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Managerial philosophy of Chinese CEOs in modern business: A cross-cultural study

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Abstract   Contrasting between the Hofstede cultural dimensions and the philosophical constituents of Confucianism, this study discloses the idiosyncrasy and incongruence of the leadership and stakeholder management of Chinese corporate executive officers (CEOs) across mainland China, Hong Kong, and Taiwan. As supported by the dialogs from 54 pan-Chinese corporate leaders, such peculiarity is perceptible thanks to the practical variation in respective local culture in that mainland Chinese CEOs are more autocratic and power-lopsided, emphasizing Confucian loyalty and ritual/propriety; Hong Kongese CEOs are hierarchical but flexible, accentuating Confucian loyalty and integrity, and the leaders of Taiwan are alternatively modest and less patriarchal, avowing the importance of Confucian integrity, righteousness, and humaneness. For business practitioners around the world, a fundamental but thorough understanding of such cross-cultural managerial dissimilarity is crucial not only to enrich one's inter-personal and inter-corporate experience, but also to prosper mutual corporate relationships and business capacity.
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1. Introduction

The managerial philosophy of a corporate executive is commonly shaped by both organizational values and national culture (Byrne & Bradley, 2007; Marcus & Smith, 1998; Muenjohn & Armstrong, 2007; Oh, 2004). For most Chinese corporate executive officers (CEOs), everlasting

Confucianism is highly valued as one of the most important philosophical guidelines for corporate operational and strategic management. Especially important are the Confucian teaching on *loyalty* and *filial piety*, *humaneness*, *righteousness*, *propriety/ritual*, and *integrity*, among other merits (Ang & Low, 2012; Brooks, 1998; Cheung & Chan, 2005; Dong & Lee, 2007; Dragga, 1999; Romar, 2002; Zhang, Chen, Liu, & Liu, 2008). Western cultural researchers such as Hofstede (2001) agree that, generally, Confucian moral teachings lead Chinese business culture to be long-term oriented, hierarchical and power-lopsided, harmonious and

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group-centered, less uncertainty tolerant, and masculine and patriarchal (Cheung & Chan, 2005; Dong & Lee, 2007).

As business becomes ever more global and the economic role of broader China – mainland China, Hong Kong, and Taiwan – continues to grow, it becomes increasingly likely that business people around the world will, at some time, work with or under Chinese executives. It is generally agreed that effective leadership and corporate management rely on the executive's vision, his/her enduring drive, and his/her persistence to follow through and carry out the vision (Hopkins & Hopkins, 1999; Jones, 2012). As these attributes are shaped in part by national culture, it is essential to understand the cultural influences on an executive's managerial behaviors (Cheung & Chan, 2005). Across broader China, most CEOs practice their managerial tactics on one hand adhering to cross-border common cultural characteristics rooted from Confucianism and on the other hand reflecting the respective local peculiarity and idiosyncrasy. Success for a non-Chinese person working with his/her Chinese counterparts would depend heavily on how well the non-Chinese understands the Chinese style of leadership. An appropriate understanding of general Chinese culture and the unique local divergences could not only enrich one's inter-personal and inter-corporate experience, but also could strengthen mutual corporate relationships and business capacity (Byrne & Bradley, 2007; Sarros & Santora, 2001).

The purpose of this study is to help business practitioners around the globe understand the managerial philosophy and leadership of pan-Chinese corporate executives through evaluation of the Hofstede culture dimension and the Confucian moral standard. Its comparative analysis offers broad perspectives as to how these executives' managerial behavior is shaped and influenced. The methodology of this paper is applied and qualitative, based on published interviews of CEOs across mainland China, Hong Kong, and Taiwan. The entire study is structured with the introduction in Section 1, followed by the analysis of Western and Eastern cultural paradigms. Section 3 provides regional cultural comparisons. The analytical method is summarized in Section 4, followed by the empirical finding and discussion in Section 5. Conclusion in the last section completes the study.

2. Cultural analysis: doctrine of the west and the east

2.1. Hofstede framework of culture

The Hofstede framework pioneers comparative cultural study as a Western analytical paradigm. Its classical measure includes the assessment of (1) *time perspective and orientation*, with which a society with long-term orientation usually implies higher levels of willingness to present sacrifice, materialistic achievement and wealth accumulation. In contrast, a low score tends to endorse a short-term cultural perspective that may produce impatient future savings, a relatively stress-free lifestyle, and less material gain. (2) *Individualism versus collectivism*, with which a culture with a high score spells individualistic importance. It tends to be self-interest driven, has loose ties with others, and values individual freedom, hard-work, innovation, and creativity. A

collective culture with a low score, on the other hand, indicates in-group integration, de-emphasis of self-image and self-importance, and appraisal of communal goal accomplishments. (3) *Level of power distance*, with which a society that accepts power inequalities among its people tends to result in a higher score. With such an attitude, a hierarchical relationship is evident within the family and/or in the work environment. The hierarchical power is mostly nurtured by prestige, force, and inheritance (Dong & Lee, 2007). A low-indexed culture possesses lower power distance, which promotes the gratification of equality among people. Organizational hierarchy is not fortified. (4) D*egree of uncertainty avoidance*, with which a high score indicates that a society is strongly uncertainty preventive, which implies a more risk-adverse and conservative societal behavior. Formal and rigid rules tend to be supported and implemented to lower the level of possible anxiety due to uncertain and ambiguous situations. A low score appears in a culture where situational flexibility of laws and regulations is maintained. Different thoughts and ideas are relatively appreciated and ambiguity is also tolerated. Lastly, (5) *masculinity versus femininity*, with which a high-indexed (i.e. masculinity) society encourages competition and rewards success. It has a tendency of patriarchal dominance. Nevertheless, a feminine society in a low scoring culture discourages assertive and competitive practices. Caring and modest behavior and the emphasis of quality of life are prevalent and admired (see Hofstede, 2001).

2.2. Confucius teaching of chinese culture

As embedded in Chinese culture, Confucianism establishes a pivotal system of ethics accentuating the importance of loyalty, reverence/filial piety, humaneness, righteousness, propriety/ritual, and integrity, among other philosophical elements (Lau, 1979; Brooks, 1998).

Loyalty and *filial piety* are equivalent as the greatest virtues in Confucianism but in a dissimilar prospect. Loyalty emphasizes the interpersonal association with the implicit practice of hierarchy within the social classes. In a government, especially, subordinates pay respect and follow commands of the ruler, whereas within a family one is advised to be loyal to his spouse and friends. Filial piety stresses the high reverence paid from the younger to the elders as in the *five relationships* or *five bonds – superior to subordinate*; *father to son*; *husband to wife*; *the elder to the younger*, and *friend to friend* (Cheung & Chan, 2005).

Humaneness, according to Confucius, means 'loving others' (Brooks, 1998). In a political dimension, it describes the relationship between the ruler and his followers where the ruler exercises 'humaneness' by loving and being thoughtful to his subjects. Such rulership is enriched by practicing 'virtue', the moral power that promotes the governance without using physical force. The ruler is advised to be a 'gentleman', which ideally combines the qualities of saint and scholar, as opposed to the 'petty man' who is mean-spirited, greedy, materialistic, and self-centered. In Confucian society, humaneness implies altruism and benevolence, morality, promotion of others' interests, self-discipline and restraint. As emphasized by Confucius ''*Do not do unto others what you would not have them do unto you.*'' (Brooks, 1998).

Righteousness denotes the justice among people as well as the ability of distinguishing right from wrong. It demands conscience and integrity in one's behavior. Under Confucian righteousness, one 'ought to do' (which is 'righteous') the morally right things regardless of the possible consequences, and to avoid decisions on any immoral situation. In other words, as one taking moral actions, it should be as asserted in Kantian ethics – 'the thing is done as a good-in-itself, *not* as a means to an end' (Wood, 1999).

Propriety or *ritual* refers to one's proper role in the society. It is developed in three levels: appropriateness to the circumstance, appropriate roles performed by the participants, and the participants' appropriate preparation and attitudes. Successful ritual is fulfilled through cooperative behavior, which should not be just ceremonial, but practiced with respect and sincerity (Romar, 2002). *Ritual* suggests that one learn to reconcile his/her desires with the needs of others in the society. In a political environment, according to Confucius, rulers in power should not oppress or take advantage of their subordinates; just as avowed in the concept of *humaneness*: a 'good government' is fostered on 'the ruler being a ruler, the minister being a minister, the father being a father, and the son being a son' (Lau, 1979).

Integrity exemplifies faithfulness and wholeness of an individual. It promotes social harmony to a steady state. For the perception of faithfulness, in a government, Confucian integrity implies self-governance based on mutual trusts, which can be linked with the Taoist teaching of '*Wu-Wei*' – the less governing the ruler does, the more the tasks get done (Gerlach, 2005). 'Wholeness' is nurtured from qualities of being honest, truthful, and consistent. An individual with wholeness connotes self-cultivation, self-discipline, and self-progression. As commented by Confucius, a leader should set a good model and act with integrity so as to command his followers for good cause, and his followers would willingly obey him (Ang & Low, 2012).

3. Preliminary cultural study – cultural comparison in mainland China, Hong Kong, and Taiwan

The broader scope pertaining to Chinese cultural practice covers mainland China, Hong Kong, and Taiwan which share common, yet dissimilar cultural characteristics. As demonstrated in Fig. 1 of the Hofstede cultural evaluation, mainland Chinese, Hong Kongese, and Taiwanese are all long-term and future-oriented (refer to the LTO index). Relatively, however, China's long-term perspective is stronger than those of Hong Kong and Taiwan. Mainland Chinese tend to be thrifty and more patient in accumulating their future wealth. Such a result could be explained not only by the practice of Confucian philosophy but also from the realistic challenge of the economic condition in China in recent history (before 1980s). Since the autocratic regimes of the dynasties until the reigning of Mao, different political, social, and economic hardships had led mainland Chinese to live meagerly. Frugality and saving for the future were thus the only solutions for sustaining life under such circumstances. On the contrary, to a lesser degree, people in both Hong Kong and Taiwan, while maintaining persistence and perseverance, value a more flexible and relaxed
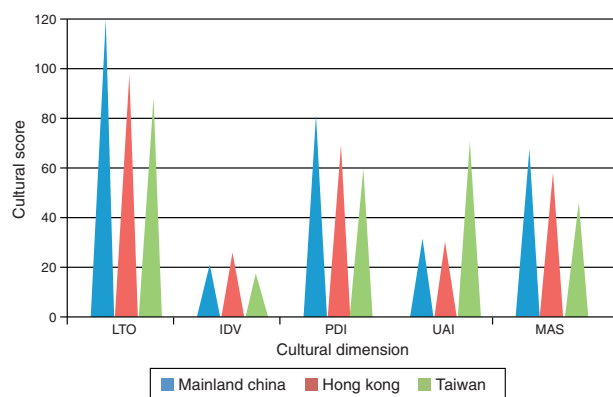

Figure 1 Hofstede cultural assessment – Mainland China, Hong Kong and Taiwan.
Source: Statistics imported from Geert Hofstede National Culture at geert-hofstede.com; 2012.

lifestyle. Consistent with the spirit of Confucianism, Hofstede's long-term evaluation of Chinese culture reaffirms the core notions of Confucian *humaneness*, *propriety/ritual* and *integrity*.

Collectivism is observed in the Chinese culture (refer to the IDV index in Fig. 1). The Hofstede evaluation reveals the lowest score in Taiwan, followed by China and Hong Kong. In Taiwan, in-group integration is essential and emphasized. People act in the best 'group' interest and loyalty in such a collectivistic society promotes long-term in-group 'membership'. As also observed in China, the collective and cooperative efforts are never understated. In the case of Hong Kong, given nearly a century long British colonial experience while celebrating the importance of a collectivistic society, it embraces the freedom of being individualistic with a relative higher score. Resonating to Hofstede's observation, the collectivistic nature of Chinese culture stems from the enlightenment of Confucianism with which the essence of self-discipline/restraint and communal interest is captured in *loyalty*, *humaneness*, *righteousness*, and *integrity*.

Mainland China outranks Hong Kong and Taiwan on *power distance* (refer to the PDI index in Fig. 1). It is suggested that power inequality prevails and is widely accepted by mainland Chinese. Individuals are directed by centralized and formal authority, and the superior-subordinate relationship is prone to be distinctly divided. The power divergence is modestly distributed in Hong Kong, however, and is less hierarchical in Taiwan. Hofstede's assessment in general is parallel to the Confucian philosophical foundation, where hierarchy in Chinese society is established based on rank, status, and/or prestige as reflected in the Confucian *loyalty*, *filial piety*, and *propriety/ritual*.

The index of uncertainty avoidance is distributed widely between mainland Chinese and Hong Kongese as a group and Taiwanese (referred to as UAI in Fig. 1). Both China and Hong Kong scored low implying a higher level of tolerance for uncertainty and ambiguity. People of both societies are inclined to adapt informal and flexible laws and rules to reflect actual situations. Pragmatism is a norm and ambiguity is common and acceptable. In Taiwan, however, people prefer rigid codes of belief and behavior, and

are relatively conservative and intolerant of unorthodox thoughts and conduct. As compared with mainland Chinese and Hong Kongese, Taiwanese tend to be less innovative and entrepreneurial. Confucian teaching suggests a feasible balance where, to an individual, conservatism and self-restraint are encouraged and admired, but to others (in-groups), ambiguity and uncertainty are bearable due to the Confucian emphasis on respect and reverence. It is reflected in *loyalty*, *humaneness* and *propriety/ritual*.

Finally, the Hofstede standard on masculinity versus femininity ranks highest in China, descending on Hong Kong and Taiwan (referred to as MAS in Fig. 1). It depicts mainland China as a masculine society where success and accomplishment are venerated. Its society tends to be more patriarchal-dominant and hard-work driven. Leisure and a relaxed lifestyle are not as essential as they are in Hong Kong and Taiwan. In Hong Kong, people are somewhat masculine in that they value competition (Dong & Lee, 2007). Leisure time is important but often de-prioritized to work. Reversely, Taiwanese value the feminine social environment with caring and involvement. They embrace equality, solidarity, and quality of life. When conflicts emerge, Taiwanese would try to resolve them through compromise and negotiation. Congruent to Hofstede's measure, Confucian inspiration highlights the masculine nature of Chinese. It weighs on hierarchical and patriarchal influence as referred to *filial piety* and *righteousness*.

4. Analytical method

To properly study the pan-Chinese CEOs' business managing philosophy in the context of Hofstede characteristics and Confucianism, qualitative data are used based on a series of published interviews of CEOs across mainland China, Hong Kong, and Taiwan. These data are from actual examples and events that are illustrative rather than focusing on the evaluation of hypotheses. Interview dialogs of these CEOs are recorded and published through public media including a book edited by Zhang (2003; in Chinese language) of Peking University (mainland China); Radio Television Hong Kong,[1] and books by Chan and Xie (2009), Xian, Chan, and Xie (2008), and Xian, Chan, & Mai (2007) (all in Chinese language) (Hong Kong), and the book edited by business reporters of Tian-Xia Editorial (2003; in Chinese language) (Taiwan).

The majority of these CEOs are senior in their executive business management, with a minority of young talents who began their managing tasks thanks to the advent of information technology and e-commerce. Additionally, most of these CEOs, either native-born (i.e. Chinese) or foreign-origin with prolonged business practice in Chinese markets, have exercised international management given their multinational business scopes from the East to the West. A total of 54 CEOs (11 of Mainland; 29 of Hong Kong, and 14 of Taiwan) across the industries of manufacturing,

financial and insurance service, computer-technology and telecommunication, trade and cyber-business, and the public sector disclose their managing strategy and philosophy. In the literature, such regional comparative analysis is minimal and uneasy to find. The completion of this study, hence, is believed to enrich the existing qualitative work. It provides business practitioners around the globe a better and more practical understanding as to how Chinese business operates overall, how different practices across mainland China, Hong Kong, and Taiwan are perceived and engaged, and how business management is influenced by its culture and the Confucian philosophy.

5. Empirical finding and discussion

The following Tables 1–3 tabulate and analyze the pan-Chinese CEO's entrepreneurial management structure and its underlying influences from the cultural and philosophical foundation. To exercise the comparison across broader China, three strategic business tactics are evaluated respectively.

Table 1 synthesizes the pan-Chinese CEOs' managerial philosophy on business vision and corporate development. It is somewhat self-explanatory. As indicated, although all three economies favor a long-term business vision, mainland Chinese CEOs are relatively masculine in their business management, supporting hierarchy and high power distance. Such patriarchal practices reflect *loyalty* and *propriety/ritual* teachings of Confucius. Realistically, as observed in many public and private institutions, such *loyalty* of Confucius has facilitated China's 'one-state' governance under which executive power is rather centralized and maintained by a small group of individuals. Modern mainland Chinese CEOs' managerial value is also influenced by Mao Zedong, their founding father of the New China since 1949. As stated in Li and Yeh (2007), Mao's principles influence Chinese CEO's business tactics by forming and playing one group against another, creating agitation, and rallying others to denounce certain cadres so as to securitize his/her own managing power. These CEOs may strengthen their authority by keeping other executives in a state of uncertainty, or using lower-rank subordinates to deprecate and pressure those in the upper-rank (also see Jones, 2012; Lu & Lu, 2008). Conversely, CEOs of both Hong Kong and Taiwan are relatively egalitarian. They respect the merit of Confucian *loyalty*, but are willing to decentralize their powers to attain business *integrity* and integrate the value of 'wholeness' and 'faithfulness' to shape their corporate culture.

In modern business, all of the CEOs across broader China value the vision of internationalization. Acknowledging globalization as an ongoing trend, mainland CEOs support business growth through assertiveness and competitiveness. Employees are encouraged to compete to achieve. Through increasingly intellectual and professional exchanges between the West and the East, the common Western 'goal-driven' practice is also adopted by Chinese organizations as the key to the individual and business success. In Hong Kong, CEOs see the ability of overturning challenges ('danger') to opportunities as an important

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[1] Radio Television Hong Kong (RTHK) worked with Chinese University of Hong Kong (CUHK) to broadcast the CEOs interview series both video and audio available at http://www.cuhk.edu.hk/english/web-within-web/emba-news/talk-to-ceo.html. Programs broadcasted are in Cantonese language.

Table 1 CEOs' managing philosophy, cross-cultural connections, and the relationship to Confucianism – business vision and corporate development.

Business vision and corporate development	Hofstede dimension	Teaching of Confucianism (main focus)
Mainland China Highlights of CEO's thoughts and practices	*Long-term orientation; masculinity; high power distance* • 'Assertiveness and competitiveness produce growth.' • Formal and authoritarian organizational culture • World view and practice • Creating value-added business • Goal-driven corporate value; customer-driven corporate culture	*Loyalty; propriety/ritual*
Hong Kong Highlights of CEO's thoughts and practices	*Long-term orientation* • World-vision and share-vision • Turning 'danger' into 'opportunity' (i.e. turning the impossible possible) • Emphasis of corporate value and culture for sustain business growth • Promoting '360-degree brand management' • 'Doing business needs financial power and direction [goal]..., being pragmatic and rational to make small investment resulting in rewarding outcome.'	*Loyalty; integrity*
Taiwan Highlights of CEO's thoughts and practices	*Long-term orientation* • 'Today's success doesn't imply that of tomorrow.' • Global view and operation • Creation of organizational value and culture • Continuous operation through developing/sustaining industrial expertise • Dynamic corporate growth: *quality, speed, cost*	*Integrity; loyalty/filial piety*

survival and sustaining skill in business. Courage, flexibility, determination, and hard-work are the essential elements in corporate development. Hong Kong-ese CEOs, owing to its colonial experience from the West, is inspired to integrate '360-degree brand management' given that the corporation which creates pragmatic brand/corporate image by delivering comprehensive customer care and services could grow and earn customers' trusts and loyalties. In Taiwan, nurtured in relatively feminine and strong uncertainty avoiding culture, local CEOs are conservative and less assertive. It is commonly believed that 'Today's success doesn't guarantee that of tomorrow.' The companies need not only to constantly learn, but also to create the individual's professional and organizational values. Taiwanese CEOs deem that continuous operation in a corporation is based upon continuous learning and developing industrial expertise. Quality, speed, and cost of production are the keys to ensuring dynamic corporate development and competitiveness.

In Table 2, Chinese CEOs' views on leadership and the corporate social responsibility are disclosed. From the Hofstede dimension, it is evident that both mainland Chinese and Hong Kong-ese societies support high power distance and weak uncertainty avoidance. Such societal characteristics resonate the hierarchical dominance in common workplaces. Noticeable power inequality is normal in that the employees are expected to pay much respect to their supervisors. However, employees are less restrained by formal and informal rules which encourage them to embrace different thoughts and ideas. Within the hierarchical organization, loyalty is elemental from the subordinates to the superiors. Confucian *ritual* practices ratify the appropriate roles between the higher- and lower-rank employees. In China, masculinity in an organization suggests the preference of competition, even if one's achievement may be attained by causing failure or suffering to others. In Hong Kong, nevertheless, Confucian *integrity* is highly regarded. CEOs

Table 2 CEOs' managing philosophy, cross-cultural connections, and the relationship to Confucianism – leadership and corporate social responsibility.

Leadership and corporate social responsibility	Hofstede dimension	Teaching of Confucianism (main focus)
Mainland China Highlights of CEO's thoughts and practices	*High power distance; masculinity; weak uncertainty avoidance* • Embracing changes and taking challenges • Brand as the long-lasting corporate asset; continuing in brand investment, and using branding (brand-power) to earn customer trust and sustain competitiveness • Encouraging innovation and the innovative spirit • Essential 'leader quality': pursuing perfection, having guts and taking risks, personal charisma (to attract followers)	*Loyalty; propriety/ritual*
Hong Kong Highlights of CEO's thoughts and practices	*Weak uncertainty avoidance; high power distance* • Taking the challenges; being flexible for changes • Ability to build the vision and to implement it • Altruism: '[resources] taken from society; to give back to the community.' • Admitting and learning from the mistakes; taking the consequences and being optimistic to move forward	*Loyalty; integrity*
Taiwan Highlights of CEO's thoughts and practices	*Relatively low power distance; collectivism; femininity* • Emphasis of ethical/moral education (to bring common good to the society) • '10% of aggression, 90% of warmth and harmony.' (i.e. 'firm vs. warm' in leadership) • Collective goal-setting and implementation; share-governance • Emphasis of leader's power of determination and execution • Emphasis of the spirit of Japanese '120% principle' of hard work, and the ability of prioritizing tasks • Emphasis of interpersonal and inter-business relationship as part of the business effectiveness and productivity	*Humaneness; righteousness; propriety/ritual; integrity*

praise employees who could self-cultivate, self-discipline, and self-grow from their work. Taiwanese CEOs, on the other hand, take a soft and modest approach in their business management. They favor collective and collaborative efforts and disregard high power disparity. Their managerial principles follow Confucian teaching in *humaneness*

and *righteousness*, in addition to the *propriety/ritual* and *integrity* held by mainland Chinese and Hong Konges CEOs respectively. *Humaneness* reminds Taiwanese executives to 'love' and 'be concerned about' their subordinates, while *righteousness* keeps them from being unethical. In all, Taiwanese corporate leaders believe that practicing Confucius

philosophy in business is beneficial and considered a merit to good leadership.

In practice, modern mainland CEOs are somewhat adventurous as facing challenges. They believe constant changes are indispensable in the process of advancing business. Taking and overcoming challenges would strengthen the corporate ability to resolving problems particularly in the time of crisis. As referred to by Ma Yuan, founder and CEO of *Alibaba*,[2] '*the more one is defeated, the higher the courage one has*' (Zhang, 2003, p. 185). Mainland CEOs also realize the importance of the brand power. Given China's comparative weakness in brand marketing and management as compared with those in the Western world, mainland Chinese CEOs claim that to enhance a corporation's overall competitiveness, one ought to constantly invest in product brands so as to earn customers' trust and recognition. Moreover, the spirits of innovation and creativity are endorsed by most CEOs in China. Since the 'indigenous innovation' campaign designated as part of the reforms in China's 1978 'Open-Door Policy' by Deng Xiao-Ping, its former political leader, many business professionals have been 'learning-by-doing' or 'learning-by-visiting/watching' the American and European business experience through continuous research and development in creating and innovating new ideas and new industrial/business initiatives (McGregor, 2010; Suttmeier & Yao, 2004). '*Innovation with Chinese characteristics*' which aims at creating a knowledge-based economy to further advance the high-tech and financial/business industries becomes a top industrial mission (Suttmeier & Yao, 2004). Like others, many Mainland leaders believe that being a quality leader is vital, which needs constant motivation to pursue business perfection, to have courage and not be risk-adverse, and to carry personal charisma in one's management (see Petrick, Scherer, Brodzinski, Quinn, & Ainina, 1999).

In Hong Kong, corporate CEOs likewise perceive the value of taking challenges and coping with changes. They believe that challenges and changes drive business growth. They accentuate the leader's ability to build and implement the corporate vision, to admit and learn from the mistakes, and to bear the consequences, self-readjust and move forward. To their society, Hong Kongese CEOs stress the practice of being philanthropic. Leaders exert the 'transformational leadership' by morally influencing and motivating employees to uphold their intrinsic value to be socially accountable and reliable (Dickson, Den Hartog, & Mitchelson, 2003). It is advocated, as in any corporation, to take and use the resources from the society, and to give and serve back when the society is in need and deficient. In Taiwan, corporate leaders suggest fulfilling the social responsibility through the prevalence of moral education. Comparatively modest, Taiwanese CEOs emphasize the 'firm and warm' managerial strategy in the workplace, to purposefully avoid assault and confrontation, to somewhat discourage changes which could raise the degree of uncertainty, and to promote organizational harmony through group work. On one hand, these leaders need to be able to amass and lead their followers

to achieve business goals (i.e. using the power of determination and execution). On the other hand, they need to find a managerial equilibrium in sharing governance among the executives and other employees. Furthermore, most Taiwanese CEOs, like those in mainland China and Hong Kong, value hard work and collective effort. As avowed by one executive from the computer-technology industry, a successful corporation should embrace the so-called Japanese spirit of '*120% principle*' which means to exercise its best and maximum effort to conduct business – '*100% of effort is just not quite enough; the additional 20% could be inspirational and achievable [for a greater success]*' (Tian-Xia Editorial, 2003, p. 71). As also asserted by another Taiwanese CEO of the financial and insurance conglomerate, the Chinese axiom of '*bitter first; sweet later*' fortifies the significance of working hard now in exchange for future accomplishment (Tian-Xia Editorial, 2003; also see Holson, 2008).

Finally, to effectively lead the organization, Taiwanese CEOs express the critical balance in maintaining interpersonal and inter-business relationships. As stressed by Cao, the President of United Microelectronics Corp. (UMC; Taiwan), growth in business effectiveness and productivity normally results in and extends establishing interpersonal and inter-business relationships, the Chinese so-called '*guanxi*' (Tian-Xia Editorial, 2003; also see Zhang, 2003). Individual expertise only creates individual's professional value. Being an effective leader, he/she should promote to develop the industrial expertise built upon the corporate value with team spirit, power of determination and execution, business credibility, and the product quality.

Table 3 summarizes the CEOs' philosophy in stakeholder management. Primary stakeholders are categorized into the internal (also known as the 'instrumental') and external entities. The instrumental stakeholders are from all levels in the corporation: customers, suppliers, business partners, and shareholders in the value chain, while policymakers, media, and the local communities and networks comprise the external group. Empirically as indicated in the Hofstede dimension, most executives in mainland China, Hong Kong, and Taiwan value collectivism. They agree that cohesive stakeholder cooperation usually leads to a bigger and better outcome – the so-called result of '*One plus one is greater than two.*' In China, high power distance is commonly observed in workplaces or across different level of stakeholders. Such hierarchical dominance often results in lopsided power distribution, where for instance a subordinate will in full respect address his/her superior ''Leader'' ('*ling-dao*' in Chinese) rather than any alternative calling such as in the superior's surname (Mr. or Mrs./Ms.).

Hong Kongese CEOs overall prefer weak uncertainty avoidance. Such favoritism allows more of flexible rules and policies, and a higher level of tolerance for different ideas, as suggested in the Daoist managerial style (Cheung & Chan, 2005). Alternatively, Taiwanese CEOs tend to maintain the *status quo* and try to avoid significant changes. The strong sense of uncertainty avoidance implies these leaders to be rather self-restrained and precautious, and persistently seek mutual balance between the instrumental stakeholders and their external counterparts. Reiterating the Hofstede cultural assessment, Confucius teaching in *loyalty* is in unanimity accentuated by pan-Chinese CEOs, who advise

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[2] Alibaba is one of the top Internet titans in China providing e-commercial services like Amazon.com. It can be found at www.alibaba.com.

Table 3 CEOs' managing philosophy, cross-cultural connections, and the relationship to Confucianism – stakeholder management.

Stakeholder management	Hofstede dimension	Teaching of Confucianism (main focus)
Mainland China Highlights of CEO's thoughts and practices	**High power distance; collectivism** *Internal stakeholders* • Establishing united value and goal • Human capital training and investment • The spirit of team-work • 'Investors are always right.' – proper power recognition and distribution	**Loyalty; propriety/ritual** *External stakeholders* • Communication and compromise
Hong Kong Highlights of CEO's thoughts and practices	**Collectivism; weak uncertainty avoidance** *Internal stakeholders* • People-oriented management • Creativity/innovation • Team work; creating pride among employees • Being inclusive and accepting the differences • Creating 'shareholder value'	**Loyalty; righteousness** *External stakeholders* • 'Expectation management' • Effective communication
Taiwan Highlights of CEO's thoughts and practices	**Collectivism; relatively strong uncertainty avoidance** *Internal stakeholders* • Inter-communication • Team work and hard-work • Creativity and innovation • Human capital investment	**Loyalty; righteousness; propriety/ritual; integrity** *External stakeholders* • Communication • Mutual reverence • Establishment of common-/intrinsic-value • Systematic coordination

all stakeholders treat one another with proper respect. In China, Confucian *propriety/ritual* is also practiced to reinforce the hierarchy among the stakeholders. In Hong Kong, corporate leaders focus on the practice of *righteousness*. As stated by one of the Hong Kong top executives, who quoted from *The Essential Drucker* of Peter Drucker (2008), ''*Management is doing things right; leadership is doing the right things.*'' Local CEOs highly regard and promote the ethical business environment which has been safeguarded especially after the inception of the Hong Kong Independent Commission Against Corruption (ICAC) in 1974. According to the Heritage Foundation,[3] Hong Kong is ranked with the highest level of economic freedom in 2013, and with the devotion of ICAC through effective law making and enforcement, corruption prevention, and community education, it is recognized as one of the 'cleanest' (i.e. least-corrupted) places worldwide. In Taiwan, its culture nurtures local CEOs to prioritize *integrity* along with *loyalty*, *righteousness*, and *ritual*. It emphasizes the effort to bring social solidarity through self-governance, self-discipline, and self-progression. Both internal and external stakeholders are expected to uphold such value to achieve the 'wholeness' in the community.

For those instrumental stakeholders, mainland Chinese CEOs stress the importance of forming united value, human capital training and investment, and the spirit of teamwork within the organization. They acknowledge that '*investors*

are always right' by suggesting proper power recognition and distribution between the shareholders and the corporation. Externally, they value the effective communication and necessary compromise to ensure the communal welfare among the stakeholders. In Hong Kong, top managers express their propensity of being 'people-oriented': to manage people through relentless communication to meet various needs and stimulate/maximize the potential. Creativity and innovation are favorably praised, while team work is considered the element for greater outcome. In the meantime, creating pride among employees, in some CEOs' opinions, could enrich their experience and increase employee satisfaction in the organization. Most Hong Kongese CEOs are inspired to accept differences and be inclusive as practicing corporate management. It is believed due to the British-influenced colonial culture, employees from different background are valuable assets and autonomous tasking by employees could promote innovation and creativity. Likewise, it is equally paramount to create and increase the 'shareholder value'. For those external stakeholders, Hong Kong leaders exercise the so-called 'expectation management' which implies to properly manage and meet with the public's expectation, as well as use effective communication to achieve corporate goals.

As a whole, the view of Taiwanese managers on instrumental stakeholders is consistent with those held by the Hong Kongese executives. Inter-communication is the key to effectual management, and team-/hard-work is greatly valued. Although overall culture in Taiwan tends to be more conservative, some, especially young, corporate executives nonetheless encourage their employees to be adventurous,

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[3] Country-ranking analysis of Heritage Foundation is available at http://www.heritage.org/index/country/hongkong?src=home.

think creatively and 'out of box', and take challenges in their jobs. For the stakeholders outside the corporation, Taiwanese CEOs aspire to communicate with one another. Mutual respect is honored and built around common values. In general, systematic and dynamic coordination is exercised to assure integrity in the community.

6. Implication and conclusion

Philosophical constituents of Chinese culture are primarily rooted from and influenced by the teaching of Confucius. Across mainland China, Hong Kong, and Taiwan, the pan-Chinese corporate executives conduct their managerial practices explicitly or implicitly based on such philosophical foundation, until the advent of modern Hofstede analysis which offers alternative cultural perspectives (Hofstede, 2001). As suggested in the Hofstede assessment, the general impression of Chinese corporate management, as congruent with its culture, tends to be relatively collective, hierarchical, conservative, and long-term focus (Cheung & Chan, 2005; Romar, 2002).

To sum up, the current study of the Chinese CEOs' managing philosophy has revealed various degrees of consistency as the Western paradigm of Hofstede is compared with the Eastern doctrine of Confucianism. Even though pan-Chinese leaders are long-term oriented and collectivistic, their underlying business tactics are somewhat differentiated in that mainland China's CEOs are more hierarchical and authority-oriented (than those in Hong Kong and Taiwan) in building business vision, leadership, and stakeholder management. Such authoritarian management prioritizes Confucian virtue of *loyalty* and *propriety/ritual* over other constituents. Their primary managerial strategies revolve around competition and assertiveness, internationalization, goal-driven and value-creating activities, challenge- and risk-taking attitude, creative and innovative incentive, team work/spirit, and effective communication. Successful corporate management also emphasizes the 'leader quality' with personal charisma, ambition for perfection, courage, and oversized ego.

Hong Kongese CEOs, on the other hand, are hierarchical but assuming flexible rules to cope with changes. As suggested in Cheung and Chan (2005), owing to the organizational hierarchy, the leadership in Hong Kong is in general a lack of participatory management. Presumably by the British colonial influence, Hong Kong leaders, however, tend to adopt the '*laissez faire*' principle to embrace individual differences and to encourage creativity and innovation. In reality, Hong Kongese executives adore and apply the Confucian spirit of *loyalty*, *integrity*, and *righteousness*. Successful managerial practices includes visioning globally, turning challenges into opportunity, establishing corporate culture and value, promoting '360-degree brand management', being pragmatic and rational in business strategy, communicating effectively, valuing team work and pride, being benevolent and altruistic, and excising people-oriented and expectation management. On the contrary, corporate leadership in Taiwan is modest and temperate. The strong organizational power disparity is unconventional; stronger uncertainty avoidance and conservatism is discerned, and a feminine societal atmosphere is favored. The merits of Confucian *loyalty/filial piety*,

propriety/ritual, integrity, humaneness, and *righteousness* are assumed in executive management, which inspire the CEOs' core organizational strategy toward globalization, corporate culture/value creation, development of industrial expertise, corporate growth through advancing quality, improving speed of production and minimizing cost, team and hard work (e.g. the '120% principle'), 'firm-and-warm' leadership, philanthropic attitude and mutual reverence, share-governance, balanced inter-personal and -business relationship, brain-power training, and systematic communication and coordination.

Given such practical differentiation, it is obvious that the managing philosophy of pan-Chinese CEOs is both founded on the radical culture profoundly from the Confucian value system, and simultaneously maintained by its respective local characteristics across mainland China, Hong Kong, and Taiwan. To reach managerial success, pan-Chinese leaders are recommended not only to acknowledge the peculiarity between the congregated culture and the distinct native sub-culture, but also to pertinently shape and perform their organizational attitude in accordance. For non-Chinese business practitioners, it is crucial to understand the philosophical roots of Chinese culture and its business variation and application in various geographical contexts. From as general as collectivism, long-term planning, paternalism, loyalty, propriety, humaneness, righteousness, and integrity, to as specific as competitiveness and assertiveness (in China), pragmatism and flexibility (in Hong Kong), and conservatism and 'firm and warm' leadership (in Taiwan), proper managerial behavior may most likely enrich both the Chinese and foreign leaders' corporate experience. Nevertheless, incapable of carrying out Confucian ethics and the essence of Hofstede cultural standard could ultimately lead them to the burden of managerial failure.

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