Global leadership competencies of senior executives from non-state-owned companies of China: A qualitative study in a Confucian cultural context

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Certification

This thesis is submitted in fulfilment of the requirements of the degree of DBA, in the Macquarie Graduate School of Management, Macquarie University. This represents the original work and contribution of the author, except as acknowledged by general and specific references.

I hereby certify that this has not been submitted for a higher degree to any other university or institution.

Signed:

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Abstract

Global leadership competencies are critically important for senior executives who wish to achieve business success in the global community. Such competencies include moral leadership competencies, which are significant for addressing unprecedented challenges in the contemporary era of globalisation. But few studies have been conducted in a culturally specific context that considers the cultural influence on cognition upon which these moral leadership competencies are established. This study contextualised the global leadership competencies within the Chinese Confucian culture.

Participants were senior executives from Chinese non-state-owned companies that have undergone global expansion. This study investigated one dominant question: What are the global leadership competencies, in a culturally specific context of Confucianism, of senior executives in non-state-owned companies of China? Three subsidiary questions were also considered: (1) What is the significance of Confucianism on the global leadership competencies? (2) What is this study's uniqueness in comparison with previous studies? (3) What is the implication for global business leaders?

The data collected from 30 interviews were analysed using grounded theory methodology and Nvivo software, which identified 116 initial concepts, 42 advanced concepts, 11 categories, 4 axial codes and 1 core axis. The theoretically grounded model illustrates four clusters of global leadership competencies: moral cognition, self-leadership, community leadership and sustainability leadership.

This study makes five distinct contributions to leadership practice. It creates a culturally specific global leadership competency model, identifying the global leadership competencies of senior executives from Chinese non-state-owned companies in a Confucian cultural context. It articulates the Confucian influence on these competencies. It offers practical implications for management. It provides insights into the minds of Chinese senior executives. Finally, it recommends a culturally specific framework of global leadership competencies.

Contents

List of figures

List of tables

List of appendices

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Chapter 1: Introduction

1.1   Research background

Globalisation is increasingly omnipresent (Ritzer, 2011). Perhaps somewhat prophetically, in 1848 Karl Marx and Frederick Engels shed light on globalisation by predicting in the Manifesto of the Communist Party that the production and consumption of all countries would become global due to people's attempt to explore the world market, and that nations that initially survived in isolation and with self-reliance would become interconnected (Marx & Engels, 1948; Munck, 2010).

The insight by Marx and Engels more than a century and a half ago was not only highly prescient but is far truer today than it was in their lifetimes (Laibman, 2009). Globalisation as a literal term began to emerge in the British economist Norman Angell's book *The Great Illusion* in 1910 (Angell, 2009). His prophecy of the world in the following century coincided with the prediction by Marx and Engels. He implied that a country could build a foundation of long-term economic development only through economic globalisation. With the growth of international trade and industry, international finance would become highly intertwined and interdependent. Political and military authority would ultimately give way to economic globalisation (Toye, 2010).

Nowadays, globalisation is more than a buzzword. The advent of the "global age" or the "global world" (Albrow, 1996; McFarland et al., 1993) suggests that it is the inevitable development trend for all countries around the world, regardless of their economic system or performance (Steger, 2010). Globalisation has inexorably exerted a profound influence on all domains of every society (Wiarda, 2008). The economic field, which has seen unprecedented quantities of capital and labour flows across national frontiers and a boom in trading of commodities as transport costs decline, has drawn overwhelming attention from both scholars and business practitioners in the past few decades (Khapne, 2012; Miller et al., 2010; Yongxiu, 2010).

While economic globalisation remains a controversy, it is nonetheless highly intertwined with the interests of the worldwide business community. But economic

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

1

globalisation itself is a two-edged sword (Lu et al., 2003). Whether it brings opportunities or threats to developing countries depends on their response (Shin, 2007); those developing countries that have a proactive response will benefit from the conspicuous opportunities (Ritzer, 2011).

First, economic globalisation provides opportunities for developing countries to attract foreign capital. In the first decade of this century, foreign capital flowing to developing countries has increased by 190%, from US$205 billion in 2001 to US$595 billion in 2010 (World Investment Report, 2010). It greatly helps to solve the problem of shortage of capital faced by most developing countries. Second, it stimulates developing countries to engage in international trade, the growth of which has outstripped that of world GDP in the past decade. Both developed and developing countries benefit from international trade; on average developing countries account for around 20% of the volume of international trade (World Investment Report, 2010). Third, it encourages developing countries to optimise their industry and export commodity structure in order to meet the needs of global markets, prompting them to introduce new technology and continuously improve their productivity (Chatterji & Gangopadhyay, 2005).

The aforementioned opportunities have provided great momentum for many developing countries to embark on the economic globalisation journey (Anderson, 2011; Guthrie, 2012; Held & Koenig-Archibugi, 2003; Miller et al., 2010). China is one of those developing countries that have capitalised on economic globalisation in the past few decades.

The recorded history of the Chinese civilization spans more than 5000 years. For much of this time the country's economic development occurred in isolation, its abundant natural resources promoting a self-reliance that required virtually no exchange with the outside world (Lee, 2001). Little was changed with the founding of the People's Republic of China in 1949. The first three decades of the new regime saw socialist economic policies producing a GDP dominated by state-owned companies, and by the time the Chinese Government launched the reform and open-up policy in 1978 such companies still accounted for more than 99% of China's GDP, while the non-state-owned companies, the other type of companies, accounted for less than 1% of China's GDP (Zhou & Xie, 2008). However, since the turn of the new millennium the Chinese Government has made efforts to drive economic reform. While state-owned companies

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

2

remain the major contributors to China's GDP, the contribution of non-state-owned companies had dramatically increased to more than 60% by the end of 2012 (China Statistics Yearbook, 2013; Liu, 2013).

While the Chinese Government strictly controls the day-to-day operations of state-owned companies, non-state-owned companies benefit from a flexibility in their business operations that enables them to respond promptly to changes and opportunities in the market. Non-state-owned companies must also be more aggressive in terms of market share and resources as, unlike the state-owned companies, they receive little government assistance. Saturation of domestic markets has led an increasing number of Chinese non-state-owned companies to venture onto the overseas market, to either explore a greater market share or take advantage of more competitive resources (Huang, 2011; Kuhns, 2011). Direct foreign investment from Chinese non-state-owned companies to foreign markets increased from US$160 million in 2002 to US$3.75 billion in 2011, in a single decade (China Statistics Yearbook, 2012).

Current trends towards globalisation are promoting greater interaction among regions and countries. The economic reforms in China, as it transfers from a planning economy to a marketing economy, have opened more of the country's economic sectors to the outside world and provided opportunities for Chinese non-state-owned companies to expand into foreign markets. In this way they have benefited from advanced management practices and more economical resources (Gomez & Xiao, 2004; Lee, 2000). In the early 1990s, Haier, one of China's biggest home appliance manufacturers, set up its first overseas factory in South Carolina, USA (Yi & Ye, 2003). Following Haier's example, the emerging domestic athletic shoe giant Li Ning established an R&D centre in Portland, USA, in 2008. For both Haier and Li Ning, expanding their business to the overseas market was more than a strategic development move. By setting up business in foreign countries, they have been able to not only get closer to their target markets, but also acquire necessary resources such as advanced equipment, economical materials and more competent personnel (Huang, 2009).

However, few Chinese non-state-owned companies have been successful in globalising their business (Dietz et al., 2008; Guthrie, 2012). The name list of 50 best performing non-state-owned companies in China, which was compiled by All-China Federation of Industry & Commerce in 2002 and 2011, can justify this very well. As indicated in

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

3

appendices 1 and 2, of the 50 best performing non-state-owned companies in China in 2002, only 10 remained on the list of 2011, while the rest either struggled in their overseas business markets or gave up their ambition of globalising their business. When the lessons for Chinese companies to go global were summarised by Rein (2008), it was found that most had failed to achieve the expected results because they lacked the human resources competent to support the global business. The findings from Rein's (2008) study coincided with the result of the Survey on Current Conditions and Intention of Outbound Investment by Chinese Enterprises in 2010 (Wu, 2011). As indicated in Table 1.1, among the key challenges that the Chinese non-state-owned companies had to cope with when globalising their business, one of the top five challenges noted by survey participants was a lack of talent in international business and management.

As highlighted by Spencer and Spencer (1993), employees' competency and performance are essential for achieving organisational goals in a global market, and this applies equally to all kinds of organisations, including Chinese non-state-owned companies. The non-state-owned companies of China are aware of the importance of human resources for sustainable development, yet if they do not clearly identify the specific global leadership competencies required in their senior executives, it is hard for them to select, evaluate, train and develop the right people to support their global ambitions. Senior executives play a critical role in making strategic business decisions, and are among the most important human resources in Chinese non-state-owned companies. The overall performance of Chinese non-state-owned companies in a global market therefore depends largely on the leadership qualities of their senior executives (Mao, 2008).

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

4

Table 1.1: Key challenges faced by Chinese enterprises

Challenge	Score
Difficulty in financing	2.89
Local consumers not understanding the Chinese brand	2.91
Foreign consumers' concerns about the Chinese products' quality and safety	2.98
Lack of international business and management talent	3.23
Lack of innovation in products and processing technology aimed for the international market	3.27
Lack of understanding about new market regulations and risks	3.32
Difficulty in commercial activities due to cultural barriers	3.60
Negative response of the host country to the investment	3.75
Negative response of Chinese Government or people to the investment	3.83

Note: A smaller score indicates a greater influence of the factor on the overseas investment of enterprises in the Survey on Current Conditions and Intention of Outbound Investment by Chinese Enterprises in 2010.
Source: http://www.ccpit.org/Contents/Channel_367/2010/0602/256026/content_256026.htm, pp. 20–21

Researchers are increasingly focusing their attention on global leadership and global leadership competency, targeting the knowledge, skills and cognitive competency required by global business leaders (Adler, 1997; Dalton, 1998; Jokinen, 2005; Kanter, 1995; London & Sessa, 1998; Sternberg, 1997). Other authorities have argued that success in the global business community appears to depend on executives possessing a universal global leadership competency (Bartlett & Ghoshal, 1992; Brake, 1997; Cohen, 2007).

However, the diverse cultures of different countries and regions continue to influence the formation and development of global leadership competencies (Berger & Huntington, 2003; Held et al., 1999; Hofstede et al., 2010; Landrito & Sarros, 2013; Levy et al., 2007). For this reason, some competencies appear to work in one country but not in another (Adams, 2013; Dickson et al., 2001; den Hartog et al., 1999; Osland & Osland, 2005). The traditional culture where a person is born and grows up heavily

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

5

influences their cognitive competency (House et al., 2004), and so studies of global leadership competency should incorporate the traditional cultural context (Hofstede, 1980). An understanding of how traditional culture influences and shapes the development of a person's global leadership competency can provide a link between traditional culture and globalisation. Such understanding contributes to contextualise the global leadership competencies within the wealth of a traditional culture.

Previous studies of global leadership competencies have centred on the knowledge and skills required in global business leaders, rather than on cognitive competency in a culturally specific context (Adams, 2013; Wills & Barham, 1994). The current study, therefore, studied the global leadership competency of senior executives from Chinese non-state-owned companies in a Chinese cultural context. A major part of this culture is Confucianism, which has provided a cultural foundation for Chinese development and continues to exert an intangible influence on various aspects of modern Chinese society, including the cognitive competency of the Chinese people (Bell, 2010a, 2010b; Krieger & Trauzettel, 1991; Ma, 2009; Tu, 2012). Indeed, the virtues and characteristics within the wealth of Confucianism have drawn increasing attention from all over the world (Bell, 2010b; Jochim, 2008; Tu, 2010).

Immersed in a unique cultural environment in which the traditional culture and the wave of globalisation are colliding, senior executives of Chinese non-state-owned companies possess special global leadership competencies that incorporate their Chinese culture (Jochim, 2008). The lists of senior executives' global leadership competencies proposed by previous western researchers cannot simply be superimposed onto Chinese business leaders without considering Chinese traditional culture's influence on their cognition (Hu, 2012; Pan, 2011; Zhang & Luo, 2007).

While some authorities (Ghosh, 2011; Robertson, 1992, 2011) argue that deepening globalisation is producing a global culture, clearly the globalisation process must coexist with the traditional cultures of different countries and regions (Hall & Ames, 1995; Tu & Ikeda, 2011). Both global and traditional cultures influence the formation and development of people's cognition, one of the important elements of global leadership competency (D'Andrade, 1981). Studying how aspects of traditional culture shape people's cognition can offer new insights into how companies can capitalise on

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

6

the wealth of traditional culture in the global business community. This study, identifying the global leadership competencies of senior executives from non-state-owned companies of China in a culturally specific context of Confucianism, explicates the practical implications of Confucian virtues and characteristics for leadership practices in global business.

1.2   Research problem

Accelerating globalisation is creating a unique world for the business leaders where:

> *variety, complex interaction patterns among various subunits, host governments, and customers, pressures for change and stability, and the need to re-assert individual identity in a complex web of organizational relationships are the norm. This world is one beset with ambiguity and stress. Facts, emotions, anxieties, power and dependence, competition and collaboration, individual and team efforts are all present. The substantive and the organizational, the logical and the intuitive, data and judgment, the analytical and the emotional coexist. Managers have to deal with these often conflicting demands simultaneously.* (Prahalad, 1990, p. 30)

Coinciding with Prahalad's description of the contemporary business world, uncertainty has been drawing growing attention from both academics and leadership practitioners as a dominant challenge for business leaders nowadays (Bordia et al., 2004; Callan et al., 2007; Crane et al., 2009; Rhinesmith, 2009). Dramatic technological advances in the last few decades have prompted not only increasing complexity, but also growing diversity in the global business community. This combination of complexity and diversity has intensified the uncertainty of the work environment in which the business leaders have to make decisions when they lack sufficient data and clear direction.

Uncertainty emerged as the top worry of U.S. CEOs surveyed by Vistage International. Its CEO confidence index for the third quarter of 2010, a poll of more than 1,800 executives, showed that while 67% believed their companies would post increased sales in 2011, nearly 40% cited economic uncertainty as their most pressing issue (Galagan, 2011). The driving forces behind this uncertainty include new government regulations, changes in global economic power centres, accelerated industry transformation, growing volumes of data and rapidly evolving customer preferences. This has posed an

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

7

unprecedented requirement onto business leaders to make correct judgments in an increasingly uncertain business environment.

In the face of increasing uncertainty, it is noticeable that there has been an alarming increase of business scandals in the past decade (Brauer, 2007; Gray & Clark, 2002; Jiang et al., 2011; Lefevere, 2002). While the Enron scandal in early 2000 and the recent collapse of Lehman Brothers that triggered another round of global economic crisis at the end of 2008 have various root causes, it is apparent that their leaders did not have a strong competency to morally navigate their business in the current uncertain global business environment.

Increasing numbers of business scandals have been witnessed in both developed and developing countries (Hassan & Ahmed, 2011). Accompanied with rapid economic progress in developing countries is the rocketing number of scandals in their business communities. China, a developing country that has attracted most worldwide attention for its speedy economic development in the past three decades, is no exception. Its scandals cover not only a wide spectrum of the economic field, ranging from corruption and money laundering to food security, but also involve a growing number of senior executives (Pei et al., 2011). The melamine milk scandal disclosed in 2008 is a case in point, where most of key executives from the well-known milk manufacturer manipulated the whole event behind the scenes. It was a devastating attack on the dairy companies of China and their ambition to globalise their businesses. Consumer confidence in overseas markets for these Chinese milk products suddenly collapsed overnight (Wei & Liu, 2012).

The problems exposed by recent business scandals were of such magnitude that the global leadership competencies of senior executives were called into question, prompting scholars and business practitioners to examine whether the global leadership competencies that were identified in the past can fully support the business leaders to make a correct judgment in today's global business community that is full of uncertainties (Hassan & Ahmed, 2011).

Previous studies have identified three components in the body of global leadership competency: intellectual competency, emotional competency and moral competency.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

8

Most of the literature centres on intellectual and emotional aspects of global leadership competency that the global executives should possess (Adler, 1997; Dalton, 1998; Jokinen, 2005; Kanter, 1995; London & Sessa, 1998; Sternberg, 1997); there is a dearth of studies on the moral component of global leadership competency. Emerging studies (Haidt & Joseph, 2006; Huebner et al., 2010; Sachdeva et al., 2011) note that some global executives, well equipped with intellectual and emotional leadership competencies, still fail to perform well in the global community by leading their business in a moral way. They suggest that successful executives require moral competency, an ability that enables people to make a moral decision in an uncertain environment. Yet moral competency, as the indispensable element of global leadership competencies established upon cognition, needs to be addressed in a culturally specific context (Adams, 2013). In the face of increasingly intertwined interests in the global business community, such a competency differentiates the exceptional business leaders from the ordinary ones. Exceptional business leaders make moral decisions that balance the different interests of all stakeholders, while simultaneously achieving the business objectives of their organisation (Rhinesmith, 1992).

As translated into a link between organisational strategy and organisational and individual performance, global leadership competency is attracting increasing attention (Rothwell et al., 2004). With ever more Chinese non-state-owned companies attempting to go global, and with many of these attempts failing, both academic and business communities are investigating what leadership competencies are required by their senior executives to successfully globalise the business (Hu, 2012; Huang, 2009; Pan, 2011).

Most research into global leadership competencies (Bartlett & Ghoshal, 1992; Black et al., 1999; House et al., 2004; Jokinen, 2005; Morrison, 2000; Suutari, 2002) has been undertaken in western countries. These western-centric competencies do not completely fit into the cognition of Chinese senior executives, nor are they totally effective in enabling them to succeed in globalising their business (Pan, 2004, 2011; Zhang & Luo, 2007). The culturally endorsed implicit leadership theory indicates that leadership competencies are implicitly influenced by the culture in any given environment (Day, 2000; Hofstede et al., 2010; House et al., 2004; Osland & Osland, 2005). Empirical studies have shown a strong link between a culture and the cognition of people who grow and live in that culture (Dalton, 1998; Fiske & Taylor, 2013; House et al., 2004;

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

9

Jokinen, 2005; Ross, 2003; Shore, 1998). A person's culture influences their cognition in a number of dimensions: the self, personality, characteristics, values and interaction with the environment. Conversely, as cognition is part of a person's competency, a study of competency cannot be isolated from a culturally specific environment.

From a business perspective, specifying global leadership competencies for Chinese senior executives is helpful for their self-evaluation and self-improvement. Harnessing leadership competency is an ongoing journey, and lists of specific global leadership competencies can offer a clear roadmap on what and how to improve. From an academic perspective, a study of global leadership competencies needs to be conducted in a culturally specific context. Confucianism has been the core of the Chinese culture for centuries (Bell, 2010a, 2010b; Rainey, 2010; Tu, 2012). This research, which studied the global leadership competencies of Chinese senior executives in a Confucian cultural context, investigated the culturally specific influence of Confucianism on their global leadership competencies. Consequently, the global leadership competencies identified by this research are neither simply global nor regional competencies, but an integration of global leadership competencies and Confucian culture

1.3   From problem identification to research objectives

The aforementioned analysis makes the research problem clear-cut. Besides intellectual and emotional competencies, senior executives also need to possess the moral leadership competency in order to effectively cope with the challenges of contemporary globalisation. It enables them to make a correct judgment to morally navigate the business in a highly complex environment. Though cognition is shaped and influenced by the culture where people grow up and live (Adams, 2013; Sachdeva et al., 2011), limited studies have been conducted on the moral leadership competency in a culturally specific context. This gap in previous studies implies that, when studying the global leadership competencies of senior executives in non-state-owned companies of China, it is necessary to conduct the study in the culturally specific context of Confucianism, the main component of Chinese culture (Rainey, 2010; Tu, 2012; Tu & Ikeda, 2011; Zhu, 2009).

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

Simultaneously, the rejuvenation of Confucianism in East Asia countries offers a good justification for studying the global leadership competencies in a Confucian cultural context. The experience in those countries suggests that the traditional culture, instead of being obsolete, can play a positive role in globalisation. These countries' economic rise since the 1980s has been largely attributed to efforts in applying the core values of Confucianism to their economic and social life (Chan, 2008; Jochim, 2008; Schell, 2008; Tian, 2009; Tu, 2001a; Yu et al., 2011). China, a developing country that has startled the world with its dramatic economic rise, needs a moral rebirth to accompany its economic development. Unfortunately, its old Marxist-Leninist canon is thoroughly inadequate to the task of inspiring a truly modern, open and prosperous China. The Chinese people began to revisit Confucianism for moral direction (Bell, 2010a, 2010b; Murray, 2007; Rochlitz, 2012; Tamney & Chiang, 2002).

In the process of solving the above research problem, this study achieved five objectives. As the research component of a Doctor of Business Administration (DBA) degree program, its findings make a distinctive contribution to the improvement of global leadership practice.

First, this study explored the global leadership competency in the Chinese cultural context through in-depth interviews with 30 senior executives from non-state-owned companies of China. All interviewees are local Chinese who grew up in the Chinese culture and gained their career advancement in the Chinese society. As the formation and development of competency is influenced by the culture where they develop (Day, 2000; Dickson et al., 2001; den Hartog et al., 1999; Hofstede et al., 2010; House et al., 2004), their global leadership competencies required by contemporary globalisation are ingrained with the virtues and characteristics of their traditional Chinese culture. By collecting and analysing their insights at the interviews, the global leadership competencies that are specific to the Chinese cultural context were identified and are presented in a succinct and reader-friendly model.

Second, by studying the global leadership competency in a Confucian cultural context, this study demonstrates that the traditional culture exerts significant influence in the contemporary globalisation. Confucianism, at the core of Chinese culture, has had a profound influence on all aspects of Chinese civilization, both now and in the past (Li,

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

11

2009; Romar, 2004; Zhu, 2009). Rather than being separated from the contemporary globalisation trend, the traditional culture, if properly interpreted, can apply to the modern world and enable people to cope with the challenges ahead. This study provides a culturally specific framework for global leadership competencies required by the business leaders in the global business community. Four components of this framework – moral cognition, self-leadership, community leadership and sustainability leadership – are significant not only for the global leadership competencies of senior executives in Chinese non-state-owned companies, but also for contextualising the global leadership competencies in the wealth of traditional culture. Moral influence on the global leadership competencies from the Confucian virtues and characteristics fills in academic vacuum produced by the limited number of studies on the moral leadership competency in a culturally specific context.

Third, by using grounded theory methodology, this study investigated the correlation and process of how the cultural virtues and characteristics of Confucianism influence the global leadership competencies of senior executives from non-state-owned companies of China. Most previous researchers have used quantitative methodology and taken a psychological approach when investigating leadership and related topics (Conger, 1989; House & Mitchell, 1977; House et al., 2004). Such an approach has been only partially successful in producing an enduring and integrated theory of leadership. Grounded theory, as a qualitative methodology, is the most appropriate method for incorporating the variety and range of variables that influence the leadership process (Kan & Parry, 2004; Kempster & Parry, 2011; Parry, 1998). It indicates a dynamic interaction of four clusters of global leadership competencies in the Chinese Confucian culture.

Fourth, this study provides insights into the minds of Chinese senior executives. It is of great significance not only for the outside world to have more understanding of their way of thinking and leadership behaviour patterns, but also for the Chinese companies to further improve the leadership competency of their senior executives in areas such as talent selection, performance management, training and development. This study provides pragmatic tools, designed under a theoretically grounded model of global leadership competency, to select, evaluate, train and develop senior executives.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

12

Fifth, this study recommends a culturally specific framework of global leadership competency, indicating that business leaders need to develop both context-free global leadership competencies and culturally specific competencies. While valuing the context-free global leadership competencies generally accepted by the global business community, it draws attention from academics and business leaders to the competencies that are established in a culturally specific context.

In summary, by contextualising the global leadership competencies within the wealth of Chinese Confucian culture, this study proposes a culturally specific model of global leadership competencies. This model is significant for not only explicating the influence of traditional culture on the global leadership competencies, but also capitalising on the traditional culture in the global business community.

1.4   Research questions

The research question for this study, therefore, was:

What are the global leadership competencies, in a culturally specific context of Confucianism, of senior executives in non-state-owned companies of China?

Part of answering this question involved contextualising the key aspects of these global leadership competencies by investigating three subsidiary questions:

- What is the significance of Confucianism on the global leadership competencies?

- What is the uniqueness of the global leadership competencies identified in a culturally specific context of Confucianism in comparison with previous studies?

- What is the implication of the culturally specific framework of global leadership competencies for business leaders?

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

13

1.5   Research methodology

To answer the aforementioned research questions, qualitative methodologies were considered the most appropriate for this study. The qualitative approach enabled the researchers to investigate the contextual variables, such as culture and social environment, which exert a profound influence on the establishment and development of the global leadership competency. Moreover, this approach aligns with the seven criteria for selecting qualitative methodologies outlined by Padgett (2008, pp. 15–16) and Oktay (2012, p. 28):

1.   Topic about which little is known;

2.   Topic of sensitivity and emotional depth;

3.   Studies of the "lived experience" from the perspectives of those who live

it and create meaning from it;

4.   Studies to understand the "black box" of practice, programs and interventions;

5.   Studies to understand unexpected quantitative findings;

6.   Studies that combine advocacy with research;

7.   Studies of complex social processes.

The overall objective of this research was to identify the global leadership competencies of senior executives from the non-state-owned companies of China in a culturally specific context of Confucianism. Grounded theory was considered the most suitable qualitative methodology to achieve this objective by explicating the traditional culture's influence on the global leadership competencies.

Pioneered by two scholars, Barney Glaser and Anselm Strauss, with the publication of their book *The Discovery of Grounded Theory* in 1967, grounded theory methodology aims at establishing the theory from the data collected from experience (Charmaz, 2006; Glaser & Strauss, 1967; Strauss & Corbin, 1990a). Unlike quantitative empirical research methods, researchers using this methodology do not propose any hypotheses;

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

14

instead, they conceptualise the data from the research process step by step and generate concepts that ultimately reflect the core of the study. One characteristic of grounded theory is that, instead of a purely empirical research practice, it generates new concepts and ideas from experience through iterative processes (Glaser & Strauss, 1967).

Despite different approaches to analysing and interpreting the collected data featured by different versions of the evolving grounded theory methodology, they all contain four essential elements (Birks & Mills, 2011; Cooney, 2010; Oktay, 2012):

- Theoretical sensitivity;

- Constant comparison;

- Theoretical sampling;

- Theoretical saturation.

As indicated by Glaser and Strauss when they initiated the grounded theory methodology, they aimed to stimulate other theorists to codify and publish their own methods for generating theory in the hope that "they will join us in telling those who have not yet attempted to generate theory that it is not a residual chore in this age of verification" (Glaser & Strauss, 1967, p. 8). As a result, this study deliberately included the aforementioned four elements, instead of following just one specific version. As a 20-step study, it comprised four operations – sampling, data collection, data analysis and theory presentation – as discussed in Chapter 3.

This study targeted 30 senior executives of Chinese non-state-owned companies, which were selected by the researcher from a list of 100 senior executives provided by a local management consulting company, iCan International Management Consulting Co. Ltd. These companies came from 10 industries: electronic manufacturing, pharmaceutical manufacturing, footwear manufacturing, chemical, telecommunication, food processing, banking, insurance, real estate and information technology. All had been conducting business globally for at least five years. They had occupied their senior executive position for at least 20 years, which included at least five years in the global business and in leading a cross-cultural team. Half of the 30 interviewees were male and half

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

15

were female. All were local Chinese executives who were born and grew up in China. Some had undertaken advanced studies, such as overseas MBA programs, and then returned to China to work. Expatriates or Chinese who were born and grew up overseas were excluded from the study.

A pilot study was conducted with five senior executives randomly selected from the aforementioned list to ensure the interview questions were properly designed and readily understood. Data were then collected from those 30 senior executives using semi-structured interviews. Half of these interviews were face-to-face, and the other half were conference calls. Each interview took 1½ hours and focused on four main themes.

- Participants' demographic background;

- Challenges of the global business community faced by participants;

- Most successful and least successful actions by participants to address these challenges;

- Global leadership competencies demonstrated by participants when dealing with these challenges.

Using the critical incident technique (CIT), the interviews were expected to provide the following information:

- Key challenges encountered by the participant when leading the global business;

- The most successful action taken by the participant to cope with those challenges;

- Global leadership competencies that enabled the participant to take that successful action;

- The least successful action taken by the participant to cope with those challenges;

- Global leadership competencies that the participant needed to improve in order to take a successful action in that incident.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

16

The whole process of data collection and data analysis consisted of three stages (Table 1.2). Ten different research participants were invited to each of these three stages. Using Nvivo, 110 initial concepts and 35 advanced concepts were identified in Stage 1 of the data collection, and an additional 16 initial concepts and 7 advanced concepts were identified in Stage 2. No new initial concepts and advanced concepts appeared in Stage 3, which meant that the data collection had come to saturation under the grounded theory methodology (Charmaz, 2006; Glaser & Strauss, 1967; Strauss & Corbin, 2008). The open coding identified 126 initial concepts and 42 advanced concepts, the axial coding identified four axes and the selective coding identified one core axis, thereby establishing the grounded theory. Figure 1.1 illustrates the processes of data collection and analysis.

Table 1.2: Three stages of data collection

Stage	Stage 1	Stage 2	Stage 3	
Initial Concepts	110	126	126	⇨ Saturation
Advanced Concepts	35	42	42	

When theoretical saturation was reached with the completion of the 30th interview, all the categories, axes and core axis were integrated. To ensure the findings of this study were presented in a way that was easily understood, 10 of the 30 participants were randomly invited to comment on the final grounded theory. The researcher orally presented the theory to them and solicited their feedback by five face-to-face meetings and five conference calls, which took an average of 45 minutes each. In response to the feedback from these 10 research participants, the grounded theory was finally presented in an illustrative model. The researches then sent it to those 30 participants for review by email, followed by a final 45-minute conference call to explain the model to each of participants and thank them for taking part in the research project.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

17

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

Figure 1.1: Data collection and analysis process
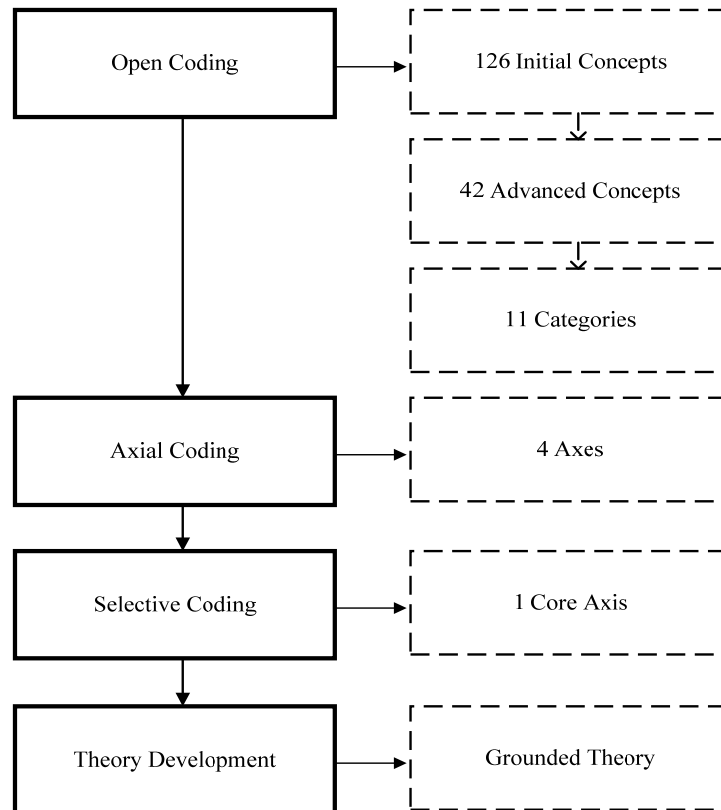
To ensure that management practitioners get maximum benefit from the findings of this study, one year later the researcher visited 10 of the research participants, randomly selected from the original 30. Application of the theoretically grounded model in a business management context is elaborated in Chapter 6.

1.6   Definition of key terms

Global. 'Global' is one of the terms that frequently appear in the contemporary business community. It used to describe the geographical scope of the business operation. The business was considered a global operation when its products or services were provided for most countries of the world (Albrow, 1996; Bartlett & Ghoshal, 2000; Brake, 1997). With the advent of knowledge economy, through advanced technology and social network, the business and its leaders can exert their worldwide influence to most

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

19

countries without need to go out of their home country (Bartlett & Ghoshal, 1992; Adler & Bartholomew, 1992). In this study, the term 'global' refers to not only the business scope geographically covering most countries around the world, but also the worldwide influences caused by the business operation and the business leader's decision.

Globalisation. Globalisation can be defined from different perspectives: geographical, economic, political and cultural. In this study globalisation is defined in a general sense, as networks of interdependence that span intercontinental distances (Keohane & Nye, 2000). As such, the term also includes potential changes, in any aspect of a society, that are caused by globalisation.

Leadership. The concept of leadership has been extensively studied in recent decades, yet authorities have reached no consensus on its definition (Bass & Avolio, 1993; Yukl, 2002). The culturally endorsed implicit leadership theory suggests that members of the same culture share common observations and values concerning what constitutes effective and ineffective leadership (Dorfman, 1996; House et al., 2004), and it is understandable, therefore, that people from different cultures have difference perceptions of what leadership should be. This study adopted the definition of leadership proposed by 54 researchers from 38 countries in the GLOBE project: "leadership is the ability of an individual to influence, motivate and enable others to contribute toward the effectiveness and success of the organisations of which they are members" (House et al., 2004, p. 56).

Competency. There are many general definitions of competency. This study adopted the definitions of Klemp (1980) and Spencer and Spencer (1993) that are widely accepted and are specific to corporate environments. Klemp defined competency as "an underlying characteristics of a person which results in effective and/or superior performance on the job" (Lucia & Lepsinger, 1999, p. 5). Spencer and Spencer referred to the competency as "an underlying characteristic of an individual that is causally related to criterion-referenced effective and/or superior performance in a job or situation" (Spencer & Spencer, 1993, p. 9).

Global leadership competencies. Despite no consensus on the definition of global leadership competencies, it is generally accepted that they are the competencies which enable the business leaders to achieve the effective and/or superior performance in the global business. This study adopts Jokinen's definition of global leadership

Global leadership competencies of senior executives from non-state-owned companies of China: A qualitative study in a Confucian cultural context

20

competencies, which is commonly cited by other scholars (Bird, 2008). Jokinen defines "global leadership competencies as those universal qualities that enable individuals to perform their job outside their own national as well as organizational culture, no matter what their educational or ethnical background is, what functional area their job description represents, or what organization they come from" (Jokinen, 2005, p. 201).

Senior executives. Senior executives are defined as those working in senior executive positions. Their responsibilities focus on formulating the organisation's business directions and strategies, and overseeing the overall performance of the business unit or organisation.

Non-state-owned companies of China. China has two main types of companies: state owned (owned by the Chinese Government) and non-state-owned (companies which are not owned by the Chinese Government).

1.7 Thesis structure

Previous empirical studies have demonstrated the influence of culture on leadership, with an executive's leadership style, values and behavioural patterns being shaped by the culture where he or she lives and works (House et al., 2004). It applies to all leaders, regardless of their cultural origin.

Global leadership competencies of senior executives of Chinese non-state-owned companies are influenced by the Chinese cultural environment in which they exercise their leadership. Any global leadership competencies that they acquire as a result of increasing globalisation still incorporate aspects of their Chinese cultural heritage, especially Confucianism, the dominant foundation of Chinese culture (Hu, 2012). This study aimed to contextualise the study of global leadership competencies within the wealth of Chinese Confucian culture.

This thesis comprises six chapters, as demonstrated in Figure 1.2. Chapter 1 has provided an overview of the whole research project. It has outlined the research background and research problems, and the objectives of the study. It then described the

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

21

methodology and detailed the key terms used in this study. Finally, it has presented the structure upon which the research was built.

Chapter 2 presents the literature review of previous research into key topics related to this study: globalisation, leadership, global leadership competency and Confucianism. The discussion of the literature falls into three clusters: Why, What and How. This chapter identifies significant areas for further study in each of these clusters, thereby providing an important direction for the research.

Chapter 3 describes the methodology. It justifies the choice of grounded theory methodology and provides a brief overview of this methodology and the research timeline. It then explains the Why, What and How perspectives of the four key components of this research: sampling, data collection, data analysis and theory presentation. Finally, it explores the credibility of this research.

Chapter 4 presents the data analysis. It describes in detail the step-by-step process of theory development under the guidelines of grounded theory methodology elaborated in Chapter 3. The chapter discusses open coding, axial coding and selective coding, and describes how the theoretically grounded model of global leadership competencies for senior executives from non-state-owned companies of China was established. It answers the dominating research question: What are the global leadership competencies, in the culturally specific context of Confucianism, of senior executives in non-state-owned companies of China?

Chapter 5 articulates the findings from the data analysis described in the previous chapter. It discusses the global leadership competencies identified from this study in the context of Confucianism and literature. It offers insights into two of the subsidiary research questions: What is the significance of Confucianism on the global leadership competencies? and What is the uniqueness of the global leadership competencies in comparison with previous studies?

Chapter 6 provides practical implications for management practice. It answers another subsidiary research question: What is the implication of a culturally specific framework of global leadership competencies for business leaders. While offering pragmatic implications for applying the findings of this study to talent selection, performance

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

22

management, training and development, it articulates the minds of Chinese senior executives. It also sheds light on developing a culturally specific framework of global leadership competencies. Limitations of this study are highlighted at the end of this chapter.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

23

Figure 1.2: Thesis structure

Chapter	**Content**	**Purpose**
Chapter 1: Introduction	Overview of research background, problem, objectives, methodology, framework and definition of key terms	To lay out an overall foundation for the research
Chapter 2: Literature Review	Review of existing literature from Why, What, and How cluster	To identify gaps in existing studies and provide directions for this research
Chapter 3: Methodology	Overview of the grounded theory methodology from Why, What and How perspective	To justify grounded theory methodology for this research and detail its significance, techniques and strategies
Chapter 4: Data Analysis	Process of data analysis with the grounded theory methodology	To present the whole process of how the collected data is interpreted and theory is established
	Open coding	To identify open coding categories from different perspectives
	Axial coding	To indicate interrelation among opening coding categories
	Selective coding	To find out the core category which has the most explanatory power
	Theory establishment	To consolidate all core codes in a visualized model
Chapter 5: Findings	Elaboration of the findings in the Confucian and literature context	To articulate the findings from the data analysis in previous chapter
Chapter 6: Discussion for management practice	Discussion of practical implications for management, minds of Chinese senior executives, culturally specific framework of global leadership competencies and limitations	To demonstrate distinctive contributions to the improvement of management practice

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

24

1.8   Conclusion

By introducing the research background and research problem, this chapter provides an overview of the research objectives and the approaches taken to achieve them. While the ultimate objective was to explore the global leadership competencies in a culturally specific context of Confucianism, efforts were made to explore the uniqueness of the global leadership competencies identified in a Confucian cultural context and the significance of Confucianism on the global leadership competencies. These efforts contribute to the literature on global leadership competencies, which is elaborated in the following chapter.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

25

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

Chapter 2: Literature Review

2.1 Introduction

Previous studies relevant to the questions of this research, including globalisation, leadership, global leadership competency and Confucianism, have mostly been conducted on a piecemeal basis with limited integration and synthesis. The objectives of this literature review are: (1) to synthesise and conceptualise all previous studies relevant to the global leadership competencies of senior executives of Chinese non-state-owned companies; (2) to identify the areas that need further study; and (3) to provide a specific direction for subsequent data collection and analysis of this research.

These three objectives are important for several reasons: (1) The consolidation of existing knowledge bridges the preceding studies related to the globalisation, leadership, global leadership competencies and Confucianism. (2) The synthesis of global leadership competencies provides a set of systematic references for future studies. (3) The Why-What-How literature review framework proposed for this research can be applied to other empirical studies which are conducted in a culturally specific context.

Globalisation – the social context upon which this study is built – has exerted a profound influence on most domains of society, especially on a society's economy, culture and organisations. The current era of globalisation presents unprecedented challenges. The literature review on globalisation explains why the global leadership competencies, particularly the moral leadership competencies, are significant for global business leaders.

The answer to this "Why?" question indicates that, to cope with the unprecedented challenges of globalisation, senior executives from Chinese non-state-owned companies should be equipped with global leadership competencies. The review then explores "What?" global leadership competencies have been investigated in previous research, and identifies three important points. The first is that global leadership competency evolves in tandem with the challenges of globalisation. Second, global leadership competency comprises three components: intellectual, emotional and moral leadership

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

27

competencies. Third, few previous studies of global leadership competency, especially those of moral leadership competency, have been conducted in a culturally specific context.

This study of global leadership competency of senior executives in Chinese non-state-owned companies was therefore conducted in the Chinese cultural context. A dominating influence on Chinese culture is Confucianism, and so the third focus of this literature review is "How?" Confucianism has influenced the cognition of senior executives in those companies towards moral standards and behavioural patterns. While Confucianism features moral virtues and characteristics, it still has practical implications for the contemporary globalisation. The common ground that Confucianism shares with western philosophical values justifies the contextualisation of the global leadership competencies in the wealth of Confucian culture.

This literature review, therefore, is structured around three clusters: Why, What and How (Figure 2.1). The first cluster concerns globalisation, and provides the reason why business leaders need to develop global leadership competencies in the contemporary era of globalisation. The second cluster switches from Why to What global leadership competencies have been identified in previous studies. The third cluster involves How Confucianism influences the global leadership competency of those senior executives.

The literature reviewed during the whole research project was obtained from the following sources: Academic Search Premier, Business Source Premier, Dissertations and Theses Online, Emerald Library, EBSCO Host, Macquarie Library, JSTOR, and Sociological Abstracts. It resulted in explicating three directions for this study: (1) The global leadership competencies of senior executives from the non-state-owned companies of China need to be established in a culturally specific context of Confucianism; (2) Confucianism, though it is an ancient cultural foundation of China, continues to exert moral influence on the global business community; (3) The global leadership competencies of senior executives from the non-state-owned companies of China enable them to cope with the unique challenges of the contemporary era of globalisation.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

28

Figure 2.1: Structure of literature review

Research Question
What are the global leadership competencies, in a culturally specific context of Confucianism, of senior executives in non-state-owned companies of China?

'Why' Cluster

globalisation

Unprecedented challenges of globalisation call for global leadership competencies, especially moral leadership competency of business leaders.

'What' Cluster

Global leadership competency

Global leadership competencies in existing studies are identified, but few of them focus on the moral leadership competency in a culturally specific context.

'How' Cluster

Confucianism

The Confucianism as core of Chinese traditional culture continues to exert moral influence on the global business community.

Three directions of this study
(1) To identify the global leadership competencies of senior executives from the non-state-owned companies of China needs to be established in a culturally specific context of Confucianism;
(2) Confucianism, though it is an ancient cultural foundation of China, continues to exert moral influence on the global business community;
(3) The global leadership competencies of senior executives from the non-state-owned companies of China enable them to cope with the unique challenges of the contemporary era of globalisation.

Note: The solid arrows and matrices represent the key areas which have been reviewed in this research, while the dashed arrows and matrices indicate the unexplored topics to be studied in this research.

2.2 Globalisation – 'Why' cluster

To a certain extent, globalisation is a synthetic concept, a reconstruction of precursor concepts through which academics and business practitioners seek to comprehend reality (Mittelman, 2000). Similarly, as indicated by Beynon and Dunkerley (2000, p. 3), "globalization, in one form or another, is impacting on the lives of everyone on the planet ... globalization might justifiably be claimed to be the defining feature of human society at the start of the twenty-first century".

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

29

Instead of a universally accepted definition, globalisation is a triumph of ambiguity, which is too diffuse and multi-faceted to define or to give meaning to other than semantically, as in "the act of globalizing" (Van Der Bly, 2005, p. 877). When globalisation is discussed, it usually refers to internationalisation, liberalisation, universalisation and westernisation. While these four definitions are viable, they do not offer new understanding or highlight new historical conditions. Scholte (2000) proposed the fifth notion that offers additional, distinctive important insight into contemporary world politics: globalisation as the rise of supraterritoriality. Marked as a striking separation from the territorialist geography, this new notion indicates that globalisation is a process of broader social transformation by having all people around the world connected through planet-wide social links.

The literature indicates that no organisation, regardless of the economy or culture in which they operate, is beyond the overwhelming and unprecedented influence of contemporary globalisation. Chinese non-state-owned companies are also swept along with globalisation's development trends and have to cope with the associated challenges. Their senior executives need strong leadership competencies to lead the companies' global business and address the unprecedented challenges of globalisation. Before exploring What global leadership competencies are needed, this discussion turns to the relationship between globalisation and Chinese non-state-owned companies, and the challenges these companies face.

2.2.1 Globalisation and economic globalisation

Theorists are unanimous that the economy is the sector of society most influenced by globalisation (Khapne, 2012; Miller et al., 2010; Ritzer, 2011). The economy is at the core of debate by globalisation advocates and sceptics alike (Held & McGrew, 2000). Spurred by dramatic technological advances and shrinking geographical constraints, the economic relationships between countries and regions have become much closer than before. Economic globalisation is seen as a development trend in all countries, both developed and developing. There is no commonly agreed definition of the term "economic globalisation". But it is agreed among theorists that globalisation has
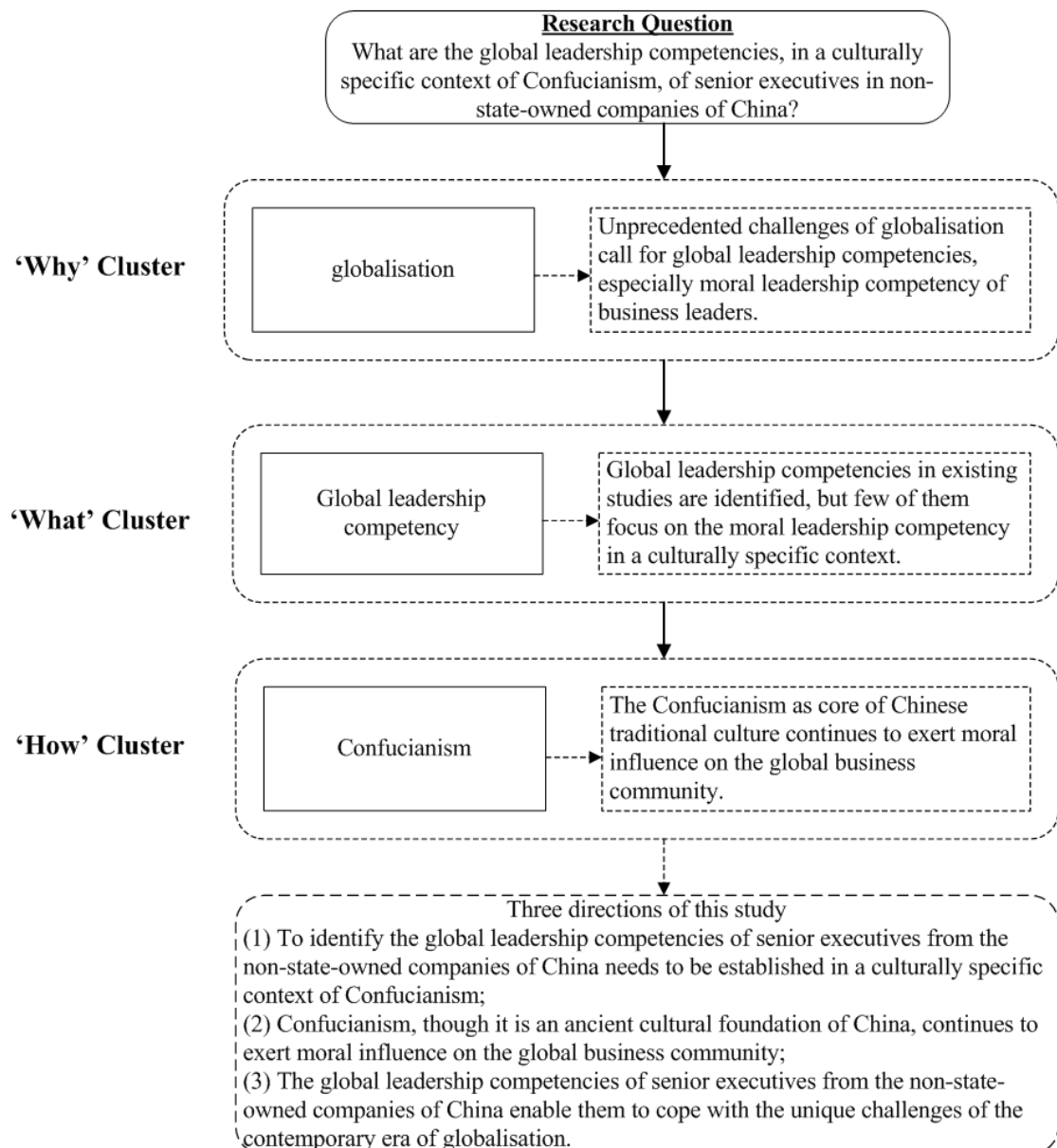
Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

30

facilitated the evolution of the global economy in three ways (Amin & Luckin, 1996; Klein, 2011; Ritzer, 2011; Steger, 2010).

First, in contrast to a planned economy, the global marketing economy is continuously expanding. On the one hand, the separation and isolation of individual markets is gradually diminishing and is being replaced by the global market. Since the 1990s, the obstacles posed by isolated economic systems have been greatly reduced as a result of increasing trade liberation (Pucik, 1997). On the other hand, many countries have endeavoured to accommodate themselves to the marketing economy. The economic reform launched in 1978 by the Chinese Government is a case in point. A series of economic reforms have rapidly integrated the country's development into the global economy (Chatterji & Gangopadhyay, 2005; Guthrie, 2012; Lu et al., 2003).

Second, the nature of multinational operations has gradually evolved since the 1990s, while their scope and size have quickly expanded. Multinational operations have been switching from general goods to intangible ones, from commodity trade to multinational investment and production, and from commodity production to capital flow (Goldstein, 2007). In the past one decade, the foreign direct investment (FDI) of the whole world has seen a dramatic rise, increasing from 560 billion in 2003 (UNCTAD, 2004) to $1.35 trillion (UNCTAD, 2013) in 2012.

Third, digital and networking communication has accelerated global economic development. Economic globalisation is the outcome of greater global productivity. Science and technology form the foundations of productivity, and largely determine the extent of that productivity (Morey, 2001). The technological revolution, in particular information technology, has profoundly influenced many aspects of society, ultimately leading to a radical change in productivity (Hitt & Hoskisson, 2008; Marga, 2010).

Economic globalisation is therefore a two-edged sword (Lu et al., 2003). While driving worldwide economic development, it has also brought unprecedented challenges to business leaders in the global business community (Albrow, 1996; Amin, 2004; Amin & Luckin, 1996; Bridge, 2002; Ervin & Smith, 2008; Galagan, 2011; Miller et al., 2010).

The first challenge derives from the intense competition. With deepening economic globalisation, capital flow and resource allocation are no longer confined to the domestic market. Instead, one country has to compete with all other countries in the

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

31

same global market to achieve maximum economic interest (Ritzer, 2011; Santos-Alvarez & Garcia-Merino, 2010; Steger, 2009).

The second challenge is technological innovation. Countries can drive their economic development in the face of global competition by relying on innovative technology, especially information technology (Deneen, 2008; Miller et al., 2010). Companies that triumph in the global market are usually those that emphasise technological innovation in their business. Technological advances enhance both productivity and the efficiency of acquiring the latest knowledge and information (Klein, 2011; Zeleny, 2012).

The third challenge comes from the need to maintain the harmonious coexistence of all economies in the global business community. The juxtaposition of economies produces a ripple effect economic development around the world (Gindin, 2002; Held, 2000; Keohane & Nye, 2000). It has been witnessed in the past three decades that the influence of one country's economic slowdown quickly spreads to other countries. Similarly, if one company makes any changes to its business strategy, stakeholders around the world become involved.

Concurrent with the challenges of economic globalisation have been a dramatically increasing number of business scandals in the global business community (Brauer, 2007; Hartoonian, 2002; Lefevere, 2002; Nott & Adjibolosoo, 2005; Stelzer, 2004). Intense competition has driven business leaders to pursue the maximum economic interests, while technological advancements have enabled them to manipulate their business globally. Most business scandals, plotted by multinational and high technology-driven transactions, quickly spread their negative influence to every corner of the world (Biswas et al., 2012; Greenfield, 2010; Kristof, 2006; Stelzer, 2004). There has been a growing call for leaders to lead their global business in a moral way.

The influences of economic globalisation extend further than just the economic spectrum. They have a profound bearing on business leaders' ways of thinking and conducting their economic activities from three perspectives: utilitarianism, contractarianism and pluralism (Goodpaster, 1982, 1992; Morrison, 2001; Nardin & Mapel, 1993; Qizilbash, 2007; Shafer-Landau, 2011).

From a utilitarianism perspective, economic globalisation provides a platform for business leaders to maximise the outcome of their economic activities (Morrison, 2001).

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

32

A growing market economy and diminishing geographical constraints greatly enhance this utilitarianism. Global business activities involve both domestic and overseas stakeholders. Their expectations of economic utility also consolidate such utilitarianism. Business leaders who are under the pressure to pursue maximum utility from a global business easily overemphasise the interests of their economic activities while overlooking the related costs. One of the fundamental causes of the more frequent business scandals in recent decades is a deficiency in business leaders' moral leadership competency, and the ability to balance costs and interests (Shafer-Landau, 2011).

From a contractarianism perspective, fairness in the global market helps to ensure that all stakeholders have an equal chance of achieving their business goals (Nardin & Mapel, 1993). It also means that stakeholders must assume relevant responsibilities and obligations, and the contract becomes an important tool for eliminating any potential departures from ethical business practice. Business leaders need to maintain an equilibrium between shareholders' rights and obligations in economic activities, a concept that is also at the core of the marketing economy. Once such an equilibrium is broken, the interests of all stakeholders in the economic activity are jeopardised (Morrison, 2001).

From a pluralism perspective, economic globalisation poses a compelling demand on business leaders to make the right business decision. With increasing interconnection of economic activities around the world, decisions by business leaders influence both local and overseas stakeholders. The ripple effect of the influence is multiplied with further economic interdependence. As indicated by Goodpaster (1992, pp. 5–6), "the pluralist focuses on the rightness or wrongness of actions as moral qualities that are distinct from extrinsic concerns such as consequences or rights. Fidelity and honesty are obligations not because they lead to more welfare or because others have a right to expect them, they are just basic duties". The influences brought about by these three perspectives of economic globalisation derive partly from clashes in the global community between different cultures and between traditional and modern outlooks. Culture undoubtedly plays a critical role in globalisation: externally, all economies are interconnected as part of the global business community; internally, it shapes the values and competencies of individuals through the process of cultural interaction. The following section, therefore, examines the relationship between globalisation and culture.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

33

2.2.2 Globalisation and culture

Increased globalisation is accompanied by an accelerating interaction between different cultures in the global community. The relationship between globalisation and culture is the focus of ever more academic studies (Hopper, 2007; Kessler & Wong-MingJi, 2009; Marsella, 2009; Shin, 2007). Before examining this interconnection in a global context, this section begins by discussing what culture is. A longitudinal review of the evolving definitions of culture can shed light on the interconnection between globalisation and culture.

At the end of the 19th century, Tylor proposed that "Culture, or Civilization, taken in its wide ethnographic sense, is that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society" (1871, p. 1).

Eighty years later, a critical review of the definitions of culture by Kroeber and Kluckhohn (1952) drew much academic attention. They synthesised 150 definitions of culture into a single definition:

> *Culture consists of patterns, explicit and implicit, of and for behavior acquired and transmitted by symbols, constituting the distinctive achievements of human groups, including their embodiments in artifacts; the essential core of culture consists of traditional (i.e., historically derived and selected) ideas and especially their attached values; culture systems may, on the one hand, be considered as products of action, on the other as conditioning elements of further action.* (Kroeber & Kluckhohn, 1952, p. 181)

The definition of culture then shifted from being an object of study to becoming a flexible tool for studying analytical projects. Instead of defining culture as a static object, it was structured as a mental framework, involving "models for perceiving, relating, and otherwise interpreting" things, people, behaviour or emotions (Goodenough, 1964, p. 167).

More recently, culture has been viewed as a system of symbols and meanings that make people uniquely human (White & Dillingham, 1973). This definition was echoed by Murphy, who described culture as a "storehouse of knowledge, technology, and social practices" (1986, p. 3), and also as a "system of symbols or signs endowed with general

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

34

or abstract meaning" (p. 25). A decade later, a similar notion came from Moore (1997, p. 73): "culture could only be explained in reference to specific social patterns".

The latest attempt to define culture takes an inter-group perspective, focusing on the interpersonal interaction among people in a group (Hecht et al., 2005).

While all these interpretations of culture take different perspectives, they share some common points that lay a solid foundation for further examination of the role of culture in globalisation.

First, culture is the product of social development. It permeates all aspects of society, reflecting people's way of living and their emotional and behavioural patterns in that social context. No-one is immune from the influence of culture (Benedict, 1956; Boas, 1940; Goodenough, 1964; Kluckhohn & Kelly, 1945; Kroeber & Kluckhohn, 1952; Tylor, 1871).

Second, culture is ingrained in the historical development of each nation. It has conspicuous national characteristics which differentiate one culture from another, and the historical traditions that gradually become established form an integral part of that culture (Alexander & Seidman, 1990; Hall & Held, 1990; Moore, 1997; Murphy, 1986).

Third, culture is the mental programs or the software of the mind, and can be self-copied by generation after generation (Hofstede, 1980; Hofstede et al., 2010). In particular, it includes people's innovation, ideology and values, which, although intangible, extensively influence and shape people's cognition (Clifford & Marcus, 1986; Connor, 1997; Edgar & Sedgwick, 1999; Linton, 1945; Tajfel, 1978; Winthrop, 1991).

While some theorists argue that the cultures of different regions and nations will become unified into a single global culture (Robertson, 1992, 1995, 2011), Hofstede (1983) offered three convincing reasons for the continued existence of traditional culture. First, each nation has its own institutions, based upon its history. Second, the traditional culture encompasses the symbolic values of the citizens who grow up and live in that nation. It becomes their inbuilt sociological identity. Third, as a traditional culture shapes people's values and social interactions, it also influences their mental programming and self-cognition.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

35

Academic debate about cultural convergence or divergence continues. It is undoubted that globalisation is posing striking challenges to the culture of all countries.

The first challenge is cultural imperialism, a global cultural strategy intentionally or unintentionally deployed by western countries on the basis of their strong economic power and military force. The outcome of such a strategy is to eliminate cultural diversity by replacing traditional cultures with the so-called modern culture represented by developed western countries (Quayson, 2000; Young, 2003).

The second challenge derives from cultural identity, shared religious beliefs, history, language, national heritage, geography and economic environment. In contrast to political and economic structure, cultural identity is more difficult to change and is deeply rooted in people's ideology (de Munck, 2013). However, the rapid development of information technology, transportation and global media, and the increasing influence of MNCs have turned the whole world into a global village. People with various cultural backgrounds live and work together in this village, while the products and services provided for this village never come from a single source (Beck, 2000).

The third challenge that globalisation poses to culture is more intense cultural clashes. As indicated by Berger and Huntington (2003), the global civilisation did not integrate at the end of the cold war era, but remained divided into several main civilisations, such China, India, Islam, the West, Latin America and Africa. The fundamental root of clashes after the cold war was not ideology, but cultural differences. Berger and Huntington predicted that non-western countries would react against the dominant culture by returning to their local culture.

While different cultures continue to clash, they also supplement each other. Cultural differences provide an important foundation for cooperation, and incorporating diverse elements of other cultures has added richness and depth to both eastern and western cultures (Hopper, 2007; Shin, 2007). Western culture has benefited most in this way, through the influence of the ancient Hebrew, Greek and Roman civilisations, as well as elements of the Teutonic tribal culture. Western culture has also been greatly influenced by the achievements of the Arabian culture (Alexander & Seidman, 1990; Robertson, 1992).

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

36

The preceding discussion of globalisation and culture highlights their interdependence. Rather than competing, the global culture and traditional culture are becoming more reciprocal with deepening globalisation. Any study of a culture in the context of globalisation requires study of the national character. Although every aspect of society is influenced by globalisation, the traditional culture still dominates people's values, way of thinking, and emotional and behavioural patterns (Hofstede, 1993). Achieving harmony between the global culture and traditional culture not only minimises friction, but also enhances the competitiveness and effectiveness of the organisation in which people from different cultures have to work together in the global marketplace (Robertson, 1992), as elaborated in the next section.

2.2.3 Globalisation and organisations

Traditionally, multinational companies are a product of developed countries (Goldstein, 2007). But economic globalisation has dramatically changed the conventional landscape. Since the mid-1980s, an increasing number of multinational companies have proliferated in developing countries, most of which have been playing a strikingly important role in the global business community (Wells, 1983).

Numerous studies in the past three decades have focused on the emergence of the so-called Third World Multinational Companies (3WMNCs) in developing countries. Motivations behind their endeavours to go global include the external forces posed by the rapidly changing market environment and internal self-regulation to respond to external changes (Goldstein, 2007; Kogut & Zander, 1993; Lall, 1983; Mathews, 2002; Wells, 1983).

Externally, technological advancement, especially in communication and transportation, has turned the global business operation into a reality. Both developed and developing countries benefit from this advancement. Developing countries can easily adapt their existing technology and production process to those overseas regions with cheaper operation and labour costs (Lall, 1983). Unlike their rivals from developed countries, which advance their global business with tremendous investment in high technology and innovation, the 3WMNCs can also access overseas markets by descaling the technology to less developed regions (Wells, 1983).

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

37

Internally, in the face of heated competition from the aggressive MNCs of developed countries, more and more developing countries have been aware that enhancing their overall competitive capabilities is the only way to ensure their survival and sustainable development in the global business community. China's economic reform launched in 1978 is a good example. This nationwide reform rejuvenated China's economic development and made this country a rising star in the world economy (Segal, 2002). Part of the economic reforms in developing countries involve encouraging their domestic companies to set up business in overseas regions where the labour and business operation costs are less expensive and the capital return is higher (Goldstein, 2007).

Apart from achieving maximum cost efficiency and investment return, a growing number of developing countries consider that setting up business in overseas markets is a shortcut to quickly learning advanced management and market practices, enabling them to build up their own competitiveness from the inside (Mathews, 2002). Although this philosophy goes against the conventional capital flow principle, it is no surprise to see that some developing countries intentionally invest in developed countries where the labour and business operation costs are much higher than in their home country. For example, at the beginning of the 21st century, the Chinese company Lenovo drew worldwide attention when it acquired the personal computer business of IBM, which enabled it to emerge from being an unknown Chinese company to a world-famous MNC by gearing up its overall competitive capabilities in a short time (Chu, 2000).

While direct foreign investment in MNCs by developing countries is considered as an effective strategy for strengthening their global market power externally and building up their competitive capabilities internally, it has posed unprecedented challenges for those 3WMNCs (Bartlett & Ghoshal, 2000).

The first challenge derives from the rapidly changing global market. When investing in foreign markets, they have to cope with completely new operation mechanisms and stakeholders. They need to quickly acquire knowledge of the new market and build up an understanding of all stakeholders' needs and expectations.

The second challenge comes from the MNCs from developed countries dominating the target market of their direct foreign investment. In contrast to their rivals that have been

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

38

operating for years, the 3WMNCs are latecomers in the foreign market and must quickly build up their capability of "linking with various kinds of contracting or licensing arrangements, and leveraging resources (knowledge, technology, market access channels) from such linkages" (Mathews, 2002, p. 468).

The third challenge involves increasing pressure from international organisations such as the WTO and UN, which require all global players to comply with the rules of the global business community. Associated with deepening economic globalisation is growing concern about sustainable development as a result of such global threats as a deteriorating living environment and global warming. Both the 3WMNCs and their rivals, while pursuing maximum profits still have the obligation to maintain the harmony and sustainability of the global business community by complying with the rules of the game.

At the core of the above three challenges for 3WMNCs is the global leadership competency of their leaders. To achieve global success and sustainable development, they need to develop a culture of continual cross-border learning and drive their global business relentlessly up the value curve (Bartlett & Ghoshal, 2000; Goldstein, 2007; Kogut & Zander, 1993). Chinese non-state-owned companies in the contemporary globalisation are no exception, which is discussed in the following section.

2.2.4 Globalisation and Chinese non-state-owned companies

Globalisation looks like a must-play game for all countries, regardless of their social and economic system (Ritzer, 2011). To be a global winner, besides understanding the game rules, the game player needs to regulate self to ensure compliance with those game rules. For China, the economic reform launched in 1978 was a nationwide endeavour to adapt to the rules of such a global game.

Accompanying the deepening economic reform in China has been the gradual relaxation of its policy of encouraging overseas investment. Rather than the time-consuming and complex procedure of submitting overseas investment applications to the state authority in Beijing, overseas investments that were less than US$3 million could be approved at the local government level. Overseas investment approval

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

39

procedures at the local government level were further streamlined (Huang, 2009). These new initiatives from the Chinese Government greatly encouraged Chinese non-state-owned companies to invest in overseas markets (Goldstein, 2007). Direct foreign investment from Chinese non-state-owned companies to foreign markets increased from US$160 million in 2002 to US$3.75 billion in 2011 (China Statistics Yearbook, 2012).

When globalising their business, Chinese non-state-owned companies have to cope with competition from both domestic and overseas markets. As discussed in the previous sections, the motivations for their global endeavours are twofold: external and internal. The strategy of globalising the business is definitely a long-term process for companies to enhance their competencies from all aspects.

First, although well-established multinational companies from developed countries are much more competitive than Chinese non-state-owned companies, they provide good examples in terms of their advanced management methods, operation patterns and market strategies. Direct interaction with their rivals in the global business community provides self-reflection and learning opportunities for Chinese companies to identify areas of improvement (Huang, 2009).

Second, a shortage of capital is a development bottleneck for most of Chinese non-state-owned companies (Estrin & World Bank, 2009), and having themselves listed in the overseas capital market is a common solution to this critical issue (Estrin & World Bank, 2009). However, being listed in the overseas capital market requires them to not only abide by the rules and regulations of the global business community, but also to have their business operations more transparent to all stakeholders. Those rules and regulations become an important base in the reforms of those companies.

Third, with more involvement in global business, the business pattern of the Chinese non-state-owned companies has evolved from a focus on quantity to one of quality, driven by knowledge and technology innovation. The only way forward is to move up in the value chain by upgrading their operations with the introduction of advanced technology and innovation. The attempt of globalising the business becomes a good opportunity to enhance the quality of their overall competitiveness in the global business community (Dietz et al., 2008).

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

40

Globalising their business has brought favourable development opportunities to the Chinese non-state-owned companies. But simultaneously it is also posing unprecedented challenges for them.

The first challenge is more severe competition from both domestic and overseas markets. Competitors and stakeholders around the world increase the complexity of the competition for Chinese non-state-owned companies, in several ways. First, this complexity is a result of the highly intertwined interest among competitors and stakeholders, domestic and global. Second, the complexity derives from the growing interaction among different cultures represented by different business organisations. A lack of understanding of other cultures increases the inevitable complexity of business activities (Guthrie, 2012).

The second challenge is that the inherent advantages of Chinese non-state-owned companies are beginning to diminish. In the early stages they exhibited strong business acumen, identifying business opportunities in niche markets and having the flexibility to adapt to market changes. Compared with the Chinese state-owned companies, they were more flexible in self-adjustment, rather than simply strictly following the market's rules and regulations (Liu, 2009). However, once they stepped into the global business community, they lost the advantages that had enabled them to survive in niche markets. After China's access to the World Trade Organization, especially with continued reform in the domestic market to comply with the rules and regulations of the global business community, more strict requirements were posed on Chinese non-state-owned companies (Rein, 2008; Wang & Li-Hua, 2007).

The third challenge is that, unlike Chinese state-owned companies, which received great assistance from the Chinese Government, non-state-owned companies had inherent disadvantages. Due to a lack of financial support from the government, their business operations were mostly confined to small-scale operations in low-end and low-value products, which ultimately limited the resources they could invest in staff training (Sun, 2010). By comparison, their rivals from developed countries had advanced management systems and high-calibre human resources. Furthermore, with China's access to the World Trade Organization and the accompanying tariff deduction, an increasing number of competitive products from overseas markets poured into the Chinese market, which

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

41

triggered much more domestic competition for Chinese non-state-owned companies (Wei, 2007).

To sum up, Chinese non-state-owned companies have encountered favourable opportunities and unprecedented challenges in the contemporary era of globalisation. They need to look at their business operations from a new perspective and build up new competencies to address those challenges. Before examining these competencies, it is imperative to have a clear understanding of the specific challenges of globalisation, which is reviewed in the next section.

2.2.5 Challenges of globalisation

Accelerating globalisation is posing unprecedented challenges on all business leaders around the world, and they acknowledge the need for a new set of global leadership competencies so they can meet these challenges.

The first challenge is multiplicity (Lane et al., 2004). Because of advances in transportation, communication and information technology, economic activities are not confined geographically; rather, there is a dramatic increase in the flow of economic resources around the globe, enabling more countries and regions to be involved in an economic activity. Economic interconnectedness involves many stakeholders and multiplies the influence of any economic activity. The worldwide economic crises that have occurred since 1990 support this argument. The economic slowdown of one country quickly influenced those countries with the most economic interaction, and then subsequently the rest of the world (Miller et al., 2010; Postone, 2012).

The second challenge is interdependence. With deepening economic globalisation, all stakeholders in the global community become more interdependent:

> *The bourgeoisie, by the rapid improvement of all instruments of production, by the immensely facilitated means of communication, draws all, even the most barbarian, nations extinction, to adopt the bourgeois mode of production; it compels them to introduce what it calls civilization into their midst, i.e., to become bourgeois themselves. In one word, it creates a world after its own image.* (Marx, 1977, p. 225)

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

42

Organisations that accomplish their business objectives are seen as more reliable in their interactions within the global business community.

The third challenge is uncertainty. Although information technology offers speed and proliferation of information, it represents a huge challenge in that business leaders need to make sound decisions swiftly in a rapidly changing business environment (Dotlich et al., 2009). Uncertainty also derives from the accelerating multiplicity and interdependence discussed above. There are no specific guidelines for every activity in a business community, despite its increasing accumulation of stakeholders from around the world.

The fourth challenge is sustainability. Economic globalisation has integrated worldwide business communities into single whole. Stakeholders now rely on the same global business community, rather than independent and separate business communities (Carroll & Buchholtz, 2012). Due to increasing interdependence, any negative influence by one stakeholder on this community quickly makes all other stakeholders suffer.

To effectively cope with the unprecedented challenges of globalisation, global business leaders need to be equipped with relevant global leadership competencies. The following section explores the global leadership competencies identified in previous studies.

2.2.6 Summary

This first part of the literature review has examined the 'Why' cluster, explaining why the senior executives of non-state-owned companies in China need to develop the global leadership competencies. It has identified three main points.

First, globalisation is an inevitable development trend, equally applicable to all kinds of business entities in both developed and developing countries. As an emerging force in the economic development of China, Chinese non-state-owned companies are expected to have increasing exposure in the global business community. However, few of them have actually succeeded in their global business goals. A possible cause of this failure is senior executives with deficient global leadership competencies.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

43

Second, while globalisation influences culture, it cannot exclude traditional culture. Instead, a feature of contemporary globalisation is the integration of modern civilisation and traditional culture. If interpreted appropriately, traditional culture can play a positive role in the contemporary era of globalisation.

Third, the unprecedented challenges of contemporary globalisation require business leaders to have new mind-sets and skill-sets to lead their organisation in the midst of increasing multiplicity, independence, uncertainty and sustainability. Senior executives of Chinese non-state-owned companies are no exception.

These three points highlight the need to identify the global leadership competencies that are essential for business leaders in the global business community, as examined in the following part of the literature review, the 'What' cluster.

2.3   Global leadership competencies – 'What' cluster

Leadership has been one of the most studied topics of the last 50 years or so (Adler, 1997; Barham & Oates, 1991; Bass, 1985; Bass & Avolio, 1993; Dalton, 1998; Dotlich et al., 2009; Hunt, 1991; Jokinen, 2005; Kanter, 1995; London & Sessa, 1998; Rhinesmith, 1992; Rothwell et al., 2004; Sternberg, 1997; Stuelten, 2009). The 21st century has seen increased focus on the global leadership competency of senior executives. Numerous studies have shown that the global leadership competency of senior executives influences their organisation's performance. This section reviews and synthesises previous studies of global leadership competencies.

2.3.1 Leadership

This section first reviews previous research into what is a leader, and what factors influence the making of a leader, in order to facilitate an in-depth understanding of the concept of leadership.

Leadership is described as "an enigma, a puzzle within a puzzle. It has an 'I know it when I see it' feel, yet there is no single, comprehensive definition that encompasses all divergent views about leadership" (House et al., 2004, p. 51). It has been extensively

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

44

studied from various perspectives, leading to different definitions – and therefore taxonomic confusion – of a leader, "there are almost as many definitions of leadership as there are persons who have attempted to define the concept" (Bass, 1990, p. 11).

Most previous studies suggest that the leadership skills and competencies can be acquired through training and learning, but few of them are context specific. It is argued that there is disconnection between the practice of leadership development and its scientific foundation (Day, 2000). Leaders need not only training in a set of skills or abilities, but also social interaction with the given community (Barker, 1997; Drath & Palus, 1994; Wenger & Snyder, 2000). Drath (1998) made a similar point, describing the influence of a given Zeitgeist on the construct of leadership which resulted in leadership becoming an evolving concept, which view led to the notion that any description of leadership development should relate to a given time period.

All leadership, however, occurs in a certain context: the leadership environment. It consists of factors related to leadership, including external factors such as politics, economics and culture, and internal factors such as the leader's personality, experience, knowledge and skill. All of these factors influence not only the leader's leadership style, but also his or her effectiveness (Adler, 1997; Bass & Avolio, 1993; Dalton, 1998; Dotlich et al., 2009; Jokinen, 2005; Kanter, 1995; Lobel, 1990; London & Sessa, 1998; Rhinesmith, 1992; Rothwell et al., 2004; Sternberg, 1997; Stuelten, 2009).

Increasingly popular in both academia and business circles is transformational leadership theory. As explained by Bass and Bass (2008, p. 41), "Changes in the marketplace and workforce over the two decades have resulted in the need for leaders to become more transformational and less transactional if they were to remain effective". The development of leadership theory and the dominance of transformational theory are leaders' responses to the changing context in which they exercise their leadership. Dramatic changes have occurred in the external and internal environments of organisations in the past couple of decades. Externally, the rapid advancement of science and technology, with economic and political development of countries and regions, evolving values and cultural identities are all changes to which senior executives must adapt their leadership style. Internally, a shallower organisational hierarchy, better educated employees and a culturally diverse workforce present new

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

45

challenges to senior executives (Bass & Bass, 2008; Brown & Moshavi, 2005; Tucker et al., 2006).

In summary, the relationship between leadership and environment highlights the need to study leadership in a specific environmental context. Contextual factors of the environment influence not only leaders' values, cognitive and behavioural patterns, but also their knowledge, skills and competencies. It has been shown that different contextual environments pose different requirements onto leaders in terms of their required knowledge, skills and competencies (Adams, 2013; Bird & Osland, 2005; Osland & Osland, 2005).

2.3.2 Leadership and culture

Of the various contextual factors in the environment that influence leadership, culture has drawn the most attention from researchers. Empirical studies have shown that people in different cultural contexts have different perceptions of leaders and their leadership (Hofstede, 1993; Hofstede et al., 2010; Pater, 2012; Sutherland & Gosling, 2010; Turregano & Gaffney, 2012).

Study of the cultural influences on leadership developed from research into cross-culture. Hofstede (1980) proposed four dimensions that differentiate one culture from another: power distance, individualism/collectivism, masculinity/femininity and uncertainty avoidance.

The power distance dimension is defined as the extent that people tolerate unequal power in an organisation or society (Hofstede, 1980). People's perceptions of power vary. People from western countries are more meritocracy-oriented, with more tolerance of unequal power allocation in organisations or society, while those from eastern countries attach greater importance to the constraint of power associated with the hierarchical levels in the organisation or society.

Uncertainty avoidance is interpreted as the extent to which a person relies on formal ways to tackle uncertainty and threat in the environment (Hofstede, 1980, 1983, 1993). In a culture with high uncertainty avoidance, people focus on authority, social status,

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

experience or age to create a secure and stable environment. In cultures with low uncertainty avoidance, people prefer a relatively flexible environment in which different opinions can coexist.

The individualism/collectivism dimension refers to whether people care more about their own personal interest, or the interests of the organisation or society (Hofstede, 1980; Hofstede et al., 2010). People who are inclined towards individualism care more about their personal interest or that of their own family, while people who are inclined to collectivism care more about the group interest of their organisation or society, and focus on commitment and loyalty to the group.

The masculinity/femininity dimension explains the function of society and implies whether the society is characterised by masculine features, such as competitiveness or autocracy, or femininity features, such as modesty or caring about others (Hofstede, 1980, 1993). The higher the masculinity dimension index, the more that particular society is characterised by masculine features.

Hofstede (1993) subsequently proposed one more dimension to his model, the long/short-term dimension, which refers to the extent that people tolerate the deferment of satisfying their material, emotional or social needs. People who are inclined towards the long-term dimension demonstrate greater orientation towards the future and a more pragmatic attitude. The rapid economic development of East Asia has been largely attributed to the long-term orientation of the people in that region (Hofstede, 1993; Hofstede & Bond, 1988).

Further to Hofstede's dimensional model, the GLOBE project team identified nine attributes of cultures, interpreted as quantitative dimensions: uncertainty avoidance, power distance, society's emphasis on collectivism, family collectivistic practices, gender egalitarianism, assertiveness, future orientation, performance orientation and human orientation. These dimensions were based on the measurement of culture in previous large-sample studies and on cross-culture theory (House et al., 2004). The GLOBE project provides a solid synthesis of existing cross-cultural studies and generates more dimensions for studying the culture of different countries or regions from different perspectives.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

Studies of cross-culture are characterised by two features. First, most studies centre on identifying the distinctions of a certain culture by using Hofstede's cultural dimensions, described above. They aim to provide a guide for senior executives on what to do and not do in a cross-cultural context. Second, they attempt to establish a universally accepted set of behavioural standards that senior executives can use all over the world (House et al., 2004).

However, very few studies have investigated how cultural differences can serve global leadership. Each country has the uniqueness and strength of its traditional culture. Instead of being obsolete, if appropriately used, they can also play a positive role in the contemporary globalisation. The rejuvenation of the traditional Confucian culture in the East Asian countries offers a convincing justification to this point (Shin, 2007). Contemporary global leadership studies indicate that dealing with culture is important in the intensely competitive business community (Barham & Oates, 1991), but limited studies offer suggestions to global business leaders on how to capitalise on the traditional culture in the global business community. Schneider and Barsoux (2003) implied that the critical element in cross-cultural studies is not to mediate or tolerate cultural differences, but to rely on those cultural differences. The cultural uniqueness of a country or a region should remain, regardless of the level of globalisation that occurs.

2.3.3 Leadership and competency

Competency has been drawing increasing attention in the human resources management spectrum in the past few decades (Rothwell et al., 2004). Human resources specialists in the corporate environment define competency as a person's underlying characteristics which result in effective and/or superior performance on the job (Klemp, 1980). Parry proposed a more detailed definition, that competency is "a cluster of related knowledge, skills and attitudes that affect a major part of one's job (a role or responsibility), that correlate with performance on the job, that can be measured against well-accepted standards, and that can be improved via training and development" (Parry, 1996, p. 50).

Spencer and Spencer (1993) pointed out that a competency comprises five important elements: motives, traits, self-concept, knowledge and skill. They suggested that the

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

48

type or level of a competency has practical implications for human resources management. Knowledge and skill competencies tend to be visible, and relatively superficial, characteristics of people. Self-concept, trait and motive competencies are more hidden and central to the personality. The competency concept has been widely used in human resources management, especially talent selection, performance management, training and development. Identifying the competencies that a superior performer should have enables organisations to attract and retain suitable kinds of talent (Gregersen et al., 2000). Increasing attention has been focused on the competencies required in an organisation's leaders.

Several studies have explored the relationship between leadership and competency. Bass and Avolio's (1993) multifactor leadership questionnaire (MLQ), designed to assess leadership competencies, indicated that transformational leadership is highly correlated with an organisation's overall performance, especially in times of change. Goleman (1997) indicated personality forming an important foundation for long-term managerial advancement, with emotional competency as important as intellectual aptitude. Building on Goleman's study, Dulewicz and Higgs (2005) suggested that an increasing number of academics and practitioners were beginning to explore, accept and promote the importance of emotional competency at the top levels of an organisation. More recently, Geoghegan and Dulewicz (2008) highlighted that a leader's managerial competency is significant to a project's success.

Empirical studies have identified specific competencies that are significant in a leader's good performance. Boyatzis (1982) noted that certain characteristics or abilities of people enable them to demonstrate the appropriate specific actions, which can be called competencies. A model of effective job performance proposed by Boyatzis reiterated the importance of competency in leadership success, where the individual's competencies, the job's demands and the organisational environment are three indispensable elements to ensure the desired performance. The model also highlights that the relationship between leadership and competency should be related to a specific environment. The environment facilitates a dynamic interaction between leadership and competency; consequently, leadership and competency should be built up in a specific context, especially the cultural context (Boyatzis, 1982).

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

49

Following Boyatzis's endeavour to identify the specific competencies which lead to effective performance of competent manager, it is notable that an increasing number of studies have attempted to explore more specific competencies required by global business leaders. These are elaborated in the following section.

2.3.4 Global leadership competency

Studying global leadership competency is not easy for either practitioners or scholars. Most previous studies describe global leadership competencies as multifaceted and varied, and there is little consensus on a set of global leadership competencies (Adler & Bartholomew, 1992; Bartlett & Ghoshal, 1992; Birchall et al., 1996; Boyatzis, 1982; Bueno et al., 2004; King & Zeithaml, 2001; Lee & Phan, 2000; McCall & Hollenbeck, 2002; Parry, 1996). Studies indicate that in a global society, where people work in the same global context and cope with the same global challenges, global leaders should have the same global leadership competencies. However, in reality this is not the case. Indeed, the challenges emanating from both the leadership and competency domain and the global context offer new insights into global leadership competencies.

The first challenge comes from the leadership itself. As discussed earlier, leadership is an abstract and hard-to-define concept (Caldwell et al., 2012; House et al., 2004; Levy, 2004). As leadership is deeply rooted in a social and cultural context, its definition varies in different societies or cultures. It explains why some leadership behaviour is highly recognised in one society and culture, but unacceptable in another. Defining leadership-related concepts is therefore challenging, especially as there is no commonly accepted definition of what constitutes global leadership (Osland et al., 2002). Even while one could define a global leader as someone whose job responsibilities have a global scope (Black et al., 1999), the range of positions to which such a definition applies makes it problematic to specify a narrow range of activities or behaviours.

The second challenge derives from the interpretation of the term "competency". McClelland's definition provides a good starting point: "competency is a set of underlying characteristics that an individual or team possesses which have been demonstrated to predict superior or effective performance in a job" (McClelland, 1973,

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

50

p. 8). The topic of competency has attracted much research attention, yet scholars have been unable to agree on a standard for measuring the superior or effective performance of a global leader (Adler & Bartholomew, 1992; Bartlett & Ghoshal, 1992; Birchall et al., 1996; Boyatzis, 1982; Bueno et al., 2004; King & Zeithaml, 2001; Lee & Phan, 2000; McCall & Hollenbeck, 2002; Parry, 1996). The absence of a widely accepted definition has, in turn, triggered yet more endeavours from academics and practitioners to explore specific global leadership competencies.

The third challenge relates to the constantly changing and uncertain global business environment. Societies worldwide are progressing at an unprecedented speed, and deepening globalisation is exerting a profound influence on all aspects of society. A more uncertain business environment – such as climate change and worldwide financial crises that were unheard of in earlier times – has posed unprecedented challenges for global senior executives. These challenges pose higher demand on the global leadership competencies, which is clearly a dynamic concept in association with a changing context.

To better address the aforementioned three challenges in the global leadership competency study, academics have sought to establish different frameworks of global leadership competency. The next three sections investigate three key frameworks of global leadership competency, namely multidimensional framework, integrated framework and pyramid framework, as proposed by Osland (2008).

Multidimensional framework of global leadership competency

As discussed below, several studies have explored the global leadership competency from different perspectives, constructing the multidimensional framework of global leadership competency. This framework offers various insights into the global leadership competency, assisting business leaders to acquire a full understanding of the required global leadership competency.

Lobel's (1990) review of previous research into global leadership competency highlighted several related competencies as important predictors of expatriate success: flexibility, curiosity and openness towards other ways of living and speaking, and non-judgmental acceptance of cultural differences. These interpersonal skills are also necessary for effectively managing any complex and diverse domestic organisation.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

51

However, instead of taking an empirical and contextual perspective, Lobel's study focused more on whether the managerial competencies for global leaders can be taught, and the design of any such cross-cultural training. The efficacy of training for cross-cultural management competencies may derive from either a lack of importance attributed to soft skill development, or a lack of evidence to show that training programs are effective. A clear directive for future research on global leadership competencies, then, is assessing the effectiveness of training through controlled, longitudinal studies with a variety of initial skill levels identified and re-evaluated after training and after the international assignment.

With awareness of the influence of context on competency, Bonnstetter (1999) explored the constructs of global leadership competencies against the contemporary globalisation backdrop. The first global leadership competency identified is the ability to know the difference. Global leaders must be ever vigilant in recognising the need to adapt their organisation's structure, systems and processes to accommodate shifting needs, and they must be ready to appropriately adapt how they relate to those they lead. Moreover, global leaders must first remove fear, engender trust and discern the true needs, interests, aspirations, passions and values of the people they lead. Bonnstetter's study suggested that global leadership development efforts must focus on the capabilities required to lead and manage organisations in the multinational, multicultural, multilingual, multi-media world that defines relationships with colleagues, subordinates, suppliers, customers, competitors, affiliates and parent organisations. Global leaders need to be selected and developed to suit both the position and the life cycle of the organisation (Bonnstetter, 1999).

Compared with other research into the global leadership competency (Adler & Bartholomew, 1992; Bartlett & Ghoshal, 1992; Birchall et al., 1996; Boyatzis, 1982; Bueno et al., 2004; Lee & Phan, 2000; McCall & Hollenbeck, 2002; Parry, 1996), Bonnstetter's (1999) study concentrated on the influence of self, arguing that although an emerging trend indicates that successful people have flexible behaviour patterns that can adjust to the demands of a situation, a person's attitudes and values are formed more slowly and tend to remain constant. The downside of prolonged behaviour adaptation is that it takes considerable energy to adapt one's natural or instinctive behaviour pattern. The beliefs and customs of a culture significantly influence beliefs,

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

52

attitudes and values. Global leaders must recognise that behaviour can be adapted, but attitudes and values are relatively stable.

Mendenhall and Osland's study (2002) reviewed relevant global leadership competencies proposed by other scholars, and summarised six dimensions as follows:

• Cross-cultural relational skills: close personal relationships, communication skills, "emotionally connect" ability, inspire, motivate, conflict management, negotiation expertise, empowering other, managing ethical issues, social literacy, cultural literacy;

• Traits: inquisitiveness, continual learner, accountability, integrity, courage, commitment, hardiness, maturity, tenacity, personal literacy, behavioural flexibility;

• Global business expertise: global business savvy, business acumen, total organisational astuteness/savvy, stakeholder orientation, results orientation;

• Global organising expertise: team building, community building, organisational and global networking, creating learning systems, strong operational codes, global networking, strong customer orientation;

• Cognitive orientation: environmental sense-making, global mindset, thinking agility, improvisation, pattern recognition, cognitive complexity, cosmopolitanism, managing uncertainty, local vs. global paradoxes;

• Vision: articulating a tangible vision and strategy, envisioning, entrepreneurial spirit, catalyst for cultural change, change agent, catalyst for strategic change.

The study by Mendenhall and Osland (2002) provided different dimensions of the global leadership competency which increase business leaders' understanding of the competencies they need in the global business community. However, it lacked an integrated structure to consolidate all the global leadership competencies in a specific social and cultural context. Furthermore, unprecedented challenges in the contemporary era of globalisation require business leaders to have an integrated set of global leadership competencies, prompting researchers to focus on integrating the piecemeal competencies already identified, as discussed in the next section.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

53

Integrated framework of global leadership competency

Much previous research into international competencies has centred on expatriates, but many findings from those studies are also relevant when studying global leaders (Barham & Oates, 1991; Gregersen et al., 1998; Jokinen, 2005; Jordan & Cartwright, 1998). Jokinen (2005) reviewed previous research into expatriates' international competencies, studying global leadership competencies suggested by other researchers, and highlighted three types of global leadership competencies:

1. Core global leadership competencies, including self-awareness, engagement in personal transformation, and inquisitiveness;

2. Desired mental characteristics of global leaders, consisting of optimism, self-regulation, social judgment skills, empathy, motivation to work in international environment, cognitive skills, and acceptance of complexity and its contradictions;

3. Desired behavioural competencies of global leaders, comprising social skills, networking skills, and knowledge.

Jokinen's study was an attempt to combine the outcomes of previous studies into an integrated framework of global leadership competencies (Jokinen, 2005). It indicates that, despite a dearth of previous empirical studies testing the validity of different items and the reliability of different measures, more emphasis should be put on learning and education instead of measurement, assessment and accreditation of specific competencies. It sheds light on business leaders' systematic understanding of the required global leadership competencies. Instead of looking at their global leadership competencies in a disjointed way, it draws their attention to both their mental and behavioural competencies. With a central core of global leadership competencies, it provides them with an integration of the competencies that work in the global business context.

Nevertheless, Jokinen's study did not provide a concise definition of a global leader that incorporated elements such as organisational positions and geographical scopes of responsibility. It raises the question of how success should be defined in a global context, and to what extent this success is related to the characteristics and actions of a particular individual. Moreover, efforts at integration in this study were limited to the

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

54

global leadership competencies identified in previous research, rather than integrating the competencies within a culturally specific context. Although an integrated framework of global leadership competencies was established, correlation and evolution of the global leadership competencies under this framework still need to be explored. As a result, the pyramid model of global leadership competency, described in the next section, was developed with the aim of filling this gap.

Pyramid framework of global leadership competency

Chin et al. (2001) developed a pyramid framework of global leadership competency that incorporated six development phases, which are in line with Maslow's hierarchy of needs. The six phases – ignorance, awareness, understanding, appreciation, acceptance/internalisation and transformation – are sequential, with leaders becoming increasingly mature as their global leadership experiences accumulate.

Bueno et al. (2004) then tested the aforementioned pyramid framework and identified six specific global leadership competencies: communication skills, motivation to learn, flexibility, open-mindedness, respect for others and sensitivity. The logic behind their research was that, once competencies are identified, the leadership development process can more effectively focus on improving each individual's deficiencies. However, their study had limitations. Although they indicated that all leadership occurs in some context, they did not analyse the specific context in which the global leadership competencies are developed. Furthermore, they used only a qualitative methodology on a relatively small sample with little diversity. They did not indicate the validity of the global leadership competencies they identified.

Lee and Phan (2000) used a competency profiling methodology (Boyatzis, 1982; Spencer & Spencer, 1993) in a resource-based theoretical framework (Barney, 1991; Wernerfelt, 1984) to describe the generic and specific competency requirements for board members in a global firm. With assessment exercises to illustrate the selection process, they proposed structures and processes for evaluating board members to ensure that they continually enhance their competencies to best manage in a changing and global economy, and analysed the challenges faced by global firms and the impact on

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

55

boards. They highlighted the following five key competencies for senior executives of the global firms:

1.   Maximising shareholder wealth by promulgating the vision, mission and values of the firm;

2.   Identifying expanding global opportunities, and considering the appropriate strategic alliance and joint venture arrangements with current and potential competitors;

3.   Adopting a global mindset, which represents a certain curiosity about the world and a willingness to deal with broad, global and foreign issues in an integrated way;

4.   Using global scanning, an important skill for a director in a global firm. When a firm operates in a global environment, its directors need to learn to live with conflict management rather than resolution, look for opportunities from adversity, and generate creativity from diversity;

5.   Expanding a company's governance responsibilities by entering new markets, while complying with local laws and regulations, as well as social responsibilities.

Another insight into the global leadership competency in the pyramid model comes from Levy's (2004) study, which emphasises that a leader's skills should include self-management, effective communication, sense of purpose, alignment and credibility. It highlights the influence of self in the making of a leader, an aspect not commonly discussed. At its most elemental level, leadership is about mastery of oneself. Leadership development requires a diversity of teaching techniques from several instructors or mentors. One's own leadership development requires the courage and insight to start with the most difficult and challenging analysis: oneself.

Whilst the personal styles of effective leaders vary quite considerably, significant work by Goleman (1996, 1998, 2000) has articulated that the most effective leaders have a common element: a high degree of what has been described as emotional competency. The fundamental components of emotional competency are self-awareness, self-regulation, motivation, empathy and social skills (Goleman, 1996, 1998, 2000). It draws the business leaders' attention from intellectual to emotional competency, which enables them to cope with the increasing uncertainties of the global business community with composure.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

56

The pyramid model of global leadership competency offers insights into the progression of the various competencies. By explicating how global leadership competency advances from the bottom to the top of the pyramidal framework, it provides a roadmap for business leaders on how to develop their global leadership competency step by step. However, the global leadership competencies identified under the pyramidal framework share two common features. First, they do not relate to a culturally specific context. The framework does not address the problem that some global leadership competencies work well in one cultural context but not in another. Second, the competencies do not necessarily help the business leaders to effectively deal with the unprecedented challenges of contemporary globalisation. A new framework that addresses these two points is needed.

New framework for studying global leadership competency

Expanding globalisation presents unprecedented challenges. One result of advances in technology, especially telecommunications, is that those challenges are not geographically confined as in the past, but are more interconnected in terms of how they influence the development of society. An earlier section mentioned other challenges which, while being broader and more uncertain, are unique to the contemporary era of globalisation – such as worldwide financial crises, climate change, ecological crises, nuclear threat, multinational crimes – and which call for a unique perspective on the study of global leadership competency.

Rhinesmith (1993), seeking to identify a new perspective on global leadership competency, highlighted the importance of moral competency, which he explained as the courage to make tough choices based on clear values. This new viewpoint coincided with a proposal at the 100th anniversary World Religion Conference in 1993, that adopting Universal Ethics – a worldwide consensus of values, standards and attitudes – was one way of coping effectively with global issues.

Simultaneously, more severe competition across territories ad countries has posed tremendous challenges for global senior executives. Unlike their predecessors who focused on the domestic market, they have to cope with both domestic and international competition. They face the dilemma of achieving a balance between business goals and

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

the sustainable development of their internal and external business environment. From a business perspective, all senior executives have the obligation to achieve their organisation's business targets, ranging from profitability and ongoing cost reductions to innovation and process restructuring. They are expected to competently drive and lead the whole organisation through increasingly uncertain times. Yet they are also their organisation's representative in the globalisation process, and they must ensure their organisation achieves its sustainable development while abiding by all the rules and regulations of global competition (Clegg et al., 2011; Schweitzer & Gudergan, 2010).

The unprecedented challenges to be addressed in the contemporary era of globalisation provide us with a new framework for studying global leadership competencies. This framework comprises three components: intellectual leadership competency, emotional leadership competency and moral leadership competency. Previous studies have investigated the first two components, but very few researchers have studied moral leadership competency in a culturally specific context (Adams, 2013; Safty, 2003).

This threefold framework concurs with the Leading Live model proposed by Stuelten (2009). The model includes two elements: the inner arena, the personal practices of knowing yourself, and having head, heart and guts; and the outer arena, the relational and contextual practices of getting real, getting connected and getting professional. It also highlights the moral leadership competency, the ability to make the right decision based on one's values, as an indispensable part of the global leadership competency.

Efforts by academics to establish different frameworks of global leadership competency, as discussed above, articulate that global leadership competency evolves with endeavours to cope with the emerging challenges of economic globalisation. To effectively address the unprecedented challenges in the global business community, business leaders need to build up relevant global leadership competencies. Examining the evolution of global leadership competency paves the way for identifying the competencies which enable business leaders to cope with the unprecedented challenges of contemporary globalisation.

The first challenge of economic globalisation was multiplicity, when business leaders needed to increasingly move into overseas markets, requiring them to possess knowledge of various foreign competitors and customers (Lane et al., 2004). A number

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

58

of intellectual leadership competencies were identified that provided guidance about the kinds of intellectual knowledge and skills needed in the global business community.

Cohen (2007) suggested that global business leaders need global business acumen, requiring proficiency in a number of areas:

- Business terminology – understanding the terminology used in the global business community, and the ability to interpret it and keep it consistent with the organisation's global business development;

- Regional and global economics – understanding how economies impact one another. Business leaders should be familiar with the economic environment by studying domestic, regional, and global economic indicators;

- Global financial awareness – knowledge of how finances influence business, interpreted as a competency to read financial annual reports, raise funds in foreign markets, and study the impact of currency fluctuations;

- Strategic marketing – a complex understanding of markets from a cultural perspective and the ability to ensure marketing strategy addresses the cultural diversification in the global business community;

- Organisational behaviour – knowledge about how to motivate and develop people to gain maximum performance, and a working knowledge of, or access to, appropriate resources on labour laws and business norms;

- Enterprise knowledge management – the competency to enhance collaboration and sharing of information across the enterprise by creating a process-driven culture in which employees are motivated to seek, share and create knowledge;

- Operations management – how the organisation works to develop and distribute value to its customers, including quick and accurate flow of information and materials, enterprise resource planning and quality management processes;

- Business innovation – the development and implementation of new ideas by people who, over time, engage in transactions with others within an institutional order.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

59

Consistent with Cohen's insights into business innovation is the suggestion that creativity is one of the global leadership competencies identified from an intellectual perspective (Brake, 1997). Global leadership competencies can be studied through three lenses – personal, environmental and interpersonal – and creativity is part of the personal lens. It refers to a competency to apply imagination in a world with very few easy answers, much ambiguity and great uncertainty. It also involves the ability to look into the chaotic global swirl and create concepts and identify patterns that help others make sense of the complexity. It is vital when defining and communicating a global vision (Brake, 1999). In addition to creativity, Brake proposes the following competencies as essential for global business leaders:

• Curiosity – a passion to learn about self and others through new experiences. In the global business community, curiosity can drive people to explore, study and understand what they do not know. Lack of curiosity can easily be perceived as a lack of respect and shallowness.

• Integrated thinking – an ability to see problems in their totality. The global world is full of uncertainty; global leaders need to hold two opposing ideas in mind at the same time, and still retain the ability to function.

• Digital smarts – unprecedented new digital tools that are dramatically changing the pattern of people's thinking and behaviour, and subsequently organisations' operation models. Business leaders should take a strategic view of how new digital technologies can be used to develop global competitive advantage.

• Organisational know-how – understanding of how to capitalise on capabilities and resources across the whole enterprise, and look beyond the business and operations boundaries for solutions. It enables global business leaders to be in a position to optimise the flow of talent and resources worldwide, and identify and remove obstacles to solving problems across borders.

• Strategic learning – an ongoing process of strategy-making through a continuous analysis of the environment. It is a generative process for enabling an ongoing cycle of renewal through four linked action steps: learn, focus, align and execute.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

60

- Universal perspective – a switch in decision-making focus between global and local needs to generate optimal results for the business. Business leaders in the global community need to come up with an optimal solution for balancing global and local issues.

The intellectual leadership competency of global business leaders is also interpreted as the competency to integrate and cross-fertilise knowledge, and manage dispersed centres of expertise, influence and production (Kanter, 1995). This competency has two aspects: a high level of cognitive complexity to gather and understand contradictory information from multiple sources and to make effective decisions, and the ability to learn from experience (Dalton, 1998).

Birchall et al. (1996) provided similar insights into the intellectual aspect of global leadership competency. They noted that more jobs have both international and domestic components, requiring international business knowledge (strategy, negotiation, marketing) and personal competencies (global awareness and cultural empathy), and they suggested that the best development strategy may be to teach people the basics and help them "learn how to learn".

Spreitzer et al. (1997), based on surveys of what it takes to succeed as an international executives, emphasised the importance of intellectual intelligence – seeking opportunities to learn, seeking and using feedback, and learning from mistakes.

To sum up, intellectual leadership competency is a prerequisite for global business leaders to equip themselves with necessary business knowledge and skills to better cope with the challenge of multiplicity in the current era of globalisation.

Besides multiplicity, the second challenge of economic globalisation is interdependence. The economic development of one region becomes more dependent on that of another, while one stakeholder's response inevitably influences other stakeholders (Marx, 1977). In an economic interaction where the interests of all stakeholders are highly intertwined, business leaders need both intellectual and emotional competency. Emotional competency involves having a good control of their own emotions when dealing with the complex and interdependent economic interests of all stakeholders, as well as empathy for others in order to better understand the real interests of other stakeholders.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

61

Simultaneous with studies of intellectual leadership competency was investigation of the non-intellectual factors in intelligence. In 1913, Webb began to study personality characteristics using the factor analysis method, a method for assessing the construct validity of measures in the development and evaluation of psychological measures (Floyd & Widaman, 1995). In 1933, Cattell studied the relationship between personality tests and intelligence tests, and Wechsler used Cattell's findings to identify the non-intellectual factors in intelligence (Maciver, 1974; Singh, 1976). Those non-intellectual factors do not form the basis of intelligence, but are an indispensable part of intelligence, and include things like personality, self-motivation, motivational balance and perseverance. Indeed, emotional competency has drawn increasing attention since Goleman's (1996) work, and has been widely used in different areas such as psychology, education, organisational behaviour and economics.

The concept of emotional competency was formally put forward by Salovey and Mayer (1990). Defined as an independent intellectual element and an integration of competencies, it enables individuals to correctly and effectively process emotional information. It is a competency to sense and express emotion, understand and analyse emotion, and adjust emotion of self and other people. Salovey and Grewal (2005) expanded the definition of emotional competency to an ability to understand the meaning of emotions and their relationship, and using emotions to facilitate cognitive activity.

Emotional competency is also interpreted as a combination of non-cognitive emotional, personal and interpersonal abilities that influence people to deal appropriately with their environment (Bar-On, 1997). Emotional competency influences people's success and psychological health. Bar-on was unable to draw much distinction between emotional competency and social intelligence, although he conceded that the former refers to personal management ability, while the latter refers to relational skills.

Goleman (1996) defined emotional competency as the ability to understand emotions, manage emotions, self-motivate, understand other people's emotions and deal with relationships. He suggested that emotional competency plays an even more important role in individual achievement, and that emotional competency can be improved through experience and training. Goleman focused on individuals' social adaptability, such as understanding other people's emotions and solving interpersonal problems. He

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

62

also highlighted the importance of self-motivation, including internal motivation, self-esteem, self-confidence and self-effect (Goleman, 1998).

Numerous empirical studies of emotional competency and leadership have been conducted since the early 1990s. Findings indicate that leaders' emotional competency is positively correlated with leadership effectiveness (Boyatzis, 1999; Carmeli, 2003, 2005; Day, 2000; Fisher & Edwards, 1988; George, 2000; Sternberg, 1997; Wong & Law, 2002). Furthermore, leaders' emotional competency is not only correlated with their own performance (Bass & Avolio, 1993), but it also influences the emotional competency of their subordinates (Sy et al., 2006), particularly if that is relatively low.

As economic globalisation accelerates, emotional competency is one of the most studied competencies in the context of global leadership. Most studies begin with intercultural sensitivity (Pater, 2012; Resick et al., 2006; Schneider & Barsoux, 2003), considered the key competency needed for global business leaders to adapt to the cultural diversity globalisation.

London and Sessa (1998), using a variant of the strategy/task/skill framework, recognised that sensitivity to cultural differences is a key competency for global executives. This framework comprises nine dimensional constructs of intercultural sensitivity:

- Feel comfortable with other cultures.

- Positively evaluate other cultures.

- Understand cultural differences.

- Feel empathy for people in other cultures.

- Value cultural differences.

- Show open-mindedness.

- Share cultural differences with others.

- Seek feedback.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

63

- Show adaptability.

In a social context, Marquardt and Berger (2000) suggested two important competencies for global business leaders from the emotional perspective. The first is social competency, including empathy and social skills. Empathy comprises awareness of others' feelings, needs and concerns. Social skills consist of adeptness at obtaining desirable responses in others, such as communication skills, change catalysts, conflict management, building nurturing relationships, collaboration and cooperation. The second competency consists of personal competencies, including self-awareness, self-regulation and motivation (Marquardt & Berger, 2000).

Scholars who attempt to identify a global leadership competency argue that, although a basic skill set is important for global business leaders, it is more important to emphasise the cultural rather than the business dimensions of global jobs. McCall & Hollenbeck (2002) proposed the following competencies from the emotional dimension:

- Open-mindedness and flexibility in thought and tactics;

- Cultural interest and sensitivity;

- Ability to deal with complexity;

- Resilience, resourcefulness, optimism and energy;

- Honesty and integrity;

- Stable personal life;

- Value-added technical or business skills.

Similar insights were provided by McLaughlin and Milligan (2009) when they investigated what makes a successful global account team leader. Instead of exploring specific intellectual abilities, much of their findings focused on emotional competency. They suggested the following key elements for a successful global team leader:

- Collaborating and leading through influence;

- Demonstrating energy and commitment;

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

- Communicating with a global mindset;

- Handling large and complex relationships;

- Understanding how the client and internal organisations work;

- Recognising opportunities and moving forward in the face of ambiguity;

- Seeking out new experiences and information;

- Demonstrating unswerving honesty, integrity and respect for others.

On top of multiplicity and interdependence, the third challenge of economic globalisation comes from uncertainty and sustainability (Carroll & Buchholtz, 2012). Deepening globalisation means that all individuals and organisations are viewed as equal citizens in the global community. To maintain harmony and sustainability of such a global community, each citizen should comply with rules and regulations and take social responsibility, and business leaders should take moral leadership. The global leadership competencies required by business leaders, therefore, are the competencies that enable them to better exercise their moral leadership. It is the competency of knowing the right thing to do instead of just knowing how to do it. The core of such a competency is uncompromising morality and persistence, enabling business leaders to make moral decisions in any business situation (Dotlich et al., 2009).

The development of leadership theory and an increasing need to address leaders' moral behaviour has been associated with an attempt to integrate morals and leadership. Sergiovanni (1992) first proposed the concept of moral leadership, defined as a type of leadership based on the moral authority to create the common vision and values of an organisation. In such an organisation, all people dedicate themselves to the organisational goals, based on their responsibilities and obligations. Their dedication leads to the organisation's sustainable development. Sergiovanni noted that the previous leadership theory focused on how the leaders pushed the organisation and its members ahead by their individual and hierarchical power. Therefore, leaders were expected to be decisive and powerful with foresight and skill to successfully turn their vision into reality. But the most valuable leaders must be those people who are able to invigorate

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

65

their followers' values. Such leadership has to be based on morals, which can meet the common interests of all members in the organisation.

Moral leadership provides academics and business practitioners with a new perspective for studying leadership. Though Sergiovanni (1992) suggested that leadership comprises three components – skill sets, heart sets and mind sets – the essence of his moral leadership theory focused more on the necessary mind sets of leaders. Those mind sets derive from the leader's beliefs and values, which eventually form the leader's mindscapes and become the guidelines of their leadership behaviours. This new perspective highlighted the need to conduct leadership studies in a culturally specific environment, as the culture where leaders grew up and live influences the formation of their beliefs and values. However, very few moral leadership studies have been based upon a culturally specific environment.

Lennick and Kiel (2008) expanded on Sergiovanni's work, providing further insights into the kinds of moral intelligence needed by business leaders. They suggested that moral intelligence involves integrity, responsibility, compassion, forgiveness and emotions. Integrity for leaders refers to acting consistently with principles, values and beliefs, telling the truth, standing up for what is right, and keeping promises. Responsibility, as interpreted from the perspective of moral leadership, comprises taking responsibility for personal choices, admitting mistakes and failures, and embracing responsibility for serving others. Compassion and forgiveness consist of actively caring about others, and letting go of one's own and others' mistakes. Emotions, as an important element of moral leadership, are translated as self-awareness, understanding one's thoughts, personal and interpersonal effectiveness, decisiveness on what to do, self-control, emotional health, empathy and respect.

Lennick and Kiel's (2008) interpretation of moral leadership highlights that the core of moral leadership is the self. To be a moral leader, people should first of all have a moral self. This coincides with Stuelten's (2009) viewpoint on knowing yourself as part of the inner arena of his Leading Live model, requiring people to continually investigate their motivation, passion, strengths and weaknesses, way of thinking and real intentions. Values and beliefs are an important foundation to the moral self. However, few studies have examined how the values and beliefs of a culture influence the formation and development of the morality of the leaders who grow and live in that culture.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

Although moral leadership and moral intelligence have triggered people's interest and attention, little recent research has focused on this aspect of global leadership competency. Many global leadership competencies have been identified from the intellectual and emotional dimensions (Adler, 1997; Dalton, 1998; Jokinen, 2005; Kanter, 1995; London & Sessa, 1998; Sternberg, 1997), but very few have been studied from the moral dimension.

The complexity of contemporary globalisation requires complete leaders, who should have "head", "heart" and "guts". While defining "head" as strategic sense of the global business and "heart" as emotional intelligence, Cairo et al. (2008) interpreted "guts" as the ability to do the right thing based on clear values. They highlighted integrity as the moral intelligence needed by global business leaders. It is a strong moral foundation for people to build up their passion and vision for what they want to accomplish, and a well-defined value system of how they will get there. It enables people to provide direction, standards that provide clarity in uncertainty, and signposts that can be relied on to manoeuvre through difficult times (Cairo et al., 2008).

The competency list proposed by Brake (1997) included "An International Code of Business Ethics" as an appendix. Simultaneously, increased attention has been paid to the importance and effectiveness of advanced ethics or moral reasoning (Dalton, 1998; Spreitzer et al., 1997). Cultural sensitivity inevitably raises the issue of relativity of values, and global business leaders should learn not to be judgmental (Osland, 1995).

As one of four universal leadership qualities called global literacy (Rosen et al., 2000), personal literacy is defined as understanding and valuing oneself. In addition to self-awareness, leaders should be open, honest, and committed to learning and principles.

However, most previous studies on moral leadership competencies are general descriptions of those competencies, rather than being based on a culturally specific context (Table 2.1). A number of moral leadership competencies described in the literature overlap because of a lack of contextual study, accentuating the necessity to establish a Chinese cultural context when studying the moral leadership competency of senior executives of Chinese non-state-owned companies.

Table 2.1 synthesises the global leadership competencies identified from 1990 to 2009. The 97 global leadership competencies identified represent 35 from the intellectual

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

dimension, 43 from the emotional dimension and 19 from the moral dimension, accounting for 36%, 44% and 20%, respectively. This table, while not intending to cover all global leadership competencies identified by previous studies, indicates the following three important points.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

68

Table 2.1: Synthesis of global leadership competencies

Stage 1: Global leadership competencies to cope with the challenge of Multiplicity			
Author(s)	Global leadership competencies identified	Number of global leadership competencies	Dimension of global leadership competencies
Bonnstetter, 1999	(1) Know the difference (2) Lead and manage organisations in the multinational, multicultural, multilingual, multi-media world	2	Intellectual dimension
Chin et al., 2001	(1) Motivation to learn (2) Flexibility	2	Intellectual dimension
Mendenhall & Osland, 2002	(1) Inquisitiveness (2) Continual learner (3) Global business expertise (4) global business savvy, business acumen (5) Total organisational astuteness/savvy, stakeholder orientation, result-orientation (6) Global organising expertise: team building, organisational and global networking, create learning systems, strong operational codes, global networking, strong customer orientation (7) Cognitive orientation: environmental sense-making, global mindset, thinking agility; (8) Improvisation, pattern recognition, cognitive complexity, cosmopolitanism, managing uncertainty, local vs. global paradoxes (9) Visioning: articulating a tangible vision and strategy, envisioning, entrepreneurial spirit, catalyst for cultural change, change agent, catalyst for strategic change	9	Intellectual dimension
Cohen, 2007	(1) Business terminology (2) Regional and global economics (3) Global financial awareness (4) Strategic marketing (5) Organisational behaviour (6) Enterprise knowledge management (7) Operations management (8) Business innovation	8	Intellectual dimension
Brake, 1997	(1) Creativity	1	Intellectual dimension

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

Table 2.1 (continued)

Stage 1: Global leadership competencies to cope with the challenge of Multiplicity			
Kanter, 1995	(1) Curiosity (2) Integrated thinking (3) Digital smarts (4) Organisational know-how (5) Strategic learning (6) Universal perspective (7) Integrate and cross-fertilise knowledge (8) Manage dispersed centres of expertise, influence and production	8	Intellectual dimension
Birchall et al., 1996	(1) Global awareness and cultural empathy	1	Intellectual dimension
Spreitzer et al., 1997	(1) Seek opportunities to learn (2) Seeking and using feedback (3) Learning from mistakes	3	Intellectual dimension
McCall & Hollenbeck, 2002	(1) Value-added technical or business skills	1	Intellectual dimension
	Sub-total and corresponding percentage	**35 (36%)**	
Stage 2: Global leadership competency to cope with the challenge of Multiplicity and Interdependence			
Author(s)	Global leadership competencies identified	Number of global leadership competencies	Dimension of global leadership competencies
Mendenhall & Osland, 2002	(1) Cross-cultural relational skills	1	Emotional dimension
Lobel, 1990	(1) Relational competencies (2) flexibility, curiosity and openness	2	Emotional dimension
Bonnstetter, 1999	(1) Remove fear (2) Discern the true needs	2	Emotional dimension
Jokinen, 2005	(1) Self-awareness (2) Engagement in personal transformation (3) Optimism (4) Self-regulation (5) Social judgment skill (6) Empathy 7) Motivation to work in international environment (8) Acceptance of complexity and its contradictions (9) Social skills (10) Networking skills and knowledge	10	Emotional dimension
Chin et al., 2001	(1) Communication skills (2) Open-mindedness (3) Respect for others (4) Sensitivity	4	Emotional dimension

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

Stage 2: Global leadership competency to cope with the challenge of Multiplicity and Interdependence			
Levy, 2004	(1) Self-management (2) Effective communication (3) Sense of purpose (4) Alignment and credibility	4	Emotional dimension
London & Sessa, 1998	(1) Comfort with other cultures (2) Positively evaluate other cultures (3) Understand cultural differences (4) Empathy for people in other cultures (5) Value cultural differences (6) Share cultural differences with others (7) Seek feedback (8) Adaptability	8	Emotional dimension
Marquardt & Berger, 2000	(1) Empathy and social skills	1	Emotional dimension
McCall & Hollenbeck, 2002	(1) Cultural interest and sensitivity (2) Able to deal with complexity (3) Resilient (4) Resourceful	4	Emotional dimension
McLaughlin & Milligan, 2009	(1) Collaborate and lead through influence (2) Demonstrate energy and commitment (3) Communicate with a global mindset (4) Experience handling large and complex relationships (5) Understand how the client and internal organisations work (6) Recognise opportunities and move forward in the face of ambiguity (7) Seek out new experiences and information	7	Emotional dimension
	Sub-total and corresponding percentage	**43 (44%)**	

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

Table 2.1 (continued)

Stage 3: Global leadership competency to cope with the challenge of Multiplicity, Interdependence, Uncertainty and Sustainability			
Author(s)	Global leadership competencies identified	Number of global leadership competencies	Dimension of global leadership competencies
Mendenhall & Osland, 2002	(1) Accountability (2) Integrity (3) Courage (4) Commitment (5) Hardiness (6) Maturity (7) Tenacity (8) Personal literacy (9) Behavioural flexibility (10) Community building	10	Moral dimension
Cairo et al., 2008	(1) Do the right thing based on clear values	1	Moral dimension
Rosen et al., 2000	(1) Understand and value oneself	1	Moral dimension
Bonnstetter, 1999	(1) Engender trust	1	Moral dimension
McCall & Hollenbeck, 2002	(1) Honesty and integrity (2) Stable personal life.	2	Moral dimension
Lennick & Kiel, 2008	(1) Integrity: acting consistently with principles, values and beliefs, telling the truth, standing up for what is right and keeping promises (2) Responsibility: taking responsibility for personal choices, admitting mistakes and failures, and embracing responsibility for serving others (3) Compassion and forgiveness: actively caring about others, and letting go of one's own and others' mistakes (4) Moral emotions: self-awareness, understanding one's thoughts, personal and interpersonal effectiveness, decisiveness on what to do, self-control, emotional health, empathy and respect	4	Moral dimension
	Sub-total and corresponding percentage	19 (20%)	
	Total and corresponding percentage	Total: 97 (100%)	

Global leadership competencies of senior executives from non-state-owned companies of China: A qualitative study in a Confucian cultural context

First, unprecedented challenges of contemporary globalisation, which feature an interconnection of multiplicity, interdependence, uncertainty and sustainability, require business leaders to exercise complete leadership in the global business community. Besides intellectual and emotional leadership competency, moral leadership competency is equally important for them.

Second, in comparison with the intellectual and emotional leadership competencies which have drawn most attention from academics, relatively few previous studies have examined the moral leadership competency. Moreover, due to a lack of consideration of a culturally specific context, the moral leadership competencies identified in previous studies do not incorporate any cultural influences.

Third, it is notable that recent research into moral leadership competencies has centred on the values and character of the self (Lennick & Kiel, 2008; Rosen et al., 2000; Stuelten, 2009), triggering increased interest in the relationship between the virtues and moral leadership competencies. As indicated by Havard (2007), the content of character is virtue, the set of classical human virtues, including magnanimity, humility, prudence, courage, self-control and justice. Moral leadership is built upon those virtues, which are developed in a social and cultural context. Rego et al. (2012), in their latest book on virtuous leadership, echo this idea and highlight that the virtues embedded in the traditional culture can provide a moral foundation for global managers to cope with the contemporary challenges.

The aforesaid three points indicated by previous studies of global leadership competencies provide not only a direction for similar future studies, but also a critical basis for reviewing the global leadership competencies of senior executives in Chinese non-state-owned companies. More details are examined in the next section.

2.3.5 Global leadership competency of senior executives in Chinese non-state-owned companies

Most studies of global leadership competencies of senior executives have been by western scholars (Bartlett & Ghoshal, 1992; Black et al., 1999; House et al., 2004;

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

73

Jokinen, 2005; Morrison, 2000; Suutari, 2002). Chinese non-state-owned companies have been exposed to global business circles only in the last couple of decades, and it is only recently that executives of these companies have been the subject of research into how Chinese senior executives have responded to the challenges posed by the global business community.

Paralleling the evolution of challenges posed by globalisation, studies of Chinese senior executives' global leadership competencies fall into three stages.

The first stage of these studies focused on intellectual leadership competency. Initially, senior executives of companies going global had to cope with a completely new overseas market. They needed to be familiar with the operation, products and customers of their new markets, and an increasing number of studies since the mid-1980s have concentrated on the knowledge required by Chinese senior executives to support their new overseas businesses (Liu & Xu, 2004). This move prompted the rapid growth of the MBA (Master of Business Administration) programs in China's universities, with the aim of cultivating the global literacy of Chinese senior executives and having them equipped with the knowledge necessary in the global business community, consisting of (Pan, 2004):

• Learning competency, the competency to quickly grasp new knowledge in the rapidly developing global business community;

• Global business knowledge, including global economy, trade, sales and marketing, finance, accounting and human resources management;

• Global strategy management, including stipulating and implementing the business strategy in the global business context;

• Resource management, the competency to integrate and utilise the resources of the global business community;

• Change management, the competency to forecast the change and lead the change in the global business context;

• Risk management, the competency to foresee the risk and take preventive measures to lead the global business to avert the risks;

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

- Innovation competency, the competency to drive the innovation throughout the whole organisation and win a competitive edge in the global business community with innovation;

- Communication competency, including the competency to effectively communicate with people concerned in global business language.

However, despite considerable progress in the above competencies, the relatively short exposure of these executives to the global business community suggests the imperative to further develop their global leadership competencies. More efforts were made in the second stage to bridge the gap of their global leadership competencies.

The second stage of studies featured a growing attention on leaders' emotional leadership competency. Instead of dealing with the overseas business in their home country, more senior executives of Chinese non-state-owned companies are setting up business in foreign countries (Warner, 2003), and so they need to deal with business in the local market and cope with the more emotional challenges associated with adapting to a new living and business environment. They also need to interact with suppliers and customers from all over the world, and their long-term success in the global business community hinges on their ability to build up and maintain a constructive relationship with those suppliers and customers (Holder, 2010). While still addressing the intellectual leadership competencies, the study of Chinese senior executives also includes emotional leadership competencies, particularly the emotional connection between senior executives and stakeholders in the global business community (Yi & Ye, 2003). The emotional connection includes five emotional leadership competencies:

1. Self-adjustment. To create an emotional bond with other people, it is important for senior executives to achieve the rapport with their core values and behavioural patterns. Adjusting themselves to achieve such a rapport is a prerequisite.

2. Relationship management involves establishing a constructive relationship with all stakeholders of the global business community.

3. Stress management refers to the competency to maintain a healthy mentality by effectively dealing with increasing stress when working in the global business community.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

4. Cultural sensitivity. The more the senior executives are involved in the global business community, the more they deal with people from different cultures. To build up a constructive relationship with them, it is important to be sensitive to cultural differences.

5. Cultural adaptability involves adapting to the local culture when working in the global business community.

The third stage saw a growing emphasis on the moral leadership competency that senior executives of Chinese non-state-owned companies need when their organisation goes global. Healthy and sustainable development of the global business community is a common concern for all stakeholders (Lennick & Kiel, 2008). More extensive globalisation increases stakeholders' interdependence and accelerates the influence of one stakeholder on another. Global business leaders are expected to make the right business decisions and minimise any negative influence on stakeholders, and so moral leadership competency is an important competency. Since the turn of the 21st century, studies of global leadership competencies have tended to focus more on moral leadership than on intellectual and emotional leadership, as was the case previously. Moral leadership competency concerns how Chinese senior executives ensure that their global business complies with the rules and standards of the global business community. Simultaneously, local academics increasingly sought moral virtues and characteristics in the traditional Chinese culture to cultivate their moral leadership competency (Ma, 2009).

2.3.6 Summary

This section has discussed the global leadership competencies identified in previous studies. While this 'What' cluster of literature review is relevant to the required global leadership competencies of senior executives of Chinese non-state-owned companies, it is obvious that scholars and business practitioners have been unable to agree on a common set of global leadership competencies. The discussion in this section can be summarised by three implications.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

76

First, global leadership competencies address the challenges at different stages of globalisation. Studies of global leadership competencies need to be based on an in-depth understanding of the challenges faced by business leaders in the contemporary era of globalisation.

Second, global leadership competencies are built up in a culturally specific environment. They are engraved with the cultural virtues and characteristics of a specific social context. The study of global leadership competencies cannot be separated from the culturally specific context.

Third, among three components of global leadership competencies, that is, intellectual, emotional and moral leadership competencies, the last one – moral leadership – is most influenced by a culturally specific context. The majority of previous studies on global leadership competencies have not been conducted in such a context.

In summary, the 'Why' cluster of the literature review facilitates an understanding of the unprecedented challenges faced by senior executives of Chinese non-state-owned companies. It sheds light on the 'What' cluster of review on the previous global leadership competency studies, while the aforementioned three implications identified from this 'What" cluster prompt the need to explore How their global leadership competencies are influenced by Confucianism, the core of Chinese culture, which is elaborated in the following section.

2.4   Confucianism – 'How' cluster

The dramatic rise of the five so-called Asian Dragons – Japan, South Korea, Taiwan, Hong Kong and Singapore – in the early 1980s, and China's unprecedented economic development despite the world economic slowdown in the past decade, have drawn growing interest in the revival of Confucianism from scholars and management practitioners (Bell, 2010a; Levenson, 2008; Tian, 2009; Tu, 1991b; Yu et al., 2011). In the domestic realm, the Chinese Government has made continuous efforts to consolidate Confucianism in all sectors of society. For example, the 2008 Beijing Olympics had Confucianism as the main theme of the opening ceremony. Overseas, the Chinese Government has established hundreds of Confucian institutes around the world, which

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

77

are Chinese language and culture centres with the purpose of promoting the Confucian culture abroad (Bell, 2010b). While Confucian values inspire a growing number of people around the world (de Bary, 2003; Hofstede & Bond, 1988; Shun & Wong, 2004; Tu, 1991a), studies of how concrete Confucian values influence modern practices in contemporary globalisation are conspicuously absent in the academic literature (Bell & Chaibong, 2003).

Beginning with a historical overview of Confucianism, this section first discusses the evolution of Confucianism in the long history of China. It paves the way for synthesising the key elements of Confucianism, indicating the strong vitality of its philosophical virtues and characteristics in various aspects of society throughout the centuries. Then the discussion explores the significance for the economy, the culture and organisations of those key elements of Confucianism that are most influenced by contemporary globalisation, as discussed in earlier sections of this chapter. Confucianism still holds great significance for globalisation and global leadership, although little attention has been paid to the connection between traditional virtues of Confucianism in a global leadership context. This lack of research focus accentuates the importance of this study on the global leadership competencies of senior executives from the non-state-owned companies of China in a culturally specific context of Confucianism.

2.4.1 Overview of Confucianism

Confucianism is not a religion, but a philosophy that has dominated the values, mindset and even ideology of the Chinese people for centuries (Jochim, 2008; Tian, 2009; Tu, 1991a). It has shaped the history and culture not only of China, but also other countries throughout Asia, especially those of eastern Asia (Eber, 1986; Hofstede & Bond, 1988). Confucianism has developed through four stages.

The first stage of Confucianism was the Pre-Qin Dynasty, which was dominated by three well-known philosophers: Confucius, Mencius and Hsun Tzu (Bell & Chaibong, 2003). Their contribution to Confucianism laid a profound foundation for its subsequent development and evolution in the following centuries, in which they had their teachings

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

78

centred on the development of civil servants and how they serve their society (Yu et al., 2011). Self-cultivation in a moral way, as emphasised by them, became not only the core of Confucianism, but also the essential characteristic of leaders of a country or an organisation (Ivanhoe, 2000).

The second development stage of Confucianism was the Han Dynasty, characterised by Confucianism adopting elements of an institution and a religion. One feature of Confucianism at this stage was that heaven was described as the sovereign god with almighty power, while the emperor or the ruler was the person who exercised that power in line with instructions from heaven. Thus, Confucianism provided a reasonable notion for rulers to exercise their control over the people (Berthrong & Berthrong, 2000; Yao, 2000).

The third development of Confucianism was the Song Dynasty, during which the established doctrines of Confucianism were influenced by Buddhism. The attempt from some Confucian scholars to apply a metaphysical methodology to Confucianism ultimately led to the metaphysical theory on self-cultivation becoming part of Confucianism. Confucianism was elevated to a new height and consolidated its original role of motivating people's self-cultivation (Ivanhoe, 2000; Tu, 1999).

The fourth development stage of Confucianism, spurred by the Wu Hsu Reform at the end of Qing Dynasty, was characterised by an attempt among Confucian scholars to combine traditional Confucian doctrines and western culture. The Chinese feudalism system began to wane in the mid-19th century, which led to the decline of Confucianism as a dominant doctrine in the social and political arenas (Tu, 1985). Simultaneously, foreign countries entered China and exerted their influence on the society's economy, culture, ideology and intellect. Confucianism was infused with some new interpretations influenced by western values and cultures (Jochim, 2008).

The evolution of Confucianism over the centuries has incorporated three unique characteristics. They exert profound influences not only on the revival of Confucianism in the modern world, but also on the cognitive and behavioural patterns of Chinese people (Bell, 2010b).

The first characteristic of Confucianism derives from the fact that the Confucian virtues are a set of guidelines for individuals on how to become moral people, progressing from

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

79

a gentleman – 'Jun Zi' to Confucian - a higher level of Sage 'Shengren' (Angle, 2012; Tu, 1999; Tu & Ikeda, 2011). They emphasise the individual's initiative in establishing and perfecting morality by self-cultivation, of which lifelong learning is the most important strategy. In Confucianism, learning is not only the key constituent of the human mind, but also the most important way to realise self-cultivation (Tu, 1993). Learning and teaching have a communal spiritual aspect in Confucianism, as a direct demand of the Way.

Instead of aiming at mastering new knowledge and skills, the main role of learning, as defined in Confucianism, is to consolidate the moral elements in people's minds. Five virtues of Confucianism, *Ren, Yi, Li, Zhi and Xin*, discussed below, are indispensable parts of a Confucian person (Bell & Chaibong, 2003; Lili, 2013; Rainey, 2010; Tu, 2012). Although these elements have different translations in English, to be consistent with the terms in the English version of *The Analects of Confucius* translated by Watson (2007), this study adopts the following translations: humaneness for *Ren*, righteousness for *Yi*, ritual propriety for *Li*, wisdom for *Zhi* and trust for *Xin*.

• *Ren*, translated as humaneness, is the most fundamental element of Confucianism. As indicated by Confucius, *"It is more vital to the people than water or fire. I have seen people die from treading on water or fire, but I have never seen the person who died from treading the path of humaneness"* (The Analects of Confucius, Book 15, Number 35). It is a virtue of becoming "an entire person: one's cultivated cognitive, aesthetic, moral and religious sensibilities as they are express in one's ritualised roles and relationships" (Ames & Rosemont, 1999, p. 49). A humane person should be a good example for others to follow. It is clearly reflected in the following notion from Confucius, *"The humane person wants standing, and so he helps others to gain standing. He wants achievement, and so he helps others to achieve. To know how to proceed on the analogy of what is close at hand— this can be called the humane approach"* (The Analects of Confucius, Book 6, Number 30).

• *Yi,* representing righteousness in English, refers to the ability to make moral decisions which benefit everyone in the community. It articulates how to deal with the relationship between self-interest and community interests. As an important virtue of a humane person, *"In conducting himself, he was prudent. In serving his superiors, he was respectful. In looking out for the common people, he was caring. And in employing*

Global leadership competencies of senior executives from non-state-owned companies of China: A qualitative study in a Confucian cultural context

the common people, he followed what was right" (The Analects of Confucius, Book 5, Number 16). It suggests that humans should have uncompromising integrity, and pursuing one's own benefit should not involve any unrighteousness nor should it cause any harm to other people or society (Tian, 2005). Only by all people maintaining a balance between self and common interest can society, or an organisation, achieve sustainable and long-term development (Liu, 1998).

- *Li,* usually translated as ritual propriety, emphasises the importance of complying with social codes of conduct and ritual practices in becoming a humane person. Ritual propriety is more than a superficial rite or ceremony; it is a system that defines the hierarchical structure (Ma, 2009). From a macro perspective, it is a unique way of achieving harmony in society or an organisation. As an interior function of a social system, it consolidates harmony by ensuring that everyone is at the right hierarchical level of society (Shun & Wong, 2004). From the micro perspective, it is an individual code of conduct. Confucianism highlights the self-discipline intrinsic in ritual propriety (Fingarette, 1971). As articulated by Confucius, *"To master the self and return to ritual is to be humane. For one day master the self and return to ritual, and the whole world will become humane. Being humane proceeds from you yourself"* (The Analects of Confucius, Book 12, Number 1). In the Confucian context, to become a humane person is a process of ritualisation (Tu, 1972). It enables people to have the spontaneous response to different situations with the ritually proper manner.

- *Zhi,* or wisdom in English, is an important virtue for acquiring the moral knowledge necessary for cultivating humaneness. Learning, an essential strategy for accumulating moral knowledge, is a lifelong process that enhances wisdom. Confucius emphasised the importance of learning in people's development and promoted education for all, regardless of people's hierarchical level or social background (Liu, 1998). To achieve wisdom requires constantly putting this learning into practice. As implied by Confucius, *"Do not worry about others not understanding you. Worry about your own lack of ability"* (The Analects of Confucius, Book 14, Number 32). Through ongoing learning an intelligent person should be able to observe and understand other people, as well as make full use of their strengths (Yu et al., 2011).

- *Xin,* translated as trust, is highly valued in Confucianism. Internally, it entails trust in the truth and consistency between words and actions for humane people. Confucius

Global leadership competencies of senior executives from non-state-owned companies of China: A qualitative study in a Confucian cultural context

81

suggested that *"Rotten wood can't be carved; a wall of stinking earth can't be trowelled...when it came to people, I listened to their words and trusted their conduct. Now, when it comes to people, I listen to their words and observe their conduct"* (The Analects of Confucius, Book 5, Number 10). The humane person is ashamed to let his words outstrip his actions (The Analects of Confucius, Book 14, Number 29). Externally, it becomes the basis for interpersonal interactions in a social context. Only with trust can a person earn others' respect and develop good interpersonal relationships (Rainey, 2010).

The second characteristic of Confucianism emphasises following the rules, or the *Way* as they are called in Chinese, in all aspects of society, ranging from interpersonal interactions to the government of the state. In the Confucian context, *Way* is endowed with profound interpretations at four different levels (Jochim, 2008; Tu & Ikeda, 2011). At the individual level, it indicates that a Confucian person, or *Jun Zi* in Chinese, needs to ensure his or her conduct complies with the social rules by lifelong self-cultivation. At the family level, it highlights the obligations of family members to maintain the family's hierarchical order. Filial piety or filial responsibility is the *Way* from the family perspective that all Confucians should follow, requiring them to show respect to their senior family members. At the state level, it focuses on putting the common interest of people as a first priority, and ensuring that morally intelligent officials govern the state. At the global level, it advocates peaceful interaction with all neighbouring countries. When more and more people do so, the *Way* of the community and society can be further consolidated.

As the philosophical foundation of the Chinese culture, the Confucian virtues create and maintain harmony between people and the environment. Harmony is considered to be achieved by self-cultivation and *Way* (Tu, 1999). Throughout China's history, the one point agreed upon by different schools of religion is that harmony is the ultimate outcome for humanity. Harmony has several interpretations, but the Confucian definition has dominated Chinese society for centuries and is summarised below (Tu & Ikeda, 2011):

- Harmony refers to the synthesis and combination of diverse things. Though components of the environment might have various characteristics, harmony means that they can coexist in a supplementary way. Confucius proposed that, by keeping harmony

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

82

as their ultimate objective, people could still have their own different opinions about the same thing. Indeed, this is one criterion that differentiates Confucian and non-Confucian people (Sykeny, 2006).

• Harmony is interpreted as a state in which different things are well balanced. Each can fully develop in line with the law of nature, supplementing each other and creating a harmonious environment (Tu, 2010).

• Harmony is translated as the combination between heaven and humanity. In light of this ideological value, Chinese society encourages personal interests to be subordinated to that of the family, society and country. In any conflict of interest, it is the personal interest that should be sacrificed. The personal interest is realised in the values of the society or the collective group. Therefore, in the traditional culture of China, the individuals are not independent, but instead are subordinates of the family, society and country (Yang, 2008).

Harmony, as emphasised in Confucianism, has influenced all aspects of Chinese society. For the Chinese people, the golden mean, etiquette and *Guan Xi* are considered three important ways to maintain harmony between them and environment. The golden mean, defined as being neutral, is actually a mediation of different kinds of contradictions. With proper mediation, if contradictions in any given environment are controlled within an acceptable range, they do not exert a negative influence on that environment. Thus, the golden mean ensures the stability of the environment, while etiquette and *Guan Xi* are associated with the golden mean to consolidate the harmony of the environment (So & Walker, 2006; Tu, 2010).

These three characteristics of Confucianism – learning to be humane, observing the *Way* and striving for harmony – obviously extend beyond its birthplace, exerting a profound influence on all aspects of social development not only in China but also in its neighbouring countries in Asia. Specifically, the economy, culture and organisations of these countries have been marked by Confucian features, as elaborated in the following three sections.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

83

2.4.2 Confucianism and economy

For a long time, Confucianism was considered an obstacle to economic development. A common view among both eastern and western scholars was that most Confucian values were incompatible with capitalism due to (1) the scholarly tradition of focusing on practising and protecting the lessons taught in Confucian books, (2) the scholar-bureaucratic overemphasis on self-cultivation in order to become a Confucian person, instead of acquiring wealth, and (3) the need to establish hierarchical relationships and reinforce obedience in society. All of these hindered the development of capitalism, with its features of contractual relationships and the desire to accumulate and maximise personal wealth and dominate the market (Weber, 1968).

In contrast to contemporary scholars' criticism of Confucianism for hindering the spread of capitalism, it is notable that the economic development of some Asian countries has benefited from the revival of Confucian virtues since the 1980s. As indicated by Rozman (2003), Confucianism can provide the ideological underpinning for further dynamism in East Asia. The economic prosperity of Singapore in recent decades has benefited from efforts by the state government to revitalise Confucian values in all aspects of society, especially in the educational system by highlighting to students the significance of cultivating their moral selves and maintaining harmony in the economic and social life (Tamney & Chiang, 2002).

In China, the Confucian virtues have been highly praised by the Communist Party for their role in preventing and minimising moral decay such as selfishness, money worship and corruption associated with capitalism (Tian, 2009; Tu, 2010; Yu et al., 2011). Self-reflection and self-examination have been advocated as two important daily tasks for party members. Moreover, the Confucian values such as honesty, responsibility and self-sacrifice have been aggressively promoted to all aspects of the economic spectrum by the Chinese Government, in the hope of regulating economic activities.

Confucianism was not established to facilitate economic development. But the evolution of Confucianism throughout China's long history indicates its close relevance to the economy. Interaction between Confucianism and the economy emphasises complying with the *Way* of economic activities. Instead of only complying with the economic rules and regulations, it entails moral conduct and the reciprocity of people's rights and

Global leadership competencies of senior executives from non-state-owned companies of China: A qualitative study in a Confucian cultural context

84

responsibilities in their economic interaction. As Confucius indicated, *"Wealth and eminence are what people desire, but if one can't get them by means that accord with the Way, one will not accept them. Poverty and low position are what people hate, but if one can't avoid them by means that accord with the Way, one will not reject them"* (The Analects of Confucius, Book 4, Number 5). It offers two important implications for Confucianism's significance to the economy.

First, morality is at the core of the Confucian person, who needs to demonstrate in all activities the key elements of morality as advocated by the Confucius, namely, humaneness, righteousness, ritual propriety, wisdom and trust. This is in line with one notion reiterated in Confucianism: *"The gentleman is alert to what is right. The petty man is alert to what is profitable"* (The Analects of Confucius, Book 4, Number 16).

Second, reciprocity is the essential virtue of Confucianism in social interactions. Everyone has equal rights and responsibilities. To maintain equal interactions in the long term, people need to assume the responsibilities that correspond with their rights. Contrary to the contractual relationships of capitalism, the reciprocity advocated by Confucianism emphasises establishing and maintaining the harmony of all stakeholders in economic activities.

In retrospect, harmony has become the main theme in the economic development of Confucian countries in Asia. The track of their past economic development coincides with one notion from Confucius. He said, *"Entirely trustworthy, a lover of learning, faithful until death, exemplar of the Way, he never enters a state where there is peril, never remains in a state where there is disorder. When the Way prevails in the world, he appears; when the Way is lacking, he retires. When the state follows the Way, being poor and lowly is a cause for shame. When the state is without the Way, being rich and eminent is a cause for shame"* (The Analects of Confucius, Book 8, Number 13). In a harmonious economy, all stakeholders achieve their reasonable economic interests while not harming others. When they follow the rules and regulations of economic activities in pursuit of their self-interest, the overall economic prosperity of the whole country is realised (Jochim, 2008; Romar, 2004).

Looking forward, the Confucian virtues continue to exert great influence on the economy of contemporary globalisation (de Bary, 2003; Hofstede & Bond, 1988; Shun

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

85

& Wong, 2004; Tu, 1991a). They provide an important basis for not only morality in the global business community, but also the global leadership competencies required by the business leaders who are the backbone of the global business (de Bary, 2004). The relevance of Confucianism to the contemporary economy derives from its interaction with the culture and organisations, as discussed in the following two sections.

2.4.3 Confucianism and culture

As the philosophical foundation of China, Confucianism has exerted profound influences on the cognitive ways of the Chinese people, which makes the Chinese culture unique. Specifically, the cognition of the Chinese people is characterised by Confucianism's holistic, dialectic and inclusive approach.

All virtues advocated by Confucianism mirror a holistic attitude towards the world, including self and all things beyond the self (Jochim, 2008; Rainey, 2010). People need to incorporate within themselves the key elements of Confucianism, including *Ren* (humaneness), *Yi* (righteousness), *Li* (ritual propriety), *Zhi* (wisdom) and *Xin* (trust), in order to become a complete person.

A holistic attitude influences not only the self, but also the outside world. Confucians need to maintain self-cultivation while following the Way in their social interactions (Tu, 1993). When all people follow the way, the whole society maintains good order and harmony. A holistic tradition becomes one of the characteristics of the Chinese culture. The Chinese people intend to establish harmony not only with others in their social interactions, but also among heaven, earth and people. A holistic attitude has a close correlation with dialectic approach embedded in Confucianism.

The Confucian virtues feature a dialectic approach towards self-cultivation and interpersonal interaction (Tian, 2005). Dialectic thinking, usually called *Tongbian* in China, is a distinctive way of correlative thinking in Confucianism and refers to maintaining continuity through change. Change is considered an immortal theme in one's personal and social life. Continuity is realised through change and by correlation among heaven, earth and human beings. Dialectic thinking enables people to identify the patterns of correlation. *Way* becomes an important driving force to correlate all the

Global leadership competencies of senior executives from non-state-owned companies of China: A qualitative study in a Confucian cultural context

86

patterns. In Confucianism, everything in the world has its own way to survive and develop (Tian, 2009). The health and sustainability of nature depend on compliance with the development trend of nature. The stability and prosperity of human society are subject to people's self-cultivation, so that all people in the community abide by the rules and regulations and all economic activities are organised in a mutually beneficial way (Shaughnessy, 2010; Tu, 2010).

Dialectic thinking emphasises the connection between nature and human society, with each influencing the other during the long course of its own development. Long-term stability and prosperity derives not only from the quality of people and state governance but also from the quality of nature (Tu, 2001b). Human beings need a thorough understanding of nature and must ensure their social activities remain in line with its development trends. On top of the correlation between nature and human society, various patterns of connection exist in different levels of society in a dynamic way, such as the dynamic interaction of the *Ying* ("associated with dark, cold, night, passivity, softness, weakness and the moon") *and Yang* ("associated with light, warmth, day, activity, hardness, strength and the sun") (Bell & Chaibong, 2003, p. 20). Despite constant change, the ideal status of *Ying* and *Yang* is the balance between them. Moreover, although *Ying* and *Yang* have their respective advantages and disadvantages, and they can complement each other.

The Confucian virtues also promote an inclusive tradition in a country's cultural development. It is advocated in the Confucianism that everyone should become a Confucian or *Jun Zi* through lifelong self-cultivation, regardless of their social background (Jochim, 2008). Consequently, Confucius strongly encouraged education, which was considered as a privilege for the upper class in his era, to include all people at different levels. From a social perspective, Confucianism emphasises a community's harmony. To establish and maintain such harmony, all people have equal responsibility to assume their role in the community, regardless of their social status (Romar, 2009). Moreover, when social friction occurs, people are encouraged to solve problems in a gentle way, or *Rang* as called in Chinese, in order to keep the harmony of the community. Adopting the Doctrine of the Mean, or *Zhong Yong* as it is called in Chinese, in social situations is unique to the Chinese culture, which aims to take account of all frictions and opinions and find a well-balanced solution.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

87

When looking back at the development and evolution of Confucianism, as discussed in the previous sections, it is notable that Confucianism was not established overnight, but underwent a long process that included the essences of other schools and thus refined the existing Confucian virtues. The Confucian virtue of self-cultivation is a good case in point. At the early stage of Confucianism, self-cultivation was concerned mainly with self-learning and self-conduct in order to become a Confucian or *Jun Zi*. Centuries later, in the time of the Song dynasty, an inclusive approach was brought to the self-cultivation virtue and it was integrated with social ethics and moral metaphysics in a holistic philosophy of life (Tu, 1989).

To sum up, although Confucianism is characterised by ancient philosophical virtues, it has a strong vitality that enables it to evolve as social culture develops. Thus, the Confucian values are applicable to contemporary society. Due to the dynamic interaction between Confucianism and culture, when Confucianism is applied to contemporary society, it needs to be established in a culturally specific context.

2.4.4 Confucianism and organisation

Confucianism has been influencing all aspects of society for centuries at the macro and micro levels. At the macro level, it influences economic and cultural development, as discussed in previous sections. At the micro level, the Confucian virtues are deeply embedded in Chinese business organisations. Such organisations were considered as one of the important drivers for the economic miracle in China since early 1980s (Redding, 1993; Tamney & Chiang, 2002), and they were commonly characterised by paternalistic traits, such as (Redding, 1993, p. 130):

1. Dependence of the subordinate, as a mind-set;

2. Personalised loyalty leading to willingness by subordinates to confirm;

3. Authoritarianism modified by sensitivity to subordinates' views;

4. Authority not divisible when it has become so clearly identified with a person;

5. Aloofness and social distancing within the hierarchy;

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

6. Allowance for the leader's intentions to remain loosely formulated;

7. The leader as exemplar and "teacher".

These traits of the Confucian organisation in China were largely derived from the influence of three Confucian values on the organisation's operations.

The first is self-cultivation. Chinese business leaders have a strong desire to become a Confucian or *Jun Zi*. It is part of their life to continuously keep learning and enhancing themselves. This is necessary not only to develop into a complete person by possessing the key elements of Confucianism, namely, *Ren* (humaneness), *Yi* (righteousness), *Li* (ritual propriety), *Zhi* (wisdom) and *Xin* (trust), but also to demonstrate a role model for employees to follow to become a Confucian person.

The second Confucian value is harmony. Chinese business leaders attach great importance to internal and external harmony. Harmony is achieved internally by the hierarchical order throughout the whole organisation, which strictly stipulates the rights and obligations of each position. Externally, it is maintained by the mutually beneficial relationship, called *Guan Xi* in Chinese, with all stakeholders in the community. A harmonious relationship with internal and external stakeholders enables Chinese business leaders to focus on business development and maximise the use of their limited resources.

The third value is trust. At the beginning of China's economic reforms, most Chinese businesses chose to operate as a family business, as the trust among family members could minimise the operational costs. Rather than having trust driven by institutional mechanisms and policies, such a personal trust in family businesses is more reliable and durable in a developing market where the legislative system is not well developed.

The paternalistic form of organisation in Chinese business has been controversial among academics for a long time. It is argued that too tight a control by business leaders could hinder innovation and initiative (Redding, 1993). However, it is undoubted that such an organisational form is not only common in the Five Dragons of Asia and in China since its economic reforms, but has also been effective in adapting to the constantly changing market since the 1980s. It precisely represents dialectic thinking, maintaining the continuity of the organisation through its various changes. The central

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

89

control by business leaders enables the whole organisation to respond to the market changes more promptly (Hofstede & Bond, 1988; Shin, 2007).

In sum, the business leaders of Chinese organisations need to have some unique competencies to effectively integrate Confucian values with their business operations. However, there is a scarcity of academic studies that explore the competencies of Chinese business leaders, especially those who grew up in a Chinese Confucian context but who now need to work in the global business community.

2.4.5 Confucianism and globalisation

Globalisation, instead of being a simple process driven by general forces, is the result of the complex interaction between external and internal forces in a country (Shin, 2007). From a cultural perspective, both the global culture and national characteristics proactively interact in contemporary globalisation. As a result, each traditional culture, while retaining its cultural uniqueness, should seek to shape and exert a positive influence on the global culture.

As a historical foundation of the traditional culture of China, Confucianism is relevant not only in East Asian countries, but it should be understood by the rest of the world (de Bary, 2000). This was echoed by the French politician Jean-Pierre Raffarin, vice-president of the French Senate and the prime minister from 2002 to 2005, in an exclusive interview about the 18th Party Congress of China in November 2012, where he encouraged the new leaders to remain in touch with the past to help the world understand the Chinese way of thinking (Fu, 2012).

In the face of unprecedented differences and challenges generated by globalisation, Chinese philosophy should be critically and creatively interpreted, for the good of not only the Chinese people but everyone (Tian, 2005, 2009; Tu, 1991a, 1993, 2010). The profound wisdom of Confucianism has guided the Chinese people intellectually, behaviourally and mentally for 2000 years, yet the philosophy still exerts profound influence in this contemporary era of globalisation through its four main characteristics. Regardless of modern Confucianism or modern neo-Confucianism, standing on an equal

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

90

basis with western culture should become part of the global culture in the contemporary globalisation (Tian, 2009).

First, the key elements of Confucianism – concerned mainly with how to deal with self, people and environment – transcend the constraint of era. As a general code of conduct, its emphasis on integrity and moral practice is still the main theme in the global business community. Any kind of social situation should be lived existentially and ethically, with meaningfulness, by humans. The same applies to the process of globalisation which, developed by communication technology and implemented on economic, political and cultural levels, brings humankind into more and more systematic networks. Confucianism can contribute to this process of globalisation by its way of life being a process of ethical extension, especially of Confucian virtues and values such as humanness, righteousness, ritual propriety, wisdom and trust (Yao, 2000).

Second, the key content of Confucianism, while reiterating the importance of change, centres on educating people on how to adapt to a changing environment by a combination of words and actions. As indicated in the *Book of Change*, when all means are exhausted, changes become necessary and, once changed, a solution emerges. It coincides with the main feature of the globalisation era, which is constant change in all aspects of society. Thus, Confucianism enables people to deal with uncertainty, one of the key challenges of contemporary globalisation, with a proactive attitude towards constant changes.

Third, harmony, the dominating doctrine of Confucianism, is the most desirable outcome for people worldwide when faced by the various conflicts and contradictions associated with globalisation. While providing benefits to all aspects of society, the contracting earth is accentuating unexpected problems that are nevertheless vital to the survival and development of humankind. Among them, the deteriorating environment has been drawing increasing worldwide attention. At first sight, the problem is caused by rapid social development at the expense of polluting the environment. In essence, it is a typical demonstration of the breakdown of harmony between the environment and humans. Doctrines on harmony, as highlighted in Confucianism, provide a good reference on how to create and maintain a balance between the environment and humankind.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

91

In ambiguous situations where there are no specific ethical or moral guidelines, such an inherent driver becomes an extremely important signal for people to ensure that they stay on the moral track. Business leaders' virtues will be the critical determinant of the success of their global business (Damon, 2004; Fort & Schipani, 2001). This paves the way not only for a revival of traditional culture in the contemporary globalisation, but also for a new interpretation of virtuous leadership. In the global business community, virtuous leadership integrates the essence of the traditional culture and global leadership, so that the traditional culture can make a difference in the global leadership (Kilburg, 2012; Rego et al., 2012).

The Confucian virtues provide a pragmatic set of moral references for the Chinese people, especially those Chinese business leaders who have increasing exposure in the global business community (Bell, 2010a; Levenson, 2008; Schell, 2008). With a blurring of identity in cultural clashes, Chinese business leaders have an escalating need to consolidate their identity. Naturally, Confucianism becomes a spiritual refuge for them. As described by Tu, the current Confucian revival is a demonstration of the Chinese people's search for roots, "The Confucian concern for personal well-being, family harmony, social solidarity, political stability, and universal peace has become a defining characteristic of the East Asian view of the good life" (Tu, 1991b, p. 743).

Unprecedented complexities in the global business community pose a growing demand on business leaders to make morally intelligent decisions in their business activities. Thus, they have an unprecedented need for moral knowledge. Confucianism, which has accumulated a wealth of moral wisdom through centuries, becomes a definite source of learning for them. With the ultimate aim of creating and maintaining harmony among the self, people and environment, most Confucian values coincide with the characteristics of virtuous leadership as defined in the contemporary globalisation.

Moreover, it is necessary to understand leadership in a culture is necessary. Substantial empirical studies, especially the GLOBE research project conducted in 62 countries from 1994 to 1997, suggest that a society's culture profoundly influences the leadership of business executives. Many aspects of leadership are contingent on culture. It is in line with the culturally endorsed implicit theory of leadership, which implies that "members of cultures share common observations and values concerning what constitute effective and ineffective leadership" (House et al., 2004, p. 40). When studying the global

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

92

leadership competencies of senior executives from Chinese non-state-owned companies, it is necessary to conduct the study in the Chinese cultural context, which has been deeply influenced by Confucianism for centuries.

2.4.6 Summary

This section has demonstrated how Confucianism influences the Chinese and global business community where the senior executives of Chinese non-state-owned companies exercise their global leadership. Starting from an introduction to the evolution of Confucianism and its key virtues, this 'How' cluster of the literature review provides the following important indications for this study.

First, although Confucianism is the historical foundation of Chinese culture, it does not stand apart from contemporary globalisation. It shares some similarities with the philosophical values of western countries. These similarities not only enable the western business leaders to establish a practical understanding of Confucian influence on the global leadership competencies, but also pave the way for contextualising the global leadership competencies in the wealth of Confucian culture.

Second, the virtues as advocated by Confucianism can become an important bridge connecting the past, the present and the future. They are not only the cultural foundation of the Chinese culture in the past and the present, but also the virtuous guidance to help business leaders cope with the challenges of the global business community in the future. The experience of five Asian Dragons – Japan, South Korea, Taiwan, Hong Kong and Singapore in revitalizing the Confucian virtues in their economic development and the Chinese government's emphasis on practising the Confucian virtues in the state governance, as discussed earlier in this chapter, prove that Confucianism is of great significance to the global business community. It provides the business leaders with pragmatic guidance on what and how to exercise their leadership in a moral way. It deserves in-depth study on what specific virtues and characteristics of Confucianism best serve the contemporary globalization and how they enhance the moral leadership among the business leaders.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

93

Third, very few studies have investigated global leadership competencies in a Confucian cultural context. This study is significant, therefore, by exploring the global leadership competencies of senior executives from Chinese non-state-owned companies in a culturally specific context of Confucianism. Findings of this study can fill in the vacuum of the academic field.

2.5   Conclusion

Through an extensive literature review organised under three clusters – Why, What and How – this chapter has identified the following gaps in previous studies.

First, the unprecedented challenges of contemporary globalisation require business leaders to be equipped with a complete set of global leadership competencies. Compared with the early stage of globalisation, which featured multiplicity and interdependence, the contemporary era of globalisation is characterised by growing uncertainty and the need to maintain the sustainability of the global business community. These unprecedented challenges prompt business leaders to build up the competency to know not only what the right things are but also how to get them done in the right way. What to do and how to do it morally are equally important for contemporary business leaders.

Second, the global leadership competencies identified by previous studies are inadequate for effectively addressing the unprecedented challenges of contemporary globalisation. Most competencies enable business leaders to cope with the challenges of multiplicity and interdependence in an intellectual and emotionally effective way, but fail to empower them to make a moral decision in an uncertain business environment.

Third, although some moral global leadership competencies were identified in previous studies, few of them were established in a culturally specific context. As those studies failed to address the cultural influences on cognition, they did not provide a clear direction for business leaders to respond to the unprecedented challenges of contemporary globalisation in a moral way.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

94

These three gaps make this study significant not only for adding to our knowledge, but also for providing findings relevant to the global business community. The above review of Confucianism indicates that the traditional virtues and characteristics of Confucianism, even though part of a traditional culture, can serve contemporary society by inspiring business leaders in a moral way. For this reason, this study, which aimed to identify the global leadership competencies of senior executives from Chinese non-state-owned companies in a culturally specific context of Confucianism, can offer new contributions to both academia and leadership practices.

However, placing the global leadership competencies in a culturally specific context requires an appropriate research methodology to explicate the process of how the traditional culture influences the competencies. The next chapter details how the right research methodology was selected and employed in this study.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

95

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

Chapter 3: Research Methodology

3.1 Introduction

This chapter discusses how the most appropriate research methodology was selected and applied. Starting with a description of qualitative methodologies in general and then grounded theory methodology in particular, it describes the researcher's step-by-step efforts to achieve the research goal. The chapter is structured as follows.

Section 3.2 describes the reasons for selecting a qualitative methodology for this study, briefly reviewing and comparing five commonly used qualitative methodologies. It justifies the choice of grounded theory methodology and provides an overview of this methodology.

The next four sections (sections 3.3–3.6) cover the Why, What and How perspectives of the four key components of this research: sampling (Section 3.3), data collection (Section 3.4), data analysis (Section 3.5) and theory presentation (Section 3.6). Each section elaborates the significance of that component (Why), the techniques available for use in this study (What), and the strategies used to apply these techniques (How).

Section 3.7 then presents a research timeline, and Section 3.8 explores the credibility of this research. It discusses how the researcher ensured the study's ethical compliance, methodological validity and research quality, and minimised any potential bias.

The chapter concludes with a summary in Section 3.9.

3.2 Methodological justification and overview

3.2.1 Selection of qualitative methodology

The researcher's first choice in selecting the appropriate methodology for a study of global leadership competency was between qualitative and quantitative techniques. Most previous studies on global leadership competencies (Bartlett & Ghoshal, 1992;

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

97

Black et al., 1999; House et al., 2004; Jokinen, 2005; Morrison, 2000; Suutari, 2002) have adopted quantitative research methodologies using a questionnaire survey (Parry, 1998). The quantitative analysis of qualitative data is typical of content analysis which identifies the correlative implication for leadership competency research. However, an obvious drawback is that the richness of qualitative data could be neglected (Ezzy, 2002).

Instead of exploring specific global leadership competencies, quantitative studies intend to verify the correlation of different competencies. Contextual variables, such as culture and social environment, which exert a profound influence on the establishment and development of the global leadership competency, can be easily overlooked. Yet global leadership competency constantly evolves with changes in those contextual variables (Bass & Bass, 2008; Jokinen, 2005; Kessler & Wong-MingJi, 2009; Rocha Fernandes et al., 2010).

Recent studies using qualitative methodologies have more successfully included the contextual variables and highlighted the evolving nature of the global leadership competency (Bryman, 2004; Fletcher & Arnold, 2011; Goulding, 2002; Klenke, 2008; Locke, 2001). They enable researchers to probe participants' inner experiences and feelings, and can indicate variables in phenomena that are influenced by intangible factors such as the culture (Creswell, 1998, 2003; Dey, 1999; Strauss, 1987; Strauss & Corbin, 2008). Consequently, qualitative methodologies were selected for this study, a choice that was confirmed by referring to constructive guidance provided by other researchers, as examined below.

This study of global leadership competency fits the six criteria for selecting qualitative methodologies outlined by Padgett (2008, pp. 15–16):

1. Topic about which little is known. This study explored the global leadership competencies of senior executives from Chinese non-state-owned companies in a Confucian cultural context. The literature contains few studies of global leadership competencies in a culturally specific context.

2. Topic of sensitivity and emotional depth. This study explored the cultural sensitivity of research participants, probing their inner feelings and values.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

98

3.   Studies of the lived experience from the perspectives of those who live it and create meaning from it. The data collected came from participants' experiences of working in the global business community; this was an experience-based study.

4.   Studies to understand the black box of practice, programs and interventions. The dearth of studies on global leadership competencies in a culturally specific context means that there is limited knowledge on how traditional culture interacts with leadership competencies and how it exerts a positive influence in the context of contemporary globalisation. This study aims to fill in this knowledge vacuum in both theory and practice.

5.   Studies to understand unexpected quantitative findings. While the literature review suggests that global leadership competencies have been identified in previous studies, many of them lacked a cultural context.

6.   Studies that combine advocacy with research. As the findings of this study come from the participants' experience, the findings have pragmatic significance for them. Thus, this study encourages participants to put the findings into practice and provides practical solutions to help them cope with challenges in the global workplace.

In addition to these six criteria proposed by Padgett, Oktay (2012) suggested that qualitative studies should feature complex social processes, which was another feature of this study. As the research goal was to identify the global leadership competencies of Chinese senior executives in the culturally specific context of Confucianism, this study needed to investigate the processes of how participants perform in the global business community and how the traditional culture influences their global leadership competencies.

Compliance with the seven points outlined above reinforced that qualitative methodologies were most suitable for this study. The five commonly used qualitative methodologies – phenomenology, discourse analysis, narrative research, intuitive inquiry and grounded theory – were compared on the basis of purpose and data analysis characteristics (Appendix 3), and grounded theory methodology was selected as being the most appropriate for this research, as discussed in the following section.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

99

3.2.2 Justification for grounded theory methodology

Grounded theory methodology differs from other research approaches in that it aims to explain the phenomenon being studied from the perspective of theoretical integration. The strategies employed in data collection and analysis led to the generation of theory that explicates a phenomenon from a theoretical perspective and in the context of those who experience it. Theory as the product of the investigative processes is the distinctive characteristic of grounded theory research. This theory, in association with theoretical sampling and constant comparison, is directly abstracted from the data collected and analysed. Consequently, it is considered as particularly appropriate when little is known about the area of study and when researchers intend to generate a theory that possesses explanatory power (Birks & Mills, 2011; Glaser & Strauss, 1967; Goulding, 2002; Stern, 2007; Strauss, 1987; Thomas & James, 2006).

Oktay (2012, p. 32) proposed four questions that provide guidance when deciding whether grounded theory methodology is the most appropriate methodology:

1. *Is your goal to develop theory?* This was indeed the research goal of this study, which aimed to provide theoretical guidance to help senior executives cope with the challenges of contemporary globalisation. Grounded theory methodology aims to identify new understanding and concepts from various perspectives (Creswell, 1998; Denzin & Lincoln, 2000; Dey, 1999; Strauss & Corbin, 1997), and is ideal for exploring something new from existing phenomena.

2. *Does your problem fit with symbolic interactionist assumptions and the level of analysis?* This study involved the interaction between the participants and traditional culture in a social environment, and entailed a comprehensive analysis of all the culture-related variables in such an interaction. Grounded theory methodology is especially applicable to microcosmic and behaviour-oriented research into social interaction (Birks & Mills, 2011; Glaser & Strauss, 1967; Parry, 1998; Spiggle, 1994; Strauss & Corbin, 1990a, 1990b). It attempts to construct meaning from interactions between individuals, and global leadership competency is an interaction between leader and followers, through which the competency can be clearly identified.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

100

3. *Can you implement a multistage process using the key components of grounded theory?*

- Will you have access to your population over time?

- Do you have access to a population with a wide variety of characteristics?

- Do you have a time table that allows you to reach theoretical saturation?

This study featured a multistage process comprising theoretical sensitivity, constant comparison, theoretical sampling and theoretical saturation, which are the key elements of grounded theory, as elaborated in the next section. The researcher first used theoretical sensitivity to define the research topic and undertake the initial data collection. Comparing data in association with theoretical sensitivity led to an understanding of the concepts and paved the way for the theoretical sampling and the next round of data collection. Simultaneous data analysis and data collection continued until theoretical saturation was reached, at which point no new data emerged. The researcher had support from a local management consulting company that facilitated access over time to a population with a wide variety of characteristics in terms of personal and global business experience. The research timetable – five years – allowed the researcher to reach theoretical saturation, with sufficient time for the interplay between the data collection and data analysis.

4. *Do you have a temperament that is compatible with the grounded theory model?* Padgett (2008, p. 18) noted that "some personality characteristics that the researcher has, such as flexibility, self-reflection, and the ability to work in an iterative, nonlinear way, are most suitable for the grounded theory methodology study". The Myers-Briggs test (Quenk, 2009) suggested that the researcher has an INTP type personality, that is, Introverted, Intuitive, Thinking and Perceiving. The researcher's introverted character enabled her to maintain passion and dedication during the iterative back-and-forth process, while her intuitive, thinking and perceiving characteristics allowed her to build up theoretical sensitivity and focus on the abstract and cognitive aspects with an open mind during the data analysis process.

Grounded theory, therefore, was considered the most appropriate methodology for this study. The following section provides details of its characteristics and procedures.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

101

3.2.3 Overview of grounded theory methodology

Evolution of grounded theory methodology

Grounded theory, as a qualitative research methodology, was proposed in the 1960s by two US sociologists, Barney G. Glaser and Anselm L. Strauss, in their study of hospital patients (Glaser & Strauss, 1967). As indicated in their first book, *The Discovery of Grounded Theory*, the initial intention to publicise this methodology was to "close the embarrassing gap between theory and research" (Glaser & Strauss, 1967, p. vii) and "improve social scientists' capacity for generating theory" (Glaser & Strauss, 1967, p. vii). It was designed to study processes of social interaction and how people address important problems. It attempts to come up with new knowledge and interpretations of phenomena by in-depth study of the data collected from field studies. As a result, it is a systematic process that involves an iterative interplay between data collection, data analysis, and conceptualisation or theorising. These concurrent processes, known as constant comparative analysis, are central to grounded theory methodology (Charmaz, 2000; Glaser, 1978; Glaser & Strauss, 1967; Morse, 2001; Stern, 1994; Strauss, 1987; Strauss & Corbin, 1990a, 2008).

Perhaps somewhat predictably, instead of posing a strict approach for the grounded theory methodology, in their first publication Glaser and Strauss encouraged other researchers to develop their own version. In their words, "our principal aim is to stimulate other theorists to codify and publish their own methods for generating theory. We trust that they will join us in telling those who have not yet attempted to generate theory that it is not a residual chore in this age of verification" (Glaser & Strauss, 1967, p. 8). The pluralistic feature of this methodology triggers researchers' growing interest in developing their approach of data interpretation. Consequently, several versions of grounded theory methodology have appeared in recent decades, and these feature different coding procedures as summarised in Table 3.1 (Birks & Mills, 2011, p. 116).

The grounded theory study does not fit easily into any single approach, nor can different versions can be clearly differentiated from each other as presented (Babchuk, 1996; Morse et al., 2009; Oktay, 2012). Morse et al. (2009, p. 18) suggested "Grounded theory is not a prescribed method that uses a particular 'level of data' and formulistic techniques to calculate a solution … Grounded theory is a way of thinking about data–

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

102

processes of conceptualization–of theorizing from data, so that the end result is a theory that the scientist produces from data collected by interviewing and observing everyday life". Oktay (2012, p. 23) also noted that "trying to make grounded theory 'fit' a single version risks losing the unique character of this method", and "one reason why grounded theory is so valuable is because it is a kind of hybrid".

Table 3.1: Coding procedure in different versions of grounded theory methodology

Grounded theorist	Initial coding	Intermediate coding	Advanced coding
Glaser and Strauss (1967)	Coding and comparing incidents	Integrating categories and properties	Delimiting the theory
Glaser (1978)	Open coding	Selective coding	Theoretical coding
Strauss and Corbin (1990a, 1998)	Open coding	Axial coding	Selective coding
Charmaz (2006)	Initial coding	Focused coding	Theoretical coding

Source: (Birks & Mills, 2011, p. 116)

Grounded theory is derived from the quantitative approach proposed by Glaser and the qualitative tradition in symbolic interaction theory advocated by Strauss. Their views evolved as they worked together and learned from each other (Watson, 2007). With a pragmatic view of grounded theory methodology, "researchers do not have to choose one side or the other but can use whatever version and techniques are most useful for a specific research project" (Oktay, 2012, p. 23). This research, instead of following one specific version, intended to maintain the fundamental characteristics of grounded theory methodology as elaborated in the following section.

Elements of grounded theory methodology

All versions of grounded theory methodology have four elements (Charmaz, 2006; Dey, 1999; Glaser & Strauss, 1967; Morse et al., 2009; Oktay, 2012; Stern, 1980; Strauss & Corbin, 1990a, 2008; Watson, 2007):

- Theoretical sensitivity;

- Constant comparison;

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

103

- Theoretical sampling;

- Theoretical saturation.

Theoretical sensitivity derives from the researcher's personal or professional experience with the topic, relevant theory and review of research (literature review) (Oktay, 2012, p. 45). The researcher had strong theoretical sensitivity to the research topic. After graduation, the researcher worked for a multinational company in a culturally diversified work environment. Work in America, Europe and Asia provided insight into global leadership competencies in a culturally specific context. A role with a local management consulting company in China gave the researcher experience working directly with senior executives of Chinese non-state-owned companies and provided a strong theoretical understanding of the research problem. These professional experiences highlighted the importance of global leadership competencies for senior executives of the Chinese non-state-owned companies. Moreover, a review of the literature demonstrated the need to study global leadership competencies in a culturally specific context.

Constant comparison of the data, codes and categories provides the researcher with conceptual understanding, which facilitates generation of the theory. Grounding the theory does not rely on the data only; instead, it derives from the dynamic interaction between the researcher and the data, which requires the researcher to understand both the context and the specific action in that context. In conjunction with dynamic interaction, the researcher employed three levels of comparison. First, incidents were compared with each other to understand the contexts in which those incidents occurred. Second, concepts were compared with incidents to better interpret the concepts. Third, the emergent concepts were compared with each other to establish the best fit between the potential concepts and the eventual theory. Together with theoretical sensitivity, this constant comparison paved the way for the theoretical sampling.

Unlike other qualitative approaches, the definitive size and type of the sample is unknown at the beginning of a grounded theory study. Although the initial sampling provides a starting point to locate the samples, it is the theoretical sampling that directs the size and type of the samples. This sampling strategy is associated with the whole research process, in which the research participants are specified by the emerging

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

104

concepts of different stages. The concepts that appear at one stage determine where, what and how much data are to be collected at the next stage. The theoretical sampling in grounded theory methodology gave the researcher a better understanding of the data, in order to ground the theory from the data at the end of the research.

Theoretical sensitivity, constant comparison and theoretical sampling set the foundation for the fourth element, theoretical saturation, which is the point at which "no additional data are being found whereby the sociologist can develop properties of the category" (Glaser & Strauss, 1967 , p. 61). It is not necessary for all categories to be saturated, but at least the core category must have reached saturation. Theoretical saturation is critically important for the eventual theory development: "such theory ought to be developed in intimate relationship with data, with researchers fully aware of themselves as instruments for developing that grounded theory" (Strauss, 1987, p. 6). When saturation occurred in this study, besides no new data emerging, the properties and relationships of all categories were clearly denoted. To ensure the real saturation was actually achieved instead of being proclaimed uncritically, the following five aspects, as proposed by Charmaz (2006, p. 113), were examined:

- Constant comparisons were made between data within and between categories.

- The sense employed to make the comparisons was unbiased.

- The comparisons led a new direction for this study.

- The way that the comparisons were made illuminated the theoretical categories.

- New conceptual relationships were articulated.

The above four elements of the grounded theory methodology explicate the inherent procedure imbedded in the research context, which is outlined in the following section.

Procedure of grounded theory methodology

The grounded theory pioneers Glaser and Strauss suggested how to generate the theory from the data and encouraged other researchers to develop their own grounded theory methodological procedures, specific to their study. As a result, different versions of

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

105

grounded theory methodology abound. Strauss implied that grounded theory "is a detailed grounding by systematically" and intensively "analysing data, often sentence by sentence, or phrase by phrase of the field note, interview, or other document; by 'constant comparison', data are extensively collected and coded", using the operations touched on in the previous section, thus producing a well-constructed theory (Strauss, 1987, p. 22). He suggested the following ten steps for studies employing grounded theory methodology (Strauss, 1987, p. 23):

1. The concept-indicator model which directs the coding;

2. Data collection;

3. Coding;

4. Core categories;

5. Theoretical sampling;

6. Comparisons;

7. Theoretical saturation;

8. Integration of the theory;

9. Theoretical memos;

10. Theoretical sorting.

Based on these steps proposed by Strauss, the research is design for the current study comprised 20 steps grouped into four operations (Figure 3.1): sampling, data collection, data analysis and theory presentation. These operations are discussed in the next four sections.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

106

Figure 3.1: Procedure of grounded theory methodology employed in Chapter 3

Flowchart

Determine the research topic

Literature review

Specify research question and draw up research design

Initial sampling-pilot study

Stage 1 data collection: 10 initial interviews

Initial memos

Open coding of Stage 1 data

Development of initial concepts from Stage 1 data

Development of advanced concepts from Stage 1 data

Stage 2 data collection: another 10 interviews

Initial memos

Open coding of Stage 2 data

Development of initial concepts from Stage 2 data

Development of advanced concepts from Stage 2 data

Stage 3 data collection: another 10 interviews

Initial memos

Open coding of Stage 3 data

Development of initial concepts from Stage 3 data

Development of advanced concepts from Stage 3 data

Development of open coding categories

Axial Coding: Saturation of core categories

Selective Coding: Selection of core category

Development of grounded theory

Sampling

Data collection

Data analysis

Theory presentation

Theoretical sensitivity

Constant comparison

Theoretical sampling

Theoretical saturation

Note: Solid arrows and matrices represent concrete steps and operations conducted as part of this study; dashed arrows indicate the interrelation of those steps and operations.

Global leadership competencies of senior executives from non-state-owned companies of China: A qualitative study in a Confucian cultural context

3.3   Sampling

In the same way as other qualitative methodologies, sampling plays a significant role in the grounded theory study. The quality of the sampling determines the quality of the data collected, while good-quality data lay a solid foundation for the eventual grounded theory (Glaser & Strauss, 1967; Strauss, 1987; Strauss & Corbin, 1990a, 2008).

Unlike other qualitative studies in which the sampling is conducted independently, the grounded theory sampling has an iterative interaction with the data collection and data analysis in order to identify the emerging concepts and categories from the data. It aims at "explicating the dimensional scope of the phenomena of interest and enhancing the comprehensive description of the trajectory of the phenomena over time" (Morse, 2010, p. 229). The simultaneous data collection and data analysis provide direction for the next round of sampling to locate more appropriate data source.

This section explores the significance of sampling and, the sampling techniques suitable for grounded theory study. Finally, it outlines the sampling strategies used in this study.

3.3.1 Significance of sampling

Sampling is an essential element of most research. In a grounded theory research, instead of being pre-determined, sampling is an ongoing process of locating the samples driven by the emerging concepts from the simultaneous data collection and data analysis. It plays a significant role in the theory establishment at the end of the study, integrating the researcher's skill, targeting the appropriate participants and choosing suitable sampling techniques (Charmaz, 2006; Creswell, 2003; Morse, 2001, 2010; Strauss, 1987; Strauss & Corbin, 2008).

In a grounded theory study, sampling is an interactive process that involves both researcher and samples. Same as the study utilising other methodologies, the grounded theory study also needs samples that reflect the characteristics of the whole population. Although no such perfect sample exists for complex populations (if it did exist, there would be no knowledge about it without measuring the whole population), a good

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

108

sample will be "representative in the sense that characteristics of interest in the population can be estimated from the sample with a known degree of accuracy" (Sharon, 2009, p. 3). As indicated by Spradley (1979), excellent participants for the grounded theory study should be those who have experience in the topic under investigation. Specifically, the researcher should target the sampling at participants who possess the following three qualities:

- Are experts in the experience or the phenomena under investigation;

- Are willing to participate and time to share the necessary information;

- Are reflective, willing and able to speak articulately about the experience.

Once the research topic was determined and the research problem and question were specified after substantial literature review, the first challenge for the researcher was where to collect the data. As the research question was articulately framed for this study, it offered a good indication for the researcher that the main source of the data should come from the senior executives who worked for the non-state-owned companies of China.

However, the above source for the data collection was still too broad. Under the principles of convenience sampling and purposeful sampling, which are detailed in the following section, the researcher realised that the involvement in the global business and experience in leading the global business were two crucial criteria to determine a good sample. Thus, the sampling should first target the Chinese non-state-owned companies which had years of involvement in the global business, and then the senior executives who took a leadership role in leading the global business in those companies. By this stage, the data source became clear-cut with the following standards set for selecting the initial samples.

- Targeted Chinese non-state-owned companies:

  o More than five years' involvement in global business.

- Targeted participants from the Chinese non-state-owned companies:

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

109

o   Local Chinese executives who grew up and had their career advancement in China;

o   More than 20 years' experience at the senior executive position;

o   More than five years' experience in leading the global business and managing the cross-cultural team.

Once the standards were set for selecting the initial samples, the researcher worked with a local management consulting company named iCan International Management Consulting Co. Ltd. to identify the samples. Having specialised in the management consulting and coaching for the non-state-owned companies for decades, this company had a broad network with more than 10,000 local senior executives from 25 industries throughout the country. It provided a list of 100 senior executives of Chinese non-state-owned companies, randomly selected from the pool of the local senior executives. These executives had consented to their personal information being provided to authorised consultants, provided their personal identity was not made public.

Of the 100 senior executives on the list, 45 met the aforementioned sampling standards after the researcher conducted a strict screening. The researcher then sent them the Information and Consent Form (Appendix 4) by email and telephoned three days later to check whether they accepted the invitation to participate. Twenty-five executives were interested in this project and had taken initiative to return the signed consent form to the researcher as acknowledgement before the researcher called them. Another 15 expressed concerns about the time commitment at the beginning of the phone conversation, but after the researcher informed them that the interview could be conducted by either face-to-face meeting or telephone interview and would take no longer than 90 minutes, all 15 agreed to participate. The remaining five executives advised that they would not take part in the project due to business commitments.

As the sample size is unknown in any grounded theory study, the researcher had no idea about how many of the 40 senior executives who agreed to participate in this research project would actually be invited to take part in this study. The eventual sample could be more or fewer than 40. To ensure the interview questions were appropriately designed and easily understood, five executives were randomly selected for a pilot study. They generally understood the majority of the interview questions when asked the first time;

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

110

only three questions needed to be repeated by the researcher. Those three questions were then slightly reworded according to the feedback from the five pilot study participants. A further 30 executives were then interviewed in three rounds of data collection with 10 participants in each round. Theoretical saturation occurred after the 30th senior executive was interviewed, as no new concepts were identified at the 30th interview.

Only 35 from the initial 40 senior executives actually participated in interviews: five for the pilot study and 30 in the three rounds of data collection. They represented 10 industries: electronics, pharmaceuticals, footwear, chemical, telecommunication, food processing, banking, insurance, real estate and information technology. The demographic profile of those 30 targeted interviewees is presented in tables 3.2–3.6.

Table 3.2: Type of company of research participants

Type of company	No.	Percentage
Non-state-owned publicly listed company	22	73%
Family business	8	27%
Total	30	100%

Table 3.3: Type of industry of research participants

Industry	No.	Percentage
Electronic	4	13%
Pharmaceutical	3	10%
Footwear	2	7%
Chemical	4	13%
Telecommunication	2	7%
Food processing	4	13%
Banking	2	7%
Insurance	2	7%
Real estate	3	10%
Information technology	4	13%
Total	30	100%

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

111

Table 3.4: Geographic location of research participants

Location	No.	Percentage
North China (Beijing)	7	23%
South China (Guangzhou)	9	30%
East China (Shanghai)	8	27%
West China (Xi'an)	6	20%
Total	30	100%

Table 3.5: Number of years worked in senior executive position by research participants

Number of years	No.	Percentage
20–25 years	17	57%
25–30 years	10	33%
30–35 years	2	7%
35–40 years	1	3%
Total	30	100%

Table 3.6: Number of years worked in global business by research participants

Number of years	No.	Percentage
5–10 years	12	40%
10–15 years	9	30%
15–20 years	6	20%
20–25 years	3	10%
Total	30	100%

The researcher was the only person with access to the final list of participants and the interview schedule. Transcripts did not contain participants' names, and any documents that could relate a participant to a particular transcript were kept by the researcher in a locked room away from the management consulting company and separately from the transcripts.

The five senior executives who agreed to join in this study but were not interviewed received a written thank-you letter from the researcher after the theoretical saturation

Global leadership competencies of senior executives from non-state-owned companies of China: A qualitative study in a Confucian cultural context

occurred; the researcher then called them the next day to explain the reason and thank them again. All of them confirmed that they did not mind and expressed their willingness to join a similar research project if conducted by the researcher in the future.

The whole sampling process described above employed several sampling techniques. Each technique has particular characteristics and advantages, enabling the researcher to collect significant, pertinent, informative and exciting data, instead of data that are mundane, obscure or irrelevant (Morse, 2010). The following section elaborates the different sampling techniques used in this study to achieve the research objective.

3.3.2 Sampling techniques

Grounded theory methodology can employ three sampling techniques: convenience sampling, purposeful sampling and theoretical sampling. Each plays a different role at different stages of the research.

Convenience sampling is helpful for determining where the sampling should be located (Morse, 2010). The ideal research participant has the ability and willingness to provide significant, pertinent, informative and exciting information. However, researchers often face financial, geographical and time constraints. In this study, research participants who were accessible and also had the ability and motivation to join the research project were selected using the convenience sampling technique, with the researcher working with a local management consulting company, iCan International Management Consulting Co., Ltd. which had a big pool of local senior executives from the non-state-owned companies in the key industries of China. This management consulting company's database provided the researcher with ready access to the targeted samples.

Purposeful sampling is more targeted to the research topic and objectives (Morse, 2010). After the initial convenience sampling, the sampling pool of potential participants was narrowed to a couple of targets for the sake of greater resource efficiency. By this stage the researcher had a clearer idea of the most suitable research participants, as well as where and how they could be approached. Senior executives from Chinese non-state-owned companies who were invited to participate in this research project had to have worked at a senior executive position for at least 20 years, including at least five years'

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

113

leadership overseas. As they worked for domestic companies, they were approached by email, phone call or face-to-face meeting. The same sampling technique was used in the leadership development study conducted by Krosigk (2007), which also employed the grounded theory methodology, choosing participants by means of purposive sampling. In that study, Krosigk requested lengthy interviews with 12 leaders whom he had met either by introduction or by referral over a time span of 30 years. Eventually the 10 leaders that fit the 'effective' leadership criteria participated in the study.

Theoretical sampling, the sampling technique unique to the grounded theory study, selects research participants on the basis of the emerging concepts. It not only provides a more specific target for the sampling of the next stage, but also collects data more pertinent to establishing the grounded theory (Glaser, 1978; Glaser & Strauss, 1967; Morse, 2010; Stern, 1980; Strauss, 1987). It needs to be conducted by the researcher once the initial samples are located, and then maintains its dynamic interaction with the subsequent data collection and data analysis afterwards until the theoretic saturation occurs. The following section details the strategies on how the theoretical sampling technique was adopted in this research project.

3.3.3 Sampling strategies

Theoretical sampling is both an essential and a unique technique in any grounded theory study. This section describes the strategies used in the theoretical sampling in this study.

As defined by Glaser and Strauss when they initiated the grounded theory methodology, theoretical sampling is "a process of data collection for generating theory whereby the analyst jointly collects, codes, and analyses his data and decides what data to collect next and where to find them, in order to develop his theory as it emerges" (Glaser & Strauss, 1967, p. 45). Although most grounded theorists generally accept this definition (Birks & Mills, 2011; Charmaz, 1998; Creswell, 1998; Dey, 1999; Glaser & Strauss, 1967; Goulding, 2002; Locke, 2001; Morse et al., 2009; Stern, 1980), they add their understanding of the theoretical sampling from their grounded theory studies. For example, Birks and Mills (2011, p. 69) described theoretical sampling as "the process of identifying and pursuing clues that arise during analysis in a grounded theory study",

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

114

while theoretical sensitivity is critically important for making researchers more attuned to those clues.

With theoretical sampling, this study used the data collected from 30 interviews to construct the initial concepts, and then verified those concepts through subsequent data collection and analysis. It was an iterative process with interplay between data collection and data analysis (Glaser & Strauss, 1967; Hood, 1983; Morse, 2001, 2010; Stern, 1994; Strauss, 1987). In this way, theoretical sampling is a strategic, concrete and systematic process which leads to the formulation of categories and concepts. With this technique, this researcher focused on the following areas of the subsequent data analysis:

- Describe the characteristics of a category.

- Test the sensitivity on the category.

- Saturate the category.

- Differentiate the categories.

- Identify the relationship among different categories.

- Identify the variables during the process.

Theoretical sampling facilitated the researcher's further understanding of the properties of the categories and their evolution during the whole process. It offered the flexibility to include more participants or conduct the study in a new context, enabling the researcher to analyse the data from different perspectives and identify the inherent interpretation from the data. Theoretical sampling was accompanied by constant comparison during the research process. By constantly comparing the data, codes and categories when conducting the theoretical sampling, the researcher gradually developed a conceptual understanding of the data and built up insights into the kinds of data needed at the next stage. It reflected the dynamism of the theoretical sampling, which required dynamic interaction between researcher and data.

Though theoretical sampling is an interactive process, it ceases when theoretical saturation occurs (Charmaz, 1998; Glaser & Strauss, 1967; Stern, 1980), which happens when the collected data fail to offer either new insights or new properties pertinent to

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

115

the core category. Instead of finding nothing new or no repeated patterns, "saturation is the conceptualization of comparisons of these incidents which yield different properties of the pattern, until no new properties of the pattern emerge. This yields the conceptual density that when integrated into hypotheses make up the body of the generated grounded theory with theoretical completeness" (Glaser, 2001, p. 191).

Theoretical saturation is a crucial link between theoretical sampling and the generation of theory. Deciding when saturation happens is critically important; criteria for determining this point are the empirical limits of the data, the integration and density of the theory, and the researcher's theoretical sensitivity (Glaser & Strauss, 1967).

This study came to theoretical saturation after the 30th participant was interviewed. The first 10 interviews identified 110 initial concepts, and the next 10 identified another 16. The final 10 interviews identified no new concepts.

Similar sampling strategies were also seen in a study about the nurses' perceptions of leadership style in hospitals which was recently conducted by Su et al. (2012) using grounded theory methodology (2012). Theoretical sampling played a significant role in the three-stage sampling process of that study. Stage I was to discover the information pertinent to the research topic, allowing for possibilities of participants, places and situations. Stage II aimed at searching for events that indicated the variations and relationships among concepts. Stage III returned to old sites and went to new ones to gather the essential data to saturate categories. Eventually 28 nurses from 11 different medical and surgical adult nursing units in seven hospitals were invited to participate in that study.

In summary, theoretical sampling is indispensable to grounded theory methodology. In conjunction with constant comparison, theoretical sampling drives the whole research project step by step, including data collection, data analysis and theoretical integration. These three important steps in the grounded theory methodology study are elaborated in the following sections.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

116

3.4   Data collection

Once the data source is located through the sampling techniques discussed in the previous section, the next stage is to collect the data from the targeted samples. In a grounded theory study, where the ultimate purpose is to establish the theory from the interview data, the data collection techniques are critically important as they influence the quality of both the data collected and the final grounded theory developed at the end of the study. This section first explores the importance of data collection, then discusses the data collection techniques and strategies used in this study.

3.4.1 Significance of data collection

In contrast to studies guided by other methodological approaches, where the data collection is an independent step, the data collection in a grounded theory study is part of the iterative process simultaneously driven by the researcher's theoretical sensitivity, constant comparison and data analysis (Birks & Mills, 2011; Charmaz, 1998; Creswell, 1998; Glaser & Strauss, 1967; Locke, 2001; Stern, 1980). Theoretical sensitivity helped the researcher initially locate the source of the data. Through constant comparison and analysis of the collected data, emerging concepts and developing dimensions and properties were identified, which directed the next round of sampling and data to be collected.

The quality of the data collected is central for such a back-and-forth process, depending on the data source and appropriate techniques used to collect the data (Morse et al., 2009; Oktay, 2012). Moreover, the credibility of the study heavily depends on the relevance, substance, scope and depth of the collected data (Birks & Mills, 2011). Charmaz (2006) highlighted the significance of data collection in a grounded theory study. To ensure the adequacy of data quality, the data collection should achieve the following objectives:

- Captures a range of contexts, perspectives and timeframes;

- Provides rich detail in respect of the view and actions of participants;

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

117

- Looks beneath superficial layers of data;

- Considers the value of data for the purpose of comparison and category development.

In addition to these objectives of the data collection, the data quality of a grounded theory study is also influenced by the data collection techniques, which are elaborated in the next section.

3.4.2 Data collection techniques

A well-planned data collection strategy helps ensure quality data. However, unlike other qualitative and even quantitative studies, which can clearly set the sample size beforehand, the sample size of a grounded theory methodology study is subject to the theoretical sampling conducted during the research process. As discussed earlier, the emerging concepts and categories identified at the one stage determine what, where and how much data are to be collected at the next stage.

As discussed above, 30 interviews were conducted, in three batches of 10 participants each, by which time no new concepts were identified and theoretical saturation had been reached.

To verify the sampling targets identified through convenience sampling and purposeful sampling, the researcher first conducted a pilot study with five research participants selected from the list of 100 senior executives provided by the management consulting company. The pilot study used semi-structured interviews, the technique most suitable for grounded theory methodology study (Creswell, 1998, 2003; Denzin & Lincoln, 2000; Ezzy, 2002; Morse, 2001; Strauss, 1987). The semi-structured interviews with research participants in this study contained four components:

- Participants' demographic background;

- Challenges of the global business community faced by participant;

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

118

- Most successful and least successful actions by participants to address these challenges;

- Global leadership competencies demonstrated by the participant when dealing with these challenges.

The semi-structured interview provides great flexibility for the interviewer to revise the interview questions under a general framework and facilitates the natural flow of the data pertinent to the research question. It is commonly used in grounded theory studies. For example, semi-structured interviews were also used in the hospital study about perceived leadership style conducted by Su et al. (2012), described earlier, and in a study about the leadership by individuals with developmental disabilities conducted by Caldwell (2010).

In addition to semi-structured interviews technique, in this study the researcher employed the critical incident technique (CIT) during interviews, to ensure the data collected from the targeted participants served the theory-building purpose. Developed by Flanagan (1954), CIT was the first qualitative research method that provided specific procedures concerning research purpose, design, data collection, analysis and report for psychological researchers (Wertz et al., 2011). It helps in establishing knowledge that surpasses any concepts based on opinions, hunches, estimates and assumptions. Instead of extensively exploring all incidents that the research participant experiences, this technique focuses on the specific critical incidents that lead to the participant's successes and failures in certain situations.

With this technique, the researcher concentrated on the most successful and least successful actions the participants took to meet the challenges they encountered in the global business community. It enabled the researcher to effectively solicit the information most relevant to the research questions, targeting the critical incidents which most indicate the global leadership competencies of senior executives from the Chinese non-state-owned companies. The key questions in the main body of the interview reflected a natural switch from the main challenges the participant faced, to the action they took, and finally the global leadership competencies that facilitated their action. Key questions included:

- What key challenges did you encounter when leading the global business?

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

119

- Please describe the most successful action that you took to cope with those challenges.

- What global leadership competencies enabled you to take successful action in that incident?

- Please describe the least successful action that you took to cope with those challenges.

- What global leadership competencies do you need to improve in order to take successful action in that incident?

Each interview took about 90 minutes and consisted of the introduction (10 minutes), the main body of the interview (70 minutes) that included initial open-ended questions, intermediate questions and ending questions, and the concluding section (10 minutes). During the introduction, the researcher explained to the participant the purpose of the study, the expected length of the interview, how the data would be recorded, analysed and stored, how participants' confidentiality would be ensured, and how the research results would be presented.

The main body of the interview consisted of 10 questions (presented in full in Appendix 5). As the interview was semi-structured, the researcher added some extra questions or made slight adjustment to the questions according to each participant's responses. The intermediate questions occupied approximately two-thirds of the interview time (60 minutes) and were designed to stimulate the interpretive, contextual and emergent nature of theory development (Glaser & Strauss, 1967). After the participant answered each question, the researcher summarised the key points of the answer to ensure no misunderstanding, accounting for about 10 minutes during the whole interview.

At the end of the interview, the researcher took another 10 minutes to recap the key points of information collected and to ask whether the participant had any concerns or wished to add any further information. If not, the researcher thanked the research participant and ended the interview.

Interviews were conducted in Chinese, the native language of the researcher and all participants. This enabled the researcher to read the emerging meaning from any

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

120

superficial data. With prior written consent from research participants, interviews were recorded with an audio recorder MP3 and the researcher took notes in Chinese during the interview process. After the interviews, the researcher summarised the transcriptions and memos in Chinese. During the coding stage, the researcher, who is proficient in both Chinese and English, translated the concepts and categories from Chinese into English, which are considered as "interpretations and products of analysis" (Strauss & Corbin, 2008, p. 159).

A similar use of language occurred in the interview and data analysis undertaken by Larsson et al. (2006) in their study of the leadership development of military leaders using the grounded theory methodology. The study spanned five countries: The Netherlands, Norway, Slovenia, Sweden, and the United States, with 10 military officers were interviewed in their native language in each country. At the data analysis stage, the codes were translated into English and then grouped into different categories.

After slight revisions to the wording of three interview questions following the pilot study, the formal process of the data collection in this study started, using some specific strategies elaborated in the next section.

3.4.3 Data collection strategies

Interviews were originally intended to be face-to-face. Although the interview invitation was released to participants one month beforehand with fortnightly email reminders, 12 interviews were conducted by conference call due to those participants' business trips or meeting engagements. As already outlined, the data collection comprised three stages.

In the first stage, interviews with 10 senior executives identified 110 initial concepts and 35 advanced concepts. To verify whether new concepts and new properties of the existing concepts, another 10 senior executives were interviewed.

In the second stage, an additional 16 initial concepts and 7 advanced concepts were found. These extra concepts not only generated additional properties to the original concepts identified in the previous stage, but also suggested a need for further data collection to verify whether additional concepts and new properties could be found.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

121

The third stage comprised interviews with another 10 senior executives; however, all the concepts identified at this stage were repeats from the previous two stages, with no new properties identified.

During the entire data collection process, the researcher kept in mind that the purpose of data collection was to develop the theory. The researcher therefore constantly compared data with theoretical sensitivity, while keeping an open mind to any new ideas indicated by respondents, and so avoided searching for verification of already identified concepts. When any concepts emerged, the researcher asked the respondent more detailed questions in the interview. If the concepts that were becoming relevant and significant to the theory to be grounded did not naturally arise in the interview, then the researcher also asked the respondent about them, without asking leading questions. When the expected concept was not mentioned by a respondent, the researcher confirmed that the respondent had not experienced that concept, rather than simply that the respondent had failed to mention it. If this occurred, the researcher also explored the conditions that might have made this situation different from other situations in this study.

Data collection in this study was not conducted alone. Instead, it was accompanied with the data analysis, as described in the following section.

3.5　Data analysis

In grounded theory methodology, data analysis involves a series of systematic techniques to drive the conceptual abstraction and reintegration of the data in order to ground the theory at the end of the research. Coding, the key technique, generally entails a three-stage procedure: open coding, axial coding and selective coding. After the concepts and categories are identified through open coding, their interrelation is vividly presented by axial coding, which makes the exploration of the core category more naturally via the selective coding. While highlighting the significance of data analysis for this study, the data analysis techniques and strategies utilising these techniques are elaborated in the following three sections.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

122

3.5.1 Significance of data analysis

The dominant feature that differentiates the grounded theory methodology and other qualitative methodologies is the concurrence of the data collection and data analysis. Once the data are collected from the targeted samples, the data collection is simultaneously conducted. Data analysis plays two important roles in the grounded theory study. On one hand, it aims at identifying the emerging theory from the collected data. On the other hand, it serves for the next round of sampling and data collection by providing the clues and direction for them.

Data analysis in grounded theory methodology is associated with coding, which connects the interview data with the theory. Through coding, the researcher has a condensed and abstract understanding of the incidents. In conjunction with constant comparison, it articulates the hidden depth and density of the data, which finally leads to the establishment of the theory. As indicated by Glaser and Strauss (1967, p. 106):

> *Coding … should keep track of the comparison group in which the incident occurs. To this procedure we add the basic, defining rule for the constant comparison method: while coding an incident for a category, compare it with the previous incidents in the same and different groups coded in the same category … This constant comparison of the incidents very soon starts to generate theoretical properties of the category. The analyst starts thinking in terms of the full range of types or continua of the category, its dimensions, the conditions under which it is pronounced or minimised, its major consequences, its relation to other categories and its other properties.*

In the data analysis process, coding is driven by constant comparison. This starts with the initial coding, and continues throughout the data analysis process until finally the theory is grounded. Such comparison "explores differences and similarities across incidents within the data currently collected and provides guidelines for collecting additional data…Analysis explicitly compares each incident in the data with other incidents appearing to belong to the same category, exploring their similarities and difference" (Spiggle, 1994, p. 493). By comparing where the incidents are similar and different, researchers can effectively solicit properties of categories that enhance their generality and explanatory power (Glaser & Strauss, 1968).

Besides coding and constant comparison, the data analysis of this grounded theory study also featured some unique techniques and strategies, described in the next two sections.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

123

3.5.2 Data analysis techniques

In comparison with other qualitative research methodologies, grounded theory methodology is unique in view of its ultimate goal to be achieved. To ground the theory from the data, the researcher employed 13 analytical techniques in this study, as recommended by Strauss and Corbin (1997, 1998). These techniques have been widely used in other grounded theory studies (Dahlvig & Longman, 2010; Ferguson et al., 2011; Larsson et al., 2006; Oktay, 2012; Singh & Krishnan, 2005), and have proved effective for stimulating new insights into the research problems (Charmaz, 1998; Dey, 1999; Strauss & Corbin, 1990b, 1994, 2008).

1. Questioning

Asking questions enables researchers to probe, develop provisional answers, think creatively and become acquainted with the data. The researcher asked four types of questions when conducting the data analysis:

- Sensitising questions, which enable the researcher to explore the content indicated by the data (e.g., What was the situation at that time? What action did the research participant take in that situation? What factors influenced the research participant to take that action?)

- Theoretical questions, which help the researcher to explore the interrelation of the concepts (e.g., What were the differences and similarities between this concept with another one? What was the relationship of the action to another before? How did the action and perception of the research participant change over time?)

- Practical questions, which aim at directing the theoretical sampling and facilitating theoretical conceptualisation (e.g., Was this concept well developed? Was this concept same as the one identified before? Was the data analysis process logical?)

- Guiding questions, intended to guide the activities to be conducted in the data analysis (e.g., Was the next interview necessary? Did this interview achieve the original objective?)

2. Making comparisons

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

124

Comparative analysis consisted of constant comparison, discussed earlier, and theoretical comparison. This technique enabled the researcher to think about the collected data from different perspectives by comparing the property of the data with that of the literature or her own experience.

For example, one participant mentioned that he showed respect to his foreign colleagues by adjusting his behaviour to comply with their code of conduct. To gain more understanding of the concept "respect" indicated by him, the researcher compared this participant's interpretation with the literature on this concept, and found that the participant added to the traditional interpretation of "respect" two unique elements, ritual propriety and harmony, which made the concept of "respect" unique in the Chinese Confucian cultural context. Making comparisons in this way enabled the researcher to switch the focus from the description of the data to the conceptual abstraction.

3. Thinking about the various meanings of a word

The researcher focused on words with different interpretations in different contexts, which influenced the theoretical conceptualisation. The researcher initially scanned the documents, returned to focus on a word that seemed significant or analytically interesting, listed all possible meanings and then, when reviewing the transcript, noted that word a particular word in a particular context indicated a particular meaning.

4. Using the flip-flop technique

This technique helped the researcher to consider the opposite or extreme range of a concept to solicit its significant properties. For example, the researcher felt that the concept conscience in the transcript was too abstract to interpret in a succinct way. When the researcher thought of some immoral misconduct of the business leaders which were reported to cause suffering to thousands of people, the properties of the concept conscience became significant and clear to the researcher.

5. Drawing upon personal experience

The researcher's personal experience was helpful for gaining more insight from the data. For example, the concept "Be forgiving", mentioned by participants, was not a concrete interpretation to be clearly understood. But the researcher's past experience in forgiving

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

125

other people's mistakes shed light on the correct understanding of what "Be forgiving" meant in a global business context. Although this technique was helpful, it was easy for her to add personal bias to the data analysis, and so it was necessary to employ the technique of waving the red flag.

6.   Waving the red flag

The researcher avoided the potential influence of personal bias or preconception by maintaining an open mind to all potential concepts identified in the transcript. To ensure the whole data analysis was conducted in an unbiased way, it was important for her to wave a red flag once the potential personal perception was posed onto the interview data.

7.   Looking at language

The participants' language when responding to the questions was shaped and influenced by their cultural context and social background. Looking at the way they used their language to express themselves provided more insights into the data, especially the inherent information influenced by the intangible factors such as values and culture. For example, some participants liked to use the first person "we" to describe the incidents that they experienced. However, when explored further, it became clear that some incidents involved just the participant, rather than a group of people. This technique enabled the researcher to pay more attention to the critical incidents relevant to their global leadership competencies.

8.   Looking at emotions that are expressed and the situations that aroused them

Part of the data included participants' emotions and the situations that occurred around them, and studying these elicited more implications from the data.

9.   Looking for words that indicate time

When analysing the data, the researcher paid attention to words indicating time, such as before, after, when, since, etc. These words indicated the frequency or condition in which the incident occurred, which in turn influenced the interpretation of the data.

10. Thinking in terms of metaphors and similes

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

126

It was notable that participants used metaphors and similes to describe their experience or feelings at the interviews, and examining these enabled the researcher to uncover more hidden information from the superficial data.

11. Looking for the negative case

Although the negative case was the one that did not fit the pattern, looking for such a case could help the researcher to find an alternative explanation for an incident, thereby providing a chance to interpret the data from a different perspective.

12. "So what?" and "what if?"

Being open-minded throughout the whole data analysis process was critically important. It required the researcher to consider all possible interpretation of the data in order to achieve reasonable theoretical conceptualisation. Questions such as "So what?" and "What if?" enabled the researcher to consider all possibilities when analysing the data.

13. Looking at the structure of the narrative and how it is organised in terms of time or some other variable

The structure and organisation of participants' narratives indicated their understanding of the incident or experience. A well-organised description usually indicated insightful understanding of a certain incident or experience, and therefore whether the participant's narrative was reliable or not.

3.5.3 Data analysis strategies

Data analysis in this study employed three strategies: open coding, axial coding and selective coding.

Open coding

Open coding is an activity to motivate new concepts. The aim of open coding is to develop categories by decomposing and comparing the data collected, labelling the

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

127

different phenomena and finally grouping similar concepts together. It is a process of formulating concepts and categories by putting forward new questions and conducting further theoretical sampling on the emerging concepts and categories. At the beginning of the coding process, the researcher maintained an open mind towards all potential concepts to minimise any preconception posed onto the data.

The whole process of open coding is driven by the concept-indicator model, which aims to identify the similarities and variations among the indicators and concepts. Indicators can be a word, phrase or sentence, or a series of words, phrases or sentences in the transcript. Concepts refer to the "words that stand for groups or classes of objectives, events and actions that share some common property(ies), though the property(ies) can vary dimensionally" (Strauss & Corbin, 2008, p. 45).

To activate the concept-indicator model, the researcher started with a full transcription of an interview, after which the transcript was analysed line by line in order to identify the indicators and concepts. The researcher abstracted the key themes of the transcript, applying the analytic techniques described in the previous section and paying attention to the language, emotions, time words, metaphors and negative cases mentioned by participants. Focussing on those areas helped her gain more insight into the data and thereby enhance the theoretical sensitivity.

To effectively identify similarities and variations among the indicators during this line-by-line analysis, the researcher divided them into several groups according to their properties. All indicators that shared the same properties were grouped under the same concepts. Through constant comparison, the indicator that generated significant insight was added to relevant group of concepts. Any concept that did not have further significant insight brought by another indicator was considered as theoretically saturated and defined as a grounded concept.

Open coding also involves generation of categories, which are higher-order concepts with more explanatory power and the ability to pull together all the grounded concepts into a theoretical framework. Grounded theory methodology has two categorisation strategies. One is to group putatively similar but not identical concepts under a more abstract heading, and the other is to group putatively dissimilar but still allied concepts under a more abstract heading (Strauss & Corbin, 2008). These two strategies work for

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

128

theoretical conceptualisation, but in terms of the dimensionalisation, the latter one more directly links to the subsequent steps to identify the interrelationship among the concepts and categories in axial coding and the core category in selective coding (Strauss & Corbin, 1990a, 1997, 2008). Consequently, when generating the categories in open coding, the researcher aimed to group putatively dissimilar but still allied concepts under a more abstract heading.

Initial concepts generated in the open coding stage are temporary and comparative, and ground the data. As noted by Strauss (1987, p. 63), open coding has a "springboard" function. The initial concepts must provide enough flexibility for the researcher to enhance their fit and relevance in the subsequent data analysis. It is important for the researcher to remain open-minded in the whole coding process and allow any new concepts and categories to appear at this stage.

At the open coding stage of this study, 126 initial concepts were identified, and these were abstracted into 42 advanced concepts and 11 categories in sequence.

Axial coding

Axial coding then consists of constructing relationships among the concepts and categories identified through open coding. While indicating a logical relationship of the categories, it categorises and groups the relevant data together. As implied by Spiggle (1994), abstract concepts encompass a number of more concrete instances found in the data. The theoretical significance of a concept springs from its relationship to other concepts or its connection to a broader gestalt of an individual's experience.

Axial coding is an indispensable link to connect the open coding and selective coding. It is defined as a process of "crosscutting or relating concepts to each other" (Strauss & Corbin, 2008, p. 195). It establishes the axes and explains the interrelationship among the categories identified in the open coding stage. Examining how categories are interrelated is at the core of axial coding.

As acknowledged by Strauss and Corbin (1990a, p. 143), "Analyzing data for process is not a separate aspect of analysis … Bringing process into the analysis is an important part of any grounded theory study". Consequently, the researcher conducted a full

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

examination of all categories identified in the open coding stage, and investigated whether they were relevant to:

- Phenomena at which the actions and interactions in the incident were directed;

- Causal conditions which triggered the phenomena to occur;

- Context in which the phenomena happened;

- Intervening conditions which exerted the influence on the phenomena;

- Action and interaction strategies which were employed to cope with the phenomena;

- Consequences which were the result of the phenomena.

Then the categories that had the most relevance were clustered together, and their hierarchical, linear or recursive connection was visualised by different diagrams.

At the end of the axial coding, four axes were identified and 11 categories were consolidated into the respective axis. The interrelationship between each axis and related categories was visualised diagrammatically. Those visualised interrelationships enabled the researcher to identify the core axis in the next data analysis process, the selective coding.

Selective coding

In grounded theory, the core category is important and influences the other categories. Finally, the selective coding process assists in identifying such a core category, which then becomes the major element of the grounded theory. The core category is a critically significant step towards establishing the theory. Compared with other categories, the core category has the highest explanatory relevance and great theoretical power to encompass all other categories together (Strauss & Corbin, 1998). Without a core category an effort of a category will drift in relevancy and workability. It distinguishes other categories with the following features (Glaser, 1978, p. 95):

- It is central and most explanatory for the behaviours or incidents.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

- It has the most reoccurrence in the data.

- It takes the longest time to come to the saturation as compared with other categories.

- It has the most relevance to other categories.

- It has clear implications for developing the grounded theory.

- It is the basis of the theoretical analysis.

- It is highly variable and modifiable.

Strauss and Corbin (2008, p. 105) echoed similar criteria for choosing a central category:

- It must be abstract; that is, all other major categories can be related to it and placed under it.

- It must appear frequently in the data. This means that within all, or almost all, cases there are indicators pointing to that concept.

- It must be logical and consistent with the data. There should be no forcing of data.

- It should be sufficiently abstract so that it can be used to do research in other substantive areas, leading to the development of a more general theory.

- It should grow in depth and explanatory power as each of the other categories is related to it through statements of relationship.

Selective coding is a critically important step to move the data analysis forward to the theory generation stage. The researcher used four techniques suggested by Strauss and Corbin (1990a) to identify the core category:

1. Write the storyline. Story is "a descriptive narrative about the central phenomenon of the study", and storyline is "the conceptualization of the story" which inherently suggests coherence and continuity (Strauss & Corbin, 1990a, p. 116). In grounded theory methodology, the storyline helps the researcher construct and formulate the story. In this study, although the axial coding was completed with the axes and the interrelationship among categories identified, the researcher still found it difficult to articulate the grounded theory. The researcher therefore decided to stand back and

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

131

review all the interview transcripts again several times, while asking such questions as What were the main issues that the research participant intended to address? What was the most impressive at this interview? What seemed to be going on? The researcher was then able to articulate the main thoughts about the data concisely, and the storylines eventually emerged.

2. Direct attention from the descriptive story to the theoretical explanation. The categories and axes identified in the previous two coding phases were used to explain the story, thereby providing insights into which category were most relevant and which had the most explanatory power.

3. Use the integrated diagram. The diagram, which included all axes and categories, illustrated the relationship among the categories and helped identify the core category.

4. Review and sort through the memos. Reviewing the memos, especially the summary memos, helped provide a logical theoretical structure for the many concepts, categories and axes identified from the previous two coding phases, so that the researcher could identify the core category.

The researcher followed these four steps when individually examining the four axes and 11 categories, and ultimately identified an axis which could meet all the above criteria.

Similar data analysis strategies were also used in the study by Ferguson et al. (2011), who examined enhancing empowerment and leadership among homeless youth in agency and community settings. Data coding of that study consisted of three phases. In the open coding phase, which aimed at generating initial and low-inference codes, key words were identified from the interview transcripts. In the axial coding phase, similar codes were grouped into broader categories. Sub-categories within each primary code were generated by using codes from the original list and by breaking down complex codes into sub-categories. In the selective coding phase, core category was established and theoretical connections among codes were built.

At the end of the data analysis when the core category is identified, together with the theory saturation and accumulated bank of analytical memos, it is time to present the grounded theory in an appropriate way (Birks & Mills, 2011). The next section details why, what and how the researcher of this study conducted the theory presentation.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

132

3.6   Theory presentation

Presentation of the grounded theory is the final crucial stage, following sampling, data collection and analysis to identify all concepts, categories, axes and core axis. This section explains the significance of presenting the theory in a grounded theory study, it then reviews the techniques of theory presentation and, finally, it describes how these techniques were applied in this research.

3.6.1 Significance of theory presentation

The ultimate goal of the grounded theory methodology is to ground the theory from the data. The theory is a set of relationships that offer a plausible explanation of the phenomenon under study, including the relationships and interaction among the concepts and categories (Strauss & Corbin, 1994). The resulting theory can:

- Predict and explain behaviour;

- Provide theoretical advances in sociology;

- Be applicable in practice;

- Provide a perspective on behaviour;

- Guide and provide a style for research on particular areas of behaviour;

- Provide categories and hypotheses that can be verified in future research (Glaser & Strauss, 1968, p. 3).

In the grounded theory study, the theory presentation is of great significance from both academic and practical perspectives.

From an academic perspective, the theory grounded at the end of the study should add new insights to the existing body of knowledge. The grounded theory methodology aims to discover something new about the unknown phenomena during the theory-building process. Grounded theorists should explicate what is discovered by presenting the grounded theory in an articulate way. Moreover, as asserted by Bryant (2009), the

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

133

original grounded theories should not have to be speculative or universally explanatory; instead, they are contextually constrained, awaiting further development. From this point of view, it is necessary for grounded theorists to present the theory grounded from their study for further investigation.

A well-presented theory should also help non-experts understand the study's findings and benefit from it (Stern, 2007). In addition to new knowledge in the academic field, it should provide pragmatic advice for practitioners. Clearly explaining the theory is important so that non-expert practitioners can understand not only what the theory is but also how the theory can be applied to real work and life contexts.

The inherent beauty of a grounded theory derives from how all elements integrate (Birks & Mills, 2011). This integration requires particular techniques and strategies, described in the following two sections.

3.6.2 Theory presentation techniques

The grounded theory can be presented either orally or in writing. Regardless   of the way that the theory is reported, the theory presentation establishes the authority that the grounded theory is credible and relevant to the target participants. This is accomplished "through a style of presentation that moves back and forth between extensive theoretical presentations and illustrative 'live' excerpts from the setting" (Locke, 2001, p. 116). The following four techniques, as suggested by Strauss and Corbin (2008), were applicable to the theory presentation in this study.

First, the storylines, memos and diagrams were reviewed again to check that they were presented in a consistent and logical way. Special attention was paid to any areas that appeared to lack clarity or logical flow, and also to ensuring that the core category had the most explanatory power.

Second, the poorly developed categories that had less theoretical density and abstraction were filled in. This was achieved by reviewing all the memos to ensure that no data had been overlooked, and by reviewing the diagrams, in which any poorly developed categories were usually obvious.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

134

Third, the theory of any concepts that had looked interesting but were not very relevant to the research question was trimmed. Such concepts usually appeared infrequently in the data.

Fourth, the grounded theory was validated by comparing how well the grounded theory explained the data, in this case the incidents mentioned by participants. At the end of this study when the theory was finally established, 10 from those 30 participants were randomly invited to comment on the final grounded theory. The researcher orally presented the theory to them and solicited their feedback about how the grounded theory could best be presented. These presentations took an average of 45 minutes; five were face-to-face meetings and the other five were conference calls. All 10 participants indicated that an illustrative model would be the most understandable way for them.

Apart from the aforementioned four techniques, another constructive technique for grounded theory researchers is to keep asking questions during the process of presenting the theory (Charmaz, 2006). The researcher asked the following eight questions during the theory presentation (Charmaz, 2006, pp. 155–156).

1. Are   the definitions of major categories complete?

2. Have I raised major categories to concepts in my theory?

3. How have I increased the scope depth of the analysis in this draft?

4. Have I established strong theoretical links between categories and between categories and their properties, in addition to the data?

5. How have I increased understanding of the studied phenomenon?

6. What are the implications of this analysis for moving theoretical edges? For its theoretical reach and breadth? For methods? For substantive knowledge? For actions or interactions?

7. With which theoretical, substantive, or practical problems is this stylysis most closely aligned? Which audiences might be most interested in it? Where shall I go with it?

8. How does my theory make a fresh contribution?

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

135

The process of presenting the theory is not just a simple effort to summarise the analysis and findings. Instead, theory to be presented "needs to be recast in terms of fit, extension or the degree of challenge offered to extent explanations" (Goulding, 2002, p. 92). Consequently, the benefits of the above questions are obvious. They enabled the researcher to explicate the significant contributions of the grounded theory through substantive arguments and vivid description.

The theory presentation techniques described above provide a set of pragmatic tools for the researcher to 'tell' and 'show' (Locke, 2001, p. 118) the developed theoretical elements in an integrative framework. The following section explains how these techniques were applied to the theory presentation.

3.6.3 Theory presentation strategies

The objective of any grounded theory is to add to the knowledge of the audience, and therefore it is important that the findings of any grounded theory study are presented in an understandable and logical way. Birks and Mills (2011) suggested four strategies for effectively presenting grounded theory findings, which were followed in this research:

1.   Identify the right audience, since it is the audience that assesses and determines whether a credible grounded theory has been developed (Glaser & Strauss, 1967). Any audience generally includes four types of people: lay audience, including policy makers; practitioners; peer reviewers; and examiners (Birks & Mills, 2011). The theory must be presented in a way that is appropriate to their way of thinking, habit of language and existing body of knowledge, and that meets their expectations of how a theory should be presented. In view of this, besides adding knowledge to the academic field, to ensure the business leaders get most benefits from the grounded theory, the researcher presented the theory in the way that they most favoured. As indicated by those 10 participants who provided feedback, the researcher decided to present the findings in an illustrative model.

2.   Decide the appropriate level of analytical detail, which depends largely on the target audience, as discussed above. Of those four types of audience, examiners are likely to expect the most detail (Birks & Mills, 2011). For this reason, and because it is

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

136

relatively easy for an audience to ignore any detail they consider excessive, the findings of this study were targeted to the requirements of examiners. They include (1) analytical details, (2) implications for methodological development, (3) situating findings in relation to extant theory and the literature, (4) implications for local action and (5) implications for broader reform.

3.   Choose a writing style appropriate for the target audience. To ensure business leaders easily understand the grounded theory, the researcher used plain English and avoided jargon in the theory presentation.

4.   Present the grounded theory as a whole. The process of theory generation is a dynamic interplay between data collection and analysis through theoretical sampling and constant comparison. The final grounded theory should indicate the interactive integration of all theoretical constructs. The theory presented at the end of this study incorporated the key variables and subordinate variables which were compatible within the integrative framework.

In addition to these four strategies, creativity is important. As suggested by Glaser, creativity "requires an historical approach to the work. One must write as no one else has ever on the subject. Then explore the literature to see what new property of an idea he has offered, or how it is embedded with others" (Glaser, 1978, p. 22). Following this advice, the researcher integrated the grounded theory with existing work instead of just presenting the findings from the 30 interviews in isolation.

3.7   Research timeline

This research was planned as a 4.5–5 years' part-time project to fit in with the researcher's employment commitments. The first two years (2009 and 2010) were dedicated to reviewing the literature, first to choose the research topic – leadership competency – and then to ultimately to define the specific research question: What are the global leadership competencies of senior executives from the non-state-owned companies of China in a culturally specific context of Confucianism?

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

137

Ethics approval from the university was confirmed on 18 August 2011, after which the sampling process commenced in collaboration with a local management consulting company. As this research used grounded theory methodology, the sampling, data collection and data analysis occurred concurrently. The pilot study commenced in August 2011 and theoretical saturation was reached in March 2012. The researcher then completed the final aspects of the analysis and prepared the thesis for submission. At the end of June 2012, the researcher communicated with those 30 participants about the established theoretically grounded model via email, which was followed by a 45-minute conference call to explain this model to them and express thanks for their participation in the research project.

One year later, at the end of June 2013, the researcher paid a visit to another 10 research participants who were randomly selected from the original 30 to investigate how they applied the findings from this study to their business context. Application of the theoretically grounded model in the business environment is elaborated in Chapter 6.

3.8   Research credibility

Credibility is central to any research. With grounded theory methodology, the audience must be convinced that the theory established at the end of the research is grounded in the data and constructively adds new knowledge to their understanding of certain phenomena (Chiovitti & Piran, 2003; Cooney, 2011; Creswell, 1998; Denzin & Lincoln, 2000; Glaser & Strauss, 1967; Strauss, 1987).

Various definitions of research credibility have been proposed. Glaser and Strauss (1967) described it as a researcher's confidence in the data and trust that the abstract conceptualisation forms the systematic theory leading to his audience having a clear understanding of the theoretical framework from the vivid description of the data. Guba and Lincoln (1989) and Beck (1993) took this notion one step further, describing a study as credible when it presents such a vivid and faithful description that people who had that experience would immediately recognise it as their own. Elliott and Lazenbatt (2005), on the other hand, emphasised the correct application of the methodology, meaning that all the methods used in the study – whether at the sampling, data collection or analysis phase – should be consistently valid. Strauss and Corbin (2008)

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

138

suggested that credibility also includes the density, variation, usefulness of the theory and creative elements of developing the theory, such as vividness, congruence or sensitivity.

Credibility, therefore, can be summarised as having three aspects: ethical compliance, methodological validity and research quality. Further feedback from the 30 participants confirmed that this study contained all three elements of credibility, as elaborated in the following sections.

3.8.1 Ethical compliance

All elements of this study complied with ethical practices. The proposed methodology received the approval of the Human Research Ethics Committee of the Macquarie University (approval number 5201100594(D); Appendix 6) in August 2011, after which the pilot study was conducted in September 2011.

All aspects of the sampling procedures were private and confidential; the identities of the five senior executives in the pilot study and 30 participants in the main interviews were known only to the researcher. Any ethical issues arising from the data collection process were addressed; these included voluntary participation, use of the audio recorder at the interviews, and maintaining participants' anonymity during the study and publication of the results. Finally, during data analysis, the researcher omitted any identifying information from the transcripts.

3.8.2 Methodological validity

Grounded theory methods were consistently employed throughout the whole study, from the sampling to the data collection, data analysis and theory generation. The four key methods were theoretical sensitivity, constant comparative method, theoretical sampling and theoretical saturation. The consistency between the research goals and the methodology ensured the validity and credibility of the overall findings (Drisko, 1997; Oktay, 2012; Winter, (2000).

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

139

The methodological validity of this research was verified by 10 participants' assessment of the theory grounded at the end of the study, who all commented that the theory was easily understood and it gave them greater insight into the topic. A similar approach to verify the methodological validity was taken in Caldwell's (2010) grounded theory study about the leadership development of individuals with developmental disabilities in the self-advocacy movement. At the end of this study, to enhance credibility, Caldwell also conducted follow-up checks with participants.

3.8.3 Research quality

Strauss and Corbin (2008) have defined quality research as work that is presented in a clear and logical way and that not only enables the audience to have more insights into certain phenomena but also triggers their interest to learn more (Strauss & Corbin, 2008). The quality of this study was enhanced in three ways.

First, the researcher strove to continuously improve the research expertise. Besides solid knowledge of the grounded theory methodology and proficiency in carrying out the various operations, researchers need to be proficient at interviewing and using data analysis software such as Nvivo. This researcher attended a series of grounded theory methodology workshops and seminars and Nvivo training programs during the DBA candidature.

Second, the researcher ensured the consistency of methodological techniques used at different phases of the research, by keeping in mind the philosophical position, the research objectives and the methodological approach required to achieve those objectives. Quality is most evident in studies that demonstrate the congruence of these three aspects (Nelson, 2008).

Third, the researcher enhanced the procedural precision by maintaining an audit trail on research activities conducted at every phase. In this way, any concerns or confusion could be resolved quickly and efficiently by referring to the relevant record. The use of Nvivo software helped manage the data and resources and also facilitated the procedural logic.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

140

On the other hand, researcher preconception and bias pose a threat to research quality (Birks & Mills, 2011; Cooney, 2011; Creswell, 1998, 2003; Denzin & Lincoln, 2000; Maxwell, 2005; Oktay, 2012). While researchers in qualitative studies must be able to see the world from the respondents' perspective, it is more important for them to be aware of their own backgrounds, including personal and professional experiences (Padgett, 2008), which, if used improperly, might compromise the quality of the research. Consequently, this researcher was dedicated to maintaining an open mind throughout the study, and avoided potential bias in three main ways.

First, few previous studies have investigated global leadership competencies in the Chinese Confucian cultural context and the interaction between global leadership competencies and traditional culture is little known. It was the limited knowledge of this topic that enabled the researcher to consistently maintain an open mind during the study.

Second, the researcher used constant comparison to overcome any potential bias during the iterative interplay between data collection and data analysis. The researcher was able to keep track of the developing theory by using the strategies recommended by Glaser and Strauss (1967): immersion in the field, generation and testing of hypotheses in the field (not before the data gathering began), use of memos to trace the development of ideas, detailed and vivid description to support conclusions, and pursuit of alternative explanations and negative cases.

Third, the researcher of this study endeavoured to minimise two types of bias noted indicated by Padgett (2008): reactivity and respondent bias. Reactivity results from the researcher's presence causing a change in the setting or the respondents, and was prevented in this study by the researcher maintaining the same standards when selecting all respondents. Respondent bias means that respondents misrepresent themselves or their cultures in an attempt to please the researcher or to make themselves look good. To prevent such a bias, the researcher applied the negative case analysis technique at interviews, by inviting, for example, respondents to describe the least successful action that they took to cope with the challenges that they encountered when working in the global business community.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

141

In summary, the quality of this research was enhanced by continuously improving the researcher's expertise, ensuring methodological congruence and procedural precision, and minimising preconception and bias.

3.9   Conclusion

This chapter has explained why grounded theory methodology was appropriate for this study. It discussed each phase of this study, elaborating specific techniques and strategies used. This chapter has illustrated that this research is a typical grounded theory study, and has laid a methodological foundation for the research findings, which are detailed in the next chapter.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

142

Chapter 4: Data Analysis

4.1   Overview

The most conspicuous feature of grounded theory methodology is that the theory is established from the data (Birks & Mills, 2011; Charmaz, 2006; Glaser & Strauss, 1967; Goulding, 2002; Strauss, 1987; Strauss & Corbin, 2008), and this chapter describes how this process occurred. In association with data collection, data analysis for this methodology involves three sequential stages of coding: open coding, axial coding and selective coding. The completion of the coding marks the establishment of the grounded theory.

The open coding consisted of three stages of data collection. The first stage involved 10 interviews with participants. Comprehensive analysis of the transcripts of these interviews produced 110 initial concepts and then 35 advanced concepts. To check for any new concepts, the second stage consisted of a further 10 interviews. Comparing the data collected from these 10 interviews with those from Stage 1 led to identifying an additional 16 initial concepts and seven advanced concepts. The identification of new concepts in Stage 2 required further 10 interviews, conducted in Stage 3. No new concepts appeared in Stage 3. This three-stage open coding process resulted in the identification of 126 initial concepts and 42 advanced concepts, followed by the generation of 11 open coding categories which have more explanatory power than the concepts. Section 4.2 describes how these categories were generated.

The axial coding of the data explicated the interrelationships among those 11 open coding categories. At the end of the axial coding, four axes were identified and 11 categories were consolidated into the respective axis. The interrelationship between each axis and related categories is described in Section 4.3.

The identification of those four axes prompted the need to find a core category which had the most explanatory power to pull all the categories and axes together. Section 4.4 describes this critical step towards the establishment of the grounded theory, the selective coding used to identify such a core axis from all the data collected.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

143

After the concepts, categories, axes and core axis had been identified, the final stage was to effectively present the grounded theory. Section 4.5 describes how the grounded theory was integrated into a model.

This chapter ends up with a brief summary of the data analysis in Section 4.6, paving the way for revealing the findings in the next chapter.

4.2   Open coding

As discussed in the previous chapter, data collection and analysis occurred simultaneously. The initial concepts were formulated from the line-by-line analysis of the transcripts, and then recorded in the memos which serve as "the storehouse of analytic ideas that can be sorted, ordered and recorded, and retrieved according to the evolving analytic scheme" (Strauss & Corbin, 2008, p. 120).

The next step used Nvivo software. By searching for key words and phrases, the researcher was able to identify subtle meaning and avoid missing important information in the transcripts. This technique helped the researcher to adjust the direction and focus of any subsequent data collection.

Further data analysis using Nvivo software established 11 open coding categories, or theoretical constructs. These open coding categories provide a succinct framework for studying the global leadership competencies needed by senior executives in Chinese non-state-owned companies.

This section describes how the initial concepts and advanced concepts were identified in three sequential stages of data collection and how the 11 categories were then created, and discusses the rationale behind these categories.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

144

4.2.1 Open coding of Stage 1 data

Initial concepts

The initial concepts were identified by analysing the transcripts of the first 10 interviews, using the 13 techniques (Strauss & Corbin, 1998) described in the previous chapter. As these initial codes were the first step in the data analysis, they were provisional, comparative and grounded in the data, and the researcher was aware that new coding would appear in subsequent data analyses. The initial codes paved the way for in-depth analysis of subsequent data and bridged the gap between the data and the theory to be grounded.

When conducting the open coding, the researcher tried to avoid any notion of preconceived codes and categories. The following questions, as suggested by Charmaz (2006), were borne in the researcher's mind during the whole data analysis:

- How does my coding reflect the incident or described experience?

- Do my analytical considerations begin from this point?

- Have I created clear, evident connections between the data and my codes?

- Have I guarded against rewriting – and therefore recasting – the studied experience into a lifeless language that better fits our academic and bureaucratic worlds than those of our participants?

This analysis identified 110 initial concepts from the first 10 interview transcripts. Coded alphabetically, they are summarised in Appendix 7. Details of these initial 110 concepts and relevant quotes are provided in Appendix 8 to illustrate respondents' views on these concepts.

Advanced concepts

The next stage of data analysis was to identify advanced concepts from the 110 initial concepts described in the previous section and summarised in Table 4.1. Again the

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

145

software program Nvivo and the aforementioned 13 analytical techniques were used. The data analysis process offers more insight into the specific moral leadership competencies needed by business leaders in the current era of globalisation.

The 35 advanced concepts, coded alphabetically, paved the way for constructing the categories (discussed in Section 4.2.4), and then the axial codes (Section 4.3). These 35 advanced concepts are summarised in Appendix 9. Their description is detailed in Appendix 10.

4.2.2 Open coding of Stage 2 data

Stage 2 consisted of another 10 interviews. Through constant comparison with the initial concepts identified from Stage 1, an additional 16 initial concepts that had not been mentioned in the previous interviews were identified.

Initial concepts

These 16 new initial concepts are summarised in Appendix 11, with detailed description presented in Appendix 12.

Advanced concepts

As in the first stage, identification of the 16 initial concepts was followed by generating the related advanced concepts. These concepts, coded alphabetically, are summarised in Appendix 13. The consolidation of those seven advanced concepts is detailed in Appendix 14.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

146

4.2.3 Open coding of Stage 3 data

Stages 1 and 2 comprised 20 interviews and resulted in 126 initial concepts and 42 advanced concepts. As the interviews progressed, an increasing number of concepts were repeated and few new concepts emerged.

Stage 3 consisted of another 10 interviews. No new concepts were identified, indicating that theoretical saturation had been reached (Annells, 1997; Birks & Mills, 2011; Charmaz, 2006; Cooney, 2011; Glaser & Strauss, 1967; Goulding, 2002; Strauss, 1987; Strauss & Corbin, 2008). Consequently, the next stage of data analysis was to generate the open coding categories from the 42 advanced concepts identified in these first three stages.

4.2.4 Open coding categories

Development of theory in the grounded theory methodology is a process of continuously abstracting the concepts into higher-level ones until the most abstract one with most explanatory power emerges. By exploring the advanced concepts from different dimensions and properties, those with shared dimensions and properties can be further abstracted into the category, a "conceptual element in a theory" as defined by Glaser and Strauss (1967, p. 37).

Developing categories in the open coding stage is an indispensable link that connects the open and axial coding in the data analysis process. Through conceptualisation, the higher-level concepts emerge from the data. To facilitate the emergence of categories from the data, rather than forcing their generation through preconception, the researcher scrutinised the advanced concepts by asking the following six questions about each advanced concept, as proposed by Strauss and Corbin (1990a, p. 99):

- What was the phenomenon at which the actions and interactions in the incident were directed?

- What was the context in which the phenomenon happened?

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

147

- What were the causal conditions which triggered the phenomenon to occur?

- What were the intervening conditions which exerted the influence on the phenomenon?

- What were the action and interaction strategies which were employed to cope with the phenomenon?

- What were the consequences which were the result of the phenomenon?

Advanced concepts with shared dimensions and properties were then integrated into a category through the researcher's ability to identify the relevance of the dimensions and properties.

Strauss and Corbin's (1990a) category development paradigm is considered a user-friendly method for explicating the category-building process (Kelle, 2007; Locke, 2001). These six questions enable the grounded theory researcher to bring process into the data analysis, which is an important part of grounded theory study (Strauss & Corbin, 1990a, p. 143), and they also explore the phenomenon, conditions and consequences of incidents. It is of significance for leadership studies, reflecting the interaction of social context, action and dynamics between leader and followers (Parry, 1998). Although Glaser cautioned that this process could force the categories instead of having them emerge from the data, he agreed that coding and coded incidents need to be relevant to participants' actions in the empirical domain (Glaser, 1978).

Nvivo software was used to establish 11 open coding categories or theoretical constructs, as defined in grounded theory. These provided a succinct framework for studying, in a culturally specific context of Confucianism, the global leadership competencies needed by senior executives in Chinese non-state-owned companies. Those 11 open coding categories, coded alphabetically, are summarised in Table 4.1.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

148

Table 4.1: Eleven open coding categories

C Code	Category (C)	AC Code	Advanced Concepts (AC)
C001	Faithfulness	AC037	Integrity
		AC038	Loyalty
		AC042	Responsibility
C002	Harmonisation of human society and nature	AC025	Pursue harmonious coexistence of humans and nature
		AC027	Pursue sustainability of humans and nature
		AC032	Respect development trend of nature
		AC034	Respect natural diversity
C003	Moral mentorship	AC002	Assign right people to right position
		AC013	Focus on people's moral development
		AC014	Identify and develop people's moral potential
C004	Pursuit of all stakeholders' sustainable development	AC036	Establish servant mindset
		AC039	Persist in self-sacrifice
		AC040	Practise responsible citizenship
		AC041	Regulate business conduct
C005	Reciprocal interaction	AC009	Build long-term relationships
		AC018	Keep good balance
		AC031	Remain flexible with different interests
C006	Respect	AC004	Be appreciative
		AC006	Be empathetic
		AC008	Be open-minded
		AC033	Respect human rights
		AC035	Respect traditions
C007	Righteousness	AC001	Admit mistakes
		AC005	Be consistent
		AC015	Integrate heart and soul
		AC017	Keep commitments
		AC021	Orient with the truth
C008	Ritualised harmonisation	AC007	Be forgiving
		AC010	Comply with local ritual proprieties
		AC012	Focus on local ritual proprieties
		AC022	Practise harmonious interaction
C009	Self-discipline	AC003	Be a role model
		AC011	Exercise self-control
		AC024	Practise self-regulation

(continued overleaf)

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

149

Table 4.1 (continued)

C Code	Category (C)	AC Code	Advanced Concepts (AC)
C010	Self-learning	AC016	Integrate learning and practice
		AC019	Learn from experience
		AC020	Learn from others
		AC023	Practise self-perseverance
		AC026	Pursue lifelong learning
C011	Self-reflection	AC028	Reflect on history
		AC029	Reflect on one's own experience
		AC030	Reflect on others' experience

The following section describes how the 11 categories were created, and explains the rationale behind them.

Category 1: Faithfulness (Code: C001)

To achieve success in the severely competitive global market, all respondents noted the importance of establishing and maintaining customers' faith towards their organisation and products. They commented that it is more challenging to keep their customers now than it was in previous decades.

Most respondents suggested that the declining customer loyalty results from a combination of strong market competition that prompts their organisations to launch more tailor-made products and services to attract customers' attention. It increases the choices available to consumers, and technological advances, especially telecommunication, facilitate the purchase of products and services online. Respondents agreed that the internet enables any customer complaints to be instantly spread worldwide. They felt it impossible for their organisations to conceal any immoral or illegal practices nowadays.

The basis for customers' loyalty towards a company is integrity. More than half the respondents noted that customers are not born with faith towards their organisation. Before gaining faith from its customers, the organisation needs to show integrity towards them. In a global business context, this means not cheating, as well as complying with rules and social order. All respondents commented that ensuring

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

150

integrity in their interaction with customers enhances customers' recognition towards the organisation and its products. Once established, it is much easier for the organisation to keep its customers' faith for the long term:

> *When working in the overseas market, complying with the rules and social order of the local community is extremely important for us to achieve business success. Besides ensuring our business operates legally, by doing so we show our integrity to the stakeholders – that we are not only working for the interests of our organisation but also caring about their common interests. It in return it helps us to gain faith from all our stakeholders (Interviewee Number 18 coded as I018. The same coding system is used for all following quotes from interviews).*

Along with integrity is whether a sense of responsibility can be established between the respondents and their stakeholders, who can influence the survival and development of the organisation. All respondents defined their stakeholders as both external customers and clients and internal customers such as employees. Once this sense of responsibility is established, an organisation can gain and strengthen the faith from its stakeholders; however, once it is destroyed, the organisation is at the risk of losing its stakeholders' faith in their organisation forever. To build and strengthen their customers' faith, they try to ensure their decisions are beneficial for both their business and stakeholders.

All respondents implied that all members of the community have responsibility for others, and community harmony is achieved when people assume their responsibility. They see their role as business leaders to make profits for their organisation and to assume responsibility for their stakeholders. The core of this responsibility is to benefit their stakeholders, rather than simply carrying out their obligations:

> *As Managing Director of the overseas subsidiary, I used to focus much on achieving the profit target of the company. To save costs, I asked the company to use an adhesive on our products which had no instant harm to users' health but potentially was an environmental pollutant. Very soon we suffered a dramatic decline in sales. It resulted from our failure to assume our duty to our customers (I009).*

An organisation's integrity and responsibility, discussed above, fosters loyalty towards their stakeholders. The majority of the respondents interpreted loyalty in the global business community as being a moral interaction with all stakeholders, which involves serving stakeholders' best interests and helping them to achieve their interests in a moral way. They considered that loyalty works two ways: when they treat their

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

151

stakeholders with loyalty, their stakeholders are willing to stay with their organisation with loyalty in return.

These three advanced concepts discussed above – (1) integrity, (2) responsibility and (3) loyalty – result in establishing and maintaining all stakeholders' faith to the organisation. All respondents stated that stakeholders' faith is indispensable for their organisation's healthy and sustainable development. It becomes an intangible regulation that ensures business operations are moral by complying with the rules and social order. It is also part of the organisation's intangible wealth, generating stable income for the organisation for the long term:

> *Trying to maintain faith towards our stakeholders makes me pay more attention to the decisions that I make in our business activities. It takes years to establish a faithful relationship between the organisation and the stakeholders. But it can collapse overnight (I022).*

These three advanced concepts can be consolidated into a category with a more abstract name, *Faithfulness*, which has more explanatory power to describe the competency to establish and maintain faith towards stakeholders through integrity, responsibility and loyalty. In response to the challenge of increasing interdependence in the global business community, it enables the respondents to build up a faithful relationship with all stakeholders in pursuit of mutual benefits and compliance with the rules and regulations of the business community.

This category *Faithfulness* relates to (1) a shared phenomenon at which the actions and interactions relevant to establishing faith in the stakeholders are directed; (2) a shared context in which scientific and technological advancement, as well as severe competition, pose huge challenges to business leaders trying to maintain their faithful customers; (3) a shared causal condition, integrity, which leads to the actions and interactions; (4) a shared intervening condition, the responsibility which influences the actions and interactions; (5) shared actions and interactions to consolidate the loyalty established in the customers; and (6) shared consequences of the actions and interactions, that is, establishing and maintaining the stakeholders long-term faith towards the organisation.

This category explicates the dynamic relationship among those three advanced concepts by incorporating two important elements. One is to consolidate this relationship through

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

152

integrity, which permeates the interactions between the organisation and its stakeholders, and the other is to assume the business leaders' responsibility for all stakeholders. These two elements pave the way for the business leaders to establish the loyalty in their stakeholders, which in return strengthens their integrity and responsibility. As illustrated in Figure 4.1, there is dynamic interaction among integrity, responsibility and loyalty. Any one of them influences the performance of other two advance concepts.

Figure 4.1: Open coding category 1 – Faithfulness

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

153
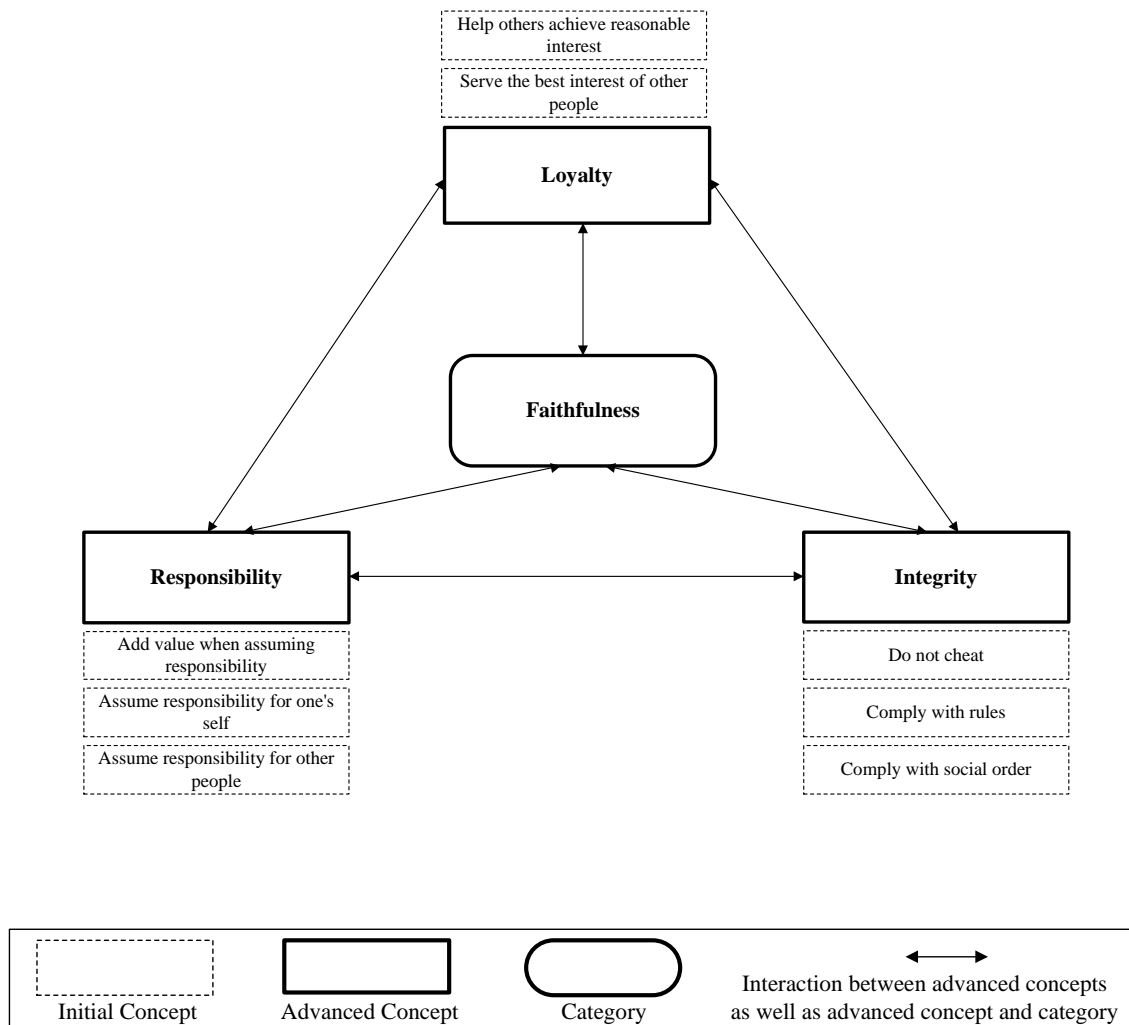
Category 2: Harmonisation of human society and nature (Code: C002)

In association with social and economic advancement, all respondents noted that humans need to face problems caused by the deteriorating environment, such as environmental pollution, global warming, acid rain and dust storms. Moreover, an increasing number of formerly abundant natural resources are becoming increasingly scarce. This poses a great threat not only to the survival of all humanity, but also to the sustainable development of organisations around the world:

> *One of our key products used to heavily rely on a herb as a raw material. As this herb was easily found in the tropical rainforest in the south of our country, we never worried about the problem of raw material shortage before. However, with more and more companies grabbing this herb for their products, it is hard for us to find adequate supplies in our country nowadays. We need to import it from other regions. This has dramatically increased the cost of our productions and threatened their competitiveness in the market (I005).*

All respondents referred to the severe competition from domestic and overseas markets. They mentioned that most organisations struggle to continuously reduce the cost of their products and operations. Finding cheaper raw materials is essential, and they resort to exploiting natural resources to satisfy their raw material needs. They agreed that the rapid development of some developing countries is at the expense of dramatic exploitation of their natural resources. This in turn expedites the deterioration of the natural environment and then people's quality of life.

Among all the advanced concepts, pursuing the harmonious coexistence of humans and nature acts as the causal condition that triggers the phenomenon. More than half of the respondents agreed that humans and nature are interdependent, commenting that harmony in the community includes both human society and nature. Maintaining the harmonious coexistence of humans and nature is an important goal for all their organisations, in addition to achieving their business objectives. They defined nature as one of their important stakeholders, and paid equal attention to the reciprocal development and harmonious coexistence of human society and nature so that, while human society achieves social and economic development, nature should also maintain its healthy development with its ecological balance unharmed.

Most respondents indicated that maintaining harmony between human society and nature involves respect of both people and nature. While respect to people is much

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

talked about, respecting nature is easily neglected, which they suggested is influenced by two intervening conditions.
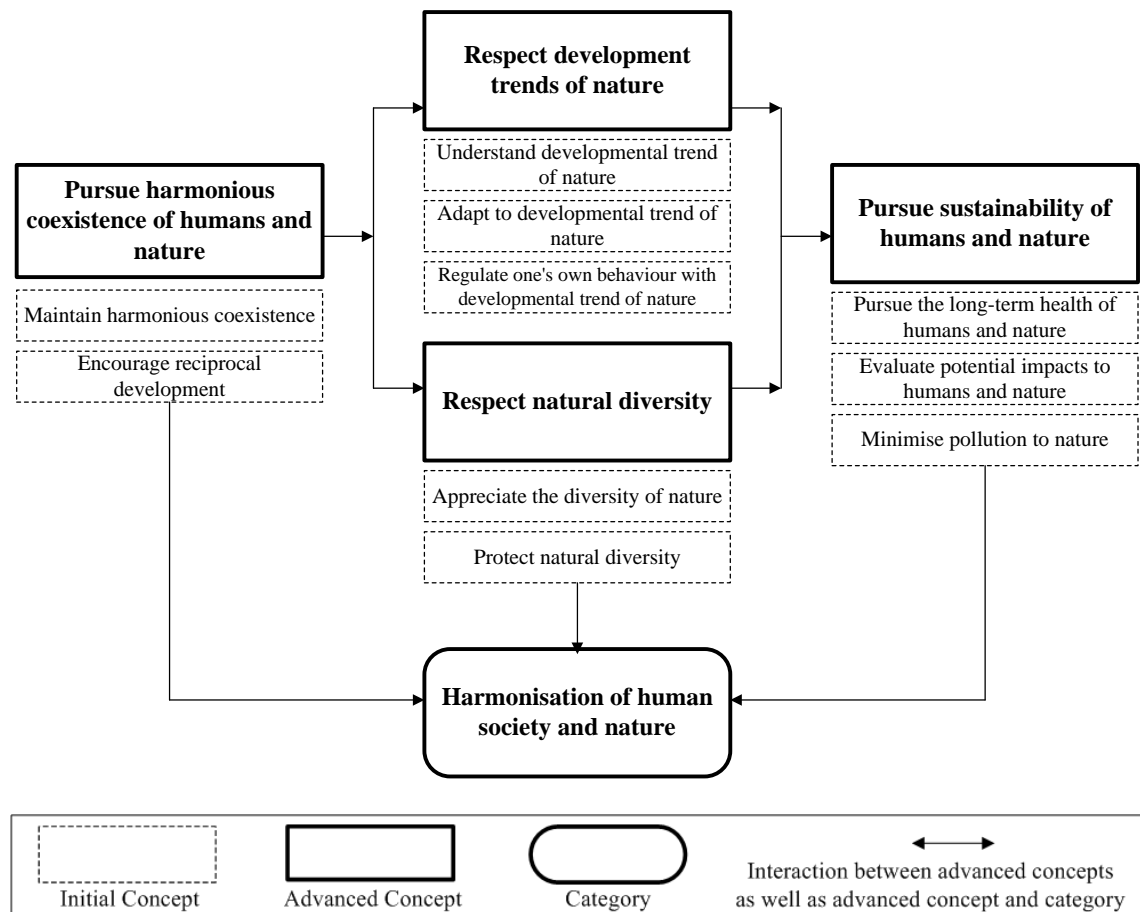
One condition is to respect the development trend of nature. As commented by all respondents, understanding these trends is the first step. They admitted that most conduct that pollutes nature and destroys the ecological balance derives from human ignorance. A lack of adequate knowledge of nature means that some people have no idea that, once polluted, nature hardly ever reverts to its original state and the ecological balance is not restored. Knowledge about nature, which becomes an indispensable part of their knowledge body, is as important as being able to skilfully deal with people. It not only enables business leaders to make a right decision that benefits both nature and human society, but also provides a direction for them to regulate their behaviour and ensure it is adapted to enhance nature.

The second condition is to respect natural diversity, which provides resources for human society and maintains nature's dynamism. More than half of the respondents agreed that, despite scientific and technological advancements, the development of human society is impossible without the support of natural resources. Most new products that are invented to meet human needs are a combination of technology and natural resources. They commented that natural diversity largely determines the quality of human life. Appreciating the uniqueness of natural diversity enables them to capitalise on this diversity and have it serve more people.

Most respondents implied that all efforts to develop and maintain harmony between human society and nature depend on their actions to pursue the sustainability of humans and nature. They see sustainability as a consequence of the interaction between humans and nature, and each one's sustainability depends on that of the other. In the contemporary era of globalisation, where social and economic development is largely at the expense of exploiting nature, they agreed that it is even more important to address nature's sustainable development. A dramatically deteriorating natural environment spells out to them the imperative to operate their business in a moral way to achieve the long-term health of humans and nature. While evaluating the potential impact of their business decisions on the natural environment, they aim to minimise pollution by using environmentally friendly materials in their products and processing methods.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

155

In summary, four advanced concepts – (1) pursue harmonious coexistence of humans and nature, (2) respect development trend of nature, (3) respect natural diversity and (4) pursue sustainability of humans and nature – interpret a competency of keeping harmony between human society and nature. They can be consolidated into a category with a more abstract name, *Harmonisation of human society and nature*. It has more explanatory power to describe the competency to pursue harmonious coexistence and sustainability of humans and nature by respecting development trend of nature and natural diversity.

This category relates to (1) a shared phenomenon in which the deteriorating environment is threatening both the survival and development of all human beings and the operation of the business; (2) a shared context in which an increasing number of organisations compete for natural resources; (3) a shared causal condition, to pursue harmonious coexistence of humans and nature, which leads to the actions and interactions; (4) shared intervening conditions, including respecting development trend of nature and natural diversity, which influence the actions and interactions; (5) shared actions, to pursue sustainability of humans and nature; and (6) a shared consequence of the actions and interactions, that is, to establish and maintain harmony between human society and nature. Their relationship is illustrated in Figure 4.2.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

156

Figure 4.2: Open coding category 2 – Harmonisation of human society and nature

Category 3: Moral mentorship (Code: C003)

The majority of respondents described their leadership role as a process of positively influencing all people around them so as to ensure their joint efforts achieve all objectives. They see the core of their leadership role is helping others develop into all-round leaders who possess not only intellectual and emotional competency, but also the moral competency to make decisions that benefit both the business and relevant stakeholders in the community. However, they consider that intellectual and emotional competency is over-emphasised in leadership, while limited attention is paid to leaders' moral development. Deficient moral competency inhibits some leaders from making moral decisions in ambiguous business situations.

Most respondents implied this phenomenon results from the recent knowledge explosion in the global business community, enhanced by advances in

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

157

telecommunication. This new knowledge changes their patterns of business operation and the content of their products and services, which encourages them to continue learning in order to keep up with the latest knowledge.

A focus on people's moral development is the foundation for the phenomenon and context described above. Most respondents commented that, with growing interdependence that results from globalisation, the business context is dominated by uncertainty. They need to make decisions that influence both existing and potential stakeholders. While intellectual and emotional competency is important for their employees, moral competency is equally important to ensure that their actions in the complex business context do not harm their stakeholders' interests:

> *It is my inborn responsibility to help other people, not only my employees but also suppliers, to cultivate their morality by exerting moral influence on them. I know that it is an ideal aspiration, if everyone in the community had high morality, the result would be the ideal situation of a whole community with high morality (I016).*

More than half of the respondents agreed that the moral level of the community depends on the moral standards of all its stakeholders, including employees, suppliers and customers. While focusing on others' moral development is important, they considered that identifying and developing others' moral potential is equally important. They believed that people are born with moral potential, which provides meaning to their drive to educate and mentor others so as to develop their morality:

> *I lead a culturally diverse team with team members from seven countries. I notice that every individual in my team is unique, with a specific personality as well as different social and cultural background, so no standardised formula can help them develop their morality. The only effective moral development solution is based on their unique potential (I011).*

The aforementioned belief becomes an intervening condition, influencing most respondents' efforts to focus on other people's moral development, and their subsequent actions to consolidate these efforts.

The majority of respondents noted that their competency in recognising others' moral potential largely determines the outcome of their efforts to educate and mentor them in a moral sense. They indicated that people's moral potential is inherent, but this cannot be easily recognised without adopting an appreciative attitude towards people and developing insight into their characteristics.
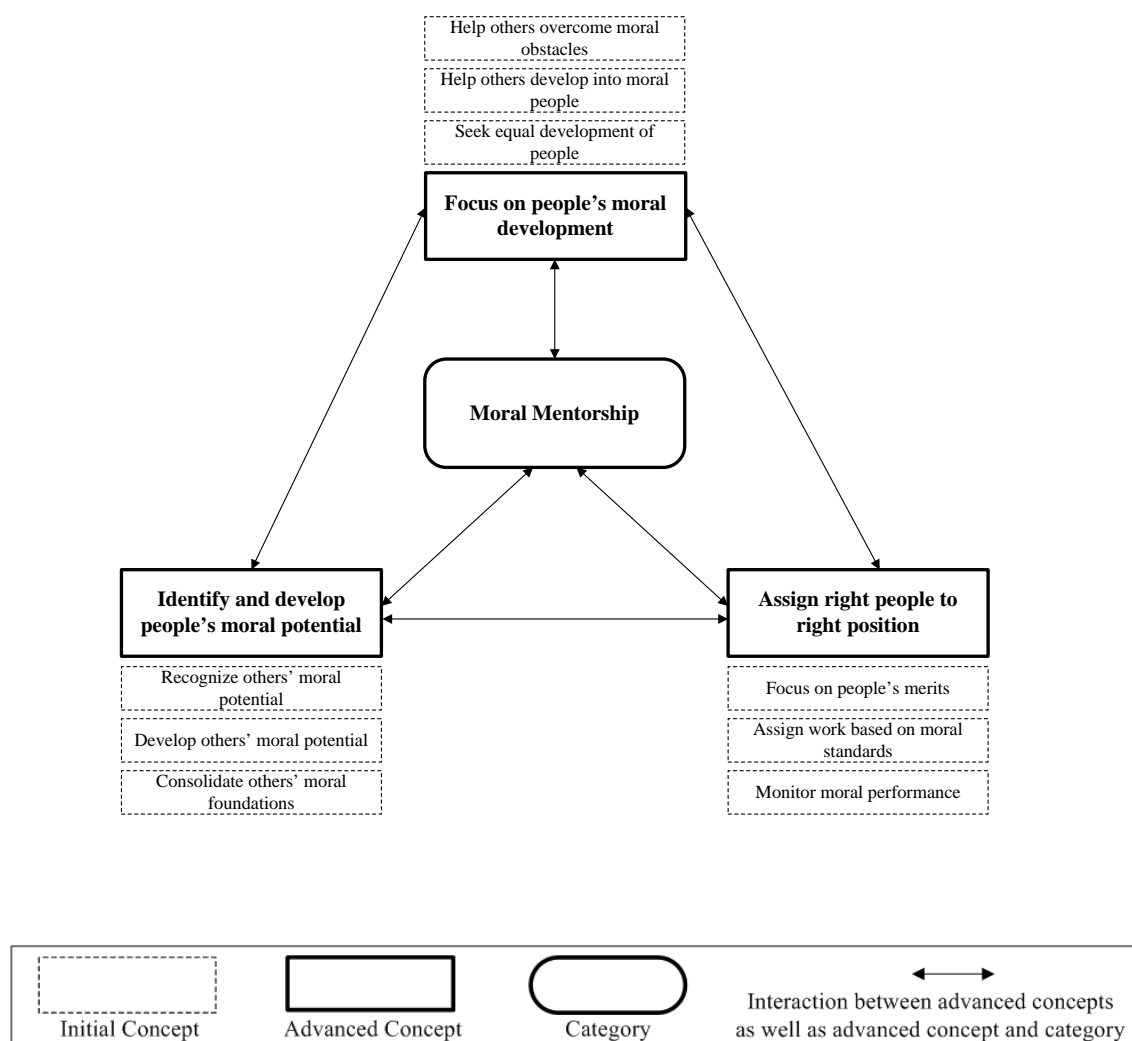
Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

All respondents also mentioned that identifying and developing people's moral potential depends on assigning the right people to the right positions. To establish and maintain a positive influence on all stakeholders, they try to ensure that all leading positions are occupied by people with appropriate abilities and moral standards. Besides professional performance, they attach great importance to monitoring how people exercise morality in a business context.

By focusing on people's moral development, identifying and developing people's moral potential and assigning the right people to the right position, morality can be established in both the organisation and the whole community. These three efforts can be consolidated into a category with a more abstract name, *Moral mentorship*. This category has more explanatory power to describe the competency to educate and mentor people in order to establish the morality in them. It diverts business leaders' attention from overemphasising people's intellectual and emotional competency to focusing on their moral development, leading to greater overall morality in the whole community.

This category relates to (1) a shared phenomenon in which moral competency is underestimated in the leadership development; (2) a shared context in which business leaders ensure their organisation is equipped with the latest technology and equipment in order to achieve and maintain the competitiveness that leads to an overemphasis of intellectual and emotional competency and under-emphasis of moral competency in leadership development; (3) a shared causal condition, that is, to focus on people's moral development, which triggers the actions and interactions that build morality in other people; (4) a shared intervening condition, that is, to identify and develop people's moral potential; (5) shared actions and interactions to assign the right people to the right positions; and (6) shared consequence of the actions and interactions, that is, to build and maintain morality among all stakeholders of the community.

In summary, three advanced concepts – (1) focus on people's moral development, (2) identify and develop people's moral potential and (3) assign right people to right positions – articulate the mentoring role of business leaders in their endeavour to establish morality in other people and ultimately in the community. This role is exercised in an interactive process which comprises three equally important elements, as illustrated in Figure 4.3.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

159

Figure 4.3: Open coding category 3 – Moral mentorship

Category 4: Pursuit of all stakeholders' sustainable development (Code: C004)

In pursuit of business profits, all respondents suggested that in the contemporary era of globalisation organisations need to practise more social responsibility. They agreed that these social responsibilities derive not only from stakeholders' expectations, but also from the needs of the organisation's long-term development. On the one hand, stakeholders expect that their organisations make a profit and act as responsible citizens who care about sustainable development and respect their basic rights in the long term. On the other hand, to survive and further develop, their organisations rely on an ever-improving environment, which can provide sustainable support for them, ranging from financial to natural resource support.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

The majority of respondents suggested that their organisations exert a large influence on stakeholders in the global business community. In this increasingly interdependent community, they admitted that any decisions and action from their organisations influence the sustainable development of all stakeholders. They also pointed out that some organisations pursue their own business interests at the expense of their stakeholders' sustainable development. Recent business scandals, such as commercial corruption, money laundering and food security issues, as mentioned by more than half of the respondents, are the result of organisations' overemphasis on self-interest:

> *Sustainable development is never the concern of just the stakeholders. It is also a top priority for all organisations nowadays. However, only by helping their stakeholders realise sustainable development can organisations achieve their own sustainability (I003).*

All respondents agreed that whether their organisations can take on more social responsibility, as described above, depends on their attitude towards their role in the global business community. At the core of their attitude is the servant mindset, which becomes a causal condition that determines their performance regarding social responsibility. They view themselves as a servant of the community. Instead of meeting their personal needs by taking resources from society, they pay more attention to giving back to society and evaluate their work performance by how much value they can bring to the society. Specifically, this evaluation involves all stakeholders achieving equal development with improved quality of life and sustainability:

> *Rapid business expansion of our overseas subsidiary could not have occurred without great support from the local community, especially the technical and human resource support from the local government. In return, we have allocated around 5% of our net profit to local charitable programs every year with the purpose of continuously improving local people's quality of life. Increasing recognition from all our stakeholders that we are a responsible citizen is helpful for boosting our business performance (I028).*

In association with the servant mindset is self-sacrifice, an intervening condition that influences the phenomenon. All respondents considered self-sacrifice an indispensable element of a business leader's life. Leaders could easily take resources to satisfy their personal desire for power and material comfort. However, the pursuit of extravagant self-interest is usually at the expense of other stakeholders' interests. Although self-control and self-discipline, as mentioned by most respondents, are important for them, they can hardly function well without the support of self-sacrifice:

Global leadership competencies of senior executives from non-state-owned companies of China:
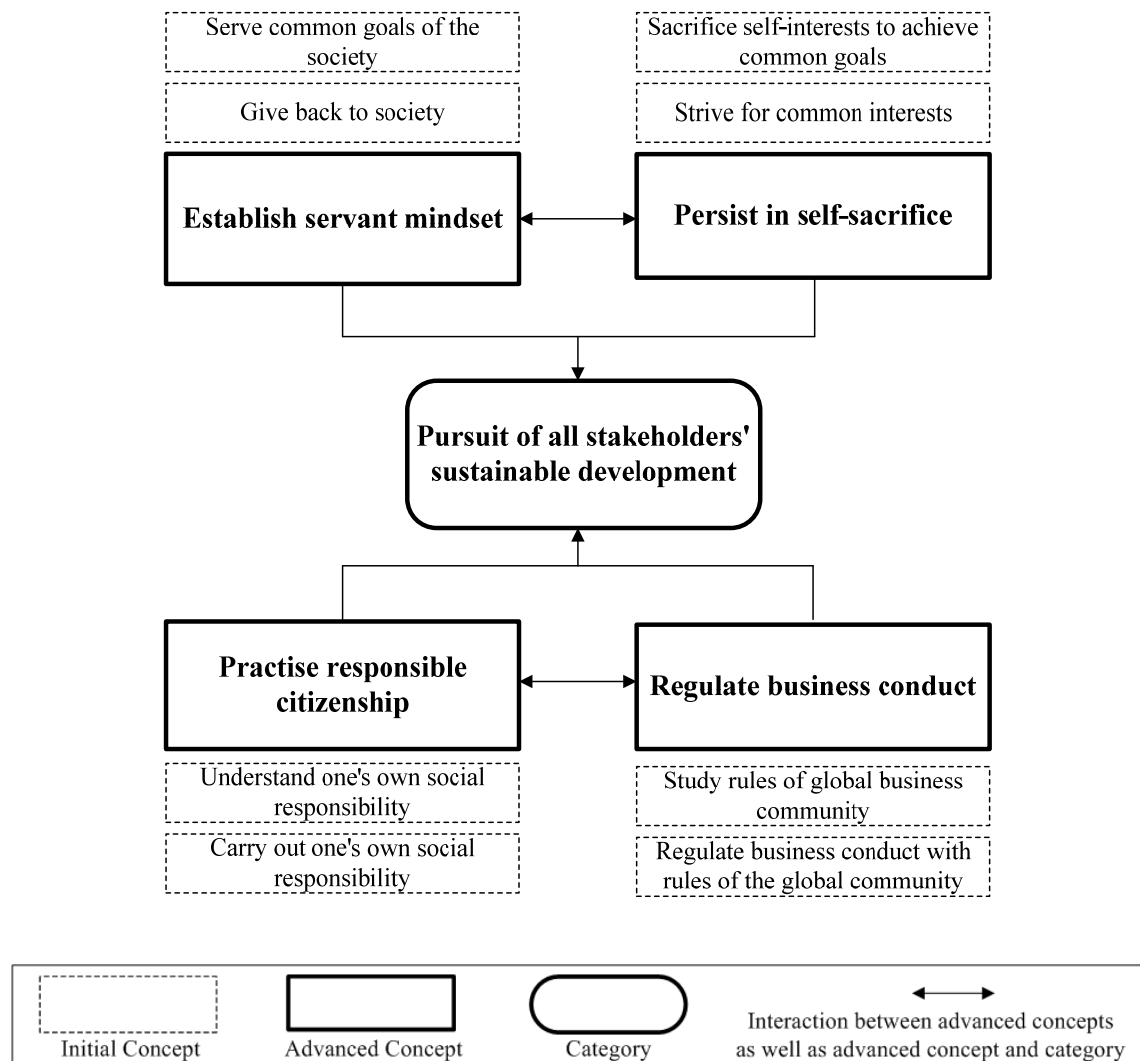A qualitative study in a Confucian cultural context

161

> *In an infrastructure construction project that our overseas subsidiary invested in the local community, many construction contractors wanted to get the bid. Some of them even extended some attractive offer to me in the hope that I could provide extra help so they would win the bid. But I clearly understood that this project was of great significance to improve the living quality of local people. So I declined all their special offers and invited them to join in the fair bid. Finally we selected a qualified construction contractor for this project which was completed on schedule and with high quality (I012).*

More than half the respondents commented that these two aspects – service and self-sacrifice – help them make the right decisions when they encounter business dilemmas. The servant mindset enables them to be loyal to their commitment, while the concept of self-sacrifice prompts them to lay aside their personal interests in favour of sustainable development of all their stakeholders. Thus they can minimise any potential negative influences on their stakeholders. Figure 4.4 illustrates how these two conditions can lead to the action of practising responsible citizenship and regulating business conduct with rules of the global business community.

As indicated in Figure 4.4, a servant mindset and perseverance in self-sacrifice pave the way for moral business leaders to exercise responsible citizenship and regulate their business with global community rules.

The sustainable development of all stakeholders depends largely on business leaders adopting an attitude of responsible citizenship in their business activities. In addition to their organisation's business performance, respondents agree that, in the contemporary globalisation with the intertwined interests of all stakeholders, they are also responsible for ensuring that their business decisions do not harm stakeholders' interests. They consider that a comprehensive understanding of their own social responsibility is necessary for complying with the rules of the global business community.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

162

Figure 4.4: Open coding category 4 – Pursuit of all stakeholders' sustainable development

All respondents also attach great importance to the rules of the global business community, which they agree give them a clear understanding of how their social responsibility should be interpreted in the global business context. Besides acquiring versatile business knowledge and abiding by local rituals and proprieties, the rules of the global business community are an indispensable part of leaders' knowledge body that ensures that their business is conducted in a moral way.

To sum up, these four advanced concepts – (1) establish servant mindset, (2) persist in self-sacrifice, (3) practise responsible citizenship, and (4) regulate business conduct – represent a competency whereby business leaders are able to establish and maintain the

Global leadership competencies of senior executives from non-state-owned companies of China: A qualitative study in a Confucian cultural context

163

sustainable development of all their stakeholders, which is at the core of their common interests. They can be consolidated into a category with a more abstract name, *Pursuing all stakeholders' common interest*, which has more explanatory power to describe the competency of how the business leaders incorporate stakeholders' sustainable development into their business operations.

This category relates to (1) a shared phenomenon related to the actions and interactions relevant to serving the stakeholders' sustainable development by taking more social responsibility; (2) a shared context in which the actions and interactions pursue stakeholders' sustainable development; (3) a shared causal condition, that is, to establish servant mindset, which leads to the actions and interactions; (4) a shared intervening condition, that is, to persist in self-sacrifice, which influences the actions and interactions; (5) shared actions and interactions, that is, to practise responsible citizenship and regulate business conduct; and (6) shared consequence of the actions and interactions, that is, to achieve the sustainable development of both the organisations and their stakeholders.

Category 5: Reciprocal interaction (Code: C005)

With increasing awareness of the symbiosis of organisations and their stakeholders, all respondents indicated that they intend to establish and maintain long-term harmonious relationships with their stakeholders. However, they mentioned that the constantly changing global business community, especially severe competition in the global market, imposes uncertainties on such relationships. At the core of their efforts to maintain a long-term harmonious relationship with their stakeholders is balance between the interests of their organisation and its stakeholders:

> *All the decisions that I make in my daily work centre on to how to keep a good balance between the interests of my organisation and its stakeholders. All I need to do is to make every attempt to take a win-win action to ensure my organisation can achieve its interests while all stakeholders also acquire their interests (I020).*

In the global business context, where the interests of their organisations and stakeholders are highly intertwined, the survival and sustainable development of both organisations and stakeholders are interdependent. Stakeholders, especially customers,

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

164

are the main source of an organisation's profits, but the organisation's decisions and actions also influence the quality of the stakeholders' development. Mutual development of their organisations and stakeholder is a common goal for all respondents.

When setting up their global business, as mentioned by the majority of the respondents, they had to cope with much more complex interests of stakeholders from different regions and countries, and developing and maintaining harmony necessitated a new approach to viewing and handling those interests. Dealing more flexibly with different interests becomes the causal condition which triggers the aforementioned phenomenon. Specifically, they had to be open-minded towards their stakeholders' different interests. Long-term relationships with their stakeholders rely on the harmonious coexistence of everyone's interests. They consider that people's interests influence their behaviour patterns and moral standards in their personal interactions, and creating community harmony means achieving mutual interests in a moral way:

> *All organisations and their stakeholders are highly interdependent nowadays. For any organisation which intends to achieve success in the global business community, first of all, it needs to help its stakeholders succeed. The success of its stakeholders is an indispensable component of its own long-term success (I006).*

However, being flexible towards different interests also helps most respondents to balance their stakeholders' different kinds of conduct. They considered that the internal interests of their stakeholders may influence their external conduct but, at the same time, their conduct influences the perception of their inherent interests. Their competency to balance the conduct of all stakeholders becomes the intervening condition to maintain their harmony and long-term relationships.

All respondents implied that harmonious long-term relationships between their organisation and its stakeholders are not established overnight. They endeavoured to identify their stakeholders' various long-term interests and overcome the obstacles that might influence those long-term relationships. While focusing on moral principles and standards, they made reasonable compromises to come up with a mutually beneficial solution. They viewed it as an art that protects other people's dignity and long-term relationships while not giving way to immoral practices:

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

165

> *Stable development of our business in the overseas market largely depends on the solid relationship that we have established with our key suppliers in the past few years. In face of high pressure when those suppliers increased the quotation, we made several compromises. This was not because we could not find other alternative suppliers, but because we highly valued the trust that had taken years to build. It turned out that our compromises greatly strengthened our cooperative relationship with those suppliers who provided more high-quality materials for us in return (I015).*

These three advanced concepts – (1) remain flexible with different interests, (2) keep good balance and (3) build long-term relationships – lead to the consequence of the phenomenon. That is, to establish and maintain the mutually beneficial relationship with all stakeholders, under which both the organisations and their stakeholders achieve survival and sustainable development in the severe competition of the global market. It ultimately contributes to their healthy symbiosis for the long term.

In summary, these three advanced concepts are relevant to the competency which enables the business leaders to deal with the stakeholders' interests in a flexible and well-balanced way and build a long-term relationship with them. They can be consolidated into a category with a more abstract name, *Reciprocal interaction*, which has more explanatory power to describe the competency to establish and maintain the reciprocity with stakeholders. This category relates to (1) a shared phenomenon at which the actions and interactions relevant to building the reciprocal relationship with the stakeholders are directed; (2) a shared context in which the interests of the organisations and their stakeholders are increasingly intertwined in the global business community; (3) a shared causal condition, that is, remaining flexible with different interests, which leads to the actions and interactions between the organisations and their stakeholders; (4) a shared intervening condition, that is, to keep good balance which influences the actions and interactions; (5) shared actions and interactions to build long-term relationships between the organisations and their stakeholders; and (6) shared consequence of the actions and interactions, that is, to establish and maintain the reciprocity with all stakeholders.

Of these three advanced concepts, remaining flexible with different interests and keeping good balance are fundamental, as these concepts lay the essential foundation for business leaders to build long-term relationships, and demonstrate how reciprocity with the stakeholders is established step by step. This category is illustrated in Figure 4.5.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

Figure 4.5: Open coding category 5 – Reciprocal interaction

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

167
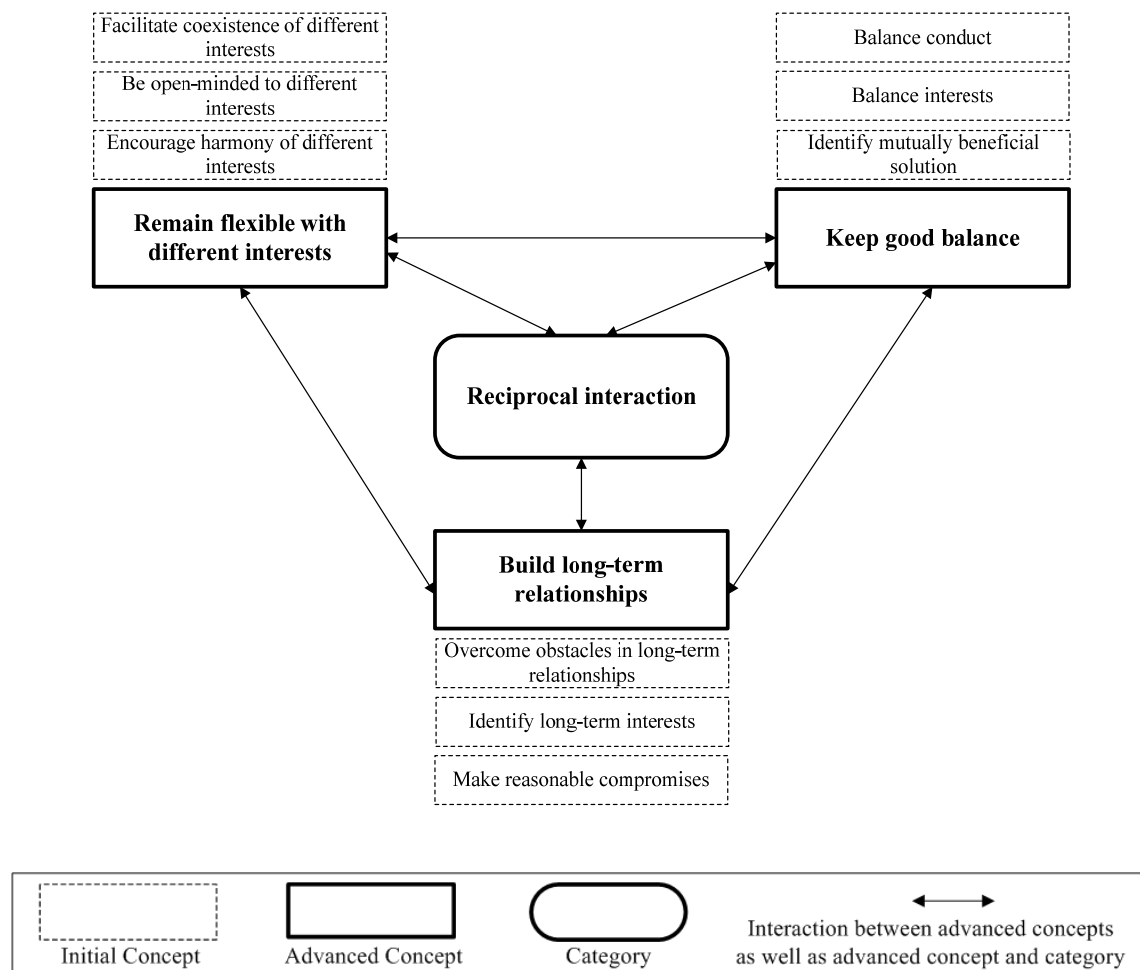
Category 6: Respect (Code: C006)

All respondents commented that the contemporary era of globalisation features cultural diversity. Upon entering the global business community, they had to deal with stakeholders from different regions with different cultural backgrounds. To achieve their business objectives and maintain harmonious long-term relationships with them, they considered an extremely important competency is to effectively deal with other people's uniqueness, disadvantages, opinions and traditions that are totally different from theirs:

> *My first experience in negotiating with the foreign material supplier years ago gave me a good lesson on how to deal with people who had completely different ways of thinking and values from ours. That experience was a failure as both parties could not agree in the end. For the first time it made me aware of the importance of*

> *understanding people from different cultural backgrounds in the global business environment (I008).*

This phenomenon is inevitable due to the global business context which features increasing interdependence, as indicated by most respondents. They commented that deepening globalisation and scientific and technological advances lead to diminishing geographical constraints. More involvement in the global business is associated with increasing interaction with people from different cultural backgrounds. It poses a huge challenge on respondents to quickly adapt to the global business community and establish harmony with people from different regions and different cultures.

The majority of the respondents agreed that their attitude towards people who have different cultural background, values, uniqueness and opinions becomes a causal condition that triggers the aforementioned phenomenon. It includes being appreciative and open-minded. An appreciative attitude helps them focus more on other people's positive aspects instead of the negative, which in turn makes other people feel recognised and respected. Moreover, harmonious coexistence of all stakeholders in the global business community means the coexistence of their uniqueness, as each country and culture is unique. To treat their uniqueness with appreciation maintains the harmonious relationship among all stakeholders. Respondents also indicated that holding an open-minded attitude towards different opinions and comments from people with different cultural and social backgrounds enables them to harmoniously deal with different opinions and also learn from those opinions.

Equally important as being appreciative and being open-minded is another attitude towards other people in the global business community, that is, being empathetic. It becomes an intervening condition that influences the aforementioned phenomenon. More than half of the respondents implied that it helps them to divert their attention away from themselves and towards others, making them more likely to understand the other person's situation and respond to cultural differences in a constructive way. Fully considering other people's situations can minimise any negative influence from their decisions, and can also help them respect the human rights of their stakeholders in the global community.

The aforementioned causal and intervening conditions influence two specific actions: to respect human rights and to respect traditions.
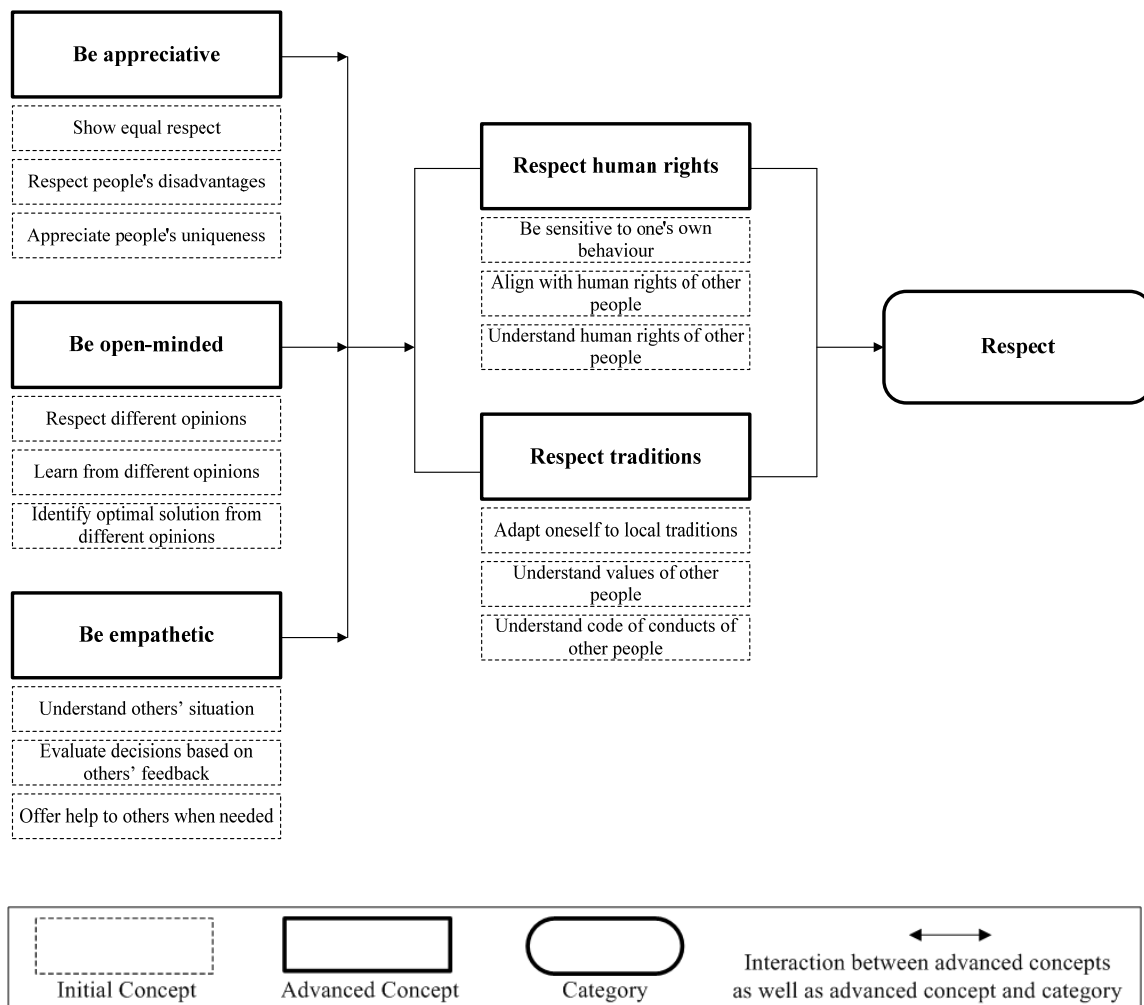
Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

168

Most respondents agree that all people possess human rights which are not only protected by the law, but are also inborn in themselves. Respect is more than being appreciative, open-minded and empathetic to others. It involves understanding their human rights and ensuring that one's actions align with these human rights. Not harming others' rights and benefits is showing the highest level of respect. Therefore, respondents intend to remain sensitive to their own behaviour when dealing with other people from different societies with different cultural backgrounds.

Traditions are the other important translation of respect in their daily actions. All respondents consider this kind of respect is extremely important when they deal with people from different countries. They agree that each country has its own traditions deeply rooted in its culture and values. Most people feel proud of their country's traditions, culture and values. When being treated with respect, they expect their traditions, culture and values are also respected.

To summarise, these five advanced concepts – (1) be appreciative, (2) be open-minded, (3) be empathetic, (4) respect human rights and (5) respect traditions – lead to a related consequence, which is to establish and maintain a respectful relationship with all stakeholders in the global business community. It enables business leaders to positively recognise other people's disadvantage and uniqueness and effectively deal with different opinions. It eventually builds harmony with stakeholders in the culturally diverse business community.

As illustrated in Figure 4.6, these five advanced concepts can be abstracted into a category *Respect*, which has more explanatory power. It interprets (1) the shared phenomenon at which the actions relating to respect, including respecting human rights and respecting traditions, are directed; (2) a shared context in which the phenomenon happens; (3) shared causal conditions, being appreciative and being open-minded, which lead to the phenomenon; (4) a shared intervening condition, being empathetic, by which the investigated phenomenon is influenced; (5) shared action and interactions that the respondents use to deal with the phenomenon, specifically, to respect other people's human rights and traditions; and (6) shared consequence of the actions and interactions.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

169

Figure 4.6: Open coding category 6 – Respect

This category offers an important explanation as to how respect occurs. Instead of occurring alone, it relies on conditions that represent the right attitude towards other people, that is, being appreciative, being open-minded and showing empathy. Such an attitude leads to two actions of respect: respecting human rights and respecting traditions.

Category 7: Righteousness (Code: C007)

One of the key responsibilities in daily work, mentioned by all respondents, is to make decisions in the complex business context where the interests of the organisation and its stakeholders are highly interconnected. Due to their leading position in the organisation,

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

170

all their decisions exert an influence on not only the business of their organisation but also the community in which their organisation is situated and relevant stakeholders in the community. This phenomenon articulates a need to ensure that their decisions are mutually beneficial for the business and community. The core of this phenomenon is how to insist on the truth and have their decision making aligned with the truth.

The contemporary business context, which features the challenges of increasing multiplicity, interdependence, uncertainty and sustainability, poses unprecedented pressure on business leaders to make the right decision. Most respondents defined the right decision as that which enables their organisation to achieve its business objectives while not harming their stakeholders' interests. The truth, as indicated by the majority of the respondents, becomes a crucial guideline in their decision making. It is the common good for all stakeholders of the community:

> *I helped the company to establish a sales office in Boston in the US three years ago. It has become a success in our efforts to globalise the business, as our sales have been on the rise and we gained recognition from the local community within three years. Part of the success derives from my uncompromising insistence that all decisions that I make in my daily work not only facilitate the development of our business, but also improve the welfare of our customers in the local community (I007).*

As agreed by all respondents, alignment with the truth cannot be developed overnight. It needs long-term commitment, not only to themselves, but also to all their stakeholders, which becomes a causal condition that prompts the aforementioned phenomenon. Without this commitment, they are less likely to stick to their moral standards and moral patterns in all situations. They interpret it as a promise that they make not only about their individual performance to achieve their work objectives, but also about the overall performance of the organisation as a responsible entity in society. They intend to ensure their personal decisions and business practices are consistent with their promises for the long term.

In association with the causal condition is the intervening condition which influences the phenomenon, that is, the way to deal with one's mistakes. Most respondents consider that admitting mistakes is an essential strategy for making the right decisions in all business contexts. They agree that everyone makes mistakes. To learn from mistakes can help them avoid repeating the same mistakes and come closer to achieving success. Instead of concealing mistakes, they intend to speak up about mistakes to their

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

stakeholders and let them know the truth. It illustrates their determination to make the right decisions through action, and allows them to correct their mistakes with sincerity and take measures to prevent mistakes from recurring:

> *Once upon a time, I intended to hide my mistake in front of everyone, including my team members, from being afraid of losing face. It ended up with our poor sales performance in that market. Compared with my original concern of losing face, such a failure made me lose more face and also gave me a good lesson. Years later I made a similar mistake unintentionally. But unlike the previous time, I admitted to my team members that I made a mistake in the sales strategy. Instead of blaming me for my mistake, they made all attempts to help turn around the situation, which finally minimised the negative influence on the sales performance caused by my mistake (I026).*

With regard to the action and interaction, most respondents endeavoured to integrate heart and soul and be consistent in all business activities.

The first strategy, integrating heart and soul, entails three specific actions: thinking and acting with consciousness, being responsible for one's own decisions and carrying out necessary reforms to beliefs and values. Although some rules and regulations in the global business community offer guidelines, they cannot cover all possible situations. The intuitive conscience becomes a critically important driver to help them make the right decisions, and keeps them responsible for their decisions in their business activities. Most respondents believe that one's conscience manifests itself in one's beliefs and values. To ensure that one's intuition works in the best interests of all stakeholders, it is necessary to carry out any necessary reforms to their own beliefs and values and have them adapt to the common interests of all their stakeholders.

Being consistent is an important guarantee to ensure that the right decision is reflected in their own actions. To maintain consistency in all business situations, they attach great importance to making immediate efforts to correct inconsistency and improve consistency between words and actions.

The consequence of all their actions and interactions is to have business decisions and operations aligned with the truth. When they are competent to lead their business with the truth, this is mutually beneficial to not only the interests of the organisation but also the common interests of all stakeholders in the community. Specifically, they are good at learning what the truth is. To learn the truth not only permeates their whole life, but is also the most important topic in their lifelong learning.
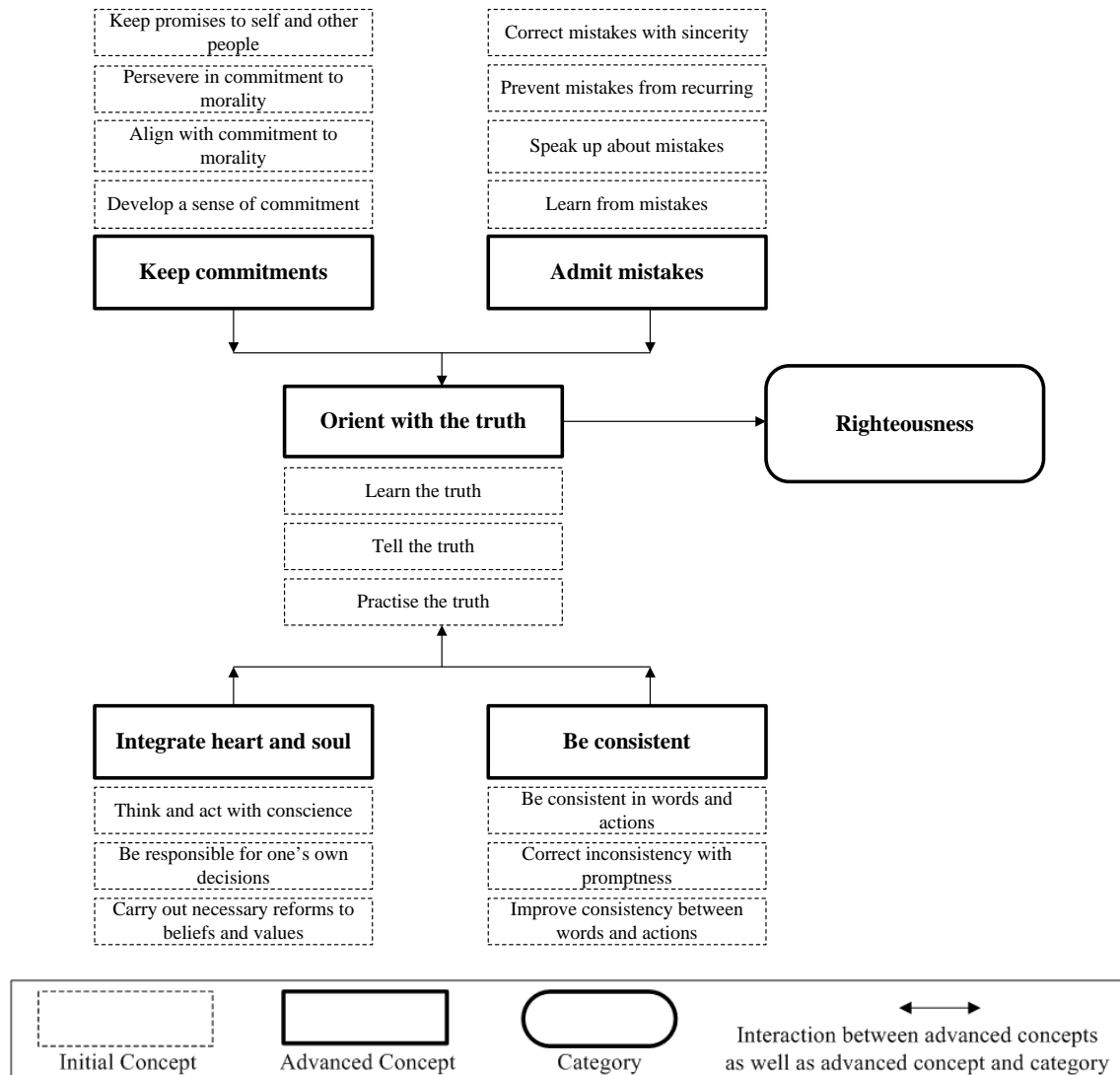
Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

172

All respondents paid equal attention to positive influence on other people in the community, which derives from informing the people around them of the truth. To tell the truth and have other people clearly understand the truth from ambiguity was considered as their inborn responsibility. They noted that practising the truth is a critically important part of leading by example.

To sum up, these five advanced concepts – orient with the truth, keep commitments, admit mistakes, be consistent and integrate heart and soul – represent a competency whereby business leaders do the right thing and insist on the right thing amid the growing uncertainties of the global business community. They can be consolidated into a category with a more abstract name, *Righteousness*, which has more explanatory power to describe the competency to do the right thing and insist on the right thing in a complex business context.

This category relates to (1) a shared phenomenon at which the actions and interactions relevant to doing the right thing and insisting on the right thing are directed; (2) a shared context in which the actions and interactions of doing the right thing and insisting on the right thing occur; (3) shared causal conditions, including keeping commitment and being consistent, which lead to the actions and interactions; (4) a shared intervening condition, the competency to admit mistakes, which influences the actions and interactions; (5) shared actions and interactions to integrate the heart and soul; and (6) shared consequence of the actions and interactions, that is, to align with the truth.

Of these five advanced concepts, aligning with the truth is central, as it lays an essential foundation for senior executives of Chinese non-state-owned companies to keep their commitments, admit their mistakes, maintain consistency and integrate their heart and soul. It demonstrates how righteousness is interpreted and how it interacts with related characteristics of business leaders in the global business community. This category is illustrated in Figure 4.7.

Global leadership competencies of senior executives from non-state-owned companies of China: A qualitative study in a Confucian cultural context

173

Figure 4.7: Open coding category 7 – Righteousness

Category 8: Ritualised harmonisation (Code: C008)

Ritual proprieties are interpreted by most respondents as microcosm of a country's culture, values and codes of conduct. They see local ritual proprieties as an important strategy for developing and maintaining harmonious interpersonal relationships among people, and ultimately achieving overall harmony of the whole community. Among the 42 advanced concepts, it is notable that four of them – (1) focus on local ritual proprieties, (2) be forgiving, (3) practise harmonious interaction, and (4) comply with local ritual proprieties – describe how the respondents integrate ritual proprieties into

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

174

their business activities to establish and maintain harmony with all stakeholders of the community.

With increasing awareness of the importance of harmony in the business community, most respondents mentioned that other business leaders made more effort to build a harmonious relationship with their stakeholders. However, they commented that most of their efforts rely on rules and regulations to maintain this relationship, while limited attention is drawn to the role of ritual proprieties in regulating the interpersonal relationship in the business context.

The aforementioned phenomenon can be largely explained by the characteristics of business activities in the contemporary globalisation, in which business conduct and relationships are regulated mainly by contract. But the contractual relationship focuses more on regulating business conduct through rules and regulations while disregarding emotional bonds in the business activities. They implied that this is hard to maintain for the long term once the business activities are completed.

In contrast with the common phenomenon in the business context, most respondents consider that ritual proprieties are helpful for consolidating an emotional connection with all stakeholders in their business activities, which leads to establishing long-term harmonious relationships with stakeholders even after the business activities are completed:

> *True harmony of the global community comes from the harmonious coexistence of all cultures. Besides external constraints, to establish and maintain the harmony of all stakeholders in the community requires recognition of cultural differences. Ritual proprieties are a mirror that reflects those differences (I010).*

Most respondents commented that all countries have their own unique ritual proprieties that are developed through their long history, and these profoundly influence people's behaviour patterns in their social interactions. To focus on local ritual proprieties becomes a causal condition that triggers their response to the ritual proprieties of the community. It involves an awareness of local ritual proprieties and subsequent efforts to strengthen this awareness in mind:

> *My first experience of working in a foreign country was a success. I noticed that local people complied with a set of ritual proprieties in their daily work and life, which were totally different from that of my own country. At the very beginning,*

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

175

due to my curiosity, I attempted to learn more of their ritual proprieties and then practise them. But to my surprise, my foreign colleagues quickly considered me as part of their group, which enabled me to adapt to a completely new work environment quickly (I025).

Maintaining local ritual proprieties is an important strategy for establishing community harmony, and it also requires being forgiving. All respondents stressed the importance of forgiveness, which becomes an intervening condition that influences their action in the aforementioned phenomenon. To treat the local ritual proprieties with an appreciative attitude and keep interpersonal interactions harmonious, they felt it necessary to forgive other people's mistakes, rudeness and misunderstandings in a business context. They agree that forgiving others can alleviate interpersonal friction; it also gives others the opportunity to improve by learning from their mistakes, rudeness and misunderstanding:

Complying with the ritual proprieties is not to just follow the local customs or codes of conduct, but it is a great opportunity for me to learn more about the local culture. It brings enables me to change, from being annoyed at its differences to appreciating its uniqueness (I002).

Efforts to reinforce an awareness of local ritual proprieties involve two equally important actions: to comply with local ritual proprieties and practise harmonious interaction.

Most respondents emphasised the need to learn and become familiar with the local ritual proprieties in a new work environment. It is important that they follow the local ritual proprieties and adjust their own behaviour accordingly when needed. The ritual proprieties become an indispensable connection between local and foreign cultures.

However, harmonious interaction in daily work relies on settling conflicts appropriately. Most respondents highly recommended dialogue as the most effective strategy for solving business conflicts. It enables them to settle all types of conflict through open communication and a sincere attitude, specifically by being friendly and modest towards others.

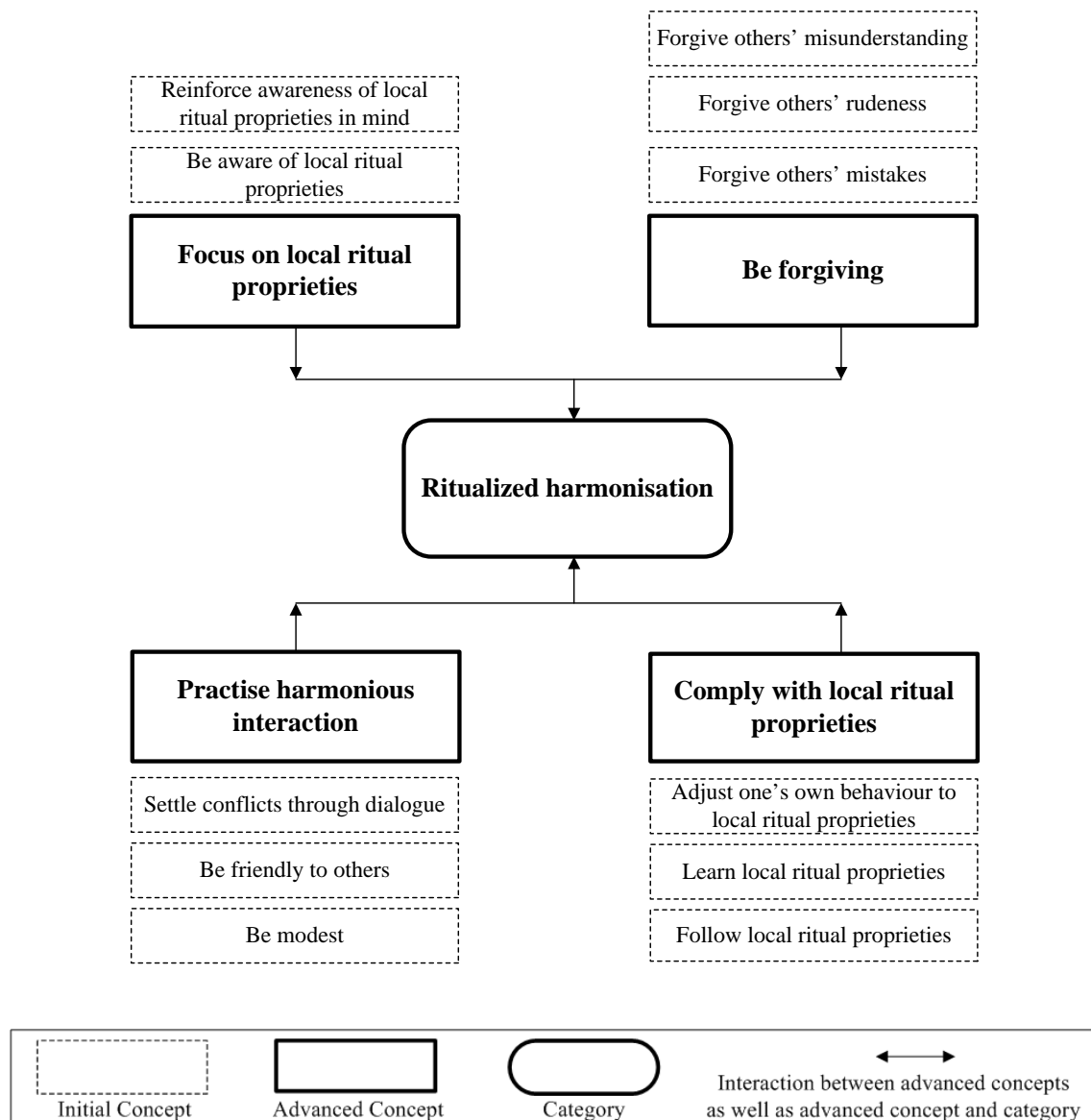All respondents suggested that becoming a moral person is a lifelong process of adapting their conduct to comply with ritual proprieties. It involves compliance not only by themselves but also by all other stakeholders in the community. With harmonious

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

176

interaction and a forgiving attitude, they were in a better position to exert a moral influence in the whole community.

To sum up, these four advanced concepts – (1) focus on local ritual proprieties, (2) be forgiving, (3) comply with local ritual proprieties, and (4) practise harmonious interaction – represent a competency whereby business leaders establish and maintain harmony by regulating their business conduct to comply with the ritual proprieties of all stakeholders. They can be consolidated into a category with a more abstract name, *Ritualised harmonisation*. It has more explanatory power to describe the competency to integrate ritual proprieties into the business activities.

This category relates to (1) a shared phenomenon through which harmony of the global business community is established and maintained via rules and regulations, while the roles of ritual proprieties in a business context do not receive adequate attention; (2) a shared context in which different cultures coexist in the same community, and recognising their differences is necessary for realising their harmonious coexistence; (3) a shared causal condition, that is, a focus on local ritual proprieties, which leads to the actions in the phenomenon; (4) a shared intervening condition, a forgiving attitude, which influences the actions and interactions; (5) shared actions and interactions to comply with local ritual proprieties and practise harmonious interaction; and (6) shared consequences of the actions and interactions, that is, to establish and maintain true harmony by regulating business conduct through ritual proprieties.

Of these four advanced concepts, a focus on local ritual proprieties and forgiveness is central, as it provides the mindset for respondents to deal with ritual proprieties in the business context. It demonstrates how ritual proprieties are interpreted and how this interacts with respondents' actions in the global business community. It is central for establishing harmonious interpersonal relationships with their stakeholders. This category is illustrated in Figure 4.8.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

177

Figure 4.8: Open coding category 8 –Ritualised harmonisation

Category 9: Self-discipline (Code: C009)

All respondents agreed that, due to their leading position in the organisation, they are expected to play an exemplary role in both the organisation and the community. While their role can exert a moral influence on all stakeholders inside and outside the organisation, it poses a huge challenge on them to control their desires and regulate their behaviour in a moral way.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

178

This challenge posed on most respondents derives from the context in which the phenomenon happens. Scientific and technologic advances, especially telecommunication technology, greatly facilitate social development and deepen globalisation. But these advances also make cross-border business crimes more convenient. Their leading position in the organisation makes it tempting for them to make use of loopholes in business operations to serve their personal interests:

> *Increasing business scandals in recent years have greatly shaped the public's confidence in business leaders' credibility. We need to rebuild their confidence in us by posing strict control on our desires and carefully regulating our behaviour (I019).*

Exercising self-control becomes the causal condition that triggers the aforementioned phenomenon. All respondents conceded that no-one is a sage. Humans have different kinds of desires that ultimately influence their behaviour and moral patterns, and business leaders are no exception. As a result, they intend to keep a close eye on their conduct, and ensure they minimise any negative influence caused by their inappropriate conduct.

Evaluating the influences of conduct is equally important for them. All respondents agreed that leadership is a process of exerting a positive influence on other people. By constantly and objectively evaluating the effects of their conduct, they are able to maintain a positive influence on their stakeholders and promptly adjust their conduct when needed. They also pay equal attention to controlling their unreasonable desires. They commented that power and material comfort are self-centred and undermine empathy:

> *As a General Manager of a big manufacturer which has more than 10,000 employees, I clearly understand that what I do in my position influences both internal employees and external stakeholders to some extent. In view of this, I am used to evaluating all potential influence that might be caused by my conduct before I take concrete action. Such self-evaluation becomes an indispensable part of my daily work to minimise the negative influence caused by my unreasonable desires and conduct (I001).*

To control desires at a moral level requires logical judgment, accompanied by calm and neutral emotions. Most respondents agreed that their emotions influence both their judgment and their behaviour. They value high emotional intelligence and the ability to control their emotions, despite growing business uncertainty and the pressure to achieve

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

179

profits and save costs. They exercise good self-control over their desires, conduct and emotions in order to minimise any negative influences on their stakeholders:

> *In the face of severe market competition and increasing profit targets posed by the top management, I encounter tremendous pressure in my current position. To ensure all my business decisions can help the company to achieve the desired business performance while not harming stakeholders' interests, composure is extremely important for me to maintain sound judgment and logical thinking regardless of external pressure. Some of my favourite activities such as reading historical books and shadowboxing, can effectively keep me calm (I017).*

Most respondents noted that associated with self-control is self-regulation. It encompasses the evolving process of people's responses to external constraints; a reactive response evolves into a proactive one, where people adapt to the external environment by consciously adjusting their behaviour patterns and moral standards. All respondents indicated that moral leadership should be contingent and situational, adapting to the constantly changing environment. Specifically, they regulate their behaviour according to external social codes of conduct, and they also regulate their desires and moral standards according to the requirements of the social context in which they exercise their moral leadership.

All respondents agreed that being a role model requires the highest level of self-discipline. A role model needs to understand social codes of conduct, align behaviour patterns with social codes of conduct, achieve continuous self-improvement and help others to improve. Only through lifelong learning and comprehensive reflection can they equip themselves with the necessary moral knowledge and skill to regulate their conduct and facilitate moral judgment. It indicates a proactive interaction between developing self and influencing others in the course of leadership.

These three advanced concepts – (1) exercise self-control, (2) practise self-regulation and (3) be a role model – end up with the consequence which is the result of the phenomenon. That is, to capitalise on one's initiative to regulate one's desires, emotions and conduct. Instead of relying on external constraints, morality emphasises the role of the self.

These three advanced concepts describe a competency whereby business leaders rely on themselves to regulate their own desires, emotions and conduct. They can be

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

180

consolidated into a category with a more abstract name, *Self-discipline*, which has more explanatory power to describe the competency to lead oneself in a moral way.

This category relates to (1) a shared phenomenon where business leaders are expected to be an exemplary model in the business community; (2) a shared context in which business leaders exert great influence on their stakeholders due to their leading position in the organisation and the increasing interdependence of the global business community; (3) shared causal conditions, that is, to exercise self-control, which lead to the actions and interactions; (4) a shared intervening condition, that is, to practise self-regulation, which influences the actions and interactions; (5) shared actions and interactions to be a role model; and (6) shared consequence of the actions and interactions, that is, to build morality in oneself through self-initiative.

Of these three advanced concepts, to exercise self-control and practise self-regulation is central, as it lays the essential foundation for the respondents to become a role model. It demonstrates how morality is established in oneself through self-initiative. This category is illustrated in Figure 4.9.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

181

Figure 4.9: Open coding category 9 –Self-discipline
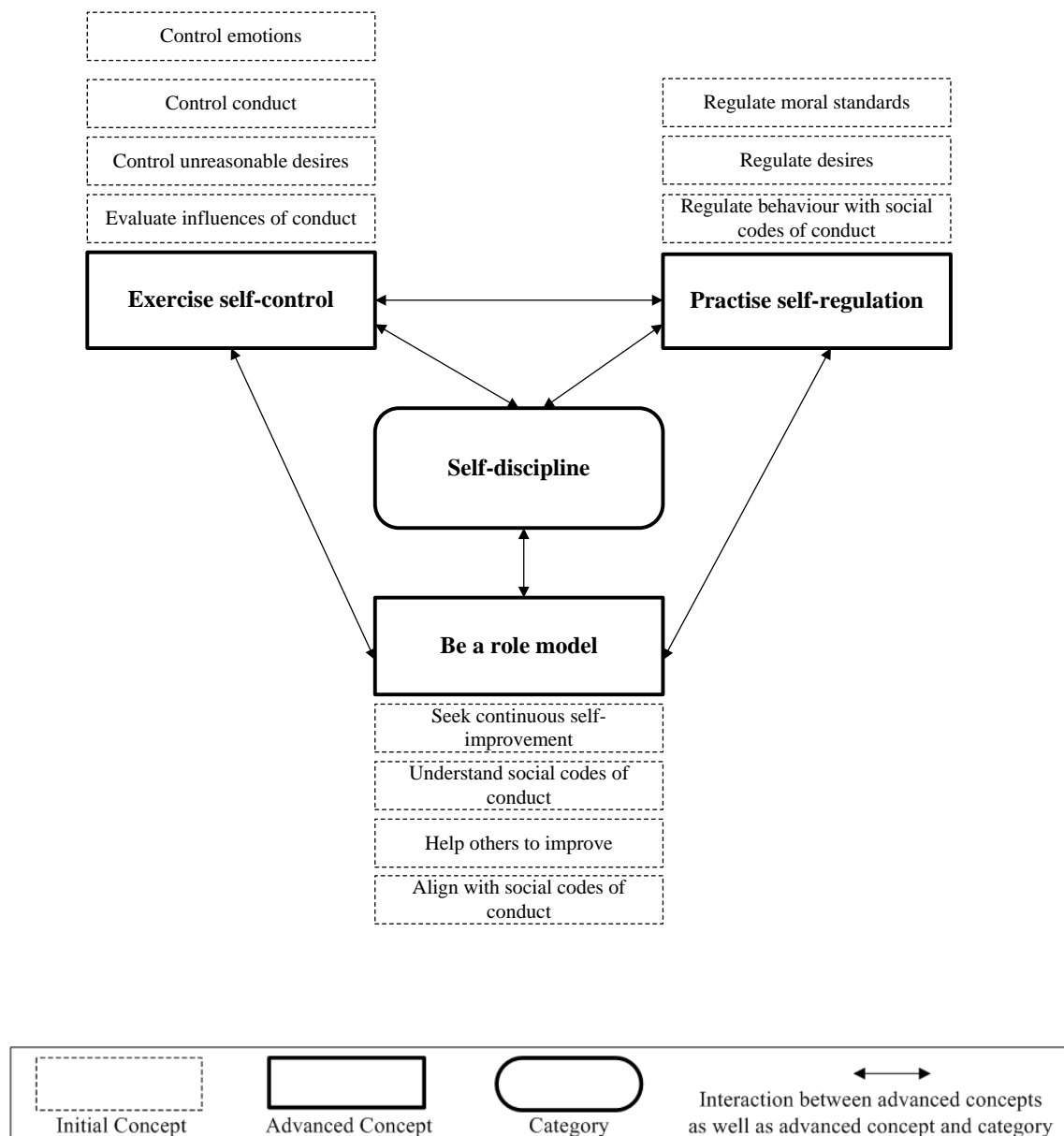
Category 10: Self-learning (Code: C010)

All respondents mentioned the importance of continuously learning in order to maintain themselves as a role model in the organisation. Due to their leading position, they attach great importance to exerting a positive influence on all stakeholders inside and outside their organisation. They consider learning an indispensable competency that enables them to set a commendable example in all situations. On top of exercising their

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

182

leadership role in the organisation, part of their daily life is devoted to learning in various ways.

The learning phenomenon among the respondents derives from their current business context. To effectively cope with the unprecedented challenges of the global business community, all respondents indicated that they need to be proficient with the various types of knowledge required by the contemporary global business community. This is also necessary if they are to make the right decisions in a complex business context:

> *With more exposure to working overseas, I am aware how important it is to be equipped with relevant knowledge. This is a necessary prerequisite for business leaders before they step into the overseas market. Besides commercial knowledge about how to operate the business, moral knowledge about what and how they should do in the global business community is equally important (I023).*

However, the learning phenomenon is triggered by an important causal condition, an attitude towards learning. That is, an awareness of pursuing lifelong learning. All respondents, in particular, intend to equip themselves with the necessary moral knowledge. They commented that working in the global business community requires ongoing learning, while a positive attitude towards learning largely determines the efficiency and effectiveness of their learning. Indispensable elements of a lifelong learning attitude are a strong desire to learn, a modest learning attitude and curiosity for new knowledge.

In association with the causal condition are the intervening conditions which influence the learning phenomenon. Most respondents suggested three conditions that influence the exercise of lifelong learning: learning from one's own experience, learning from others and integrating learning and practice. Lifelong learning is never limited to book knowledge only. They consider their past experience, if used appropriately, as good learning material. It enables them to learn how to avoid repeating the same mistakes and identify any areas for improvement. Learning from others is a critically important strategy for respondents to keep learning and improving. Other people's strengths, as well as their successes and failures, are an invaluable learning source. Moreover, knowledge is not valuable unless it is put into practice. The journey of becoming a moral person is an ongoing process of practising the moral knowledge that they learn.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

183

The aforementioned conditions influence the action to deal with the learning phenomenon. To pursue lifelong learning relies on perseverance in acquiring knowledge.

The majority of the respondents noted that perseverance is extremely important to guarantee that learning can proceed, regardless of circumstances. In the fast-paced era of globalisation, perseverance is crucial for them to keep abreast of the latest developments and acquire new moral knowledge. It provides a strong guarantee for them to put into practice the moral knowledge that they learn and uphold their moral principles. It involves not giving up, and remaining committed to one's decisions.

Practising perseverance also requires the motivation to cope with challenges and obstacles. All respondents noted that the path to becoming a moral business leader is usually lonely, especially when they persist in moral standards that others don't understand. Motivation becomes the only momentum for them to maintain their lifelong learning and undertake their work and life in a moral way. It implies the importance of self-functioning in the process of self-cultivation and paves the way for self-reflection and self-discipline.

These five advanced concepts – (1) pursue lifelong learning, (2) learn from others, (3) learn from experience, (4) integrate learning and practice and (5) practise self-perseverance – lead to the consequence of the learning phenomenon. That is, to make full use of their initiative in the process of developing into a moral person. It emphasises the role of the self in learning and the need to capitalise on all the resources around oneself.

In conclusion, these five advanced concepts represent a competency whereby business leaders learn how to become a moral person throughout their life. They can be consolidated into a category with a more abstract name, *Self-learning*, which has more explanatory power to describe the competency to take the initiative to establish and maintain morality in oneself through proactive learning. It is not simply a learning competency, but a lifelong process to invigorate the power of the self in the making of morality.

This category relates to (1) a shared phenomenon at which the action relevant to insisting in the lifelong learning is directed; (2) a shared context in which the action of practising self-perseverance in lifelong learning occurs; (3) a shared causal condition,

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

184

the attitude towards learning throughout life, which leads to the action; (4) shared intervening conditions, the competency to learn from others, learn from experience and integrate learning and practice, which influence the action; (5) a shared action to practise self-perseverance in lifelong learning; and (6) a shared consequence of the action, that is, to become a business leader with morality throughout the life.

Of these five advanced concepts, as illustrated in Figure 4.10, the right attitude towards learning is crucial. This attitude lays the foundation to take the initiative to learn from others, learn from experience and integrate learning and practice in their lifelong learning. It demonstrates how learning is interpreted and how it leads to the perseverance in their lifelong learning.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

185

Figure 4.10: Open coding category 10 – Self-learning
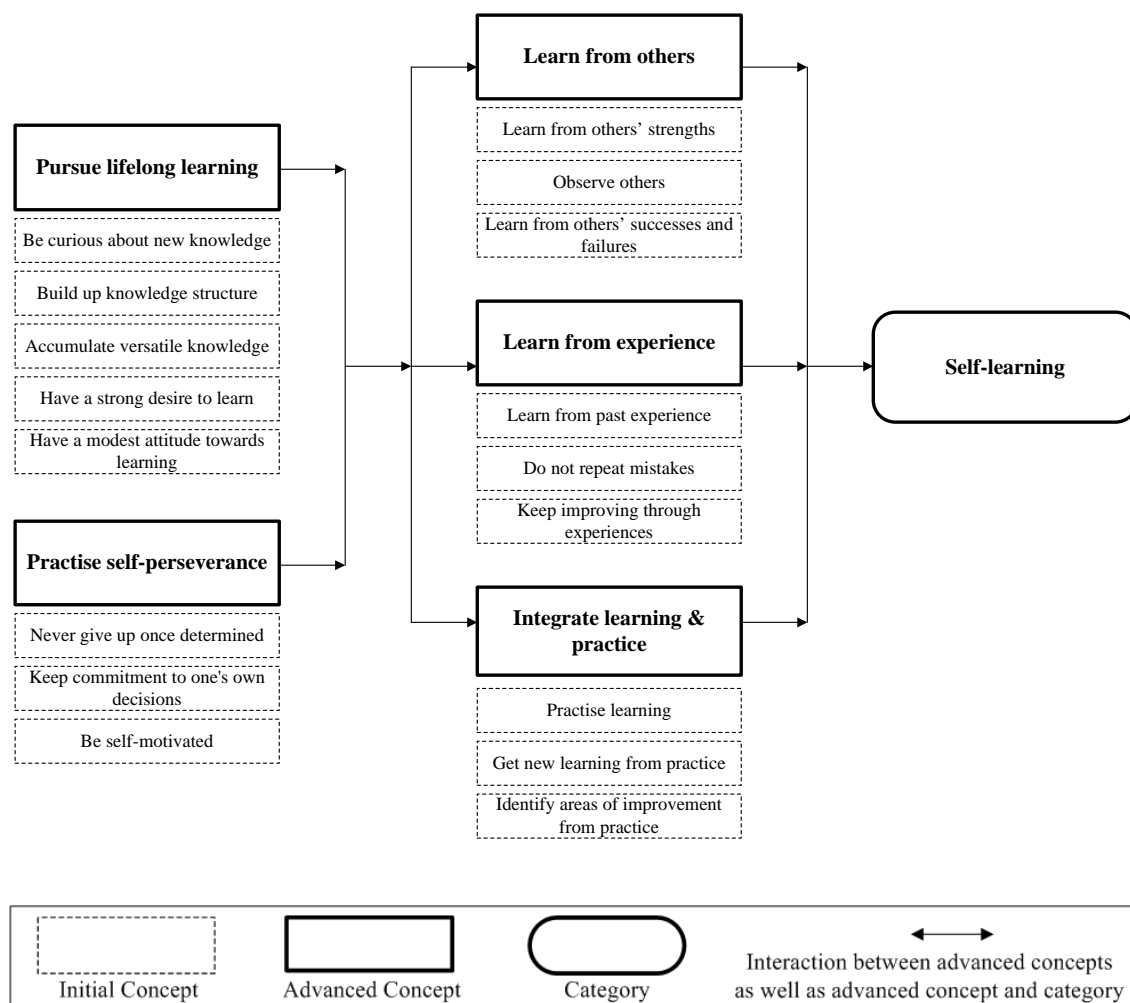
Category 11: Self-reflection (Code: C011)

All respondents underscored that learning is important for them, but it is more important for them to improve from what they learn. More than half of them suggested that learning is a three-stage process of learning, unlearning and relearning. This process needs a catalyst to activate one stage and then move on to the next one, enabling them to identify what they need to learn. Thus, it offers more specific direction and focus to them when learning and cultivating the virtues in themselves.

The aforementioned phenomenon is relevant to the complex business context, which features growing uncertainties and ambiguities with deepening globalisation. Most respondents commented that, while there are some rules and regulations available for

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

186

their reference, they cannot provide specific guidelines to cover all those uncertainties and ambiguities. But their own experience, other people's experience and history all offer pragmatic guidance to them to address those uncertainties and ambiguities:

> *I highly value what I experienced in dealing with the overseas business before, no matter whether that experience was success or failure. Looking into what I did before and how I can make further improvement from my past experience always paves the way for my next success (I013).*

The majority of the respondents indicated that the causal condition which triggered the aforementioned phenomenon to occur is awareness of their own experience. This awareness directs their attention to identifying areas for improvement, driving the learning process to move from one stage to the next. As a result, when encountering obstacles on their way to establishing morality, they intend to find out the reasons from themselves first instead of complaining about external constraints:

> *In most cases where I failed to make a moral decision at work, when I looked into the whole experience again, I found that the root cause was in myself instead of others. As a result, my past experience becomes a very good case study for my learning and improvement (I029).*

Accompanying the causal condition is the intervening condition which influences the phenomenon. It is the competency to identify the points of learning from one's own and other people's experience and history, and then put that learning into practice. Most respondents mentioned that people have their own experiences every day. But only those who are competent to find out what they need to improve from their own experience and take action to improve can get closer to become a moral person:

> *I was the first senior manager to help the organisation to explore the overseas market at the end of 1990s, which became a success in my career. When looking back to that experience, besides my hard work, one of main reasons behind the success was that I used to review what I did every day by asking the following three questions. First, what do I learn from what I did today? Second, which work I did today can I do much better tomorrow? Third, what did I learn from other people today, especially my foreign colleagues? I still keep such a habit, reviewing my daily work and life by asking myself those three questions (I021).*

All respondents suggested three actions to cope with the phenomenon: reflect on their own experience, reflect on others' experience and reflect on history.

First, they indicated that reflecting on their own experience is crucial for them to cultivate and practise their morality. It permeates all aspects of their work and life,
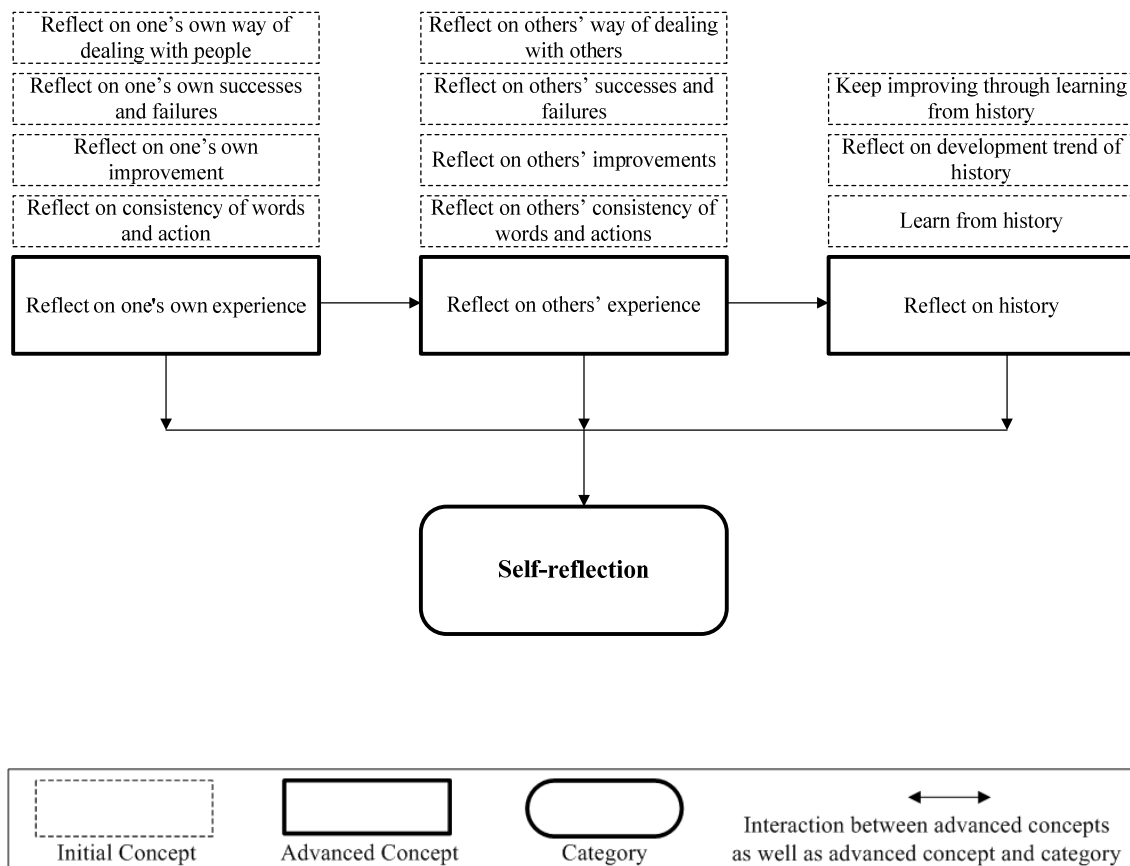
Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

187

including not only the way of dealing with people and the consistency of their words and actions, but also their own successes and failures and improvement. They emphasised that moral business leaders should first of all be the leaders of themselves, and then be the leaders of their followers. Reflecting on their own experience is associated with the process of establishing leadership within the self.

Second, they noted that reflecting on their own experience is indispensable for them to become a moral business leader. Developing their morality is a long-term process involving continuous self-improvement; reflecting on the self can indicate which areas need improving. Reflecting on others' experiences is equally important. It suggests a proactive interaction between oneself and others in both the learning and leadership establishment processes.

Third, they commented that history is an indispensable learning source for them. It mirrors the social development and moral wisdom of their predecessors. To reflect on history prompts their learning interaction with the social environment and enables them to relearn the moral knowledge from the past. Historical successes and failures provide a wealth of new learning for business leaders and help them identify what they need to improve, by comparing their experience with that of their predecessors.

These three strategies, as illustrated in Figure 4.11, indicate that reflecting is an inside-out process. Reflecting on one's own experience is not only the central action in the process of reflecting for learning, but also the most critical catalyst for activating the other two actions. It provides an essential basis for reflecting on others' experiences and reflecting on history.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

188

Figure 4.11: Open coding category 11 – Self-reflection

These three actions lead to the shared consequence which is the result of the phenomenon, that is, to be able to facilitate the learning process by identifying areas for self-improvement. Most respondents commented that continuous self-improvement is an indispensable component in the making of morality. Any business leaders who intend to become a moral person need to have a clear understanding of what they need to improve in themselves.

To conclude, these three advanced concepts – (1) reflect on one's own experience, (2) reflect on others' experience, and (3) reflect on history – represent a competency whereby business leaders take the initiative to identify areas for improvement in their pathway towards morality. They can be consolidated into a category with a more abstract name, *Self-reflection*. This category has more explanatory power to describe the

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

189

competency to find out what they need to improve in order to become a moral business leader. It highlights the role of self in the learning and improvement process.

This category relates to (1) a shared phenomenon at which the actions relevant to taking the initiative to identify the improvement areas are directed; (2) a shared context in which the actions occur; (3) a shared causal condition, self-awareness, which leads to the actions; (4) a shared intervening condition which influences the actions, that is, the competency to identify the points of learning from one's own experience, other people's experience and history and then put those points into practice; (5) shared actions to identify areas of self-improvement; and (6) shared consequence of the actions, that is, to be able to facilitate the advancement of learning process by identifying the areas for self-improvement.

Summary

This section has discussed how the 11 categories were built up. The 126 initial concepts were consolidated into 42 advanced concepts, from which the 11 categories were developed. The discussion has highlighted how the 11 categories are closely related to the global leadership competencies of Chinese senior executives.

The following section describes the integration of the 11 categories and explores their relationships in the integrated model.

4.3   Axial coding

Establishing the grounded theory involved axial coding and identifying the core axis by selective coding to connect all the theoretical constructs. The resulting grounded theory offers insights into the global leadership competencies of Chinese senior executives in a Confucian cultural context. This section discusses the axial coding process and describes how the core axial code was identified and used as a basis for the grounded theory.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

190

This study used the rationale proposed by Strauss and Corbin (1990a, 1998) to develop the advanced concepts into categories and also to further abstract those 11 open coding categories into axes at the axial coding stage. Categories with shared phenomena, context, causal conditions, intervening conditions, actions and consequences were abstracted into an axis through constant comparison and theoretical sensitivity.

Axial coding has two outcomes: it can reveal the interrelationships among the theoretical constructs identified in the previous stages of data analysis, and it forms a basis for the core axial code with which the theoretical constructs are integrated.

4.3.1 Axis 1: Moral cognition

As agreed by the majority of respondents, growing interdependence between their organisation and stakeholders requires them to lead the organisation in a way beneficial to both their business and stakeholders. This prompts the need for a comprehensive understanding of not only the business but also of people from different cultures.

All respondents encounter the same question: how to make business decisions and take actions that are beneficial to both the organisation and all stakeholders. They suggested that the prerequisite of this question requires business leaders to establish an accurate understanding of oneself. Prior to making business decisions, it is crucial for them to know what is the truth and how to have all their decisions and actions aligned with the truth:

> *To have myself equipped with the knowledge of the truth is an important prerequisite for treating all people working around me with respect and faithfulness. It gives me a clear direction of what I should do and what I should not do in the complex business context (I009).*

Respondents indicated that a person who does not understand themselves can never establish a right understanding of others. Developing and maintaining righteousness is the most important way to understand oneself, which becomes a causal condition that triggers the respondents' approach to dealing with stakeholders from different cultures. Only with righteousness can people better demonstrate their respect and faithfulness to others, which ultimately leads to overall harmony. They emphasised that it is a

Global leadership competencies of senior executives from non-state-owned companies of China:
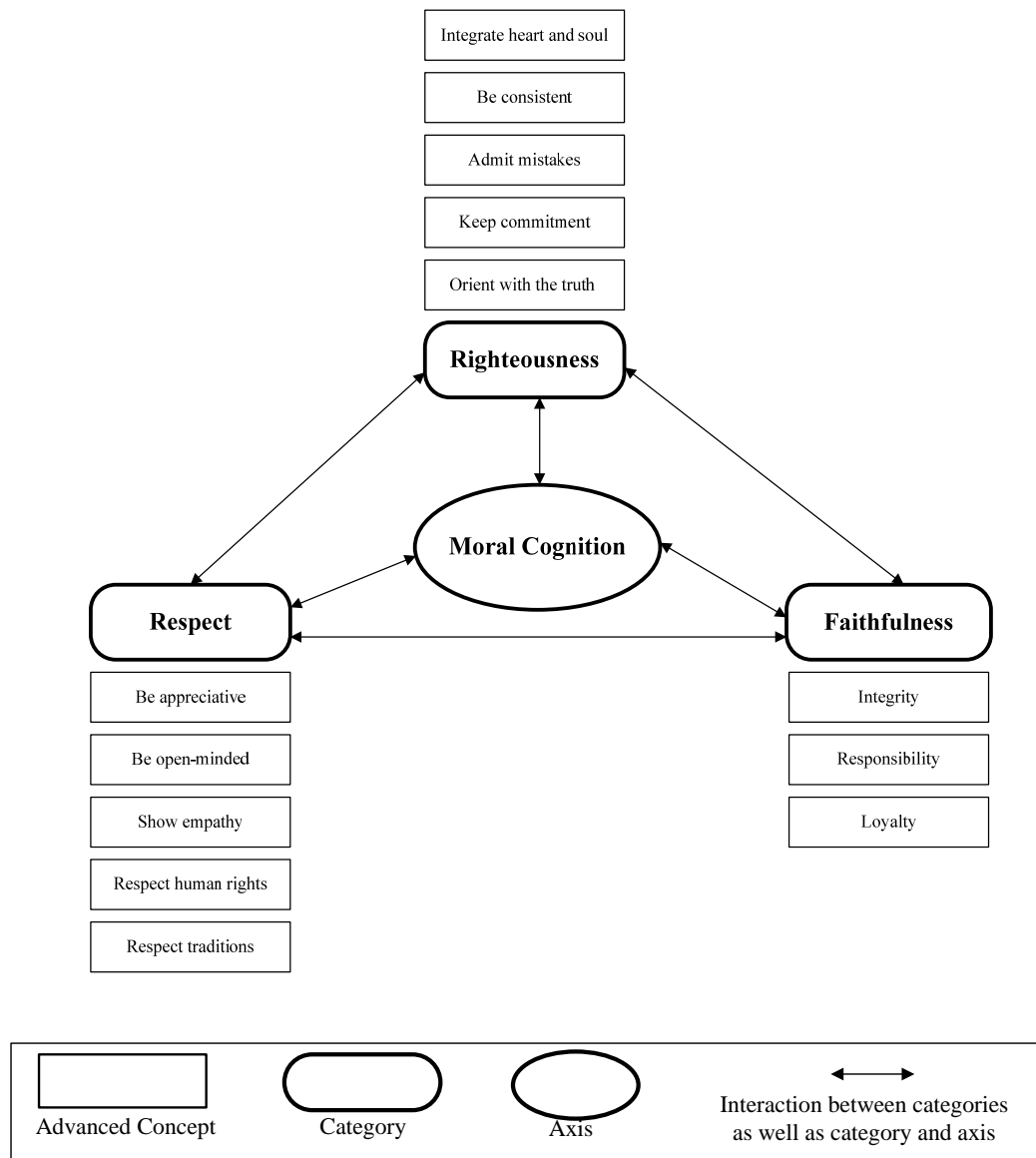A qualitative study in a Confucian cultural context

191

combination of aligning with the truth, keeping commitments, admitting mistakes, being consistent and integrating heart and soul. As an indispensable characteristic of moral people, it influences respect and faithfulness, the two other fundamental elements of moral cognition:

> *I used to stick to my own values and seldom make any compromises in my business activities. When I was assigned to manage an overseas subsidiary, I felt uncomfortable when I had to closely work with my foreign colleagues whose values were totally different from mine. This led to frictions between me and my colleagues from time to time. When I realised that I was sometimes too rigid, I attempted to make some adjustments to my own values and adapt mine to the positive areas of their values. I quickly found that I received more respect (I016).*

Understanding others consists of respect and faithfulness towards people, which are two intervening conditions that influence the aforementioned phenomenon. Respect incorporates appreciation, open-mindedness, empathy, and respect for human rights and traditions. Establishing and maintaining faithfulness with all stakeholders includes morality-driven cooperation, mutually beneficial relationships and loyalty. The interrelationship among these three categories, righteousness, respect and faithfulness, is illustrated in Figure 4.12.

To understand oneself and other people is the vivid translation of the cognitive competency to establish and maintain harmony between oneself and others. It can be consolidated into an axis with a more abstract name, *moral cognition*, which respondents noted is the essential foundation of treating everyone – themselves included – in a moral way. The core of such a cognitive competency is to understand people. Righteousness is the demonstration of understanding oneself, while respect and faithfulness represent understanding others. All are equally important for acquiring a moral understanding of oneself and others:

> *When I acquire more understanding of myself and other people, I have more ideas of how to exert my moral leadership on them and establish a harmonious relationship with them (I003).*

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

192

Figure 4.12: Axis 1 – Moral cognition

Understanding people is the core to a person's morality, influencing his or her mindset and behaviour patterns. It is not only a pragmatic way of how the respondents treat themselves and other stakeholders, but also a practical strategy of how to achieve harmony between their organisation and all stakeholders. Harmony, as indicated by most respondents, is a congruence between the internal and external self, as well as between oneself and other stakeholders. Consistent righteousness generates harmony between the internal cognition of oneself and external recognition of oneself from others, while respect and faithfulness consolidate the harmony that is established by righteousness.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

193

The links between righteousness, respect and faithfulness, illustrated in Figure 4.13, serve as a moral compass for the respondents who work in the global business community. It not only establishes a solid foundation for moral leadership competencies, but also indicates how leaders can exercise their moral leadership internally and externally. The three elements of righteousness, respect and faithfulness are also significant for establishing and maintaining harmony, not only within the self, but also between oneself and other people and the environment. Only through a clear understanding of the self, other people and community can people cultivate their cognition of the appropriate action in uncertain or ambiguous situations.

4.3.2 Axis 2: Self-leadership competency

Another three open coding categories – (1) self-discipline, (2) self-reflection and (3) self-learning – are relevant to the shared phenomenon, context, causal and intervening conditions, action and interaction strategies, and consequences. All are concerned with how to deal with the self in a moral way. This axis coincides with Axis 1 in terms of understanding oneself as part of moral cognition. It also concurs with one focus that the respondents highlighted as essential for moral business leaders: how to manage and develop the self.

Those three categories are in response to the common phenomenon in the global business community where business leaders are expected to be a role model to lead not only their business but also themselves in a moral way. All respondents commented that most attention is drawn to how the business leaders manage and lead their organisation and other people. Limited efforts explore how to lead the self, leaving a gap in the study and practice of leadership:

> *Leading oneself is more challenging than leading other people and the organisation. Besides its greater reliance on understanding of oneself, this challenge derives from a lack of specific guidance for business leaders on how to lead themselves (I003).*

The aforementioned phenomenon derives from the global business context where most organisations struggle to survive and develop in conditions of severe competition. They expect their business leaders to be competent enough to lead their organisation to

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

194

success in the global market. Much attention naturally focuses on how business leaders lead people and the business. However, all respondents stressed that leadership involves leading not only other people and the organisation, but also the self. Before becoming a good leader to lead other people and the business, they first need to become good leaders of themselves:

> *Leading myself in a moral way becomes an important element of the leadership that I exercise in the organisation. Due to my leading position in the organisation, not only the employees but also external stakeholders such as the suppliers look to me for guidance. To make myself a role model enables me to better exert a moral influence on all people working around me in the organisation (I022).*

Self-discipline is an indispensable element of leading oneself in a moral way. It becomes a causal condition which stimulates business leaders' response to lead themselves in a complex business context. As suggested by all respondents, establishing and maintaining morality in themselves involves not only learning and self-improvement, but also exerting a positive influence on all their stakeholders. Self-discipline is important for acting as a role model with good self-control and self-regulation. They focused on the role of self-initiative in driving self-discipline from self-control to self-regulation by regulating their behaviour with external codes of conduct in a social context.

All respondents suggested that improving one's morality requires ongoing effort; self-reflection forms an intervening condition that influences the aforementioned phenomenon. It contains reflection of not only one's own and others' experiences, but also of history. It enables them to identify the areas they need to improve so they can concentrate their moral efforts in the right direction. Although the external environment is important, a person's morality is established and shaped to a greater extent by their internal initiative and inner motivation. Self-reflection is the integration of this internal initiative and inner motivation. Moreover, others' experiences and history are important parts of self-reflection and can contribute to establishing morality within oneself:

> *Self-reflection becomes part of my daily life. It is an important tool to evaluate how I practise self-discipline today, what I have improved compared with what I did yesterday, and what I need to improve tomorrow. It makes me keep continuously improving, linking my self-discipline and self-cultivation (I012).*

Self-learning is an important strategy for business leaders wishing to continuously develop and improve themselves. It emphasises the role of learning in establishing and

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

195

maintaining people's morality. To be moral, business leaders must first learn how to lead themselves and build morality into themselves. It paves the way for them to lead by example, which needs the two important strategies of self-reflection and self-discipline. Figure 4.13 shows the connection among the categories of self-learning, self-reflection and self-discipline.

Figure 4.13: Axis 2 – Self-leadership competency
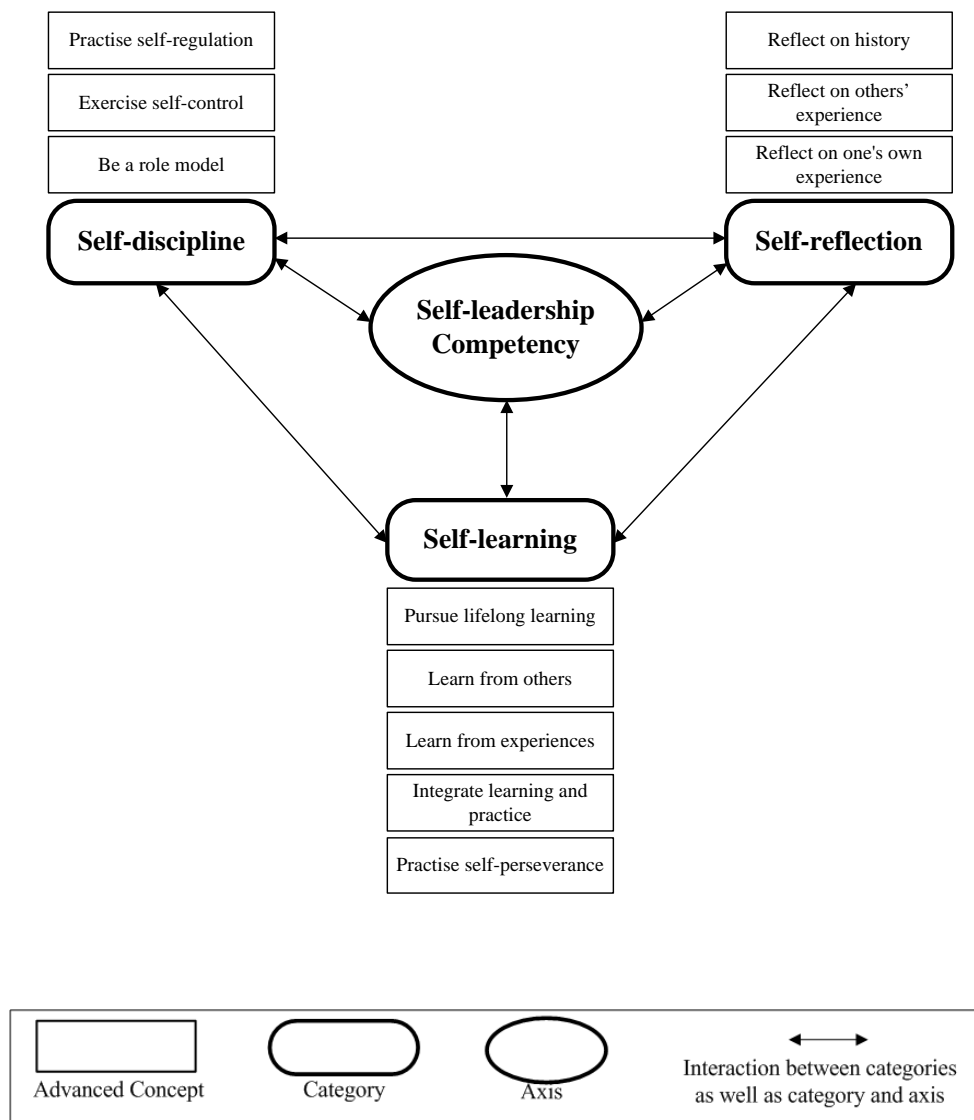
In conclusion, these three categories – (1) self-discipline, (2) self-reflection and (3) self-learning – represent a competency whereby business leaders lead themselves in a moral

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

196

way. They can be consolidated into an axis with a more abstract name, *Self-leadership competency*, which has more explanatory power to describe the competency to exercise leadership over oneself by practising discipline, reflection and lifelong cultivation.

This axis relates to (1) a shared phenomenon at which the actions and interactions relevant to leading oneself are directed; (2) a shared context in which the actions and interactions of how to lead oneself occur; (3) shared causal conditions, that is, self-discipline, which lead to the actions and interactions; (4) a shared intervening condition, the competency to practise self-reflection which influences the actions and interactions; (5) shared actions and interactions to pursue self-learning throughout life; and (6) a shared consequence of the actions and interactions, that is, to establish and maintain morality in themselves which enables business leaders to exert moral leadership over other people by being a role model.

Of these three advanced concepts, self-discipline and self-reflection are central, as they lay the essential foundation for senior executives of Chinese non-state-owned companies to practise their lifelong self-learning. It demonstrates a dynamic interaction of how business leaders exercise leadership of oneself through three pragmatic strategies: self-discipline, self-reflection and self-learning.

4.3.3 Axis 3: Community leadership competency

Most respondents place equal emphasis on building up the morality of the organisation and the community. To help other people cultivate their morality is necessary for eventually establishing morality in the community. They noted that establishing community harmony and maintaining it in a moral way relies largely on the morality of leaders and all other stakeholders. However, most business leaders focus on exercising leadership only in their own organisation, while paying little attention to the host community.

The aforementioned phenomenon is associated with the shared context where the organisations exert more influence on the global business community. With increasing interconnection between organisations and the community, the morality of the

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

197

organisations influences the overall moral level of the community, while the overall morality of the community further consolidates that of the organisations:

> *Leadership should not stay just with ourselves and our organisation. Instead, it needs to go out of the organisation and lead all stakeholders of the community as a whole. This way, more people in the community benefit from our leadership (I015).*

All respondents indicated, first, that the process of helping others build up their morality involves ongoing moral mentorship from moral business leaders. This becomes a causal condition that triggers the business leaders' response to their leadership in the community. It involves focusing on people's moral development, identifying and developing people's moral potential, and assigning the right people to the right position. All respondents highlight it as important guidelines on how to develop the morality of all their stakeholders in the community. They intend to not only establish morality in themselves, but also help other people develop into moral leaders.

Second, to deal with interpersonal relationships in a moral way, all respondents endeavour to balance the interests of all stakeholders, which involves maintaining a balance in people's interests and conduct, building up long-term relationships and being flexible towards different interests. They are aware that most conflicts that destroy the harmony of the global business community derive from friction among the interests of stakeholders. To achieve harmony with stakeholders, they need to keep a good balance of interests by ensuring that each stakeholder has the equal right to realise their reasonable interests in the global business community:

> *Although the most important objective for me is to help my organisation to make profits, whatsoever decisions I make at my position, I intend to help all the suppliers of my organisation also make profits in their cooperation with us. This has enabled my organisation to maintain a harmonious relationship with them for years (I026).*

The third moral competency, indicated by all respondents, is to build up interpersonal relationships based on observing the local ritual proprieties. They agreed that, although local ritual proprieties may be less important in regulating interpersonal relationships in the global business community, they still exert a profound influence on moral leadership. To positively influence other people, they try to incorporate the local social and cultural values, and complying with the local ritual proprieties is an important strategy for doing so.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

198

To sum up, leadership that comprises moral mentorship, reciprocal interaction and ritualised harmony is a behavioural manifestation of moral cognition. Righteousness, respect and faithfulness influence how business leaders exercise moral leadership on other people in the community, while performing their moral mentorship and engaging in reciprocal interaction and ritualised harmony in the community can also consolidate the concept of moral cognition in their minds.

These three categories suggest three equally important moral leadership competencies that global business leaders need in order to help others to build up their morality. Their interrelationship is illustrated in Figure 4.14. The consequence of the phenomenon is to establish and maintain the morality of the whole community. In return, it is helpful to further strengthen the business leaders' leadership of both themselves and their organisation.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

199

Figure 4.14: Axis 3 – Community leadership competency
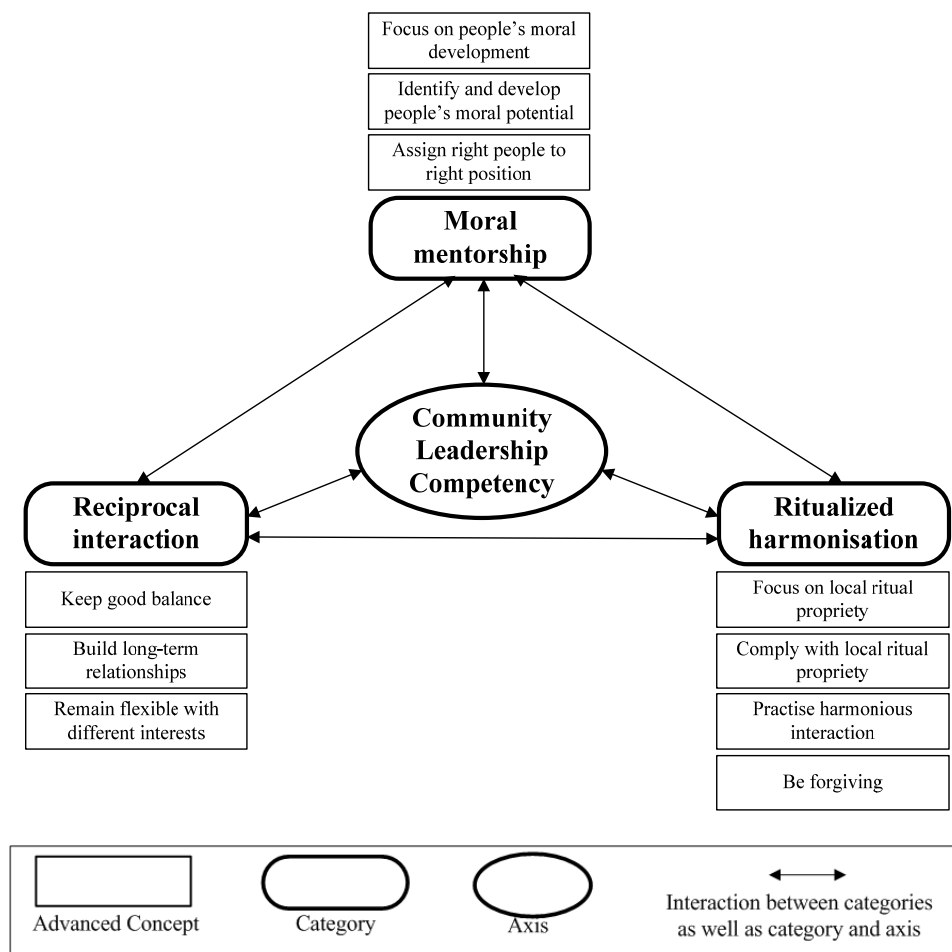
These categories represent a competency whereby business leaders exercise their leadership on the business community. They can be consolidated into an axis with a more abstract name, *Community leadership competency*, which has more explanatory power to describe the competency to lead the community in a moral way.

This axis relates to (1) a shared phenomenon at which the actions and interactions relevant to leading not only the organisation but also the community are directed; (2) a shared context in which the actions and interactions of exercising leadership in the community occur; (3) a shared condition, that is, moral mentorship, which leads to the actions and interactions; (4) shared actions and interactions to pursue reciprocal interaction and ritualised harmony; and (5) a shared consequence of the actions and interactions, that is, to establish and maintain the morality of the whole community.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

200

Of these five advanced concepts, moral mentorship is central, as it lays the essential foundation for senior executives of Chinese non-state-owned companies to pursue their reciprocal interaction and ritualised harmony. It demonstrates how business leaders can extend their leadership from themselves and their organisation to the whole community.

4.3.4 Axis 4: Sustainability leadership competency

All respondents commented that sustainable development is the overall objective for not only all organisations but also all human beings. However, it is greatly threatened by the deteriorating manmade and natural environments. While achieving business targets, they need to take more social responsibilities to improve the living and natural environment for all human beings.

The aforementioned phenomenon is associated with the context where all organisations need to compete for diminishing resources, especially natural resources. Some even realise their business objectives at the expense of excessively exploiting natural resources and polluting the environment. Although those organisations achieve their profit targets, they pose a threat to the sustainable development of other organisations and people in the community.

As mentioned by the majority of the respondents, most people lack an awareness of how to protect the environment. Increasing threats to sustainability require a new perspective of moral leadership competency in global business community. Harmonisation between human society and nature, as implied by them, is the outcome of ensuring the sustainability of humans and nature, respecting the development trend of nature, respecting natural diversity, and seeking the harmonious coexistence of humans and nature.

Most respondents suggested that achieving harmony between human society and nature not only ensures the sustainable development of both, but also offers an important way for moral business leaders to pursue all stakeholders' sustainable development. Specifically, this moral leadership competency involves responsible citizenship, compliance with global community rules, self-sacrifice and a servant mindset. Figure

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

201

4.15 illustrates the relationship between the two categories of harmony between human society and nature, and serving the common interest of human beings.

These two categories end up with the consequence which is the result of the phenomenon, that is, to establish and maintain the sustainable development of all stakeholders in the community. It is beneficial for the sustainability of not only human society and natural environment, but also all organisations.

To sum up, these two categories represent a competency whereby business leaders exercise leadership in the environment to achieve its sustainability. They can be consolidated into an axis with a more abstract name, *Sustainability leadership competency*, which has more explanatory power to lead the environment in a moral way in order to realise the sustainable development of all human beings and the community.

This axis relates to (1) a shared phenomenon at which the actions and interactions relevant to realising and maintaining the sustainable development of the environment are directed; (2) a shared context in which the actions and interactions of exercising leadership in the environment occur; (3) shared conditions, that is, knowledge about the natural environment and awareness of environmental protection; (5) shared actions and interactions to maintaining harmony between human society and nature as well as serving the common interest of all stakeholders; and (6) a shared consequence of the actions and interactions, that is, realising the sustainable development of the environment.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

202

Figure 4.15: Axis 4 – Sustainability leadership competency
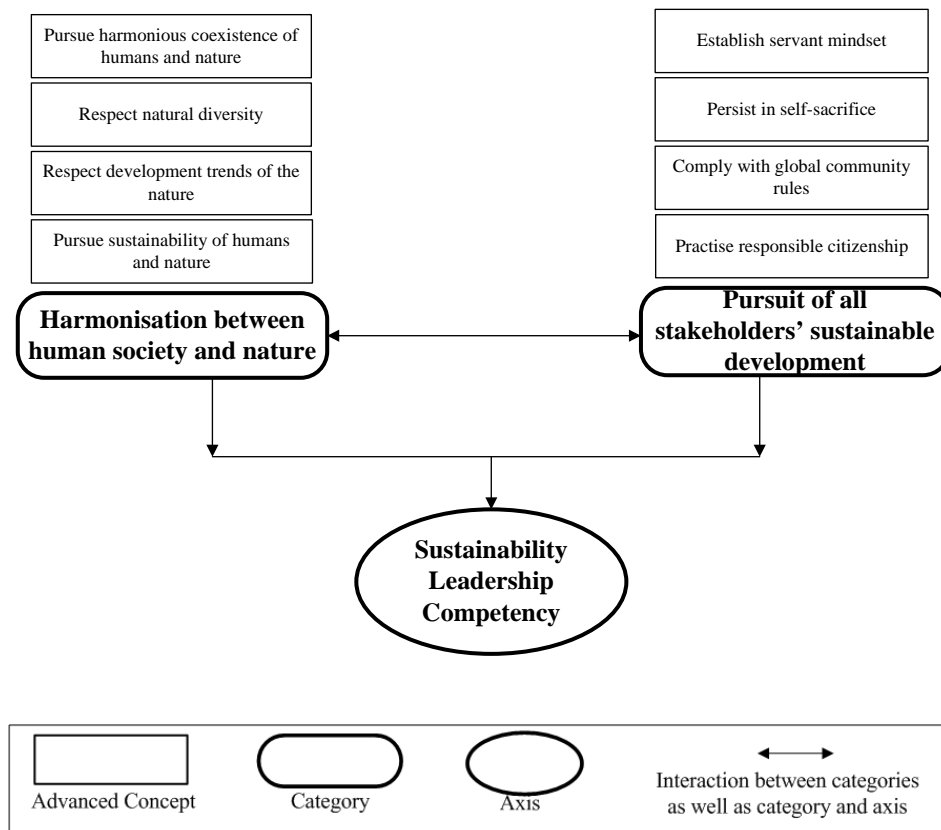
These two categories suggest that moral business leaders need to exercise leadership in the broader social environment, including not only the business community but also the natural environment. It highlights their moral cognition of both themselves and all other stakeholders. Integrated understanding of the self, other people and the environment can bring about the harmonious coexistence of all stakeholders in the community.

The axial coding process established the interrelationship among the 11 categories by creating four axial codes. While simplifying the complexity of the concepts relevant to the research question, it paved the way to identifying the core axial code in order to integrate all the theoretical constructs and concepts. Figure 4.16 summarises the four axial codes described in this section. Which one is the core axial code, and how it was identified, is elaborated in the next section.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

203

Figure 4.16: Four axes in grounded theory

4.4   Selective coding

Identifying the above four axial codes led to the final stage of the data analysis: revealing the core axis by selective coding to connect all the categories created in the previous stage. The end of this selective coding process was the establishment of a grounded theory to offer insights into the global leadership competencies of Chinese senior executives in a culturally specific context of Confucianism.

As discussed in Chapter 3, the grounded theory is developed by identifying the core axis that then connects all the categories. The core axis, which is the central category among all those identified, can encapsulate the whole process in which the categories and sub-categories are established. Furthermore, it is a dependent variable that influences all other categories and sub-categories.

Throughout the coding process, from the 126 initial concepts, to 42 advanced concepts, to 11 categories and finally four axial codes, most respondents mentioned three categories most frequently: righteousness, respect and faithfulness. These three categories were centred on the moral cognition axis, which would seem therefore to be the core axis. To verify this, the researcher of this study addressed the criteria on the core axis as suggested by Glaser (1978) and Strauss and Corbin (2008), as follows.

Global leadership competencies of senior executives from non-state-owned companies of China: A qualitative study in a Confucian cultural context

204

First, it is abstract and central and has most explanatory power for the behaviours or incidents. When reviewing all transcripts and all codes generated in the first two coding stages, it is notable that moral cognition is central and accounts for a large proportion of behaviour. The previous coding process highlighted that the three categories of moral cognition – righteousness, respect and faithfulness – exerted the greatest influence on the moral standards and behaviour of the respondents. These categories centre on understanding self and others in a moral way. The other three axes, self-leadership competency, community leadership competency and sustainability leadership competency, are specific explanations of how to deal with the self, other people and the environment.

Second, it recurs most frequently in the data. This means that within all, or almost all, cases there are indicators pointing to that concept. Righteousness, respect and faithfulness were three categories that were most reiterated by the respondents. The leadership of self, people and environment relates to achieving harmonious sustainability by an integrated understanding of oneself and all other stakeholders in a moral way.

Third, it is logical and consistent with the data, with most relevance to other categories but no forcing of data. Moral cognition is not only an abstract concept, but also an extensive influence on all related concepts. The literature and the respondents both indicated the significance of the core axis towards other categories and concepts. The ultimate objective of all respondents is to establish and maintain community harmony, and so they focus on how they deal with themselves, other people and the environment as moral people. Righteousness, respect and faithfulness are important strategies that they can adopt to handle these three relationships in a moral way.

Fourth, it is the basis of the theoretical analysis, with clear implications for developing the grounded theory. The fundamental role and significant influence from the core axis moral cognition, as discussed above, indicated that the grounded theory to be built up for this research should derive from the above core axis. It has the most explanatory power to draw all other axes, categories and concepts together.
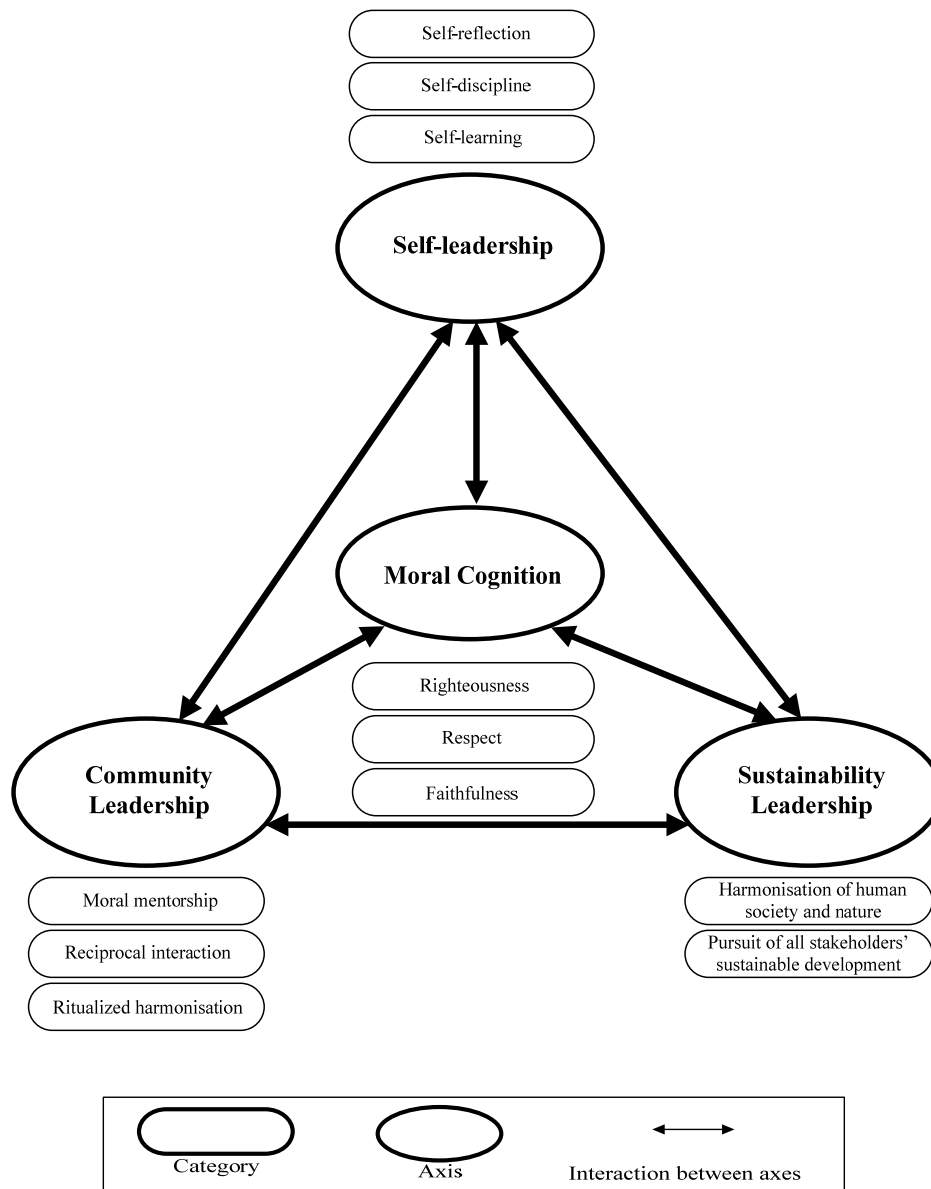
Fifth, it is highly variable and modifiable. Although righteousness, respect and faithfulness in the core axis were discussed most by the respondents, they present

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

205

flexible interpretations in different axes. Self-leadership was interpreted from the dimension of self, referring to self-learning, self-reflection and self-discipline. When the axis of community leadership was generated, it was translated from a community perspective, including moral mentorship, reciprocal interaction and ritualised harmony. When the axis of sustainability leadership was created, it was presented from an environment angle, containing harmony between human society and nature as well as serving the common interest of human beings.

4.5 Establishment of grounded theory

The systematic coding and development of a core axis, as described above, led to an overall model which provides a visual framework for the global leadership competencies of Chinese senior executives in a culturally specific context of Confucianism. This theoretically grounded model incorporates four axial codes and eleven categories, as presented in Figure 4.17. It comprises the following four interpretations.

First, this model illustrates four key clusters in the global leadership competencies required by Chinese senior executives in a culturally specific context of Confucianism. At the centre is moral cognition, which is also the core axis generated from the coding. As the foundation of the model, it exerts equally significant influences on three other components, which are the pillars of this triangular model. Specifically, it influences not only the business leaders' right understanding of themselves, other people of the community and sustainability of the environment, but also their moral standards and behaviour patterns in their business activities. It explicates three indispensable elements of their moral leadership competencies: righteousness, respect and faithfulness. The basis of these three moral elements is establishing the right understanding of the self, people and community.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

206

Figure 4.17: A theoretically grounded model of global leadership competencies

The need to understand the self, people and community articulates the necessity of the three other clusters of global leadership competencies for business leaders. These are the self-leadership competency to acquire self-knowledge and develop oneself into a role model through self-discipline and self-cultivation; the community leadership competency to establish the morality in other people of the community and maintain the morality and harmony of the community through reciprocity and ritual proprieties; and the sustainability leadership competency to realise the sustainable development of the whole community, both human society and the natural environment. These three

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

207

clusters of global leadership competencies do not exist in isolation, but vigorously interconnect with each other through the *Way*, which is interpreted in the next point.

Second, it consists of the dominant characteristics of the Chinese cultural context, which throughout history have emphasised following the moral principles, or the *Way* as called in China, to establish humaneness and harmony. Four clusters of global leadership competencies as illustrated in the established model embody the symbiosis of self, people and community. Central to the symbiosis is moral cognition of not only oneself but also of other people and the environment. The *Way*, as interpreted by all respondents, is the competency to do the right thing and insist on the right thing amid the growing uncertainties of the global business community, to positively recognise other people's advantages and uniqueness and effectively deal with different opinions, and to establish and maintain faith towards the stakeholders through a mutually beneficial relationship and morality-driven cooperation. Embodied in this global leadership competency model, the *Way* permeates all aspects of the respondents' business activities and connects those four clusters of global leadership competency, as explained in the following point.

Third, it suggests a harmonious interaction among four clusters of global leadership competency in the model established in this study. Harmony among all stakeholders in the global community is the result of the joint function of these four clusters of competencies. Business leaders' self-leadership competency influences not only their way of dealing with other people in the community, but also their ability to achieve sustainable development of the environment. To build up and maintain harmony with other stakeholders and the environment, they need to engage in lifelong learning as part of their self-cultivation. Simultaneously, the process of exercising moral leadership of other people and the environment mirrors how they impose their own positive influences on the community and the sustainable development of the environment, which in return consolidates their self-leadership competency.

Fourth, the dynamic interaction among those four clusters of global leadership competencies required by business leaders articulates the complete leadership of the self, other people and environment. Internally, while highlighting the moral cognition required by business leaders, it focuses on the equal roles of self-leadership, leadership of others and sustainability leadership in building up their morality. Externally, it

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

208

indicates that the overall morality of the community is based on the congruence of three moral components – from individual people, stakeholders and the environment. It highlights the harmony of self, people and the environment in order to achieve the overall sustainable harmony of the global business community.

In summary, the global leadership competency model established in the Confucian cultural context entails four interpretations of the global leadership competencies in this context: (1) the understanding of the self, people and community in a moral way, (2) the *Way* that business leaders exercise leadership of themselves, people and community, (3) the harmony that business leaders need to establish with stakeholders of the global business community, (4) the complete leadership that business leaders employ to address the challenges of contemporary globalisation.

4.6   Conclusion

This chapter has described how the theoretically grounded model of global leadership competencies was established using grounded theory methodology. This process involved identifying 116 initial concepts from 30 interviews, consolidating these into 42 advanced concepts and subsequently 11 categories, and finally generating four axial codes and identifying the core axis. These steps paved the way to establishing the theoretically grounded model, which illustrates the social interaction and interrelation among the final axes.

Four interpretations articulated by the theoretically grounded model are not only of great significance to further enhancing the global leadership competencies of Chinese senior executives, but are also unique when compared with previous studies of global leadership competencies, which are discussed in the next chapter.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

209

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

210

Chapter 5: Findings

This chapter elaborates the findings from the data analysis described in the previous chapter. First, the global leadership competencies identified from this study are discussed in the Confucian context, demonstrating the significant influence of the Confucian virtues and characteristics on the global leadership competencies of the Chinese senior executives. Second, these global leadership competencies are reviewed in the literature context in comparison with those identified in previous studies, highlighting the new knowledge contributed to the academic field.

5.1   Findings in the Confucian context

Four clusters of global leadership competencies identified from this study articulate that traditional culture still exerts a profound influence on the business leaders' mindsets and skill sets. Global leadership competencies of senior executives who come from the Chinese Confucian culture feature typical Confucian virtues and characteristics. This section explores the significance of Confucianism on their global leadership competencies.

5.1.1 Significance of Confucian virtues on the global leadership competencies

Four clusters of global leadership competencies identified from the 30 Chinese senior executives in this study explicate the fundamental virtues of Confucianism on their leadership competencies. This section discusses the significance of the Confucian virtues - humaneness for *Ren*, righteousness for *Yi*, ritual propriety for *Li*, wisdom for *Zhi* and trust for *Xin* – on the global leadership competencies.

Ren, translated as humaneness, features a humane understanding and action towards the self, people and community (Bell & Chaibong, 2003; Tu, 2010). With a humane mindset,

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

211

all respondents' global leadership competencies feature faithfulness, righteousness and respect when they lead themselves, people and community. First, before leading people and community in a humane way, they need to lead themselves with humaneness. Lifelong learning as part of their continuous efforts to develop themselves into well-cultivated people, in association with self-reflection and self-discipline, is an indispensable competency that helps them exercise self-leadership and establish an exemplary model for others to follow. Second, they are aware that in the business context humaneness is more than being kind to their stakeholders; it is an inborn responsibility to establish and maintain morality in them. They view it as an indispensable competency of focusing on other people's moral development, identifying and developing their moral potential and assigning the right people to the right positions. Third, humaneness needs to include not only the human society but also nature. To build and maintain the sustainable development of nature is the concrete interpretation of being humane to the natural environment.

Yi, translated as righteousness in English, accentuates the importance of persisting in the truth and practising the truth in a business context (Bell, 2010b; Shaughnessy, 2010). As commented by all respondents, the truth becomes an important component of their moral cognition to recognise what is right and how to do things in the right way. Righteousness is the competency of committing to the truth and integrating the heart and soul through the truth. While seeking truth is a lifelong journey, it also relies on their conscience to make the decisions that both achieve their business objectives and protect the interests of stakeholders. Reciprocal interaction is how the respondents interpret righteousness in their daily interaction with stakeholders. All of them emphasised on the long-term relationships with their stakeholders by maintaining a good balance among different interests of their stakeholders.

Li, translated as ritual propriety, permeates all aspects of dealing with the self, people and community as suggested by all respondents. From the perspective of self, ritual proprieties provides for them with a forgiving attitude and a set of behavioural guidelines that comply with the social codes of conduct. Following such guidelines enables them to properly deal with their culturally diversifying stakeholders in the community. From the people perspective, ritual proprieties are an important means of establishing and maintaining a harmonious relationship with their stakeholders. All

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

212

respondents agree that harmony among people depends has both internal and external aspects. Internally, all of their interests are balanced; externally, their behaviour is in line with the commonly agreed codes of conduct. Ritual proprieties offer a direction to all stakeholders about what they should do and what they should not do in social interactions, so that everyone's reasonable interests can be mediated and maintained (de Bary, 2003; Shaughnessy, 2010).

Zhi, or wisdom, lays an intellectual foundation for all respondents to exercise their moral leadership in a business context. It refers to not only knowledge, but also the competency to acquire the latest knowledge and put that knowledge into practice through self–learning and self-reflection. Learning becomes an important strategy to achieve self-leadership, and the knowledge acquired through learning influences the self, other people and the community (Katherine & Seki, 2012; Tu, 1999). As suggested by the respondents, adequate knowledge enables them to make morally intelligent decisions that benefit both their business and all stakeholders. By putting what they learn into practice can they learn the truth and test it through practice. Dealing with people and the community in a moral way embodies such a strategy to put moral knowledge into practice. Moreover, self-reflection represents the wisdom in the Confucian context to capitalise on the self. Through ongoing self-reflection, the experience of the self and other people as well as the history, as indicated by most respondents, become an invaluable learning source for them.

Xin, translated as trust, is essential for establishing and maintaining harmony among self, people and community in the Confucian context (Bell, 2010a; Tu, 2010). From the perspective of self, all respondents comment that integrity is an essential element in themselves, which is indispensable component of the Confucians. While they consider it fundamental to gain others' trust, they heavily rely on self-control and self-regulation to consolidate this element in themselves. To gain others' trust, all respondents emphasise being a role model through strict self-discipline. From the perspective of people, loyalty, as agreed by all respondents, is an emotional bond between them and their stakeholders. Once established, it enables the mutual trust to exist for the long term. From the perspective of community, trust is interpreted by the respondents to assume their responsibility in not only their business, but also their community where the business is hosted. As agreed by all of them, business performance and sustainable development of

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

213

the community is equally important. It coincides with their humane attitude towards the self, people and community as discussed earlier.

In conclusion, as indicated in Table 5.1, the essential Confucian virtues exert profound influences on the global leadership competencies of Chinese senior executives. They influence not only their mindset, but also their behavioural patterns of dealing with themselves, people and community.

Table 5.1: Significance of Confucian virtues on the global leadership competencies

Confucian virtues	Significance of Confucian virtues on the global leadership competencies identified in this study
Ren (humaneness)	• Moral cognition • Self-leadership • Community leadership • Sustainability leadership
Yi (righteousness)	• Admit mistakes • Be consistent • Integrate heart and soul • Keep commitments • Orient with the truth • Build long-term relationships • Keep good balance • Remain flexible with different interests
Li (ritual propriety)	• Be forgiving • Comply with local ritual proprieties • Focus on local ritual proprieties • Practise harmonious interaction
Zhi (wisdom)	• Integrate learning and practice • Learn from experience • Learn from others • Practise self-perseverance • Pursue lifelong learning • Reflect on history • Reflect on one's own experience • Reflect on others' experience
Xin (trust)	• Show integrity • Give loyalty • Practise responsibility • Be a role model • Exercise self-control • Practise self-regulation

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

5.1.2 Significance of Confucian characteristics on the global leadership competencies

In addition to the Confucian virtues, a number of Confucian characteristics also influence the global leadership competencies of Chinese senior executives.

The first characteristic of Confucianism is that all Confucians are dedicated to being a complete person in their life (Ames & Rosemont, 1999; Tu & Ikeda, 2011). Self-leadership, as suggested by all respondents, is an inside-out transformative process to facilitate the establishment and development of the morality in themselves. Although it is important for them to build morality in themselves by continuously learning and practising the moral virtues, part of a Confucian's responsibility is to help other people also develop into Confucians and thereby establish morality in the whole community. When Confucians exert their moral influence on other people and the community, their morality can be further enhanced. In Confucianism, self-leadership includes cultivating not only the self, but also other people and the community (Shaughnessy, 2010; Shun & Wong, 2004). It coincides with the characteristics of a *Jun Zi* or gentleman as described in Confucianism:

> *The gentleman cannot handle affairs demanding only limited understanding, but he is capable of large undertakings. The petty man is not capable of large undertakings, but he can handle affairs demanding limited understanding.* (The Analects of Confucius, Book 15, Number 34)

All respondents attach great importance to self-leadership, which they consider a lifelong competency. Learning, a concept frequently mentioned in the interviews, is the most important strategy for continuously improving themselves and acquiring the latest knowledge. Amid growing uncertainties in the business community, being well equipped with comprehensive knowledge is the key prerequisite for making morally intelligent decisions that benefit all stakeholders. As part of their self-leadership, the respondents pay equal attention to their positive influence on their stakeholders and the community. Their leadership includes self-leadership, community leadership and sustainability leadership, which vividly demonstrates the complete person concept that is highly advocated in Confucianism. Thus business leaders' attention is directed not only at cultivating the morality in themselves but also to building morality in their stakeholders and the community.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

Complete leadership is the vivid demonstration of the Complete Person concept, which Confucians strive to become during their life. It is well addressed in a conversation between Confucius and one of his disciples Zilu:

> *Zilu asked about the complete person. The Confucius said, Zang Wuzhong's understanding, Meng Gongchuo's freedom from desire, the valor of Zhuangzi of Pian, the arts of Ran Qiu— embellish them through rites and music, and you have what may be termed the complete person. And he said, But the complete person of our times need not necessarily be like this. If when he spies gain, he remembers what is right; when he spies danger, is ready to risk his life; when faced with old promises, does not forget his past words; then he can be termed a complete person.* (The Analects of Confucius, Book 14, Number 13)

Complete leadership demonstrated by the theoretical grounded model established in this study provides a holistic view for business leaders to re-examine their leadership role in the era of contemporary globalisation, where the whole world is becoming a global village with all stakeholders' interests highly intertwined. To effectively cope with the unprecedented challenges of the contemporary global business community, their leadership cannot be confined within the organisation. Instead, it needs to be extended from oneself to the host community of their organisation and the welfare of all stakeholders of the community.

The second characteristic of Confucianism emphasises following the rules, or the *Way* as they are called in Chinese, in all aspects of society, ranging from interpersonal interactions to state governance (Jochim, 2008; Tu & Ikeda, 2011). From the perspective of *Way*, orienting with the truth is interpreted by all respondents as an important strategy to exercise the leadership of themselves, other people and community. The truth is specifically defined by them as the codes of conduct and ritual propriety in social interactions, business rules and regulations in the business context and development trend of nature in the community. It is in agreement with the interpretation of *Way* by Confucius:

> *Wealth and eminence are what people desire, but if one can't get them by means that accord with the Way, one will not accept them. Poverty and low position are what people hate, but if one can't avoid them by means that accord with the Way, one will not reject them.* (The Analects of Confucius, Book 4, Number 5)

From the self-perspective, being a role model is translated as an action by the respondents of following the *Way*. Through exercising self-control and practising self-regulation, they intend to establish and maintain the harmonious relationship with their

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

216

stakeholders. Self-leadership is enhanced by viewing the *Way* as a code of conduct and ritual proprieties of the community, which provide the respondents with the guidance about appropriate behaviour in the community.

From the people perspective, learning and following the *Way* is an indispensable component of not only their self-leadership, but also their endeavours to exert a moral influence on other people. To build the morality among all their stakeholders is commented by the respondents as a necessary approach to have the overall community follow the *Way*. To assign right people to right position, focus on people's moral development and identify and develop people's moral potential are interpreted by them to establish the *Way* in other people.

From the community perspective, all respondents consider that everything in the community develops in line with its development trend, with which people should comply. In the business context, they translate the *Way* into the rules and regulations of business activities. To minimise the potential influence on stakeholders, all respondents intend to operate the business according to the rules and regulations of the community. They are also dedicated to maintaining the sustainable development of nature in line its development trend, which they consider one of their stakeholders. For all respondents, sustainability of nature is necessary to ensure the sustainable development of not only their business but also their business partners.

The third characteristic of Confucianism is harmony, the core of all Confucian virtues. The aim of self-leadership and compliance with *Way* is achieving the harmony of self, people and community, which is the ultimate objective of Confucians (Angle, 2012; Tu, 2012). It coincides with one of the key points emphasised in Confucianism:

> *The gentleman acts in harmony with others but does not ape them. The petty man apes others but is not in harmony with them.* (The Analects of Confucius, Book 13, Number 23)

Sustainable development of the self, people and community can also be achieved by harmony. The concept of harmony exerts a profound influence on the global leadership competencies of Chinese senior executives. First, all respondents aim to achieve harmony between the internal self, which is represented by moral attitude including being forgiving, appreciative, empathetic and open-minded, and the external self, which is manifested by their behaviour to respect other people's human rights and local

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

217

traditions. Second, a prerequisite of harmony is that others' reasonable interests are respected and achieved so as to establish the long-term relationships. Reciprocal interaction and ritualised harmonisation are two important competencies for realising harmony among all stakeholders of the community. Third, besides aiming for harmony among all community stakeholders, all respondents consider crucial to establish and maintain harmony between human society and nature. It is not only in line with the common interests of all human beings, but is also beneficial for achieving the sustainable development of both human society and nature. Two competencies identified from the respondents, to respect the development trend of nature and natural diversity, articulate their focus on the harmony between their business development and nature development.

To sum up, the Confucian characteristics exert great influence on the cognition and behavioural patterns of Chinese senior executives. As summarised in Table 5.2, their influence permeates all aspects of their global leadership competencies.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

218

Table 5.2: Significance of Confucian characteristics on the global leadership competencies

Confucian characteristics	Significance of Confucian characteristics on the global leadership competencies identified in this study
Complete person	• Self-leadership • Community leadership • Sustainability leadership
Compliance with the *Way*	• Orient with the truth • Be a role model • Exercise self-control • Practise self-regulation • Focus on local ritual propriety • Comply with local ritual propriety • Respect development trend of nature • Assign right people to right position • Focus on people's moral development • Identify and develop people's moral potential
Harmony	• Be forgiving • Be appreciative • Be empathetic • Be open-minded • Respect human rights • Respect traditions • Build long-term relationships • Keep good balance • Remain flexible with different interests • Pursue harmonious coexistence of humans and nature • Pursue sustainability of humans and nature • Respect development trend of nature • Respect natural diversity

5.2 Findings in the literature context

Four clusters of global leadership competencies identified in a Confucian cultural context offer new insights into the existing literature. They contribute to a new understanding of the global leadership competencies within a culturally specific framework.

In comparison with the existing global leadership competencies proposed by previous studies, it is notable that the majority of the global leadership competencies identified from this study have been discussed before (Adler & Bartholomew, 1992; Bartlett & Ghoshal, 1992; Birchall et al., 1996; Boyatzis, 1982; Bueno et al., 2004; King &

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

Zeithaml, 2001; Lee & Phan, 2000; McCall & Hollenbeck, 2002; Parry, 1996). However, when they are studied in a culturally specific context of Confucianism, they embrace the influences from the Confucian cultural characteristics and offer new knowledge to the existing literature. The following four sections will elaborate the findings of those four clusters of global leadership competencies in the literature context.

5.2.1 Findings from moral cognition

Cognition as one of the global leadership competencies was studied in previous research. Interpreted as an "ability to see things in many different ways, and self-knowledge as ability to understand and manage oneself" (Jokinen, 2005, p. 204), previous studies have drawn the attention from the academics and management practitioners on its importance on being a competent business leader. Insights from Mendenhall and Osland (2002) justify the cognition's influence on the global leadership competency, which they specified as cognitive orientation including environmental sense-making, global mindset, thinking agility, improvisation, pattern recognition, cognitive complexity, cosmopolitanism, managing uncertainty, local vs. global paradoxes. Although the existing literature answers What is included in the cognition as one of the global leadership competencies, it does not articulate Why the business leaders have different response to the same business situation and How the cognition interacts with other global leadership competencies. The reason for not articulating these two questions is that limited studies are conducted in the culturally specific context. Although the culture's influence on the cognition is elaborated by Ross (2003), there has a dearth of researches into the global leadership competencies that have been conducted on the culturally specific context. Thus, culturally specific elements' influence on the cognition is unknown, which incapacitates the business leader's awareness of the cultural influence on their cognitive competency. Moreover, it is notable that the cognitive competency in the previous researches was studied in isolation. As a result, the interaction between the cognition and other global leadership competencies is also unknown, which leads the business leaders to easily disregard the cognitive influence when they exercise other global leadership competencies (Adams, 2013).

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

220

When a study on the global leadership competencies is conducted in the context of Chinese Confucian culture, it addresses the question not only on What is included in the cognitive competency, but also on Why the cognitive responses from the Chinese senior executives are not completely the same as that of their western counterparts and How the cognitive competency interacts with their other global leadership competencies. As illustrated in Figure 5.1, moral cognition, the core axis of the model, contains three constructs: respect, righteousness and faithfulness.

Figure 5.1: Findings from moral cognition
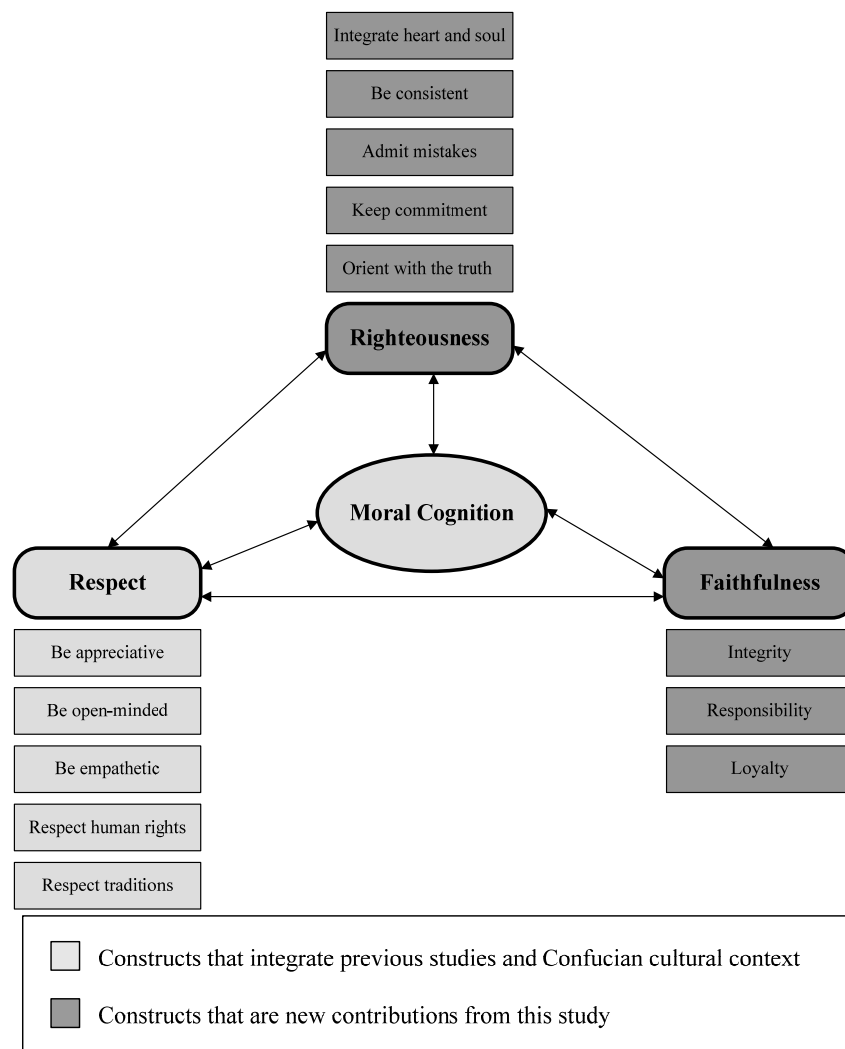
Cognitive competency in the Confucian cultural context articulates what is included in the cognition of the Chinese business leaders. It embraces not only the commonly

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

221

agreed virtue – respect which has been proposed as one of the global leadership competencies in previous studies (Bueno et al., 2004; Chin et al., 2001; Lennick & Kiel, 2008; McLaughlin & Milligan, 2009), but also the key virtues of the Confucianism – righteousness and faithfulness. It represents a humane attitude towards the self, people and community, and becomes a moral foundation for the business leaders to learn, live and lead. To the self, the business leaders need to know what right things are and how the things can be done in a right way. To other people and the community where their organisation is hosted, they need to establish a faithful relationship with them for the long term. It facilitates them achieving a good balance among the intertwined interests of themselves, their organisation and stakeholders of the community. In face of climbing pressure of profit targets which leads the business leaders to much focus on the business performance of their organisation, it sheds light on their understanding of how to deal with increasing interdependence in the contemporary globalisation.

In comparison with the cognition identified in the previous global leadership competency studies, moral cognition discussed in this study addresses the question why the cognitive response from the Chinese business leaders is not completely same as that of their counterparts from the west. The answer is the humanness embedded in their cognition, which they believe that everyone has the potential to develop into a humane person. Being humane is not only how they treat themselves, other people and the community, but also the ultimate goal they intend to achieve in their life as indicated by the respondents. Such a goal comprises two equally important sub-goals: one is to develop themselves into humane people, and the other is to develop other people in the community into humane persons. The achievement of the second goal largely depends on the accomplishment of the first goal – whether the business leaders can first develop them into the humane person. It can clearly explain why the respondents attach great importance to their self-cultivation and exercise strict self-discipline on themselves.

Moral cognition, as a compass for the business leaders in their business decisions, instead of standing alone, has a dynamic interaction with themselves, people and the community. It answers the question how the cognitive competency interacts with other global leadership competencies to lead the self, people and community. To the self, it works as a moral foundation to establish their morality in their life. To other people, it provides for the business leaders with the moral guideline on how to deal with other

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

222

people – to establish the morality not only in themselves but also in other people. To the community, it helps to minimise the negative influence on the community that might be caused by their business decisions in pursuit of the business profits. The interaction between the moral cognition and the self as well as people and community forms the moral bond that the business leaders need to establish with the organisation, which adds the new knowledge to their understanding of the relationship between their organisation and stakeholders. Besides the business relationship with their stakeholders of the community, there is a moral bond connecting them in which the morality becomes the foundation of such a connection.

To sum up, two key findings are drawn from the moral cognition construct of the theoretically grounded model established in this study. One is the humane attitude with which the business leaders treat themselves, people and community. The other is the moral bond. As compared with the business profit which used to be considered the only connection between the organisation and its stakeholders, it draws their attention to lead the organisation not only profitably but also morally.

5.2.2 Findings from self-leadership competency

The competency of leading the self, as illustrated in Figure 5.2, has been discussed in the previous studies. For example, Rosen et al. (2000) highlights the importance of understand and value oneself when the global business leaders develop and exercise their leadership. Levy (2004) articulates that self-management is critically important for global business leaders. Echoed by Jokinen (2005) is that self-awareness is one of the fundamental global leadership competencies for business leaders, while self-regulation is one of the desired mental characteristics of global leaders. In agreement with the self-awareness emphasised by Jokinen, Lennick and Kiel (2008) argue that self-control is one of the indispensable global leadership competencies for the business leaders in the severe competitively business context. When reviewing the global leadership competencies identified in the previous studies, it is notable that most of the studies were conducted on the piecemeal basis, and therefore the following two points have not been explicated by the previous studies. One is the interconnection between specific competencies of leading the self, and the other is the most critical competency to

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

223

stimulate other competencies of leading the self. The competencies of leading the self proposed in those studies incapacitate the business leaders to establish a systematic framework of how to lead themselves in order to address the challenges that they need to cope with in the contemporary globalisation.

Figure 5.2: Findings from self-leadership competency
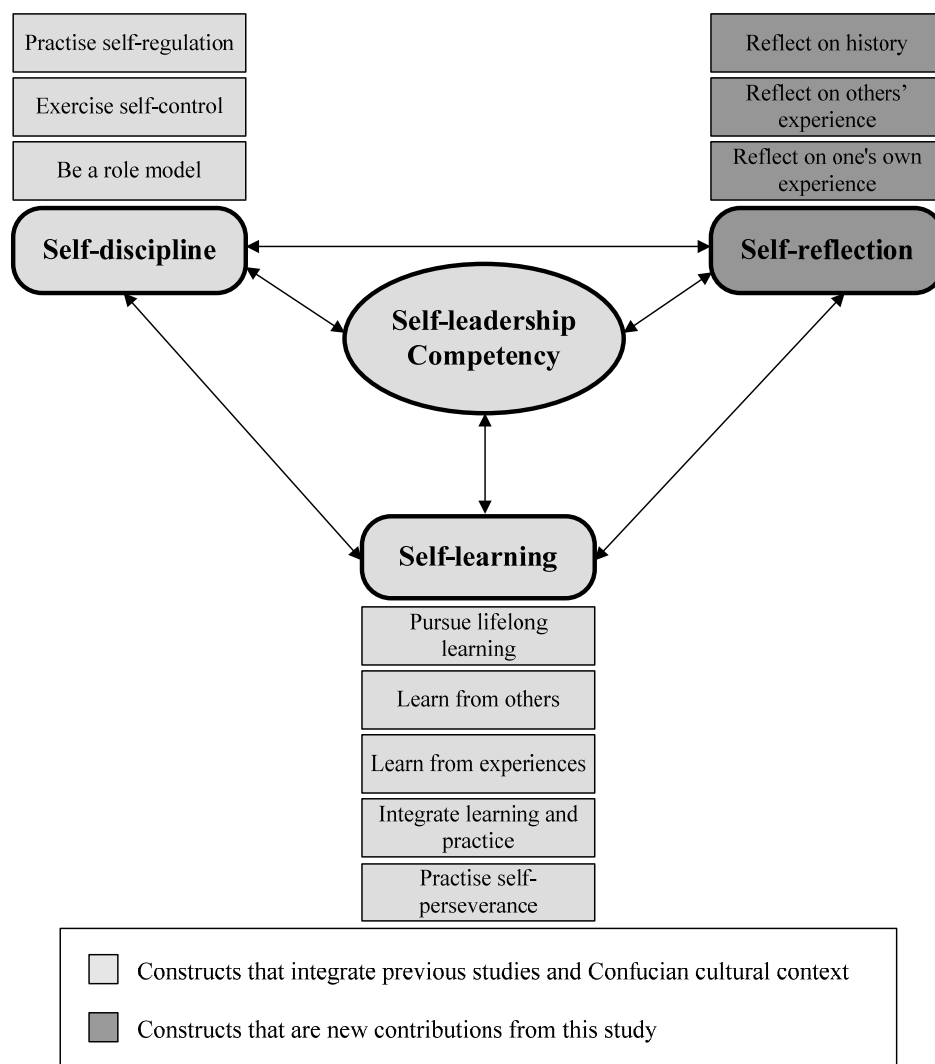
When the self-leadership competency is studied in a Confucian cultural context, it is notable that one of the key elements of the Confucianism, *Zhi* or Wisdom, exerts the influence on the business leaders' attitude towards themselves and the way of leading themselves. The Confucian wisdom considers that the self in the society is not an

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

224

isolated unit. Instead, it has dynamic interaction with internal factors within the self and the external ones out of the self. Externally, self-leadership is the result of dynamic interaction between the self and other people and the community. Leading the self is an indispensable prerequisite of leading other people and the community, while leading other people and the community is beneficial to further enhance self-leadership. Internally, it is the integration of self-learning, self-discipline and self-reflection. These three elements comprise self-leadership in the Confucian cultural context.

Dynamic interaction between the self and other people and the community derives from the responsibility that the Confucians assume not only for themselves, but also for other people and the community. Core of the responsibility is the moral cognition, which is the humane attitude towards the self, people and community. Leading the self in a moral way means to establish the morality in the self, and then other people and the community. Consequently, to build the morality in other people and the community becomes an indispensable part of self-leadership. As compared with the previous studies on how to lead the self, the self-leadership competency in a Confucian cultural context is not limited to the self only, but extends the leadership of other people and the community.

In the Confucian cultural context, self-reflection, externally, becomes a necessary bridge connecting the business leaders' self as well as other people and community. By reflecting on their own experience can they establish clear ideas on their behavioral patterns, thus identify the areas for their continuous improvement. By reflecting on other people's experience can they avoid the mistakes made by others. By reflecting on history can they build their understanding of how to adjust their behaviour to have it adapted to the development trend of the history. Internally, self-reflection is a catalyst to drive the self-learning and self-discipline. As implied by the respondents, self-reflection is an indispensable competency for them to maintain a clear idea on what they need to further improve, while the continuous improvement areas provide a specific list for them to learn and exercise self-discipline. It is explainable that in the eyes of most western business leaders, their counterparts from China are modest, passionate for learning and strict in self-discipline, as the self-reflection makes them constantly realise areas for improvement.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

225

In conclusion, two significant findings were solicited from the construct of the self-leadership competency in the theoretically grounded model of this study. One is that self-leadership cannot be achieved by leading the self only, instead, it is realised through the interaction with other people and the community. The other is that self-reflection an indispensable competency for the business leaders. It connects the self, people and community.

## 5.2.3 Findings from community leadership competency

The competency of leading people, as implied by Figure 5.3, has been most discussed in the previous studies. When reviewing the global leadership competencies identified from the previous studies, it is notable that most of them centre on the global business leader's role of coaching, mentoring and motivating people within the organisation (Adler & Bartholomew, 1992; Bartlett & Ghoshal, 1992; Birchall et al., 1996; Boyatzis, 1982; Bueno et al., 2004; King & Zeithaml, 2001; Lee & Phan, 2000; McCall & Hollenbeck, 2002; Parry, 1996). However, the following two points are not articulated in the previous studies. One is the cultural influence on the competencies to lead people. The other is the interconnection between the competency of leading people and that of leading the self and community. When the global leadership competency of leading people is studied in a culturally specific context of Confucianism, it is part of the business leaders' efforts of leading the community. In the Confucian cultural context, leading people is not just for leading, but for creating a harmonious community which is beneficial to all people in the community.

When establishing the harmony in the community, it is notable that one of the key elements of the Confucianism, *Li* or ritual propriety, exerts a profound influence on the business leaders' attitude toward other people and the way of leading people in the community. *Li* or ritual propriety is more than being polite, but a key strategy to regulate other people's codes of conduct through leading by example. It becomes an important connection between the business leaders and their stakeholders in the community, providing commonly accepted codes of conduct for them to follow and leading the harmony of the whole community in the end. Consequently, it is an indispensable element in all people, with the assumption that people have the potential

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

226

to develop into well-cultivated persons if they follow the *Li* or ritual propriety. Part of leading people is to have them comply with the commonly accepted codes of conduct of the community, thus everyone has clear ideas on what kinds of behaviour are appropriate and beneficial to the overall harmony of the community.

Figure 5.3: Findings from community leadership competency
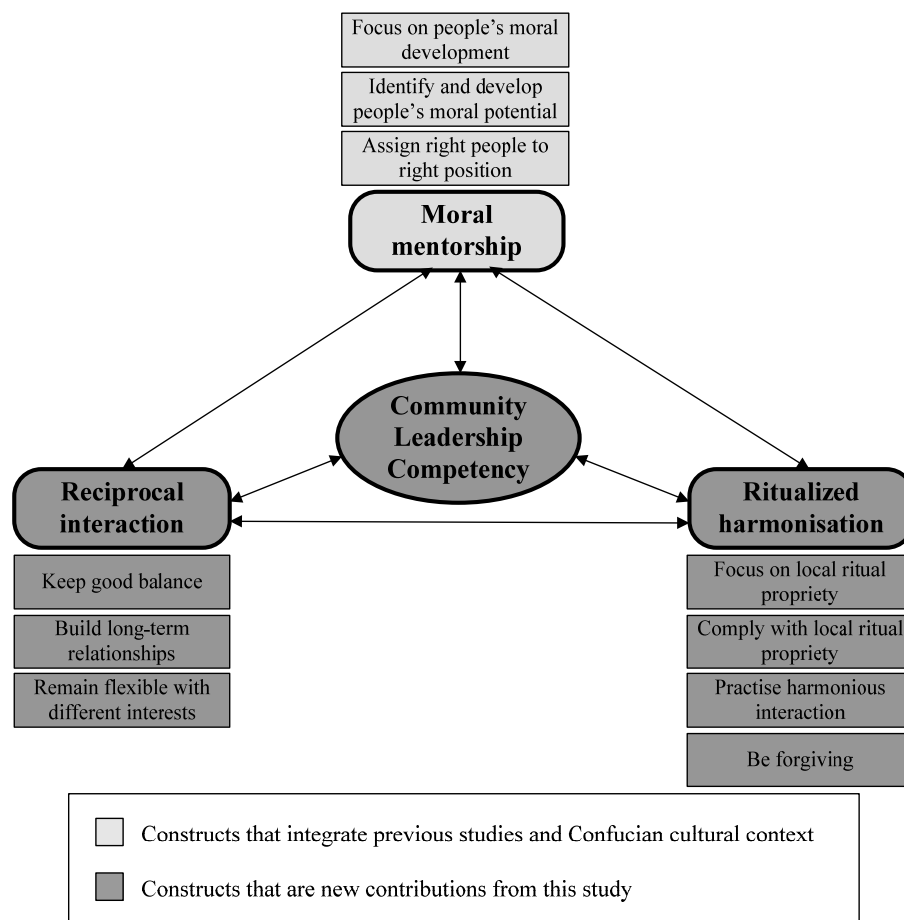
Leading the community cannot be achieved alone, but realised through the leadership of the self and other people of the community. Though the *Li* or ritual propriety is important for leading people, the effectiveness of leading people largely derives from the fact whether the business leaders can lead by example by complying with the codes of conduct. Internally, a role model from the business leaders becomes a motivation for their stakeholders to have the *Li* or ritual propriety regulate their behaviour. Externally,

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

227

a harmonious community forms a constraint for their stakeholders to follow the *Li* or ritual propriety in their work and social interaction.

On top of *Li* or ritual propriety, reciprocity is an equally important strategy to lead people towards the harmony of the community. When reviewing the previous studies on the competency of leading people, it is found that few of them discussed the interests of people. When it is studied in a Confucian cultural context, reciprocity is an indispensable approach to balance different interest of people, with assumption that everyone in the community has the right to realise the reasonable interests. When everyone realises his or her reasonable interests, the overall harmony can be achieved. As a result, part of the business leaders' responsibilities for leading the community is to balance different interests of people and help them realise their reasonable interest.

In summary, two new findings are drawn from the construct of the community leadership competency in the theoretically grounded model of this study. One is that leading the community is achieved through leading people. In the Confucian cultural context, leading people serves for the harmony of the community in the end. The other is that *Li* or ritual propriety and reciprocity are two equally important strategies in leading people and achieving harmony in the community.

5.2.4 Findings from sustainability leadership competency

Dealing with the relationship between the organisation and nature, as illustrated in Figure 5.4, was seldom discussed as a global leadership competency for the business leaders in previous studies. When it is studied in a Confucian cultural context, it is notable that one of the significant characteristics of Confucianism, symbiosis of heaven and humanity, exerts an influence on the business leaders' attitude towards the relationship between the organisation and nature. Although some scholars articulated the pursuit of all stakeholders' sustainable development as a global leadership competency (Dotlich et al., 2009; Lennick & Kiel, 2008; Mendenhall & Osland, 2002), this study sheds new light on the business leaders' understanding of leading themselves and people in the community.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

228

In the Confucian culture, the heaven and humanity are not isolated, but integrated as a whole. As a result, nature and human society are highly interdependent. Sustainable development of the human society largely depends on the sustainability of the natural environment where all human beings are hosted. To achieve the sustainable development of their organisation, business leaders need to simultaneously achieve the sustainability of nature. It draws their attention equally to their business objectives and the sustainable development of both their organisation and the natural environment.

Figure 5.4: Findings from sustainability leadership competency
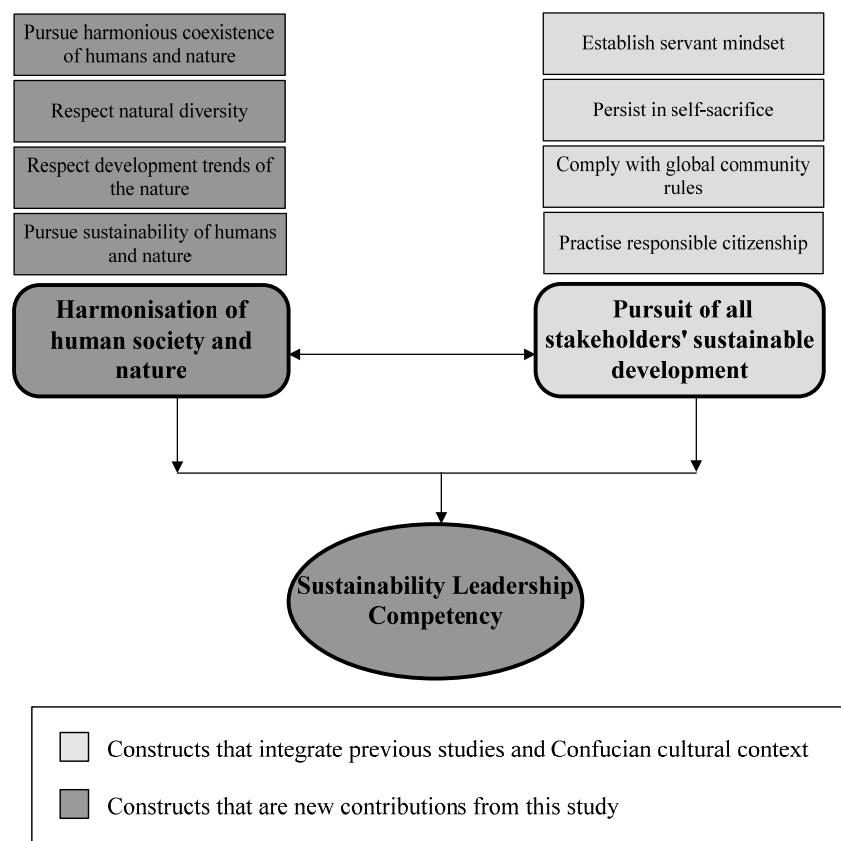
In the symbiotic system, sustainability leadership cannot be exercised alone. Instead, it is the result of dynamic interaction of moral cognition and competency of leading the self and people of the community. With righteousness, respect and faithfulness as moral foundation, the moral cognition enables the business leaders to establish a humane attitude towards nature. With an understanding of what things can be done to nature and

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

229

what other things cannot be done, a sustainability element needs to be incorporated into their self-leadership. Leading by example through harmonisation of human society and nature as well as pursuit of all stakeholders' sustainable development enables them to be in better position to lead other people to achieve the sustainability.

Sustainability leadership competency in a culturally specific context of Confucianism adds new knowledge to the literature that, while the business leaders have the responsibilities for leading people and business, they have a new responsibility for achieving the sustainability of their organisation, stakeholders and community. Consequently, their work performance is not limited to whether they can lead the organisation to achieve the profits, but includes the sustainable performance of their organisation and the whole community which includes the natural environment as one of their key stakeholders.

To conclude, when comparing the global leadership competencies identified in this study and those proposed in previous studies, two key findings contribute to the literature.

As shown in Table 5.3, the first finding is that some of the global leadership competencies identified are the generally accepted competencies proposed in previous studies. They are irrelevant in other culturally specific contexts, but are highly valued by Chinese senior executives in a Confucian cultural environment. Moreover, when those generally accepted and context-free competencies are applied to a specific context, they develop new interpretations together with the culturally specific global leadership competencies. This study explicates that business leaders need to possess two types of global leadership competencies: general and context-free competencies, and culturally specific competencies.

The second finding is that in a culturally specific context, the traditional cultural virtues and characteristics exert profound influences on the global leadership competencies of the business leaders. As a dominant trigger that differentiates the context-free competencies and culturally specific competencies, the findings offer new explanations as to why some global leadership competencies work in some countries and others do not.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

230

Table 5.3: Significant contributions to existing literature

Clusters of Global leadership competencies identified in this study	Similarities with competencies proposed in previous studies	Differences of competencies identified in this study	Influencing elements in a Confucian cultural context	New findings added to existing literature
Moral cognition	• Respect (Bueno et al., 2004; Chin et al., 2001; Lennick & Kiel, 2008; McLaughlin & Milligan, 2009)	• Righteousness • Faithfulness	• *Ren* (humaneness) • *Yi* (righteousness) • *Xin* (trust)	• Moral cognition represents a humane attitude towards the self, people and community. • It is a moral bond connecting the business leaders and themselves, people and community.
Self-leadership competency	• Self-discipline (Jokinen, 2005) • Self-learning (Chin et al., 2001; Levy, 2004; Rosen et al., 2000)	• Self-reflection	• *Zhi* (wisdom)	• Self-leadership is realised through interaction with other people and the community. • Self-reflection is an indispensable competency for business leaders, connecting the self, people and community.

(continued overleaf)

Table 5.3 (continued)

Clusters of Global leadership competencies identified in this study	Similarities with competencies proposed in previous studies	Differences of competencies identified in this study	Influencing elements in a Confucian cultural context	New findings added to existing literature
Community leadership competency	• Moral mentorship (Adler & Bartholomew, 1992; Bartlett & Ghoshal, 1992; Birchall et al., 1996; Boyatzis, 1982; Bueno et al., 2004; King & Zeithaml, 2001; Lee & Phan, 2000; McCall & Hollenbeck, 2002; Parry, 1996)	• Reciprocal interaction • Ritualised harmonisation	• *Li* (ritual propriety) • Reciprocity • Harmony	• Leading the community is achieved through leading people, which serves for the harmony of the community. • *Li* or ritual propriety and reciprocity are two equally important strategies in leading people and achieving harmony in the community.
Sustainability leadership competency	• Pursuit of all stakeholders' sustainable development (Dotlich et al., 2009; Lennick & Kiel, 2008; Mendenhall & Osland, 2002)	• Harmonisation of human society and nature	• Symbiosis of the heaven and humanity	• The business leaders' performance is not limited to whether they can lead the organisation to achieve a profit, but includes sustainable performance of their organisation and the whole community.

5.3   Conclusion

This chapter offers insights into two of the subsidiary research questions: What is the significance of Confucianism on the global leadership competencies? and What is the uniqueness of these global leadership competencies in comparison with previous studies? The answer to these questions contributes an understanding of the global leadership competencies which comprise general competencies and culturally specific competencies. Business leaders who work in the global business community need general global leadership competencies, and they also need to be trained and developed within a culturally specific framework of global leadership competencies. These findings pave the way for drawing implications of the culturally specific framework of global leadership competencies for global business leaders, which is elaborated in the following chapter.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

233

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

234

Chapter 6: Discussion for Management Practice

This chapter explores the pragmatic implications for management practice. It articulates to the management practitioners how the theoretically grounded model established in this study can be applied to the business context.

It first offers practical implication for management, indicating how the talent selection, performance management, training and development benefit from the theoretically grounded model of this study. It then develops insights into the minds of Chinese senior executives, enabling the western senior executives to know more about their counterparts of China. It finally discusses how the culturally specific framework of global leadership competency helps senior executives to respond to the global challenges. This chapter concludes by highlighting the limitations of this study, providing suggestion for future study.

6.1   Offering practical implications for management

This study, which has identified the global leadership competencies of Chinese senior executives in a culturally specific context of Confucianism, offers practical implications for management. The first practical implication goes to the talent selection. A complete leadership framework is designed to guide the organisations to select the best fit talents for their senior executive positions. The second practical implication centres on managing the performance of the senior executives. A holistic performance framework is designed to guide the senior executives to achieve the sustainable performance of themselves, business and community. The third practical implication aims at helping the senior executives to keep developing and improving. These practical implications for management are applicable for not only the Chinese non-state-owned companies, but also other types of companies in China and other countries.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

235

6.1.1 Practical implications for talent selection

The importance of the human resources has been iterated by both the academicians and management practitioners for years (Mathis & Jackson, 2010; Noe et al., 2012; Ulrich & Brockbank, 2005). Selecting the right talents for the senior executive positions of an organisation is of huge significance for the organisation's present and sustainable success. However, there have been no commonly accepted standards of talent selection for senior executives so far (Cook, 2009; Guion & Highhouse, 2006; Schmitt, 2012). Part of the reasons behind the challenge that there is a lack of international business and management talent, as indicated by the Survey on Current Conditions and Intention of Outbound Investment by Chinese Enterprises in 2010 which is mentioned in previous chapter, is the failure to recognise the right talent for the senior executive positions (Wu, 2011). To address this failure, the organisations first need to develop clear ideas on what kinds of talent they actually need for their senior executive positions. To be specific, they need to know what competencies that their senior executives should have. As discussed in the literature review, most of the global leadership competencies proposed by previous studies focus on the intellectual and emotional aspect, while limited attention is paid to the moral competencies (Adler, 1997; Dalton, 1998; Jokinen, 2005; Kanter, 1995; London & Sessa, 1998; Sternberg, 1997). But the moral leadership competencies are necessarily important for the global business leaders in the contemporary globalisation. To cope with the increasing uncertainty of the global business community, they need to possess a complete list of global leadership competencies, not only the intellectual and emotional competencies, but also the moral competencies (Haidt & Joseph, 2006; Huebner et al., 2010; Sachdeva et al., 2011).

The theoretically grounded model established at the end of this study explicates a complete leadership concept to all business leaders. With moral cognition at the core, the leadership that the business leaders excise includes the leadership of the self, people and community. To be a complete leader, the right talent needs to possess the competency to lead themselves, people and community. As compared with the current talent selection of senior executives which mainly emphasises on the intelligent and emotional competencies, the theoretically grounded model of this study provides an aiming framework for the organisations in their talent selection. It enables them to focus

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

236

on the key areas of the talents which contribute to the sustainable development of not only the organisations but also their community.

This study provides the pragmatic insights for organisations with a more integrated and culturally specific global leadership competency model. As listed in Table 6.1, in the talent selection of senior executives, equal attention needs to be paid to the following four areas:

1. Moral cognition, the competencies that the senior executives make the moral decision through uncompromising righteousness, respect and faithfulness in the business context.

2. Self-leadership, the competencies that the senior executives lead themselves in a moral way through ongoing self-cultivation, self-reflection and self-discipline.

3. Community leadership, the competencies that the senior executives lead their community in a moral way through moral mentorship, reciprocal interaction and ritualised harmonisation.

4. Sustainability leadership, the competencies that the senior executives maintain the sustainable development of both their organisation and community through harmonisation of human society and nature and pursuit of all stakeholders' sustainable development.

The questions suggested for the talent assessment draws the organisations' attention to four key areas that a complete leader needs to possess. Among those four key areas, that is, moral cognition, self-leadership competency, community leadership competency and sustainability leadership competency, the moral cognition is the most essential element. It exerts a profound influence on the performance of the business leader's moral competency, intellectual competency and emotional competency. With the moral cognition as the core of the complete leadership, the aforementioned questions stimulate the organisations' awareness of the business leaders' competencies which lead the organisations through the uncertainty of the global business community. In essence, it is the competency to build the morality not only in themselves, but also in all stakeholders, which ultimately establishes the harmony and sustainability of the community.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

237

Table 6.1: Practical implications for talent selection

Assessment Category	Assessment Focus	Suggested Questions at Talent Assessment
Moral Cognition	Righteousness	• How do you deal with the inconsistency between the truth and reality in the business context? • When you make a mistake in your business decision, how do you deal with it? • When you find that you cannot keep your commitments, what do you do? • If you had to give some compromises in order to achieve the business objectives, what would those compromises be?
	Respect	• How do you define respect in the business context? • If you need to closely work with someone who has different opinions from yours, what do you do? • If you find that the human rights advocated by the local community where you work are different from your understanding or even values, what do you do? • If you find that the traditions of the local community where you work are different from your understanding or even values, what do you do?
	Faithfulness	• What kind of relationship do you expect to establish with the stakeholders of your organisation? • How can you build up your stakeholders' loyalty in your organisation?
Self-leadership	Self-learning	• How can you keep yourself abreast of the latest knowledge? • What is the most important way for you to acquire the latest knowledge?
	Self-reflection	• How do you deal with past experience? • How do you view the experience of other people who work around you?

Assessment Category	Assessment Focus	Suggested Questions at Talent Assessment
	Self-discipline	• How important is setting a good example for other people? • How can you be a good example for other people? • What kinds of negative emotions have you encountered before? • How could you deal with those negative emotions?
Community leadership	Moral mentorship	• How do you ascertain if your team member is qualified for their position or not? • How important is morality in your team members? • How do you develop morality in your team members?
	Reciprocal interaction	• How can you help your organisation build up a long-term relationship with stakeholders? • How can you deal with the different interests of your stakeholders?
	Ritualised harmonisation	• How important is local ritual propriety? • How can you adapt yourself to the local ritual propriety?
Sustainability leadership	Harmony between human society and nature	• How can you maintain the sustainable development of your organisation? • When you find that your business decision is beneficial to the organisation but harmful to the natural environment, what do you do? • What efforts have you made to protect the environment while achieving the profit objective of the organisation at the same time?
	Serve the common interest of human beings	• When you find that some practices of your organisation are not in line with the rules of global business community, what do you do? • How important are the rules of the global business community? • Besides your managerial role in the organisation, what roles do you think you should play in society?

To sum up, the aforementioned complete leadership framework adds value to the talent selection in the organisations by offering new insights into the roles that the business leaders need to pay in the contemporary global business community. This framework articulates that the global leadership competencies that they have should enable them to not only lead their organisation to achieve the promising business performance, but also achieve the sustainable development of the whole community. Therefore, instead of lists of competencies which used to be asked the candidates at the interview, four clusters of global leadership competencies identified from this study offer a simple and succinct guideline for the organisations with an integrated and culturally specific global leadership competency model. The right candidate for a senior executive position needs to demonstrate the complete leadership competency, possessing the moral cognition and the competency to lead themselves, people and community in a moral way.

Selecting the right talent for the senior executive position is the first important step for the organisations to realise their business objectives. To ensure their sustainable development, it is equally important for them to exercise the effective performance management of their senior executives. Likewise, the theoretically grounded model established in this study sheds new light on that aspect, which is elaborated in the following section.

6.1.2 Practical implications for performance management

Performance management is an indispensable part of the operation for all organisations. Ranging from the performance planning and performance implementation to performance appraisal and performance improvement, it intends to monitor the performance of the whole organisation to ensure the pre-set objectives are ultimately achieved in the end. While there is an increasing attention from the academicians and management practitioners on how to continuously improve the performance of the organisation, it is notable that most of their attention is focused on the financial performance of the organisations (Aguinis, 2012; Armstrong, 2010; Hope & Player, 2012). It is not surprising to see that the majority of the key performance index (KPI) centres on the financial indicators, resulting in the fact that the organisations strive to

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

240

achieve the promising performance of these financial indicators at the expense of the sustainable performance of other aspects such as people and community (Bowen et al., 2013; Brauer, 2007).

The theoretically grounded model established in this study, while focusing on the global leadership competencies of the Chinese senior executives in a Confucian cultural context, articulates a holistic approach to deal with the performance of the organisation. It provides not only an important basis for developing the global leadership competencies of the senior executives, but also a brand-new framework for managing their performance at the leadership role. Instead of focusing on the business performance of the organisation only, the performance that the senior executives achieve in the global business community is a holistic concept. It embraces not only the performance of the organisational finance, but also the performance of how the senior executives lead themselves, people and community. In the process of planning, implementing, evaluating and improving the performance, while maintaining the financial KPIs as most organisations used to do in the past, the KPIs need to indicate the performance of the senior executives' moral cognition, self-leadership, community leadership and sustainability leadership.

As listed in Table 6.2, in the performance management spectrum, KPIs need to equally cover the following four areas:

1. KPIs of moral cognition: to indicate and evaluate the senior executives' performance of making the moral decisions in all business occasions.

2. KPIs of self-leadership: to indicate and evaluate the senior executives' performance of leading themselves in the moral way in all business contexts.

3. KPIs of community leadership: to indicate and evaluate the senior executives' performance of leading the community in the moral way.

4. KPIs of sustainability leadership: to indicate and evaluate the senior executives' performance of achieving the sustainable development of their organisation and community.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

241

Table 6.2: Practical implications for performance management

Performance Evaluation Category	Description of Key Performance Indicator (KPI)	Proposed KPI
Moral Cognition	• The incumbent has a clear and objective understanding of himself/herself. • The incumbent demonstrates competency of knowing what is the right thing and how to get it done in the right way.	• The incumbent has a responsible attitude towards all decisions that he/she makes in the business activities which achieve the business objectives and meet the stakeholders' reasonable interests at the same time; • Whenever the incumbent makes mistakes, besides immediate action to correct it, he/she has courage to speak up to all stakeholders and notify them of the corrective action; • The incumbent attaches great importance to his/her promise by being consistent in his/her words and actions; • The incumbent is good at appreciating the advantages and strengths of other people; • The incumbent is open-minded towards all opinions from his/her stakeholders, even though they are totally different from his/her own ideas; • Whenever the incumbent makes decisions, he/ she is good at putting himself/herself in others' situation in order to make a mutually beneficial decision; • The incumbent has a good knowledge of the human rights of his/her stakeholders; • The incumbent intends to establish and maintain a mutually beneficial relationship with all stakeholders with his/her uncompromising morality.

Performance Evaluation Category	Description of Key Performance Indicator (KPI)	Proposed KPI
Self-leadership	• The incumbent demonstrates high moral standards in himself/herself on all occasions.	• The incumbent has a passion for learning in his/her daily life; • The incumbent is good at putting his/her learning into practice; • Experience of himself/herself and other people becomes a good basis for his/her further improvement; • The incumbent has strict self-discipline and ensures all his/her behaviour complies with relevant codes of conduct.
Community leadership	• The incumbent exerts his/her moral influence among all stakeholders of the community.	• All subordinates of the incumbent demonstrate high standards of morality at work; • All positions in the team are filled by the employees who are not only intellectually competent but also morally competent; • All stakeholders in the community are willing to maintain a long-term relationship with the organisation; • Interests of all stakeholders in the community are well balanced; • The incumbent has good knowledge of ritual propriety of local community; • The incumbent takes initiative to adapt his/her behaviour to the local ritual propriety.
Sustainability leadership	• The incumbent demonstrates his/her efforts to maintain the sustainable development of the community.	• Whenever the incumbent makes decisions at the business activities, he/she considers the sustainable development of the community; • The incumbent has good knowledge of natural diversity and development trend of nature; • The incumbent has strong awareness of having all business practices comply with the rules and regulations of the global business community; • Whenever the incumbent finds that some business decisions or practices might exert a negative influence on the natural environment, he/she has the courage to notify the top management team.

The KPIs proposed above provide a constructive guideline for the organisations to view their business leaders' performance from a new perspective. In the contemporary global business community where the interests of all stakeholders are highly intertwined, the performance of the business leaders should never be limited to their accomplishment of the business objectives anymore. Instead, it should also cover their performance of leading themselves, people and community in a moral way. This new perspective to view their performance enables them to adopt a holistic approach to do the performance planning, performance implementation, performance appraisal and performance improvement.

In conclusion, the integrated and culturally specific global leadership competency model established in this study offers pragmatic implications not only for the organisations from China, but also for those from the west. The implications profoundly change the organisations' traditional attitude towards the performance of their business leaders, articulating four components in their performance including moral cognition, self-leadership, community leadership and sustainability leadership.

6.1.3 Practical implications for talent training and development

No one is born to be a leader but develops into a leader through the ongoing learning and development, which becomes an indispensable part of the global leadership (Katherine & Seki, 2012). While there has been an increasing attention to the training and development of the global business leaders among the academicians and management practitioners in the past three decades, it is notable that most of the training and development programs designed for the senior executives centre on their intelligent and emotional competencies. There is a scarce of training and development programs on the moral competencies available for the senior executives (Evans, 2009; Noe, 2012; Russell, 2003).

Four clusters of global leadership competencies identified in the theoretically grounded model of this study, which is built on the Confucian cultural context, integrate the global leadership competencies required for the global business leaders and moral elements required for the Confucians. In comparison with the existing leadership training and

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

244

programs, the theoretically grounded model of this study provides a moral basis for the training and development of the senior executives, comprising not only the moral cognition, but also the moral competency of leading the self, people and community.

As listed in Table 6.3, the training and development programs for the senior executives need to equally cover the following four areas:

1. Training of moral cognition: to develop and improve the senior executives' competency of making the moral decisions in all business occasions.

2. Training of self-leadership: to develop and improve the senior executives' competency of leading themselves in the moral way in all business contexts.

3. Training of community leadership: to develop and improve the senior executives' competency of leading the community in the moral way.

4. Training of sustainability leadership: to develop and improve the senior executives' competency of achieving the sustainable development of their organisation and community.

Applying the global leadership competency model in the areas of talent selection, performance management, training and development articulates the practical implications for management. With increasing interaction in the global business community between non-state-owned companies from China and those from western countries, the application of this theoretically grounded model to the Chinese companies provides not only a practical reference to those from western countries on how to apply this model to their management spectrum, but also provides insights into the minds of Chinese senior executives, as discussed in the following section.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

245

Table 6.3: Practical implications for talent training and development

Training Category	Training Objective	Training Topic
Moral Cognition	• To help training participants acquire more understanding of themselves; • To improve training participants' cognitive competency in their moral decisions.	• Courage to speak the truth; • Deal with mistakes in a moral way; • Ways of building and maintaining consistency of words and actions; • Importance of conscience in business context; • New interpretation of respect in global business community; • Strategies to gain the stakeholders' long-term faithfulness.
Self-leadership	• To help training participants acquire more understanding of the importance to lead themselves; • To provide practical tools to help training participants consistently improve themselves in a moral way.	• How to build global literacy into yourself; • Strategies to learn in the global business context; • Gain learning from yourself – importance of self-reflection in your self-enhancement; • Ways to build up your leadership through self-discipline.
Community leadership	• To help training participants understand their role in the community; • To provide practical tools so training participants can exercise their leadership in the community.	• Mentoring for business success in a morally intelligent way; • Strategies to balance interests among stakeholders in the community; • Global literacy of ritual propriety.
Sustainability leadership	• To help training participants understand their role in maintaining the sustainable development of the community; • To provide practical tools so training participants can exercise their sustainability leadership in the community.	• Basics of environmental protection; • Basics of natural diversity and development trend of nature; • Global literacy of rules and regulations in the global business community; • Importance of being a responsible citizenship in the global business; • Achieve global business success through a service mindset.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

246

6.2   Developing insights into the minds of Chinese senior executives

The theoretically grounded model established in this study enables senior executives from western countries to have more understanding of the minds of Chinese senior executives, thereby contributing to constructive communication and cooperation in the long term. The model develops four insights into their minds, including the holistic mindset, self-cultivation, reciprocity and harmony.

First, the theoretically grounded model, with its four clusters of global leadership competencies, reflects the holistic attitude of Chinese senior executives towards the world. It exerts profound influences on their cognition and behaviour. From the cognitive perspective, rather than being simply result-oriented, as their counterparts from western countries tend to be (House et al., 2004; Walumbwa et al., 2007), Chinese executives are more inclined to establish their cognition in the whole social system by considering all relevant aspects of that context. Three key aspects including themselves, people and community are integrated components of their cognition, which features a dynamic interaction among these three aspects. From the behavioural perspective, it is observed that the Chinese senior executives usually take the time to establish a relationship with their business partners before getting to the key points in the business context. At the first sight, it seems to be time-consuming to do so in the eyes of their western counterparts. In essence, they deliberately give both parties adequate time to consider all aspects of the business transaction instead of just focusing on the financial performance of the business only. While this approach used to be criticised by the western academicians and business leaders (Bell, 2010b; Chan, 2008; Jochim, 2008), its advantage becomes increasingly obvious in the highly interdependent business community, which requires the business leaders to consider not only the interests of their organisation's business, but also those of their stakeholders and community.

Second, self-cultivation is highly valued by Chinese senior executives, as it is necessary if they are to become a role model and better exercise their leadership over other people and their organisation. While leading their team members and their organisation, Chinese senior executives exercise equal leadership over themselves. They have the self-discipline to strictly follow social codes of conduct and regulations. They are good at self-reflection, which becomes an indispensable part of their daily life, and in this

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

247

way they become sensitive about their behaviour and can minimise any potential negative impact on other people through acting inappropriately. Chinese senior executives attach great importance to ritual propriety in both their personal and business life, and they regulate their behaviour so as to maintain their harmonious interaction with all stakeholders in the community. It is observed that the paternalistic leadership has been in existence in the majority of the Chinese non-state-owned companies, while the Chinese business leaders' focus on self-cultivation becomes an important momentum for the existence of paternalistic leadership for decades. It is their self-cultivation that keeps them as a role model for their stakeholders to follow when exercising the paternalistic leadership.

Third, reciprocity is the dominating guideline for the Chinese business leaders when handling the interpersonal interactions. It exists not only in the emotional connection, but also the moral bond between them and their stakeholders. Chinese senior executives focus on establishing and maintaining a long-term relationship with their stakeholders in the business interaction. The core of such a long-term relationship is reciprocity, which protects all stakeholders' reasonable interests. Reciprocity, representing balanced interests, becomes a starting point of business activities. Chinese senior executives are used to identifying the common interest in business activities. The Chinese term *Guan Xi*, referring to such a reciprocal relationship, is highly emphasised by Chinese executives in the business context. It is commonly commented by their counterparts from the west that business activities in China are driven by the relationship instead of the result or the value as occurs in western business contexts (Levenson, 2008; Sun, 2010; Warner, 2003). However, in China, *Guan Xi* is more than a reciprocal relationship of interests. It is also an emotional bond of all stakeholders, stemming from the reciprocal relationship that ensures everyone's interests are equally achieved. Such an emotional bond becomes an important momentum for building and maintaining long-term relationships. Reciprocity also exists in the moral interaction between the Chinese business leaders and their stakeholders. While they intend to process the business transaction in a moral way and deal with their stakeholders with morality, they expect that they can be treated by their stakeholders with morality. As a result, they attach great importance to establishing the morality not only in themselves, but also in their stakeholders of the community. From the reciprocity perspective, it can largely explain why the Chinese business leaders exercise strict self-discipline on themselves as

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

248

observed by their counterparts from the west (Bell, 2010b; Tu, 2010), as they expect that their stakeholders can demonstrate equal self-discipline in return, thus the morality of the whole community can be ultimately established.

Fourth, harmony is the ultimate objective of Chinese senior executives in their personal and business life. It includes not only the harmony between inner and outer selves, but also that between the self and all stakeholders in the community, and between human society and the natural environment. It is interpreted as a harmonious coexistence of all stakeholders, in which all can survive and develop without causing harm to others. Two aspects of this harmony with all stakeholders are important to Chinese senior executives: reciprocity and ritual propriety. Internally, reciprocal relationship is considered as the core of establishing and maintaining harmony among all stakeholders. As indicated by the respondents, they intend to maintain open-minded towards different opinions and interests of their stakeholders. With reciprocity in mind, they are good at identifying the common interest which is beneficial to not only their business but also their stakeholders. Externally, ritual propriety is treated as the guarantee of maintaining the peaceful interaction among people and smooth operation of the community. It regulates people's behaviour and minimises the potential negative impact of any inappropriate behaviour in the social context. It is notable that the Chinese business leaders comply with a series of ritual propriety in the business context. Despite of the criticisms from their counterparts from the west that the ritual propriety diverts the attention from the business focus, it is undoubted that all stakeholders who are involved in the business transaction get respected and long-term harmonious relationship is maintained.

In comparison with the previous studies which are the general description of the Chinese senior executives' leadership behaviour (Liu, 2009; Sun, 2010; Zhang & Baker, 2008), the aforementioned four insights into the minds of the Chinese senior executives are beneficial for the academicians and business leaders from the west to develop more understanding of their behavioural patterns in the business context from the following four aspects. First, with the holistic mindset, it is understandable that the Chinese senior executives make more efforts than their counterparts from the west to build the relationship with their stakeholders. Such a relationship includes not only the financial connection, but also the emotional and moral interaction between them and their stakeholders. It extends their attention out from their organisation to all stakeholders of

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

249

the community, which prompts more of their concerns on the interests of their stakeholders. Second, due to their holistic awareness of inter-relationship with their stakeholders, they attach great importance to self-cultivation. It is valued as the internalisation of the humaneness and reinforced in not only themselves but also in the stakeholders under the influence of the reciprocity. Third, to maintain the reciprocal relationship with their stakeholders, it is explainable that the Chinese senior executives heavily rely on the ritual propriety in the business interaction. It is considered as the externalisation of the humaneness towards all stakeholders. Fourth, besides the business objective, harmony is the other equally important objective that the Chinese senior executives intend to achieve. It is the outcome of the holistic thinking and is accomplished by self-cultivation, reciprocity and ritual propriety.

Table 6.4: Insights into the minds of Chinese senior executives

Confucian influence as implied by the theoretically grounded model	Insights into the minds of Chinese senior executives
Holistic attitude	Self, people and community are equal components of the whole world.
Self-cultivation	Lead-by-example is more than a leadership strategy, but an indispensable approach to achieve self enhancement.
Reciprocity	To establish and maintain the long-term relationships through balanced interests and emotional bond.
Harmony	Harmony between inner and outer selves, as well as the self and all stakeholders

In conclusion, as summarised in Table 6.4, the theoretically grounded model established in this study articulates not only the global leadership competencies for Chinese senior executives from non-state-owned companies of China, but also presents four insights into their minds whereby Chinese Confucian cultural characteristics vividly interact with each other. On the one hand, their core characteristic of holistic thinking exerts a profound influence on their self-cultivation, reciprocity and harmony. It lays a cognitive foundation that prompts them to consider the whole social system and everyone's

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

250

interests. One the other hand, when they exercise self-cultivation, reciprocity and harmony, their actions further consolidate their holistic thinking. Their cultural dynamism suggests a culturally specific framework of global leadership competency for future study, which is discussed in the next section.

6.3   Developing a culturally specific framework of global leadership competency

Even in the contemporary era of globalisation, culture influences people's way of thinking and behavioural patterns, and so any study of global leadership competency needs to be conducted a culturally specific context (Adams, 2013). This study that investigated the global leadership competencies of Chinese senior executives in a Confucian cultural context has developed a culturally specific framework of global leadership competency. This framework consists of four components: cognition, self, people and community.

These four components provide a guideline for future studies of global leadership competencies in any culturally specific context. Regardless of the particular cultural background, the derived global leadership competencies show that culture differentially influences each of these four components.

Cognition, the first component, is most readily influenced by culture. Among the various definitions of culture, it is commonly agreed that culture, as the product of social and historical development, represents the mental programs or the software of the mind (Hofstede, 1980; Hofstede et al., 2010). It is central to people's way of storing and processing information, which determines their perception towards themselves, other people and the outside world. People from different cultures have different cognitive styles (Clifford & Marcus, 1986; Connor, 1997; Edgar & Sedgwick, 1999; Linton, 1945; Tajfel, 1978; Winthrop, 1991). Chinese senior executives tend to adopt a holistic cognition towards the things around them, taking all related factors into consideration, while those from western countries are more inclined to focus on the results and value of business (Adams, 2013; D'Andrade, 1981). For these reasons, cognitive competency must be the main focus when studying global leadership competencies in a culturally

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

251

specific context, as was the case with the current study. Notably, however, previous studies paid little attention to this component.

Second, different cultures bring about different cognition of the self, which determines both the roles that people define for themselves and the way they deal with other people. Previous studies have indicated the striking differences between eastern and western ideas of self-concept; self-concept in eastern cultures is characteristically interdependent and in western cultures, independent (Iyengar & Lepper, 1999; Kim & Markus, 1999; Kim & Sherman, 2007; Savani et al., 2008; Tafarodi et al., 2002). The findings of this study confirm this viewpoint, stressing that the role of the self in a Confucian context is to exert a moral influence on others and ultimately build and maintain harmony in the community. The interdependent self concept in Chinese Confucian culture explains why holistic thinking, self-cultivation and reciprocity become part of the global leadership competencies of Chinese senior executives.

The third component, the competency of leading the people, is affected by cultural differences. In the Chinese Confucian culture, which has high power distance with a focus on collectivism, masculinity and low uncertainty avoidance, Chinese senior executives prefer to exercise a paternalistic kind of leadership in their organisation. Although the advantages and disadvantages of this leadership style are still debated, this leadership style poses strict requirements on a Chinese senior executive to be an exemplary person. This explains why Chinese senior executives attach great importance to establishing morality in themselves through ongoing self-cultivation. Being a morally exemplary person can put them in a better position to exercise moral leadership over their followers. For Chinese senior executives, leading people is the way to establish morality in them. Consequently, although previous studies identified other people leadership competencies, this study also identified moral mentorship, reciprocal interaction and ritualised harmonisation as three people leadership competencies with Chinese Confucian cultural characteristics.

The fourth component, the competency of leading the community, also incorporates cultural characteristics. Business leadership in the contemporary era of globalisation extends beyond the self, other people and the organisation to include the whole community. Business leaders from different cultures view their role in the community differently. Chinese senior executives, as part of their community leadership

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

252

competency, aim to both ensure the sustainability of all stakeholders and promote harmony among all stakeholders, which in the Chinese Confucian culture include human society and the natural environment. The community leadership competency represents the complete leadership concept in the Chinese Confucian culture, which includes not only leading the self and other people, but also leading the organisation and the community.

To sum up, a culturally specific framework of global leadership competency includes four components – cognition, self, people and the community – that must be addressed in any cultural context. These components bridge the gap between studies of global leadership competencies and cultural studies, and they add new knowledge to the management practice through four areas, summarised in Table 6.5.

Table 6.5: A culturally specific framework of global leadership competency

Component of a culturally specific framework	Implication	Global leadership competencies in Confucian cultural context
Cognition	How the cognition of the business leaders function in the culturally specific context	• Righteousness • Respect • Faithfulness
Self	How the business leaders lead themselves and how their self-leadership interacts with other aspects of leadership in the culturally specific context	• Self-learning • Self-discipline • Self-reflection
People	How the business leaders lead other people and how their people leadership interacts with other aspects of leadership in the culturally specific context	• Morel mentorship • Reciprocal interaction • Ritualised harmonisation
Community	How the business leaders lead the community and how their community leadership interacts with other aspects of leadership in the culturally specific context	• Harmonisation of human society and nature • Pursuit of all stakeholders' sustainable development

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

253

6.4   Limitations

No research project is perfect. This section examines the limitations of the findings identified in this study from the perspective of testing and application. It ends up with providing a starting point for future researches into the global leadership competencies in the culturally specific context.

6.4.1 Testing limitation

The validity of the findings in all studies needs to be tested in the real social context. When looking at the findings of this study from the testing perspective, three limitations are obvious.

First, the quality of the grounded theory involves reliability and validity (Charmaz, 2006; Chiovitti & Piran, 2003; Glaser & Strauss, 1967; Strauss & Corbin, 1998). Reliability was ensured by the precise procedures of data collection and data analysis undertaken throughout the study. As the ultimate objective of grounded theory methodology is to build up a theory instead of testing it, the validity of the grounded theory needs to be verified in a real context. Future studies could therefore include both qualitative and quantitative methodologies; the former will reflect the interaction and interrelationship of the key components in the model, while the latter can indicate their specific influence on each other and their effectiveness. This study identified four domains of global leadership competencies for senior executives from Chinese non-state-owned companies, but the extent of how they cope with the challenges of the global business community is unknown. How much the global leadership competencies under each domain influence each other also needs to be further investigated in future studies.

Second, future studies could use grounded theory to better illustrate the leadership process. Grounded theory is particularly useful for examining situated processes (Locke, 2001), but leadership is full of complexity, particularly in a culturally specific context. How this methodology can reveal such a complex process is worthy of further study. This study reveals the interaction process of four domains of global leadership competencies, including cognition, self, people and community in the Chinese cultural

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

254

context. But how these global leadership competencies interact with other factors of this cultural context, such as religion and politics, needs to be further studied.

Third, the testing of grounded theory in this study could be extended in future research by applying the results to other people and examining how larger numbers of people could benefit from the findings. It is expected that the findings of this study will benefit not only the senior executives of Chinese non-state-owned companies, but also those from other types of companies and other countries. Although some of the participants had positive comments on the theoretically grounded model established in this study, how well this theory serves the performance of their global work exposure is to be further investigated. Moreover, its relevance to senior executives of other types of companies and other countries is recommended for further study.

Fourth, pragmatic implications for management practice discussed earlier are the result of this study which adopted the qualitative methodology. They tend to have the qualitative nature with measurable constraints in a quantitative way. For example, the KPIs proposed for the performance management, though providing a focus on evaluating the performance of the business leaders' global leadership competencies, need to be translated into the quantifiable measurements in future study. Thus, more specific feedback can be offered to the business leaders in terms of their performance of global leadership competencies.

6.4.2 Application limitation

When applying the theoretically grounded model to the real business world, the following three limitations draw the attention to the business leaders.

First, future studies could explore how much these findings are applicable to other senior executives from Chinese non-state-owned companies, as well as other types of companies in China and other countries. As discussed earlier, the leadership competencies of business leaders are influenced not only by the external culture of their society, but also by the internal culture of their organisation. Future studies in this area could retain the culturally specific context investigated here, while also incorporating influences from the organisation itself, and their relation with the global leadership

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

255

competencies in the culturally specific context. This study investigated the global leadership competencies in the external cultural context instead of the internal organisational cultural context. The global leadership competencies identified from this study are also influenced and shaped by the micro-factors of the particular organisations for which the senior executives work. The findings of this study pave the way for further research on the interaction of those four domains of global leadership competencies and organisational factors in a specific business context.

Second, future research could investigate the specific influence of the Chinese Confucian culture on each of the four core global leadership competencies identified here for senior executives of Chinese non-state-owned companies. Identifying the dominant factor in a specific culture and studying its influence on the leadership competencies will facilitate better integration of traditional culture and globalisation. This study identified four domains of global leadership competencies in a culturally specific context of Confucianism. But the specific influence of the core Confucian cultural virtues on each global leadership competency is unknown. Further study would enable senior executives to better capitalise on traditional culture in contemporary globalisation, as well as the development and improvement of their global leadership competency.

Third, a pilot test of the grounded model could broaden the benefits of the research findings. Future studies could extend the findings to business leaders of other regions or countries by comparing values, personality, behaviour patterns and other characteristics of both Chinese and foreign business leaders. This study investigated global leadership competencies in a Chinese cultural context. But different countries have different cultures and related values, while different cultural values lead to different moral cognitions and behaviour patterns. Furthermore, no one theory or theoretically grounded model fits all situations. Although the findings of this study provide a theoretical framework for integrating traditional culture and global leadership competencies, applying the findings to other cultures would require a comparison of that country's cultural values with those of China and then appropriate revisions to the established theoretically grounded model to adapt it to other culture.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context
256

6.5   Conclusion

This chapter convinces academics and management practitioners that the findings of this study should not remain on the bookshelf; instead, they can add value to the management practice of both Chinese and western business leaders. The complete leadership concept, holistic performance management approach and moral competency training as implied from the theoretically grounded model established in this study shed light on the business leaders' traditional perception on the talent selection, performance management and training practice. Moreover, the insights into the mind of the Chinese senior executives and the culturally specific framework of the global leadership competency make more business leaders from the western countries benefit from this study.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

257

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

258

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A qualitative study in a Confucian cultural context

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A qualitative study in a Confucian cultural context

260

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A qualitative study in a Confucian cultural context

261

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Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

262

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A qualitative study in a Confucian cultural context

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A qualitative study in a Confucian cultural context

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A qualitative study in a Confucian cultural context

267

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A qualitative study in a Confucian cultural context

268

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A qualitative study in a Confucian cultural context

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A qualitative study in a Confucian cultural context

270

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A qualitative study in a Confucian cultural context

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A qualitative study in a Confucian cultural context

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A qualitative study in a Confucian cultural context

274

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A qualitative study in a Confucian cultural context

275

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A qualitative study in a Confucian cultural context

277

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Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

278

Appendices

Appendix 1: Fifty best performing non-state owned companies in China in 2002

No.	Company Name
1	**Legend Holdings Co., Ltd.**
2	**Jiangsu Shagang Group Co., Ltd.**
3	Wanxiang Group
4	**Guangsha Holding Group Co., Ltd.**
5	Orient Group Industry Co., Ltd.
6	**Fosun Group High Technology Co., Ltd.**
7	Hengdian Group Holdings Limited
8	**Suning Appliance Group**
9	CHINT Group
10	Xinjiang Delong(Group) Co., Ltd.
11	UTStarcom Communication Co., Ltd.
12	DELIXI Group Co., Ltd.
13	Xinjiang Guanghui Industry Investment(Group) Co., Ltd.
14	People Ele. Appliance Group China
15	Shanghai New Climax(Group) Co., Ltd
16	Shandong Jinluo Enterprise Group Corporation
17	Jiangsu Shinco Electron Group Co., Ltd.
18	Ningbo Sanxing Group Co., Ltd.
19	**Huafang Group Co., Ltd.**
20	**Hongdou Group Co., Ltd.**
21	Hainan Airlines Company Limited
22	Shide Group
23	**Tongwei Group Co., Ltd.**
24	CNC Electric Group Co., Ltd.
25	Tengen Group Co., Ltd.
26	The home world
27	Yurun Food Group Co., Ltd.
28	Sichuan Hongda Group Co., Ltd.
29	Red Star Furniture Group Co., Ltd.
30	Chongqing Lifan Industry (Group) Co., Ltd.
31	Top Group Technology Development Co., Ltd.
32	Sichuan New Hope Group
33	Jiangsu United Forces Industrial Group Co., Ltd.
34	Jiangyin Chengxing Industry Group Co., Ltd.
35	Sino Junyao Group Co., Ltd.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

36	Holley Group Co., Ltd.
37	Stone Group Co., Ltd.
38	Zhejiang Tongkun Polyester Group Co., Ltd.
39	**East Hope Group Co., Ltd.**
40	Chongqing Zongshen Automobile Industry Manufacturing Co., Ltd.
41	Dalian China Agriculture Bean Group Co., Ltd.
42	**Zhejiang Hengyi Group Co., Ltd.**
43	Zhongtian Construction Group Co., Ltd.
44	Highsee Iron and Steel Group Co., Ltd.
45	Zhejiang Yuandong Chemical Fiber Group Co.,Ltd.
46	Cosun Group Co., Ltd.
47	Geely Group
48	Zhejing Winton Dyeing Group Co., Ltd.
49	Jiangsu Sunning Construction Group
50	Xian Hisee Technology Investment Holding (Group) Limited

Note: Only the above companies underlined appeared in the list of 500 best performing non-state owned companies in China in 2002.

Source: All-China Federation of Industry and Commerce (2003).

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

Appendix 2: Fifty best performing non-state owned companies in China in 2011

No.	English Name
1	Huawei Technologies Co., Ltd.
2	**Jiangsu Shagang Group Co., Ltd.**
3	**Suning Appliance Group**
4	**Legend Holdings Co., Ltd.**
5	Dalian Wanda Group Co. Ltd.
6	Geely Holding Group Co. Ltd.
7	HNA Group Co. Ltd.
8	Xinjiang Guanghui Industry Investment Group Co. Ltd.
9	Yurun Holding Group Co. Ltd.
10	**Guangsha Holding Group Co., Ltd.**
11	New Hope Group Co. Ltd.
12	Hangzhou Wahaha Group Co. Ltd.
13	Hailiang Group Co. Ltd.
14	Zenith Steel Group Co. Ltd.
15	Beijing Jianlong Heavy Industry Group Co., Ltd.
16	Shandong Liuhe Group Co.,Ltd
17	SANY Group Co., Ltd.
18	BYD Company Limited
19	**East Hope Group Co., Ltd.**
20	Evergrande Real Estate Group Co., Ltd.
21	**Fosun Group High Technoledge Co., Ltd.**
22	Tianjin Rockcheck Steel Group Co., Ltd.
23	Jiangsu Xin Chang Jiang Industry Group Co., Ltd.
24	SANPOWER Group Co., Ltd.
25	Xi'an Maike Metals International Group Co., Ltd.
26	Wumart Holding Group Co., Ltd.
27	**Zhejiang Hengyi Group Co., Ltd.**
28	Inner Mongolia Yitai Group Co., Ltd.
29	Youngor Group Co., Ltd.
30	Henli Group Co., Ltd.
31	Jiangyin Xingcheng Steel Co., Ltd.
32	Jiangsu Sanfangxiang Group Co., Ltd.
33	Jiangsu Yonggang Group Co., Ltd.
34	Jiangxi Pinggang Industry Co., Ltd.
35	**Tongwei Group Co., Ltd.**
36	Ningbo Jintian Investment Holding Co., Ltd.
37	Jiangsu Suning Universal Group
38	Xincheng Sanlian Holding Group

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

281

39	Jiangsu Sunshine Group Co., Ltd.
40	Tiens Group Co. Ltd.
41	**Hongdou Group Co. Ltd.**
42	Guofeng Iron and Steel Co. Ltd.
43	Zhongtian Development Holding Group Co. Ltd.
44	Macrolink Holding Co. Ltd.
45	Aux Group Co., Ltd.
46	Zhejing Rongsheng Holding Group Co., Ltd.
47	Shangdong Taishan Steel Group Co., Ltd.
48	Jiangsu Prosperity Steel Co., Ltd.
49	**Huafang Group Co., Ltd.**
50	ENN Group Co., Ltd.

Note: The above companies underlined were in the list of 500 best performing non-state owned companies in China in 2011.

Source: All-China Federation of Industry and Commerce (2011).

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

282

Appendix 3: Comparison of five commonly used qualitative methodologies

Methodology	Purpose	Data analysis
Phenomenology	- To explore the most basic human truth through inner subjectivity of people's lived experience (Thorne, 1991). - To analyse the intentional experiences of consciousness to comprehend the meaning of a phenomenon (Flood, 2010; Sadala & Adorno Rde, 2002).	- Hermeneutic interpretation: (1) Naive reading (2) Structural analysis (3) Comprehensive understanding or interpreted whole (Lindseth & Norberg, 2004; Ricoeur, 1971). - 4-stage analysis: (1) to get the sense of the whole (2) to determine the natural 'meaning units'(3) to 'interrogate' the natural units and the central themes (4) to generate a descriptive statement of the essential, non-redundant themes (Giorgi, 1975).
Discourse Analysis	- To investigate meanings in conversation or in 'patterns of signification and representation which constitute culture' (Wetherell et al., 2001, p. i).	- Taylor's (2001) four broad models of discourse analysis: (1) 'Identifying code': language properties and linguistics (2) 'Use and interaction': conversation analysis and ethnomethodology (3) 'Interpretive repertoires': studies of occupation (4) 'Societal discursive practices': studies of discourse and power.
Narrative Research	- To investigate the interconnection between experience, meaning, social structures and culture through the narrative power (Mishler, 1986; Polkinghorne, 1988; Sarbin, 1986).	- Two hermeneutic traditions employed in narrative analysis: (1) a hermeneutics of faith to restore meaning to a text, and a hermeneutics of suspicion to decode meanings that are disguised (Josselson, 2004).
Intuitive Inquiry	- To serve psychology's aspirations to foster personal and cultural transformation (Anderson, 1998).	- Its data analysis contains five iterative cycles that form a complete hermeneutical circles of interpretation (Anderson, 2000). - Within the five cycles, analysis and interpretation pivot around the researcher's intuition, which discerns both understandings explicit in the data and those that suggest enhanced potential in human experience toward which the data point.
- Grounded Theory Methodology	- To generate the theory which is grounded in the data (Glaser & Strauss, 1967). - Grounded theory is "a way of thinking about data–processes of conceptualisation–of theorising from data, so that the end result is a theory that the scientist produces from data collected by interviewing and observing everyday life" (Morse et al., 2009, p. 18).	- Its data analysis is simultaneously accompanied by data collection, involving a series of coding strategies and comparative analysis. - Theoretical sensitivity of the researcher is central to the data analysis in the grounded theory methodology (Glaser & Strauss, 1967).

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

283

Appendix 4: Information and consent form

Research Information Sheet

Research Project:
Global Leadership Competency of Senior Executives in Chinese Private Companies: A Qualitative Study from the Confucian Perspective

The study is being conducted by Kattey Wei Yuan Huan, Co-Investigator. It will form the basis for a Doctor of Business Administration, under the supervision of Dr. Norman Chorn, Chief Investigator and Dr. Lars Groeger, Associate Investigator.

This research is expected to generate a theory of global leadership competency for senior executives of local companies from the Confucian perspective. It ends up with establishing the link between the extant study of global leadership competency and the Chinese culture. Thus, it offers special insights into the global leadership competency in a culture-specific context. With the theory of global leadership competency built up at the end of this research, it provides a new perspective i.e. Confucian perspective for the participants to view their own global leadership competencies. Furthermore, this theory enables the participants to do a self-evaluation on their current global leadership competencies, thus the gap between their actual global leadership competencies and ideal ones is easily identified, which offers them the indication on what and how they should improve.

We will invite you, one of the participants, to provide information relevant to the research topic by joining in the interview. The interview will be conducted in the way of either face-to-face or conference call. You can choose which way of interview is most convenient for you. For the sake of mutual understanding, the interview will be conducted in Chinese. We foresee that no risks and discomforts will be brought to you during your participation in this research project. The study will not be involved in any funding and payment of money or other remuneration to you.

Your participation in this study is entirely voluntary: you are not obliged to participate and if you decide to participate, you are free to withdraw at any time without having to give a reason and without consequence. All written and audio records of your participation will be destroyed at any point. Your withdrawal from this study will in no way affect your normal work and/ or relationship with the aforementioned Chief Investigator, Associate Investigator and Co-Investigator.

All your personal information involved in this study, including your name, position, work experience, and age, will be strictly confidential. Only the above Chief Investigator, Associate Investigator and Co-Investigator will have access to information about participants. A report of the study may be submitted for publication but individual participants will not be identifiable in such a report.

We would like to draw your attention to the following factors that may influence your decision to participate in this research project. Firstly, you should have passion for the research topic with desire for exploring more in the global leadership competencies of senior executives in Chinese private enterprises from the Confucian perspective. Secondly, you should be able to devote one hour in this research project by participating in the interview conducted by the Co-Investigator.

This project involves audio recordings of participants with an audio recorder MP3. These recordings will be kept with the Co-Investigator and the Co-Investigator's two supervisors, Dr. Norman Chorn, Chief Investigator and Dr. Lars Groeger, Associate Investigator. They will be collected on an audio recorder during the conference call and/or face-to-face interview, and stored in protected DVD for five years after completion of this research project, after which they will be destroyed. They will be accessed by the Co-Investigator and the aforementioned two supervisors of the Co-investigator, and used in the data analysis.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

If you have any concerns about what has been recorded, you may access recordings of your own interview within the period of storage. The Co-Investigator will send the electronic copy of the recordings of your own interview by email upon receipt of your request.

When you have read the information, Kattey Wei Yuan Huan, Co-Investigator, will discuss it with you further and answer any questions you may have. Besides the contact details of the Chief Investigator, Associate Investigator and Co-Investigator, I have pleasure in including the contact details for Ms. Alice Mao, Senior Management Consultant from H & D Consulting Co. Ltd., as a local independent contact person. If you would like to confirm the Co-Investigator's identity or express any concerns, you are also welcome to contact her.

If you would like to know more at any stage, please feel free to contact:

CHIEF INVESTIGATOR:
Dr. Norman Chorn
Phone number: 61-2 9959 1019
Fax number: 61-2 9959 3003
Email: norman.chorn@centstrat.com

ASSOCIATE INVESTIGATOR:
Dr. Lars Groeger
Phone number: 61- 2 9850 9093
Fax number: 61-2 9850 9019
Email: Lars.Groeger@mgsm.edu.au

CO-INVESTIGATOR:
Kattey Wei Yuan Huan
Phone number: 86-20-3819 6699
Fax number: 86-20-3819 6698
Email: yuan-huan.wei@students.mq.edu.au

LOCAL INDEPENDENT CONTACT PERSON:
Ms. Alice Mao
Phone number: 86-20-8305 7480 extension: 606
Fax number: 86-20-8305 7481
Email: hd02@handyhr.com

This information sheet is for Co-investigator to keep.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

Consent Form

I (print name)……………………………give consent to my participation in the research project described below.

TITLE OF THE PROJECT:
Global Leadership Competency of Senior Executives in Chinese Private Companies: A Qualitative Study from the Confucian Perspective

CHIEF INVESTIGATOR:
Dr. Norman Chorn
Phone number: 61-2 9959 1019
Fax number: 61-2 9959 3003
Email: norman.chorn@centstrat.com

ASSOCIATE INVESTIGATOR:
Dr. Lars Groeger
Phone number: 61- 2 9850 9093
Fax number: 61-2 9850 9019
Email: Lars.Groeger@mgsm.edu.au

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Kattey Wei Yuan Huan
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LOCAL INDEPENDENT CONTACT PERSON:
Ms. Alice Mao
Phone number: 86-20-8305 7480 extension: 606
Fax number: 86-20-8305 7481
Email: hd02@handyhr.com
In giving my consent I acknowledge that:
1. The procedures required for the project and the time involved have been explained to me and any questions I have about the project have been answered to my satisfaction.

2. I have read the Research Information Sheet and have been given the opportunity to discuss the information and my involvement in the project with the Co-Investigator.

3. I understand that that my participation in this project is voluntary; a decision not to participate will in no way affect my normal work and/or my relationship with the Chief Investigator, Associate Investigator, Co-Investigator and local independent contact person, and I am free to withdraw their participation at any time without having to give a reason and without consequences.

4. I understand that my involvement is strictly confidential and that no information about my privacy will be used in any way that reveals my personal identity.

5. I understand that audio recordings will be made as part of the study. These recordings will take place during either the conference call or face-to-face interview conducted by the Co-Investigator.

6.   I have been given a copy of the Research Information Sheet and Consent Form to keep.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

Participant's Name: ……………………………………………………………… (block letters)
Participant's Signature: …………………………………………………………………
Date: …………………………………………………………………

Co-Investigator's Name: …………………………………………………………. (block letters)
Co-Investigator's Signature: …………………………………………………………
Date: …………………………………………………………………

The ethical aspects of this study have been approved by the Macquarie University Human Research Ethics Committee. If you have any complaints or reservations about any ethical aspect of your participation in this research, you may contact the Committee through the Director, Research Ethics (telephone [02] 9850 7854, fax [02] 9850 8799, email: ethics@mq.edu.au). Any complaint you make will be treated in confidence and investigated, and you will be informed of the outcome

(CO-INVESTIGATOR'S COPY)

This information sheet is for you to keep.

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ASSOCIATE INVESTIGATOR:
Dr. Lars Groeger
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Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

287

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Participant's Signature: …………………………………………………………………
Date: ………………………………………………………………….

Co-Investigator's Name: ………………………………………………………………. (block letters)
Co-Investigator's Signature: …………………………………………………………………
Date: …………………………………………………………………

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(PARTICIPANT'S COPY)

研究项目说明书及同意确认函

研究项目说明书

研究项目：
从儒家视角对中国私营企业的高层领导人之全球领导能力所作的质性研究

此研究是助理研究员魏元欢为了获取工商管理博士学位，在首席研究员 Norman Chorn 博士和副研究员 Lars Groeger 博士的指导下所进行的研究项目。

此研究项目旨在从儒家视角对中国私营企业的高层领导人之全球领导能力建立相关的理论。它最终将在有关全球领导能力的现有研究和中国文化之间建立起联系的纽带。此项目为全球领导能力在特有文化背景的研究提供了独特的认识。在此研究项目结束时所建立起来的全球领导能力的理论，将为参与此研究项目的企业领导者提供一个看待其全球领导能力的新视角，即从儒家视角来审视他们所具备的全球领导能力。同时，此研究项目所建立起来的相关理论将有助于参与此研究项目的企业领导者对其自身所具备的全球领导能力进行自我评估，从而找出存在的差距，并作进一步改进。

我们诚挚邀请您，作为此研究项目的其中一位参与者，通过参加此研究项目组织的面谈为此项目提供相关的信息。此面谈将以面对面访谈或电话访谈的方式来进行。您可以选择您认为方便的方式参与面谈。为了便于相互理解，此面谈将用中文进行。对于您参与此研究项目，我们没有预见到将为您带来任何危险和不适。此研究项目不会以资助和款项支付作为对您的回报。

您参与此研究项目完全对出您的自愿。您所签署的"同意参加研究项目确认函"并不要求您承担任何义务。在此研究进行过程中的任何时候您都可以在无条件、并无需承担任何后果的情况下退出此项目，与此同时我们会销毁您参与此项目的所有书面和音频记录。您退出此研究项目并不会影响您的正常工作以及您与上述三位研究员，即：首席研究员、副研究员和助理研究员的关系。

此研究项目所涉及的有关您的个人资料，包括您的姓名、职务、工作经历和年龄，将会严格保密。只有此项目的以上三位研究员，即：首席研究员、副研究员和助理研究员，才有资格了解项目参与者的相关信息。此研究报告可能会用于发表，但此项目的参与者之相关信息并不会出现在所发表的研究报告上。

关于参与此研究项目，我谨提醒您注意以下方面。第一，您应该对此项目所研究的主题感兴趣，即：从儒家视角看待中国私营企业的高层领导人之全球领导能力。第二，您可以在百忙之中抽出一个小时参加此项目的助理研究员为您安排的面谈。

在您参与此项目的过程中，我们需要对您所提供的信息用音频设备即 MP3 进行录音。这些录音资料将由此项目的上述首席研究员、副研究员和助理研究员保管。它们将在您参与电话谈话或面谈的时候用录音设备进行录制，并且用 DVD 光盘保管五年，五年过后它们将被销毁。这些录音资料将由以上首席研究员、副研究员和助理研究员获取并用于数据分析。

如果您对所录制的内容有任何顾虑，您可以在资料保存期间向助理研究员了解所录制的内容。助理研究员在收到您的请求后将以电子邮件的方式向您发送所录制的内容。

当您阅读后此研究项目的相关信息后，助理研究员魏元欢将与您进一步讨论您可能存在的相关问题并给予回答。与此同时，除了附上首席研究员、副研究员和助理研究员的联系方式以

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外，我们还附上在本地的一名独立联系人，来自广州翰德企业管理咨询有限公司的高级管理顾问毛晓琴女士的联系方式。如果您想确认助理研究员的身份或有任何疑问，我们欢迎您与上述那位独立联系人毛晓琴女士联系。

如果您在此研究项目开展的任何一个阶段想了解更多的信息，欢迎您联系以下人员。

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本地独立联系人
毛晓琴女士
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同意参加研究项目确认函

本人（姓名）................................现确认同意参加以下所述的研究项目。

研究项目的题目：
从儒家视角对中国私营企业的高层领导人之全球领导能力所作的质性研究

首席研究员
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Lars Groeger 博士
电话号码：61- 2 9850 9093
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电话号码： 86-20-8305 7480 分机号码：606
传真号码： 86-20-8305 7481
电子邮箱： _hd02@handyhr.com_
本人谨通过此函确认：

1.　本人了解参与此研究项目的流程和本人需要投入的时间，并对本人有关此研究项目的问题之回答感到满意。

2.　本人已阅读过此研究项目的说明书，并与助理研究员讨论过相关本人参与此研究项目的相关信息。

3.　本人了解参与此研究项目是出于本人自愿。本人参与此研究项目的决定并不会对本人的正常工作以及本人与首席研究员、副研究员、助理研究员以及本地独立联系人的关系带来任何影响。本人在此研究进行过程中的任何时候都可以在无需解释原因、无需承担任何后果的情况下退出此项目。

4.　本人了解本人参与此研究项目被将严格保密，而且有关本人私隐的个人资料将不会被用于泄漏本人身份的任何渠道。

5.　本人了解在参与此研究项目过程中对本人分享的资料所作的录音是此研究所要的。助理研究员在与本人进行电话访谈或面谈时将需要进行录音。

6.　本人已获得此《研究项目说明书及同意确认函》一份文本。

项目参与人的姓名:………………………………………………………………… (请写大写字母)
项目参与人的签名: …………………………………………………………………
日期: 　　　　　…………………………………………………………………

助理研究员的姓名:………………………………………………………………… (请写大写字母)
助理研究员的签名: …………………………………………………………………
日期: 　　　　　…………………………………………………………………

此研究项目所涉及的道德规范已由Macquarie大学的人文研究道德规范委员会审核。如果您对参与该研究项目有任何涉及道德规范方面的投诉或保留意见，请联系该委员会的主管(电话号码： [02] 9850 7854, 传真号码： [02] 98508799，电子邮箱: _ethics@mq.edu.au_). 我们将对您的投诉保密并第一时间作调查，并把调查的结果尽快反馈予您。

(此份文本用于助理研究员保管)

Global leadership competencies of senior executives from non-state-owned companies of China:
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此确认函用于您本人保管。

<h1 style="text-align:center">同意参加研究项目确认函</h1>

本人（姓名）…………………………… 现确认同意参加以下所述的研究项目。

研究项目的题目：
从儒家视角对中国私营企业的高层领导人之全球领导能力所作的质性研究

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项目参与人的姓名:... (请写大写字母)
项目参与人的签名: ....
日期: ....

助理研究员的姓名:... (请写大写字母)
助理研究员的签名: ....
日期: ....

此研究项目所涉及的道德规范已由Macquarie大学的人文研究道德规范委员会审核。如果您对参与该研究项目有任何涉及道德规范方面的投诉或保留意见，请联系该委员会的主管(电话号码： [02] 9850 7854, 传真号码： [02] 98508799，电子邮箱: ethics@mq.edu.au). 我们将对您的投诉保密并第一时间作调查，并把调查的结果尽快反馈予您。

(此份文本用于项目参与人保管)

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

Appendix 5: Interview guide

Initial Open-ended Questions (Estimated time: 10 minutes)
1. How many years have you been leading the global business?
2. What do you do in the global business at your current position?

Intermediate Questions (Estimated time: 40 minutes)
1. What key challenges did you encounter when leading the global business?
2. Please describe the most successful action that you took to cope with those challenges.
3. What global leadership competencies enabled you to take successful action in that incident?
4. Please describe the least successful action that you took to cope with those challenges.
5. What global leadership competencies do you need to improve in order to take successful action in that incident?

Ending Questions (Estimated time: 10 minutes)
1. What challenges do you expect you will need to cope with when leading the global business in the future?
2. What global leadership competencies are most important to ensure your success in leading the global business?
3. To cope with the future challenges of the global business community, what global leadership competencies do you think that the local business leaders from the Chinese non-state owned companies should have?

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

294

Appendix 6: Ethics approval letter

Faculty of Business & Economics
Human Research Ethics Sub Committee
Building E4A, Room 707 MACQUARIE
UNIVERSITY NSW 2109 **Phone +61
(0)2 9850 4826** Fax +61 (0)2 9850 6140
Email yanru.ouyang@mq.edu.au

18 August 2011

Dr. Norman Chorn

Macquarie Graduate School of Management

Macquarie University, NSW 2108

Reference: 5201100594(D)

Dear Dr. Norman Chorn

FINAL APPROVAL

Title of project: **Global leadership competency of senior executives in Chinese private companies: a qualitative study from the Confucian perspective.**

Thank you for your recent correspondence. Your response has addressed the issues raised by the Faculty of Business & Economics Human Research Ethics Sub Committee, and you may now commence your research. The following personnel are authorised to conduct this research:

Norman Chorn - Chief Investigator/Supervisor

Kattey Huan Huan Wei - Co-Investigator

Lars Groeger - Co-Investigator

Please note the following standard requirements of approval:

1. The approval of this project is **conditional** upon your continuing compliance with the *National Statement on Ethical Conduct in Human Research (2007).*

2. Approval will be for a period of five (5 years) subject to the provision of annual reports. **Your first progress report is due on 18 August 2012.**

If you complete the work earlier than you had planned you must submit a Final Report as soon as the work is completed. If the project has been discontinued or not commenced for any reason, you are also required to submit a Final Report on the project.

Progress Reports and Final Reports are available at the following website:

http://www.research.mq.edu.au/researchers/ethics/human_ethics/forms

3. If the project has run for more than five (5) years you cannot renew approval for the project. You will need to complete and submit a Final Report and submit a new application for the project. (The five year limit on renewal of approvals allows the Committee to fully re-review

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

295

research in an environment where legislation, guidelines and requirements are continually changing, for example, new child protection and privacy laws).

4. Please notify the Committee of any amendment to the project.

5. Please notify the Committee immediately in the event of any adverse effects on participants or of any unforeseen events that might affect continued ethical acceptability of the project.

6. At all times you are responsible for the ethical conduct of your research in accordance with the guidelines established by the University. This information is available at: http://www.research.mq.edu.au/policy - 2 - **Faculty of Business & Economics Human Research Ethics Sub Committee MACQUARIE UNIVERSITY**
http://www.research.mq.edu.au/researchers/ethics/human_ethics

If you will be applying for or have applied for internal or external funding for the above project it is your responsibility to provide Macquarie University's Research Grants Officer with a copy of this letter as soon as possible. The Research Grants Officer will not inform external funding agencies that you have final approval for your project and funds will not be released until the Research Grants Officer has received a copy of this final approval letter.

Yours sincerely

Alan Kilgore

Chair, Faculty of Business and Economics Ethics Sub-Committee

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

Appendix 7: Summary of 110 initial concepts in Stage 1 data collection and analysis

Code of Initial Concepts	Initial Concepts	Code of Initial Concepts	Initial Concepts	Code of Initial Concepts	Initial Concepts
IC001	Accumulate versatile knowledge	IC038	Facilitate coexistence of different interests	IC075	Practise learning
IC002	Adapt oneself to local traditions	IC039	Focus on people's merits	IC076	Practise the truth
IC003	Adapt to development trend of nature	IC040	Follow local ritual proprieties	IC077	Prevent mistakes from recurring
IC004	Adjust one's own behaviour to local ritual proprieties	IC041	Forgive others' mistakes	IC078	Protect natural diversity
IC005	Align with commitment to morality	IC042	Forgive others' misunderstanding	IC079	Pursue the long-term health of humans and nature
IC006	Align with human rights of other people	IC043	Forgive others' rudeness	IC080	Recognise others' moral potential
IC007	Align with social codes of conduct	IC044	Get new learning from practice	IC081	Reflect on consistency of words and actions
IC008	Appreciate people's uniqueness	IC045	Have a modest attitude towards learning	IC082	Reflect on development trend of history
IC009	Appreciate the diversity of nature	IC046	Have a strong desire to learn	IC083	Reflect on one's own improvement
IC010	Assign work based on moral standards	IC047	Help others develop into moral people	IC084	Reflect on one's own successes and failures
IC011	Balance conduct	IC048	Help others overcome moral obstacles	IC085	Reflect on others' consistency of words and actions
IC012	Balance interests	IC049	Help others to improve	IC086	Reflect on others' improvements

IC013	Be aware of local ritual proprieties	IC050	Identify areas of improvement from practice	IC087	Reflect on others' successes and failures
IC014	Be consistent in words and actions	IC051	Identify long-term interests	IC088	Reflect on others' way of dealing with others
IC015	Be curious about new knowledge	IC052	Identify mutually beneficial solution	IC089	Reflect on one's own way of dealing with people
IC016	Be friendly to others	IC053	Identify optimal solution from different opinions	IC090	Regulate behaviour with social codes of conduct
IC017	Be modest	IC054	Improve consistency between words and actions	IC091	Regulate desires
IC018	Be open-minded to different interests	IC055	Keep improving through experiences	IC092	Regulate moral standards
IC019	Be responsible for one's own decisions	IC056	Keep improving through learning from history	IC093	Regulate one's own behaviour with development trend of nature
IC020	Be self-motivated	IC057	Keep promises to self and other people	IC094	Reinforce awareness of local ritual proprieties in mind
IC021	Be sensitive to one's own behaviour	IC058	Learn from different opinions	IC095	Respect different opinions
IC022	Build up knowledge structure	IC059	Learn from history	IC096	Respect others' disadvantages
IC023	Carry out necessary reforms to beliefs and values	IC060	Learn from mistakes	IC097	Seek continuous self-improvement
IC024	Commitment to one's own decisions	IC061	Learn from others' successes and failures	IC098	Seek equal development of people
IC025	Consolidate others' moral foundations	IC062	Learn from others' strengths	IC099	Settle conflicts through dialogue

IC026	Control conduct	IC063	Learn from past experience	IC100	Develop a sense of commitment
IC027	Control emotions	IC064	Learn local ritual proprieties	IC101	Show equal respect
IC028	Control unreasonable desires	IC065	Learn the truth	IC102	Speak up about mistakes
IC029	Correct inconsistency with promptness	IC066	Maintain harmonious coexistence	IC103	Tell the truth
IC030	Correct mistakes with sincerity	IC067	Make reasonable compromises	IC104	Think and act with conscience
IC031	Develop others' moral potential	IC068	Minimise pollution to nature	IC105	Understand codes of conduct of other people
IC032	Do not repeat mistakes	IC069	Monitor moral performance	IC106	Understand development trend of nature
IC033	Encourage harmony of different interests	IC070	Never give up once determined	IC107	Understand human rights of other people
IC034	Encourage reciprocal development	IC071	Observe others	IC108	Understand others' situation
IC035	Evaluate decisions based on others' feedback	IC072	Offer help to others when needed	IC109	Understand social codes of conduct
IC036	Evaluate influences of conduct	IC073	Overcome obstacles in long-term relationships	IC110	Understand values of other people
IC037	Evaluate potential impacts to humans and nature	IC074	Persevere in commitment to morality		

Appendix 8: Description of 110 initial concepts in Stage 1 data collection and analysis

Accumulate versatile knowledge (IC001)

Respondents reiterated that globalisation has posed unprecedented challenges for all business leaders. Besides being an expert in their particular profession, they also need to be competent in other related areas. In the constantly changing business environment, moral decisions extend beyond morality into different aspects of the business world. As a result, possessing versatile knowledge is critically important for business leaders. More than half of them quoted one notion from Confucius highlighting the importance of versatile knowledge when working in the global business community, *"The gentleman is an expert in important matters; the petty man, an expert in trivial ones"* (The Analects of Confucius, Book 14, Number 24).

Respondents indicated that competent business leaders need to be familiar with regional and global economics, organisational behaviour and leadership, international business environments, sales and marketing, finance, operations and strategic management. These areas coincide with the concept of intelligence explored in the previous chapter. Though this knowledge relates to business operations, it is also part of the moral foundation that enables people to make a moral decision and exert a positive influence in business:

After I stepped in the global business, I have found that the problems that I had to cope with at work were much more complex than those I encountered before. Moreover, I had to be more cautious when I made decisions at work, as I was aware that no matter what decisions I made, they influenced more people around the global business community. Versatile knowledge is helpful for me to consider all potential influences caused by my business decision. To keep learning as much global business knowledge as possible is necessary for me to make a morally intelligent decision in the complex business environment (I004).

Adapt oneself to local traditions (IC002)

All respondents believed that moral people's behaviour should comply with the prevailing moral standards and moral patterns of a specific social context, shaped by the traditions of that society or community. They noted that, historically, a society's or community's traditions were a microcosm of the local culture that had taken centuries to develop and evolve. These traditions profoundly influence people's moral values and behaviour. Respondents see part of the compliance by moral people is to adapt their behaviour to local traditions and standards. More than half of the respondents highlighted this point by quoting one notion from Confucius that he mentioned to his students:

Young people, why do none of you study the Odes? The Odes train you in analogy, allow you to observe ritual proprieties, teach you to be sociable, teach you to express anger. Close at hand, you learn how to serve your father; in more distant terms, how to serve the ruler. And you become familiar with the names of numerous birds, animals, plants, and trees (The Analects of Confucius, Book 17, Number 9).

From the very beginning when I worked in the foreign country, I have kept in mind that I need to learn the local traditions and adapt myself to those traditions first before I go ahead with my work. As a result, instead of living in a very nice house that my company arranged for me, I stayed with the family of one of my colleagues for the first three months. Through observing, learning and practising what the local people did in their daily life, I was able to adapt to the local traditions very quickly. This enabled me to understand the mind and behavioural patterns of my colleagues more easily (I007).

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

300

Adapt to development trend of nature (IC003)

Once they understand the development trend of nature, respondents said that business leaders would need to take action to adapt their business practices accordingly. This is another example of the integration of words and actions that they discussed earlier. In the current era of globalisation business leaders are expected to take a greater role in creating and maintain harmony between society and nature. The power to take action to adapt to the development trend of nature embodies the moral leadership of business leaders:

Same as human society which has its own social codes of conduct for humans to comply with, nature also has its own operation rules. The behaviour and activities of humans should align with the development trend of nature (I002).

Respondents considered that the harmonious coexistence of humans and nature depended on humans adapting their behavioural patterns to comply with nature's trends. They believe that the trend of nature is to keep all stakeholders in good order, that is, a harmony of *Yin* (associated with dark, cold, night, passivity, softness, weakness, and the moon) *and Yang* (associated with light, warmth, day, activity, hardness, strength, and the sun). Furthermore, though human beings are part of nature, they have little influence on how nature works. Respondents suggested that humans should study nature and comply with its trends.

Adjust one's own behaviour to local ritual proprieties (IC004)

Most of the respondents noted that, besides the social codes of conduct, the ritual proprieties of the local area provided another set of behavioural guidelines. Unlike the social codes of conduct that are legally or officially stipulated, the local ritual proprieties that were an unofficial representation of the culture and values exert a more profound influence on people's behaviour. The ritual proprieties permeate people's everyday life and regulate their behaviour.

Respondents reiterated the importance for business leaders to adapt to new environments, and more than half of them found that adjusting their behaviour to the local ritual proprieties was an important strategy for adapting quickly:

To some extent, the local ritual proprieties is closer to people's daily life. It is interesting to find that, when getting myself familiar with the local ritual proprieties and also adjusting my own behaviour to the local ritual proprieties, it is much easier for the local people to consider me as part of them. This has enabled me to acquire more understanding of the moral standards and moral patterns in the local area (I006).

Align with commitment to morality (IC005)

For all respondents, commitment is more than a promise; it involves aligning not only people's actions with their words, but also their actions with the moral standards and moral patterns of a specific social context. Such alignment represents both individual and social compliance. All respondents suggested that such compliance is necessary for building up and maintaining the harmony of not only the team, but also the business community. Respondents pointed out that such a commitment was also interpreted in the business community as an obligation to comply with the community's rules of business operation. Part of the business leader's moral responsibility is to ensure this compliance in order to maintain the harmony and sustainable development of the business community:

Commitment is an indispensable part of my morality. Although I am endowed with some supreme rights due to my leading position in the organisation, I need to carry out corresponding obligations at the same time in order to keep the whole organisation run in a smooth and productive way. Assuming the rights can not be at the expense of abandoning relevant obligations (I002).

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

301

Align with human rights of other people (IC006)

Respondents agreed that human rights were a common topic of discussion on the international stage. The core of human rights is respect and self-cultivation. They felt that, regardless of people's social status or background, they should have equal rights of respect and self-cultivation. This is of great significance to them whenever they lead a cross-cultural team:

It seems that human rights is not a commonly discussed topic in China, but the focus on the core of the human rights, respect and self-cultivation, has influenced my mind in a profound way since my childhood. For example, China is well known for its ritual proprieties. But in essence, the ritual proprieties are an external demonstration of respect to other people (I009).

In my daily work, I attach great importance to the equal respect and self-cultivation of all my team members, no matter where they come from. As those two aspects are fundamental in human rights, when I put them in the centre of my leadership, I find that I receive positive comments from all my team members, especially about my moral leadership (I005).

Align with social codes of conduct (IC007)

Social codes of conduct are an important foundation for the moral standards and moral patterns of a society or community. Respondents described codes of conduct as behavioural guidelines. They saw aligning with social codes of conduct as both an indispensable component of moral people and a guarantee of social harmony:

As a business leader in the organisation, what I say and how I do usually set an example for my team members to follow. It is important for me to demonstrate the exemplary behaviour by strictly aligning with the social codes of conduct. When I used to work in a completely new work environment in the foreign country for the first time, the social codes of conduct in that country became useful guidance for me to minimise my misconduct (I001).

All respondents noted that the behaviour of business leaders in the global business community must comply with social codes of conduct of the society or community in which they work. Business leaders occupy positions of influence in an organisation, and compliance with the local social codes of conduct can minimise any negative influences on stakeholders that might be caused by their inappropriate behaviour.

Appreciate people's uniqueness (IC008)

Respondents stressed that people are at the centre of their business. They indicated that they just followed the step of Confucius who attached great importance to people and devoted his life to helping his students develop into moral people. In his eyes, all people are teachable and have unique characteristics. As a result, no single standardised teaching method suits all people. The most effective way to teach and develop people is to ensure the teaching methods comply with their uniqueness. Appreciating people's uniqueness is the prerequisite. This is also one of three delights indicated by Confucius:

The delight of regulating oneself with rites and music, the delight of speaking of others' good points, the delight of having many worthy friends— these are beneficial (The Analects of Confucius, Book 16, Number 5).

Respondents suggested that an essential task for moral business leaders is to coach team members to act in a moral way. In the culturally diverse work environment, this coaching should be built upon team members' cultural uniqueness:

Behaving morally should naturally be driven by people's self-motivation instead of external pressure. Having moral conduct as part of their life is an important strategy. As a team leader,

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

it is very important for me to recognise their uniqueness and have it work towards their moral conduct (I010).

Appreciate the diversity of nature (IC009)

All respondents agreed that their biggest challenge was the sustainable development of the global business community, especially in view of environmental pollution and the deteriorating natural environment around the world. It entails the sustainable development of both human beings and nature. The core to realising their sustainability is a harmonious relationship between people and nature. Harmony between human beings and nature was the ultimate objective advocated by the majority of the respondents, and this harmony involves recognising, appreciating and maintaining the diversity of nature. They highlighted the need for business leaders worldwide to create and maintain harmony between all human beings and nature:

Same as the human society which features diversifying cultures, nature is also characterised by the diversifying natural resources and species. Appreciating and protecting such diversity is central for ensuring the ecological balance and sustainable development of nature, which ultimately benefits all human beings in the long term (I006).

Assign work based on moral standards (IC010)

Respondents noted that building up a moral team and exerting moral influence on other people was part of a moral leader's role. But other people working in the same team also share this responsibility. The moral standard of the whole team depends on that of both the team leader and the other team members. Consequently, selecting and assigning the work among them according to their moral standard determines the overall morality of the whole team.

Respondents see assigning work based on morality as a mutually beneficial process. On the one hand, having people with high moral standards complete the work can largely guarantee the quality of the completed work. On the other hand, improving the morality of team members will in return consolidate the moral leadership of the team leader. One respondent benefited from such a strategy in work assignment:

With an emphasis on people's merits, I have paid extremely high attention to the morality of my team members. When I assign the work to them, I attach more importance to their moral standard and moral pattern than their work experience and competency. Though the work might be a little slower or the quality of the work might be a little below our original expectation, due to their high morality, I have found it easy for us to gain long-term recognition and trust from our customers (I003).

Balance conduct (IC011)

Harmony in the business community also involves balancing the conduct of stakeholders. Stakeholders must control their conduct and comply with social codes. But for moral business leaders, who consider harmony as the ultimate goal, it is more important to take a proactive attitude towards their conduct and maintain harmony between their actions and those of all other people:

I feel that balancing my conduct with other people is of great significance when working in a culturally diverse work environment. My past experiences in working in foreign countries have indicated that, adapting to the new environment does not mean that I have to give up my conduct and completely adapt myself to the new ones in the local area. Keeping a good balance by identifying and learning about the best conducts in the local area while maintaining my own moral patterns can make me learn more and build up more harmonious relationships with my stakeholders (I007).

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

Balance interests (IC012)

In business, one of the most important ties that link all stakeholders is their common interest. While maximising respective interests, to ensure the long-term harmony and sustainability of the business community, the interests of all stakeholders should be maintained in good balance. This is particularly important in the current era of globalisation. Increasing globalisation features not only intertwined interests, but also diverse interests. In the global business community where the interests of people are much more interrelated than before, the chain effect is more obvious. Once some stakeholders' interests have been neglected, the rest of the business community quickly suffers the same influence. Respondents indicated that those stakeholders with increasing exposure through globalisation would suffer more if the equilibrium of the interests in the community could not be maintained:

Global warming and a deteriorating living environment that all of us have to cope with are the result of the balance of interests of human beings and nature being broken. (I003)

Be aware of local ritual proprieties (IC013)

Besides the codes of conduct and traditions mentioned by respondents, local ritual proprieties also influences people's social behaviour. The ritual proprieties is gradually built up in the long course of social development, and consequently they are a microcosm of an area's history and culture. Respondents saw being aware of the local ritual proprieties as not only respecting the local culture, but also a prerequisite to behaving appropriately when working in a foreign country. More than half of the respondents related a conversation between two disciples of Confucius regarding the importance of being aware of local ritual proprieties:

Ziqin questioned Zigong, saying, When the Confucius goes to a particular state, he is certain to learn about its government. Does he seek such information? Or do others just give it to him? Zigong said, The Master goes about it by being cordial, forthright, respectful, modest, and deferential. The Master's way of seeking is different from that of others (The Analects of Confucius, Book 1, Number 10).

Be consistent in words and actions (IC014)

Respondents considered it important to align what they said they would do with what they actually did in their daily work. This is a manifestation of how people interpret their values and beliefs through their daily actions. More than half of them quoted one notion from Confucius at the interview to explain their understanding of consistency in words and actions:

People in old times were sparing in their words. They were ashamed to think that their actions might not measure up (The Analects of Confucius, Book 4, Number 22).

After stepping in the global business, I have found that it is more important to establish the credibility in the global business community. Simultaneously, it is much more challenging to gain other stakeholders' recognition on my credibility as most of them come from different countries with different cultural background. Being consistent in my words and actions is the most effective way to build up my credibility among all the stakeholders. When I persisted in doing so, it was easier for me to quickly achieve their trust in me than expected (I002).

Being sensitive to what is said and done is essential to being consistent in words and actions. This sense also paves way for the self-control and self-regulation that respondents discussed in subsequent interviews.

Be curious about new knowledge (IC015)

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

304

All respondents noted that new knowledge and technology were emerging at an unprecedented speed. One of their main challenges in global business is to learn new knowledge and develop their competency to lead the changes and uncertainties. To have themselves equipped with the latest knowledge is fundamentally important to enhance their moral sense, or Jue as it is called in Chinese. More than half of them quoted one notion from Confucius to justify this point:

The gentleman cannot handle affairs demanding only limited understanding, but he is capable of large undertakings. The petty man is not capable of large undertakings, but he can handle affairs demanding limited understanding (The Analects of Confucius, Book 15, Number 34).

While learning is important, curiosity is even more so. Respondents described curiosity as a catalyst for staying open-minded and keeping on learning:

I recall that when I worked with the expatriate associates for the first time, I noticed that there were distinct differences in the ways of thinking and doing things. At the very beginning, I really could not understand why they think and do things in a way that is quite different from mine. This hindered our cooperation to some extent. However, I felt curious about those differences, and this curiosity motivated me to proactively approach them and communicate with them. With learning more about them, my misunderstanding of their way of thinking and doing things was quickly dispelled (I005).

Be friendly to others (IC016)

Respondents considered ritual proprieties an indispensable part of moral people, or *Jun Zi* as they called it. Internally, ritual proprieties is an awareness of local ritual proprieties. Externally, it is a friendly attitude towards others. Being friendly to other people is one of the important characteristics of the Confucian person with humaneness, as indicated from the following notion quoted by all respondents.

The gentleman uses the arts in acquiring friends and uses friends in helping him to become humane (The Analects of Confucius, Book 12, Number 24).

When working in a foreign country, respondents have found that showing friendliness to others is an effective way to be quickly accepted by the local people. More than half of the respondents quoted a conversation between Confucius and one of his students named Zigong:

Zigong asked how to deal with friends. The Master said, Advise them in a loyal manner; lead them with goodness. But if you get nowhere, then stop. No use to bring shame on yourself (The Analects of Confucius, Book 12, Number 23).

Be modest (IC017)

All respondents considered that a modest attitude was important in developing constructive interpersonal relationships. Modesty involves not being aggressive, but being open-minded to learn from others and adjust one's behaviour when necessary. While some cultures do not appreciate a modest attitude, respondents mentioned that they were actually able to learn more in a new environment by listening, observing and being open-minded.

More than half of the respondents mentioned the conversation between Confucius and one of his students, Zilu, to illustrate the modest attitude that Confucian people should have:

You (Zilu), shall I teach you what it means to know something? When you know, to know you know. When you don't know, to know you don't know. That's what knowing is (The Analects of Confucius, Book 2, Number 17).

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

Be open-minded to different interests (IC018)

Respondents remarked on how increasing globalisation was accentuating people's different interests, and how harmony was significant to all people's interests. They attributed the root cause of the increasing friction among regions or nations to the inability to achieve this harmony of different interests. They suggested an open-minded attitude towards different interests is an important prerequisite to realising harmony. It was one of the important characteristics of the Confucian people or Jun Zi, as indicated by Confucius, quoted by all respondents:

The gentleman is fair-minded and not partisan. The petty man is partisan and not fair-minded (The Analects of Confucius, Book 2, Number 14).

Since my childhood, I have been aware of the significance of respect in the social context. I understand that people represent their own reasonable interests. So I interpret respect, first of all, as recognition of their reasonable interests. As a moral business leader, I need to realise the reasonable interests of all my stakeholders, and then take measures to protect them (I009).

Be responsible for one's own decisions (IC019)

All business leaders need to make decisions at work. These decisions can have great significance, influencing the operation of the whole business and impacting on relevant stakeholders in the community.

Respondents agreed that the Chinese Confucian culture has profound interpretations about being responsible for one's own decisions. They highlighted an emphasis on following the moral principles, or *Dao* or *Tiandao* (i.e., the heavenly principles), which was interpreted by Confucius as below:

Entirely trustworthy, a lover of learning, faithful until death, exemplar of the Way, he never enters a state where there is peril, never remains in a state where there is disorder. When the Way prevails in the world, he appears; when the Way is lacking, he retires. When the state follows the Way, being poor and lowly is a cause for shame. When the state is without the Way, being rich and eminent is a cause for shame (The Analects of Confucius, Book 8, Number 13).

Such a *Dao* provides a direction for them to build up the inner goodness of their human nature, which in turn builds up an important foundation of their heart, instructing what and how they think. When the soul and heart are consistent, they become an inherent momentum to prompt a responsible decision, as described by one respondent:

No matter what decisions I have to make at work, my inner sense always tells me that I need to think them over, estimate and analyse all potential influences on other people around me. I think my inner sense mainly comes from the consistency between my soul and heart. When my heat follows my soul, or the so-called Dao, it is natural for me to be responsible for all I decide (I002).

Be self-motivated (IC020)

Respondents reiterated that maintaining consistency was a lifelong requisite for moral people. It is relatively easy to be consistent in the short term, but more difficult to continue throughout life. Self-motivation can drive this consistency. Self-motivation involves a clear understanding of the moral mission to remain consistent and provides the initiative to act in a consistent way:

Being a moral person is not associated with pleasure all the time. In most of the time I have to suffer loneliness and even misunderstanding when striving to comply with moral standards. Under such scenarios, self-motivation is critically important to me. I understand what is true

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

and the significance of sticking to the truth. It has been part of myself and has enabled me to overcome a series of moral obstacles (I009).

Be sensitive to one's own behaviour (IC021)

Respondents considered that being sensitive to how they behave was important, not only to achieve the commitment and consistency between words and actions mentioned earlier, but also to prevent their behaviour impinging on others' human rights. The behaviour of business leaders is important for two reasons: first, a moral leader should be a role model and, second, business leaders' behaviour influences both internal and external stakeholders:

As a business leader of an overseas subsidiary, I had to deal with not only my team members but also the customers and suppliers who had totally different cultural background and values. I realised how important it was to build up my credibility by maintaining consistency in my words and actions among all stakeholders. However, it is challenging to keep this consistency. Once it is broken, it takes much longer time for me to build it up again. So, I have to be sensitive to my behaviour to minimise any negative behaviour that undermines my consistency. This in return consolidates their recognition on my credibility (I003).

Build up knowledge structure (IC022)

All respondents suggested that knowledge is an essential foundation of morality. Knowledge provides understanding of what they should and should not do, and thus they can make sound moral decisions in their daily life. People become moral though lifelong learning, and it is important for them to build up a comprehensive knowledge framework that indicates what they should learn and the importance of each knowledge component.

They mentioned that Confucius shed light on how moral knowledge is structured. In the book titled 'The Great Learning', the first of the Four Books selected by Zhu Xi during the Song dynasty as a functional introduction to the Confucianism, moral knowledge structure consists of eight components, including the investigation of things, self-cultivation and government. One respondent commented:

By building up the knowledge structure I can acquire new learning more quickly and effectively, especially when I work in a brand new work environment in a foreign country (I001).

Carry out necessary reforms to beliefs and values (IC023)

Respondents noted that people's beliefs and values were shaped by the specific social context. Once developed, these beliefs and values exert a profound influence on a person's moral standards and behavioural patterns. Sometimes their beliefs and values work as a guide to regulate their moral standards and behavioural patterns. However, as they are not easily changed, sometimes the beliefs and values become an obstacle when people try to adjust their moral standards or behavioural patterns.

Respondents found that increasing exposure to the culturally diverse work environment, especially when working closely with people from different cultural backgrounds, required them to occasionally adjust their moral standards and behavioural patterns. They have found that such an adjustment needed a change in their beliefs and values, as articulated in one notion from Confucius as quoted by them:

With one change, Qi could measure up to Lu. And with one change, Lu could measure up to the Way (The Analects of Confucius, Book 6, Number 24).

For the business leaders, to effectively exercise their moral leadership requires the consistency not only between their words and actions but also between their heart and soul. I

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

feel that when my beliefs and values are compatible with the external moral standards, I can exert my positive influence on others most effectively (I010).

Commitment to one's own decisions (IC024)

Respondents interpreted perseverance for moral people, and business leaders in particular, as a commitment to carrying through on their own decisions. For business leaders with morality, commitment to their own decision indicates responsibility for not only themselves but also the community and all stakeholders. Business leaders therefore need to analyse all their decisions in order to minimise any potential negative influences that might result:

As a leader of such a big organisation, I feel that I have more responsibilities when I make my own decisions. Once made, I need to show my full commitment and have them implemented, regardless of the circumstances. This is not only a demonstration of keeping my words consistent with my actions, but also a way of showing my responsibility to all stakeholders around me. I have realised that, my decisions influence not only the organisation under my leadership, but also all stakeholders in the business community. Without strong commitment to the decision that I make, both the organisation and the stakeholders will suffer (I001).

Consolidate others' moral foundations (IC025)

Respondents considered that one of the main responsibilities of business leaders was to establish and maintain a moral team. Once established, a moral team then needs to be maintained by consolidating all team members' moral foundations from all aspects. Four respondents quoted a conversation between Confucius and one of his students named Fan Chi:

If those in higher positions love ritual, then none of the common people will venture to be disrespectful. If those in higher positions love rightness, then none of the common people will venture to be disobedient. If those in higher positions love trustworthiness, then none of the common people will venture to act insincerely. And if such a condition prevails, then the people from the four lands adjacent, bearing their little children strapped to their backs, will gather around (The Analects of Confucius, Book 13, Number 4).

All respondents suggested that consolidating moral foundations is like building a skyscraper. The stronger the groundwork, the bigger and higher the skyscraper can be built. Likewise, the more solid the moral foundation, the more morally intelligent the team to cope with uncertainty in the global business community.

Control conduct (IC026)

Apart from desires, moral leaders with honesty also need to control their own conduct. Respondents said such leaders should be honest about their behavioural patterns. Every society or community has its own accepted codes of conduct. Harmonious existence and cooperation are realised only if all stakeholders comply with those codes of conduct. Any misconduct will destroy that harmony.

Respondents noted that, having one's conduct comply with society's or the community's codes of conduct is considered a feature of an honest man. It involves three levels, as articulated by Confucius in his response to the question from one of his disciples Zigong about how to conduct himself:

Zigong asked, How should one conduct himself in order to be called a man of station? The Master said, Be mindful of anything shameful in your actions. When sent on a mission to other regions in the four directions, do nothing to disgrace your ruler's commands. Then you can be called a man of station. And may I ask about a person on the next level? The Master said,

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

308

Among the members of his clan, he is praised for his filial conduct. In his village or community, he is praised for his brotherliness. And may I ask about the next level? The Master said, Their words are certain to be trustworthy; their actions, certain to be decisive. But petty men just plodding along can reach this level (The Analects of Confucius, Book 13, Number 20).

The social code of conduct in the local community is a useful guide for me. Whenever I worked in the foreign country for the first time, I used to study the social code of conduct in that country first, and then have it control my conduct. It helped to minimise the negative influences caused by my misconduct and assisted me to establish the harmonious relationship with all stakeholders (I002).

Control emotions (IC027)

All respondents realised that emotions played an important role in moral leadership. In their words, moral behaviour depends on judgment in a situation, while the emotions exert influence on judgment. They indicated that moral behaviour and judgments began with moral emotions, while moral emotions comprised the emotions that facilitated moral judgments and moral harmony. Respondents commented that, internally, good control of emotions prompted a moral mind of people; externally, it protected the moral image that people usually take a long time to build up. Out-of-control emotions, manifest as either words or behaviour, lead to the collapse of a person's moral reputation:

As the business leader of the overseas business unit, I am under high pressure to achieve the business objectives and deal with the complex business relationship with the stakeholders every day. It poses a huge challenge on me to keep myself in a calm emotion. Without a calm emotion, it is hard for me to make a morally intelligent and unbiased decision (I006).

Control unreasonable desires (IC028)

When talking about honesty, all respondents commented that being honest people means they treat their own desires with honesty. While admitting the existence of their desires, they are honest about unreasonable desires and take control of them. Respondents consider this an extremely important moral competency for business leaders. More than half of the respondents quoted one notion from Confucius:

Wealth and eminence are what people desire, but if one can't get them by means that accord with the Way, one will not accept them. Poverty and low position are what people hate, but if one can't avoid them by means that accord with the Way, one will not reject them (The Analects of Confucius, Book 4, Number 5).

A leader's power, stemming from their position in the organisation, enables them to more easily satisfy their own desires and get what they want. Such desires, if uncontrolled, could bring much harm to the organisation:

As a senior executive that has worked at this position in my current company for nearly 20 years, I have been given some flexible powers by my boss beyond my position. Those flexible powers include that for some senior positions in my own team, I can make my decision on which candidate is to be employed without the need to be reviewed by my boss. With this power, frankly speaking, it would be quite easy for me to have my acquaintances or relatives take up those positions, which would also help me to broaden my personal influence and network in the organisation. But, frankly, I have never done so. I understand that by doing so my personal desire could be met, but it would definitely be harmful to our organisation as a whole. Though none of my trustworthy assistants or subordinates are my acquaintances and, it has helped me to gain much respect from all other employees throughout the whole organisation (I007).

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

309

Correct inconsistency with promptness (IC029)

More than half of the respondents highlighted the challenge of maintaining consistency in their business life, especially in today's rapidly changing business environment. They interpreted consistency as more than the ability to keep words consistent with actions; it is an honest attitude towards the areas that they need to make further improvement. They emphasised the importance of correcting any inconsistency promptly, which was necessary for not only maintaining consistency but also consolidating morality by identifying areas for improvement. More than half of them quoted from Confucius about acting promptly:

The gentleman desires to be hesitant in speech but prompt in action (The Analects of Confucius, Book 4, Number 24).

I am aware how important it is for business leaders to maintain the consistency in their daily work. It is the essential foundation of their leadership. Once undermined, it is impossible for them to effectively exercise their leadership any longer. I am sensitive to keeping the consistency not only between my words and actions but also between my heart and soul. In case I feel any inconsistency, I can take immediate action to correct it (I002).

Correct mistakes with sincerity (IC030)

Mistakes are unavoidable, even for sages, but moral people with a sense of responsibility should sincerely try to correct those mistakes. Acting with sincerity means that efforts in correcting mistakes are more likely to exert a positive influence on the people concerned, and problems are likely to be more effectively solved by coming up with mutually beneficial solutions. More than half of the respondents quoted one notion from Confucius:

To make a mistake and not correct it is to make a mistake indeed (The Analects of Confucius, Book 15, Number 30).

The respondents pointed out that, honesty and sincerity are always linked, and they mirror each other. Correcting mistakes with sincerity is therefore also a demonstration of honesty:

I consider that correcting mistakes with sincerity is an important responsibility of moral business leaders. It is the virtue of sincerity, as described in the Doctrine of the Mean, that is the basis of all moral behaviour and the way in which we think, act and speak without self-interest (I007).

Develop others' moral potential (IC031)

All respondents agreed that moral people were not born with morality, but built up their moral standards and moral patterns through ongoing learning and practice. All people have the innate potential to become moral persons, but some are unaware of such a potential or how to develop it. Part of the responsibility of moral leaders is to help other people identify this potential and help them establish their morality, as indicated by one notion from Confucius:

The gentleman brings out what is most admirable in people; he does not bring out what is bad in them. The petty man does the opposite (The Analects of Confucius, Book 12, Number 16).

Respondents indicated that developing others' potential is a win-win process. While helping other people to build up their morality, moral leaders gain more insight into overall morality, which in turn facilitates their self-reflection and self-improvement:

The overall morality of the community relies on the joined efforts of not only the business leaders but also all stakeholders. To be a moral business leader, harnessing my morality is never enough. I have the inborn responsibility to build up the morality of other people in the community by identifying and developing their potential (I003).

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

Do not repeat mistakes (IC032)

Respondents noted that, although Confucius conceded that everyone made mistakes and he encouraged people to grow from their mistakes, people should not make the same mistakes a second time. Respondents agreed that making mistakes could be part of growth, provided people learn from the mistakes:

When looking back on my past work experience in the foreign country, I have noticed that I made many mistakes due to my deficiency of relevant global leadership competencies. But I seem to be born with a strong learning desire and consider that every mistake that I made is a good learning opportunity for me. So, those mistakes have become an invaluable component of my knowledge that I can not learn from the books (I001).

All respondents admitted to making mistakes when they first worked in a foreign country or managed foreign employees; the mistakes ranged from misunderstanding other people to violating the local traditions. They were usually forgiven when they explained that they were working in a new environment. However, they were aware that repeating the same mistake would undermine their leadership. In this vein, one respondent quoted Confucius describing which of his students loved learning most:

Yan Hui, one of my students, truly loved learning, as was shown by his never making the same mistake twice (The Analects of Confucius, Book 6, Number 3).

Encourage harmony of different interests (IC033)

All respondents pointed out that harmony was central to their business. It involves the coexistence of different interests and a lack of conflict. Moral business leaders are responsible for creating such harmony in the workplace. Three respondents quoted Confucius is this regard: *"The gentleman is composed, at peace with things. The petty man is constantly fretting, fretting"* (The Analects of Confucius, Book 7, Number 35).

It is understandable that different stakeholders have different interests. For the business leaders with high morality, while achieving the objectives of their business, they should help other stakeholders realise their interests. Success of their business should not be at the expense of getting other stakeholder's reasonable interests harmed. Long-term cooperation with all stakeholders depends on the harmonious coexistence of their different interests (I001).

Encourage reciprocal development (IC034)

All respondents agreed that harmony with all stakeholders was their ultimate goal. They interpreted harmony as the reciprocal coexistence of all stakeholders in the community, rather than individual competition. Reciprocity means that each stakeholder can realise their respective interests within a reasonable range and without harm to others. Reciprocal development can contribute to the long-term harmony of all stakeholders:

Moral business leaders, on top of achieving the profits of their own business, also have the responsibility to help all other stakeholders realise their respective interests. If any one of them cannot realise their reasonable interests, or if their reasonable interests get harmed, the equilibrium of the community is broken. In the global business community, where the interests of all stakeholders are increasingly intertwined, once one's interests get harmed, all other stakeholders are influenced in the end (I002).

Evaluate decisions based on others' feedback (IC035)

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

All respondents agreed that moral people taking responsibility for their decisions could minimise negative influences on stakeholders. Part of this responsibility involves taking the initiative to collect feedback from others and evaluate the potential influences of their decisions:

I understand that due to my leading position in the organisation, no matter what decisions I make in the business activity, they always exert some influences on the stakeholders. To minimise the negative influence on them, before I make the final decision, I am used to taking some time to listen to the concerns of my stakeholders. Their feedback is helpful for me to make adjustments to my decision when needed (I005).

This approach is consistent with the empathetic compassion, *Ren* or humaneness emphasised in Confucianism. Respondents pointed out that this concept, initiated by Confucius and then fully developed by Mencius, highlighted the importance of caring about others' interests and listening to their concerns. As articulated in response to the question from one of his students Fan Chi about humaneness, Confucius said, *"Love others"* (The Analects of Confucius, Book 12, Number 22), as quoted by more than half of the respondents at the interviews. This attitude also creates an important foundation for other aspects of morality, such as identifying mutually beneficial solutions to achieving harmony.

Evaluate influences of conduct (IC036)

All respondents indicated that, since childhood, they had aspired to being a humane person respected by those around them. They agreed that such a person, called *Jun Zi* in China, took the initiative to strictly comply with the codes of conduct. This is important for business leaders, who are expected to be role model for their team members. Most of the respondents were aware of the need to evaluate the possible influences of their conduct, and make relevant adjustments to their behaviour when required. Such an attitude can make leaders more adaptable to the changing global business environment:

As a managing director of an overseas business unit, I am aware that my business conduct influences not only the internal employees but also the external stakeholders in the local community. Although I am under tremendous pressure to lead the business unit to achieve the profit targets, I understand the importance of establishing and maintaining the harmonious relationship with all the stakeholder of the business community, as this is an essential foundation to achieve the long-term business objective. To minimise the negative influence caused by my improper conduct, I pay much attention to my business conduct and constantly evaluate its potential influence on the stakeholders (I008).

Evaluate potential impacts to humans and nature (IC037)

Respondents explained that some mistakes were forgivable, while others were not, as some mistakes were irreversible, especially things that affected the harmony between humans and nature, an important issue discussed earlier. Forgiving other people's mistakes that negatively impact on the long-term health of mankind or nature would involve helping them to evaluate the potential impact, rather than criticising them or complaining. Respondents considered that a moral business leader would refrain from any business decisions or actions that might upset the balance between humans and nature:

No one doubts that most of our living environment is becoming worse than before, even though the economy around the whole world is developing at an unprecedented speed. The economic development in most regions is at the expense of excessive consumption of natural resources and destruction of nature. But all of us know that without support from nature, no-one can survive. Everyone living on the earth has the responsibility to minimise the potential impact to both human beings and nature. Business leaders have more responsibilities in this regard, as

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

their business decisions, once made, exert more influences than the decisions of ordinary people (I006).

Facilitate coexistence of different interests (IC038)

Respondents described harmony as the coexistence of people's different interests without conflict. Moral business leaders must be open-minded towards different interests, and must also make the effort to ensure that different interests can coexist. In a culturally diverse environment, characteristic of contemporary globalisation, this is seen a fundamental strategy to ensure different cultures can survive and develop in the same community:

Another challenge for me when leading a culturally diverse team is to cope with different interests of my team members, who come from at least four different countries. Most likely due to the difference in their cultural background and values, I have noticed that from the very beginning, my team members' interests vary. Though different, as I am aware that they are reasonable. So from the first day when I led such a culturally diverse team, I have made great efforts to ensure the coexistence of their different interests and minimise any potential influence that might undermine this coexistence. As a result, all of my team members, though they come from different regions, can work in a harmonious way (I006).

Focus on people's merits (IC039)

Respondents acknowledged that people were the most important resource in any business organisation, and so business leaders should select the right people and put them in the right position, based on their competency. This strategy makes business sense in a competitive environment, but is also consistent with moral leadership in an organisation:

The contemporary globalisation features increasing uncertainty. To succeed in the global business community, the businesses need to effectively cope with such an uncertainty. It is important that not only the business leaders, but also all the employees throughout the whole organisation cultivate their competency to make the morally intelligent decisions in the uncertain business context. But such a competency relies on development of their merits (I002).

Three of the ten respondents worked in a family business. They indicated that reward according to merit was important, both to exercise their moral leadership and to consolidate their image in the organisation as a moral leader. Family businesses used to be run on the so-called *Guanxi* pattern, where family members occupied important positions in the business regardless of their competencies and qualifications. This system hindered the organisation's development, undermined the leader's moral image and led to distrust of the leader by most non-family employees.

However, this situation has improved as more organisations become involved in global business. Companies need competent business leaders, which, in turn, helps business leaders better practise their moral leadership based on a system of meritocracy.

Follow local ritual proprieties (IC040)

All respondents mentioned the importance of combining learning and practice when adapting to the work environment of a foreign country. Learning the local ritual proprieties is important, but it is more important to follow the ritual proprieties and adapt their behaviour accordingly. Respondents noted that this not only respects the local culture, but is also an important strategy to have themselves becoming part of the local community. They consider that local ritual proprieties, to some extent, provide an important guideline as to how they should behave.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

313

Two respondents again quoted the Confucian disciple You:

What ritual values most is harmony. The Way of the former kings was truly admirable in this respect. But if in matters great and small one proceeds in this manner, the results may not always be satisfactory. You may understand the ideal of harmony and work for it, but if you do not employ ritual to regulate the proceedings, things will not go well (The Analects of Confucius, Book 1, Number 12).

Forgive others' mistakes (IC041)

One important interpretation of forgiveness in the eyes of all respondents was to forgive others' mistakes. They considered this not only as an essential doctrine for handling interpersonal relationships, but also an important strategy for ensuring harmony in the community. They mentioned that forgiving other people's mistakes exerted a positive influence on their moral leadership. Forgiving others' mistakes is a good way to turn negative attitudes towards mistakes to the positive ones, and identify areas that can promote learning.

On the other hand, respondents reiterated that one of the key roles of moral business leaders was to influence others in a moral way and help them develop into moral people. Forgiving other people's mistakes could provide them with an opportunity for further improvement. Three respondents mentioned a conversation between Confucius and his disciples:

Someone said, Repay hatred with virtue— how would that do? The Confucius said, Then how would you repay virtue? Repay hatred with uprightness. Repay virtue with virtue (The Analects of Confucius, Book 14, Number 36).

Forgive others' misunderstanding (IC042)

Respondents commented that forgiveness included forgiving other people's misunderstandings, which were becoming increasingly common with accelerating globalisation. Their experience of working in the global business community suggested to them that cultural misunderstandings work both ways, and forgiving other people's misunderstandings is also an important strategy for creating and maintaining harmony in the global business community:

One of the challenges I had to cope with when I set to working in a foreign country and managing foreign colleagues is that I encountered more misunderstanding from other people working around me than when I worked in my home country. Take communication style for example, our Chinese people are used to doing some warm-ups before they get to the key points when communicating with strangers. Besides ritual proprieties, they consider it necessary to know more about other people through the warm-up. But the communication style of my American colleagues is quite straightforward. They used to consider my warm-up with them as time consuming. After we worked together for a few months, they gradually understood me and accepted my Chinese communication style. Now they also do some warm-ups with their customers before they discuss the important things with them, and they feel that such a communication way is more effective sometimes (I003).

Forgive others' rudeness (IC043)

Respondents pointed out the need to forgive other people's rudeness in the global business environment. Some behavioural patterns and codes of conduct that are acceptable in one region or country might be considered unacceptable or even rude in another. Respondents suggested that forgiving other people's rudeness is not only necessary for a Confucian person, but also critically important in ensuring harmony in the business community:

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

314

Others don't understand him, but he doesn't resent it— that's the true gentleman, isn't it? (The Analects of Confucius, Book 1, Number 1).

My past work experience in leading a culturally diverse team in the past decade has given me a very useful indication. I recall that at the beginning when I worked with my foreign colleagues, I really felt uncomfortable. Some of their behaviours seemed rude at the first sight. But after working with them for some time, I began to understand that their behaviours complied with the codes of conduct in their country, rather than being a form of rudeness towards me. Fortunately, I took a forgiving attitude towards their behaviour, otherwise there could have been friction between us (I006).

Get new learning from practice (IC044)

Respondents stressed that learning was a lifelong activity for moral people, and moral people also needed to know what they should learn. Practice not only provides a platform for them to exercise their learning, but also offers them an indication of what they need to learn.

They commented that they were never satisfied with what they had learned. Part of their self-cultivation effort was to identify areas of ignorance and keep learning. Practice, therefore, was important because it bridged the gap between the learned and unlearned. Most of them acknowledged the equal importance of getting new learning and practice. They described how working in a new foreign country or managing a team of foreign employees is actually an interactive process of learning and unlearning. To be part of the global business community, they needed to know what they did not know about moral standards and moral patterns, and practice was the only way for them to know what they do not know:

When I put my learning into practice, I always ask myself the following three questions, 'What areas can I do better in my practice next time?' 'How can I do better next time?' 'What should I learn in order to do better next time?'. When I answer these three questions, I find that the practice has informed me of the areas I do not know (I001).

Have a modest attitude towards learning (IC045)

Respondents were aware of the need to remain open-minded in face of new knowledge. They used the words of Confucius, that to maintain an ongoing learning process, it is important to have a clear idea of what they do not know: *"When you know, to know you know. When you don't know, to know you don't know. That's what knowing is"* (The Analects of Confucius, Book 2, Number 17). They mentioned the learning circle of learn, unlearn and relearn, and suggested that business leaders must maintain a modest attitude towards learning in order to keep themselves abreast with the latest developments of knowledge and technology:

Keeping a modest learning attitude is of great help for me. It enables me to acquire some new learning no matter where I work and what kinds of people I deal with. I can always learn from them even though they have some obvious disadvantages. Such a learning attitude helps me to focus more on other people's advantages and appreciate their strength (I003).

Have a strong desire to learn (IC046)

The respondents believed that lifelong learning was an important strategy for becoming a moral person, as expressed by Confucius:

Love of humaneness without love of study invites the flaw of foolishness. Love of understanding without love of study invites the flaw of recklessness. Love of trustworthiness without love of study invites the flaw of injurious behaviour. Love of uprightness without love of study invites the flaw of bluntness. Love of bravery without love of study invites the flaw of

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

riotousness. Love of firmness without love of study invites the flaw of irrational action (The Analects of Confucius, Book 17, Number 8).

They also explained that a society's moral standards and codes of conduct are not permanently fixed, but evolve with the society's development. Confucius implied that exemplary people, possessing the high moral standards, will not necessarily remain moral people in the future. Only through learning can people keep abreast with the moral standards of contemporary society. Respondents suggested that a strong learning desire is the catalyst for such a long learning process. Without this catalyst, people can neither take the initiative to start learning nor maintain the learning practice throughout their life:

When I set out to work in a foreign country, my strong learning desire enabled me to quickly grasp the new knowledge and skills necessary in that new environment. As well as keeping me open-minded, it has prompted me to make full use of every opportunity to learn until I clearly understand what and how I should do and why I should do so (I005).

Help others develop into moral people (IC047)

Respondents commented that people with morality were dedicated to creating and maintaining community harmony. But harmony cannot be achieved by the efforts of a few. It requires a joint effort from all community members. Respondents suggested that helping others develop into moral people could ensure the long-term harmony of the community. They consider it an important component of their moral leadership. More than half of the respondents mentioned the conversation between Confucius and one of his disciples, Zhonggong, to indicate the importance of helping others develop into moral people by setting a good example:

Zhonggong, who was serving as steward to the Ji family, asked about government. The Master said, Your first concern should be the officers in your employ. Excuse minor shortcomings, and promote those of outstanding talent. How can I know those of outstanding talent in order to promote them? The Master said, Promote those you know to be worthy. As for those you don't know, will others fail to mention them? (The Analects of Confucius, Book 13, Number 2)

Help others overcome moral obstacles (IC048)

Respondents suggested that helping others develop into moral people included supporting them to overcome moral obstacles. Along the journey of achieving morality, it is inevitable that people encounter obstacles that either hinder their progress or distract them from the moral way. Respondents suggested that those obstacles are largely caused by a deficiency in either moral mindset or skill set. Helping others overcome moral obstacles involves identifying their moral deficiency, then taking effective measures to redress that deficiency:

As business leaders, their self-discipline is never enough to guarantee a team with high morality. Part of their moral leadership is to clearly understand all team members and find out what obstacles they encounter on their way of become a moral person (I001).

It is important for business leaders to teach their team member relevant skills on how to cope with a moral dilemma. But more importantly, they should implant and consolidate moral awareness in their mind and make it become part of life (I005).

Help others to improve (IC049)

Respondents attached great importance to being a role model as moral business leaders. Part of the responsibility for a role model is to help other people to establish their morality. They mentioned that the harmony of the whole community was based on the morality of all

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

316

stakeholders. Helping others to improve and finally build up their morality contributed to the harmony of the whole team. In the eye of all respondents, to improve themselves and help others to improve were two indispensable and interactive components in the making of moral business leaders. Pursuing self-improvement helped others to improve, while helping others to improve was further motivation for self-improvement:

As a business leader, it gives me much more pleasure when I see my team members' improvement in their morality than that of the business performance. The good business performance might last for only one month, one quarter, or several years at most. But the improved morality of my team member is good to the business for the long run (I001).

Identify areas of improvement from practice (IC050)

Most respondents implied that learning was an indispensable way of self-cultivation and therefore continuous improvement. Continuously improving their moral pattern and aligning it with the social codes of conduct is a requisite for them on their way to becoming a moral leader.

At the same time, they recognised that practice enabled them to understand what they should improve in their moral standards or moral patterns. To become moral people, or *Jun Zi*, it is important to equip themselves with moral knowledge and to put learning into practice to find out areas of possible improvement:

To be a moral business leader involves continuous improvements throughout the whole life. This is also necessary for me to cope with the uncertainties of the constantly changing global business environment. Practice articulates the areas that I need to improve (I003).

Identify long-term interests (IC051)

All respondents echoed that long-term harmony was genuine harmony. In the business community, the critical point that might affect harmony is the varied interests of all stakeholders. Respondents noted that only long-term interests could ensure the long-term harmony of the business community. Respondents suggested that business leaders with high morality should identify the long-term interests and strive to realise them, even though they have to make some short-term compromises:

This is one of the most important competencies for moral business leaders nowadays. While we are aware of the importance of sustainable development of both human beings and nature, we need to have clear ideas in mind about what are their true interests in the long run. Any practices that might undermine their long-term interests should be withdrawn (I010).

Identify mutually beneficial solution (IC052)

Respondents agreed that business leaders should make great efforts to build up and consolidate their customers' loyalty. These efforts involve settling conflicts through dialogue, as discussed earlier, and trying to identify mutually beneficial solutions with their customers. All respondents were highly focused on achieving a so-called win-win situation with their customer:

To establish harmonious relationship with all stakeholders is critically important to ensure the sustainable development of our business. Under this relationship all stakeholders can achieve their reasonable interests. But this relationship also requires me to be cautious when making the decisions in the business activities. All the business decisions I make should benefit as more stakeholders as possible (I009).

Respondents saw this approach as consistent with the golden mean or *Zhongyong*, which Confucius advocated as an important methodology in the making of a moral person, *"The virtue embodied in the doctrine of the Mean is of the highest order. But it has long been rare among*

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

317

people" (The Analects of Confucius, Book 6, Number 29). In this way moral people strive to find a point that equally balances the interests of all people concerned. In light of the changes and uncertainties encountered in the contemporary era of globalisation, more than half of the respondents suggested that this equilibrium is dynamic and may need occasional adjustment to remain relevant in a constantly changing environment.

Identify optimal solution from different opinions (IC053)

All respondents echoed that moral business leaders, besides respecting different opinions and learning from them, needed to identify the optimal solution from different opinions. They considered that, harmony was the ultimate outcome and as a result, when making decisions, leaders needed to consider all opinions and find a well-balanced solution.

"One challenge that I have to cope with after stepping in the global business is that I need to deal with more complex relationship with the stakeholders in the community. In the global business context,, different opinions usually represent interest concerns and expectations of the stakeholders. Although it is impossible for me to have my decision satisfy all people, it is important for me to come up with an optimal solution that has all concerns of my stakeholders considered (I007).

Respondents suggested that business leaders needed to be open-minded enough to identify the advantages and uniqueness of different opinions, and came to an optimal solution that maintains harmony among the different interests of all stakeholders. They consider the ability to identify optimal solutions from different opinions is an important part of moral leadership.

Improve consistency between words and actions (IC054)

While all respondents iterated that consistency between words and actions was an indispensable characteristic of a moral person, they conceded that occasional inconsistency was inevitable in a constantly changing business environment. Remaining consistent requires lifelong effort. One-third of the respondents mentioned the conversation between Confucius and one of his students Zigong about how to be a Confucian person:

Zigong asked about the gentleman. The Master said, First he puts his words into action. Only later does he follow up with explanations (The Analects of Confucius, Book 2, Number 13).

At the same time, the majority of respondents agreed that the ability to speed up their consistency was built upon learning ability. Being well equipped with relevant knowledge through ongoing learning could facilitate their competency to quickly translate their words into actions. Once again, all of them highlighted the importance of learning in building up their morality, which coincided with the emphasis on learning by Confucius:

Consistency cannot be established overnight. It involves ongoing learning throughout my life. New knowledge can keep me abreast with the moral standards of the society and enhance my sensitivity of my inconsistency (I009).

Keep improving through experiences (IC055)

Self-improvement was emphasised by more than half of the respondents as an important strategy of combining learning and practice. Respondents also noted that self-improvement through experience was associated with the desire to learn and self-reflection, discussed earlier. Driven by that desire, every experience, whether favourable or unfavourable, is a good learning opportunity through which people can use self-reflection to identify the areas in which they need to improve:

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

To be a role model of all stakeholders, I realise the importance of keeping myself continuously improving. Besides learning from books and other people, I also learn from my own experience. When reviewing what and how I did in the past, I can always identify some areas that I can do better in the next time. This approach motivates me to learn more (The Analects of Confucius, Book 10, Number 10).

Keep improving through learning from history (IC056)

While most respondents focus on their self-improvement, it is notable that they intend to find different ways to keep themselves improving. Reading the history books was commented as a common strategy for their self-improvement by more than half of them.

The majority of the respondents consider that history serves as a mirror for them. Learning from the history enables them to reflect on not only what their predecessors did in the past, but also what they are doing at present and what they should do in the future. It is of great significance for them to become a role model of others by averting the mistakes that their predecessors made before.

As the CEO of a large company that has more than 10,000 employees, I am aware of the importance of establishing a role model in front of all my employees. Though no one can avert all mistakes, I always try my best to avoid the mistakes in my daily work and life. Reading the history books and learning from the history becomes an effective way for me to prevent previous mistakes from occurring on myself. Every mistake that other people made in the past becomes a good case study for me (I004).

Keep promises to self and other people (IC057)

All respondents considered that keeping promises was one of the most important aspects of consistency, and is an essential feature of moral people. Promises include those to oneself and other people. Respondents considered that a moral person should first keep the promise of their individual self-cultivation, which will then enable them to deal effectively with others. Further, respondents noted that business leaders who keep their promises find it easier to gain and maintain recognition and respect from their team members and relevant stakeholders in the community:

In my daily work, I need to make a series of business decisions ranging from the strategic business direction of the whole organisation to routine management of my team members. Whatever decision I make, it is actually my own promise not only to myself, but also to the business and other people working around me. As a result, whether I keep my promise and carry out what I have promised influences more than myself only. It also influences the whole organisation and all related stakeholders. At first sight, keeping promise is a consistency between people's words and actions. In essence, from my point of view, it is a kind of responsibility that is rooted in the heart of people (I006).

Learn from different opinions (IC058)

Respondents agreed that respecting different opinions was important, but it is more important to handle those different opinions in a proactive way. They suggested that moral people should have a strong commitment to the compliance of their words and actions. In the face of different opinions, they should also show a strong desire to learn from them, instead of opposing them.

One of the main challenges the respondents had faced when leading a culturally diverse team was that they encountered many different opinions from team members. They then had to

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

skilfully find a well-balanced solution. Handling the different opinions with an attitude of learning was a very useful strategy:

Stepping into the global business and leading a team of people from different countries and with different cultural backgrounds was really a unique experience for me. I never expected that I would encounter so many different opinions from my team members. Due to the differences in cultural values and social background, they put forward many more different opinions than my Chinese team members. I recall that at the very beginning, I sometimes felt irritated as they were totally against my own cultural values and background. But gradually, I tried to view their different opinions from a learning perspective, and I found that I could always get some new learning from their opinions, even though they looked unreasonable at first sight (I010).

Learn from history (IC059)

As commented by all respondents, it is important for business leaders to learn from history. But even more important is for them to keep improving through what they have learned. Once again, respondents reiterated how this demonstrates the combination of learning and practice. Respondents mentioned that honest people should have the courage to find out what they need to improve, based on their learning. With this courage, history can indicate areas of improvement on their way to becoming moral leaders:

The reason that I especially like reading the history books is that history not only helps me to avoid from repeating the mistakes made by other people, but also gives me a clear direction on what I should improve from other people's story (I009).

Learn from mistakes (IC060)

All respondents stressed the importance of learning to becoming a moral person. They considered learning as a bridge between knowledge and action. They mentioned that, although Confucius never prescribed a standard way of learning, they appreciated that he always tried to enlighten his disciples, and one way of learning that he reiterated is to learn from one's mistakes. Several respondents mentioned a conversation between one of the disciples named Duke Ai and Confucius to explain their viewpoint on learning from mistakes:

Duke Ai inquired, Which of your disciples truly loves learning? Confucius replied, "There was one Yan Hui who truly loved learning. He did not take his anger out on others; he did not make the same mistake twice" (The Analects of Confucius, Book 6, Number 3).

The majority of respondents admitted that it was inevitable for them to make mistakes when dealing with their foreign colleagues or working in an overseas country for the first time. But they have been able to build up their moral leadership step by step through their learning from their own mistakes.

Learn from others' successes and failures (IC061)

In addition to learning from others' advantages, respondents noted that moral people should also learn from others' successes and failures. The experience of others not only offers new knowledge on what is right and wrong, but also provides an important indication for people to reflect on their own moral experience. This down-to-earth learning attitude of Confucius has greatly influenced the respondents. Learning from other people's successes and failures is extremely helpful for them when working in a new environment in a foreign country:

To effectively cope with the challenges of contemporary globalisation involves the ongoing learning throughout the whole life. Besides cultivating the competency, the objective of learning

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

320

is to replicate the good practices of other people and avoid their mistakes. Any stories of their successes and failures in the business community are good learning materials for me (I004).

Learn from others' strengths (IC062)

Respondents indicated that learning involved a variety of strategies. People can learn from books, and they can use others' strengths to broaden their knowledge horizons and build up an attitude of appreciation towards others, especially those who have different values, cultures and ways of thinking. This approach coincides with one notion from Confucius, mentioned by all respondents at the interview: *"When I walk with two others, I'm bound to find my teacher there. I single out their good points and pursue them, note their bad points and make my corrections"* (The Analects of Confucius, Book 7, Number 21).

That has exerted great influence on me since my childhood. It has enabled me to pay attention to the areas that other people do better than me, and then I learn from them. When I began to manage a team of foreign colleagues, instead of positing myself as team leader, I considered it as an opportunity for me to learn from their strengths. This helped me become part of them very quickly and establish a harmonious relationship with them quickly (I005).

Learn from past experience (IC063)

Respondents mentioned that past experience also provided vivid learning materials, in a process that involved proactive and ongoing thinking in the learning activity. More than half of the respondents mentioned the following notion from Confucius regarding the importance of thinking in the learning activity: *"Learning without thought is pointless. Thought without learning is dangerous"* (The Analects of Confucius, Book 2, Number 15).

Becoming a moral person is associated with reviewing what one did in the past. Respondents noted that they can make continuous improvements by identifying shortcomings in their past conduct:

With a modest learning attitude, my past experiences are always good case studies for me. I can keep myself continuously improved through my past experiences (I005).

Learn local ritual proprieties (IC064)

Respondents reiterated that learning was a central task for moral people, or *Jun Zi* as they are called, and this includes learning about local ritual proprieties. Respondents see this as a proactive way of adapting one's behaviour to the local environment:

Having myself quickly adapted to the local society is critically important for me when I set to work in the foreign country. Part of my efforts in adapting to the local environment was to learn the local ritual proprieties. This has enabled me to have more understanding of the moral pattern of the local people (I006).

Two respondents quoted the conversation between one of Confucius's disciples named Ziqin and Confucius's son named Boyu to articulate the importance of learning the local ritual proprieties:

Chen Gang (Ziqin) questioned (Confucius's son) Boyu, saying, As a son, have you received any special instruction? No, replied Boyu. But once, when my father was standing by himself and I hurried across the courtyard, he said, Have you studied the Odes? Not yet, I replied. He said, If you don't study the Odes, you won't know how to speak properly! So after that I studied the Odes. Another day, when he was standing by himself and I hurried across the courtyard, he said, Have you studied the rites? Not yet, I replied. He said, If you don't study the rites, you won't have any basis to stand on. So after that I studied the rites. He gave me these two pieces

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

of instruction. Afterward Chen Gang, delighted, said, I asked one question and learned three things. I learned about the Odes, I learned about rites, and I learned that the gentleman maintains a certain distance in relations with his son (The Analects of Confucius, Book 16, Number 13).

Learn the truth (IC065)

Respondents noted that truth is both the foundation of honesty and the ultimate objective of Confucian people. Five respondents quoted Confucius: *"Human life is a matter of honesty. Live without it, and you'll be lucky to escape with your life"* (The Analects of Confucius, Book 6, Number 19). They interpreted truth as the moral intelligence of knowing what is right and wrong. In business, truth means the moral truth that is in the best interests of common people in the community:

An important component of my learning is the truth of the business practices and activities that I involve. Such a truth is more than the fact itself, but the knowledge that can make all stakeholders in the community benefit from. The moral business leader should learn this knowledge to have it guide their business activities (I002).

All respondents attach great importance to learning in building up their morality. They pointed out that the journey of being a moral person should begin with learning the truth. Although whether there is universal truth is controversial, it is undoubted that part of the truth is a set of moral mindsets and behaviour patterns which are considered most appropriate and commonly accepted by a specific social context. Respondents indicated that different societies have different interpretations of the moral mindsets and codes of conduct, in other words, different criteria for judging what is accepted by that society. Moral business leaders need first to know and learn how truth is defined in their business community.

Maintain harmonious coexistence (IC066)

Most respondents stressed the importance of transferring the appreciation of nature's diversity into action by making efforts to maintain both a harmonious coexistence among humans, and the diversity of nature. Studies have shown that long-term coexistence is achievable only if all elements of nature are in good balance. If the equilibrium is disturbed, both humans and nature suffer. Business leaders therefore need to incorporate this harmonious coexistence into their business decisions:

In the past few decades, I have witnessed that the economic development of many countries and regions is at the expense of damaging nature by unremitting exploitation of the natural resources. Quite a number of natural resources and species are at the brink of extinction which causes the humans also to get suffered. Harmonious coexistence of nature and human beings is a beneficial to each other (I002).

Make reasonable compromises (IC067)

Most respondents considered reasonable compromise as an important strategy for achieving harmony with all stakeholders. They suggested that moral business leaders should also enhance their ability to make reasonable compromises. If long-term interests of humans and nature are the ultimate goal, it might be necessary to make some short-term compromises, even at the expense of greater profit. Respondents advocated reasonable compromise as the key to creating and maintaining harmony among all stakeholders in the global business community:

In the highly competitive business world nowadays, although winning and achieving profits are important for all organisations, to survive and develop for the long term is the most important for them. Accelerating globalisation has prompted lots of new types of businesses, but

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

322

some of them, though profitable at the beginning, decline and disappear very soon. Consequently, to maintain the long-term harmony with relevant stakeholders by making some reasonable compromises is very important for them.

Making compromises does not mean to give way to immoral practices in business activities. Instead, it is to build up and maintain the harmony of the business community on the basis of the fundamental moral principles (I006).

Minimise pollution to nature (IC068)

All respondents mentioned the association between economic development and pollution of the natural world. They commented that once the environment was polluted it was hard to revert to its original state. Most people are aware of this, but it is difficult to stop pollution and keep a good balance between economic development and healthy environmental sustainability. Respondents suggested that moral business leaders should not criticise polluters, but work with all other stakeholders to minimise pollution to nature. More than half of the respondents quoted one notion from the Confucius at the interviews to justify their point regarding the importance of taking precautions to minimise the pollution to nature:

The person who fails to take far-reaching precautions is sure to encounter near-at-hand woes (The Analects of Confucius, Book 15, Number 12).

For business leaders with high morality, besides evaluating potential impact to human beings and nature, they should also make efforts to minimise pollution to nature. While achieving the business profits, they should take leadership in minimising pollution. Moral business leaders should have the competency to balance the business and nature (I009).

Monitor moral performance (IC069)

Moral business leaders, besides paying attention to their team members' work performance, also need to keep a close eye on their performance in moral areas. Respondents cited the findings of research that has identified three types of intelligence: moral intelligence is at the core and influences the other two types, intellectual and emotional intelligence.

Although I am under huge pressure to achieve the business objectives, what to do and how to do is equally important to me in the business context. In face of increasing uncertainty of the global business community, moral intelligence enables me to make a correct decision among the uncertainties (I010).

All respondents noted that monitoring the moral performance of team members not only guarantees high levels of team morality, but also ensures high-quality work. More than half the respondents added that team members' morality can lead to better recognition and loyalty from customers.

Never give up once determined (IC070)

Respondents noted that consistency involved perseverance of commitment, as discussed earlier. Keeping one's own commitment, as highlighted by all respondents, requires the moral attitude of not easily giving up once determined. Respondents noted that never giving up is not only a guarantee to ensure an ongoing and lifelong self-enhancement process, but is also a demonstration of the responsible attitude that a moral business leader should possess:

Everyone wants to be a moral person. However, it is far more than the words. Once people determine to be a moral person, their action is exactly like being embarking on a never-ending journey. There are no specific standards at the end of the journey to describe how a moral person should be, but only continuous self-enhancement of their moral mind and moral

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

323

behaviours. For anyone who gives up along this journey, it means that they stop their self-enhancement. This can largely explain why there have been an increasing number of business scandals in recent years. For those business leaders who are involved in those scandals, in my eyes, they are the people who have given up their self-enhancement and have exited from their moral journey (I004).

Observe others (IC071)

Observation is one of the common techniques used by respondents when setting foot in a new living and working environment. Each society and community has its own moral patterns that stakeholders must follow. Foreigners who are new to a society or community can observe what other people do in a specific context to acquire more insight into the moral patterns of that society. This approach is consistent with a quote from Confucius mentioned by respondents: *"Watch what he does, observe the path he follows, examine where he comes to rest— can any person then remain a mystery? Can any person remain a mystery?"* (The Analects of Confucius, Book 2, Number 10).

I benefited a lot from observation when I worked overseas for the first time. By observing what other people did in the business context could I quickly get myself familiar with the behaviour patterns and moral practices of the local business community. It is one of the important strategies for me to learn from others (I007).

Offer help to others when needed (IC072)

Respondents considered that, helping others in need was an indispensable virtue of moral people, and an important strategy for developing and maintaining harmony among people. They advocated harmony with other stakeholders, rather than individual competition. They also saw harmony of great significance to ensure the long-term development and stability of the global business community. Helping other people when needed can minimise unnecessary friction and consolidate interpersonal relationships:

After being involved in the global business for some time, I have noticed that there are some obvious distinctions between the western and Chinese business world. In the western business community, the relationship between people is a contractual relationship. Their rights and obligations in the economic activities are clearly stated in the contract. But in the Chinese business community, the relationship between people usually goes beyond the rights and obligations stated in the contract. In some circumstances, the interpersonal relationship works more effectively than the contractual one, as it provides flexibility for solving some unexpected issues that cannot be completely covered in the contract. Offering help to other people in need is very helpful for consolidating such an interpersonal relationship (I006).

Overcome obstacles in long-term relationships (IC073)

Any long-term relationship that is established with stakeholders, such as internal employees and external suppliers and customers, will occasionally encounter obstacles that moral leaders must overcome with sincerity, rather than evading them by trickery. Nearly half the respondents suggested that coping with such obstacles of with courage and honesty would usually gain business leaders more respect and recognition from their stakeholders, especially the long-term loyalty of their customers:

The long-term relationship with the stakeholders especially the customers is central to the business development nowadays. After years of efforts in building it up and maintaining it, many organisations consider their relationship with the customers as a fragile crystal ball and nurture it carefully. Once aware of issues that might damage such a long-term relationship, they usually become so nervous that they want to conceal them in order to avert any negative influence on the established relationship. As a result, those intentional concealments are usually

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

associated with immoral tricks, which finally undermine the moral leadership of the business leader in that organisation (I010).

Persevere in commitment to morality (IC074)

Most respondents translated consistency as commitment, and especially as persisting with commitment throughout life. They believed that no one was born with morality, and morality cannot be developed overnight. People gain high morality from lifelong learning and self-cultivation, and so perseverance is of great significance. It determines whether someone can eventually become a real moral person.

All respondents highlighted the importance of perseverance in building up their moral leadership. They believe that one of the main reasons for the increasing number of business scandals is that people lack the perseverance of commitment to their moral standards. It is relatively easy for people to make a commitment and assume their moral obligations for a short time. However, without perseverance, it is more difficult to persist with moral standards throughout their whole life:

Perseverance and commitment are equally important in the making of my morality. Commitment is a prerequisite for being moral person, while perseverance is a guarantee for such a commitment to permeate throughout the whole life.

More than half of the respondents talked about the perseverance of commitment with a quote from Confucius:

The gentleman remains firm in the face of hardships. The petty man, when he encounters hardship, gives way to panic (The Analects of Confucius, Book 15, Number 2).

Practise learning (IC075)

With the aim of becoming an exemplary person with high moral codes of conduct, respondents indicated that learning moral standards was never enough; they also needed to put what they learned into practice. A combination of learning and practice permeates the whole life of a moral person and demonstrates what a real learner is, as one disciple of Confucius mentioned: *"Day by day understanding what is beyond you, month by month never forgetting what you can do— you may be called a lover of learning"* (The Analects of Confucius, Book 19, Number 5).

All respondents highlighted the importance of combining learning and practice in order to become a moral business leader. More importantly, they need to put what they have learnt into practice and exercise their moral leadership in their daily work. They considered that the highest level of learning, giving them great pleasure and a sense of achievement, is the integration of learning and practice, as contained in one quotation from Confucius that was mentioned at the interview: *"Studying, and from time to time going over what you've learned— that's enjoyable, isn't it? "* (The Analects of Confucius, Book 1, Number 1).

I understand that leadership competency can not be established through the learning from the books only. Whatever I learn from the books and other people, I am excited to immediately put my learning into practice. It is very helpful to quickly convert the external knowledge to part of my internal competency (I009).

Practise the truth (IC076)

All respondents emphasised the importance of practice in the making of moral people. After learning the truth and telling it to others, moral people must also practise the truth by insisting it be a moral guideline in their daily work and life. It involves practising what is right

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

and taking measures to avoid what is wrong or unaccepted, which also requires the integration of learning and practice that Confucius highlighted to his disciples. Practice is an important strategy that links all truth and learning. Four respondents quoted the conversation between Confucius and one of his students Zigong:

The Confucius said, Si (Zigong), you suppose that I have studied many different matters and retain them in my memory, don't you? Zigong replied, Yes. Isn't that so? The Master said, No. I have one thread that links it all together (The Analects of Confucius, Book 15, Number 3).

All respondents suggested that practising the truth permeates the moral leadership process. Authentic leaders not only advocate the truth by their words but also put it into practice by their own actions:

To be moral business leaders, it is important for them to keep learning the truth. But to effectively cope with the unique challenges of the contemporary globalisation, it is more important for them to practice the truth that they learn by having the truth guide their business activities, especially when they make the business decisions. It becomes an important guide for them to make morally intelligent decisions in the increasingly complex business community where the interests of all stakeholders are highly intertwined (I002).

Prevent mistakes from recurring (IC077)

Not to repeat mistakes is a characteristic of moral people. This awareness leads to taking active measures to prevent mistakes from recurring, as highlighted by more than half the respondents:

"Moral knowledge is the most important prerequisite for me to build up my moral leadership. It not only enables me to know what is right and what is wrong in specific business contexts, but also enables me to take preventive measures to prevent the mistakes from recurring (I001).

Protect natural diversity (IC078)

Respondents commented that the healthy and sustainable development of nature derives from natural diversity. Every species in nature has its own way, or *Dao* in Chinese, to survive and develop. With respect to such a way or *Dao*, all species can coexist in harmony and their diversity can be maintained. Moral leadership includes protecting and maintaining this diversity, to ensure harmony between humans and nature.

In the modernisation process of human society, it is inevitable that there are some conflicts between natural diversity and economic activities. For moral business leaders, achieving their economic objectives should give way to maintaining natural diversity. As articulated by one of the respondents, for the sake of the long-term prosperity of human society, people should attach more importance to protecting the natural environment and keeping natural diversity. Modern society's progress is still heavily dependent on natural resources. Once the equilibrium of natural diversity is broken, all humans will suffer:

I feel that keeping the diversity of nature is critically important to ensure ecological balance. Once this diversity is destroyed, I have witnessed that a series of ecological problems occur subsequently, which causes our business to suffer in the end (I010).

Pursue the long-term health of humans and nature (IC079)

Respondents suggested that mankind and nature are integrated, with harmony being the ideal outcome of pursuing the long-term health of both mankind and nature. They considered this outcome as being in line with the requirement for social compliance in the current era of globalisation.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

They commented that business leaders should not ignore the increasing social problems around the world, such as the global warming, food security, and shortages of natural resources and energy. As well as achieving their profit targets, part of the business leader's role is to maintain a good balance between business development and environmental sustainability. Respondents suggested that working towards the long-term health of both humans and nature was an important part of this role:

In the face of a deteriorating living environment, more and more people are aware of the necessity to maintain the harmony between mankind and nature. Those business leaders nowadays who endeavour to achieve the long-term health of human being and nature gain more recognition and respect from the community (I009).

Recognise others' moral potential (IC080)

Respondents recognised that all people had the potential to establish their morality and continuously improve it. People need to not only consolidate their own morality, but also help others recognise their own potential to develop their morality. This view ties in with telling the truth, discussed earlier. Respondents suggested that moral people should show strong self-discipline by telling the truth themselves and also helping others to build up their courage to speak the truth. The conversation between Confucius and Zizhang, one of his students, as described by two respondents, vividly illustrates this point:

Zizhang asked how to uphold virtue and detect faulty thinking. The Confucius said, Concentrate on loyalty and trustworthiness and follow what is right— that's the way to uphold virtue. When you love someone, you hope that the person will live, but if you hate him, you wish that he were dead. Having wished for life, you turn around and wish for death— this is faulty thinking (The Analects of Confucius, Book 12, Number 10).

It is understandable that all people want to be recognised. By recognising my team members' potential in improving their morality and then help them to make it is a critically important strategy for me to build up a moral team (I002).

Reflect on consistency of words and actions (IC081)

Part of self-reflection for moral people includes reflecting on the consistency of one's words and actions. This is in line with one important Confucian aspect of righteousness, that what people say should be consistent with what they do. More than half of the respondents quoted Confucius in this regard:

If the gentleman lacks gravity, he won't command respect. If he studies he will avoid narrow-mindedness. Put prime value on loyalty and trustworthiness, have no friends who are not your equal, and, if you make mistakes, don't be afraid to correct them (The Analects of Confucius, Book 6, Number 19).

Respondents indicated that they felt ashamed if they failed to maintain consistency between their words and actions. As a result, reflecting on what they say and what they do has become an important part of their daily self-reflection:

My credibility among all stakeholders can not be built overnight. It largely depends on the continuous consistency of my words and actions. To do this, I like to conduct the regular review on what I said and how I did in my daily work. This is helpful for me to make further efforts to improve the consistency of my words and actions (I001).

Reflect on development trend of history (IC082)

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

Respondents commented that history is like a mirror that reflects the truth. They considered that self-reflection in a historical context, reflecting on their past words and actions in such a mirror, helps them understand how they had performed in terms of moral standards and moral patterns. It also helps them to learn about past moral lessons with the aim of avoiding repeating the same mistakes in the future.

One notion from Confucius was quoted by more than half of the respondents:

The Master said, In former times the common people had three weaknesses, but now even these seem to have largely disappeared. 8 Assertive persons in the past were reckless; now they are downright overbearing. Firm-minded persons in the past were prudish; now they are testy and belligerent. Stupid persons in the past were at least upright; now all they do is try to deceive others (The Analects of Confucius, Book 17, Number 16).

They considered that self-reflection in a historical context was an effective strategy for sharpening their moral leadership. As a result, all of them formed a habit of reading history books every day, no matter how busy they were.

The business leaders are not sages. It is inevitable for them to make mistakes in the business activities from time to time. It is acceptable that they make mistakes occasionally, but the same mistake should not be repeated. By reflecting on this history, I can learn from the mistakes made by other people in the past which reminds me of not repeating the same mistakes by myself (I005).

Reflect on one's own improvement (IC083)

The respondents pointed out the importance of self-cultivation, a lifelong activity for moral people to establish their morality. Besides acquiring knowledge from books, one of the most important strategies for self-cultivation is to conduct regular self-reflection. Reflecting can pave the way for people to identify areas for further improvement, which in turn could consolidate a moral person's righteousness:

Reflecting on my own improvement is very important for me to further sharpen my moral leadership. In my point of view, to be a moral leader with righteousness, I need to keep improving all my life. By reflecting on my own improvement I have much clearer ideas on what I can do better in the next step (I004).

Reflect on one's own successes and failures (IC084)

Respondents noted that both successes and failures made up a person's experience, operating like a mirror for people to see what and how they did in the past and to know what and how they should behave in the future. As quoted by two respondents at the interviews, *"When you see a worthy person, think about how you can equal him. When you see an unworthy person, reflect on your own conduct"* (The Analects of Confucius, Book 4, Number 17).

They mentioned that such a reflection offers a direction for people to look at their successes and failures objectively, helping them to maintain a modest attitude towards success, and keep optimistic and motivated in the face of failure.

It is risky that the business leaders get complacent towards their success. Once they did so, they would stop learning and making progress in the end. By reviewing my successes and failures at the same time, I can remind myself of the areas that I did not do well. This offers momentum to me to keep learning and improving myself (I002).

Reflect on others' consistency of words and actions (IC085)

More than half of the respondents highlighted the importance of self-reflection in the development of moral people. When striving to be consistent, other people's ability to be

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

328

consistent in their words and actions can serve as a mirror to reflect their own behaviour. By learning from others' lessons they can avoid moral obstacles. Seeing how other people act consistently can also indicate ways of improving. Two respondents quoted from Confucius regarding the importance of reflecting on other people's consistency of words and actions:

I talk a whole day with Hui, and he never disagrees with me, as though he were stupid. But later, when I examine his private conduct, I see that it fully exemplifies my ideas. No, Hui is not stupid (The Analects of Confucius, Book 2, Number 9).

Due to cultural differences, I have noticed that the interpretation of consistency, which is reiterated in Confucianism, is a little different in different cultural contexts. Therefore, when I work in a foreign country, by reflecting on how other people keep their consistency I have in-depth understanding of how I should perform and keep my words and actions consistent (I002).

Reflect on others' improvements (IC086)

More than half of the respondents indicated that appreciation from business leaders involved the reflection of other people's improvement. Appreciating others' improvement not only provides an indication of what is right and morally appreciated by the local business community, but also provides the momentum for other people to keep improving. If all people in the community keep improving, the morality of the whole community can be ultimately established and maintained. Three respondents quoted Confucius in this regard:

A person can enlarge the Way, but the Way cannot enlarge a person (The Analects of Confucius, Book 15, Number 29).

As a team leader, reflecting my team member's improvement and showing my appreciation is very helpful to consolidate their moral behaviour. Rather than criticise, appreciating their improvement is a much better way to ensure their moral behaviour is repeated (I003).

Reflect on others' successes and failures (IC087)

All respondents indicated that, moral people always treated others with appreciation. As a result, reflecting on others' experiences can be a means of learning. Other people's successes and failures can serve as a mirror for people if they show appreciation:

When working in a foreign country, I feel it most important for me to adapt my behaviour to the local moral standards and moral patterns. Reflecting other people's successes and failures can provide me with useful indications on what I should and should not do in the local business community. With appreciation for what others have done in the past, it is a useful learning shortcut for me (I002).

Reflect on others' way of dealing with others (IC088)

All respondents noted that experience was a mirror for their self-reflection, allowing them to reflect on their own and others' experience. People who have a strong desire to learn and who are able to observe can always gain some learning and insight from people's way of dealing with others. In this way they can avoid repeating the mistakes that others have made:

Continuous learning is the only way for me to cope with the constant changes and uncertainties in the global business community. Besides the books and my past experience, I also get learning from other people, especially their way of dealing with people. Their experience vividly demonstrates to me what behaviour is acceptable and what is not acceptable in the business context (I010).

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

Respondents considered that reflecting on people's way of dealing with others was important for sharpening their own moral leadership. In their words, how to deal with other people best represents a person's moral standards and moral pattern. Some mistakes are understandable and even forgivable, especially at the first occurrence or if unintentional, but mistakes related to moral issues are less forgivable because they usually bring more harm to other people. Through reflecting on people's way of dealing with others, moral people can have greater understanding of the kinds of moral standards and moral patterns with which they should comply.

Reflect on one's own way of dealing with people (IC089)

The way of dealing with people is part of righteousness for moral people. Respondents suggested that Confucius did not teach his disciples about rule-based behaviours, because righteousness is a situation-based moral behaviour. For moral people aiming to develop their righteousness, book knowledge must be augmented by self-reflection.

One respondent quoted the Confucian philosopher Master Zeng in reference to importance to self-reflection in building up his righteousness:

Each day I examine myself on three matters. In making plans for others, am I being loyal to them? In my dealings with friends, am I being trustworthy? Am I passing on to others what I have not carefully thought about myself? (The Analects of Confucius, Book 1, Number 4).

Reflecting the way of how I deal with other people has become not only part of my life, but also an important strategy for me to adapt myself to the global community. I recall that in quite a number of ways my dealings with other people were either misunderstood or unaccepted at the beginning when I started working in the foreign country. Due to business needs, although I was completely new to the foreign work environment, I was assigned to lead a team of foreign colleagues in that country right away. You may imagine how painful I found it at the time. But the inherent habit of self-reflection prompted me to do the same very soon, even though I was away from my home country. When I took the initiative to reflect on the way of how I dealt with other people, I quickly found the areas that I need to improve in order to adapt to the new environment more effectively (I008).

Regulate behaviour with social codes of conduct (IC090)

Respondents noted the importance of abiding by society's or the community's codes of conduct, the commonly agreed behavioural patterns, in order to achieve harmonious coexistence and sustainable development. However, business leaders' conduct has an even greater influence, because these leaders drive and lead the changes in the community. Respondents working in foreign countries emphasised the critical importance of aligning their behaviour with the social codes of conduct in their new living and working environment to enhance and consolidate their moral leadership more easily and quickly:

As a business leader, I consider to be a role model and positively influence other people around me as my inborn responsibility. I understand that every society has its own code of conduct to regulate people's behaviours. For the moral business leaders, I have noticed that they always have their behaviours strictly comply with the social codes of conduct. Therefore, when I took leadership of the overseas business, I used to spend some time in studying the social codes of conduct of the local community before I focused on doing business. Though it took me some time, it enabled me to quickly involve in the local community by regulating my behaviour with its social codes of conduct. By doing so, even I worked in a completely new environment, I could minimise the potential influences on the stakeholders which were caused by my inappropriate behaviour (I001).

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

330

More than half of the respondents indicated that regulating their behaviour to comply with the social codes of conduct became part of their life and gave them pleasure, rather than being an obligation. They quoted one notion from Confucius to explain this:

Three kinds of delight are beneficial; three kinds are harmful. The delight of regulating oneself with rites and music, the delight of speaking of others' good points, the delight of having many worthy friends— these are beneficial. Delight in extravagant pleasures, delight in idle wanderings, delight in the joys of the feast— these are harmful (The Analects of Confucius, Book 16, Number 5).

Regulate desires (IC091)

All respondents mentioned that humans are born with different desires. Satisfying one's own desires can sometimes harm other people's interests. Most respondents indicated Confucius' words about how moral people can regulate their own desires in a reasonable and moral way: *"What you do not want others to do to you, do not do to others"* (The Analects of Confucius, Book 12, Number 2). They commented on the need to regulate one's own desires in order to establish a mutually beneficial work relationship with other stakeholders of the global business community. Business leaders have to cultivate stronger competency to regulate their desires than do ordinary people, in order to minimise the potential influence on other stakeholders:

Each business scandal reported in the past reminds me of the importance that the business leaders regulate their desires. As a human, I have different desires. Even though some of them are not reasonable, they can be easily satisfied due to my leading position in the organisation. If I did so, it was inevitable that the reasonable desires of other people around me would get suffered. To be the moral business leader, the pursuit of my personal desires should not be at the expense of undermining other people's reasonable desire (I004).

Regulate moral standards (IC092)

More than half of the respondents mentioned that each society and community had its own moral standards that provided important guidelines for people about what was right and wrong. People working in a specific environment must regulate their moral standards to agree with the local ones. All respondents mentioned one notion of Confucius: *"Exemplary persons make demands on themselves, while petty persons make demands on others"* (The Analects of Confucius, Book 15, Number 21), and described how they should adapt themselves to the moral standards of their local living and working environment:

This is a rather challenging experience for me. As a well-cultivated adult, the moral standards of my home country have been deeply embedded in my mind. When I began to work with my foreign colleagues, I found some discrepancies between my own moral standards and theirs. In particular areas, they set much higher moral standards than mine. Under such circumstances, I needed to regulate mine with their moral standards so as to have ourselves work at the same moral standards. This has enabled me to quickly build up rapport with them at work (I007).

Regulate one's own behaviour with development trend of nature (IC093)

More than half of the respondents indicated the need to regulate their own behaviour in accordance with the development trend of nature. Consistency between people's behaviour and nature is a fundamental strategy for achieving harmony with the environment, and particularly relevant in the light of the increasing pollution and deteriorating environment associated with the globalisation. Moral business leaders need to monitor their behaviour, and identify any actions that go against nature:

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

In the face of severe competition and dramatically high pressure to realise the profit targets, it is not uncommon to see that many businesses achieve their development at the expense of the healthy development of nature. As a result, tremendous natural resources suffer unprecedented exploitation, and the natural environment quickly becomes deteriorating. This imposes a great threat to not only the sustainable development of nature, but also the living quality of all human beings. Working at the leading position in an organisation, the business leaders should take leadership to avert any business decision or behaviour which is against the development trend of nature (I005).

Reinforce awareness of local ritual proprieties in mind (IC094)

When working in a foreign country, incorporating the awareness of local ritual proprieties into their everyday thinking is an important way for business leaders to create and maintain harmony in the business community. Three respondents quoted a Confucian disciple named You:

Achieving harmony is the most valuable function of observing ritual propriety. In the ways of the Former Kings, this achievement of harmony made them elegant, and was a guiding standard in all things large and small. But when things are not going well, to realise harmony just for its own sake without regulating the situation through observing ritual propriety will not work (I004).

Respect different opinions (IC095)

Respondents considered showing respect to different opinions was a virtue of moral people. Such respect involves not only the empathy of thinking about other people's opinions from their perspective, but also tolerance towards their opinions even though they may not comply with the original intention or may even go against the given interests. Respecting different opinions is critically important for the moral leadership of business leaders. This respect derives from the need to create and maintain a harmonious work environment in which all people from different cultures and with different values can coexist in a constructive way. More than half of the respondents quoted from Confucius to demonstrate how this point is significant to them:

Zhonggong asked about humaneness. The Master said, When you go out the door, behave as though you were going to meet an important guest. When you employ the common people, do so as though you were conducting an important sacrifice. What you do not want others to do to you, do not do to others. In the domain, let there be no grievances against you; in the family, let there be no grievances against you. 1 Zhonggong said, Lacking in cleverness though I am, I would like, if I may, to honour these words (The Analects of Confucius, Book 12, Number 2).

It is not necessary for me to accept all different opinions. But being open minded towards them is critically important for me to make the morally intelligent decisions in the business activities. They enable me to conduct a better self-reflection by reviewing my decision from different perspectives (I005).

Respect others' disadvantages (IC096)

Respect occurs in all aspects of business life, and is associated with equality. Respondents agreed that all people are equal, having their own advantages and disadvantages, regardless of their origin and social status. Moral people should help other make full use of their advantages but should also respect others' disadvantages without discrimination:

When I started to step in the global business and manage some employees from a foreign country, I used to unconsciously have preconceptions about them and judge them with my own standards. As a result, I found that their work performance hardly pleased me, as their

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

332

weaknesses and disadvantages captured my attention. But very soon, I was aware that besides disadvantages, they also have their strengths and advantages. I tried to treat their disadvantages with respect, which in return made me focus more on their advantages and get the most from them (I006).

Many respondents shared a similar experience. Respecting other people's disadvantages is an important strategy for maintaining an open-minded attitude in a culturally diverse work environment and building trust with others.

Seek continuous self-improvement (IC097)

Respondents noted that achieving the credibility of an authentic leader was a long process that involved continuous self-improvement throughout one's life. Credibility is not only one of the characteristics of morality, it is also necessary for business leaders in the contemporary era of globalisation.

Respondents suggested that there was no universal moral standard; rather, different societies or communities had different sets of moral standards and moral patterns. Therefore when moral leaders work in a specific environment, they must ensure their own moral standards comply with those of the local environment, and continuously strive for improvement. Further, because knowledge is the most important foundation for making sound and moral judgment, business executives need to pursue self-improvement by keeping abreast of the rapid development of new knowledge:

I am never satisfied with the achievement that I have made at work. I understand that by partnering with my capable team members, I can always get things done better. I am dedicated in identifying the improvement areas, which prompts me to keep learning throughout my work and life (I005).

Seek equal development of people (IC098)

Respondents commented that, all people were equal individuals, as illustrated by students of Confucius coming from different levels of society, even though at that time education was considered a privilege of the upper class. All people, regardless of background, can develop into moral persons as long as they receive adequate education and self-cultivation. Furthermore, respondents considered that moral people had a responsibility to positively exert a moral influence on everyone working around them:

The morality of the whole community derives from the thinking and behaviour of all stakeholders in a moral way. Working at the leading position in the organisation, I feel the significant importance to exert my positive influence on not only the internal employees of my organisation, but also the external stakeholders. I consider my inborn responsibility to keep my moral influence on all of them by maintaining a role model in front of them all the time (I001).

The moral leadership of business leaders is an interactive process between them and their followers. Respondents suggested that the morality of the whole organisation or the whole business community needs effort from both the leaders and their workers. Providing equal development for workers is not only at the core of moral leadership, but also the means to continuously improve the morality of the workforce.

Settle conflicts through dialogue (IC099)

All the respondents indicated that harmony was the ultimate goal of moral people in the society. Although conflicts are inevitable, due to people's different opinions and viewpoints, moral people should know how to solve conflict in a harmonious way, that is, through dialogue.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

333

One respondent described dialogue as the most effective conflict-solving strategy in a business context. Even if the conflict cannot be completely solved, constructive dialogue can convert negative situations into positive ones:

Having long-term and loyal customers is significantly important to our business. Building up a constructive relationship with our customers is the core. With domestic customers, due to similar culture and values and fewer obstacles to communication, I have found it relatively easy to establish and maintain a constructive relationship. The key challenge comes mainly from managing foreign customers. Due to big differences in culture and values, conflict with them, especially in the way of doing business, is unavoidable. But whenever we encounter conflict with our foreign customers, we can always solve it effectively through dialogue. It has also enabled us to gain more recognition and loyalty from our customers (I006).

Develop a sense of commitment (IC100)

All 10 interviewees described commitment – keeping one's promises – as one of most elementary components of moral leadership, and a critically important way of achieving recognition. They saw this virtue as coinciding with the intuitive approach that Confucius highlighted when he was asked how to be a moral person, and quoted one notion from Confucius at the interview, *"The gentleman is ashamed to let his words outstrip his actions"* (The Analects of Confucius, Book 14, Number 29). With a sense of commitment, people can judge whether their behaviour is appropriate or whether it needs to be adjusted or corrected. When working in a culturally diverse environment where people have different values and cultural backgrounds, all respondents considered that their sense of commitment enabled them to be sensitive to their behaviour and helped them gain respect and trust from their colleagues:

I have noticed that people around me have stressed to me the importance of commitment since my childhood. As a result, it has naturally become part of my life. When I am working abroad, my sense of commitment always reminds me to keep a close eye on my promises and do as I promise to others. As a result, I have found that I am known as a trustworthy person among my foreign colleagues very quickly (I006).

All considered that business leaders need a sense of commitment in order to develop and maintain credibility among their team members.

Show equal respect (IC101)

As reiterated by all respondents, showing equal respect is the most effective way to deal with people from different countries and cultures:

I learn easily when I have the opportunity to directly deal with foreign colleagues at work. It has given me a deep understanding of what equal respect means in globalisation. In Chinese culture, which is deeply influenced by Confucianism, respect focuses more on ritual proprieties and on ritual proprieties. But from my own experience, I understand that the core of equal respect goes beyond that. (I006)

They noted that China was an ancient country that attaches great importance to good manners. Showing respect is not only a basic requirement for interpersonal interaction, but also one of the components of humaneness. It includes respecting others' culture, values, beliefs, traditions and even way of thinking. Four respondents quoted the conversation between Confucius and one of his students Zizhang regarding humaneness:

Zizhang asked Confucius about humaneness. Confucius said, A person who can exercise these five in his dealings with the world is acting humanely. When Zizhang asked what 'these five' were, Confucius said, Ritual proprieties, tolerance, trustworthiness, diligence, and kindness. Be courteous, and you avoid disrespect. Be tolerant, and you win over the multitude. Be

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

334

trustworthy, and you are trusted by others. Be diligent, and your work will go well. Be kind, and you will be able to employ others (The Analects of Confucius, Book 17, Number 6).

Speak up about mistakes (IC102)

Mistakes are inevitable. But in contrast with petty people, responsible moral leaders need to speak up about their mistakes, as articulated in one notion from Confucius quoted by all respondents:

When the petty man makes a mistake, he invariably tries to gloss it over (The Analects of Confucius, Book 19, Number 8).

This is consistent with telling, learning and practising the truth, as discussed earlier. Respondents acknowledged that speaking up about one's own mistakes requires courage, but it largely determines whether the ordinary person can move forward and embark on the journey of becoming a moral person:

It is not so easy for people, especially those who are recognised as moral people in the society or community, to speak up about their mistakes. This is more challenging in Chinese society where people have great concerns about the issue of face. Due to this concern, some people intend to conceal their mistakes by deploying tricks or immoral deals, which undermines their morality in the end. It has been witnessed that quite a number of business scandals have emerged in China in recent years. Though the root cause of those scandals is complex, lack of courage to speak up about the mistakes, due to the concern about face, is part of the main reason (I008).

Speaking up about mistakes is a painful experience, especially in the Chinese cultural context. Due to their leading position in an organisation, the business leaders are usually considered as a sage or Jun Zi as called in Chinese who never makes mistakes. Under this halo, it is hard for them to speak up about their mistake even though they are aware of it. But I think it is necessary for moral people in the making of their own morality. From my own experience, instead of undermining my established reputation, speaking up about my mistakes can help me gain more recognition from other people (I003).

Tell the truth (IC103)

Respondents saw honesty as more than learning the truth; it also involved telling the truth once it is learned. They considered it as part of their obligations as moral business leaders. Moral people should not only know what is right and wrong, but they should provide other people in the community with the same knowledge. Building up and maintaining the morality and truth is the responsibility of all stakeholders in a community. Moral business leaders, besides establishing morality in themselves and equipping themselves with the truth, have the inborn responsibility to consolidate the morality in other people and implant the truth in them. More than half of the respondents quoted one notion from the Confucius:

The humane person wants standing, and so he helps others to gain standing. He wants achievement, and so he helps others to achieve. To know how to proceed on the analogy of what is close at hand— this can be called the humane approach (The Analects of Confucius, Book 6, Number 30).

The respondents consider the sense of responsibility and courage as two most important catalysts to telling the truth. In this information era, people are easily distracted from the truth by various kinds of information. As a result, it is the responsibility of business leaders to tell the truth and let other stakeholders know what the truth is. However, respondents noted that this can take courage, in that telling the truth might incur high risks that the truth is not accepted or is

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

335

misunderstood by others. Therefore, truth telling involves perseverance, but insisting on telling the truth builds up the truth and boosts the whole community's morality.

Think and act with conscience (IC104)

All respondents commented that one of the biggest challenges they faced with globalisation was coping with uncertainty in both their business activities and the moral spectrum. In contrast to the business world, which has specific standards and rules, the moral world is abstract. Even existing codes of conduct cannot cover everything.

Respondents noted that their conscience could guide them towards a sound decision when they faced ambiguous moral dilemmas with no clear guidelines to follow. They defined conscience as an empathetic way of thinking, treating others in the way that they would like to be treated, in line with the Confucian doctrine of "do not impose on others what you yourself do not desire". This idea was echoed by most of the respondents:

In the business world, although we struggle to reach profit targets, it is not every business plan with expected satisfactory profits that receives my support. It is my conscience that tells me some business plans cannot go ahead, as I foresee that they will make other people suffer. I fully trust in a notion from Confucius, The gentleman is alert to what is right. The petty man is alert to what is profitable (The Analects of Confucius, Book 4, Number 16) (I009).

Understand codes of conduct of other people (IC105)

All respondents commented that, when working in a specific social context, codes of conduct existing in that context influenced people's behaviour. From their own experience of working abroad, they agreed that local codes of conduct provided important indications about what they should and should not do. They were criticised if they did not follow those codes of conduct, as they then posed a threat to the existing harmony of the community:

When working in a foreign country, it is important for me to adapt to the codes of conduct of the local community. But my past experiences have indicated to me that it is more important for me to have a clear understanding of the codes of conduct of the local people. This understanding enables me to not only come up with specific ideas on why people behave in a certain way that is different from mine, but also offers me a great momentum to adjust my own behaviour accordingly (I001).

Understand development trend of nature (IC106)

More than half of the respondents commented that nature, as with the human race, had its own development trend that should be complied with. They believe that the development trend of nature, usually called *Way* in Confucianism, sets the *Way* for human beings and society as well. They see the best way to ensure the sustainability of nature is to follow its development trend. Anything that goes against these trends breaks the harmony between mankind and nature, as indicated by one notion from Confucius quoted by the respondents.

If you do not understand the will of Heaven, you will have no way to become a gentleman (The Analects of Confucius, Book 20, Number 5).

They mentioned the example of the over-exploitation of natural resources that had led to deteriorating ecological systems. To ensure the sustainable development of nature, business leaders need knowledge of nature and its trends, in addition to their knowledge of business. In this way their business practices would better comply with the development trend of nature:

Associating with the rapid progress of economic development, it is witnessed that there has been dramatically increasing environmental pollution which has caused the deteriorating

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

environment. Besides severe competition and high pressure of achieving the business targets, part of the environmental pollution is caused due to the deficiency of the business leaders' knowledge about the development trend of nature (I008).

Understand human rights of other people (IC107)

The respondents suggested that the core of empathy, as defined by them, was to understand other people's situations. This naturally prompted their need to understand other people's behavioural patterns, which might influence how people behave in a specific situation. People's human rights in that particular social context are part of those behaviour patterns. Respondents agreed that different societies have different definitions of human rights. To maintain harmony in the business community, business leaders should ensure the human rights of all their stakeholders are not violated by their business decisions or business practices:

Shortly after I led a culturally diverse team, in which my team members come from the US, France, Australia, Vietnam and China, I noticed that the human rights that they emphasise are quite different. Their human rights that they attach great importance usually influence the way they perform and the reason why they put forward such an opinion. When I try to understand their human rights, I have found it much easier for me to understand their opinions (I004).

Understand others' situation (IC108)

Respondents emphasised their positive influence throughout the organisation as a business leader in order to advance the business's development in a moral way. They considered that the ultimate goal of moral leadership was to engage in moral decisions and moral actions that lead to a win-win result. They felt moral leaders should learn how to understand others' actual situation before making any business decision.

Eight of the ten respondents mentioned that they were greatly influenced by the Confucian notion of "not doing to others what one does not want done to oneself". In their business activities, they always tried to understand other people's situations before making business decisions:

Making business decisions at work is sometimes unavoidably subjective, and those decisions might have unconsciously hurt other people. With this in mind, before I make any decision at work, I imagine myself to be in the other person's situation and anticipate their potential responses and the possible influences on them. This has helped me a lot to make business decisions in a moral way (I001).

Understand social codes of conduct (IC109)

Righteousness in the eyes of all respondents means that one's behaviour complies with what is considered to be right in a specific social context. But different societies or communities have different sets of moral standards and moral patterns. Moral people need to have a clear understanding of the social codes of conduct in their specific society or community:

From my own experience, when I worked in a foreign country, understanding the social codes of conduct was extremely important for me. I was surprised to see that the codes of conduct in more social aspects of the foreign country were quite different from those of my home country. Learning about those codes of conduct in that country in advance could help me a lot in avoiding any misconduct (I006).

Understand values of other people (IC110)

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

Besides human rights, empathy also involves understanding other peoples' values. Most respondents described values as the general guidelines that people establish from their experiences. Once formed, these values influence a person's moral performance in a profound way, and they cannot be quickly or easily changed.

Respondents suggested moral business leaders need to exert a positive influence on the business community and help other people to behave in a moral way. However, it is hard for people to behave morally if their values do not comply with the prevailing moral standards and moral patterns. Business leaders need to work towards having moral standards and moral patterns become part of people's values, and understanding how their values work and influence people's behaviour. More than half of the respondents quoted the conversation between Confucius and one of his students Fan Chi about understanding:

Fan Chi asked about understanding. The Confucius said, Understand others (The Analects of Confucius, Book 12, Number 22).

It posed a huge challenge on me when I led the culturally diversifying team for the first time. Due to different cultural background, they have different values, which cause them to demonstrate different behavioural patterns in the social context. I understand that there is no standard formula to establish their morality but the tailor-made solution that is built upon their values (I006).

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

338

Appendix 9: Summary of 35 advanced concepts in Stage 1 data collection and analysis

Code of Advanced Concepts	Advanced Concepts	Code of Initial Concepts	Initial Concepts
AC001	Admit mistakes	IC030	Correct mistakes with sincerity
		IC060	Learn from mistakes
		IC077	Prevent mistakes from recurring
		IC102	Speak up about mistakes
AC002	Assign right people to right position	IC010	Assign work based on moral standards
		IC039	Focus on people's merits
		IC069	Monitor moral performance
AC003	Be a role model	IC007	Align with social codes of conduct
		IC049	Help others to improve
		IC097	Seek continuous self-improvement
		IC109	Understand social codes of conduct
AC004	Be appreciative	IC008	Appreciate people's uniqueness
		IC096	Respect others' disadvantages
		IC101	Show equal respect
AC005	Be consistent	IC014	Be consistent in words and actions
		IC029	Correct inconsistency with promptness
		IC054	Improve consistency between words and actions
AC006	Be empathetic	IC035	Evaluate decisions based on others' feedback
		IC072	Offer help to others when needed
		IC108	Understand others' situation

AC007	Be forgiving	IC041	Forgive others' mistakes
		IC042	Forgive others' misunderstanding
		IC043	Forgive others' rudeness
AC008	Be open-minded	IC053	Identify optimal solution from different opinions
		IC058	Learn from different opinions
		IC095	Respect different opinions
AC009	Build long-term relationships	IC051	Identify long-term interests
		IC067	Make reasonable compromises
		IC073	Overcome obstacles in long-term relationships
AC010	Comply with local ritual proprieties	IC004	Adjust one's own behaviour to local ritual proprieties
		IC040	Follow local ritual proprieties
		IC064	Learn local ritual proprieties
AC011	Exercise self-control	IC026	Control conduct
		IC027	Control emotions
		IC028	Control unreasonable desires
		IC036	Evaluate influences of conduct
AC012	Focus on local ritual proprieties	IC013	Be aware of local ritual proprieties
		IC094	Reinforce awareness of local ritual proprieties in mind
AC013	Focus on people's moral development	IC047	Help others develop into moral people
		IC048	Help others overcome moral obstacles
		IC098	Seek equal development of people
AC014	Identify and develop people's moral potential	IC025	Consolidate others' moral foundations
		IC031	Develop others' moral potential
		IC080	Recognise others' moral potential
AC015	Integrate heart and soul	IC019	Be responsible for one's own decisions
		IC023	Carry out necessary reforms to beliefs and values
		IC104	Think and act with conscience

AC016	Integrate learning and practice	IC044	Get new learning from practice
		IC050	Identify areas of improvement from practice
		IC075	Practise learning
AC017	Keep commitments	IC005	Align with commitment to morality
		IC057	Keep promises to self and other people
		IC074	Persevere in commitment to morality
		IC100	Develop a sense of commitment
AC018	Keep good balance	IC011	Balance conduct
		IC012	Balance interests
		IC052	Identify mutually beneficial solution
AC019	Learn from experience	IC032	Do not repeat mistakes
		IC055	Keep improving through experiences
		IC063	Learn from past experience
AC020	Learn from others	IC061	Learn from others' successes and failures
		IC062	Learn from others' strengths
		IC071	Observe others
AC021	Orient with the truth	IC065	Learn the truth
		IC076	Practise the truth
		IC103	Tell the truth
AC022	Practise harmonious interaction	IC016	Be friendly to others
		IC017	Be modest
		IC099	Settle conflicts through dialogue
AC023	Practise self-perseverance	IC020	Be self-motivated
		IC024	Commitment to one's own decisions
		IC070	Never give up once determined
AC024	Practise self-regulation	IC090	Regulate behaviour with social codes of conduct
		IC091	Regulate desires
		IC092	Regulate moral standards

AC025	Pursue harmonious coexistence of humans and nature	IC034	Encourage reciprocal development
		IC066	Maintain harmonious coexistence
AC026	Pursue lifelong learning	IC001	Accumulate versatile knowledge
		IC015	Be curious about new knowledge
		IC022	Build up knowledge structure
		IC045	Have a modest attitude towards learning
		IC046	Have a strong desire to learn
AC027	Pursue sustainability of humans and nature	IC037	Evaluate potential impacts to humans and nature
		IC068	Minimise pollution to nature
		IC079	Pursue the long-term health of humans and nature
AC028	Reflect on history	IC056	Keep improving through learning from history
		IC059	Learn from history
		IC082	Reflect on development trend of history
AC029	Reflect on one's own experience	IC081	Reflect on consistency of words and actions
		IC083	Reflect on one's own improvement
		IC084	Reflect on one's own successes and failures
		IC089	Reflect on one's own way of dealing with people
AC030	Reflect on others' experience	IC085	Reflect on others' consistency of words and actions
		IC086	Reflect on others' improvements
		IC087	Reflect on others' successes and failures
		IC088	Reflect on others' way of dealing with others
AC031	Remain flexible with different interests	IC018	Be open-minded to different interests
		IC033	Encourage harmony of different interests
		IC038	Facilitate coexistence of different interests
AC032	Respect development trend of nature	IC003	Adapt to development trend of nature
		IC093	Regulate one's own behaviour with development trend of nature
		IC106	Understand development trend of nature

AC033	Respect human rights	IC006	Align with human rights of other people
		IC021	Be sensitive to one's own behaviour
		IC107	Understand human rights of other people
AC034	Respect natural diversity	IC009	Appreciate the diversity of nature
		IC078	Protect natural diversity
AC035	Respect traditions	IC002	Adapt oneself to local traditions
		IC105	Understand codes of conduct of other people
		IC110	Understand values of other people

Appendix 10: Description of 35 advanced concepts in Stage 1 data collection and analysis

The next stage of data analysis was to identify advanced concepts from the 110 initial concepts described in the previous section. Again the software program Nvivo was used. The data analysis process offers more insight into the specific moral leadership competencies needed by business leaders in the current era of globalisation.

Admit mistakes (AC001)

The initial concepts of speaking up about mistakes, learning from mistakes, correcting mistakes with sincerity, and preventing mistakes from recurring are consolidated into the advanced concept of admitting mistakes. No-one can avoid making mistakes throughout their life, as suggested by the respondents. The way of treating and handing with the mistakes mirrors people's morality.

The respondents indicated that it was inevitable that moral business leaders would make mistakes from time to time for various reasons. But most of time, for the concern of losing face, they intended to conceal those mistakes that they have made or shift their mistakes to someone else. As a result, more unexpected mistakes were associated with the action to conceal the previous mistakes. In contrast to concealing their mistakes, when speaking up about mistakes they have made, the business leaders can quickly come up with the solution to cope with their mistakes. Moreover, they can gain more respect and recognition from others on their moral leadership when they have the courage to speak up their mistakes and correct them with sincerity.

In face of the mistakes, having a learning attitude towards the mistakes plays an extremely important role in preventing mistakes from recurring. As implied by the respondents, learning is an essential strategy for a Confucian's self-cultivation. In the contemporary globalisation, learning is the main theme for all business leaders. By constant learning, the business leaders can keep themselves continuously improved from their mistakes.

Assign right people to right position (AC002)

The initial concepts of meritocracy-orientation, morality-based work assignment and monitoring moral performance have been consolidated into the advanced concept of assigning the right people to the right position. The respondents commented that the morality of the officials was one of the key topics that drew much attention from Confucius and his disciples. They indicated that the morality of a country depends largely on that of all officials working at different positions. Consequently, to assign moral people to the governing positions is critically important.

This is equally applicable in the contemporary globalisation, as indicated by the respondents. Business leaders need to exercise their leadership professionally and morally. Professionally, they need to empower people by assigning them to a relevant position. Morally, as mentioned earlier, they need to build up and maintain the morality in the organisation, and ultimately in the community. These two roles are highly correlated. What kinds of people are assigned to managerial positions exerts great importance to the latter.

Moral business leaders, as mentioned by respondents, set high standards on assigning people, especially meritocracy and morality. The former is the foundation to ensure survival of the organisation in today's severely competitive society. The latter is the guarantee to realising sustainable development of the organisation for the long term. These two aspects are also the key standards to evaluating the work performance of people throughout the whole organisation

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

Be a role model (AC003)

The initial concepts of understanding social codes of conduct, behavioural alignment with social codes of conduct, continuous self-improvement, and helping others to improve have been consolidated into the advanced concept of being a role model. As suggested by the respondents, one of the key roles for Confucians or moral leaders is to help other people also build up their morality and become moral persons. In their words, the more Confucians the society had, the more harmonious it would be. For Confucians, the most important strategy for helping others grow up into moral people was to set a role moral for them.

The respondents commented that, as a role model, first of all, they needed to comply with the social codes of conduct of the local community. With deepening globalisation, though the globe is contracting, it still remains controversial whether there is a uniform set of codes of conduct for all global citizens around the whole world. Currently different regions and countries have their own codes of conduct for the local people. For business leaders who need to work in the foreign country, it is critically important for them to have an in-depth understanding of the social codes of conduct in the local area. Without correct understanding of the local codes of conduct, it is unlikely that their behaviour will align with the local community's social codes of conduct.

A role model requires continuous self-improvement in their eyes. This is a main theme throughout the whole life of moral business leaders. Only through ongoing self-improvement can they keep exerting a positive influence on other people around them and help them to improve.

Be appreciative (AC004)

The advanced concept of appreciation is composed of three initial concepts, that is, appreciate people's uniqueness, showing equal respect, and respecting people's disadvantages. It is appreciation that made Confucius become a distinguished educator in China for centuries, as commented by the respondents. They mentioned that, during the days when education was a privilege for upper class people in ancient China, it was Confucius who advocated education for all. He believed that all people were unique individuals with certain potential. They could develop into talented people if they received equal education. As indicated by the respondents, this notion from the Confucius exerted great influence on them when they worked in the global business community.

As commented by the respondents, on one hand, the contemporary globalisation is featured as cultural diversity. Business leaders in the global business community, will need to manage a culturally diverse team, with team members from different regions and countries who might have totally different cultural background and values. To appreciate their uniqueness, show equal respect them and respect their disadvantages is extremely important for business leaders to build up and maintain a harmonious business community.

On the other hand, it is undoubted that business leaders play an important role in constructing a moral business community. But the morality of the whole community cannot be achieved without the commitment and engagement of all other stakeholders. It is more important that they also build up their own morality. Part of the business leader's moral leadership is to lead other people onto the moral path and help them establish their morality. To appreciate their uniqueness, regardless of their social background, lays an equal foundation for everyone to become a moral person.

Be consistent (AC005)

The advanced concept of consistency derives from the grouping from four initial concepts, including sense of consistency of words and actions, correcting inconsistency with promptness, and improving consistency between words and actions. As indicated by the respondents,

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

consistency is considered as an essential characteristic of a Confucian person. Consistency is demonstrated through people's words and actions. Having the words and actions consistent is not only an important indication of being responsible for what is said and done, but also an effective strategy for quickly building up moral leadership. This is of great significance for business leaders, as what they say and what they do usually represents the image of the whole business instead of them as individuals. Inconsistency between their words and actions exerts negative influences on both the business and stakeholders.

As indicated by the respondents, consistency is a lifelong practice for all Confucians. Likewise, for moral business leaders, being consistent should permeate all aspects of the business. Having a sense of the consistency between their words and actions is an important prerequisite. It requires them to be sensitive to what they say and what they do, and keep a close eye on any potential inconsistency. It is understandable that consistency between words and actions cannot be maintained all the time. Consequently, promptness to take action to correct the inconsistency is also part of the consistency requirements posed onto business leaders. Moreover, it also involves ongoing efforts to continuously improve their consistency. From the business perspective, the consistency between what the business has promised to the community and what it has done enables the business to gain more respect and recognition from all stakeholders.

Be empathetic (AC006)

The initial concepts of understanding other people's situation, evaluating decisions from other people's feedback and offering help to others when needed are consolidated into the advanced concept of empathy. Due to business leaders' position, as suggested by the respondents, the decisions that they make regarding the business usually have all related stakeholders involved. To come up with optimal decisions that satisfy the needs of all stakeholders, it is extremely important that the business leaders have a full understanding of the situation of those other people who are influenced by their decision. As indicated by the respondents, such an empathetic attitude permeates the whole life of Confucian people. Likewise, moral business leaders should ensure that empathy is the mainstay in their whole business career.

On top of understanding other people's situations, empathy involves being sensitive to their feedback, as suggested by the respondents. Any business decisions that moral business leaders make should include feedback from stakeholders. In the severely competitive business world nowadays, having customers' feedback heard and considered as the basis of the business decision is central to the survival and sustainable development of all businesses. In this way customers' satisfaction can be continuously improved. It in turn enables the businesses to gain more support and recognition from the customers.

Empathy is also an important interpersonal guideline for people in their daily life. Everyone needs help from someone else at some time. Offering help to others when needed helps build harmonious relationships with others. The business community is no exception. Moral business leaders, besides hitting the profit targets, must also take the leadership to build up and maintain harmony in the business community.

Be forgiving (AC007)

The initial concepts of forgiving others' mistakes, forgiving others' rudeness and forgiving others' misunderstanding have been consolidated into the advanced concept of forgiveness. All respondents considered that forgiveness was an indispensable part in the making of Confucians. It was also a prominent feature that distinguishes Confucians and non-Confucians. Chinese society perceives forgiveness on the presumption that people are teachable, and their morality can be shaped and developed through ongoing learning and practice. It is forgiveness that makes

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

346

the Confucian's ongoing coaching and people's self-cultivation meaningful. This is also of great significance in the contemporary globalisation.

As mentioned by the respondents earlier, the key role of moral business leaders nowadays is to exert their moral influence on all stakeholders and help them increase their own morality. However, while increasing their morality, it is inevitable that people occasionally make mistakes. Having a forgiving attitude towards their mistakes means giving them an opportunity to learn from their mistakes and continue their self-improvement.

On the other hand, when working in the global business community, increasing misunderstanding is associated with tremendous social and cultural differences, especially perceptions of other people's behaviours. Some behaviours are acceptable in a specific social context, but are considered as rudeness in another society. If the misunderstanding is not handled properly, the more misunderstanding is accumulated, the more likely that conflict will occur. Forgiveness is the most effective strategy for dispelling those misunderstandings and enabling people to view it from a neutral perspective. For moral business leaders, it is an essential prerequisite to exercise their moral leadership onto their stakeholders.

Be open-minded (AC008)

The initial concepts of respecting different opinions, learning from different opinions, and identifying optimal solutions from different opinions are consolidated into the advanced concept of open-mindedness. As indicated by the respondents, having the right way to deal with different opinions is one aspect that was most discussed. They mentioned that Confucians should keep an open-minded attitude towards different opinions. But at the same time, they should need to skilfully integrate learning with the way of dealing with different opinions. Instead of excluding the different opinions, Confucius encouraged people to identify new learning from it. This coincides with one of the main themes in the life of all Confucians, that is, learning is an ongoing task that they should undertake all their life.

Respect is an important strategy to deal with different opinions, as suggested by the respondents. It means holding an objective attitude towards different opinions. It enables people to avert from the influence of their prejudices, and helps them identify the optimal solution. As mentioned by the respondents, opinions of people represent their standpoints, shaped by their social and cultural background. Due to different social and cultural backgrounds, when they worked in the global business community, they had to cope with many more different opinions from the stakeholders from different regions and countries. Keeping open-minded is critically important for them to effectively deal with the different opinions.

Apparently, an open-minded attitude is important for listening to different opinions in a calm way; in essence, it is an indispensable prerequisite for achieving the harmony of all stakeholders. Their harmonious coexistence in the global business community derives from the fact that their different opinions are equally respected and balanced. As a result, holding an open-minded attitude and creating different channels for the stakeholders to voice out their different opinions are considered an important approach for all respondents to establish and maintain harmony with their stakeholders.

Build long-term relationships (AC009)

The advanced concept of building up long-term relationships includes three initial concepts, that is, to identify long-term interests, overcome obstacles of long-term relationship and make reasonable compromises. As indicated by the respondents, no people were born with morality, instead, they needed to rely on long-term learning and practising moral knowledge and skills in order to build up their own morality. Conversely, moral business leaders' influence cannot come into effect right away. Morally influence the stakeholders in the community involves a long-

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

347

term process. As a result, to establish a long-term relationship with stakeholders is central for business leaders to exert their ongoing moral influence in the community.

As echoed by all respondents, the core of such a long-term relationship is the interests of related stakeholders. To maintain this relationship, it is important for business leaders to find out the long-term interests about which stakeholders care most. As mentioned by respondents, the long-term relationship with their stakeholders is extremely important for their business in the contemporary globalisation. In the severely competitive business world, all businesses endeavour to deploy various strategies to grasp customers from around the whole world. Meanwhile, propelled by billions of advertisements on the advanced information technology platform, customers' attention is easily directed from one product to another, and their recognition of the businesses is switched from one to another. Therefore, to build up a long-term relationship with customers by satisfying their long-term interests is essential to consolidate their loyalty to and recognition of the business.

To maintain a long-term relationship with the stakeholders, it is also important for business leaders to keep a close eye on the obstacles that might exert a negative influence on this relationship, as suggested by the respondents. These obstacles include misunderstanding the moral standards and moral pattern, mistrust, disrespect, etc. If these obstacles are not eliminated as early as possible, they could exert a negative influence on the long-term relationship.

To cope with those obstacles mentioned above, an important strategy mentioned by the respondents is to make some compromises. They highlighted that those compromises should be reasonable, which meant that all the compromises they made to the stakeholders should not go against moral standards or moral patterns. They considered that, for moral business leaders in the global business community, making morally intelligent compromises was a critically important moral leadership competency for building up and maintaining the harmony of the whole community.

Comply with local ritual proprieties (AC010)

The initial concepts of learning local ritual proprieties, following local ritual proprieties and adjusting one's own behaviour to local ritual proprieties have been consolidated into the advanced concept of complying with local ritual proprieties. Having awareness of ritual proprieties is important, but it is more important to possess relevant knowledge of ritual proprieties. Once again, the topic of learning was highlighted when the respondents talked about ritual proprieties. They suggested that for business leaders who work in the global business community, one of their foremost tasks is to equip themselves with knowledge of the local ritual proprieties. Their own experiences also indicated that it was a useful shortcut for them to have an in-depth understanding of the local social values and culture.

As echoed by all respondents, the integration of learning and practice is important. To be part of the local community, once the business leaders acquire knowledge of the ritual proprieties, it is important for them to put it into practice by following the local rite in their daily work. This not only demonstrates their respect to other people, as discussed earlier, but also paves a necessary way for them to adjust their behaviour to the local ritual proprieties.

Exercise self-control (AC011)

The initial concepts of controlling unreasonable desires, controlling conducts, evaluating influences of conducts and controlling emotions have been consolidated into the advanced concept of self-control. All respondents at the interviews considered that self-control played an important role in the making of Confucians. This simply derives from a fact, as indicated by them, that all human beings are ordinary people instead of sages. They have their inborn natural desires, such as security, social interaction, respect, etc. As suggested by Maslow's hierarchy of needs, when people's basic level of desires are satisfied, they instinctively have higher level of

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

348

desires. However, not all of their desires are reasonable all the time. While pursuing their desires, they might hurt the interests of other people or exert a negative influence on them. More negative influences are easily caused by the business leaders due to their position in the organisation.

Moral business leaders, while controlling their unreasonable desires, pay much attention to their own conduct, as implied by the respondents. To minimise the negative influence on stakeholders, they will evaluate any potential influences that might be caused by their conduct. Such a self-evaluation offers an important indication of conduct that could potentially generate a negative influence.

The respondents commented that self-control also included control of the emotions. They mentioned that substantial studies on emotional intelligence (EQ) have shown that emotions greatly influence people's conduct. While boosting constructive conduct, emotions that are out of control can also promote destructive conduct. With a deep understanding of the influence caused by emotion, Confucius attached great importance on emotional control during the development of Confucians. Some ways such as reading, listening to music and meditation were highly recommended by him for good emotional control.

Focus on local ritual proprieties (AC012)

The advanced concept of focusing on local ritual proprieties derives from two initial concepts, that is, to build up awareness of local ritual proprieties and reinforcing awareness of local ritual proprieties. As mentioned by the respondents, ritual proprieties is formed and developed in a specific social and cultural context. It is the integration of the social values and cultures. Each society has its own ritual proprieties that exerts a profound influence on its people. To some extent, it regulates their social behaviours and moral patterns. They mentioned that ritual proprieties was considered as not only an internal part of self-cultivation of Confucian persons, but also an external strategy for building up interpersonal harmony.

The respondents considered that business leaders working in the global business community encountered the same challenge on how to adapt to the new environment when they work in a foreign country. Besides complying with the official codes of conduct of the local society, they need to pay attention to the unofficial behavioural constraints, which have a greater influence on people's social behaviour and moral patterns. Part of those unofficial behavioural constraints are the rites of the local area.

The respondents indicated that they had an instinctive awareness of these rite since childhood. In their words, China where they grew up was a unique country that focused much on the rite in people's everyday life. It is the ritual proprieties that regulates their behaviours and maintain community harmony. Consequently, when they stepped in the global business community, this awareness of ritual proprieties enabled them to pay equal attention to local ritual proprieties in the foreign country. It became an inherent curiosity to prompt them to know more about the local social values and culture. It helps to expedite the process of adapting to the local environment.

Focus on people's moral development (AC013)

The initial concepts of equal development of people, helping others develop into moral people, and helping others overcome moral obstacles have been consolidated into the advanced concept of focusing on moral development of people. As mentioned by the respondents earlier, one of the key roles of Confucians is to help other people to build up their morality and also grow up into moral persons. As a result, people management has been one of the main focuses of Confucius and his disciples. They stated that all people, regardless of their social status and educational background, could equally develop into Confucians, or *Jun Zi* as it was called in

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

349

their time. Because they advocated the equal development of people, they endeavoured to promote equal education for all people.

Moral business leaders, besides developing their followers intellectually and emotionally, attach much more importance to their moral development, as suggested by the respondents. They intend to offer ongoing coaching to others to help them build up their morality. Apart from moral knowledge and skills, an indispensable part of this moral coaching is to set up a role moral for other people, as explored before.

As commented by the respondents, the core of developing people morally is to help them when they encounter moral obstacles. In the business context, those moral obstacles include the temptations that cause people to lose their moral standards, selfishness, failure in making a morally intelligent decision due to deficiency in moral knowledge and skills. On the path of building up solid morality, people need help to overcome those obstacles so they can keep moving ahead on track. Without this help, it is highly possible that they will derail from their moral track and thereafter fail to revert to the right track. Moral business leaders will play a critically important role in helping them out of those moral obstacles.

Identify and develop people's moral potential (AC014)

The advanced concept of identifying and developing the moral potential of people includes three initial concepts, that is, recognise other people's potential, develop their potential and consolidate their moral foundation. As implied by the respondents, all people, regardless of their social status and educational background, have the potential to develop into moral persons. This potential is unlimited. It paves the way for people to continuously improve their morality throughout their life.

As indicated by them, the moral potential of people is usually hidden within themselves. In most circumstance, people are not aware of it. But once identified, it plays a proactive role in the making of their morality. This is of great significance for moral business leaders. To build up the morality of people around them, it is central for them to recognise other people's potential and keep it continuously developed.

On the other hand, one of the key challenges for moral business leaders in the global business community is coping with the increasing cultural diversity, as commented by the respondents. However, while building up the morality of their stakeholders who come from different social and cultural contexts, there are no standard formulas. The most effective way is the individualised solution on the basis of their different social and cultural backgrounds. As a result, identifying their potential, and drawing up a development proposal for them based on their potential, is critically important for business leaders in the contemporary globalisation.

Integrate heart and soul (AC015)

The initial concepts of necessary reform in beliefs and values, thinking and acting with conscience and being responsible for one's own decision are consolidated into the advanced concept of integration of heart and soul. As indicated by most respondents, people with morality should be a complete person in which the heart and soul are perfectly integrated. The beliefs and values of people are usually manifested through their behaviours and moral patterns. That is, the beliefs and values can be either a boost or a constraint to their behaviours and moral patterns.

In the constantly changing environment of contemporary globalisation, as mentioned by the respondents, integration of heart and soul involves having the beliefs and values adapted to those changes. Thus, what people think and act, which are under the influence of their beliefs and values, can be in line with the latest changes. In the global business community, this is significantly important for the business leaders. One of their key roles is to keep their business abreast with the latest development of the business community. But it is least likely for them to

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

350

do so if their beliefs and values are not kept abreast with the latest changes and development of the global business community.

Integration of heart and soul also involves thinking and acting with conscience. In the complex business community, not all the business activities can refer to black-and-white guidelines. Any ambiguous decisions will depend on the conscience of the business leaders. This conscience is interpreted as an attitude that "Do not do to others what you do not want others to do to you", as quoted by the respondents. For moral business leaders, in face of the ambiguous situations in which there are no specific guidelines for reference, their conscience will work as a moral compass to offer clear direction on the next step.

Integrate learning and practice (AC016)

The initial concepts of practising learning, getting new learning from practice and identifying improvement areas from practice are consolidated into the advanced concept of integration of learning and practice. Putting what is learned into practice was reiterated by the respondents. This is the most important strategy for Confucian people to achieve their self-cultivation. Learning is important in the making of moral people. It is more important to exercise moral knowledge and skill in the social context, and this is of great significance for business leaders working in the global business community.

The respondents commented that contemporary globalisation has posed much more complex moral issues for business leaders. Although moral knowledge provides guidelines for them on how to deal with moral issues, the competency to make a sound decision and skilfully cope with moral dilemmas is hard to develop without ongoing practice. Moreover, moral standards and moral pattern also evolve with social development. Business leaders who work in the global business community must keep their moral knowledge abreast with the latest developments. From ongoing practice, they will know what they do not know, which offers a momentum for their continuous learning.

As suggested by the respondents, to become moral business leaders is a long-term process that requires ongoing self-improvement. Practice enables them to have more insight into what they need to improve and how to improve it.

Keep commitments (AC017)

The initial concepts of sense of commitment, keeping promise, alignment with commitment and perseverance of commitment are grouped into the advanced concept of keeping commitment. To be moral people, as reiterated by the respondents, they need to keep their commitment. People can never become Confucians or *Jun Zi* if they do not have commitment. For business leaders, one objective of their moral leadership is to positively influence their business and followers in a moral way. But this is an ongoing long-term process. Nothing can be achieved without the business leader's commitment. Keeping commitment is not only part of their moral leadership, but also part of their social responsibility.

Respondents implied that to keep commitment, first of all, an awareness of the commitment is critically important. Such an awareness, in their words, is the sense of commitment. This is an inherent motivation for people to pay attention to and also keep their commitment. For business leaders, whatever they propose or decide always exerts certain influences on either the business or the stakeholders. However, whether they can keep commitment to what they propose or decide influences their credibility. With a sense of commitment, they take ownership of their words and actions.

For moral people, to keep commitment also involves having their words and actions aligned with their commitment, as indicated by the respondents. From a business perspective, it means that they need to have the business aligned with the commitment to both the stakeholders

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

351

and society. Furthermore, this alignment, instead of a short-term practice, should be an ongoing practice.

Keep good balance (AC018)

The initial concepts of balancing interests, balancing conducts and identifying mutually beneficial solutions are consolidated into the advanced concept of keeping good balance. As implied by all respondents, harmony is the ultimate goal for all Confucians. It means that all stakeholders are in good balance in terms of their interests and conducts. This is of great significance for business leaders in the contemporary globalisation.

The respondents commented that the core of moral leadership for morally intelligent business leaders is to maintain the sustainable development of the business community. This is an important basis for all stakeholders to realise their long-term development. This long-term development means that they can achieve their respective reasonable interests in the community. Consequently, moral business leaders, besides realising reasonable interests of their own business, must take the leadership to balance different interests of all stakeholders, to ensure that all of them can attain their reasonable interests in the business community. As a result, finding a mutually beneficial solution to balance different interests of stakeholders is a key competency for all business leaders nowadays.

Good balance also involves harmony of people's conduct, as suggested by the respondents. Different types of conduct lead to different moral patterns. In a harmonious community, all stakeholders tend to have compatible moral patterns. This is extremely important for the global business community nowadays. To build up morality in the business community, it is essential for business leaders to cultivate harmonious moral patterns by balancing the conducts of all stakeholders.

Learn from experience (AC019)

The advanced concept of learning from experience is composed of three initial concepts, that is, learn from past experience, keep improving through experience and not repeating mistakes. The respondents commented that much focus has been centred on what Confucians do in their daily life, and how they do it. As a result, their experiences are another good learning source for them. Past experiences, in particular, mirror how people performed as a moral person and what they need to improve in the next step. Each experience paves the way for better performance in the future. Besides learning, morality involves a lifelong continuous improvement. To become moral business leaders, it is important for them to identify the improvement area in each of their experiences and make continued efforts to improve.

The respondents agreed that learning from experience was also important for people to prevent the same mistake from recurring. It is understandable that everyone has chances to make mistakes. This is of no exception for Confucians. However, Confucian people seldom make the same mistake twice. They consider any mistake that they make as a learning opportunity for them, and come up with a solution on how to prevent it from recurring.

As suggested by the respondents, it is inevitable that business leaders working in the global business community make mistakes from time to time. But moral business leaders attach great importance to every mistake that they make. They are aware that their mistake exerts a certain negative influence onto related stakeholders. To minimise the negative influence to the stakeholders, they have zero tolerance that the same mistake occurs again.

Learn from others (AC020)

The initial concepts of learning from others' strengths, observation of others, and learning from others' successes and failures are consolidated into the advanced concept of learning from

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

352

others. As suggested by the respondents, as long as people have a desire to learn, learning is available for them anytime and anywhere. A good source of learning is the other people around them. They commented that learning from others is a practice that was highly encouraged by Confucius. For business leaders, this is extremely important.

The global business community is featured by culturally diverse people working in the same community, as indicated by the respondents. Though they come from different regions with different cultural backgrounds, each has their strength that enables them to survive and develop in the global business community. For business leaders with extensive exposure in global business, having a learning attitude towards other people around them can help them better adapt to the global business community.

The respondents mentioned the learning that results from observing what other people do, and how they do it. In their words, observation enabled business leaders to have more insights into the behaviours and moral patterns of the local people. By learning from observation, they could more effectively adjust to their behaviours and moral patterns.

Other people's successes and failures also offer a good reference for business leaders. Other people's successes can provide them with good examples of how to be a moral person in a specific social context, while other people's failures can give them good lessons on what immoral conducts are not acceptable in that social context.

Orient with the truth (AC021)

The initial codes of truth telling, truth learning and truth practising are consolidated into the advanced concept of truth orientation. As indicated by respondents, having their business oriented with the truth is critically important in the contemporary globalisation. With assistance from information technology, any business information can be spread around the world in a few seconds. Consumers can easily find out the truth anytime and anywhere. Businesses can easily build up a good reputation globally through consumers' word of mouth. But simultaneously they can also have their good reputation destroyed overnight if the businesses are against the truth.

Respondents indicated that moral business leaders needed to build up their courage to tell the truth. This was essential foundation of moral leadership. They mentioned that most business scandals derived from the failure of business leaders to tell the truth at the beginning. Due to various concerns on telling the truth, the more they intended to conceal the truth, the more they slipped into scandal. As implied by them, the competency of truth telling depended on the ability to identify the truth among the considerable information in the global business community. Consequently, the competency of learning the truth is required.

The respondents considered that learning was always associated with practice. Integration of learning and practice was what Confucians should do throughout their life. People would never master new knowledge or new skills if they did not practise it once learned. This is of no exception for the truth learning. For business leaders, once they learn about the truth, they need to practise it throughout the whole of their business. Besides ensuring their business complies with the truth, they also need to speak the truth to all stakeholders and keep them informed of what is, or is not, the truth.

Practise harmonious interaction (AC022)

The initial concepts of settling conflicts through dialogue, being friendly to others and being modest towards others have been consolidated into the advanced concept of practising peaceful interaction. As indicated by the respondents, in line with harmony, the ultimate objective for Confucians is peaceful interaction with other people, as highly recommended by Confucius and his disciples. They did not encourage either force or war; instead, they persisted

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

353

in their belief that all conflicts could be settled by dialogue. This is of great significance for the contemporary globalisation as indicated by the respondents.

Respondents noted that accelerating globalisation is an inevitable development trend for countries around the world. One prominent challenge is that all people with different social and cultural backgrounds have to work in the same global community. As a result, their interactions bring increasing conflicts that need to accommodate different values and cultures. Some of these conflicts are constructive, while others are destructive and might confer much negative influence onto the global community. However, the respondents mentioned evidence that solving the conflicts through force or war aggravates the negative influences to the global community. As moral business leaders, part of their moral leadership is to turn destructive conflicts into constructive ones and minimise the negative influences on related stakeholders. Dialogue is the most effective way for them to achieve a mutually beneficial solution to conflicts while simultaneously minimising the negative influences.

Attitude in the dialogue also plays an important role in its effectiveness, as implied by the respondents. A friendly and modest attitude is considered as the most appropriate towards other people that Confucians should cultivate. Respondents commented that holding a friendly attitude towards all people around them was extremely helpful in building up harmonious interpersonal relationships. This was also a demonstration of respect to others. In their words, respect to other people is never on the lips; rather, when treating others with a friendly attitude, other people can feel the respect. On the other hand, a modest attitude is of equal importance. It enables people to maintain a strong desire to learn from others. This coincides with the point on appreciation, mentioned by the respondents, that to appreciate and recognise other people was the key to create and maintain the harmony of the business community.

Practise self-perseverance (AC023)

The initial concepts of not giving up once determined, commitment to one's own decision and self-motivation are consolidated into the advanced concept of self-perseverance. As implied by the respondents, morality cannot be built up overnight. It involves a lifelong process of learning and practising moral standards and moral patterns. To be moral people, or *Jun Zi* as called by Confucius, requires people to persist in their moral standards and moral patterns in their life, despite any temptations and obstacles that they encounter. This is extremely important for business leaders in the contemporary globalisation.

As suggested by the respondents, with deepening globalisation around the whole world business leaders have to cope with more complex business challenges than previously. Simultaneously, with more involvement in the global business community, their business decisions exert much more influence on relevant stakeholders. Commitment to their decision, as well as their moral standards and moral patterns, can minimise negative influences on the stakeholders, as implied by the respondents.

The respondents mentioned that becoming moral people also requires good emotional management to overcome loneliness and misunderstanding by other people. Self-motivation plays an essential role in the process. Knowing how to motivate oneself in face of frustration is part of the moral leadership competency that global business leaders need to build up throughout their life.

Practise self-regulation (AC024)

The advanced concept of self-regulation stems from three initial concepts, including regulate behaviour with the social codes of conduct, regulate desires and regulate moral standards. Self-initiative has drawn much attention from most respondents. Instead of exerting control on people's conduct, they suggested that moral persons were good at taking the initiative to direct their conduct in a positive way. Compared with self-control that relies mainly on

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

354

specific policies as external constraints, self-regulation involves more internal initiative and awareness of conduct.

The respondents mentioned that self-regulation indicated an advancement of self-cultivation in the development of moral people. This was of great significance for business leaders working in the global business community. The contemporary globalisation features increasing uncertainties, which pose a great challenge to global business leaders who need to be morally intelligent in such an ambiguous business community. Taking initiative in regulating their behaviour to the changing environment in a moral way is essential for building up their moral leadership.

Pursue harmonious coexistence of humans and nature (AC025)

The advanced concept of harmonious coexistence of human beings and nature includes two initial concepts: reciprocal development and maintain harmonious coexistence. All respondents considered that harmony was the ultimate goal to be achieved in the relationship between human beings and nature. In their point of view, the survival and sustainable development of both human beings and nature is reciprocal. This reciprocity is central for not only the sustainability, but also the harmony of human society and nature. This is of extremely great significance in the contemporary globalisation. No one doubts that the quality of our living environment has been on the decline, in contrast to the progressing economic development in the past century. When looking around, it is noticeable that an increasing number of natural species have disappeared, some vital natural resources have been exhausted, and the air and water have been severely polluted. Every year, millions of local habitants have to move to other area due to their deteriorating living environment. As a result, the harmonious coexistence of human beings and nature has become a common concern for all people around the world.

Respondents echoed that moral business leaders should have more foresight to realise how the harmonious coexistence of human beings and nature influences their business. Once this harmonious coexistence is built up, not only their business, but also the whole community, benefits from it in the long term. For the business, they can gain sustainable materials support from nature. For the community, the quality of the living environment can continue to improve.

Pursue lifelong learning (AC026)

The initial concepts of building up knowledge structure, versatile knowledge, strong learning desire, modest learning attitude, and curiosity to new knowledge are grouped into the advanced concept of lifelong learning. As commented by the respondents, learning is an important strategy for their lifelong self-cultivation. Morality cannot be built up overnight. It depends on the ongoing efforts. This is of great significance for business leaders nowadays. To make moral business decisions, a wealth of knowledge is necessary for them to make a sound judgment. Moreover, in the moral spectrum, the standards and codes of conduct are not unchanged, but evolve as society develops. This promoted the need to learn throughout their whole life.

The respondents mentioned that business leaders working in the global business community will encounter many challenges, from not just their home country but different regions around the world. Furthermore, these challenges are more complex and involve various aspects of the business world. To cope with those complex problems, the business leaders need to be equipped with well-structured versatile knowledge.

In the present information era, new knowledge develops at an unprecedented speed, which poses a big challenge to business leaders aiming to keep their knowledge abreast with the latest developments, as indicated by the respondents. A strong desire to learn, a modest learning attitude and curiosity about new knowledge are extremely important for business leaders in the global business community.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

355

Pursue sustainability of humans and nature (AC027)

The advanced concept of sustainability of humans and nature is composed of three initial concepts. That is, evaluate potential impact to humans and nature, minimise pollution to nature, and promote long-term health of humans and nature. Instead of being apart, they considered that humans and nature are interdependent and integrated ultimately. Sustainable development of human being and nature is considered as part of the harmony that Confucians endeavour to achieve. This is of great significance for all business leaders in the contemporary globalisation, as indicated by the respondents.

The respondents commented that, when looking back, it was noticeable that the economy of the whole world has progressed dramatically in the past half century. However, the economic development of quite a number of countries, especially the developing countries, has been at the expense of inexhaustible consumption of the natural resources and pollution to nature. While achieving unprecedented economic development, they have posed a great threat to the ecological balance. Once this balance is broken, both human beings and nature hardly survive for the long term.

Consequently, to protect the sustainability of human beings and nature is part of the social responsibilities of people in the global business community, as suggested by the respondents. In their point of view, moral business leaders should take more leadership in this aspect. Due to their position in an organisation, any of their business decisions exert some influence on the stakeholders and the whole community. Whatever business decisions they make, they should evaluate the potential impact that might cause to humans and nature. They also need to keep a close eye on the daily business operations to eliminate any practices that might generate pollution. Only when nature has long-term health can human beings and the global business community achieve sustainable development.

Reflect on history (AC028)

The initial concepts of learning from history, self-reflection against history, and keeping improved through learning from history have been consolidated in the advanced concept of reflection on history. As commented by the respondents, history is regarded as another important learning source for Confucians. It can mirror past experiences and forecast the future development of society. This can partly explain why Confucius strongly encouraged his disciples to learn about history. In the contemporary globalisation, this is equally of great significance for business leaders.

As echoed by all respondents, the key to moral leadership for business leaders working in the global business community is to positively influence all stakeholders in the community and help them build up their morality. But the stakeholders, who come from different regions or countries, have their own moral standards and moral patterns. They are formed and developed in specific social and cultural context of their own region and country, and cannot be shaped overnight. Without in-depth understanding of their social and cultural background, it is hard for business leaders to come up with effective ways to exert a positive influence on them. The history of their stakeholders' region and country offers a good reference, and enables them to quickly gain in-depth understanding of their social and cultural background.

The respondents also mentioned that history could also mirror the improvement areas of the business leaders. This provides a solid basis for their continuous self-improvement. As indicated by the respondents, most of the great leaders with high morality were all good at learning history. They included the majority of Confucius' disciples, who later became exceptionally outstanding Confucians.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

356

Reflect on one's own experience (AC029)

The advanced concept of reflection on one's own experience includes four initial concepts, that is, reflect on the way of dealing with people, reflect on consistency of words and actions, reflect on one's own successes and failures and reflect on one's own improvement. As suggested by the respondents, apart from learning, reflection is considered as an effective strategy for Confucian people's self-cultivation. Learning is a process of acquiring new knowledge and skills. As discussed earlier, associating with learning is practice, while reflection is an important bridge that connects learning and practice. As suggested by Confucius, reflection is an indispensable exercise that people need to do in their everyday life.

This is of great significance for the business leaders, as implied by the respondents. By reflecting how they dealt with people in the past, they have more insight into the effects of their consistency of words and actions, and how they should make further improvement in the next step. The result of such ongoing reflection can further consolidate the sense of consistency between words and actions, mentioned before. This will ultimately help business leaders to build up a trustworthy relationship with stakeholders in the business community.

Reflect on others' experience (AC030)

Four initial concepts, including reflect on people's way of dealing with others, reflect on others' consistency of words and actions, reflect on others' successes and failures, and reflect on others' improvements are consolidated into the advanced concept of reflecting on others' experience. In the eyes of all respondents, learning is considered the most important strategy for their self-cultivation, while holistic thinking is the most essential approach for them to identify the sources of their learning. Besides their own experience, other people's experience is an indispensable part of their knowledge body. When reflecting on others' experience, they can learn not only from experiences that they have never had before, but also the lessons that they will not have to repeat in the future.

Reflecting on others' experience represents one of the interpretations of humaneness. To become humane people requires them to care about both themselves and other people around them. It is necessary to have more understanding of others' beliefs and values by learning about their experience, which is shaped and influenced by the social and cultural background where they grew up and live. This is important for establishing and maintaining the harmony of the global business community nowadays. Associated with the accelerating globalisation are growing conflicts in various countries and regions in the past few decades. One of the root causes behind those conflicts, as indicated by the respondents is that, although the geographical demarcation is diminishing in the globalising community, the majority of people working in this community still live within their own cognitive demarcation. The only way to overcome their cognitive demarcation is to gain more understanding of other people, in particular their experience, and have it become part of their own learning.

Remain flexible with different interests (AC031)

The initial concepts of open-mindedness to different interests, coexistence of different interests and harmony of different interests are categorised into the advanced concept of flexible attitude towards different interests. In a marketing economy, the interests of all stakeholders are at the core of all economic activities, as implied by the respondents. Their self-interests are embedded and shaped by the social and cultural context in which they grow up and develop. These contexts, in turn, influence people's perceptions towards the outside world and their behavioural patterns. With deepening globalisation, the interests of people are highly intertwined. Each individual in the global business community has their own interests that reflect their own social and cultural values. For business leaders with extensive exposure in the global business community, having a flexible attitude towards stakeholders' different interests has great significance.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

Part of the moral leadership of business leaders, as suggested by the respondents, is to create and maintain harmony in the global business community. The key of this harmony is that stakeholders' different interests can find their position in the community and be realised in a moral way. Moreover, in pursuing their different interests, people should not negatively influence others. As indicated by the respondents, the concept of harmony permeates their everyday business. Harmony of different interests of all stakeholders is central to the harmony of the business community. When working in the global business community, keeping the interests of their stakeholders in harmony is helpful for them to build up a long-term constructive relationship with people from other regions or countries.

Respect development trend of nature (AC032)

The initial concepts of understanding development trend of nature, adapting to development trend of nature and regulating one's own behaviour with development trend of nature have been consolidated into the advanced concept of respecting development trend of nature. As agreed by the respondents, everything in the world, including nature, has its own development trend. Both Confucius and his disciples advocated that people should comply with the development trend of nature, or heaven as they called it during their times. Regardless of the political regime that used this notion to serve the governors, it is still of great significance in the global business community, as indicated by the respondents.

While being aware of the importance of sustainability of nature, part of the effort to achieve sustainable development is to respect its development trends, as suggested by the respondents. In their point of view, knowledge about development trends is necessary. Business leaders with morality, besides having global business knowledge, should also have knowledge of nature and its development trends. This knowledge is an important prerequisite for them to adapt their business behaviours to the development trend of nature.

Moreover, as interpreted by the respondents, respect for the development trend of nature involves utilising these trends to regulate business behaviours in a more proactive way. With in-depth understanding of the development trend of nature, moral business leaders will identify any potential issues in their business operations and take preventive measures to minimise all negative influences to nature.

Respect human rights (AC033)

The initial concepts of understanding human rights of other people, being sensitive to behaviours and aligning with human rights are consolidated into the advanced concept of respecting human rights. The respondents mentioned that, in ancient China, human rights drew attention from both Confucius and his disciples. This is indicated from their efforts in promoting the education to all people in their times. In the old days of Chinese society, with its hierarchical stratification, education was a privilege for the upper-class nobles. It was Confucius and his disciples who promoted education for all. They believed that education and self-development are basic rights for human beings, and everyone should have equal access to education.

As commented by respondents, the endeavours by Confucius and his disciples still positively influence contemporary globalisation. How to effectively adapt to the global community and minimise friction among regions and countries has been a heated topic. Once again, human rights have drawn people's attention around the world. In the contracting globe, though it is controversial whether there are global human rights, it is obvious that people from different regions or countries have specific human rights. People consider their human rights as part of themselves and the basic rights of every citizen, and they will naturally object to any business decision or practice that violates their human rights.

As for Confucius and his disciples, the respondents believed that Confucians care about other people's human rights. This is significantly important for business leaders. Working in the

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

358

global business community, they need to satisfy the needs of both domestic and foreign customers, and gain their recognition. Ensuring all their business decisions and practices comply with the human rights of people in the local area is a fundamental requirement for all global business leaders.

Respect natural diversity (AC034)

The initial concepts of appreciating the diversity of nature and protecting the diversity of nature have been consolidated into the advanced concept of respect for the diversity of nature. The respondents commented that, just as human society has various races, nature also featured a diversity that is composed of various kinds of species. It is such a diversity that enables nature to provide various resources to support the survival and sustainable development of human society. As indicated by them, during the times of Confucius and his disciples, the role of nature was highly recognised. Instead of being separated, they advocated that human beings and nature were integrated. But in this integration, they maintained their respective diversity.

On top of complying with the development trend of nature, human beings should respect its diversity, as suggested by the respondents. This respect involved in appreciating the diversity of nature. As mentioned by them earlier, an appreciative attitude can direct people's focus towards positive aspects of things. When people view nature with appreciation, it was much easier for them to come up with ideas on how to take advantage of nature. Simultaneously, as implied by them, when utilising the diversity of nature, it was equally important for people to take measures to protect this diversity. Once the diversity of nature was destroyed, its harmony was broken accordingly. Exactly like the domino effect, the human beings who relied on support from nature would also suffer.

The respondents commented that moral business leaders, while they endeavoured to create and maintain harmony of the community, should make the effort to safeguard the diversity of nature. Along with profit targets, environmental protection is an equally important element in their business decisions. They try to minimise the potential negative influences on nature by doing so.

Respect traditions (AC035)

The advanced concept of respecting traditions comprises three initial concepts, that is, understanding values of other people, understanding others' codes of conduct and adapting to local traditions. As implied by respondents, traditions are considered a combination of values, cultures, rites and codes of conduct of one region or country. They are formed and developed through generations, and exert a profound influence on people's behaviours and moral pattern.

The respondents indicated that, on one hand, an important role of moral business leaders is to positively influence other people in a moral way and help them grow into moral persons. But there is no uniform formula to turn people into moral persons. The way to help people build up their morality should be based on their individual social and cultural background. As a result, it is necessary to have a clear understanding of their values and codes of conduct. Only in this way can business leaders come up with effective solutions to help other people develop into moral persons.

On the other hand, respondents felt it necessary that business leaders who work in the global business community should adapt to the local community when working in a foreign country. Adapting to local traditions is an important first step, and a shortcut to fully understanding the local people's values and codes of conduct in a short time.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

359

Appendix 11: Summary of 10 initial concepts in Stage 2 data collection and analysis

Code of Initial Concepts	Initial Concepts
IC111	Add value when assuming responsibility
IC112	Assume responsibility for one's self
IC113	Assume responsibility for other people
IC114	Carry out one's own social responsibility
IC115	Comply with rules
IC116	Comply with social order
IC117	Do not cheat
IC118	Give back to society
IC119	Help others achieve reasonable interest
IC120	Regulate business conduct with rules of global business community
IC121	Sacrifice self-interests to achieve common goals
IC122	Serve common goals of the society
IC123	Serve best interest of other people
IC124	Strive for common interests
IC125	Study rules of global business community
IC126	Understand one's own social responsibility

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

360

Appendix 12: Description of 10 initial concepts in Stage 2 data collection and analysis

Add value when assuming responsibility (IC111)

Although assuming one's own responsibility is important, as emphasised by the majority of the respondents, it is more important for them to add value when assuming responsibility. Responsibility is more than the obligation that they need to carry out in the business context. They consider it as an added value which is beneficial to not only themselves, but also the stakeholders, the community and even the society. It can finally lead to the mutual development of all people in the business community. With value orientation, it is notable that they endeavour to ensure every business decision they make can add value to all of their stakeholders instead of just focusing on the interests of their business.

The aforementioned point coincides with the notion from the Confucius about the humane person, which was quoted by more than half of the respondents at the interview:

The humane person wants standing, and so he helps others to gain standing. He wants achievement, and so he helps others to achieve. To know how to proceed on the analogy of what is close at hand— this can be called the humane approach (I015).

Assume responsibility for one's self (IC112)

As indicated by all respondents, responsibility begins with being responsible for themselves. It is hardly impossible for them to assume responsibility for others without a responsible attitude towards the self. Specifically, they should be responsible for not only the decisions that they make, but also their words and actions that they take in the business context. They consider it as part of their leadership. Due to their leading position in the organisation, whatsoever they say and do at work exerts some influence on all other people working around them. Taking a responsible attitude towards themselves enables them to set a good example to follow.

The above point from the respondents is in line with the notion from Confucius regarding the Confucians which was quoted by most of them at the interviews:

The gentleman is bountiful but not extravagant, exacts labour but rouses no resentment, has desires but is not covetous, is self-possessed but not arrogant, dignified but not oppressively so (The Analects of Confucius, Book 20, Number 4).

Assume responsibility for other people (IC113)

Most respondents commented that all people have their respective responsibility in the society. Such a responsibility starts from being responsible for one's self, then people around them and the community, and finally the society. Due to their leading position in the organisation, they attach great importance to their responsibility for other people who work around them. In their words, being responsible for other people is equally important as being responsible for their own self and the business performance of the organisation. While achieving the sustainable development of the organisation, they are dedicated to realising the continuous development of their stakeholders which include the internal employees and external suppliers and customers:

In the past one decade, while investing millions of dollars in our new product development and new market exploration, I have also had my company make a huge investment in the employee training and development programs. I hope that working in my company is not just a job for them but their own business where they can develop together with the company (I018).

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

361

Carry out one's own social responsibility (IC114)

All respondents attached great importance to the integration of learning and action, and so while it is important for people to understand their own social responsibility, it is even more important to actually carry it out. An increasing number of common social problems associated with globalisation cannot be solved by only one or two people or countries; only joint efforts from all business leaders in the community can effectively solve those social problems:

I feel that my social responsibility is not only my leadership role, but also a lifelong commitment to society. Sustainable development of society could not be achieved without such a commitment from all people in the community (I012).

Comply with rules (IC115)

Respondents noted that any society or community has rules to promote normal operation and harmony. These rules provide important guidelines for all stakeholders on what and how they should act, with the results that the reasonable interests of all stakeholders are protected and achieved in harmony:

Complying with the rules of the local community is of great significance for me. As a business leader, any of my proposals or decisions exert a high influence on the business. Even a slight failure in complying with the local rules might bring either negative impact to the reputation of the business or have the business exposed to legal risks (I020).

Comply with social order (IC116)

All respondents highlighted the good social order among people. They see social order an important strategy for maintaining interpersonal relationships and harmony. For centuries, Chinese society has featured a well-structured, stratified social order. Such a social order, rather than being hierarchical, stipulates people's rights and obligations according to their respective role in society, and so it helps to maintain harmony. Despite increasing globalisation, each society still maintains its social order with the consequent influence on people's social behaviour, as well as their rights and obligations:

Since my childhood, I have been aware of the important role of social order in the work and living environment of China. Such awareness has made me pay attention to the local social order when I started to manage the business in a foreign country.

Although the social order is not so obvious in the foreign country as in China, it actually exists and also influences the local people's moral patterns and perceptions of their social rights and obligations. In compliance with the social order of the local community, I can better adapt my own behaviour to the local environment (I015).

Do not cheat (IC117)

Respondents commented that loyalty is taken very seriously in China. Unlike in western countries, which for centuries have had contracts to specify people's rights and obligations, Chinese society has depended more on interpersonal loyalty to regulate people's conduct in a social context. Respondents considered that the core of such interpersonal loyalty is an absence of cheating. Without the constraints of contracts, any loyalty among people is quickly destroyed once cheating occurs.

Respondents suggested that absence of cheating is greatly significant in the contemporary era of globalisation. These days information is transmitted around the globe almost instantaneously, so any cheating conduct in businesses is publicised worldwide in a few seconds. However, businesses in this highly competitive world need to gain customers from around the world. Customers' loyalty is an important guarantee of their long-term survival and

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

362

development in the global business community. Not cheating the customer is the key to building up and maintaining long-term loyalty.

Give back to society (IC118)

Giving back to society was one of the topics most frequently mentioned by respondents. This attitude is not only consistent with the notion of offering help to others when needed, but is also an important strategy for creating and maintaining harmony in the community. To survive and develop in the business community, all businesses need different kinds of resources from the community, such as natural and human resources and the support of technology, information and finance. But these resources are not inexhaustible, and must be protected. All respondents considered that moral business leaders should attach equal importance to achieving their business targets and giving back to society by protecting the sustainability of society's resources:

Giving back to society has become not only part of my life, but also part of the business in my company. When giving back, I feel that both myself and my company can get much more. Take the volunteer project I have led in my current company, for example, I organise my employees to pay regular visits to an orphanage and a home for the elderly. Whenever we offer them our financial support and labour, we always gain a great sense of spiritual satisfaction and the morale of my whole team is boosted (I019).

Help others achieve reasonable interests (IC119)

In the contemporary business context where the interests of the organisations and their stakeholders are highly intertwined, as commented by most respondents, realising the interests of their organisations largely depends on whether they can help their stakeholders achieve their reasonable interests. In their words, competition in the global business community is not exploiting the interest of other organisations and customers but promoting the mutual development on the fair and equal platform. In return their own organisation can achieve not only the promising business performance but also the long-term recognition from their stakeholders:

I have to cope with much more severe competition when I help my organisation develop the business in the overseas market. Despite the increasing pressure to achieve the business objectives, I intend to understand the reasonable interests of my stakeholders first. Their reasonable interests become the baseline of my business decisions, which can not get harmed no matter what decisions I make (I012).

Regulate business conduct with rules of global business community (IC120)

All respondents reiterated the importance of combining learning and practice. While it is important for them to study the rules of the global business community, it is more important to have those rules become part of their business and regulate their business conduct accordingly:

With increasing globalisation and a shrinking globe, all businesses around the world will step in the global business community sooner or later, no matter whether they are willing to do so or not. Regulating business conduct with the rules of global community will enable businesses to adapt to the global business context more quickly and become a real part of it (I018).

Sacrifice self-interests to achieve common goals (IC121)

Respondents conceded that sometimes the interests of the business, or the business leaders themselves, do not always coincide with the common interests of stakeholders in the community. They suggested that business interests should give way to the common interests, because only

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

363

when the common interests of the community are met can a business achieve its desired level of sustainable development:

I feel that self-sacrifice of one's own interests is one of the characteristics that moral business leaders should have. When personal interests prevail, people usually do some harm to the common interests of the community unconsciously. The business scandals are good examples of over-seeking for self-interests, which negatively influence the common interests of the community in the end (I011).

Serve common goals of the society (IC122)

Most respondents commented that moral people are involved in society's common goals. Through joint efforts towards common goals, harmony in society can be ultimately achieved. Moral business leaders should integrate the common goals of the society with the corporate goals of their business. Under such moral leadership, society's common goals and business goals are increasingly intertwined rather than separate:

I strongly believe that each society has its own common goals that are in the best interests of its people. For any business with the intention to survive and develop in that society for the long term, the business leaders should have those common goals become part of their business. I don't think that any business where the corporate goals are against the common goals of the society can realise its sustainable development (I014).

Serve best interests of other people (IC123)

Two kinds of the stakeholders' interests are highly emphasised by most respondents. One is their basic and reasonable interests which become the bottom line in their business decision, and the other is their best interests which are the objectives to achieve. While the former is necessary to realise the mutual development in the highly competitive business context, the latter is crucial to establish and consolidate the emotional bond with their stakeholders, which is necessary for them to maintain the competitiveness in the global market:

Continuous growth of our business in the highly competitive global market is largely attributed to our capability to keep a stable group of key customers with us for years. While achieving our business objectives, we always try to realise their best interests which inform part of our business decision (I015).

Strive for common interests (IC124)

In the shrinking global world, while people's interests are closely interrelated, respondents believe people are increasingly focused on common issues such as global warming, food security and energy shortages. Their common interests determine not only people's quality of life, but also harmony in the community. All respondents commented that, while needing to achieve business targets, working for the common interests of all people in the community should be of great significance for business leader:

The more the common interests of people in the local community can be met, the more recognition the business can gain from its customers. As moral business leaders, I feel that, first of all, they need to identify the common interests of the local community, and then have their business adapted to those common interests. Only the common interests of all stakeholders are achieved can the business realise the sustainable development in the business community (I013).

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

364

Study rules of global business community (IC125)

Respondents noted that, as each community has its own rules to regulate community activities and people's behaviour, so too does the business community. As globalisation increases, the rules of the global business community become even more significant. For moral business leaders to comply with the rules of the global business community, they need first to study the rules: the policies and regulations of economy, sales and marketing, intellectual propriety, environmental protection, and so on:

I feel that working in the global business community, being familiar with all relevant rules is part of the leadership for all moral business leaders. As a result, studying the rules of the global business community has become my daily task (I017).

Understand one's own social responsibility (IC126)

Respondents noted that social responsibility is part of the moral person's role in a Confucian sense. Moral people have responsibilities of not only cultivating themselves and regulating their families, but also of governing their state and keeping the area where they live in peace and tranquillity. Clearly social responsibilities are rooted in a specific social context, and so moral business leaders need to understand their social responsibility in a specific social context:

Due to differences in cultural and social background, different societies pose different requirements on the social responsibilities that people should take. So clear understanding of the social responsibilities in specific social context is very important to ensure the subsequent action in that aspect is correct (I016).

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

365

Appendix 13: Summary of seven advanced concepts in Stage 2 data collection and analysis

Code of Advanced Concepts	Advanced Concepts	Code of Initial Concepts	Initial Concepts
AC036	Establish servant mindset	IC118	Give back to society
		IC122	Serve common goals of the society
AC037	Integrity	IC115	Comply with rules
		IC116	Comply with social order
		IC117	Do not cheat
AC038	Loyalty	IC119	Help others achieve reasonable interest
		IC123	Serve best interest of other people
AC039	Persist in self-sacrifice	IC121	Sacrifice self-interests to achieve common goals
		IC124	Strive for common interests
AC040	Practise responsible citizenship	IC114	Carry out one's own social responsibility
		IC126	Understand one's own social responsibility
AC041	Regulate business conduct	IC120	Regulate business conduct with rules of global business community
		IC125	Study rules of global business community
AC042	Responsibility	IC111	Add value when assuming responsibility
		IC112	Assume responsibility for one's self
		IC113	Assume responsibility for other people

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

366

Appendix 14: Description of seven advanced concepts in Stage 2 data collection and analysis

Establish servant mindset (AC036)

The advanced concept of servant mindset is composed of two initial concepts: serve common goals of the society and give back to society. At the interviews, the respondents provided new interpretations on the roles that Confucians should play in the community. This was of great significance for the governors and officials during the times of Confucius and his disciples, as implied by the respondents. Although they took leadership in governing the country, they were posited as a servant to serve for all other people of the community. Having the servant mindset is important to ensure the harmony of the community and achieve the common interests of all stakeholders.

On the other hand, giving back to society was considered as a virtue that Confucians should have, as suggested by the respondents. This coincided with another important role of Confucian people in realising the sustainability of human beings and nature. As mentioned by the respondents earlier, the development of human beings and nature is interdependent. To survive and further develop, human beings have to get resources from nature, while the sustainable development of nature relies on protection from human beings.

Likewise, the relationship of business and society is the same, as suggested by the respondents. The survival and development of business needs to attain various resources such as human resources, infrastructure resources, etc from the local community. But at the same time, they need to provide support for the community to realise its sustainable development, so they can get inexhaustible resources from the community to achieve their long-term business objectives. This can largely explain why an increasing number of businesses nowadays state that giving back to the community is one of their corporate missions.

Integrity (AC037)

The initial concepts of no cheating, complying with rules and complying with social order have been consolidated into the advanced concept of loyalty. The respondents mentioned that loyalty was the most important element for maintaining harmony among people and communities. In their eyes, it was an indispensable part of Confucians throughout all their life. In the times of Confucius and his disciples, the Confucians, or *Jun Zi* as they were called at that time, were expected to take leadership to create and maintain the harmony of the community. As a result, they attach great importance to the loyalty by all their stakeholders, including their superiors, peers and even family members. This exerted profound influences on the Chinese culture for centuries, and became a political tool for the governors to better control their people through their uncompromising loyalty.

However, as indicated by the respondents, in the contemporary globalisation, loyalty is still of great significance, especially for business leaders with exposure in the global business community. Customers' recognition and commitment to the products and the business organisation is critical for the survival and development of all organisations. But the dramatically advancing information technology and accelerating globalisation have been posing a huge challenge for all businesses to stably maintain their customers' recognition and commitment. In the contracting globe, the products and services provided by businesses have no borders, making it convenient for customers to switch their attention from one product or service to another. Consequently, customers' loyalty is essential for the sustainable development of all businesses.

To build up loyalty is a two-way process, as implied by the respondents. The customers' loyalty first comes from the businesses' loyalty to them. Without this prerequisite, businesses

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

367

are unlikely to gain customers' long-term recognition and commitment. As indicated by respondents, this prerequisite involves, first of all, no cheating to the customers. This exactly coincides with another point that respondents highlighted in their earlier discussion, that is, admit mistakes. It is inevitable that business leaders occasionally make mistakes for various reasons. It is moral conduct for them to admit their mistakes and take immediate correction. But, on the other hand, it is cheating if they intend to hide their mistakes.

Moral business leaders working in the global business community, as suggested by the respondents, have a new interpretation of loyalty: to comply with the business rules and social order of the business community. To achieve and maintain the harmony, while imposing specific rules onto its stakeholders, they must also comply with its social order. This is necessary to ensure that the reasonable interests of all stakeholders are protected in the community. In return, the businesses that comply in those two areas can receive more recognition and commitment to the business.

Loyalty (AC038)

Two initial concepts, help others achieve reasonable interest and serve the best interest of other people, have been consolidated into the advanced concept of loyalty. They end up with enabling the respondents to establish the loyal relationship with the stakeholders when helping them achieve the reasonable and best interests. In the severely competitive global market, as agreed by all respondents, loyalty is one of the most important elements which can build the emotional bond with their stakeholders. Once established, it leads them to be in a better position to exert the positive influence on them.

As commented by all respondents, to establish the loyalty is an ongoing joint effort from the business leaders and their stakeholders. In the highly competitive global market, however, it is hardly possible to gain the stakeholders' loyalty in the organisations if their business leaders show least loyalty in the stakeholders. To demonstrate the loyalty to the stakeholder is the first step of building the long term loyal relationship between the business leaders and their stakeholders.

Most respondents imply that, in the marketing economy, core of such a relationship is the interests that everyone intends to achieve. Loyalty from the stakeholders requires the business leaders to pay equal attention to the interests of their organisation and those of their stakeholders. It provides an important reference for them when making the decisions in the business context. No matter what decisions they make in the business activities, they should ensure that the interests of their organisation as well as those of their stakeholders can be achieved.

Persist in self-sacrifice (AC039)

The initial concepts of sacrificing self-interests to achieve common ones and striving for common interests have been consolidated into the advanced concept of self-sacrifice. In the viewpoints of the respondents, self-sacrifice was considered as a characteristic that was unique to Confucian persons. In their eyes, this was one of the conspicuous area that distinguishes Confucian people from others. One of the ultimate missions of Confucians is to create harmony of the community. In order to achieve this objective, part of their lifelong mission is sacrificing their self-interests for the good of the whole community. This is of equal significance for business leaders in the contemporary globalisation.

In the global business community, where the interests of all stakeholders are highly intertwined, as commented by the respondents, how to deal with the self-interests and common interests of the community is central for business leaders. Morally intelligent business leaders always put the common interests of all other stakeholders and the whole community as their top priority. They are aware that the harmony of the community is the guarantee of the long-term

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

368

interests of all stakeholders, including their own self-interests. Consequently, they attach equal importance to both the profit targets of the business and the common interests of the community.

As indicated by the respondents, self-sacrifice is an indispensable part of moral people. But no-one is born with it. It involves lifelong learning and practice to build up the necessary awareness and courage. But once built up, it sets a solid foundation for the morally sound decisions to be made.

Practise responsible citizenship (AC040)

The initial concepts of understanding one's own social responsibility and carrying out one's own social responsibility have been consolidated into the advanced concept of responsible citizenship. As suggested by the respondents, in order to achieve the overall harmony of the community, all citizens should take responsibility for their own leadership. Although governors or leaders play an important role in building up and maintaining community harmony, such harmony is unlikely to occur without the responsible involvement of all citizens. Respondents implied that, with accelerating globalisation, the globe was contracting and the whole world was becoming a global village. While the universally social responsibilities of the whole world had not been standardised, it was obvious that regions and countries are paying much more attention to the social responsibilities of their communities. This could be largely explained by the overwhelming discussion on the CSR, Corporate Social Responsibility, in different kinds of organisations and countries since the mid of last century.

As commented by the respondents, social responsibilities were formed and developed in different social and cultural contexts. Different societies impose different social responsibilities on their citizens. Correct implementation of the social responsibilities is based on in-depth understanding of those social responsibilities in a specific social background. This is critically important for moral business leaders who work in a foreign country. As indicated by the respondents, carrying out their social responsibilities in their daily work and life is one of the most effective ways for them to set up a role model in the community. But this depends on their accurate understanding of the local social responsibilities. Their past work experience in working in foreign countries and managing culturally diverse teams suggested that, due to social and cultural differences, their interpretations and expectations of the local citizens' social responsibilities can vary from place to place.

Regulate business conduct (AC041)

Two initial concepts, study rules of global business community and regulate business conduct with rules of the global community, have been consolidated into the advanced concept of regulating business conduct. In face of increasingly severe competition in the global market, all respondents are aware of one of the key challenges is sustainable development of their organisation. But simultaneously they also realise that the sustainable development of their organisation largely depends on that of their stakeholder. While it is important to achieve the business objectives of their organisation, it is equally important to ensure the sustainable development of their stakeholders.

Efforts to realise their stakeholder's sustainable development include most respondents' focus on studying rules of global business community and regulating the business conduct with rules of the global community. These efforts articulate a transformative process of learning, unlearning and relearning process. As commented by the respondents, when they lead the business in the global market, the first thing for them to do is to learn the rules of the global business community, and then get rid of the obsolete business practices that are against those rules. In the constantly changing business environment, they keep a close eye of the new business rules and have their business operation comply with those rules. All these learning efforts end up with ensuring the sustainable development of their organisation and stakeholders as well.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

As novice in the global business community, all respondents indicated that they need to cope with much more severe competition when they step in the global business, while they witnessed that an increasing number of their domestic counterparts withdrew their global business due to their incapacity of tackling the global competition. The rules of the global business community become important guidelines for them to not only operate their business in a sustainable way but also address the challenges of the global market in a moral way.

Responsibility (AC042)

Three initial concepts, assume responsibility for one's self, assume responsibility for other people and add value when assuming responsibility, have been consolidated into the advanced concept of responsibility. They represent a responsible attitude towards the self and other people in the community.

As indicated by the majority of the respondents, all people have their respective responsibility in the society. Assuming the responsibility is necessary to realise their own social value and maintain the harmony of the society. It starts from assuming the responsibility for themselves, and then the responsibility for other people of the community. To keep learning and develop themselves into a well-cultivated person is most respondents' effort in assuming responsibility for themselves. It paves the way for their effort in assuming responsibility for other people of the community. As commented by them, when they are equipped with the latest knowledge especially the moral knowledge, they are in a better position to make the responsible decisions in the business activities which are beneficial to not only their organisation but also their stakeholders.

In the eyes of most respondents, assuming responsibility is not just carrying out one's obligation. Instead, they emphasise adding value to themselves and other people when they assume their responsibility. The value added to both themselves and other people in particular becomes an important indicator of the value that they create to the community. It reminds them, although it is important for them to assume their responsibility for the organisation by achieving the business objectives, it is equally important for them to carry out their responsibility for their stakeholders by adding value to them. By integrating the value of the organisation and stakeholders, it diverts their attention from their business to the stakeholders of the community, which ultimately leads to the mutual development of their organisation and community as well.

Global leadership competencies of senior executives from non-state-owned companies of China:
A qualitative study in a Confucian cultural context

370