



East Asian vs. Western Leadership style in the team performance after a merger project

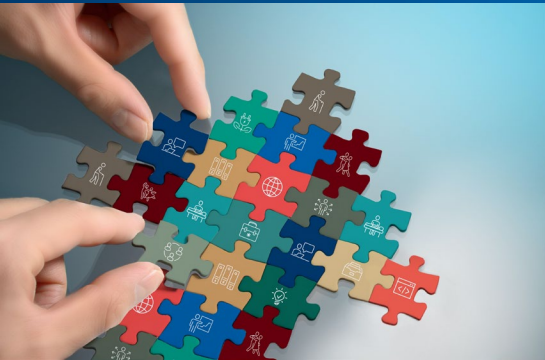
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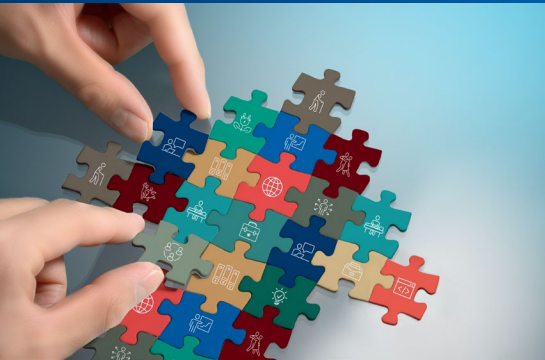
Broader setting of the research

- Present research is part of the PhD Topic: East Asian vs. Western Leadership style in the team performance after a merger project.
- China No. 1 economy in the world
- Mergers and Acquisitions
- New teams
- New management
- Pressure for success
- CEOs & top management, middle management, team leaders

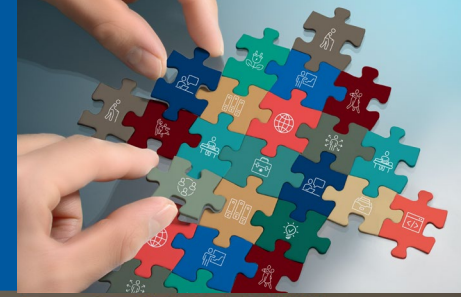


Research Focus

- **Focus:** Leadership style of the East Asian middle manager in the role of a team leader.
- **Main research question:** Is the middle manager willing to change his leadership style in order to ensure a successful team performance after a merger has taken place?
- **Setting:** European company that has been taken over by an East Asian company in a merger project.



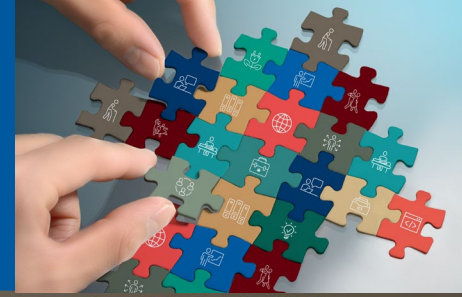
Current status of the Asian Leadership traits research



- Most research about leadership style has been done with the Western values in mind. Most researched country is USA (Fang 2010, Arun and Kahraman Gedik 2020, Park et al. 2019, Mills D. Quinn 2005).
- The Asian leadership style research is still at the beginning and only a limited amount of articles covering the field can be found.
- From Hofstede point of view, the leadership style was country specific (Hofstede 2007), with time, researches considered that the leadership characteristics and styles are universal constructs, even if data was taken from Asian regions (Koo and Park 2018). Now, we are seeing that there are differences even among different regions, let alone countries (Fang 2010).



East Asian vs. Western values



EAST ASIA

- **Hierarchy**
- **Inequality – power distance**
- Fatalism
- **Collectivism**
- Acceptance of status
- Male dominance
- Established social class
- Status through birth or wealth
- **Relationships**
- Power structures
- **Good precedents**
- Wisdom
- Cyclic time
- Harmony orientation

WEST COUNTRIES

- **Democracy**
- **Equality**
- Self – determination
- **Individualism**
- Human rights
- Equality for women
- Social mobility
- Status through achievement
- **Facts and figures**
- Social justice
- **New solutions**
- Vigour
- Linear time
- Results orientation

(Arun and Kahraman Gedik 2020)



Asian value world



- We are coming from 2 different worlds:
 - **Acceptance of Power distance** - society and individuals accept the uneven distribution of power in institutions and organizations (Farh, Hackett, & Liang 2007).
 - **Difference** between leaders and followers, building a culture of **hierarchy** as a norm, meaning the followers generally **obey** the leaders decisions (Ahlstrom et al., 2010; Lam et al., 2012 ; Liden, 2012). Expected free submission to authorities direction (Lietal., 2015) so the leaders have more managerial discretion and are not questioned by the subordinates (Koo and Park 2018).
 - **Collectivism** where the leaders are expected to put the goals of the group before the goals of the individual.
 - **Humility** where the leader is aware that he is not the centre of the universe.
 - **Confucian values** encourage conformity and not deviating from the norm.

BUT...



Western influence on the Asian traditions



- “Open-Door” policy that started in 1978 (Fang 2010) and Made in China 2025 initiative introduced in 2015 (Cyrill M., 2018), China has invited foreign cultures as well as given home companies the possibility to venture overseas in the form of mergers and acquisitions.
- We have witnessed cultural clashes that have gradually produced new hybrid cultures (Fang 2010). So now, we can see individualism, professionalism, self-expression, materialism, excess consumption and modern approaches in the Chinese companies coming to the West.



Next steps of the East Asian leadership style



- Nadkarni and Herrmann (2010) research of “CEO personality, strategic flexibility and firm performance”, could observe that younger generation of leaders already embraced the more individualistic approach.
- Yukl (2013) claims that leaders can redefine their roles.
- Newman, Rose and Teo (2016) have noticed in their survey of the “Role of Participative leadership in China” that the impact of the participative leadership is increasing, which may suggest that the values of the younger Chinese generations is changing because they are getting influenced by Western ideas and management philosophy (Fang 2010).



Research questions



- **Main research question:** Is the middle manager willing to change his leadership style in order to ensure a successful team performance after a merger has taken place?
- **Sub - research questions:**
 - What is the trigger for the Chinese middle manager to be willing to change the leadership style?
 - Will the team be successful if it must work in accordance with the Chinese way of thinking in the Western world?
 - How much Western influence is in the Chinese leadership style among the managers from acquirers companies?





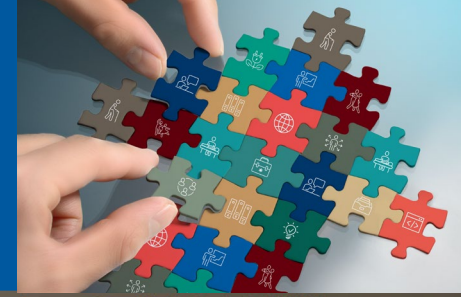
Online survey (basis Multifactor-Leadership-Questionnaire):

1. East Asian middle managers and the self assessment of their leadership style as well as their performance in achieving success in the new team.
2. What is considered a team success (after merger).
3. The team, lead by the East Asian middle manager & their assessment if the leadership style is leading to success (after merger).
4. Where possible 1:1 interviews.

Leader – member exchange **Theory**: how far does the East Asian manager let the people of the out-group (members of the acquired company) join the in-group (members of the acquirer) (Graen and Uhl-Bien, 1991; Herman and Troth 2013; Hill et al.; 2014).



Conclusion



- The research intends to close the gap in knowledge of the East Asian leadership style of middle management.
- It will add greatly to the body of knowledge of leadership of international teams set in a difficult environment such as post merger setting.



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