

JOURNAL OF CORPORATE RESPONSIBILITY  
AND LEADERSHIP

CONTEMPORARY AND FUTURE CHALLENGES  
IN LEADERSHIP AND ORGANIZATIONAL CULTURE

# Leadership in multinational organization: China and Ukraine

doi: <http://dx.doi.org/10.12775/JCRL.2020.008>

MIAO JIANPING

NeiJiang Normal University, NeiJiang, China  
e-mail: 113597987@qq.com

TETYANA LEPEYO

Simon Kuznets Kharkiv National University of Economics,  
Kharkiv, Ukraine  
e-mail: lepeyko.tetyana@gmail.com

## Abstract

**Purpose:** The processes of production internationalization and globalization of markets have led to the need to study problems in personnel management, characterized by cultural and national contradictions. During periods of unstable development of the world economy, the problem of leadership in personnel management at the intersection of different cultures becomes especially acute. A leader needs to assess cultural characteristics and needs of his subordinates in order to meet their expectations, and qualitatively assess the characteristics of his national leadership style to manage effectively multicultural personnel in a company. This study analyzes and compares two national leadership styles: Chinese and Ukrainian.

**Design/methodology/approach:** Authors used a mixed-methods approach in the article, combining literature review and content analysis.

**Findings:** The study provides practical results of analysis and comparison of Ukrainian and Chinese leadership styles, allowing multinational

companies to obtain a synergistic effect from advantages of each of them in a multinational team in future.

**Research and practical limitations/implications:** The research identifies the main advantages and disadvantages of Ukrainian and Chinese leadership styles, comparing them and highlighting their features.

**Originality/value:** The study analyzes two national leadership styles (Ukrainian and Chinese), formed not so long ago (in the late 90s of the twentieth century), and continue to develop in the context of globalization and internationalization of business.

**Paper type:** research paper.

**Keywords:** leadership style, national culture, cross-cultural features, Chinese leadership style, Ukrainian leadership style.

## 1. Introduction

The culture of each country has its own basic values, determining behavior of the bearers of these values; therefore, leadership in each country has its own cultural nature. CEOs of companies, operating in international markets, primarily face the problems related to national cultural differences, representatives of which make up the staff of this company. The cross-cultural nature of such companies' activities, functioning in different national cultures, also generates a number of specific features in the personnel management system. It is associated with national characteristics of leadership styles and practices due to historical, geographical, religious and national characteristics of each country. Taking into account these cross-cultural characteristics in personnel management, the company may create an effective management system. Cultural differences form various motivational attitudes of employees and determine the nature of their behavior. There are no two cultures with exactly the same approach to power and hierarchy. Therefore, one of the main tasks of leaders in such companies is to identify these cross-cultural differences, to understand them, considering them in their practical activities. This will make it possible to form a cross-cultural approach to personnel management in the company.

Cultural differences form various motivational attitudes of employees and determine the nature of their behavior. There are no two cultures with exactly the same approach to power and hierarchy. Therefore,

one of the main tasks of leaders in such companies is to identify these cross-cultural differences, to understand them, considering them in their practical activities. This will make it possible to form a cross-cultural approach to personnel management in the company.

## **2. Cross-cultural leadership styles.**

R. Griffin and M. Pастey (Griffin and Pастey, 2006, p. 761) note that leadership is one of the most important behavioral and interpersonal aspects in the activities of international companies. Modern leadership theories recognize (Grishchenko, 2015) that a leader cannot succeed by adhering to the same model of behavior under all circumstances. Instead, the leader must carefully assess the situation, in which the company finds itself, and develop one or another course of action, taking into account the prevailing conditions.

In order to lead a multicultural team, a leader should assess the cultural characteristics and culturally determined needs of his subordinates, since they have to meet the expectations of the subordinates. At the same time, leaders have to assess the characteristics of their national leadership style. The leaders in companies that operate in a different national culture, or whose personnel interact with representatives of other national cultures, should clearly understand cultural limitations of each national leadership style as well as national characteristics of personnel management in a particular country.

The results of cross-cultural studies, conducted by A. Laurent (1983), indicate that there are huge differences between the leadership styles in different national cultures. Therefore, a leader who wants to work as efficiently as possible cannot apply one leadership style throughout his or her career. He must learn to use different leadership styles and choose the most suitable one for a specific situation and specific staff. Flexibility in style is an important requirement for effective leadership (Bialiatskiy, 2005).

R. Lewis (2006) identified the following national leadership styles: British, American, German, French, Swedish, Romanesque and Arabic, Asian styles. In this study, R. Lewis (2006) includes Chinese, Japanese, Taiwanese, Hong Kong, Singaporean, Korean, Thai and Malaysian styles in the group of Asian leadership styles. However, such a cluster approach does not reflect the national characteristics of leadership in

each of these national cultures; it only allows us to analyze the common features of leadership styles in these countries.

Therefore, in this study, we analyze and compare the features of two national leadership styles, namely the Chinese (which G. Lewis united into the group of Asian styles) and the Ukrainian leadership style (not represented in this classification).

### 3. Chinese leadership style

R. Lewis (2006), in his description of the Asian leadership style (the scientist also refers it to the Chinese leadership style), highlighted the following features of this leadership style:

- (1) Deep-rooted philosophical beliefs (in China it is Confucianism) greatly influence the structure of cultural values. This determines the structure, organization and behavior of people and forms clearly established rules for doing business. According to Confucian beliefs, the family is the prototype of the entire organization of the society. We are all members of a group, not separate individuals. Society and business should be managed by people who have a high status, resulting from a high level of education and morality, not just a noble origin (Todorova, 2009). Confucian principles have shaped a paternalistic attitude towards subordinates and their families, reinforcing the management's responsibility for the welfare of staff and employees' loyalty to their leaders. Leadership is exercised more through public relations than through formal policies and procedures.
- (2) Chinese style of leadership forms very deep, but narrow attachments. The staff is very loyal and devoted to their leader, not to the company as a whole. At the same time, the leader must act like a wise and highly moral father, take care of the personal needs of employees, and as a result, he can rely on their absolute obedience.

Let us analyze the most characteristic features of Chinese leadership, highlighted by various researchers.

- (1) "Exemplary Leadership". CEOs of Chinese companies often become the founders of the organizational culture of their company as their communication style, their demeanor and

moral principles become a role model for their subordinates (Ren et al., 2015). The employees voluntarily accept their behavior as a model. Thus, these leaders shape the unique organizational culture of the company. Therefore, Chinese leaders must demonstrate behaviors that will improve the efficiency of the company's staff.

- (2) "Collective leadership". All decisions made by the Chinese leader, all his actions must take into account interests of the entire team, while it is important to remember the honor of this team (Zhang et al., 2014). Not only the leader's honor, but also the entire team's honor depends on their performance. At the same time, leaders should take into account influence of the employees' individual behavior on the entire group (team) and manage them, achieving maximum collective interests.
- (3) Teamwork only. All team members work in close cooperation and interaction with each other, making joint decisions, consulting with each other, listening to the opinions of others. They listen to relevant opinions before making decisions, link their tasks with those of others, take on various roles, and regularly assess effectiveness of the entire team, their strengths and weaknesses in teamwork. .
- (4) Continuous self-improvement. Chinese leaders constantly analyze their activities (doing it secretly and covertly), striving for constant self-improvement and self-development, since they are models of behavior for their subordinates. By personal example, leaders demonstrate "model leadership". All personnel are motivated under their influence and the company functions efficiently. Leaders work to ensure that "people who have achieved their own success achieve leadership among people."
- (5) Youth of leaders. In China, there is a trend towards an increase in the number of young executives, as the average executive return at present in Chinese companies is 39 years. In general, the proportion of CEOs under 35 in Chinese companies is higher than in multinationals (Ren et al., 2015). At the same time, China has a high level of power distance (PDI 80), according to (Hofstede, 2005), which indicates that the younger generation of leaders has a higher education and a higher level of moral principles and can be a "model" for all personnel. That is why they take leading roles in Chinese companies.

- (6) Raising the profile of women leaders. While presence of young women among leaders is currently on the rise in Chinese companies, significant inequalities persist between male and female leaders (Zhang et al., 2014). Thus, among leaders under 35, the number of men and women is almost the same. However, the share of women leaders over 35 is lower, and that of women leaders over 45 is even lower. Gender distribution of positions is as follows: women leaders occupy the majority of leadership positions in departments such as human resources, legal and various administrative departments. Still, the proportion of women leaders in engineering and manufacturing departments is very small. In sales and marketing, the ratio of male to female executives is about the same (Ren et al., 2015). However, in the distribution of top executive positions (director, vice president, and CEO), men have the upper hand, while women get lower positions. Since China has a slightly above average level of masculinity (MAS 66), according to (Hofstede, 2005), this still indicates a policy of gender roles in business. At the same time, China follows the tendencies of its Western partners when it is necessary to have leaders of both sexes on the staff.
- (7) High turnover of personnel among the management. Leaders in Chinese companies change jobs quite often. More than 40% of Chinese executives have changed companies in the past five years.
- (8) High level of leaders' education. All executives in Chinese companies must have college education. About 60% of executives at the director level or above have an MBA or higher, and the leaders of multinational corporations have twice as many MBA degrees as leaders in the average Chinese company.
- (9) International experience and cross-cultural competences. According to (China Leadership Report, 2018), almost all Chinese business leaders have experience of working abroad, more than 60% of them work or have worked in multinational corporations in China. In addition, 50% of executives were educated abroad, and this percentage is higher in multinational corporations.

#### 4. Ukrainian leadership style

A number of factors influenced the formation of the Ukrainian style:

- historic past (features of leadership in the Soviet Union);
- Western leadership tendencies as the most effective in the context of globalization;
- national characteristics of Ukrainian business culture.

The collapse of the Soviet Union is an important stage in the development of the Ukrainian leadership style. At present, there are two types of leaders in Ukrainian business (Blyznyuk and Lepeyko, 2016):

- Leaders over 55 who acquired their first experience in the Soviet system. Such leaders usually do not speak foreign languages, but they can have strong connections and contacts in certain industries. As a rule, such leaders do not possess the classic leadership qualities required by multinational corporations.
- Leaders aged 30–50. Such leaders have formed as leaders already in the conditions of instability of Ukrainian business, have higher education (or several) and speak one (or several) foreign languages, are quite ambitious, dynamic and active.

Today, we distinguish the following features, characteristic of the Ukrainian leadership style:

- (1) Paternalism and instructiveness in relation to personnel. Ukrainian leaders must give clear and direct instructions to their employees, and subordinates have to follow the established procedures and instructions. At the same time, employees are not ready to take responsibility, they rely on a leader who must do it instead of them (Todorova, 2009). The company often has a significant hierarchy, subordination and centralization of management. Any lack of clear leadership is considered poor leadership.
- (2) Formal and informal authorities. The power of the leader in the company is supported by both formal and informal signs, since there is great respect for the official status of the leader (informal power), and subordinates recognize him as the right of power (formal power) (Blyznyuk and Lepeyko, 2016).
- (3) Charisma as an important trait of a leader; if present, the leader receives an informal confirmation of his power over the team, since the staff trusts him even more.
- (4) Extroversion. Ukrainian managers are extroverted in terms of communication style; they rely on eloquence and persuasion.

They are often emotional in their interactions with people and devote as much time to them as it takes to develop contact (Blyznyuk and Lepeyko, 2016). This allows the leader to create a comfortable climate in the team and strengthen personal relationships with it.

- (5) Strong personality. A leader in Ukraine is a strong individualist. In Ukraine, leaders tend to concentrate more decision-making power in their hands and demand loyalty and subordination from their employees in addition to professional skills. Many employers resort to gruelling and aggressive interviewing techniques designed to weed out “weak” potential employees who cannot withstand criticism or dislike pressure (Blyznyuk and Lepeyko, 2016).
- (6) Personal connections (nepotism). An important aspect for a leader is the presence of personal connections at all levels, allowing him to solve many problems in the company’s activities. They especially appreciate contacts in government bodies, since the relationship between government and business is often antagonistic in nature. In addition, the Ukrainians prefer to arrange meetings in person to discuss matters and make joint decisions, because only personally can one adequately judge the intentions and reliability of others (Blyznyuk and Lepeyko, 2016).
- (7) Flexibility and adaptability. Most Ukrainian leaders developed their skills at the very beginning of business development in Ukraine: to survive at that time, you had to be very flexible, able to quickly adapt to frequently changing conditions, be persistent and able to take risks (Blyznyuk and Lepeyko, 2016).
- (8) Strong intuition. The quality of the decisions made by the leader depends on it, since intuition is the main tool for making managerial decisions for the Ukrainian leader.

## **5. National leadership styles advantages and disadvantages: China and Ukraine**

Table 1 below summarizes the main advantages and disadvantages of the Chinese and Ukrainian leadership styles.



**Table 1.** Chinese and Ukrainian leadership styles: advantages and disadvantages.

<b>Chinese leadership style</b>	<b>Ukrainian leadership style</b>
<b>Advantages</b>	
Harmonious relations between all levels of management	High level of willingness to take risks and courage in the face of uncertainty, creativity and innovation, lack of stereotypes, speed and sharpness of decisions
High interaction efficiency between lower and middle levels of management with top management	Simplicity, directness and lack of rituals, accessibility and openness in communication with others
Development of all departments and divisions of the company is proportional and coordinated together with the leader	Charisma, willingness to take responsibility, shaping oneself as a successful person
High moral principles that the leader conveys to his subordinates increase the cohesion of the staff and, accordingly, its effectiveness	Ability to establish social connections and good diplomatic skills
Continuous self-improvement of leaders in all directions	Ability to learn by doing from personal experience, entrepreneurial intuition
<b>Disadvantages</b>	
Frequent encouragement by the leader of inertia in the development of the company, coming from the staff	Lack of long-term strategic thinking and vision of business development in the long term
Reluctance to introduce innovations and changes inherent in the lower management level, which the leader takes into account	Excessive praise of leaders and temptation by social status and privileges
Too active development and self-improvement of young leaders at the highest management level, not supported by the capabilities of the middle and lower management levels	Authoritarianism, rigid hierarchy, subordination and centralization. Inability to delegate, the desire to do everything myself
“Exemplary Leadership” that requires Chinese leaders to be a role model	Exaggerated individualism, which leads to inability to appreciate the achievements and successes of others

Source: Study results

The main pros of the Chinese leadership style are:

- Harmony of relations and efficiency of interaction at all levels of management and between them practically without distortion of information;
- Proportionality and coordination of all divisions, resulting from the leader's development, which allows avoiding imbalance in the development of the company;
- Cohesion and efficiency of personnel, resulting from high moral principles that the leader shows to his subordinates,
- Continuous self-improvement of leaders brings new ideas for development to the company.

The main pros of the Ukrainian leadership style are:

- High level of willingness to take risks in the face of uncertainty;
- Creativity and innovation, lack of stereotypes when making decisions;
- Speed of decisions, simplicity, directness, availability and openness in communication;
- Charisma and ability to establish social connections;
- Desire to self-development and develop intuition.

The key cons of the Chinese leadership style are:

- Frequent encouragement by the leader of inertia in the development of the company, since the decisions made should take into account the honor of the entire team;
- Unwillingness to introduce innovations and changes at the lower level of management leads to an increase in errors in decision-making at a higher level of management, since the decisions made must take into account the interests of the entire team;
- Too active development and self-improvement of young highly educated leaders at the top management level has not yet been supported by the ability to quickly follow the leaders of the middle and lower management levels, represented by not so young and highly educated employees (a significant proportion of the older generation);
- “Exemplary leadership”, which requires a Chinese leader to be a role model, is not the most effective in the context of globalization. Therefore, the Chinese leadership style requires transformation and moving away from this feature.

The key cons of the Ukrainian leadership style are:

- Lack of long-term strategic thinking and vision of business development in the long term;
- Excessive praise of managers, when all the achievements and successes of the company are attributed exclusively to the leader and there is no mention of the achievements of the team;
- Temptation by social status and privileges, since resting on laurels automatically means a stop in development and decline;
- Authoritarianism, rigid hierarchy, subordination and centralization. All decisions, initiatives, ideas come exclusively from the leader. Inability to delegate, desire to do everything yourself. It is difficult for a leader to trust his employees in important decisions and it is difficult to empower employees;
- Exaggerated individualism, leading to inability to appreciate the achievements and successes of other people.

## 6. Conclusions

Thus, to establish a management concept in the company based on the national and cultural characteristics of personnel and leaders, it is necessary to create an organizational culture on a value system shared by all personnel, not just leaders.

At the same time, the fact is that the founders of this culture are precisely the leaders of the company, who put their own values, norms and rules at the basis of this organizational culture. Therefore, it is important to know the peculiarities of the national leadership styles of managers, forming the organizational culture of the company.

The results of this study made it possible to identify the main advantages and disadvantages in Ukrainian and Chinese leadership, comparing these two national leadership styles and highlight their features.

Taking into account all the described characteristics of the Chinese and Ukrainian leadership styles will allow multinational companies to obtain a synergistic effect from advantages of each of them in a multinational team, while minimizing the negative impact of their disadvantages.

## References

- Bialitskiy, N.P. (2005), "Leadership fundamentals", available at: <http://itim.by/grodno/images/files/0115.pdf> (accessed 1 November 2020).
- Blyznyuk, T., Lepeyo, T. (2016), "Profile of modern Ukrainian manager", in *Proceedings Cross-Cultural Business Conference 2016 (Steyr, Austria, 19<sup>th</sup>-20<sup>th</sup> of May 2016)*, Austria, Steyr, School of Management, Steyr Campus, pp. 256–266.
- China Leadership Report: Updated Insights for Talent Seekers* (2018), available at: [https://www.bain.com/contentassets/c3fedf1629f645a4bf1af18576e54ac5/bain\\_report\\_2018\\_china\\_leadership\\_report.pdf](https://www.bain.com/contentassets/c3fedf1629f645a4bf1af18576e54ac5/bain_report_2018_china_leadership_report.pdf). (accessed 10 November 2020).
- Griffin, R., Pastey, M. (2006), *International Business*, Peter, St. Petersburg.
- Grishchenko, I.M. (2015), "Theoretical and methodological principles of leadership", *Scientific intelligence in state and municipal administration*, Vol. 1, pp. 111–122.
- Hofstede, G. (2005), "Hofstede Insights – Country Comparison", available at: <https://www.hofstede-insights.com/country-comparison/> (accessed 11 November 2020).
- Laurent, A. (1983), "The Cultural diversity of western conception of management", *International Studies of Management and Organization*, Vol. 13, No. 1–2, pp. 75–96.
- Lewis, R. D. (2006), *When cultures collide: leading across cultures*, Boston, London.
- Ren, S., Wood, R., Zhu, Y. (2015), "Do-It-Yourself Leadership Training in China", available at: [https://www.researchgate.net/publication/283108305\\_Business\\_leadership\\_development\\_in\\_China](https://www.researchgate.net/publication/283108305_Business_leadership_development_in_China) (accessed 10 November 2020).
- Todorova, N.Yu. (2009), "Cross-cultural management", available at: [http://ea.donntu.edu.ua/bitstream/123456789/2021/1/CCM\\_Todorova.pdf](http://ea.donntu.edu.ua/bitstream/123456789/2021/1/CCM_Todorova.pdf) (accessed 10 November 2020).
- Zhang, Z.X., Chen, Z. X., Chen, Y.-R., Ang, S. (2014), "Business Leadership in the Chinese Context: Trends, Findings, and Implications", available at: [https://www.researchgate.net/publication/263813880\\_Business\\_Leadership\\_in\\_the\\_Chinese\\_Context\\_Trends\\_Findings\\_and\\_Implications](https://www.researchgate.net/publication/263813880_Business_Leadership_in_the_Chinese_Context_Trends_Findings_and_Implications) (accessed 10 November 2020).