Finding a New Narrative of Chinese Business Leadership by Giving Voice to Chinese Millennials

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In this article, I study Chinese business leadership from the post-heroic perspective, as I try to understand the culture that creates power dynamics in China. I challenge the dominating narrative of Chinese leadership, namely the Confucian style autocratic leadership, giving special attention to the power distance dimension of Hofstede’s cultural studies in both the theoretical and empirical work in order to understand the construction of hierarchies in the Chinese context. Using empathy-based stories as the method of inquiry with 111 respondents from three different Chinese universities, I give voice to the Chinese Millennials. The data suggests that Chinese Millennials prefer low power distance to high power distance. Chinese Millennials have a pragmatic and logical approach to leadership; they want to create organizations that have good co-operation between all organization levels; the opinions of subordinates are important in decision-making process; big differences in salaries and other benefits are not accepted by Chinese Millennials. Chinese Millennials have a humble attitude and they believe in continuous improvement within organizations. Similar to their counterparts in other countries, Chinese Millennials are ethically and socially conscious and show a high-degree of compassion towards people in weaker positions.

**Keywords:** China, post-heroic leadership, empathy-based stories, Millennials, Chinese business.
We should pay more attention to how we talk about leadership and to whom we give voice through leadership research. From Plato's *Republic* to Sunzi’s *Art of War* and Machiavelli’s *Prince*, leadership has been described as a characteristic of an individual. The success of nations or organizations are painted as the grand work of their leaders. History has been written in a way that gives the blame or glory to individual leaders, most often men (Grint, 2001; 2011). The great illusion of hierarchy is that power flows from top to bottom, whereas in fact power is given to the leader by the subordinates (Pye, 1988, pp. 284–286).

The post-heroic leadership perspective treats leadership as co-constructed between people, rather than merely a trait connected to an individual (see for example Carroll, Levy & Richmond, 2008; Crevani, Lindgren & Packendorff, 2010; Denis, Langley & Sergi, 2012; Grint, 2011; Raelin, 2011; Ladkin, 2010; Uhl-Bien, 2006). In post-heroic leadership research, organizations are treated as cultural products; leadership should be seen in its social context and as an integral part of culture (Bathurst & Edwards, 2011; Crevani et al., 2010; Wood, 2005). Alternatively, organizational ambidexterity (OA) sees that both exploration and exploitation are needed: organizations need to be able to innovate and change, while maintaining some of their core activities (D’Souza, Sigdyal & Struckell, 2017; O’Reilly & Tushman, 2013; Raisch & Birkinshaw, 2008). Both post-heroic leadership theory and OA are pushing the leadership paradigm to new directions, from dealing with good and bad traits of leaders towards seeing leadership as a process that involves the entire organization and the cultural environment. In this spirit, I attempt to understand the culture that constructs Chinese leadership as phenomenon. By making the norms of Chinese leadership more visible, the Chinese people may better understand their own role in constructing hierarchies.

In addition to being extensively leader-focused, previous research in this field has neglected the diversity within Chinese business leadership (Chen & Lee, 2008; Wang & Chee, 2011). An effort has been made over the past ten years to broaden the scope of Chinese leadership research, but the stereotype of the Confucian autocratic leader still prevails. Research has contrasted the differences between Western and Chinese leaders greatly and very little attention has yet been given to the Millennial generation. (Zhang, Chen, & Ang, 2014.) Some recent studies indicate that Chinese Millennials have common values with their Western counterparts as they tend to be more individualistic and have fewer Confucian and other traditional Chinese values than the previous generation (Ren, Wood & Zhu, 2015; Zhang et al., 2014). As such, additional studies on Chinese Millennials are needed. Millennials are the generation born between the 1980s and the late 1990s or early 2000s (Bucic, Harris & Arli, 2012; Pendergast, 2007; Pew Research Centre, 2010). I aim to find the possible new voices among Chinese Millennials who would be able to break the stereotypes created by cultural studies and business leadership studies.

Different kinds of organizations in China have different kinds of leaders. Chen and Lee (2008) note that the Western scholars have given multinational corporations most attention, which has given a one-sided picture of Chinese leadership. (Chen & Lee, 2008). Furthermore, the research on Chinese leadership has overemphasized Confucianism, which is only one of the many philosophies that affect Chinese leadership. (Chen & Lee, 2008; Wang & Chee, 2011.) The modern history of China has left the country with both traditional and modern thought in coexistence (Chen & Lee, 2008). The reality of Chinese business leadership is constructed through traditional influence, market influence and Western influence (Ren et al., 2015, p. 76). The Western leadership theories have had an impact especially on task related management, but the traditional Chinese schools of thought have had more impact on how leaders govern their subordinates (Chen & Lee, 2008; Wang & Chee, 2011; Zhang, Chen, Liu & Liu, 2008). According to the Chinese traditional
thinking, leadership practices should be changed according to circumstances (Chen & Lee, 2008; Wang & Chee, 2011) and as everything is under constant change, so must the leaders be able to adapt to different situations and play different roles. Mao Zedong was a great example of a leader with many roles (Wang & Chee, 2011). In fact, some scholars have argued that one of the most notable characteristics of Mao was his ability to change and recreate himself completely (see for example Lu & Lu, 2008, pp. 211–214; Pye, 1976; Schwarts, 1968; Schram, 1973; Short, 1999). I want to avoid simplifying Chinese leadership further, and thus study the core of leadership: distribution of power.

In this paper, I seek to answer the questions: Which indicators of power distance, as defined by Hofstede (2001), do the Chinese Millennials identify with and to what extent? How do Chinese Millennials talk about leadership? And, what kind of leadership styles and practices do the Chinese Millennials prefer?

Power Distance
The element of a national culture that affects leadership practices the most is power distance (Hofstede, 2001; 2017). All organizations are hierarchical to some extent and there are many ways to divide power within hierarchies. Therefore, it is more important to investigate the leader-subordinate relationship than to look at an organizations’ hierarchical structures. According to Hofstede (2001, p. 79), “Power Distance is defined as the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally.” On a scale from zero to 100 China scores high with 80 points on the power distance dimension (Hofstede, 2001; 2017). Countries such as China that score high on power distance dimension, usually have centralized authoritative regimes and subordinates hold very little power (Hofstede, 2001; Hofstede, Hofstede & Minkov, 2010).

Hofstede’s national culture theory has been criticized widely (see Jackson, 2011; Kirkman, Lowe & Gibson, 2006; Touburg, 2016) and yet his theory is still prevalent in cross-cultural management research (see for example Bissessar, 2018; Claus, Callahan & Sandlin, 2018; Minkov, 2014; Shao, Rupp & Skarlicki & Jones, 2013; Stock, Strecker & Bieling, 2016; Vasile & Nicolescu, 2016). It is also widely used in business research on China (see for example Fu & Kamenou, 2011; Kim, Yoon, Cho, Li & Choi, 2016; Zhang & Spicer, 2014). This paper recognizes the impact of Hofstede’s theory but does not accept the authoritarian stereotype of Chinese leadership it has fortified. Thus, in this paper I challenge the idea of high power distance in China.

For more than a decade there have been indications that strong hierarchy in Chinese organizations might be challenged by younger generations. For example, Fu, Wu, Yang, and Ye (2007) found that Chinese people would prefer lower power distance compared to the current level. They concluded that especially the Chinese young generation might hold values that are more egalitarian. (Fu et al., 2007, p. 891–892.) The results of this study give some indication on how Chinese Millennials relate to power distance and leadership. By empirically examining the preferences of a younger Chinese generation, I argue that the authoritarian Confucian leadership ideal is outdated in 21st century China. The main argument is that the Chinese Millennials prefer a less authoritarian style of business leadership than the cultural studies of Hofstede have indicated, which challenges the old paradigm.

Methods and Data
I use empathy-based stories as the method of inquiry, as it is a useful method in social research when the researcher who is studying a culture has a different nationality and cultural background (Posti-Ahokas, 2013). In the empathy-based story method, data is obtained by asking respondents to write a story. This story is written based on an introductory script that the researcher has
constructed. The respondent either continues the story detailed in the introductory script or describes what has taken place prior to it. The script is written so that it instructs the respondent as to how they should proceed with their response. This often means posing a clear question or giving a task at the end of the script, such as “What do you think happens next?” and/or “Please describe how things avail.” Usually the researcher comes up with two to five different variations of each script. (Eskola, 1991; 1997; 1998.) When one item is varied in the introductory script, it changes the logic of the script and thus creates different scenarios (Rajala & Eskola, 1995). The variation of the script is crucial as it gives this method its particular characteristics. With the variation in the scripts, the method of empathy-based stories can function similarly to a laboratory experiment and differ from essay writing (Eskola, 1991; 1997).

For this study, I wrote two different introductory scripts, which both had one variation (see below). Each respondent responded to only one version of one of the scripts (either 1A, 1B, 2A or 2B). The scripts were first written in English and then translated into Chinese. With the first script, Hofstede’s (2001) idea about how high power distance affects the way inequality in wages and other benefits are accepted by those subordinate in the hierarchy was tested. Usually in cultures with high power distance it is generally accepted that higher ranking personnel get significantly better wages than those below them in rank. (Hofstede, 2001.)

The first introductory script (with the two different variations in bold) was:

A middle-sized company (100 employees) has had big economic losses (1A)/ good profits (1B) in the past few years. The employees are complaining that their working hours are too long and that their wages are too low and that their bosses are enjoying too big wages and other benefits. How should the CEO and other top managers react to the situation at hand and make it better? Describe how the situation in the company evolves.

The goal of the second script was to generate answers as to how power distance affects communication within organizations. The Hofstede cultural dimension model suggests that in countries with high power distance, criticism from employees in lower level positions does not have a big effect on managers’ behavior compared to criticism coming employees in higher level positions in the organization (Hofstede, 2001). A second goal was to get information on how much freedom the subordinates are given. The aspect of freedom is important for understanding Hofstede’s (2001) claim that in a country that scores high on power distance such as China, the subordinates should be controlled instead of having freedom regarding their own work.

The second introductory script (with the two different variations in bold) was:

Imagine yourself around fifteen years from now. You are working in an organization with around 200 employees. You are one of the highest-ranking leaders in the organization. Several of your employees complain that you are not giving them enough freedom in their work and that they are not satisfied with you as their leader. (2A) / Other old and high-ranking leader of your organization complains that you are not giving your employees enough freedom in their work and that he is not satisfied with you as a leader. (2B) Describe how you are going to react and what kind of changes would you make regarding your own leadership practices? What would make you a good leader again in the eyes of your employees (2A)/ the other high-ranking leaders (2B)?

130 scripts were handed out in total: 65 of each script and 32 of one variation and 33 of the other. The response rate was 86% (a total of 111 respondents). All the respondents were Chinese nationals aged 18 to 23 years. Their majors or minors were related
to business or business management. 80 of the respondents were female and 31 were male. There were 29 story responses for script 1A; 26 stories for 1B; 26 stories for 2A; and 30 stories for 2B. The data gathering took place in classroom situations. All the stories were handwritten in Chinese. The students were asked to write in Mandarin, which is either the mother tongue or second language of the respondents. The data was collected in Renmin University of China, Communications University of China in Nanjing and Nanjing University of Technology between May 2016 and July 2016. The answers were written anonymously.

The length of the stories reflects how difficult it is for the respondent to respond to the introductory script; usually, the longer the answer, the easier it is for the respondent to write the story (Eskola & Kujanpää, 1992; Eskola & Wäljäs, 1992). In Table 1, the number of Chinese characters in the responses are displayed. There is no significant difference between the lengths of the answers between different scripts. In addition, the average and median values of the number of characters used shows that it was rather easy for the respondents to write their stories.

I used a combination of qualitative and quantitative methods to analyze the data, namely tabulation, thematic analysis and discursive analysis. According to Eskola and Kujanpää (1992), using quantitative methods is suitable if the number of respondents exceeds 100. For the thematic analysis it was natural to divide the data first into two sets according to the two different introductory scripts, and then subsequently into two further sets according to the two different scenarios in order to get a deeper understanding of the effect of the variation in the introductory scripts. The stories were tabulated by combining a data driven and theory driven approach. First, the most relevant expressions were written down. These expressions were then put into categories that were formed using Hofstede’s indicators of high and low power distance. Discursive analysis investigates the way that the stories are written and constructed (Eskola, 1997, pp. 96–99; Eskola & King, 1995; Eskola & Suoranta, 2014). As such, after the thematic analysis and tabulating the stories, a more in-depth analysis was done using the principals of discursive analysis, whereby I read each of the stories several times.

### Empirical Findings

The effects of power distance within organizations are presented in Table 2. The table combines all the responses; it summarizes the results regarding power distance indicators. The first column presents the low power distance indicators and the fourth column the corresponding high power distance indicator as derived from Hofstede (2001, pp. 103-110). The second and fifth column show how many stories mentioned the indicator, and the third and sixth column show the corresponding percentage points.

From the table, we can see that there was clearly more emphasis on low power distance than high power distance in the answers. Nevertheless, it is important to note that several elements of high power distance can be found in some of the stories. This gives us an indication that while most Chinese Millennials might prefer a low power distance, there are still some individuals who prefer a high power
distance. It is also important to note that some Chinese Millennials might approach some problems with practices that belong to low power distance cultures, but then other problems with practices that belong to high power distance cultures. As in most of the stories, the solutions proposed were clearly not related to either low or high power distance, but instead included elements of both. This indicates that while the Chinese Millennials appreciate equality in power distribution, they also accept some hierarchy in power, depending on the situation.

The two indicators that consider freedom and wages were mentioned in many of the texts because these issues were mentioned in the introductory script. It is notable however, that a total of 64 stories mentioned the importance of the opinions of subordinates in decision-making processes. On the other hand, in 22 stories respondents relayed that the opinions of subordinates do not need to be considered in decision-making process. This was the most common high power distance indicator.

Several studies in the past have concluded that the most important motivator for Chinese workers is salary (see for example Bu & McKeen, 2001; Frecklington, 2003; Huseman, Hatfield, & Yu, 1991; Yu, Taylor & Wong, 2003). The results did not confirm that salary is the most important motivator, but it was given a significant amount of importance. In addition, the respondents emphasized the importance of corporate activities and improving the general atmosphere in the workplace. Exploitation of workers was highly condemned in the stories. Furthermore, the respondents emphasized the importance of good co-operation and communication within the company.

The leadership style that was portrayed in the responses of the Chinese Millennials was not the stereotypical authoritarian Confucian style nor

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<table>
<thead>
<tr>
<th>Low Power Distance</th>
<th>NT</th>
<th>%</th>
<th>High Power Distance</th>
<th>NT</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inequality should be avoided</td>
<td>14</td>
<td>12,6%</td>
<td>Inequality is natural</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Several people participate in decision making</td>
<td>29</td>
<td>26,1%</td>
<td>Central authority</td>
<td>6</td>
<td>5,4%</td>
</tr>
<tr>
<td>The opinions of subordinates are important in decision making process</td>
<td>64</td>
<td>57,7%</td>
<td>The opinions of subordinates do not need to be considered</td>
<td>22</td>
<td>19,8%</td>
</tr>
<tr>
<td>Ideal leader is democratic</td>
<td>12</td>
<td>10,8%</td>
<td>Ideal leader is a father figure or a benevolent despot</td>
<td>8</td>
<td>7,2%</td>
</tr>
<tr>
<td>Organization models vary</td>
<td>8</td>
<td>7,2%</td>
<td>Hierarchical pyramid model</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Hierarchy exists because of practical reasons</td>
<td>19</td>
<td>17,1%</td>
<td>Hierarchy exists because people are born unequal</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Subordinates are given a lot of freedom</td>
<td>33</td>
<td>29,7%</td>
<td>Subordinates are being controlled</td>
<td>1</td>
<td>0,9%</td>
</tr>
<tr>
<td>Leader guides subordinates</td>
<td>20</td>
<td>18%</td>
<td>Leader tells subordinates what to do</td>
<td>6</td>
<td>5,4%</td>
</tr>
<tr>
<td>Information is given to everyone</td>
<td>22</td>
<td>19,8%</td>
<td>Information is given only to leaders</td>
<td>3</td>
<td>2,7%</td>
</tr>
<tr>
<td>Small differences in wages and other benefits</td>
<td>56</td>
<td>50,5%</td>
<td>Big differences in wages and other benefits</td>
<td>2</td>
<td>1,8%</td>
</tr>
<tr>
<td>Subordinates participate in creative work</td>
<td>2</td>
<td>1,8%</td>
<td>New ideas are always checked by the leaders</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Subordinates can easily complain about their leaders</td>
<td>12</td>
<td>10,8%</td>
<td>It is difficult to complain about leaders</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

Table 2. Number and percentage of stories where each power distance indicator was mentioned
was it the Western democratic style either. What stood out was a logical and pragmatic approach to leadership issues. Based on the empirical data, Chinese Millennials would investigate the situation at hand properly before acting and they try to consider many aspects of a problem. Further, Chinese Millennials have a humble attitude and they believe in continuous improvement within organizations. The notion that Chinese Millennials would be selfish and have low emotional intelligence (Yu, 2005) was not supported by the empirical findings. On the contrary, the respondents seem to want to create a fair working environment for all the workers. They show a high-degree of compassion towards people in weaker positions. Chinese Millennials want to treat their subordinates fairly and give them good salaries and humane working hours. They seemed to be very willing to listen to other people's opinions and showed a high degree of humbleness in the face of critique from both subordinates and other leaders.

Conclusion & Discussion
The findings support my main argument that the Chinese Millennial generation would prefer less hierarchical leadership style than what the studies of Hofstede have indicated. This means that the Confucian authoritarian leadership paradigm needs to be complemented with other theories. Just like leadership in general, Chinese leadership is a continuum of different kinds of theories and ideals. The ideal Chinese leader is not only the caring father-like figure of the Confucian tradition, but rather every major school of thought holds its own ideal (Fung, 1948, pp.30–37; Lee, 2000 in Chen & Lee, 2008, p.2). Heroic leadership theory, which has tried to define good and bad leadership, cannot be the only theory suited to the complex reality of organizations in China or elsewhere. Instead, we need to adapt the Chinese traditional thinking to a broader range of leadership research and practices: leadership practices should adapt to circumstances. Chinese culture emphasizes the notion of Yin-Yang, that is, the continuous change between the opposites. In Western management literature, there is also the notion of paradox or ambidexterity. In fact, the findings of having both high and low power distance indicators in the same responses correspond to the notion of organizational ambidexterity.

Some conclusions can be drawn on how the Chinese Millennials themselves want to be treated as subordinates or would behave as leaders. These practical implications are not only of value to the older generation of Chinese business leaders, but they are also of value to foreign managers, as one of the biggest issues for European foreign invested enterprises operating in China has been to get and keep a qualified workforce (EU Chamber of Commerce in China, 2017).

The finding that salary is not the most important motivator may indicate that the minimum wage in this sector in China has reached a high enough level for salary alone to no longer be enough to motivate the employees. The finding that exploitation of workers was not accepted indicates that organizations should further develop their Corporate Social Responsibility (CSR). In China, this might be challenging as economic growth often demands fast expansion and large profits at the expense of CSR (Buyaert, 2012). Nevertheless, properly implemented CSR results in lower employee turnover and better performance (see for example Vitaliano, 2010). Participative leadership that gives space for the autonomy and individuality of the workers (Ou, Tsui, Kiniki, Waldman, Xiao, & Song, 2014) could help to keep the Chinese Millennial employees motivated. However, managers should not exaggerate generational difference; flexibility and consistency are key (Tan, Wang & Zhang, 2017).

There are several limitations to this paper. Firstly, the method of empathy-based stories gives room for different interpretations of the data. The sample was not representative, for instance, as 72% of the respondents were female and only 28% were male, thus a gender dimension could also have been investigated. The results of this study would benefit from a large-scale survey being conducted. Secondly,
the sample population was very homogenous with regard to education. Peterson & Merunka (2014) note that a student sample can cause issues not only in terms of generalizability but also in terms of validity and reliability. This raises questions about the generalizability of the results on any population other than young and highly educated Chinese people. For future research, a similar study could be conducted with a population of similar aged Chinese who have only completed basic schooling. Lastly, the sample population was also very homogenous in terms of age, 18 to 23 year-olds born in the 1990s. The term Millennial is generally not used in China. Instead post 80s (八零后), post 90s (九零后), and post 00s (零零后) are the popular terms and stand for the 1980s, 1990s and 2000s cohorts. China’s rapid economic development has led to significant differences between people born only one decade apart. It might be that the results of this study only apply to the 1990s Chinese cohorts.

In spite of these limitations, the results are in line with the common statements made about the Millennials across the globe, that they tend to be ethically and socially conscious and they want to feel free to express themselves.

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