Leadership in a Cross-Cultural Context

A Qualitative Study of Cross-Cultural Leadership Competence in a Multinational Organization in China

Hellen Song & Kristiina Yap
Leadership in a Cross-Cultural Context

A qualitative study of Cross-Cultural Leadership Competence in a multinational organization in China

Hellen Song & Kristiina Yap

Abstract

The essay aims to generate deeper understanding of leadership competences in a multinational organization in China, i.e. what competences that are required for managing professionals in a cross-cultural context. Previous research within this field of study discuss this topic from the perspective of Western or Chinese expatriate managers, but the authors of this study regard that it is of interest to study Chinese employees in a Western organization in China in order to understand how the global Western culture interacts with the local Chinese culture. The research questions were thus formulated to study what competences that are required in a managerial position in a multinational organization in China according to different organizational actors and documents, and what differences there are in the meaning of the various descriptions. The study has been conducted with a qualitative approach and the results indicate that To Manage, To Have Expertise and To Communicate are the most important competences needed in the managerial role. The results also indicate that the different sources are very similar in the description of cross-cultural leadership competence, which can be understood as the influence of a strong organizational culture. Finally, one can see that the younger employees differ slightly in expectations of leadership, which can be understood as leadership not being formed only by national culture but also by generational culture. In other words, the results from the study show that the meaning of cross-cultural leadership competence in this specific context is not merely restricted to the necessity of understanding national culture when exercising leadership; it is also about generational differences in culture.

Keywords
Management, Leadership, Competence, Cross-cultural, China, Multinational Organizations
Contents

1. Introduction ........................................................................................................... 1
   1.1 Aim and Research Questions ........................................................................ 2

2. Previous Research ................................................................................................. 3
   2.1 Cross-cultural Competence ......................................................................... 3

3. Theoretical Background ....................................................................................... 5
   3.1 Leadership .................................................................................................... 5
   3.2 Competence .................................................................................................. 6
   3.3 Cross-culture ............................................................................................... 7
      3.3.1 Cross-cultural Competence .................................................................. 7
   3.4 Towards a Definition of Cross-cultural Leadership Competence ............... 8

4. Method .................................................................................................................... 9
   4.1 Methodological Standpoints ....................................................................... 9
   4.2 Research Design .......................................................................................... 9
      4.2.1 Case Study ......................................................................................... 9
      4.2.2 Selection of Case ............................................................................... 10
      4.2.3 Data Collection Techniques .............................................................. 10
      4.2.4 Selection of Interviewees ................................................................. 11
      4.2.5 Selection of Documents .................................................................... 12
   4.3 Data Collection ............................................................................................. 12
   4.4 Analysis of Data ......................................................................................... 12
   4.5 Ethical Considerations ............................................................................... 13
      4.5.1 Information Requirements ............................................................... 13
      4.5.2 Consent Requirements ....................................................................... 14
      4.5.3 Confidentiality Requirements ............................................................ 14
      4.5.4 Utilization Requirements ................................................................. 14
   4.6 Validity and Reliability ............................................................................. 14

5. Results and Analysis ........................................................................................... 16
   5.1 To Manage ................................................................................................... 16
      5.1.1 To Lead a Team ................................................................................. 16
      5.1.2 To Care ............................................................................................... 17
      5.1.3 To Build Personal Relationships ....................................................... 18
   5.2 To Have Expertise ....................................................................................... 20
      5.2.1 To Have Specialist Knowledge .......................................................... 20
      5.2.2 To Have Knowledge of the National Culture ..................................... 21
1. Introduction

Globalization is forming the modern society and becomes an increasingly interesting field of study that opens up several topics of relevance for research along with the movement of capital, labor and organizations (Wong, Wong & Heng, 2006). As the distinction of country borders decreases in apparentness, it progressively creates new opportunities for organizations to expand in size and resources. The growth of the global economy and the rapid expansion of international corporations have led to an increasing number of managing professionals working across boundaries and forming a multi-cultural workplace (ibid). This has also been the case for China, where increasing globalization and the growth of the national economy has resulted in an increasingly dynamic cooperation and business with international entities, which have led to many multinational organizations settling down in the country (Johnson, Lenartowicz & Apud, 2006). Due to the internationalization of China, there has also been a growth of interest in conducting research about Chinese leadership (Cheng, Chou, Wu, Huang & Farh, 2004). Along with many multinational organizations being active in China, there has also been an increase in outwarding activities from China, where an increasing number of Chinese expatriates are assigned to overseas operations (Wang, Feng, Freeman, Fan & Zhu, 2013). The development of intercultural workplace environments has opened up new fields of research where it is now of increasing relevance to study how the meeting of various cultures creates new requirements for competence, especially for managing professionals (ibid). As a result of globalization, there has also been an increase in awareness of how foreign managing professionals adapt to the local culture and many organizations have sought knowledge regarding the benefits of localization (Magala, 2005). The concept of “cross-culture” has thus derived, which is the interaction of various cultures and the character of such contexts (Wang et al., 2013).

Along with the growing interest in how cross-cultural settings influence workplace environments and the daily work of employees, it also becomes relevant to study the new requirements regarding developing workplace competences in multinational organizations. There is a unique context that forms in the meeting of multiple national cultures, and this puts pressure on mutual understanding and communication skills, due to the need of functioning effectively in multinational environments (Wang et al., 2013). The authors of this essay regard therefore that it is of great importance for organizational members to develop cross-cultural competence, to be able to gain organizational success in a globalized world, especially for individuals in leading positions in cross-cultural contexts. The idea of “cross-cultural leadership competence” brings a certain level of ambiguity in terms of how the cultural context and cultural norms play a role in its definition, since different cultures support different thoughts and ideas regarding management and leadership (Wong et al., 2006).

The reason that the authors chose to study this topic started with an interest in the expansion of growth of multinational organizations in China and how to understand the interaction between the organizational culture and the local context. The authors aspire to study the interaction between the organizational culture and the socio-cultural environment and how this will affect the organizational members’ way of working. Through this study the authors hope to contribute with a deeper understanding of how cultural context, organizational context and competence can be explained through a cross-cultural management theoretical perspective.
1.1 Aim and Research Questions

This essay aims to generate deeper knowledge of cross-cultural leadership competence, and the study focuses therefore on the leadership competences that are considered to be of highest significance in a multinational organization in China. This will be studied through investigating how organizational actors from different levels describe the competences required in a managerial role at the studied organization. The authors of this essay will also study the organizational documents to gain further understanding of the view on leadership and management within the studied cross-cultural context.

The authors have thus formulated the research questions as follows:

1. What competences are required in a managerial position in a multinational organization in China according to different organizational actors?
2. What competences are required in a managerial position in a multinational organization in China according to organizational documents?
3. What are the differences in the meaning described by various actors and in the organizational document?
2. Previous Research

The largest search engines used in the research process are EDS, Science direct, ProQuest platform, Jstore and Google Scholar. The following keywords have been used in different combinations for a wider search: China, organization, multinational, competence, leadership, cross-cultural, Asia, management, and human resources. The largest number of search hits was 204 541 articles. The number was significantly smaller amongst the peer-reviewed articles, which are regarded to be more credible and scientific. During this research process, the authors found a number of articles that were irrelevant for this particular study, but can be linked to the same field of research, such as learning and education; management case studies in other parts of the world than Asia; case studies of globalization; education in Asia, etc. In order to specify the results wanted in the article search the keywords China, multinational organization, leadership competence, cross-culture and cross-cultural management were chosen as the most accurate and resulted in approximately 1000 peer-reviewed hits. The authors selected the 100 most relevant articles, and thereafter read the abstracts and briefly reviewed the text in order to judge the relevance of the study. This was considered to be a part of the pre-study in the earlier stages of the research process, with the purpose of obtaining knowledge and awareness of how previous studies have been conducted, what theories that were regarded as relevant and what results that have been found by other researchers. Finally, the five articles used as references in this essay were processed and studied further.

The main theme that the authors have chosen to present in this section is “cross-cultural competence”. The authors consider that the research conducted and reported in the articles written by Wang et al. (2013) and Wong et al. (2006) are most relevant to present in order to provide with a view of the previous results found in similar studies within this field of research, but the main difference is that they have chosen a quantitative approach. In other words, the authors found that these studies were most similar to the research direction of this study, and have thus taken the results of this previous research in consideration when defining the main concepts.

2.1 Cross-cultural Competence

Wong et al. (2006) collected quantitative data to explore the potential differences in leadership styles and relationship cultures between local Hong Kong Chinese and Western expatriate project managers in multinational construction companies. Their findings show that both groups of leaders were concerned with efficient task performance, team achievement, interpersonal relationships and long term cooperation with clients or people of authority. It was also found that they do not differ in communication styles. The results indicate therefore that the leadership perceptions and relationship cultures of both the local Chinese and expatriate project managers did not vary significantly. However, it was revealed that some dominant deep-rooted cultural beliefs and values were not easily altered. The researchers mean that the findings support previous research that state that multinational organizations with a mix of different cultures within senior management may not follow completely either the rational task-orientation or people-orientation model (ibid).
Wang et al. (2013) have also conducted a quantitative study, where data was collected from Chinese expatriate managers working in overseas subsidiaries of Chinese companies in order to investigate the concept of “cross-cultural competence”. The researchers define cross-cultural competence as skills that are characterized by abilities to manage stress in international work settings and work successfully with people from different national cultural backgrounds at home or abroad. Cross-cultural competence also helps expatriate managing professionals to understand host perceptions and to relate to host people in an effective way; the manager can thus function and interact effectively in another culture. The findings of the study show that competence goes beyond understanding local culture and lies in the ability to effectively interact and communicate within the host context. They particularly emphasize the importance of communication skills for cross-cultural competence (ibid.).

In conclusion, previous research states that communication skills are of importance for cross-cultural competence and that cultural beliefs are significant for what leadership style that will be exercised in the cross-cultural context. The authors regard it as interesting to further study what mutual influences one can find between organizational culture and national culture, and generate deeper understanding of how one can understand cross-cultural leadership competence on basis of those central concepts.
3. Theoretical Background

The authors selected this theoretical background to study further when understanding and analyzing cross-cultural leadership competence. The following theories of leadership, competence and cross-culture presented in this section were used as analytical tools when studying the results of the collected data material.

3.1 Leadership

There are several streams of leadership theories that express a slight difference in definitions regarding the concept of “leadership”. Alvesson and Sveningsson (2010) discuss the differences between “management” and “leadership”, and define management to be more traditional and hierarchic. Roles that are considered to be of the character of traditional management usually consist of administrative work, where the manager strives to achieve stability and predictability within the work of the subordinates. Leadership is defined to be focused on transformation and development, and a leader would state that this is achieved through inspiring communication and actions. A leader influences the attitudes and desires of the organizational members through creating visions and expectations that are both achievable and required for work. Traditional management, on the other hand, does not focus on peoples’ emotions, instead it influences the employees to act according to directions that are given through e.g. planning, organizing, supervising and controlling (ibid.).

Bass (2008) means that there are different styles of leadership. The authors will further present four leadership styles, which in this essay are considered to be of relevance when analyzing the results. The relations-oriented leadership style is described as exercising leadership by expressing concern for others and focusing on development of more mature relationships (Bass, 2008). Therefore, this style of leadership focuses more on the quality of relationships and aims to build mutual trust with clients and employees (ibid.) Relations-oriented leaders are people centered, create space for social networking and strive to encourage higher job satisfaction (Alvesson & Svenningsson, 2010). Task-oriented leadership however, is defined as a leadership style that focuses on the tasks and accomplishments. The leader will thus concentrate more on the working methods of the group in order to achieve higher efficiency (Bass, 2008). Bass means that task-oriented leaders strive to engage subordinates in order to push them to reach the team objectives, and will define the members’ work assignments in order to do so. The leader will value organizing work procedures rather than building interpersonal relationships (ibid.).

Bass (2008) also discusses transactional and transformational styles of leadership. Transactional leadership is defined as the relation between a leader and a subordinate, where directions and instructions regarding desired targets and goals are given from the leader. The leader will then arrange for psychological or material rewards for the follower when desired requirements and goals are reached. However, if the requirements are not met or achieved with unsatisfactory results, the follower will be reciprocated with e.g. disapproval, disappointment, punishment or negative feedback. A transformational leader, on the other hand, inspires and motivates the followers to achieve more than their intended expectations and what they thought was possible. Transformational leadership is defined as a leader who
engages followers by executing a charismatic leadership and thereby influences the followers’ behaviors and mindset regarding level of innovation and collective values (ibid.).

Some leadership theorists argue that leadership and management are not entirely separate dimensions, and it is therefore hard to view distinctions in practice. The authors have a similar opinion and regard that a managing professional can exercise both leadership and management, depending on what the role requires. Thus, the authors regard that the greatest distinction of how to describe the managing professional in terms of leadership and management is what focus points the individual has when interacting with the employees and what behaviors that follows. The differences between a “leader” and a “manager” can in this sense be understood in relation to Bass’ (2008) definitions of the four leadership styles; relations and task-oriented leadership and transformational and transactional leadership. The authors argue that transactional and task-oriented leadership is related to traditional management due to the reason that it focuses more on processes and methods rather than the development of the organizational members. The authors will thus use these theories as a foundation when analyzing aspects of traditional management. The authors regard relations-oriented and transformational leadership style to be of similar character as Alvesson and Sveningsson’s (2010) definition of leadership, and will therefore gain better understanding by studying these theories when analyzing dimensions of leadership that can be found the descriptions of the organizational actors and the organizational document.

3.2 Competence

There are several definitions of competence. But all definitions state that competence always occurs in relation to a task (Ellström, 1992). As a general definition of competence Ellström (1997) refers to the term “competence” as the capacity of an individual to successfully (according to certain formal or informal criterion, set by oneself or by somebody else) handle certain situations or complete a certain task or job (ibid.). Ellström (1992) divides competence into two categories; one is named “adaptive competence” and the other is “developmental competence”. Possessing adaptive competence is defined as having maximum efficiency as a goal and this is achieved by learning through acting by routine. Therefore the individual needs to adjust to current circumstances and act according to other people’s demands. This means that the individual will follow directives rather than creating innovative goals. Developmental competence, on the other hand, means that the individual will act freely according to own thoughts and ideas and seek to question what is being given. This competence correlates to a high level of analytical thinking and therefore generates deeper knowledge for the individual as well as innovative thinking for the organization (ibid.).

Ellström (1997) further distinguishes the differences between “qualification” and “competence”. Based on his general definition of competence, the notion of “qualification” is the competences that are formally required for the work tasks or are formally prescribed by the employer, while “competence” can extend to skills and abilities that are also used outside the workplace. Thus, the concept of qualification focuses on competences that for various reasons are valued by an internal or external labor market; that is, competences that have an exchange value (ibid.).

The definition of competence that will be used in this essay is mainly based on Ellström’s (1992) definition of adaptive and developmental competence. But this study focuses solely on workplace
competences, i.e. the competences that are requirements for the job role in an organizational context, and will moreover use the concepts “qualification”, “requirement” and “skills” synonymously.

3.3 Cross-culture
According to Magala (2005) various cultures rooted in different societal contexts have each developed unique patterns and understanding of thoughts and behavior. Cross-cultural competence is the ability to successfully bridge the differences in identifying, naming, prioritizing and implementing values (ibid). Cultural issues can arise on different levels; e.g. through rituals, behaviors, ideas, attitudes, and these are not merely influenced by national culture, but can also occur through cultural differences between industries, organizations, functions, professions, etc. Schneider and Barsoux (2003) argue in their cross-cultural management theory that cultural diversity should be viewed as an asset and opportunity, and the key point of their theory is that cross-cultural management is not about neutralizing or containing cultural differences, but to build on them. Schneider and Barsoux discuss what is needed in order for the organization to be able to manage multiple cultures, and mean that expatriate managers and international managers have a huge role in making this a possibility. The difference between the definition of “the expatriate manager” and “the international manager” is that the expatriate manager manages cultural differences abroad and the international manager manages cultural differences in the home country. The international manager was earlier described as facing the same requirements as the expatriate manager, but as the numbers of corporations working cross-boundaries have increased, there has been an evolvement in the distinction of the roles and new challenges have arisen (ibid.). It is thus important to pay attention to what competences that are required in the role of “the international manager” in both the international work and within the work of managing a team, which will be presented in the section below.

3.3.1 Cross-cultural Competence
Schneider and Barsoux (2003) regard the following seven competences as crucial in the role of “the international manager”.

*Understand interdependencies* is about having a holistic view of the organization as a whole in the role as an international manager. It requires understanding for how markets and actions cause a mutual influence, and that one is engaged in complex situations in the modern organization when playing multiple roles across borders, across functions and in several teams.

*Respond to different cultures simultaneously* refers to having a wide cultural awareness, which is important since the international manager instantaneously interacts with several countries and several functions. Many simultaneous situations arise, where contact and communication is required with other countries, and therefore the international manager needs to be able to handle a mixed group of individuals all at the same time; all with different attitudes, approaches, customs etc.

*Recognize cultural differences at home* is about the international manager not forgetting that cultural differences also exist in the home country. Many times they expect foreign employees to fit into the dominant culture or adapt to ways that already exist. But this can accidentally alienate others and
overlook the potential benefits of diversity in the work force and the value of different skills and perspectives contributing to work.

*Be willing to share power* indicates that the relation of power and dominance between the headquarter and the subsidiary has changed along with the increase of global influences, which in turn has forced multinational companies to become more decentralized. Multinational companies are thus in need of learning and searching for new ideas across the world from their foreign counterparts.

*Demonstrate cognitive complexity* refers to the ability to respond to concurrent needs for local responsiveness and demands for global integration. The ability to think along multiple dimensions while seeing ways that these dimensions are interrelated is described as having a global mindset, i.e. better appreciation of the pieces of the organizational puzzle. This can be developed through job rotation, brief assignments and joint seminars.

*Adopt a “cultural-general” approach* is needed to be able to simultaneously deal with multiple cultures, and this means that one needs to be aware of and understand the main cues signaling cultural differences, rather than having thorough knowledge of one particular culture. An international manager should therefore know what dimensions of a culture that are important in work life.

*Rapidly learn and unlearn* is also required to be able to simultaneously manage multiple cultures, which means that the international manager is constantly ready to take on new perspectives and try new approaches. This is regarded to be highly demanding, but can be made possible by the excitement that comes from discovering new possibilities and pursuing new horizons.

### 3.4 Towards a Definition of Cross-cultural Leadership Competence

The concept of “cross-culture” that will be studied in this essay is the interaction between the American organizational culture and the Chinese culture. The authors have moreover chosen to study the data material from a leadership perspective in order to generate deeper understanding and answers to the research questions. Cross-cultural leadership in this study refers, as previously mentioned, to the leadership of managing professionals at an American organization in China, both managing professionals of Chinese descent as well as foreigners. Cross-cultural leadership competence is the ability to function effectively and handle the role as a managing professional whilst exercising leadership in a multinational work environment. The authors have studied the theories of cross-culture and cross-cultural management in order to gain deeper knowledge of this field of research and will refer to the theories when analyzing the found results that describe cross-cultural competence in this specific context.
4. Method

The authors aim to produce deeper knowledge regarding leadership competence in a multinational organization in China and the research method was chosen with that aim in mind. The following section will describe the selection of methodological standpoints and approaches that was made to identify the answers to the research questions and produce a scientific study.

4.1 Methodological Standpoints

The essay has a qualitative approach and a case study research design. The data was collected from interviews and organizational documents, and was studied to analyze how one can understand cross-cultural leadership competence. The reason for choosing a qualitative approach as the most suitable method design was due to the authors’ aim of understanding the meaning that forms the concept of leadership competence in this particular context. According to Langemar (2008), qualitative research method is chosen to gain deeper understanding of one specific context, i.e. where it is more crucial to gather in-depth material rather than width. As stated by Harboe (2013), the purpose of qualitative research is to study and gather in-depth understanding of the individual’s thoughts and reflections. Qualitative method design aims thus to seek an understanding of the world from the perspective of the research subject; to develop a sense making from their experiences and reveal the world as they perceive it (Kvale, 2009). A qualitative approach implicates that the research will be focused on the cultural, situated aspects of people’s daily life and their ways of thinking, acting and viewing themselves as individuals, in contrast to the quantitative research method’s technical way of studying human life (ibid.).

The authors have chosen an abductive approach, where theories were used to formulate the research questions in order to collect empirical data. The data material was thereafter the foundation for choosing relevant theories to study for the analysis. Having an abductive approach means that theoretical background and empirical data interact and cause a mutual influence throughout the research process (Bryman, 2008). The interviews were conducted with individuals who are a part of the organizational context, since the authors aim to gather in-depth material in order to understand the organizational context and the reasons that governs such behavior. By asking the interviewees about their thoughts and impressions of their daily work life, the research material can describe the practical environment that the organizational members are a part of. With the help of relevant theoretical perspectives, the authors could thereafter analyze the data thoroughly to understand this phenomenon (ibid.).

4.2 Research Design

This study is carried out as a case study focusing on a multinational organization in China. In the following section the authors will present the case, the organizational actors and documents, as well as the data collection techniques chosen for this study.

4.2.1 Case Study

Case study research is used to examine a contemporary phenomenon and it is a way of approaching reality as it is represented in practice (Yin, 2014). According to Bryman (2008), case study approach aims
not to examine and find the explanation to a general phenomenon, but rather focuses on highlighting the unique characteristics of a specific case. A case can be explained as a phenomenon in a certain context such as a location, community or an organization; it can in other words be understood as a certain environment where individuals interact. Bryman means that the basic form of case study is a detailed and thorough examination of a single case. It is thus used to fully understand the complexity and fundamental meaning of the specific phenomenon (ibid.).

4.2.2 Selection of Case
The studied organization is a large technology and consulting corporation with business established world-wide. It originated in the U.S and the business in China has been active during an extensive period of time. The corporation has several operations in China, Taiwan and Hong Kong. The authors desired to study a multicultural working environment that consists of both Chinese and foreign work force. The studied organization was therefore chosen, in order to be able to find an answer to the research questions about what competences that are required to exercise leadership in a multinational company in China according to various organizational actors. Since a multinational organization in China was a criterion for the considered focus of the study, the authors’ options were limited and that is why the organization was chosen and approached through available contacts. Thus a convenience sampling was used for the final selection of the case.

4.2.3 Data Collection Techniques
The empirical data for this essay was collected through semi-structured interviews and document studies. The fundamental idea was to obtain a deeper understanding and approach the research questions from different perspectives. By using two data collection techniques the authors could widen the empirical data material with the contribution of the individuals' subjective perceptions as well as the organization’s strategic message.

According to Kvale (2009) the purpose of conducting interviews is to achieve deeper knowledge within a specific field. The interviews in this study have a semi-structured character, which means that the conversation follows the structure of an interview guide, but open questions can freely be asked depending on the content of the interview. The interviewer can thus ask reflective questions to obtain a clearer image and a deeper understanding of the story (ibid.).

Documents can be used as a source of evidence in qualitative studies, where they are analyzed to gain a deeper understanding of the organization’s official and strategic standpoint (Bryman, 2008). When conducting document studies, one has to take four criteria regarding the quality of the material into account; authenticity, credibility, representativity and meaningfulness, this in order to avoid selecting irrelevant material. Bryman emphasizes the importance of understanding that the author of the document has an individual opinion or a standpoint that wishes to be conveyed. However, since the documents are read and interpreted by individuals with different subjective ideas, the documents are not objective and accurate representations of the organizational reality. Document studies aim thus to understand the meaning behind the written message and to question what the organization genuinely wishes to convey (ibid.).
4.2.4 Selection of Interviewees
The authors have chosen to conduct interviews with individuals from different groups of actors. The authors considered that there should be depth in the data material, however due to the reason that it was challenging to find interviewees, it was decided that eight interviews were adequate to gain a deeper understanding of the phenomenon. The candidates were selected for individual semi-structured interviews through snowball sampling, whereof all of the selected candidates were females. The interviewees have been categorized into three groups; Business Unit Leaders (IP1, IP3, IP4, IP7), HR professionals (IP6, IP8) and younger employees (IP2, IP5; henceforth called "Generation Y"). All interviewees were middle-aged, except the two younger employees. The interviewees are of Chinese origin, since the local workforce mainly consists of Chinese citizens. Moreover, it is also of interest that they interact within an environment consisting of both American and Chinese values. Finally, the organizational actors were chosen for this study due to the fact that the authors wanted to get a width and deeper understanding of how Business Unit Leaders practically work in daily life and what leadership competences that are considered as the most important in the professional role.

Business Unit Leaders
“Business Unit Leader” is a title for managing professionals within the organization. All of the managing professionals except IP3 have a former employment at a foreign company, and none of them have previous experiences of residing or working abroad. IP1 has one subordinate and her main work tasks consist of projects with internal functions and clients. IP3 and IP4 have both technical roles and work closely with clients. IP3 has 25 subordinates, whilst IP4 has 6 subordinates that she manages. IP7's role is within an internal service function, where she has subordinates in all offices in China, Taiwan and Hong Kong.

Generation Y
Generation Y is a term for individuals born between 1981-2000 and it is the newest generation in the work force (DelCampo, Hagerty, Haney & Knippel, 2010). The authors have therefore chosen to call the younger employees by this term. Both of the interviewees from Generation Y work within the HR department. IP2 has experience from Western culture through academic studies abroad. The other interviewee is IP5, who has recently moved to a new role in another department within HR and does not have any previous work experience. The interviewees belongs to the generation that was born after the Chinese government implemented the one-child family policy in 1979 (Hesketh, Lu & Xing, 2005). The one-child policy was introduced to restrict the approved size of Chinese families, since the government viewed strict population containment as essential to economic reform and to an improvement in living standard (ibid.).

HR Professionals
Both of the HR professionals have a managerial position as a Business Unit Leader. IP8 has previously worked at an American company in China and IP6 has also experience of Western culture, since she has previously resided abroad. IP6 has a role within an internal service function and manages a smaller team. IP8 has a business oriented managerial position and manages several teams within China, Taiwan and Hong Kong.
4.2.5 Selection of Documents

The authors have studied several organizational documents, but the document cited in this essay is the official document describing core competences and values for all employees within the global organization. These competences are described in general, but there are also specific criteria for a thought leader. This document was found through searching the intranet of the studied organization. Finally, the authors chose this particular document as a source for empirical data material because it contributes with an organizational perspective to the research questions that were aimed to be answered.

4.3 Data Collection

The authors have a common interest in studying Chinese culture and were therefore interested in studying a case at a multinational company in China. Thereafter, the field of research and method design was specified through various discussions and the studied organization was contacted for a request of participation. Whilst having continuous mail exchange with the organization, the authors formulated a draft of the research questions and the interview guides, to start preparing for the data collection. During the period of preparing for the interviews in China, the authors studied previous research within the chosen field through reading scientific articles. Two pilot interviews were also conducted at the Swedish office of the corporation to test the relevance of the interview questions. As a result from the pilot interviews, which were conducted with one HR professional and one Business Unit Leader, the interview guides were modified in accordance to the feedback given by the Swedish interviewees (appendix 1 & 2). Prior to the trip to China, the authors also prepared by formulating a contract with conditions for interview participants, to ensure the interviewees that the content of the interviews will be treated confidentially and not be used for other purposes than for the research study. Thereafter, the authors visited the office in China and a plan was set up together with the main contact person for the collection of empirical data.

When it was time for the interviews the conditions varied for each meeting. The interviews were conducted in separate meeting rooms, but on one occasion there were none available and therefore two of the interviews were conducted at a crowded café in the same building. They were all conducted in a similar way, where the interviewee first received the contract with conditions for interview participants that both of the authors had signed (appendix 3). Then one of the authors asked the interview questions and the other took notes on the computer. The meetings ended with the second author also being able to ask questions and the interviewee talking freely. The interviews were recorded after being given consent by the interviewees, except one interview, since the interview participant wished not to be recorded. The meetings lasted for approximately 45-60 minutes, with one exception of 30 minutes.

4.4 Analysis of Data

Next step in the research process was transcribing the interviews. In order to process the transcribed data, the authors used an abductive thematic analysis, which was based on the definition of Langemar (2008), where data was structured and based on themes and distinctive patterns that were found in the empirical material, so that it could be analyzed through relevant theoretical perspectives. The authors analyzed the data through studying and reading the transcripts thoroughly, and could thereby identify the recurring central themes and subthemes. The interview guides were initially formulated with the intention of having
two groups of organizational actors (Business Unit Leaders and HR professionals), but during the thematic analysis it became more distinct that the authors, in fact, had studied three groups of actors. The new group of actors “Generation Y”, derived from the HR professionals, since the authors found that the younger employees provided with a different perspective. The groups were thus categorized as follows; HR professionals, Business Unit Leaders and Generation Y.

The competences that recurred in the various interviews and that the authors found interesting to further analyze were nine sub-competences; To Lead a Team, To Care, To Build Personal Relationships, To Have Specialist Knowledge, To Have Knowledge of the National Culture, To Have Knowledge of the Local Market, To Include and To Convey. The authors then identified that they form three main competences; To Manage, To Have Expertise, To Communicate, and these were thus defined as central themes. The next step was to organize the answers from each interviewee in a table, to compare how the different actors describe the sub-competences. Then the description of the competences mentioned in the organizational document was interpreted in order to understand the meaning, and thereafter sorted into the results table. Through comparing the descriptions from the various sources, the authors could clearly view the differences and similarities between the studied actors and the document. The analysis will be presented in three steps; the first step of the analysis is the section where the authors have analyzed the results from the actors and the document separately. Thereafter, a comparison has been made in order to analyze the differences and similarities between the various sources, and finally, this will be analyzed and discussed based on theories and previous research.

4.5 Ethical Considerations

When conducting scientific research one has to be aware of the central ethical considerations. Since research within the field of social sciences is conducted in the interaction of various individuals and strives to gain understanding of their thoughts and ideas, it is important to respect the privacy and integrity of the participants in order for the researcher not to cause any physical or psychological harm (Bryman, 2008). The authors consider it to be particularly of importance to have awareness of cultural differences and values when conducting research in foreign countries. They have based the ethical considerations on the Swedish guidelines for conducting a social science study, but have also been guided by previous knowledge of the Chinese culture as well as advice from a Chinese representative from the organization. According to Bryman (2008) the following four criteria need to be taken into consideration when conducting a scientific research study.

4.5.1 Information Requirements

The information requirements specify the importance of providing thorough information regarding the aim of the study and the steps in the research process to the participants (Bryman, 2008). It should be clear that the participation is expected to be voluntary. It should also be clarified that the participants have the right to withdraw their consent and discontinue participation at any time during the research process (ibid). Prior to the interviews, the authors sent an email attached with information regarding the aim of the study, conditions for participating (appendix 3) and a description of how the interview was planned to be conducted. The participants also received a printed and signed copy of the contract with conditions for
interview participants (appendix 3) at the beginning of each interview, and they were also given an oral explanation of the information.

4.5.2 Consent Requirements
The criterion for consent requirements emphasizes the fact that the researcher should receive written or oral consent of participation from the participant (Bryman, 2008). The participation is thus voluntary and free of choice (ibid). The information that the authors received from the company representative was that the participants probably would not be comfortable with having the conversations recorded. Therefore a signed contract was given to them, in order to assure the participants that the authors will not take advantage of them giving consent to participate. The fact that the participants received a signed contract from the authors could have influenced them to feel comfortable with being recorded, since all participants, with the exception of one individual, did gladly approve to be recorded. The authors had this in consideration with deep respect for the Chinese culture so that it would not be opposing the consent requirements and most of all, so that the participants would be comfortable during and after the interview.

4.5.3 Confidentiality Requirements
The criterion for confidentiality requirements refers to the fact that all participants’ identity and personal information is treated as confidential during the whole research process (Bryman, 2008). The researchers should thus be cautious when storing the information, and ensure the participants that all information will be deleted after the publication of the study (ibid). The authors have also taken this into consideration when studying the organizational documents. The chosen document was found on the intranet, but since it is a document that is also published on the organizational website, the authors determined that it could be cited in the essay without revealing any classified information. With the purpose of keeping the identity of the organization anonymous, the authors have summarized the content of the document in the essay. By formulating a contract with conditions for interview participants that was signed by the authors, the participants received written as well as oral assurance that their personal information would be treated confidentially, and the authors have throughout the whole research process strived to present and analyze the results from the interviews without revealing the identities of the interviewees.

4.5.4 Utilization Requirements
This is a criterion for the utilization of the data material; that the collected data material may only be used for research purposes (Bryman, 2008). The authors have therefore signed a contract to guarantee the interview participants that all data material will be deleted after the publication of the study. The contract also assures them that their personal information will not be used for other purposes than the one they were given information about.

4.6 Validity and Reliability
Reliability is often discussed in quantitative research, where it is used for testing and evaluation. Since qualitative studies have the purpose of generating understanding, the concept of reliability is considered to be irrelevant (Bryman, 2008). This means that when discussing qualitative research one foremost has to evaluate the quality of the research, i.e. to examine the trustworthiness for the results (ibid.). According to
Kvale (2009), when discussing reliability one has to consider e.g. if the interviewees frequently change their answers during the interview. He also means that reliability especially is influenced during the process of categorizing the results, since different authors can interpret the same material in different ways, which leads to poor reliability (ibid). To strengthen the reliability the authors conducted two pilot interviews, and the purpose was to test the interview guide and thus ensure that the interview questions were clear and accurate in relation to what the authors intended to study.

Validity refers to how well the research method studied what was intended to study, i.e. whether the researchers came to a trustworthy conclusion regarding the results and the research questions (Bryman, 2008). According to Langemar (2008), there is a risk of decreasing the validity by implementing subjective interpretations into the collected data material. This is due to the reason that qualitative research studies are based on an analysis of data material, and therefore many authors unconsciously complement the lack of details and information in the results with their own pre-understanding, which in turn influences the validity (ibid.). The authors recorded and transcribed the interviews with the purpose of increasing the validity. By doing this, they could base the analysis on the transcriptions rather than their own recollection of the answers, and thus prevent from presenting inaccurate data.

Generalizability is a type of validity evidence, called external validity, and is usually stated to not be of relevance to discuss in qualitative studies since it refers to generalization of the population (Bryman, 2008). However, the authors regard that this study can be generalized to other similar cases, i.e. studies of leadership in contexts where Asian and Western cultures interact. In contrast to quantitative studies, where the purpose lies within generalizing the findings to the population, construct validity is more of importance in qualitative studies (Bryman, 2008). Construct validity is a type of external validity evidence, which is strongly connected to theoretical constructs and thus of interest for studies in qualitative research. It refers to how the main constructs are defined in the data collection instruments and if this conceptualization measures what is intended to be measured (ibid.). The authors have based the theoretical concepts on definitions from previous research. They have tested the definitions in this case, and found that they were fairly similar to the ones that previous research have formulated. When discussing the validity of the results in this essay, one has to consider whether the interview participants interpreted the central concepts as the authors intended to describe them, and also whether the authors have understood the meaning that lies within the answers. This can be said to naturally be influenced by cultural differences and values; ideas and perceptions of the central concepts can be described in different ways depending on the subjective pre-understandings of the individuals. The culture can also influence the way that the interview participants answer, e.g. the central message in the answer can differ depending on how one expresses feelings and thoughts. In other words, much of what the interviewee intends to express can be embedded within the cultural context. The fact that the interviewees as well as the authors were using English when communicating might have influenced the results, since it might have limited the process of mutual understanding. The culture could also influence the interview participants’ way of expressing their thoughts in a certain way to illustrate a positive image of the organization. Furthermore, with this in mind, the participants could have avoided to mention certain issues or opinions, which the authors should have asked more detailed questions about to avoid missing relevant information. In conclusion, it can be stated that the authors strived to base the analysis on the empirical data that was collected and not implement incoherent conclusions.
5. Results and Analysis

The following results are derived from the data material collection and will answer to the research question of what competences that are required to exercise leadership in this multinational organization according to the different groups of actors; Business Unit Leaders, HR professionals, Generation Y, and the organizational documents. The data obtained from the interviews indicates that To Manage, To Have Expertise and To Communicate are the most important competences needed in the managerial role.

5.1 To Manage

This competence consists of three sub-components; To Lead a Team, To Care and To Build Personal Relationships. The competence To Manage is required for a managing professional with a role of personnel management, and it is thus important to have interpersonal skills. These three aspects of managing are described as followed by the different actors.

5.1.1 To Lead a Team

In the following section the sub-competence To Lead a Team is further described from the Business Unit leaders, Generation Y and the HR professionals. To Lead a Team is described as leading and directing the team by giving clear goals and bringing the team together.

*Business Unit Leaders*

For the Business Unit Leaders “to lead” means to have clear goals for the team, in other words they emphasize team goals rather than clear individual goals. It is crucial for the team as a whole to have a collective goal, and it is the thought leader who has the ultimate role of guiding the team members and showing the direction as a team leader. This means that it is also the team leader’s responsibility to modify the goals when hitting obstacles, and consequently push the team members towards a different direction. Their love and passion to help the team drive the Business Unit Leaders to direct the members by teaching them how to work efficiently. One of the Business Unit Leaders shows the direction by helping her team members to develop their work plan and also plans and leads collective team building activities. This strengthens the cohesiveness of the group; through letting the team members getting to know each other, instead of only focusing on the individual development. They emphasize the value of having clear goals for the team by explaining it as "one team, one spirit", as stated in the quote below.

I think the most important thing is to have one team, one spirit. You require the most of the team members; to follow this team and this company’s policies and do the right things. And sometimes we [the Business Unit Leaders] should finish some members’ task to ensure the customers satisfaction. But it’s not only about customers’ satisfaction or numbers. I think that this [to build one team] is the requirement to be a manager. - IP3

*Generation Y*

According to this group of actors, a leader should direct by giving the team clear common goals and bring the employees together. A leader should see the goals from a team perspective, emphasize team efforts and not define the goals based solely on one’s own values. One of them mentions that a Business Unit
Leader she holds in high regards exercises leadership by leading team work. She means that a leader exercises strong leadership skills by organizing team building activities to bring the team together.

**HR Professionals**

The HR professionals also express that a leader has to create clear team goals. They consider that a leader should direct the team and then expect the team members to follow the leader. A team consists naturally of team members with individual willingness, therefore the team leader has bring them together with team objectives. If the team leader does not create clarity by giving collective goals, the team may not understand what the business goals are and what is expected of each member, and thus lose focus.

For a not so qualified manager I think you do not have a team objective or team mission, or clarity for your team. That means that your team may lose focus of what the direction is. [...] If you don’t have your team’s understanding of what you are doing, then that’s not good. [...] Once [the team mission] is clear, it will be good. - IP8

The goals that the team leader gives are business approached and the purpose of team leading is to help the members to understand what efforts and competences that are required of the team, both from a global and local perspective as stated in following quote.

[The leaders] demonstrate their soft leadership about how to lead business, in what direction. In some of the cases we may have a global corporate target or strategy, something we cannot understand from a local [perspective]. Then [the leaders] will help to break the gap, to help us understand what our business strategy is and how we can work from a local perspective to support [the business], to achieve the strategy as a global company. - IP8

By studying the data material it becomes apparent that all of the three groups of actors has similar descriptions of *To Lead a Team*. They all mean that a leader brings together the team, creates clear team goals and shows the direction to the team members. The Business Unit Leaders and the HR professionals view the role of the leader as having a purpose of defining clear goals and directing the employees towards the direction of the business goals. The HR professionals describe this further by stating that a team leader helps the team members to understand the goals from both a global and local perspective. However, whilst the Business Unit Leaders and the HR professionals focus on the business objectives, Generation Y mean that the leader should lead a team with the purpose of creating a sense of community.

### 5.1.2 To Care

The content of the descriptions given during the interviews shows that caring about the employees is another important sub-competence within *To Manage. To Care* is mainly described to be about how to motivate and engage the employees, and when studying the results one can see that care is shown in different ways according to the actors, and this will be presented in the following section.

**Business Unit Leaders**

To retain people within the organization Business Unit Leaders need to encourage and motivate the employees, and that is why a thought leader needs to show that they care about their employees. According to the Business Unit Leaders care is shown through recognizing and praising the employees, which builds their self-confidence. This in turn will lead to developing employees who strive to perform well and to do a good job for the organization. A Business Unit Leader who is regarded as a role model
encourages the team members in every step of the way by praising them, which is illustrated in the following quote.

Thinking of team members is sometimes like treating a baby; you think they should do their job and they should do it good. But this manager, what I saw is that [he/she] didn’t think that way. Each step [he/she] will think ‘oh you did a good job and you helped yourself, you also helped others’. Yeah, they will recognize each [effort], even small contributions. - IP4

Generation Y
According to Generation Y a leader takes care of the employees by motivating and encouraging them to embrace new challenges, and this is achieved by giving the members opportunities to represent themselves so that they can grow within the organization. Generation Y express that a leader needs to help the employees to develop their career in order to retain key talents within the organization, otherwise they will leave the organization for better options. The leader shows care by exposing each team member for excellent work performances and presenting them to executives of higher levels. Generation Y mean that the competition within this organization is very fierce and that it is hard to be recognized for your individual work performances as an ordinary employee. The following quote emphasizes the value of a leader who recognizes efforts.

So [my Business Unit Leader] gives me the potential target to pursue to next time and she always want me to represent myself and expose myself on a higher management level. For example, if there is a project in IT she think I did well, she would suggest me to present it to her manager. She would even invite her manager or give me one-on-one time with the manager to present my project. So these are things that I think is very important for being a manager. - IP2

HR Professionals
The actors within the group HR professionals show that they care of their employees by encouraging them to break out of their comfort zone, and this is done by providing and creating opportunities to try new work assignments. The purpose of doing so is to inspire the employees to widen their perspectives, because they believe this is how the team members will reach personal and professional development.

I try to encourage my members to try think different, not just following what existed, but try to reinvent new things from heart, from instinct, not only following others [...] I also encourage them to try new things. In my team I think there are different roles. Some are project managers and others are coordinators. So if they want to go pick up new skills, I try to provide new opportunities in different kind of task levels or job nature; help them to extend practice in different areas. - IP6

The results regarding how the actors describe a leader that shows care indicates a variation in the views that have been formed within the different groups of actors. The Business Unit Leaders show care and encouragement through recognizing and praising the employees, whereas the HR professionals strive to encourage the employees to embrace new projects and challenges. The views of Generation Y include the descriptions from the other groups, but they mainly want to be cared for by being given opportunities to expose themselves and show their full potential.

5.1.3 To Build Personal Relationships
To Build Personal Relationships is defined by all the actors as an important sub-competence. To Build Personal Relationships is seen as developing a deeper kind of relationship between the leader and the
individual subordinate, where the leader has holistic knowledge of the subordinate’s work and private life. This kind of relationship can also be developed between a thought leader and a client, depending on the nature of the work tasks.

**Business Unit Leaders**

According to the Business Unit Leaders it is important to build personal relationships and mutual trust with clients. They feel that they need to connect deeply with the clients to gain more success for the business, not only by formal business talks but also by talking about private life to establish a stable foundation of trust. However, one of the Business Unit Leader’s role focuses on building personal relationships with the employees, since she does not meet external clients. She sees her role like that of a mother, who understands and knows her children. She means that the one-child policy has formed the mindset of the younger employees and they have therefore learned to interact with people in a different way than previous generations. Since there has not been any obligations to make active decisions and take responsibility since childhood, it is challenging to adjust to a workplace environment and meet the requirements. That is why the Business Unit Leader thinks that a leader needs to act like a caring mother.

> My position is like of a mother, which takes care of her children, and the children they have different styles, maybe a brother make his sister cry, so I need to balance [them like a mother]. I need to have love [in my heart], without love I can’t make these things happen. - IP7

**Generation Y**

Generation Y regard that it is the leader’s responsibility to know the employees and to be attentive to all situations in the employees’ life; both work-related concerns and family situations. They mean that a leader should know the employees on a personal level, which can be achieved through spending time together by e.g. participating in leisure activities and having lunch with the team members, as stated in the quote.

> So as a manager you need to spend time, and knowing about your colleagues. What are they thinking about? What do they want? Maybe salary or comfortable working environment, family, something like that. - IP5

**HR Professionals**

The HR professionals consider that a leader should build personal relationships with employees since it is the responsibility of a leader to know the employees. The interviewees emphasize that through personal relationships a leader can understand the mindset of the employees, e.g. Generation Y, whose mindset differs from their own generation. It is important to build personal relationships where one can talk to each other, understand each other's thoughts and value systems. This can be done by spending time together with the employees, e.g. by having leisure activities together with the families. In the case of one of the HR professionals, her previous Business Unit Leader provided a new job opportunity to her since the Business Unit Leader knew that she did not feel satisfied and motivated in the job role that she had.

The results indicate that all three views describe a “personal relationship” to be a relationship where the leader is familiar with the client’s or the subordinate’s work and private life, which according to HR professionals and Generation Y is achieved through spending time together and talking to each other, in both formal and informal situations. They argue that it is the leader’s responsibility to know all concerns of the subordinate, whilst the Business Unit Leaders focus more on the importance of building mutual
trust with clients in order to achieve success for the business. But they also emphasize the fact that they need to understand their employees and describe the relationship as being parentalistic.

5.2 To Have Expertise
Aside from the soft skills, hard skills were also regarded as crucial to exercise leadership. The hard skills mentioned as the most important are presented in To Have Expertise and these are: To Have Specialist Knowledge, To Have Knowledge of the National Culture and To Have Knowledge of the Local Market.

5.2.1 To Have Specialist Knowledge
According to the empirical data material, the sub-competences To Have Specialist Knowledge is described as including the components; deeper knowledge, work experience, knowledge of the organization and management experience.

Business Unit Leaders
The Business Unit Leaders discuss the importance of gaining adequate experience and knowledge of the organization to be able to promote the business when meeting clients. The Business Unit Leaders do not only need deeper knowledge and expertise during external business meetings, but it is also important to be able to coach the employees in their work. This can be achieved by work experience and through continuous self-education to update theoretical knowledge, e.g. through studying the material on the intranet. The Business Unit Leaders also express that having management experience includes experience of problem solving.

Generation Y
Generation Y consider knowledge of the organization as an important part of expertise; a leader should provide knowledge of the organizational policies and coach the employees, since it is important to maintain the reputation of the company. They also value experience from a managerial position, since they consider that this leads to a holistic mindset, and this is needed in order to handle the demanding organizational environment. Besides knowledge of the organization, a leader should also have deeper knowledge and expertise, since the subordinates expect to be taught and enriched in knowledge.

HR Professionals
The HR professionals value Business Unit Leaders with extensive experience of working in the organization and thus are trained to see patterns in work. They also mean that it is important to have managerial experience with records of successful results, as well as experience from multinational organizations, which indicates that one is capable of handling complex situations.

Within this sub-competence, it can be stated that the actors emphasize the importance of having experience of the organization and former management experience, so that the leader will be prepared in all kinds of situations whenever expertise is needed. The Business Unit Leaders and Generation Y argue that it is crucial to have deeper knowledge. Regarding the background of external managerial candidates,
the HR professionals mention experience from a multinational organization as important, in order to ensure that the candidate has been in complex situations where problem solving skills were required.

5.2.2 To Have Knowledge of the National Culture

To Have Knowledge of the National Culture refers to the importance of knowing the cultural traditions of the local citizens such as clients, employees and potential candidates.

Business Unit Leaders
According to the Business Unit Leaders' descriptions it is important to know the culture of the local citizens, such as employees, clients and potential candidates, since the characteristics of Chinese culture vary in different parts of China. They also express that a leader should converse in the same “language” as the clients to show appreciation and understanding for the local culture. Knowledge of how to communicate and build a relationship in the local culture, and moreover knowing what they expect from a representative of the organization is crucial for the success of gaining loyal clients. To Have Knowledge of the National Culture is also important to develop within the organization and especially foreign leaders need to understand the Chinese cultural environment, i.e. they need to show respect and willingness to understand and adapt to the local traditions of the employees.

Generation Y
Generation Y mean that a leader should be prepared to meet the clients and customize the product strategy into Chinese market by studying the local culture. A thought leader should strive hard to gain acceptance in the local community by localizing the global business strategy, and this is important for leaders in foreign companies such as the studied organization. But they also argue that it is important to know the local culture because a large number of the clients are young, and they mean that the clients want the organizational representatives to "speak the same language" as themselves. They regard that there is a difference in the communication styles and ways of working between different generations, and therefore it is important to have knowledge of this as a leader. A thought leader should also show respect toward the cultural traditions of the local employees by e.g. participating in traditional holiday celebrations.

HR Professionals
According to the HR professionals it is important that a leader has a deep understanding of the local culture. This means that the leader not only has knowledge of the local cuisine and the traditional holidays, but also understands the deep philosophy of the local culture. Especially foreign Business Unit Leaders are expected to gain this knowledge through workshops and seminars to reduce the cultural gap between the American and the Chinese culture. They mean that the leader and the employees can feel mutual respect towards each other only by gaining a deep understanding of the local mindset and philosophy.

According to the actors, a leader is expected to show respect for the local culture and its traditions. Both Business Unit Leaders and Generation Y emphasize the importance of knowing how business is approached in the culture, what manners and behaviors are accepted and what language that is being spoken. The HR professionals emphasize strongly that understanding the local culture means that one
gain a deeper understanding of the local philosophy and mindset, and that this is especially important for foreign leaders.

5.2.3 To Have Knowledge of the Local Market

*To Have Knowledge of the Local Market* is described as knowledge of governmental restrictions, policies, laws and trends within the society, which also includes knowledge of the competitors. The organizational actors mean that this is important for the organization to be able to remain as an actor in the local market.

*Business Unit Leaders*

The Business Unit Leaders emphasize the importance of being aware of the situation on the technological market; to know the competitors, governmental policies and restrictions. It is increasingly challenging for foreign companies to achieve success on the local market due to the demands of the Chinese government which aims to promote local business and help the Chinese market grow. A leader should therefore have adequate knowledge regarding governmental policies to know how to act accordingly and remain as a strong actor on the market which can be understood from the quote below.

> If a foreign company do not show effort to invest or to work with the Chinese people, it is not easy to survive. So you can see a lot of cooperation between multinational companies and local companies or even the government. [...] The Chinese government is trying to improve the competence of local companies. [...] If the multinational companies want to be more successful in China, they have to show their commitment, they have to commit. [...] If they just want to earn money, it’s not easy [to survive]. - IP1

Furthermore, the three largest competitors on the market are Chinese companies that have expanded greatly in a short period of time, along with the governmental pronouncements to promote local actors. Local companies offer lower prices and are therefore seen as more advantageous options, and this puts the foreign companies in a very challenging situation due to the reason that they face great difficulties when it comes to attracting and retaining clients. Therefore a leader within this organization needs to have knowledge of the competitors and the products that they offer, to be able to strategize and develop the business.

*Generation Y*

According to Generation Y, a leader needs deep insight in the technological market since the competition is heavy. They emphasize the importance of knowing the supply in the local market to customize their own product strategy into Chinese market. It is advantageous for foreign companies to cooperate with the Chinese government in order to ease some restrictions and to be able to grow within the market, and it is therefore crucial that the leader has deeper knowledge of the government to be able to lead the business.

*HR Professionals*

The HR professionals stress the importance of a leader understanding governmental policies and how they affect the business, as well as how to strategize and act without breaking any regulations. With the knowledge that the leader has of the governmental policies, one can also guide the organizational members on how to gain success and recognition on the Chinese market.

When studying the results, one can draw the conclusion that all actors have a similar opinion regarding this sub-competence. Knowledge of the government policies and restrictions are regarded as major
challenges and it is therefore of importance that a thought leader possesses this competence. The Business Unit Leaders and Generation Y mean that the thought leader should have deep knowledge of the competitors in order to gain greater success for the business.

5.3 To Communicate
The competence To Communicate has in this context two dimensions; it is about having the sub-competences To Include or To Convey. In other words, one dimension of this main competence is about including others and exercising leadership through having an open dialogue, and the other is about conveying one’s message in order to achieve business goals.

5.3.1 To Include
This sub-competence means that the leader includes the team members in open communication, where all participants can express and exchange their opinions. The main focus of the leadership should be openness in meetings with clients and employees.

Business Unit Leaders
It is important for the Business Unit Leaders that a leader creates an open environment where others are included in communication and collaboration, both team members and external partners. When meeting clients, the Business Unit Leaders strive to have an open dialogue where thoughts, needs and requests are respected, and clients are thus included in decision making. The focus of the meeting is thus on mutual trust and relationship building. Some of the Business Unit Leaders work closely with members from other internal functions and feel therefore that it is important to build a strong collaboration through communication. They include various professionals from different functions and encourage all members to raise their voices to share opinions and thoughts to act as advisors for the clients and the business, and thus create openness in the workplace.

Generation Y
A leader, according to Generation Y, includes the employees in decision making through open communication. Generation Y mean that the Business Unit Leader should create an open environment by encouraging the employees to create internal connections and talking more frequently with each other to share thoughts and opinions. They also argue that a leader should give general guidelines with space for autonomy, instead of direct instructions, and thus leave the work process open for both the Business Unit Leader and the employee to influence and organize. This means that a leader should help, but not give the direct answers to the problem; instead the employee can participate and influence on how to approach the solution and what decisions that need to be made, which is illustrated in the quote below.

I don’t know if it’s about culture but I feel that [my American manager] likes to give me very big or general guidelines or like a frame of the work. And give me a piece of work to do by myself from the beginning to the end. Of course I'm welcome to ask her any ideas in between but she never gives me details. - IP2

They mean thus that a leader plans for the employee's and the team's long term development by including them in the communication and decision making process.
HR Professionals
The HR professionals mean that a leader should have openness and respect for other's culture and background. They talk about creating meetings where people from different cultures and backgrounds can interact and communicate, which leads to mutual respect. A leader should therefore create a culture of mutual respect and inclusiveness on all levels. One of the HR professionals states that: “Achievement is made through people, not by the leader himself.” - IP6

All three groups mean that the sub-competence To Include is about creating an open environment where all members’ thoughts and ideas are included. Leadership is not formed merely by the managing professional, but employees and clients are encouraged to participate by having an open dialogue. Regarding this sub-competence, the Business Unit Leaders discuss the value of having a strong collaboration across the organization and having an open communication with the clients, where emphasis is on mutual trust. Generation Y, on the other hand, feel that it is important to be included in the decision making and be able to influence their work, and the HR professionals mention that openness within the organization is achieved through the meeting of different cultures and backgrounds.

5.3.2 To Convey
The sub-competence To Convey differs in meaning from the sub-competence To Include, since the leader possesses this competence in order to convey business objectives and convince employees and clients to follow the given goals.

Business Unit Leaders
According to the Business Unit Leaders communication can also be executed through conveying business messages internally or externally. Externally, it is mainly about convincing clients to view the studied organization as the best option, since meetings with clients are a part of their daily work tasks, and the results are dependent on whether they can fully convey the business message or not. The Business Unit Leaders also consider it to be important to convey the business goals internally to the employees. They focus on conveying the business goals to the employees by direct managing, where they will instruct the employees how to work properly and how to implement the business message into their work. They will do this by reviewing the work and the mistakes, and ultimately it is the Business Unit Leader’s opinions of how to handle work tasks and challenging situations that is superior.

Generation Y
Generation Y think that the leader should have the competence to decide and act with the success of the business in mind. A leader should therefore have the competence to take authority, which includes the ability to be decisive and give critical opinions to organizational members when needed.

HR Professionals
As of the data from the HR professionals, a leader should be the one with the competence to take authority. They mean that it is thus crucial that a leader has the competence of understanding the goals and achieving successful results in order to be able to convey the business values. It is also the leader’s responsibility to convince the employees to follow the leader, as stated below.
So that is not about the communication but about a clear strategy, a clear team mission. Of course [communication] is something that will be related to later on; the communication on how to make team to understand what the objective is about. What the benefits, pros and cons are and what you buy and what you do not [buy]. We need to understand more from the employees and help them to understand if they have any thoughts. – IP8

According to the results from the interviews, the sub-competence To Convey is described by Generation Y and the HR professionals as a thought leader’s ability to take authority and control of the team. The HR professionals and the Business Unit Leaders mean that it is important for organizational success that a leader conveys business goals to employees to push the work progress forward. The Business Unit Leaders also add the importance of conveying the business values to the clients to convince them in business negotiations.

5.4 Analysis of the Organizational Perspective
The organizational document that is used as a source of data material in the study is the official document stating the criteria for employees regarding competences required within the organization. The section below is a summary of the organizational perspective and it will present what the authors regard as most significant when analyzing the organizational competences required of a thought leader.

5.4.1 Systematic Thinking
Within this organization you are expected to have a holistic perspective with systematic thinking, where you can identify obstacles and opportunities as well as demonstrate an understanding for complex systems. The thought leader’s obtained knowledge about systematic perspectives should be used as a foundations for taking actions and designing solutions for the business. The role of the leader is to encourage employees to take risks, and to contribute to the processes of strategic decision making. Therefore it is important for a leader to support others in developing a systematic thinking.

5.4.2 Expertise
Another organizational value is to influence through expertise. In order to make it possible for all employees to obtain deeper knowledge, competence development is promoted and executed within the organization through coaching and performing challenging work tasks. It is also encouraged that all employees support each other in the development of leadership within the organization. A thought leader is expected to expose talented team members for recognizable work efforts on all levels within the organization. A thought leader should also promote work rotations for talented workforce and coach them for further development. Furthermore, a thought leader should act as a source of expertise and thus change the usual way of thinking within the organization, and also encourage organizational members to coach others.

5.4.3 Transformation
According to the organizational documents, a progressive thinking of continuous development and change is highly valued. The organizational members should strive to obtain this through updating oneself with information of the surrounding environment. A thought leader is expected to create a learning
environment that continuously transforms in response to changes in the world. The leader should also contribute with intellectual energy, encourage new ideas and help other members to contribute with diversity to redefine the business model.

5.4.4 Connection
The organizational members communicate for the purpose of finding consensual understanding, where all members can participate in expressing their opinions and contributing with expertise and perspectives. Therefore it is important to communicate clearly and effectively in all situations, especially for a leader. The purpose of communication should not only be to dictate or persuade, but to have an open dialogue with employees to educate and to learn. The thought leader should recognize the responsibility for the impact of one's communication and strive to reach the specific target actors with communication. It is also a criterion for the leader to create an environment for effective communication and represent the goals and values of the enterprise to all concerning actors.

5.4.5 Client Focus
The organization is successful when clients succeed. The employees are therefore expected to do everything in their power to help the clients. It is important to understand the client's situation. The employees need society and market insights as well as networks across the business to do their best to serve the clients. A leader should therefore build relationships with key clients based on common strategic interests and create new innovations and successful ideas that challenge clients’ current view of their business. Through new methodologies leaders should contribute to and strengthen the organization. Furthermore the leader should influence others to adapt behaviors, norms and processes that strengthen partnerships with clients.

5.4.6 Challenges
Embrace challenge is about contributing to a better functioning world through focusing on the future and seeing opportunities in complex situations. As a member of the organization one should identify key issues and contribute with innovative solutions. Each individual takes personal responsibility for transformative outcomes and inspires others through one’s beliefs. A leader should therefore inspire and encourage the team to break boundaries and embrace challenges. A leader should also strive to create new opportunities for the employees, and redirect them to keep the progress going forward when facing challenging goals.

5.4.7 Global Collaboration
Collaborative skills are needed within a global organization with local differences such as laws, countries and cultures. Therefore everyone is encouraged to interact within the organizational network of experts and help each other when opportunities arise. Leaders should therefore collaborate across the global organization and also motivate members to commit to each other’s success with the purpose of creating innovative business ideas.
5.4.8 Mutual Trust
The organizational members need to build relationships on integrity and openness by trusting each other's skills and motivation to achieve a good result. If trust is eroding, it is important to take responsibility to quickly remedy and restore the relationship. That is why leaders should create an organization characterized by mutual trust and integrity, where everyone feels responsible for the success of the organization and inspire others to embody the organizational values.

5.4.9 Support
To be successful, employees must help each other by sharing resources and insights when discussing future challenges. By recognizing each other's contributions and giving praise for good work performances, it will help colleagues to find motivation. Leaders should therefore create an environment where employees can predict future obstacles and offer help when others are in need of support. A thought leader also motivates organizational members and creates continuous improvement by using people’s interests and capacities across organizational boundaries, which in turn will lead to increased responsibilities.

5.5 Differences Between Actors and Document
The leadership competences *To Manage, To Have Expertise* and *To Communicate* are based on the descriptions that different organizational actors have given of the competences required to exercise leadership in this cross-cultural context. This will hereafter be compared with the perspective represented by the chosen organizational document. Although it can be said that there are several similarities between the document and the actors, however there are also differences that can be found in the meaning of the competences. The following section will present the differences and similarities between the actors and the document. A summary will be presented in a table at the beginning of each competence.
Table 1: The Organizational Actors’ and Document’s Description of To Manage

<table>
<thead>
<tr>
<th>TO MANAGE</th>
<th>BUSINESS UNIT LEADERS</th>
<th>GENERATION Y</th>
<th>HR PROFESSIONALS</th>
<th>DOCUMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>To Lead a Team</td>
<td>- Bring together the team</td>
<td>- Bring together the team</td>
<td>- Bring together the team</td>
<td>Challenges</td>
</tr>
<tr>
<td></td>
<td>- Show direction to team members</td>
<td>- Show direction to team members</td>
<td>- Show direction to team members</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Create clear team goals</td>
<td>- Create clear team goals</td>
<td>- Create clear team goals from global and local view</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Show love</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To Care</td>
<td>- Praise</td>
<td>- Recognize</td>
<td>- Encourage employees to embrace new challenges</td>
<td>Challenges</td>
</tr>
<tr>
<td></td>
<td>- Recognize</td>
<td></td>
<td>- Encourage employees to embrace new challenges</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Encourage employees to embrace new challenges</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Give opportunities for exposure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To Build Personal</td>
<td>- Familiar with both work and private life</td>
<td>- Familiar with both work and private life</td>
<td>- Familiar with both work and private life</td>
<td>Client Focus</td>
</tr>
<tr>
<td>Relationships</td>
<td>- Build mutual trust with clients</td>
<td></td>
<td></td>
<td>Mutual Trust</td>
</tr>
<tr>
<td></td>
<td>- Parentalistic relation</td>
<td></td>
<td></td>
<td>Global Collaboration</td>
</tr>
<tr>
<td></td>
<td>- Spend time together</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Leader’s responsibility to know all concerns</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Spend time together</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Leader’s responsibility to know all concerns</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The competences from the organizational document that are similar to the competence To Manage are: Challenges, Expertise, Systematic Thinking, Client Focus, Support, Global Collaboration and Mutual Trust. Both the actors and the document regard that To Lead a Team means showing the employees how to work through defining clear goals. The descriptions provided by the different actors is similar to the organizational competence Challenges, since a thought leader directs the members in times of challenges and acts thus as the force that drives the progress forward.

Generation Y and HR professionals value a leader that shows care through encouraging the employees to embrace new challenges. Moreover, this is also encouraged in the organizational document; Expertise and Systematic Thinking that are about encouraging the employees towards development by giving them challenging work tasks, and also to encourage risk taking and help others to develop a systematic view. Challenges is another organizational value which states that the leader should provide opportunities for employees and teach them to embrace challenging situations, because it is the process needed in order to reach further development. Secondly, Generation Y consider that they should be recognized for good work efforts and also be exposed for opportunities where they can show their full potential. However, in
contrary to how Generation Y describe what it means to recognize the team members, the Business Unit Leaders care about the team members by praising them for their efforts, as described in the document as Support. This is due to the reason that the Business Unit Leaders regard it as crucial in their managerial role to motivate the employees to work as efficiently as possible. They recognize all efforts and define the path for the team members by praising them in every step of the way, thus encouraging them to adapt to given guidelines.

The sub-competence To Build Personal Relationships is described by the organizational actors as being about a deeper kind of relationship in which the leader is familiar with both private and work related concerns. Mutual Trust can be interpreted as having the same meaning, since the criterion for a thought leader is to strive to connect with both employees and clients for a long term partnership. Similarly, the description of the organizational competence Global Collaboration has the main criterion that a thought leader should build openness across the enterprise through members’ collaboration and collective contribution. The HR professionals and Generation Y mean that deeper personal relationships can be established through spending time together. The HR professionals express that the purpose of doing so is to understand the mindset of the younger generation. The Business Unit Leaders, on the other hand, discuss the role of the leader as having a parental character. They are similar in description as the organizational competence Client Focus regarding relationships with clients; the relationship with clients is a determinant factor in organizational success, and therefore a thought leader must seek mutual interests and develop mutual strategies to have a strong partnership with clients.

Table 2: The Organizational Actors’ and Document’s Description of To Have Expertise

<table>
<thead>
<tr>
<th>TO HAVE EXPERTISE</th>
<th>BUSINESS UNIT LEADERS</th>
<th>GENERATION Y</th>
<th>HR PROFESSIONALS</th>
<th>DOCUMENT</th>
</tr>
</thead>
</table>
| To Have Specialist Knowledge| - Knowledge of the organization  
- Management experience  
- Deeper knowledge                      | - Knowledge of the organization  
- Management experience  
- Deeper knowledge                      | - Knowledge of the organization  
- Management experience  
- Deeper knowledge                      | Transformation Systematic Thinking Mutual Trust |
| To Have Knowledge of the National Culture | - Respect local traditions  
- Knowledge of how to do business in China | - Respect local traditions  
- Knowledge of how to do business in China | - Respect local traditions  
- Deep understanding of the local philosophy | Transformation Client Focus |
| To Have Knowledge of the Local Market | - Knowledge of government policies and restrictions  
- Knowledge of major competitors | - Knowledge of government policies and restrictions  
- Knowledge of major competitors | - Knowledge of government policies and restrictions | Transformation Client Focus |

29
By studying the organizational document, one can state that the four competences; *Systematic Thinking*, *Transformation*, *Client Focus* and *Mutual Trust* are similar to the descriptions of the main competence *To Have Expertise*. According to the organizational competence *Mutual Trust*, a thought leader is expected to embody the organizational values and contribute with intellectual energy. In order to do this one has to know the organization, which the three groups of actors also emphasize when they express that *To Have Specialist Knowledge* is e.g. having extensive experience from the studied organization. The HR professionals further emphasize the importance of experience from a multinational organization to ensure that the leader has obtained problem solving skills in a complex environment. Similarly, the Business Unit Leaders and Generation Y argue that the leader has more extensive knowledge and experience than the team members, which means that the leader has deeper problem solving skills. This can be related to the organizational competence, *Systematic Thinking*, which means that the thought leader should have a rational systematic thinking and understanding within the organization and retain a strategic mindset. Similarly, *Continuously Transform* is about continuously updating your knowledge about the organizational context and within your field of expertise to be prepared for transformations that can occur.

Regarding *To Have Knowledge of the National Culture*, all groups of organizational actors express that it is crucial, especially for foreign Business Unit Leaders, to gain knowledge of the national culture in order to be able to exercise leadership internally. As for exercising leadership externally and managing clients, a thought leader should have knowledge of how to do business in China. There are various characteristics to take into consideration when handling the Chinese culture, both regarding clients, candidates as well as organizational members, and it is therefore of great importance to possess a cultural awareness. The HR professionals further discuss what it means to have cultural awareness; they express that it means to gain deep understanding of the local philosophy, to be able to understand the real reason behind the behaviors. Another aspect to take into consideration when doing business in China is *To Have Knowledge of the Local Market*, e.g. knowledge of the major competitors, knowledge of government policies, etc. The Business Unit Leaders and Generation Y both draw attention to the importance of having adequate knowledge of the competitors, since it is highly relevant information when doing business with clients. By analyzing and comparing the results, the authors can draw the conclusion that the organizational competences *Transformation* and *Client Focus* are equivalent in the meaning. The different actors and the document have thus similar descriptions of the competence *To Have Expertise*. The competence *Transformation* has as a main criterion that a thought leader should strive to obtain continuous development through updating oneself with information of the surrounding contexts; in this case, both the Chinese cultural context and the context in the local Chinese technology market. *Client Focus* emphasizes the importance of deeper knowledge of the industry and of the client’s needs and requirements. To be able to obtain a beneficial development in times of continuous change, a thought leader must strive to continuously update one’s skills and knowledge to be able to meet the requirements of the clients and supply with satisfactory services.
Table 3: The Organizational Actors’ and Document’s Description of To Communicate

<table>
<thead>
<tr>
<th>TO COMMUNICATE</th>
<th>BUSINESS UNIT LEADERS</th>
<th>GENERATION Y</th>
<th>HR PROFESSIONALS</th>
<th>DOCUMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>To Include</td>
<td>- Include clients in decision making</td>
<td>- Include employees in decision making</td>
<td>- Openness</td>
<td>Transformation &amp; Connection</td>
</tr>
<tr>
<td></td>
<td>- Openness</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To Convey</td>
<td>- Convey business values to clients</td>
<td></td>
<td>- Convey business goals to employees</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Convey business goals to employees</td>
<td></td>
<td>- Take authority</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Take authority</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The two competences from the organizational document called Transformation and Connection have similarities with the cross-cultural leadership competence To Communicate. All of the actors express that To Include means that a leader strives to create openness in the workplace environment, where all members are encouraged to voice their opinions, and this can be related to the document’s description of Connection. Openness is described by the HR professionals as openness for other’s cultures, whilst the Business Unit Leaders describe it as being the key to efficient collaboration, and from Generation Y’s point of view openness means being included in decision making. The organizational competence Transformation also states that a thought leader should promote an open environment for new thoughts and ideas and create initiatives so that the employees are able to contribute with diversity for the business model. The Business Unit Leaders also discuss the importance of including clients in decision making, and this is done by striving to understand their thoughts and perspectives to find best mutual interests. However, Generation Y regard that the purpose of communication is to engage employees in decision making. They expect the leader to give them general guidelines, and not strict directives, thus giving them responsibility to influence their own work.

The meaning of To Convey according to the Business Unit Leaders and the HR professionals is to convey the business goals. Internally it is about conveying the business goals to employees, but the Business Unit Leaders also need to promote the services of the organization externally, and therefore they emphasize the importance of conveying the business values to clients. As a leader you also need to be able to take authority when needed, according to the HR professionals and Generation Y. They mean that the leaders need to be able to take control and take the ultimate decisions for the business in crucial situations, since this will affect the work environment as well as the results of goal achievement.

5.5.1 Concluding Remarks

In conclusion, it can be stated that the various descriptions given by the different actors are very similar when discussing cross-cultural leadership competences. By studying the tables with the various descriptions provided by four perspectives, one can also draw the conclusions that the actors do not differ greatly in description compared to the document, which seems to indicate that there is a strong organizational culture. However, small differences can be identified; The Business Unit Leaders are
business oriented and focus on client relations, which is also one of the main focus points in the document, while the HR professionals are more people centered and emphasize relation building with employees. A possible explanation to this is that the HR professionals mainly manage personnel matters and belong to a support function within the organization; therefore they feel that they do not need a client focus. The organizational document is pervaded by a global focus, similar to the mindset of the HR professionals, and in this meaning differs from Generation Y and the Business Unit Leaders, who emphasize the local business. Both of the HR professionals’ and the Business Unit Leaders’ descriptions are included in the results from Generation Y, however the younger employees further expect openness and to be given more responsibility. The younger employees show tendencies to prefer a leader who values personal development and a more independent style of working by creating an open and inclusive environment. They demand innovative thinking and expect the leaders to include them in decision making and the organization to continuously give them new challenges in order to break their boundaries. They have higher expectations on the leader and expect that they are given opportunities to show their full potential, i.e. they require more from a thought leader than the older generations. A possible explanation for the results from Generation Y is the different living conditions that has formed the mindset of the younger generation, since the one-child policy has strongly affected the development of the modern Chinese society and the characteristics of the main younger workforce.
6. Discussion

The aim of the essay is to study the competences that are required in a managerial position in an American organization in China, where the multicultural context is a great influence on the way of viewing leadership. This has been analyzed by studying how the organizational actors and document describe what competences that are needed in such a role, in other words the described competences required to exercise leadership in a cross-cultural context. The authors seek to generate deeper understanding of the various descriptions by further discussing and analyzing them from different theoretical perspectives. The theoretical perspectives are used to support understanding of how the cross-cultural leadership competences are described and the meaning behind the descriptions, in other words how cross-cultural competence is viewed to relate to the style of leadership/management; how cross-cultural competence are influenced by national culture/organizational culture; and finally if cross-cultural competence is described as being characterized by dimensions of adaptive/developmental competence.

Leadership vs. Management

The various descriptions that form the view of leadership competences can be understood in the light of theories of leadership and management. The theories that the authors mainly regard to be of relevance when analyzing the results are Bass’ (2008) leadership theories of task-oriented/relations-oriented leadership and transactional/transformational leadership.

When analyzing the results, one can understand that the Business Unit Leaders regard it to be important to possess the competence To Have Expertise to be able To Lead a Team, since it is required in order to organize the work processes leading to goal achieving. The Business Unit Leader can do this by clearly understanding the business and is thereafter expected To Convey what assignments that should be completed and how the work should be progressed. This is similar to task-oriented leadership, in which Bass (2008) defines the leader to be the source of expert knowledge, and it is thus the leader who will teach the subordinates how to work in order to achieve maximum efficiency. He means that the subordinates will follow the directions of the leader, since the leader defines the roles of the team members, directs their work and explains what to do and why (ibid.). The Business Unit Leaders mean that it also is a part of the leader’s responsibility to correct employees who make mistakes by giving them negative feedback and praise them when they present excellent work performances, which is their description of To Care. This can be related to the transactional leadership style, which states that the leader directs what requirements that need to be met, and the leader praises or punishes the followers depending on the outcome of the work efforts (Bass, 2008). Finally, one can state that the Business Unit Leaders show tendencies to strongly advocate competences that exercise management, based on Bass’ (2008) theory of transformational and task-oriented leadership, since their descriptions of a thought leader is similar to the definitions presented in the theories. Transactional leadership is said to closely resemble traditional management (Bass, 2008). Task-oriented leadership can also be related to traditional management, due to the similarity of focus on processes, goals and work methods, rather than interpersonal relationships and development of others, which usually is associated with leadership (Alvesson & Sveningsson, 2010).

Even though the other sources concur in the Business Unit Leaders’ description of a thought leader, which states that the leader needs the competence To Have Expertise, the HR professionals, Generation Y
and the document differ in the meaning of the competences *To Manage* and *To Communicate*, where they show tendencies to prefer leadership. All sources, except the Business Unit Leaders, describe the competence *To Care* as possible only by executing a charismatic leadership as the style of transformational leadership, which according to Bass (2008) means that a leader inspires the employees to reach challenging expectations and achieve higher standards of performance. The descriptions that are given of exercising leadership through the competences *To Care*, *To Build Personal Relationships* and *To Include* can be related to relations-oriented leadership, where a managerial professional is described as exercising people centered leadership and works for the development of the employees, to give them opportunities to use their potential (Bass, 2008). It is according to the description given by the HR professionals, Generation Y and the document, more important to value deeper interpersonal relationships than to focus on instrumental work processes, and moreover the relationships are said to mature through showing care by giving the employees opportunities for both personal as well as professional development. Especially Generation Y emphasize the importance of a leader showing care through trusting the employees enough to give them power to influence and thus including them in decision making. They mean, in other words, that they expect the leader to give them opportunities to show their full potential, and they also want to feel that their opinions are valuable enough to influence work processes.

By analyzing the results from theoretical perspectives, one can understand that a Business Unit Leader is required to handle the double context of organizational culture and national culture by exercising both management and leadership. The title of the managerial position contains the word “leader”, which shows that the organization expects managing professionals to exercise leadership, and this is also distinct in the descriptions of the organizational leadership competences. The authors regard that a managing professional is often said to be a “leader” when recognizing a democratic way of leading, whilst traditional management is frequently perceived to be a derogatory term. By understanding the competences that are required in this specific case, one can understand what leadership style that is needed in a managerial role within the cross-cultural context.

**Adaptive vs. Developmental Competence**

The authors will further analyze if leadership is considered to be exercised with the purpose of developing the team or adapting the team to the organizational values. The authors have defined these dimensions of competence based on the theory developed by Ellström (1992). Ellström means that adaptive competence is achieved by adjusting to current circumstances and acting according to other people’s demands, in order to gain maximum efficiency. Developmental competence, on the other hand, correlates to high levels of analytical thinking and means that the individuals will act freely according to own thoughts and will seek to question current circumstances (ibid.).

The Business Unit Leaders and the HR professionals view the role of the leader as having a purpose of defining clear goals and directing the employees towards the business objectives. The description they have given of the sub-competences *To Care*, *To Convey* and *To Lead a Team*, can be regarded as having more of an adaptive character in this context, since they mean that a leader has to create the routines needed for the team to achieve an efficient teamwork and adapt to the organizational policies. They confirm and define the path for the team members by showing care and praising them in every step of the way, thus encouraging them to conform and adapt to the given guidelines. This can further be understood...
when relating their descriptions to theories of traditional management, since the focus in those theories is on managing by planning and structuring work for higher efficiency.

However, Generation Y express that a great leader does not guide directly in the work process, but encourages the employees to plan for their own development, e.g. by giving opportunities for the employees to expose themselves on all levels within the organization. These descriptions of *To Care* and *To Include*, can be understood in the light of Ellström’s (1992) definition of developmental competence. A leader who possesses these sub-competences encourages thus for the employees’ long-term development when exercising leadership. Theoretical descriptions of leadership support the relation that leadership competences are developmental in character, and this can also be seen in the previous analysis of leadership vs. management, where it was stated that Generation Y show tendencies to expect managing professionals to exercise leadership.

*Local Culture vs. Organizational Culture*

The authors have in this case studied a cross-cultural context, which is composed of the interaction between the organizational culture and the local national culture, and will hereafter further analyze the cross-cultural leadership competences that were found in the results to generate deeper understanding of the context that the competences were formed in. The local culture has been influenced by the long and rich history of China as well as the development of modern Chinese society. The organizational context is characterized by the American culture, from where the company's visions were originated, and has thereafter been formed by the organizational members’ behaviors and actions. The descriptions obtained from the different groups of actors and the organizational document are very similar in meaning, and it can therefore be understood that there is a strong organizational culture. The authors regard it thus to be interesting to study and analyze this with theories of cross-cultural management, particularly to compare the results with Schneider and Barsoux’s (2003) theory of “the international manager”, and discuss the interaction and influences between the different cultures in this specific context.

The situation in the Chinese market was stated by the organizational actors to be the greatest challenge for the studied organization, and due to the governmental policies and restrictions, the foreign organizations in the Chinese technological market are now in need for transformation to be able to remain as an actor. This in turn have generated new requirements for managing professionals, where it is crucial for the thought leader to be aware of how to act in relations to given restraints. This is the reason that *To Have Knowledge of the Local Market* is considered to be of importance, and it is crucial for foreign organizations to possess this competence. Moreover, *To Have Knowledge of the National Culture* is also a crucial cross-cultural competence, since it creates possibilities to build deeper relationships with the Chinese citizens, such as employees, clients and other stakeholders, and the leader can thereby become a part of the local culture. Finally, a leader who possesses the competence *To Have Specialist Knowledge* knows what the organization requires, how it functions and how to acquire business success, which is especially relevant in an organizational context.

Cross-cultural leadership competence can be understood in the light of Schneider and Barsoux’s (2003) theory about “the international manager”. The competences that they have defined as crucial in the cross-cultural managerial role mainly focuses on simultaneously being able to manage multiple cultures, and therefore having cultural awareness is described in many of the competences. The equivalence of those
competences is described as *To Have Expertise* in the results obtained from this specific context. But the organizational actors describe this as having hard skills; having knowledge of the specific national culture and its traditions is one of the key factors for success within the organization and the managerial role. Other previous research, such as the research conducted by Wang et al. (2013) and Wong et al. (2007) emphasize the importance of communication and interpersonal relations building, in order to be able to cope with the cultural differences and create an efficient work team. This is supported by the descriptions of the sub-competences *To Care* and *To Build Personal Relationships*, which illustrate the importance of handling interpersonal interactions. Although the results from the study show that the meaning of cross-cultural leadership competence in this specific context contains possessing communication skills and interpersonal skills, it is not merely restricted to the necessity of understanding national culture when exercising leadership; currently it is also about generational differences in culture. This has been strengthened along with rapid globalization and causes an increased significance in possessing the competence of being able to handle and understand different generational cultures. This can be understood as increasing globalization having resulted in uniformity of values in life, which in turn affects values in the work place.

### 6.1 Practical Implications

This study offers some practical implications. Firstly, the authors have drawn the conclusion based on the results that the organizational culture causes a huge impact on the organizational actors’ ideas and attitudes, and therefore one needs to be attentive to the influence of organizational and national culture. The results also indicate that the cross-cultural competence *To Have Expertise* is crucial for an organization trying to establish business in China, in order to become a player in the local market.

Another interesting indication from the results is the differences between generations. With Generation Y as the main workforce in the labor market, the values regarding a desired leader seem to have changed. This will certainly lead to new requirements for the role of a leader as well as new requirements for the organization. With this in mind, organizations need to create structures with more possibilities for the younger workforce to be exposed to show full potential and to be included in decision making in work progresses. The results also show that Generation Y is more communicative and also expect this to be reflected in the working environment, i.e. they expect openness for thoughts and ideas. This puts the organizations in need of development for increased clarity and transparency in order to attract candidates and retain talented workforce, since the new generation will shape the future of Chinese market.

### 6.2 Limitations and Future Research Directions

The limitations of this study indicate possible future research directions. Firstly, the study is limited to what the organizational actors have expressed through the interviews. However, it may be inadequate to rely merely on interviews in order to obtain a complete picture of the context. This means that the authors cannot draw any conclusions regarding how the actors actually behave in practice and what expectations they show in daily work situations. The study can therefore be supplemented with observations to investigate how the Business Unit Leaders exercise leadership in practice and what the other organizational members truly require of the Business Unit Leaders in practical situations. Secondly, due to the reason that the authors used snowball sampling, the interviewees consisted of female participants.
This has affected the results and the authors have thus studied leadership from a female perspective. It is relevant for further studies to conduct research with a mixed group of participants in order to investigate if there is a huge distinction and variety between leadership in multinational organizations in China from a male and female perspective. Finally, the results regarding Generation Y, which brought an interesting addition to the perspectives, was not initially intended to be a focus point of the study. This became interesting to study since Generation Y most likely will be of huge influence on the development of modern Chinese society and the current and future situation on the market. The generational shift that is currently occurring is a unique situation in China, since the one-child policy is now showing its effects, and therefore the authors propose further investigation that generates deeper understanding within this field of research regarding the thoughts and attitudes of Generation Y as a future research direction.
7. Conclusion

The essay has studied leadership competence in a multinational organization in China, i.e. leadership that is formed in the organizational and local culture. The authors have aimed to generate deeper knowledge within the research field of cross-cultural leadership competence by studying how organizational actors from different levels describe the competences required in a managerial role in an American organization in China. The research questions were thus formulated with the aim to study what competences that are required in a managerial position in a multinational company in China according to different organizational actors, organizational documents and further viewed the differences in meaning between the various descriptions.

As a conclusion of the results, the cross-cultural competences that are required in order to handle the cross-cultural context are *To Manage*, *To Have Expertise* and *To Communicate*. These show the importance of having both soft skills and hard skills to be able to handle given tasks and act successfully according to the given situation. The authors therefore draw the conclusions that the competence *To Have Expertise* is required to be able to communicate according to formal and informal requirements formed by the local cultural traditions and organizational context. The competence *To Communicate* is furthermore required as a tool to include employees and convey business goals, which is the foundation when exercising the competence *To Manage* in a cross-cultural context. The description of the cross-cultural leadership competences that were given by the organizational actors and organizational document are composed of dimensions of both management and leadership. This shows that there is a challenge that the managing professionals face in the professional role of how to manage the work tasks and the employees, i.e. when to exercise leadership or management. The authors argue that the situation of handling cross-cultural contexts puts pressure on the managing professionals, and a major challenge is how to balance adaption to local culture whilst identifying oneself with the culture within the multinational organization. In conclusion, the authors regard the results of the study to be of relevance for generating knowledge about how cross-cultural leadership competence can be understood in modern times of increased globalization. Globalization is continuously forming the modern society, and the authors hope that this essay opens up for several interesting topics of research that contributes to the development of competence for leaders in a cross-cultural context.
8. References


9. Appendix

9.1 Appendix 1: Interview Guide - Business Unit Leaders

Gender:
Mail:
Phone number:

Cultural context
1. Nationality?
2. Cultural background?
   - Duration of residence in China? Residence in other countries (longer period of time)?
3. Former employments (country, industry)?

Organizational context
4. How many years have you been employed at this company?
5. Could you briefly describe the company?
6. What positions have you had at this company?
7. Could you briefly describe your current position?
   - Job title
   - Business unit
   - Number of subordinates

8. Please describe a typical day at work focusing on your work tasks.

Leadership competences (Business Unit Leader)
9. Which skills and personal traits would you say are most important in your managerial position?
   - Why?
   - Example?
   - How would you do to achieve that/those?

10. What are your strengths as a manager?
    - Why?
    - Example?
    - How do you do?

11. Could you please describe the person that you think is the best manager here in this office?
    - What are his/her characteristics?
    - Why do you rate that person as the best?
    - Example of good work performance? How does he or she do that?
12. Describe the personal traits and skills of the manager who you think is the least suitable for his/her role?
   - Why is that person not suitable?
   - Example?
   - Lack of what skills/abilities?

13. What challenges do you face in your job?
   - Why?
   - (Specific example of a challenge that required extra effort?)
   - How do you handle those work tasks?

Cross-cultural competence
14. What are the characteristics for Chinese leadership?

15. What does it mean to be a manager?
   - Why?

16. Generally speaking, what challenges do managers face in their professional role? Not only within this company.

17. What skills are needed to be able to overcome those challenges?
   - Why?
   - Example?

18. What challenges are there for this company as an American company in China?
   - Cultural differences?
   - Why do you think that is a challenge?
   - Example?

Can we send you an e-mail if we have any additional questions to ask?
9.2 Appendix 2: Interview Guide - HR Professionals

Gender:
Mail:
Phone number:

Cultural context
1. Nationality?
2. Cultural background?
   - Duration of residence in China? Residence in other countries (longer period of time)?
3. Former employments (country, industry)?

Organizational context
4. How many years have you been employed at this company?
5. What positions have you had at this company?
6. Could you briefly describe your current position?

Leadership competences (HR)
7. Could you describe the managerial levels at this company? (Formal organizational structure)
   - What differences are there in the work requirements?
8. What kind of candidate do you search for when placing a managerial position? (Internally and externally)
   - Why?
   - Do you have example of a good candidate?
9. Could you describe the person that you think is the best manager here in this office?
   - Why do you rate that person as the best?
   - Example of good work performance?
10. Describe the personal traits and skills of the manager who you think is the least suitable for his/her role?
    - Why is that person not suitable?
    - Example?
    - Lack of what skills/abilities?

Cross-cultural context
11. What are the characteristics for Chinese leadership?

12. Generally speaking, what challenges do managers face in their professional role? Not only within this company
13. What skills are needed to be able to overcome those challenges?
   - Why?
   - Example?

14. What challenges are there for this organization as an American company in China?
   - Cultural challenges?
   - Why do you think that?
   - Example?

15. Is there anything unique for the organization in China compared to the organization in other countries?
   - Why?
   - Example?

Can we send you an e-mail if we have any additional questions to ask?
9.3 Appendix 3: Conditions for Interview Participants
This case study will be conducted by Hellen Song and Kristiina Yap from the Institution of Education, Stockholm University. The authors of this study will have the codes of conduct mentioned below as a basis throughout the research process.

1. The aim of this research is to study leadership competence in a multinational corporation in China. The intention is to examine how the concept of “competence” is defined and formed in the organizational and cultural context. The authors also intend to study how the global view and the local view on competence interact and analyze how this can be explained. The research method chosen for this case study is qualitative interviews, where data will be collected with focus on how HR professionals and Business Unit Leaders define the competences needed to handle the work requirements.

2. Please do not feel pressured to answer any questions you consider are inappropriate. And you may discontinue your participation at any time you want during the interview. We will avoid to put any pressure on you into a direction you do not want to go.

3. You are free to discontinue your participation in the study and withdraw your information at any time within 14 days after the interview. Since this will affect the work of the authors, please let us know as soon as possible.

4. Everything will be treated confidentially! The identities of all interviewees will be anonymous. The material will only be used in this study for educational purposes and you will be anonymous in all the steps throughout the process.

5. Please contact us in case you would like to receive a copy of the notes from the interview. In case you would like to review and revise the content, we will send you a copy of the final edited version within 14 days (of the date that the notes were sent to you). During the research process, only the authors of the dissertation will have access to the interview notes. The data will be destroyed after the publication of the study.

Thank you for your cooperation and your contribution to research within the social sciences!