San)

“Most of S&M employees enjoy more stress than other departments; their personalities determine that if there were no stress, the job would be very boring.”

(Guan Cen)

Summary

• Short-term stress is unavoidable.

(Ma Kedu)

• Sometimes, "proper stress" means motivation.

(Sun Yunxia)

• If the workers have positive stress, they will try their best to do the jobs

(Ai Xin)

• Sometimes, you must give a push to your employees.

(Yi San)

• Personalities decide how much stress you can handle.

(Guan Cen)

Sun Yuxia told us most of the employees already have their own stress, such as aging, lack of qualification, and family problems. Managers expressed that they will try their best to eliminate the negative workplace stress by providing employees better working conditions, sufficient resources. On top of that, they
agreed positive short-term stress is the best way to motivate workers to work harder towards the goal achievement. Positive Stress is called Eustress, this is felt by people when they are confronted by a demanding situation, which they think they can handle. Most of the employees have been working at the same positions more than two years; they are rather familiar with foundry policy, their co-workers and superiors, they are also well known their working environment and standard operation procedures. As a result, workers gradually become uninteresting and impassionate towards their jobs as time goes by. Managers usually periodically use positive short-term stress to make employees work harder towards their work, and assign certain challenging project to the team members. Leaders and followers must work together to establish goals that are specific, clearly identifying the objectives that need to be realized. Consider the statement, “You must finish it by the end of the week.” Guan Cen gave an exact and clear deadline for her workers to finish the work. All leaders admitted that their implementation of short – term stress is very effective to achieve departmental goals in this foundry.
5 Conclusions

In this chapter we account for the conclusions we have made by analyzing the empirical finding and compare this information with the stated theories.

5.1 Cultural Contribution

Under the economic booming condition, China has a transformation where the East meets the West. The economic reform that started in the 1970s has allowed foreign companies and media to enter the Chinese market with the consequence of influencing the whole nation, especially in major cities. This can be explained by the fact that China will become and has become more similar to Western cultures when it becomes wealthier and wealthier. (Leung, 2008). Through the phone interviews with those five managers, we find out the ways they construct leadership are not completely under the influence of traditional Chinese Culture. According to Hofstede’s (1980) Individualism versus Collectivism, Most of the European and North American Countries are considered as strong individualism society. On the other hand, China in one of East Asians Countries is believed as a strong collectivism society, however, in this foundry the managers construct leadership by using both dimension traits. For instance, all of them have emotional attachment with their employees and they have very good personal relationships and the employees feel they are visible and valued (Collectivism), Stallard & Pankau (2008) illustrates the human value is present in a working place when every one understands the employees’ basic psychological needs, appreciates their positive, unique contribution and help them to achieve their potentials in order to maximize organizational goals. However, they do not let their emotional relationship affect their decision-making and they choose to resolve the conflicts immediately by open solutions, such as open meetings. (Frauenheim, 2007)
Knowing about face-saving and so on is useful but this knowledge cannot be expected to be applicable to all the Chinese people. Moreover, they delegate their authority, and responsibility throughout their departments, they work as the Role Model for the employee (Individualism). According to Chen & Tjosvold (2006) the results of the survey they conducted indicated that there were no significant differences in employee ratings of the American and the Chinese managers. This can be explained by the fact that China will become and has become more similar to Western cultures when it becomes wealthier and wealthier. (Leung, 2008)

Our results showed the traditional Chinese Culture does not have a completely influence on this foundry leaders’ behaviors, they do not go extremely neither individualism nor collectivism. They construct their leadership through daily life between those two boundaries in a democratic way.

5.2 Natural Leaders

According to House (2004) and Robert L. Katz ( Bakka et al, 2001) the interviewees agreed that Leadership must have the innate ability as an individual to influence, motivate and enable others to contribute towards the effectiveness and success of the organization (Conceptual Skills). We also find out that they emphasize Interpersonal Skills and the leaders’ personal innate ability or personality is more important than the leadership training programs. They believe that leaders must possess the essential proficiency and skills (Technical Skills) of that particular field. A real leader is created through his daily learning and practicing of leadership. All the leaders gain their credibility, trust, and respect through their professional skills contribution and efficient interaction with employees (Interpersonal skills); Kuhnert and Lewis (1987) mentioned that the leaders personality play a central role. It means they also should have distinct personality as well as interpersonal skills in order to influence the employees’ minds and behaviors, and follow his guidance to achieve organizational goals through daily interaction. Klie S (2008) demonstrated the leaders could not be created; however, it is possible to enhance the qualities of people, who are
natural managers and who know management, in a classroom. The five managers agreed that a good leader should have his own leadership style to leaders to inspire and lead their followers to achieve the target organizational performance. All the leaders claimed that the good leaders are built by their innate “Leadership ability” and daily practicing experiences instead of learning leadership through classrooms.

5.3 Motivations

Hertzberg’s (1959) Two Factor theory of job satisfaction tells us that responsibility, and inspiration in the work is important for the workers’ performance. One factor is motivator, such as recognition; work itself; the other Hygiene Factor, such as pay and tangible benefits. We found out that all the managers agree that recognition, such as immediate verbal compliments and appreciation of their performance; and monetary benefits, such as allowance, and incentives are the most acceptable motivation instruments in this foundry. Furthermore, we find out that all the managers emphasize the negative stress brought certain amount of negative effects for employees mental and physical condition. In contradiction, they also use work place Eustress, (Lazarus, 1974) a kind of short-term positive stress that will motivate workers work harder to achieve the target. We feel it is similar like Goal Setting Theory (Locke & Latham, 1990) has establishes at the specific, reasonably challenging goals can lead to high levels of motivation, which will create high level of performance. According to the survey Leadership In China: Keeping Pace With An Growing Economy 2005 the top skills that were considered necessary for a leader to possess is the ability to motivate others, build trust, retain talent and lead a team.(Hulme, 2006) Our investigation find out that the leaders should possess the ability to recognize the different factors within their specific circumstance to motivate their workers, such as Eustress in this particular foundry context, but not purposely follow the literature theories without careful measurement to match their own situation

5.4 Empirical Contribution
Regarding to the survey *Employee Retention in China, 2006-2007* and most employees are not likely to stay at their company more than two years and that the high-level leaders were the ones that were most likely to leave their organization within the next year. Also (Frauenheim, 2007) Many people in China believe that they have to change their jobs every two years to ensure that their career is going to develop. However, the operation director Sun Yunxia worked around thirty years, and other interviewee managers worked more than five years; all other line workers worked more than two years at the same position in this foundry. Consequently, our findings do not match the survey result.
6 Suggestions for Further Research

In this chapter we give suggestions for further research that can be of interest.

We have carried out the research on how Managers talk about leadership in this specific heavy industrial foundry in Northeast China. However, possible future research could indeed be carried out for other different foundries in the same industry in West China, and probably include more extensive research on employees turnover reasons.

A research on whether Chinese workers prefer to work under Foreign Leaders or Chinese Leaders could also be interesting.
7 Source Reference

In this chapter we account for the reference we have been using in our thesis.

7.1 Unpublished Sources

http://wiki.answers.com/Q/What_is_Positive_Stress


7.2 Published Sources


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