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**Contextualizing Transformational Leadership Theories in China: A Confucian Perspective**

**Abstract**  Transformational leadership, though widely studied in the literature, lacks sufficient contextual analysis of its essential leadership process and differences in characteristic behaviors under different cultural settings, especially in the Asian context. This research, through qualitative data collected from eight Chinese organizations (four state-owned enterprises and four private-owned enterprises), empirically examines the Western transformational leadership theory in China. Moreover, by studying Chinese leaders’ daily behaviors, we develop a transformational leadership theory in the Chinese business context. This research contributes to contextualizing transformational leadership behaviors and providing deep insights into the Chinese transformational leadership process from a philosophical perspective. Findings can be applied to both Chinese and Western management studies as well as the World of business practice.

**Keywords**  China, Confucianism, transformational leadership

1  Introduction

Transformational leadership has gained attention and become a popular concept...
h leadership studies over the past two decades (Alban-Metcalfe and Alimo-Metcalfe, 2007; Bass, 1999; Harvey, Royal, and Stout, 2003; Trautmann, Maher, and Motley, 2007; Yukl, 2002). Most of the current theories of transformational leadership are strongly influenced by Burns (1978), who identified transformational power by reviewing the leadership style of some great political leaders in Western history. Transformational leadership, distinguished from transactional leadership, in which followers are motivated by appealing to their self-interest and compliance in return for rewards, is achieved through modeling collective commitment and emphasizing the similarity of group members and collective goals, shared values, and common interests (Bass, 1985; Shamir, House, and Arthur, 1993), thereby followers regard themselves as members of a collective endowed with group values and goals, and have more motivation to contribute to the greater good (Lord and Brown, 2004). Thus, the core of transformational leadership is in motivating followers to commit to and to realize performance outcomes beyond organizational expectations (Conger, 1999).

However, transformational leadership theories in the literature to date were constructed in Western cultural settings. As Yukl (2002) stated, the past half century witnessed most studies on leadership being conducted in the United States, Canada, and Western Europe. In spite of leadership constructs including transformational leadership being studied extensively in the West, little has been done to test the validity of these constructs in management research in Asia (Pittinsky and Zhu, 2005; White, 2002). Asian regions, as dynamic economies (Carney, Gedajlovic, and Yang, 2009) with rich histories and philosophies (Fang, 2010), have made remarkable achievements in global business (Budhwar and Debrah, 2009). Therefore, Asian philosophies and cultural traditions “can serve as an important source of inspiration for cross-cultural theory building” (Fang, 2010: 159). In particular, the increasing importance of China’s position in the global economy has given rise to the growing interest in studying Chinese management and leadership in recent years (e.g., Hofstede and Bond, 1988; Ling, Chia, and Fang 2000; Li and Tsui, 2002; Wang, 2003; Tsui, 2006). The management literature is still characterized by relative paucity in knowledge about the Chinese business world, especially when the unique Chinese culture and traditions are taken into account (Huang, Shi, Zhang, and Cheung, 2006; Redding and Witt, 2009; Zhang, Everett, Elkin, and Cone, 2012). The distinctive Chinese context warrants focused research on leadership, in order to understand the uniqueness of Chinese leadership.

Responding to the call for more thorough study on Chinese business
leadership, thereby addressing research gaps in the contextualization of leadership theories, this paper takes a sociological and philosophical approach to investigating transformational leadership in the Chinese context under the influence of Confucianism. To this end, we first empirically examine the Western transformational leadership theory by studying Chinese leaders’ daily practices through qualitative research. We then take a further step to investigate the unique transformational leadership behaviors and transformational leadership process from a philosophical perspective in the Chinese business context. Findings are expected to contribute to the development of a deeper understanding of transformational leadership in Chinese organizations through contextualizing leadership theories in a particular and crucial business context.

2 Theoretical Background

2.1 Transformational Leadership Theories in the Literature

In Burns’ (1978) theory, transformational leadership motivates followers to achieve performance beyond organizational expectations by transforming followers’ attitudes and beliefs and by appealing to the moral values of followers in order to “raise their consciousness about ethical issues and to mobilize their energy and resources to reform institutions” (Yukl, 2002: 241). After Burns introduced the concept of transformation into leadership in organizational settings, transformational theory was further detailed and popularized through Bass’s (1985, 1996) studies. Building on Burns’ work, Bass formulated a more detailed theory of transformational leadership by conducting several empirical studies. He identified that three principle processes are involved through which leaders transform and motivate followers: (1) increasing followers’ awareness of the importance and values of the goals and task outcomes and the ways to achieve them, (2) inducing followers to transcend their self-interests to the benefit of the whole organization, and (3) simulating and realizing followers’ higher levels of needs and expectations in the process of leadership and mission achievement. Through these three processes of transformational leadership, followers trust, admire, and respect their leaders, and consequently are more motivated to perform above the previous organizational levels and leaders’ original expectations (Chan, Huang, and Ng, 2008; Lau, Liu, and Fu, 2007).

Transformational leadership behaviors were categorized into four dimensions (idealized influence, intellectual stimulation, individualized consideration, and inspirational motivation) by factor analysis of a behavior description
questionnaire called “Multi-Factor Leadership Questionnaire” (MLQ) (Bass, 1985; Bass and Avolio, 1990), as the first attempt to operationalize the transformational leadership concept in a measurement instrument (Conger, 1999). Following Bass’s four-dimensional model, other researchers also attempted to develop dimensions for transformational leadership. For example, Podsakoff, Mackenzie, Moorman, and Fetter (1990) conceptualized a new model with six dimensions of transformational leadership, which is behaviorally oriented and well validated (articulating a vision, providing an appropriate model, fostering the acceptance of group goals, setting high performance expectations, providing individualized support, and offering intellectual stimulation); Bycio, Hackett, and Allen (1995) based their five-factor model on MLQ, incorporating charisma, intellectual stimulation, individualized consideration, contingent reward, and management-by-exception; Rafferty and Griffin (2004), integrating the works of House (1998) and Podsakoff et al. (1990), proposed a model with five dimensions—articulating vision, inspirational communication, intellectual stimulation, supportive leadership, and personal recognition.

Despite the substantial knowledge gains from the above transformational leadership theories, some conceptual weaknesses remain, including “ambiguous constructs, insufficient description of explanatory processes, a narrow focus on dyadic processes, omission of some relevant behaviors, insufficient specification of limiting conditions (situational variables), and a bias toward heroic conceptions of leadership” (Yukl, 1999: 286), as well as inappropriate application of limited dimensional behaviors to explain processes. Essentially, the transformational leadership theories presented in the management literature fail to adequately specify appropriate conditions for the functioning of this leadership approach. Due to the contextual differences largely overlooked in these models (Conger, 1999), the internalized influence processes of transformational leadership cannot be explicitly identified, blurring the essence of transformational leadership. To clarify the effects of context on the explanatory power of the transformational leadership concept when applied to non-Western cultural practice, we should take into consideration of the extensive treatment that cultural contextualization has received in the sociology and philosophy literatures (Westwood, Chan, and Linstead, 2004; Zhang et al., 2012). Our study addresses this research gap by explicitly incorporating Chinese philosophy into the theoretical framework of transformational leadership.

2.2 Chinese Philosophy—Confucianism

Confucianism, the essence of Chinese culture even today (Tu, 2000), provides a
strong philosophical foundation for transformational leadership. One of the significant dimensional behaviors in transformational leadership is leading by example, which means leading by doing instead of merely by telling. By serving as a role model for followers, leaders gain the power of transmitting their vision and ideology to followers. The notion of junzi (sage) in Confucian culture provides a sound basis for this attribute. The self-actualization of a junzi or sage consists of two processes: self-transformation and transformation. Beyond self-transformation, at a higher level, a sage is one who, by interaction between the macrocosm and the microcosm, has the necessary capabilities and power to transfer the virtues in himself to others, further fulfill the transformation of the cosmos and society, and preserve humaneness and harmony in the world. In this respect, a sage displays transformational leadership, understood as how leaders persuade followers to transcend selfish pursuits and work toward collective purpose (Bass, 1985; Burns, 1978). Through the combination of vision, goals, and relationships, transformational leadership influences followers to identify with the collective organization and internalize group aspirations (Lord and Brown, 2004; Shamir et al., 1993); the followers become motivated and inspired to contribute more to their organizations.

Individualized consideration is an expression of a transformational leader’s concern, care, and support for their followers’ personal needs and feelings (Chan et al., 2008). As the Confucian concept of ren (humanity) stresses that the most important component of governing people is love, leaders should prioritize and serve the interests and aspirations of their followers. Intellectual stimulation, another core dimensional behavior characterizing transformational leadership, emphasizes getting followers to re-examine old problems in new ways. Educating and cultivating people is one of the major streams of thought in Confucianism, through which individuals can upgrade themselves. Yi (appropriateness), one of the core concepts in Confucianism, suggests judging rationally and intellectually the quality of potential actions, doing what is appropriate, and reflecting on the consequences (Hall and Ames, 1987). Confucian culture encourages training people to reflect on their practices in order to determine the most appropriate actions and resolutions.

Combining the philosophy literature in Confucianism and the management leadership literature, we propose that Confucian values promote the application of transformational leadership in Chinese leaders’ daily practice. Empirically examining Western transformational leadership theories in the Chinese context through qualitative data constitutes the first purpose of our study. However, as noted earlier, Western theories only provide one lens to study transformational
leadership in the Chinese context, and our research will go further than a single empirical study, improving this lens by contextualizing and developing transformational leadership theories in Chinese business.

The concept of transformational leadership was constructed in the West, whose modernity “provided the initial impetus for worldwide social transformation” (Tu, 2000: 207). Monism, or the belief in underlying unity despite the appearance of diversity, dominated the historical modernizing process of transformation in the West (Gray, 2000), leading to a core of universalizable modern values including instrumental rationality, individualism, liberty, and rights (Tu, 2000). A key differentiator concerns the status of the individual, given that “the unreflected assertion that the self-interested, autonomous individual is the natural starting point in all social theory is deeply rooted in the possessive individualism of Western culture” (Joas, 1996: 184). Transformational leadership models in the management literature incorporate this implicit concept, implying that Western assumptions underlie their constructs (vision, values, goals, and behaviors that promote transformation, such as communicating inspirationally, providing support and recognition, and challenging old thoughts and methods). However, because Chinese modernity’s perspective on monism is characterized by a different set of universalizable values—including sympathy, ritual, justice, and sincerity—than those underlying Western modernity (Tu, 2000), we believe transformation in the Chinese culture refers to a further process beyond the Western model. Our research therefore not only empirically examines our proposition that the existing transformational leadership models should be supported in the Chinese context, but also explores the distinctive transformational behaviors in the Chinese context beyond those in Western models by utilizing data collected from eight contemporary organizations in China via qualitative research.

3 Method

This study examined eight Chinese organizations (four private-owned enterprises, i.e., POEs and four state-owned enterprises, i.e., SOEs) using case studies, interviews, surveys, and direct observation as primary data sources. Given that the concentration of this research is on contextual effects on organizational behaviors, the case study approach is the most suitable research methodology as it provides in-depth contextual analysis of events or conditions and their interrelations (Yin, 2003). Case study research also allows the exploration and understanding of complex issues. Case studies, in their essence, investigate
present day real-life phenomenon through detailed contextual study of a limited number of contexts (Yin, 2003). The research questions in this study are to investigate contemporary transformational leadership behaviors and process in the complex Chinese business contexts, Therefore case study is chosen as an appropriate research method to achieve that.

Non-probability sampling, namely convenience sampling and judgment sampling that are based on sample availability and purpose fulfillment according to expert or experienced researchers, were used in this research. Small-to-medium-sized enterprises (SMEs) are significant contributors to economic development in countries around the world and they are important in the development of Chinese business (Cunningham and Rowley, 2010; Zheng, O’Neill, and Morrison, 2009). POEs and SOEs are dominant ownership types in contemporary Chinese businesses (Zhang, Cone, Everett, and Elkin, 2012). The eight organizations, all SMEs in manufacturing sectors, are located in two provinces—Heilongjiang and Shandong. Shandong province as Confucius’ home province is considered to be where Confucian culture originates. Also, both Heilongjiang and Shandong provinces represent regions that have old industrial bases but now are undergoing substantial economic transformation in the 21st century. Given the researcher’s personal local contacts and the above contextualized locality differences, five organizations in Heilongjiang, i.e., Yanglin Soybean Group, Harbin Tongyitang Pharmaceutical Co., Ltd., Shengtai Pharmaceutical Co., Ltd., Daqing Longyang Antisepticised Materials Co., Ltd., and Harbin No.1 Tool Manufacture Co., Ltd., and three organizations in Shandong province, i.e., Shandong Wanda Mechano-Electronic Co., Ltd., Qingdao Haiyang Chemical Co., Ltd., and Qingdao Sodium Silicate Co., Ltd., were selected into samples in order to generalize the most convincing data in the Chinese Confucian cultural settings.

The questions for both interviews and paper questionnaires were based on the scale developed by Rafferty and Griffin (2004). In spite of some disagreement on convincing evidence to support the transformational leadership model (Bycio et al., 1995; Tepper and Percy, 1994), the model of Rafferty and Griffin, grounded on a number of previous important conceptual and empirical studies (House, 1998; Podsakoff et al., 1990), has been widely recognized as one of the most powerful models for measuring transformational leadership. This research borrowed their model, consisting of five main dimensional behaviors of leadership (i.e., vision, inspirational communication, intellectual stimulation, supportive leadership, and personal recognition) as an open lens to study Chinese transformational leadership.
In each organization, eight interviews were conducted among middle-level managers, who were requested to report on their leader’s daily behaviors. The interviews were semi-structured, allowing for possibilities to discover aspects beyond the established model of transformational leadership. Along with interviews, fifty sets of participant-report questionnaires were completed by junior or senior managers, with the overall response rate of 98.5%. All the questionnaire items followed a closed response format, in which the participants were asked to choose one value that most closely applied to them. A seven-point scale was utilized for all constructs, ranging from (1) “Totally Disagree” to (7) “Totally Agree.”

Data from both interviews and questionnaires was coded before analysis. Data from interviews, survey, and observations was used for qualitative analysis. Quantitative data from questionnaires was used in an attempt to triangulate interview findings. Considering the distinctive assumptions implicit in particular ontological, epistemological, and methodological perspectives (Guba and Lincoln, 1994), this research follows the interpretive paradigm to do data analysis, as recommended for social science research by Knights and Willmott (1992).

4 Results

Fig. 1 and Fig. 2 provide the interview results about transformational leadership in POEs and SOEs respectively, while Fig. 3 compares the results of this leadership approach in the two types of organizations. Generally speaking, aspects of transformational leadership are clearly evident in the Chinese cultural context. When comparing POEs and SOEs, leaders are found to display a similar level of vision-related behaviors but differ substantially on all the other transformational leadership behaviors.
4.1 Vision and Inspirational Communication

Vision, as an idealized picture of the organizational future, involves the subsequent internalization of leaders’ values and goals in the organizations (McClelland, 1987). Vision, implying “forward-looking drive” (Spreitzer, Perttula, and Xin, 2005), is fostered by leaders as both a performance expectation and a goal for transformation. Vision is incorporated as the first element in Rafferty and Griffin’s model of transformational leadership. The results from both interviews and questionnaires indicate that a similar number of leaders in POEs and SOEs have “vision” as an important practice in their leadership behaviors. In conjunction with previous research in the literature (Chen and Tjosvold, 2008), our findings suggest that most Chinese organizations are characterized by synergy achieved through shared values and cooperative goals reinforced by leadership behaviors.

Inspirational appeals and emotional speeches are effective ways to arouse followers’ motivation and emotions to transcend their self-interest in favor of achieving the organizational goal (Bass, 1985). In Rafferty and Griffin’s (2004)
model, inspirational motivation and communication consist of articulating a vision, providing a model of behavior, encouraging high expectations, and displaying determination, enthusiasm, and confidence, which were evidenced in Quotations 1 and 2.

This (articulation of vision and goals) is the usual case. Each time at the weekly meeting, he (my manager) will repeat the current goal of our unit, no matter how many times he has already advocated for it...sometimes it makes us feel bored to hear them again and again...
(Quotation 1 from interview in SOE3)

Yes, she (my manager) emphasizes the vision or goals at the meeting and even in daily talking. However, I don’t think she is the person who always states the goals by mouth; on the contrary, she carries it into our daily work. She would like to spend time on articulation only if new goals or visions occur or some changes happen to those she stated before.
(Quotation 2 from interview in POE1)

Due to the different channels for appointments of leaders (with POE leaders mostly acquired via job market competition and SOE leaders mostly appointed by local government), leaders in POEs possess stronger capabilities and competences, including communication skills, than those in SOEs. They also have stronger motivation and desire to achieve their followers’ agreement with and commitment to their goals, given the requirements of ownership. Therefore, the results of interviews in POEs present a much higher incidence of this behavior than those in SOEs, and the results of the questionnaires, consistent with those of the interviews, show a significant difference regarding this dimension of behavior ($p < 0.05$ in independent $t$-test).

In Confucian culture, people are supposed to feel ashamed about empty talks (deemed good on words but poor in deeds). Thus, Chinese leaders prefer observable actions rather than appealing or emotion-laden oral statements as their key mode of articulation or communication of vision, with more focus on substance than on style in communication, a perspective absent from Western measures for transformational leadership.

4.2 Intellectual Stimulation

Transformational leaders, by encouraging the adoption of behavioral change,
increase followers’ interest and their awareness of problems, and develop their capabilities for rethinking problems in a new way (Bass, 1985; Rafferty and Griffin, 2004). This helps followers to conceptualize, comprehend, and analyze problems and improve their solutions (Bass and Avolio, 1990). Both the interview and questionnaire results indicate that the leaders in this research value intellectual behaviors the least among all tested transformational behaviors in both POEs and SOEs.

When asked questions such as, “Does your leader challenge you to think about old problems in new ways or force you to rethink some things that you have never questioned before?” and “Does your leader challenge you to rethink some of your basic assumptions about work?” more than 70% of the interviewees replied as typified in the following quotations:

*No, never. I don’t think he (my leader) has the time to do so.*
(Quotation 3 from interview in POE2)

*No, no, no...if the problems have been solved, he would be rather happy. He wouldn’t waste such time to require us to do that sort of thing.*
(Quotation 4 from interview in SOE1)

*No, actually, I don’t think my manager will care too much about the way that we used to solve the problems. What she focuses is on the final results rather than the way we relied on.*
(Quotation 5 from interview in POE 1)

In addition, most interviewees initially had difficulties in understanding the questions about intellectual behavior. The questions had to be repeated more frequently than any others in the field study. The higher percentage of absolutely negative answers and interviewees’ poor interpretation of the questions provide evidence that Chinese leaders seldom value intellectual stimulation behavior targeting followers as important to the perceived effectiveness of their leadership. In the leadership literature, transformation occurs when followers are empowered by responsibility and authority to achieve organizational goals in a relatively autonomous manner. Risk-taking, autonomy, and the potential to challenge established norms are trademarks for cultures characterized by individualism and egalitarianism (Spreitzer et al., 2005). Western pragmatism is opposed to dependency on customary knowledge, arguing that customs and traditional norms fail to provide solutions when confronted with new situations (Dewey,
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1978). Although Western pragmatism shares a profile with Confucianism in terms of its understanding of the ongoing process of learning, it suggests that “ends grow out of current situations and change as the situation changes,” which is distinguished from the Confucian consideration that no temporary ends emerge from “the course of processive problem-solving” (Sim, 2009: 87). Hence, in Western organizational contexts, the evocation of changes by transformational leaders is associated with a set of revolutionary behaviors such as challenging existing assumptions and intentionally upsetting the status quo.

In contrast, Confucianism seeks resolution through reflection on past experiences and by applying established norms in new contexts rather than abandoning standards and devising new approaches each time a novel situation is encountered. The Way (dao) in Confucianism summarizes the totality of truths about the universe and man (Lau, 2006), which are already set by li that outlines “a lasting and objective” behavioral pattern for specific acts and roles (Sim, 2009: 87). Thus, in spite of agreeing that transformation refers to challenging and replacing old assumptions, rules, and norms, transformational leaders in Chinese organizations seldom require subordinates to challenge or change basic assumptions or established norms. Instead, they modify the old style or approach by applying value rational judgments, good timing, proper attitudes, and appropriate behavioral styles so as to “drop off whatever is inappropriate or unjustified under the new conditions of synthesis, and bring together only what is now suitable to the new level of attainment” (Pfister, 2008: 671). To the Chinese mind, the basic principles for different forms of human life and practice are already present in the Way (dao). The vital pillar for transformation is how to deploy the Way or practice li rather than how to create nontraditional ways to cope with an emerging context. This explains why most of the interviewees deemed it strange or unnecessary that their leaders should behave as “intellectual stimulators.”

The results from the questionnaires illustrate that a highly significant difference exists in this leadership behavior between POEs and SOEs (p < 0.01 in the independent t-test in SPSS), in that relatively more leaders in SOEs tend to behave in this way than those in POEs, which was further confirmed by the same findings in interviews. As demonstrated in Quotation 3 and 5, leaders in POEs in this study more strongly prefer instrumental pragmatism, i.e., focusing on results rather than process. Against such short-term instrumental rationality, transformational leadership in SOEs is focused on value rationality, i.e., on the integration of new knowledge with existing practice in an emerging on-going process. Hence, intellectual stimulation in transformational leadership, which
targets subordinates’ long-term continuous development (Avolio, 2005; Bass, 2002; Pearce and Sims, 2002), is considered inefficient and time-consuming from the mindset of leaders in POEs. In contrast, leaders in SOEs are deemed to have more patience and engagement with this behavior in their transformation process.

4.3 Supportive Leadership

Willingness to provide individualized support, including talking kindly to followers, showing patience with mistakes, considering others’ opinions, and being sensitive to others’ feelings (Shamir et al., 1993), has been generally identified as an important dimension in transformational leadership (Bass, 1985; Rafferty and Griffin, 2004). On the one hand, followers’ individual feelings, needs, and preferences are satisfied and respected by supportive leadership, which helps them remove barriers to successful transformation (House, 1996); on the other hand, followers’ good feelings and appreciation generated by their gratitude for the support from their leaders adds “nonintellectual qualities” and affective attachment to the influence process of leadership (Bass, 1985).

In Confucian culture, which centers on humanness, followers who gain support for both work and their families are expected to show unconditional loyalty and respect for leaders, and in return make an extra effort to support their leaders and organizations by complying with goals or missions stated by leaders (Farh and Cheng, 2000). Hence, as seen in Figures 1, 2, and 3, individualized support is one of the significant behaviors displayed by leaders in both POEs and SOEs in transformational leadership. This is also evidenced in the following quotations:

My manager is very nice and patient... each time when I make some mistakes or have some negative emotions, she can quickly detect them and give me some valuable suggestions to compensate or cope... I think that's the major reason for her to be so influential in our department, and even though she is an associate manager in this department, we respect her more than the head of department... That guy is more task-oriented, hmmm, don’t like him too much...

(Quotation 6 from interview in POE 3)

My manager is one of the most influential persons in my life... As a fresh graduate from college, I am very short of experience both at work and in my
social life. He is very helpful in my growth in this company. Apart from the supervision at my job, he also helped me to hunt for accommodation when I first arrived in this big city, gave me some necessary living materials, brought me to socialize with colleagues, shared useful information about life and work... I have to say that without his help, I could not begin my career in such a big modern city so smoothly and successfully. He gave me a new start to life after my university study. I'm very obligated to him... (with touched facial expression)

(Quotation 7 from interview in SOE 4)

4.4 Personal Recognition

Past empirical evidence suggests that contingent rewarding behaviors encompassing recommendations for pay increases and promotions, praise for good performance and commendations for extraordinary efforts are highly positively correlated with transformational leadership (Den Hartog, Van Muijen, and Koopman, 1997; Goodwin, Wofford, and Whittington, 2001; Tepper and Percy, 1994). The leaders' provision of these contingent rewards indicates to followers that the leaders value the followers' efforts or performance that is consistent with the vision or goals for which the leaders are advocating. The interviews and surveys in this study show that Chinese leaders in both POEs and SOEs performed well in the acknowledgement of followers' efforts and dedication to achievement, with an extreme example that all the leaders in SOEs reported in the interviews give contingent credit to their followers' good performance (see Figures 1–3). No significant distinctions in the survey results are found between leaders in POEs and SOEs regarding this behavior ($p > 0.05$ in the independent $t$-test). The following quotations are representative of answers to the questions that evaluate personal recognition in this leadership approach.

"My manager is doing well regarding this (personal recognition). He gave me good comments on time, which made me feel very proud of myself.
(Quotation 8 from interview in POE 4)"

"I saw myself growing in this way... I mean he (my manager) always provides me with quick feedback on my performance, so I have clear awareness of where I failed and where I contributed... I can modify my performance accordingly. I think that's part of the reason why I gained the promotion so quickly... Only in two years, I have become the associate manager in our..."
Inspirational communication is critical to leaders’ transforming subordinates’ values and goals (Chan et al., 2008), a process through which subordinates’ enthusiasm and self-confidence to perform tasks successfully and achieve organizational objectives can be stimulated (Yukl, 1981). Findings in this research indicate that Chinese leaders in both types of business see personal recognition as an effective way to carry out inspirational communication, opposing Redding and Wong’s (1986) argument that rewards and punishment contingent on performance are not the way to exert leadership influences. Many scholars have proposed that harmony in human relationships is important (Leong, Bond, and Fu, 2007; Redding and Wong, 1986; Spreitzer et al., 2005) in leaders’ use of contingent rewards; however, contrary to their proposition claiming an overwhelming effect for harmony, the following evidence from our interviews demonstrates that harmony moderates the way leaders utilize contingent rewards instead of removing these behaviors from Chinese transformational leadership.

Yes, my manager won’t leave my progress or improvement on work performance in the dark. On such occasions, she often asked me to her office and gave me very positive comments and big encouragements…
(Quotation 11 from interview in POE 2)

I don’t think my leader prefers oral praise too much. He seldom praised me or anyone at the meeting. But you can’t deny that he did recognize our good performance or contribution, as everyone who had good performance or made extra efforts at work received a promotion and salary increase by the end of year. He didn’t praise us before ourselves, but did commend us before the top leaders…Otherwise, we couldn’t be rewarded…
(Quotation 12 from interview in SOE 4)

No, he seldom praised someone in public, but used to give compliments in our personal talk. I think it’s okay as long as my good performance can be
recognized by leaders. I think this personal praise is much better than public praise... I don't want to induce other colleagues' jealousy that may destroy relationships sometimes... You know, especially in SOEs, as human relationships are so complicated, I really don't want to have enemies just because of several complimentary sentences from leaders. I think our manager also knows this...
(Quotation 13 from interview in SOE 3)

I haven't heard any oral praise regarding my good performance from my leader since I began to work here. However, hmmm... I did realize that he gave me special concern and care for my personal issues since I satisfied him by my good job performance. I don't know whether you think these favors result from his recognition of my performance or not... I think so because such good changes in our relationship happened after I performed well and also because I had no special relationships with anyone in this company. I couldn't figure out other reasons for his special consideration of me except this.
(Quotation 14 from interview in SOE 1)

These quotations illustrate that most Chinese leaders preferred to give personal recognition and acknowledgement of followers' good performance through informal or private interactions with followers by way of offering long-term rewards. In the Chinese mind, an open appreciation of one party indicates a hint of depreciation of another party, who feel like they have lost face in public. Face, particularly salient in Chinese culture (Kam and Bond, 2008; Lin, 1939), is one of the primary concerns in social interaction. The moral notion of shame in Confucianism serves as the ethical component of the meaning of face (Faure and Fang, 2008). Recognizing jealousy and severe competition as major barriers to harmony that may result from loss of face and broken guanxi, Chinese leaders often attempt to avoid situations involving conflicts (Chen and Chen, 2009) that might arise from giving open compliments about a particular individual to the whole team. However, the absence of highly positive acknowledgements or comments by Chinese leaders in public does not imply their failure to provide contingent rewards. On the contrary, such behaviors are displayed in a more pragmatic and appropriate manner, such as recommendations to higher level managers for promotion of followers with good performance and strong recognition and encouragement of extra efforts in personal talks with followers...
In addition, rather than contingent rewarding behaviors, Chinese leaders are perceived to express their recognition in long-term rewarding ways such as appreciation for followers’ contributions by way of special concern and help in followers’ growth or providing future reciprocated support rather than merely contingent oral praise (see Quotations 12 and 14). In our interviews, these long-term appropriate rewarding behaviors were found to be more widely conducted by leaders in SOEs than in POEs. Due to the low degree of workforce flexibility, special recruitments and appointments in human resources and more complicated human relationships in SOEs, leaders there prefer protecting face and guanxi as a way of avoiding any possibilities of confrontation and damage to the harmonious climate resulting from open compliments about individuals rather than groups. The central ideas of yi and pragmatism in Confucianism coach leaders to unceasingly approach the behaviors of personal recognition in a more aesthetic way according to the circumstances of each organization.

5 New Findings about Transformational Leadership in Chinese Organizations

As stressed in the literature, charisma is part of transformational leadership (Ardichvili, 2001; Bass, 1985, 2002). Confucianism also holds that exemplary persons and sages have the power to “catalyze changes both within the norms of society and the values of personal character” in deeply transforming ways (Pfister, 2008: 664). The process of transformation is initiated with the establishment of charisma. Leaders may build charisma in the Chinese context by exhibiting good virtues, providing individualized support and concern for followers in both their work and family life, and approaching management with high professionalism and capacities; they are consequently expected to be successful in implementing the transformation process.

Transformational leadership involves the idea of “leading by example—leading by doing, not just telling” (Spreitzer et al., 2005: 212). Pragmatism in Confucianism stresses learning from experience that includes reflection on one’s own experience and others’ successful experiences. This pragmatic approach to life explains why Chinese prefer imitating a good model in order to repeat the success achieved by that example (Faure and Fang, 2008).

I learnt a lot from my manager’s behavioral manner. He can always solve any problems in the most proper way, including those in human relationships and
tasks. When I come across problems, I have become used to try to reflect what and how he reacted to similar problems and then follow his steps to approach them.

(Quotation 15 from interview in POE 3)

The above quotation suggests that leaders’ provision of an appropriate role model by their daily practice to followers is a very effective mechanism to portray transformational leadership in the Chinese context. This fits into Chinese culture regarding not only the belief that doing is more important than saying, but also the strong emphasis on the learning process in Confucianism.

Findings from our interviews also show that it is not only the explicit statement and inspirational communication of the leader’s or the organizational vision, but also clarification of the subordinate’s mission, that foster transformation. Some leaders, especially in the case of POE 3, devote their time to helping employees to develop their clear awareness of their own personal values and goals. The more followers realize their own individual vision and goals, the greater the chance that they can pair their aspirations with organization’s values and requirement (White, 2007).

No, I don’t think my leader forced me to accept what he said or believed in a harsh way. However, I found myself imperceptibly and unconsciously influenced by his values... (thinking)... “How does he instill his values in us?”... Hmm...your question is good to help me realize my change (laughed)... He would like to spend some time on casual talk with us after working time, and the topic of the talk is mainly about what are our life goals, expectations of life, our anticipated paths to achieve these goals, etc. He gave some short comments or his personal opinions on what we said then. Sometimes he shared his growth stories with us. I found this approach very useful to help me realize myself...

(Quotation 16 from interview in POE 3)

My manager would like to prefer to work with those who share similar values with him. That's why he personally talked with each fresh employee in our department and all the talk involved the same sort of questions like what do you think is most important in life... He would continue on similar topics with us from time to time. That’s good because I keep thinking of this question always and won’t lose myself...

(Quotation 17 from interview in POE 3)
My leader often emphasized that he could only tell us some basic principles and policies instead of everything and we needed to rely on our internal power to develop our own sense of direction, which is better if it’s within the organizational frame. But actually, he is always there to offer his suggestions and share his experiences with us.

(Quotation 18 from interview in POE 3)

Confucianism suggests that “in order to stand, you need to help others stand.” In other words, a leader desiring to sustain and develop himself and his organization, sustains and develops his followers first. Because the meaning of the self is defined as social in Confucianism, not only would an individual decision affect others or the whole group, but the reverse effects are also there on individuals, i.e., the health of the environment affects the health of the individual as well (Mead, 1934). In Chinese organizational contexts, in order to pass on organizational values or goals to followers, leaders are advised to help their followers achieve self-realization first, before guiding them to match their own values with the organization’s. In this way, the Chinese transformational leader’s approach is consistent with the learning process as understood in Confucianism, which combines learning (leader’s transformation) with independent thinking (follower’s self-reflection). Confucianism teaches that the precondition for humans “to participate in the internal resonance of the vital forces in nature is our own inner transformation” (Tu, 1985: 47). Influenced by such a philosophical thinking, transformational leaders in Chinese organizations, as “effective change agents” (Ismail and Ford, 2010), help followers to achieve self-realization and reflect on their own behaviors to see if they can incorporate the basic organizational ideologies into their inner self, overcoming their own limitations and enhancing their performance in the organization(see Quotations 16–18). Hence, the whole transformational process involves “serving, helping, managing, governing, and leading” (Yang, Peng, and Lee, 2008: 43).

Confucius believed that extraordinary power exists in each human being, and that everyone has the capacity to translate such innate natural moralities into their personal practice (Roetz, 2009). Thus, Chinese transformational leadership is accomplished through the followers’ self-transformation. As Fig. 4 depicts, the influential process of transformational leadership begins with followers’ self-transformation. These two ongoing processes integrate with each other, in which the leader’s transformational process works as a stimulator and director of the followers’ self-transformational process by initiating their self-transformation process and reinforcing it to become aligned with the organization’s values and
goals. On the other side, the followers’ self-transformational process fosters the leader’s transformation process; in turn, leaders offer individualized support, long-term or contingent rewards, and personal recognition, thus embedding the idealized organization vision into the followers’ self-transformation process. Also, for Confucius, learning should ultimately not be a matter of imitation but of the development of personal direction and knowledge beyond imitation (Tu, 1993). These new conditions, emerging from followers’ self-transformation and the organization’s change and development, achieve a “higher and more refined state of synthetic realization” (Pfister, 2008: 671), enabling leaders to continue practicing transformational leadership.

![Fig. 4 The Transformational Leadership Process in the Chinese Context](image)

Transformational leadership commits organizations to a “paradigm shift” by using sufficient authority (Gu and Tse, 2010), which is constituted through the whole process integrating both followers’ and leaders’ transformation as a positive influence loop in organizations. Chinese philosophers think that the cosmos is everlastingly expanding and that transformation is unceasing (Tu, 1985). Hence, Chinese transformational leadership incorporates two mutually reinforcing processes unceasingly unfolding in the organization, making both leaders and organizations dynamic and transformative. Sharing the same natural characteristics with water that subtly modifies whatever it touches, Chinese transformational leadership specifies that the self of a leader has the natural characteristics of “being transformative” while “undergoing transformation” (Sim, 2009).

In addition to the special mechanisms through which Chinese leaders approach the transformational process, our findings indicate that Chinese transformational leadership also differs from the Western model in which leaders intend to transform followers. First, virtues hold a predominant position in Confucian thinking, education, and life. As a well-developed person, the leader must engage
in virtuous practices in daily life in Chinese organizations. In this way, the primary challenge to transformational leaders is to transmit to followers the Way (dao) and basic norms and principles, i.e., ren, yi, and li. They are thus concerned with the application of these basic norms and principles to particular organizational contexts, as Quotations 19 and 20 present.

*No, my leader seldom carries the organizational goals or values in his mouth... He did clarify the goals or missions of organizations to us at our weekly meeting, but I think most of his concern is on how we will work towards the goal rather than to what extent we agree with the goal...*  
(Quotation 19 from interview in POE 4)

*I learnt a lot from my leader, actually. He is such a nice guy who kindly and patiently shares his working experiences with us. He is very nice to teach the fresh graduates like me how we could behave in the real world, how we could adapt our principles and knowledge learnt from books to the real work, and how to get along with colleagues...*  
(Quotation 20 from interview in SOE 4)

Apart from interviews, through direct observation in the organizations we found that nearly half of the leaders in both POEs and SOEs were more concerned about their followers’ approach to work and even life than what their actual values or goals are relative to work or life. More supervision and concern are given to help followers adjust themselves to the task or organizational climate. As long as followers’ individual values or goals are not far away from organizational requirements, leaders permit such divergences to exist. One of the most frequent words we heard from leaders at meetings or in informal daily talks are “If only you (the follower) would not depart too far from the basic principles.” They believe that all humans are different in characteristics, cultural norms, and behavioral styles. All the Confucian ethics such as ren, yi, and li should be meaningful only when applied within a given context. Contrary to Kant’s universal claims, Chinese culture emphasizes that no one value could serve as a universal standard for all people in all settings at all times (Pfister, 2008). What some Chinese leaders intend to do is not to persuade followers to accept universal values or goals but to adapt followers’ personal beliefs and values to fit into the organizational requirements and behave accordingly. This is another reason underlying why Chinese leaders are comparatively quiet in articulating organizational visions. Also, Chinese leaders show much concern
about their followers’ individual life outside the work environment. Based on the valuable advice and suggestions they give and the way in which they aid followers, we can say that Chinese leaders prefer to extend the transformation process beyond the workplace and into the follower’s life world.

Beyond transferring to followers shared organizational values and missions, which constitute the “basic principles” of work and life heard in the comments of most of the leaders in our field study, many Chinese leaders also take a further step in this process by transforming followers with respect to how to implement these basic principles or norms in organizational contexts. The whole process sometimes extends beyond the organizational boundary to pervade the followers’ life world. Fig. 5 distinguishes Chinese transformational leadership from the corresponding Western concept.

“Peaceful coexistence among ways of life” or “value-pluralism does not deny the existence of pan-cultural good and evils” (Gray, 2000: 331). Confucian ethics accept the diversity of values yet at the same time the rules of conduct embodied in it have universal application (Zhang, Cone, Everett, and Elkin, 2011). Hence, baselines for human values and behaviors and for natural moralities are still required for both individuals and organizations. Chinese leaders in both SOEs and POEs, like Western transformational leaders, initiate their transformational process with statements of basic organizational policies (goals, values, mission,
and principles). In Confucian culture, virtues are strengthened through reflection while practicing (Stephens, 2009), “learning to be human” (*Analects*), which reminds Chinese to reflect on the operation of natural moralities within a “context of interpretation” (Roetz, 2009: 361). The process of learning and transformation relies on interactions with the contexts. Through the leader’s transformational behaviors and the follower’s learning process, the follower’s latent positive attributes are realized, manifested, and transformed into an actualized and daily presence (Tu, 1993).

Due to the presence of value-pluralism and the appreciation of this diversity of values, harmony in organizations is achieved. “To seek for common ground, but keep the differences intact” (Roetz, 2009: 362) encapsulates Chinese thinking in most organizational guidelines. Contrary to Western understanding of communication in transformational leadership as the dominant way of effectively instilling shared values into followers, Chinese leaders believe there is no “simple extension of a shared value” because the entire Way (*dao*) should be synthesized and applied appropriately according to the given contexts (Pfister, 2008: 671; cf., Zhang, et al., 2011), through daily communication and interaction with followers. Therefore, they intend to transmit to followers the “basic principles” of life and the way of applying these principles to particular organizational practices or, more significantly, their life outside the work domain. This also constitutes the Chinese leader’s preference to support individuals in every aspect of their life.

Overall, transformational leadership is achieved through followers’ self-transformation, with Western leadership theories employing the same theoretical foundation as Chinese transformational leadership. However, Confucianism defines a special meaning and way of leading transformation. As Fig. 6 summarizes, the existing transformational leadership model in Western literature should be refined in the Chinese context. The dimension of “intellectual stimulation” should be removed from the Western model due to the thinking and learning mode of Chinese; both inspirational communication and personal recognition should be refined by adding some elements of leading by doing and a variety of appropriate long-term rewarding behaviors. Vision and individualized support for both work and family life are highly important and widely practiced by Chinese transformational leaders. Consistent with Collins’ research on good-to-great transformational leaders in the Western context, this research also found that Chinese transformational leaders’ practice “attended to people first, strategy second” (2001: 71), and that they display a high level of concern and recognition for individuals (as seen in Figures 1–3) in order to improve
motivation and performance of followers. In addition, Confucian culture thinks of a sage or exemplary person as having the power and ability to transform the world (Yao, 2006); good virtues and high morality in leaders and appropriateness of approach are thus believed to help improve charisma and are supposed to be effective in Chinese transformational leadership.

![Fig. 6 Recontextualizing Transformational Leadership Theories from Western to Chinese](image)

Note: * indicates stronger degree of this behavior in transformational leadership in Chinese organizations

### 6 Conclusion

Studying developments in the People’s Republic of China is crucial to global business and the world economy (Redding and Witt, 2009). In response to the repeated calls that organizational theories should be developed to be more explicitly context-sensitive (Leung, Li, Chen, and Luo, 2009; Tsui, 2004, 2006; Whetten, 2009), this paper contributes to the management literature by contextualizing transformational leadership theories in China, adopting a philosophical perspective to study leadership through qualitative research. All the essential transformational leadership behaviors in existing Western leadership theory have been witnessed to varying degrees in Chinese leaders’ daily practices in this study.

We note that the concerns expressed by Gao, Bai, and Shi (2011) that in China the normative leadership style informed by Confucian ideas of role compliance and obedience to those who lead that a transformative leader may be seen as disruptive to the normal routines of practice where leaders lead and followers
follow. In this paper we have taken a deeper perspective on the Chinese traditions and have brought to prominence the fact that transformation is a cultural norm in China so as long as the leader is able to utilize the available cultural capital incumbent on the idea of personal transformation then the authoritarian stereotype loses its power.

Beyond the Western model, transformational leadership in the Chinese context differs significantly because the process is integrated with followers’ self-transformation. Humans have the capacity for creative self-transformation (Tu, 1993), and the transformation process in Chinese contexts involves both the leader’s and the followers’ self-transformation. In Western tradition, purpose tends to be understood as ego-centered desire and thus lacks the meaning of purpose through self-transcendence in Confucian culture. Hence, to followers, Western transformational leadership fosters change in their values, beliefs, and ideas to help them reach a higher state of alignment with the organization, and they then become proactive at work. In contrast, due to the Confucian belief in human potential, contextual comprehending of universal norms and virtues, and continuous learning and practice process (Tu, 1998), Chinese transformational leadership denotes a dynamic, mutually influential, life-enhancing process in which followers become reflective, self-transformative, and fully self-realized in and even beyond organizational contexts. The whole Chinese transformational leadership approach fits into the Way (dao), which is “a process,” “a movement,” and “a dynamic unfolding of the self as a vital force for personal, social, and cosmic transformation” (Tu, 1985: 94).

As Yin (2003) argued that there are limitations to the generalizability of case studies, the present research, though provides an insight into contextual effects on transformational leadership behaviors and process, is limited to extending the current findings concluded from POEs and SOEs to other business types and areas, given the significant variances in Chinese businesses. However, the practical implications of this study indicate there is a real potential for leaders in contemporary China to adopt a leadership role that has a natural resonance with their employees as it embodies cultural ideas that have animated Chinese culture for a long time. This at a critical time when China is shifting from a low wage and high volume production line model of organizational style to a more sophisticated business environment that will require a greater emphasis on personal initiative and innovation both hall marks of Chinese practice for millennia. The leadership that is best suited to this new demand is the model of transformational leadership presented in this paper. Chinese history is replete with examples of creative talents who have discovered modified and created new
technologies. Leadership in the large organizations that now dominate the Chinese economy must develop the talents of their staff and transformational leadership with Chinese characteristics is one of the keys to achieving personal initiative and innovation. The Chinese transformational leadership approach described here contributes to the success and modernization of Chinese business and society without being thoroughly Westernized.

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Contextualizing Transformational Leadership Theories in China


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Contextualizing Transformational Leadership Theories in China


