

AY 2012

A Study of the Leadership competency model in China E-commerce Industry

Case Study On Company L

HE GONG

Major in Business Administration

35102305-4

GRADUATE SCHOOL OF COMMERCE

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CHAPTER 1. THE INTRODUCTION OF THESIS

1.1. THE BACKGROUND OF RESEARCH

E-commerce industry has been deeply influenced our lives. The Chinese E-commerce industry will increase rapidly in 5 years. Sufficient brilliant leaders are required to meet rapid growth of E-commerce industry.

The thesis did the study on the leadership competency model in China E-commerce Industry, which is supposed to be vital industries in future, especially from the sense of Chinese economic transition. Generally, there is not comprehensive leadership training courses in Chinese E-commerce companies, while the industry suffers problem of lacking qualified leaders and this issue has restricted further development of the industry.

1.2. THE OBJECTIVES OF RESEARCH

Due to the negligence of study of leadership competency model of China E-commerce industry, the thesis aims to (1) define the ideal leadership competency model in E-commerce industry of China, and (2) to develop an insight on how to figure out potential talents and help HR professionals to make training plan.

Face-to-face interview was conducted to find out the specific behavior features of leadership competency model. Then based on competency model, a survey was carried out in order to verify the effectiveness of model. Moreover, further analysis and findings of survey were discussed at the end of thesis.

CHAPTER 2. THE BRIEF INTRODUCTION OF CHINA

E-COMMERCE INDUSTRY

With the boom development, E-commerce industry has been deeply influenced our lives and has become a strong engine of economic growth. This chapter aims to draw a picture of China E-commerce industry by describing the history of E-commerce industry, market structure, the regulation factors and the trend of industry.

2.1. THE HISTORY OF E-COMMERCE INDUSTRY

E-commerce is usually defined as “refers to the buying and selling of products or services over electronic systems such as the Internet and other computer networks. Electronic commerce draws on such technologies as electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems.”¹

Aldrich (1979) introduced the conception of “online shopping”, talking about “a system installed in Tesco of UK”. In 1984, the first comprehensive e-commerce service appeared in US, which was called “compuserve”, launched by the Electronic Mall². With the huge progress of internet technology and online payment system during 1990s, numbers of well-known companies were established: in 1995, Amazon and Ebay(US); in 1997, Rakuten(Japan); and in 1999, Alibaba(China).

Chinese E-commerce industry started from 1998, when first comprehensive

¹ Cite from: http://en.wikipedia.org/wiki/Electronic_commerce

² “Online Today, The Electronic Mall”, CIS, <http://www.gsbrown.org/compuserve/electronic-mall-1984-04/>

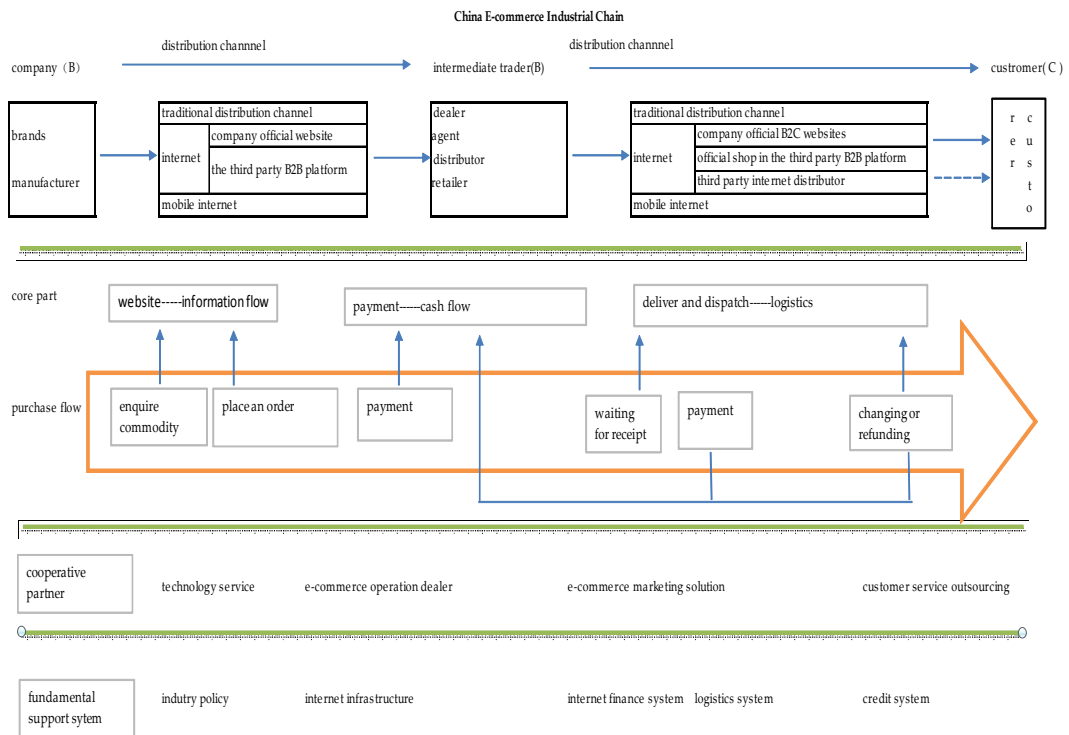
e-commerce website was set up, named "Eachnet". In the following years, Dangdang(1998,listed in NASDAQ),Alibaba(1999) and JOYO(1999, acquired by Amazon) appeared successively in the market.

2.2. THE OVERVIEW OF CHINA E-COMMERCE MARKET

2.2.1. The China E-commerce Industrial Chain

As shown in Figure 1, E-commerce industry helps companies to link their customers directly through companies' official websites or third party platforms. The new business model shortens the trading chain and saves lots of cost for companies. However, the development of E-commerce industry is restricted by some other factors, such as online payment system, internet infrastructure level and logistics.

Figure 1: The China E-commerce Industrial Chain



Source: I-research report, author edited and translated

2.2.2. Structure of China E-commerce Market Segment

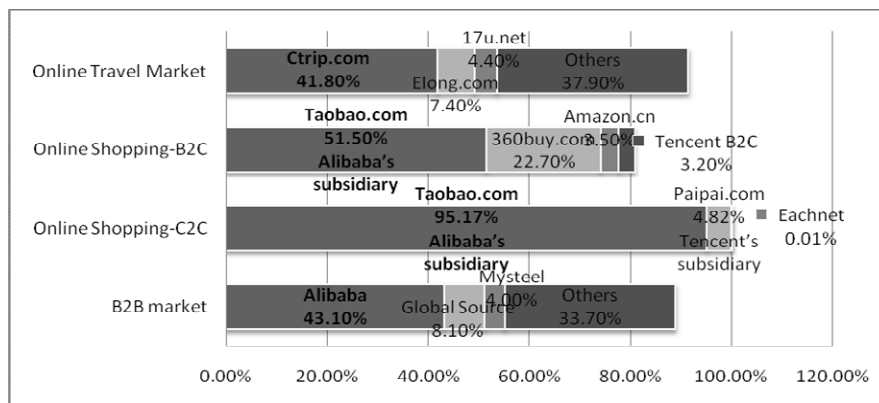
According to the different trading party and trading contents, China E-commerce Market are mainly divided into four segments, which are (1) Scale Sized Enterprise B2B market, (2) SMEs (Small and Medium-Sized Enterprise) B2B market, (3) Online Shopping Market (including B2C and C2C) and (4) Online Travel Market. Among all segments, the biggest one is B2B market segment, with 87% market shares. Yet, with the increase of internet shopping users (the number of internet shopping users is 187 million, nearly 41.6% of all internet users), online shopping might boom to the largest segment market in 2013 (I-research report).

Alibaba set up e-commerce B2B website portal-Alibaba.com and Online shopping website portal-Taobao.com. Besides, Alibaba found an online payment system called Alipay, which is biggest online payment in China. Through the advantages in whole e-commerce chain, Alibaba established dominance in both B2B and Online shopping markets segments.

While in Online shopping market, because traditional chain retails, foreign E-commerce enterprises and other internet enterprises are penetrating into this segment, competition is becoming much fiercer. For example, Rakuten just withdrew from China market recently but Amazon declared to add more investment, putting China as their most important oversea strategic market.

In Online Travel Market, Ctrip.com takes nearly half of market share, providing online ticket booking and travel reservation service. Compare with traditional travel agency, online travel companies could offer more favorable discount to customers. A new comer is qunar.com, which was acquired by Baidu.com, searching the cheapest price and providing reservation service.

Figure 2: the Major players and its market share of China E-commerce Industry



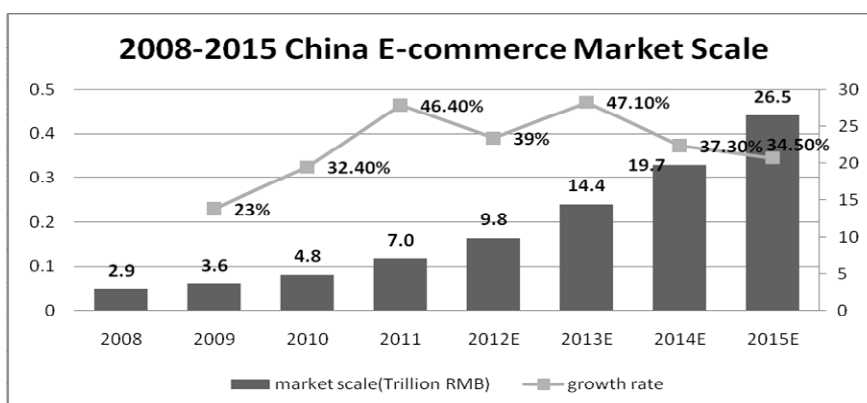
Source: I-research (2011), author translated

2.2.3. Market Scale of China E-commerce

The statistics from I-research (Figure 3) shows the GMV (Gross Merchandise Volume) of China E-commerce Market increased by 46.4% Year 2010 to Year 2011, to 7 trillion RMB, a stable and continuous growth since 2008. I-research also estimated that China E-commerce market scale would reach 26.5 trillion RMB in 2015, almost 3.78 times than 2011.

The reasons that E-commerce market grew rapidly in the last 10 years are (1) with the trend of globalization, the need of E-commerce and penetration of E-commerce during business and trading activities is rising, leading to the expansion of B2B market, Especially for those Chinese SMEs; (2) Online shopping companies enlarge their commodity lines, strengthened their logistics and distribution capabilities and security of online payment system, therefore online shopping market enjoyed a boom; (3) Online Travel market maintained a stable growth in online air ticket buying, hotel booking and holiday-related products.

Figure 3: 2008-2015 China E-commerce Market Scale



Source: I-research. (2012). Author translated

2.3. THE REGULATIONS OF CHINA E-COMMERCE MARKET

With the rapid growth of E-commerce market but lack of regulations, some problems were appeared; especially in the online shopping market and online travel market. Because sellers are usually far away from customers geographically, it is very difficult for customers to do the complaint and seek protection. The imperfects of trading surrounding delayed the development of industry.

Thus, government promulgated several regulations (table 1) in order to regulate and assist industry to further develop. Through those regulations, customers' risk decreased and online shopping environment become more secured. Yet, the regulatory duty of e-commerce industry in China belong to several authorities, such as State Administration for industry and commerce is responsible for the customer protection, the ministry of commerce is charge of planning and development policy and people's bank of China is responsible for issuing online payment system license. The absence of general regulatory authority might cause chaos of policies.

Table 1: regulations issued by governments

Regulations	Issued by	Content of regulations
<the regulation on online trading and related service>	State Administration for Industry and commerce	Required online trading shop keepers or service providers should register with industrial and commercial administration authorities.
<Guidance on the promote development of online shopping>	Ministry of Commerce	Focus on the customer protection
<Administrative Measures for the Payment Services Provided by Non-financial Institutions>	People's Bank of China (central bank of China)	Regulate the third party payment system, in order to protect customer
<Notice on promoting E-commerce demonstration company>	Ministry of Commerce	Reduce the trading cost to promote e-commerce companies by series of policies.

Source: author

2.4. THE TRENDS OF CHINA E-COMMERCE INDUSTRY

With constant improvement of internet infrastructure and innovation of online shopping business model (such as group buying nowadays), China E-commerce market will keep growing rapidly.

2.4.1. The market scale will keep growing and gradually go to maturity

China E-commerce market is in the rapid growth period now and will keep growing rapidly in following years, because (1) the acceptance of E-commerce is increasing, enterprises are intending to do more and more online promotion or online sales campaign;

market scale of internet advertisement soared to 51.19 billion RMB in 2011, increased by 57.3%, exceeded the market scale of newspaper advertisement with 45.36 billion RMB;(2) Chinese customers get used to shopping online. (3) The government regards E-commerce as future pillar industry; thus government continuously formulates policies to promote the development of industry.

2.4.2. The market will move forward to in-depth market and segmenting market

Due to the diversification of customers' needs, the E-commerce providers are divided into (1) General E-commerce websites provide one-stop service. In B2B market, traditional B2B enterprises are changing from information providers to general business solution providers, which could supply logistics, credit guarantee, financing service, precision marketing and industrial consulting for their customers. Meanwhile, in Online shopping market, general websites are enlarging commodities to satisfy customers' various needs. For example, 360buy.com is selling nearly 100,000 products online every day. The number of products is as many as hypermarkets, like Wal-Mart or Carrefour. (2) Some specialized E-commerce websites focus on the niche market. Some enterprises concentrate on fashion, luxury or backpack travel reservation and achieved success in niche field. One of examples is VIPSHOP.com which sells last season fashion goods of famous brand, and it listed in NASDAQ recently.

2.4.3. Traditional enterprises penetrates into E-commerce industry

Nowadays, from manufacture to service, from government procurement to enterprise/individual application, from foreign trade to domestic trade, from E-commerce based on the internet to E-commerce based on the mobile internet, almost all industries are using E-commerce to expand their business. More and more traditional enterprises are

trying to penetrate into E-commerce market. Wal-Mart started to provide E-commerce service through acquiring a general online shopping website (www.yihaodian.com); China's biggest 3C chain retail-Suning-set up B2C website to cater the market trend. On the other hand, E-commerce enterprises open their platform to attract traditional enterprises run official online shops. Recent case is China's second 3C chain retail-Gome-decided to run its official online 3C shops in Dangdang.com.

2.4.4. Mobile internet will be the new driving force of development of E-commerce

CNNIC³'s annual report (CNNIC, 2011) says that Chinese cell phone internet users increased by 17.5% in 2011, to 356 million people. Among cell phone internet users, half of users are smart phone internet users, counted nearly 190 million people. The increase of mobile internet users will improve the development of E-commerce market. Meanwhile, E-commerce enterprises are strengthening their strategy on mobile E-commerce. Taobao.com, 360buy.com, Dangdang.com and Amazon.cn delivered smart phone applications or mobile version website to stretch their business.

2.5. THE HUMAN RESOURCE ISSUES OF CHINA E-COMMERCE INDUSTRY

Due to the boom development of industry, the human resource practices have some unique points, facing the difficulties of high turnover rate and shortage of professionals and leaders, compare with traditional industries or even IT industry.

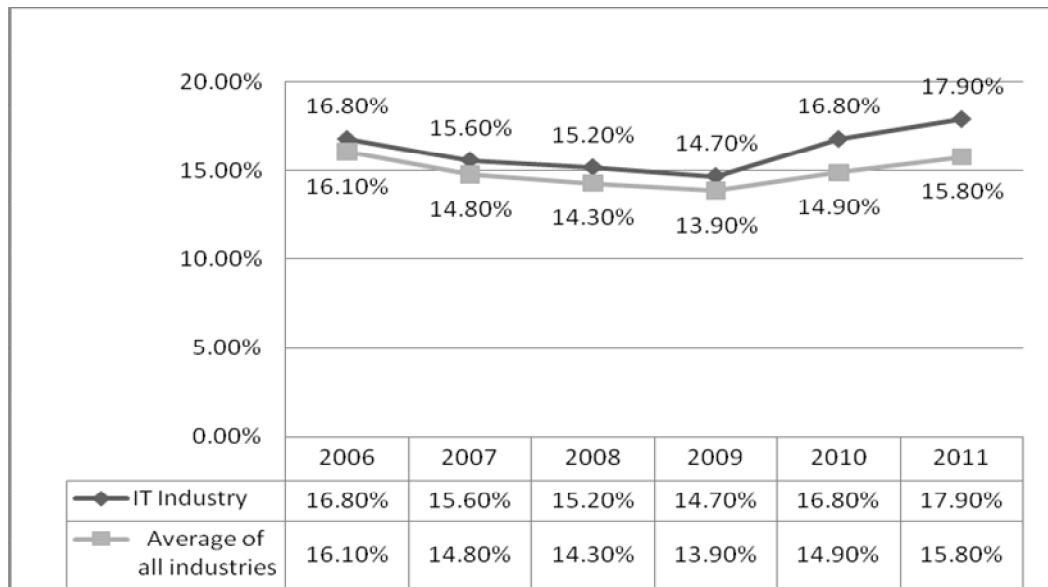
2.5.1. The labor turnover rate is higher than average rate

Labor turnover rate is the rate at which an employer gains and losses employee.

³ CNNIC is the state network information center of China, was founded as a non-profit organization on Jun. 3rd 1997. CNNIC takes orders from the Ministry of Information Industry (MII) to conduct daily business, while it was administratively operated by Chinese Academy of Sciences (CAS).

According to the survey conducted by CCID consulting (figure 4), the turnover rate of IT industry is higher than average turnover rate of all industries. The survey also showed that the turnover rate of key staffs is even higher, up to the 18.5%. We could find correlation between turnover rate and the development trend of industry.

Figure 4: the turnover rate of IT industry and average of all industries



Source: the survey report conducted by CCID consulting

2.5.2. The shortage of professionals and leaders

Staffs in the E-commerce industry are come from either traditional retails or other IT industry. Professionals who have over 5 years E-commerce working experiences are few in the market, let alone the leaders who have strategic vision and management experience. Therefore, HR staffs face with two urgent challenges: (1), how to maintain and provide career development plan for professionals and (2), how to identify potential leader candidates and then provide training plan.

CHAPTER 3. THE REVIEW OF LEADERSHIP THEORIES AND LEADERSHIP COMPETENCE THEORIES

Chapter three aims to review the theories of leadership and leadership competency, by summarizing the history of research and describing the main theories, in both Western research findings and Chinese researching findings. The author also attempts to compare the Western leadership theories with Chinese leadership theories in chapter three.

3.1. THE LITERATURE REVIEW OF WESTERN LEADERSHIP THEORIES

The study of leadership can be traced back to ancient Greek philosophers' discussions on leadership, from Plato to Plutarch. In the 16th century, Machiavelli wrote his best-known book <The Prince>, talking about leaders how to retain their powers. Modern and systematic study on leadership started from 20th century, advanced by Weber's contribution. Weber believed that leadership is derived from charismatic authority (personal characteristic), traditional authority (referred to the compliance with norms and forms to conduct) and legal authority (Yukl, 2002). Contemporary research is interested in broader societal issues such as hierarchy, gender, organizational characteristic, ethics, cognition and intelligence (Antonakis et al, 2004).

The literature review is from "great men theory" to "transactional and transformational theory" in this chapter, shown as table below. In the early stages, theories tend to focus on the characteristics and behaviors of leaders, while theories of 20th century began to consider the role of leaders and the contextual nature of leadership. Thus, the emphasis of research shifted from developing leaders to developing organization with a

collective responsibility for leaders.

Table 2: the literature review of leadership theories

Theories	Brief summary of theory
Great Men Theory	Based on this theory, leaders are exceptional ones who utilize their innate personal charisma, intelligence and wisdom to impact the history.
Trait Theory	The theory believes that excellent leaders' traits could be defined and people who behavior those traist could be selected into leadership positions.
The Behavior and Style Theory	The behavior and style theory believes that leader behaviors has a definitely effect on the outcome and those leadership competencies could be learnt.
The Situational and Contingency Theory	The situational and contingency theory assumes that different circumstances call for different personality and single optimal leadership does not exist.
The transformational theory	The theory enhances the motivation, morale and performance of followers through a variety of mechanisms

Source: author edited

3.1.1. The Great Men Theory

In the early stage, people considered history was written by the heroes, underlying this thought was the early recognition of the importance of leadership and assumption that leadership is rooted in the characteristics that certain individual processes, which is called "Great Men Theory". Based on this theory, people believe that leaders are exceptional ones

who utilize their own personal charisma, intelligence and wisdom to impact the history. Great Men Theory was popular in 19th century, advocated by British writer Thomas Carlyle. Later, the Great Men Theory was challenged by Herbert Spencer who said “Great Men were merely products of society, and their actions would be impossible without the social conditions built before their lifetimes”. He argued any action or decision that great men did could be vain if out of that history background (Spencer, 1896).

3.1.2. The Trait Theory

Great Men Theory led to the study of another theory called “Trait Theory”. Trait theory is primarily discussed in the measurement of traits, which can be defined as habitual patterns of behavior, thought, and emotion (Saul Kassin, 2003). According to this perspective, traits are relatively stable for a long time, differ across individuals. Gordon Allport did in-depth study on the theory, and he referred several conceptions such as central trait, secondary trait, common trait and cardinal trait. The trait theory tries to identify the key trait factors of successful leaders so as potential candidates could be selected or educated easily.

The defect of trait theory is that there is unlimited number of traits could be described as personality and differ leaders might have distinct characteristics which means we could hardly analyze all the trait factors and get one ideal model. However, Stogdill’s studies concluded that there are certain traits that increase the probability that leaders will lead their followers successfully in a narrow range of situations (Stogdill and Bernard, 1974). The table below lists the main leadership traits and skills indentified by Stogdill.

Table 3: the main leadership traits and skills indentified

Traits	Skills
Adaptable to situations	Clever (intelligent)
Alert to social environment	Conceptually skilled
Ambitious and achievement-oriented	Creative
Assertive	Diplomatic and tactful
Cooperative	Fluent in speaking
Decisive	Knowledgeable about group task
Dependable	Organized (administrative ability)
Dominant (desire to influence others)	Persuasive
Energetic (high activity level)	Socially skilled
Persistent	
Self-Confident	
Tolerant of stress	
Willing to assume responsibility	

Source: Stogdill and Bernard (1974)

3.1.3. The Behavior and Style Theory

In response to the criticism of leadership as an inborn trait, researchers shifted to evaluate behaviors of leaders and identify the styles of leadership, which are concluded as behavior and style theory. The difference between trait theory and behavior and style theory is that trait theory is an art of approach of selecting a potential leader while behavior and style theory is a scientific approach of choosing leader (Ghee and Draft, 2004). The

behavior and style theory believes that leader behaviors has a definitely effect on the outcome and those leadership competencies could be learnt. The two most famous behavioral leadership studies were conducted at Ohio State University and the University of Michigan in the late 1940s and 1950s.

The questionnaires were conducted in the study of Ohio State University. The conclusion of study was that there were two distinct aspects of leadership: one is task-oriented behavior, involves planning, organizing, and coordinating the work of subordinates. The other one is consideration involves showing concern for subordinates, being supportive, recognizing subordinates' accomplishments.

The Michigan University study focused on determining the principles and methods of leadership that led to productivity and job satisfaction. The studies resulted in two leadership orientations: an employee orientation and a production orientation. Leaders with an employee orientation showed genuine concern for interpersonal relations. Those with a production orientation focused on the task or technical aspects of the job. The conclusion of the studies was that an employee orientation yielded better results.

One application based on the behavior and style theory is "The Managerial Grid Model" developed by Robert Blake and Jane Mouton in 1964. The model identified five styles of leadership: (1) Impoverished model, leaders have low concern on people and products and willing not to hold any responsibility for any mistakes; (2) Country club model, leaders have high concern on people but low concern on products. Leaders pay attention to the peoples' emotions instead of increasing productivity. (3) Team style, leaders have highly concern on both people and product. (4) Organization men style, leaders try to balance the needs of people and product but might be missing neither people's needs nor

product's needs. (5) Authority obedience style, with high concern on product and low concern on people, leaders usually use this style in solving crisis case (Robert Blake and Jane Mouton, 1964).

The assumption of the behavior and style theory is that there are certain effective behaviors for leaders. However, like trait theory, behavior and style research did not consider situational influences that might moderate the relationship between leader behaviors and leader effectiveness.

3.1.4. The Situational and Contingency Theory

The situational and contingency theory assumes that different circumstances call for different personality and single optimal leadership does not exist. Researchers summarized three kinds of leadership styles and identified in which situation each style would work better in: The authoritarian leadership style is suitable for the crisis case; the democratic leadership style is more adequate in situations that require consensus and laissez faire leadership style is known for its freedom.

Thus, leadership styles could be defined as contingent to the situation or called contingency theory. Four of the well-known contingency theories are Fiedler's contingency theory, path-goal theory, the Vroom-Yetton-Jago decision-making model of leadership, and the situational leadership theory.

The Fiedler's contingency theory indicated that leadership effectiveness depends on an appropriate match between a leader's style and the demands of the situation, implied that leaders with different leadership styles would be more effective when placed in situations that matched their preferred style. The theory defines two types of leadership, one is relationship oriented leader who tend to accomplish the task by developing good

relationship with groups; the other is task oriented leaders who take their concern on task itself as priority (Fiedler, 1967).

The path-goal theory was developed by Robert House in 1971, and the essences of theory is "the meta proposition that leaders, to be effective, engage in behaviors that complement subordinates' environments and abilities in a manner that compensates for deficiencies and is instrumental to subordinate satisfaction and individual and work unit performance" (Robert House, 1996). Path-goal theory suggests that the leader behavior will accomplish these tasks depends upon the subordinate and environmental contingency factors, and indentifies four leadership styles which are achievement-oriented, directive, participative, and supportive. In contrast to the Fiedler contingency theory, the path-goal theory states that the four leadership styles are flexible, and that leaders can change any of the four as what situation requires.

The Vroom-Yetton-Jago decision-making model was introduced by Victor Vroom in collaboration with Phillip Yetton in 1973 and later developed with Arthur Jago in 1988. The model suggests that the best style of leadership is contingent to the situation. This model indentifies five different styles which are AI, AII, CI, CII, and G, from strongly autocratic AI to strongly democratic G (Victor Vroom and Phillip Yetton, 1973; Victor Vroom and Arthur Jago 1988).

The situational leadership theory was proposed by Hersey and Blanchard. The theory suggests that effective leadership is task-relevant, and the most successful leaders are those that adapt their leadership style to the Maturity ("the capacity to set high but attainable goals, willingness and ability to take responsibility for the task, and relevant education and/or experience of an individual or a group for the task") of the individual or

group they are attempting to lead/influence. That effective leadership varies, not only with the person or group that is being influence, but it will also depend on the task, job or function that needs to be accomplished. (Hersey and Blanchard, 1977)

3.1.5. The Transformational Theory

The transformational theory was firstly introduced by Burns in 1978. Transformational leadership “is a relationship of mutual stimulation and elevation that convert followers into leaders and may convert leaders into moral agents” (Burns, 1978). The leader is given power to shapes, alters and elevates the motives, values and goals of followers, when productivity is not up to the desired level, and reward effectiveness when expected outcome is reached. Burns stated that “transforming leadership are armed with principles may ultimately transformed both leaders and followers into person who jointly adhere to modal values and end values” (Burns, 1978).

Bass extended the transformation theory, adding how transformational leadership could be measured, as well as how it impacts follower motivation and performance (Bass, 1985). Bass’s transformation theory suggested that “transformational leadership is closer to the prototype of leadership that people have in mind when they describe their ideal leader, and it is more likely to provide a role model with which subordinates want to indentify” (Bass and Avolio, 1994). According to the theory, transformational leadership displays behaviors associated with five transformational styles, shown as below:

Table 4: behaviors associated with five transformational styles

Transformational style	Leader behavior
Idealized Behaviors	<ul style="list-style-type: none"> ▪ Talk about their most important values and beliefs ▪ Specify the importance of having a strong sense of purpose ▪ Consider the moral and ethical consequence of decisions ▪ Champion exciting new possibilities ▪ Talking about the importance of trusting each other
Inspirational Motivation	<ul style="list-style-type: none"> ▪ Talk optimistically about the future ▪ Talk enthusiastically about what needs to be accomplished ▪ Articulate a compelling vision of future ▪ Express the confidence that goals will be achieved ▪ Provide an exciting image of what is essential to consider ▪ Take a stand on controversial issues
Intellectual Stimulation	<ul style="list-style-type: none"> ▪ Re-examine critical assumptions to question whether they are appropriate ▪ Seek differing perspectives when solving problems ▪ Get others to look at problems from many different angles ▪ Suggest new ways to looking at how to complete assignments ▪ Encourage non-traditional thinking to deal with traditional problems ▪ Encourage re-thinking those ideas which have never been questioned before

<p>Individualized Consideration</p>	<ul style="list-style-type: none"> ▪ Spending time teaching and coaching ▪ Treat others as individuals rather than just as a members of the group ▪ Consider individuals as having different needs, abilities and aspirations from others ▪ Help others to develop their strength ▪ Listen attentively to others' concerns ▪ Promote self development
<p>Idealized attributes</p>	<ul style="list-style-type: none"> ▪ Instill pride in others for being associated with them ▪ Go beyond their self-interests for the good of the group ▪ Act in ways that build others' respect ▪ Display a sense of power and competence ▪ Make personal sacrifices for other's benefit ▪ Reassure others that obstacles will be overcome

Source: Bass and Avolio (1994)

3.2. THE LITERATURE REVIEW OF CHINESE LEADERSHIP THEORIES

This section discusses the ideas that are relevant to understanding leadership from Chinese perspective, including what Chinese think about the conception of leadership and the major two approaches to Chinese style leadership.

The Chinese and Western approaches to leadership might be distinguished in several aspects including needs, norms, relationships, family role, decision making, changing, cognition and structure of reasoning(Lee, 1987). Moreover, Western theories are

based on rationality, control and planning and Chinese theories are more intuitive and contextual. Lee (1987) observed that Chinese have a different sense of self-dignity compared to the West.

3.2.1. The Chinese Conception of Leadership

In contrast to the western theories, Chinese scholars Sun Tzu thought “leadership is a matter of intelligence, trustworthiness, humaneness, courage, and discipline.....Reliance on intelligence alone results in rebelliousness. Exercise of humaneness alone results in weakness. Fixation on trust results in folly. Dependence on the strength of courage results in violence. Excessive discipline and sternness in command result in cruelty. When one has all five virtues together, each appropriate to its function, and then one can be a leader.” (Leslie Pockell and Adrienne Avila, 2007).

Unlike Western theories emphasizing the individuals’ human needs, Chinese consider that leadership is actualization in the service of society (Lee 1987), revealing in the notion of “face” which represents prestige and moral character in social relationship. Additionally, Chinese consider that intuition, sense making and non-abstract process play an important role in decision making and emphasize the informal structures and minimal management controls, based on the belief of “everything is continuous changing, not only the events but also the rules governing those events” (Lee, 1987).

3.2.2. The Major Approaches to Chinese Leadership

History and culture play an important role in the way Chinese understand the leadership. Hence, the Chinese leadership theories are combination of historical, social, cultural, economic and practical conditions. From a historic view point, Chinese leadership theories were based on two perspectives, one is Confucianism and the other is Taoism and

Buddhism. The Confucianism emphasizes the conceptions of “self-cultivation” and a concern for human relationships. Leaders are regarded as the role models of social orders and have to maintain the social harmony. The Taoism and Buddhism emphasize the process of organizing as “following the nature” and as the “the combination of situations”. From this view, management is considered as a more holistic process with particular characteristic, such as “action is not a action, leader is the follower; change is not strategically planned but suddenly enlightenment. The leader is not to control but to reflect like a mirror, to flow like water, and to allow like nature” (Lee, 1987). The Chinese leadership style is sense of seeking understanding and learning things without forcing any prior theoretical model onto nature and without being impeded by emotions and desires. The thinking reveals men are always in interrelation to the nature and his behavior are shaped by situations. Thus, leader should be aware of limitation of human being and a way to change situation by behavior appropriate.

Based on those two approaches, classic Chinese leadership theories are very different from existing western theories, which Chinese thinking is more intuitive and contextual while western’s bases on rationality and control. And because of this, Philosophy plays an important role in understanding leadership from Chinese perspective.

The philosophy of Yijing(易經) refers to the comprehensive cognition of cosmology, culture and ethics. The Yijing indicates that “both the limitations of the human condition and its freedom of decision and action. On the one hand, a human being is limited by its situation and even by his own purpose, and future is not indicated by his wishes. On the other hand, he can seek knowledge of the future or a way of understanding its possibilities and can make his own decisions. Yijing provides at once a way to reveal limitations in one’s

life and a way to change one's situation by acting appropriately" (Cheng, 2003).

The philosophy of Zhouyi(周易) refers to comprehensive theory of knowledge of observation, virtues, dao (the way), and belief in realism that can achieve unity of reality and reason, unity of knowledge and action and unity of knowledge and valuation (Cheng, 2003).

The philosophy of Governance revolves three questions: how a state should be organized and governed, what are the goals of governance and how can answer to the previous questions is justified (Angle, 2003). However, there are several schools in the field of governance form. The Mohism (Guanzi and Mozi) suggested that governance should be objective standards; The Confucianism (Anaclets and Mencius) advocated softer, humane governance; The Daoism proposed a nature and non-action approach and The Fa-Chia (Xunzi) suggested that governance should be implemented through transforming, educating people (Angle, 2003).

The philosophy of Yin and Yang(陰陽) refers to "terms used to express a contrastive relationship that obtain between two or more things" (Ames, 2003). "Yin and Yang explains how one thing stands in relation to another, and hence can be described as expressing a correlation between them. Yin and Yang suggested the interdependence of proximate thing in a word. Yin and Yang became a pervasive way of understanding how all things are related to each other, and it sets a pattern for the vocabulary used to articulate this understanding" (Ames, 2003). As Ames stated, the conception of Yin and Yang used not only to help representing parts of world but also to suggest way of how these parts may be correlated.

3.3. THE LITERATURE REVIEW OF LEADERSHIP COMPETENCY THEORIES

In this chapter, several leadership competency models, which are being used either in private sectors or public sectors, will be introduced. A specific competency model fits for Chinese culture and society also will be reviewed.

3.3.1. The IMF Management Competencies Model

IMF Management Competencies model aims to define series of effective behaviors, including a mix of knowledge, skills and behaviors that lead to effective performance. Effective performance of each competency is given a benchmark.

The competencies are grouped into six categories which are:

- Intellectual leadership factor: sound judgment/analytical skill/strategic vision;
- Work management factor: planning and organizing/drive for results/adaptability;
- Communication factor: oral presentation skills/creating open communication/written communication skills;
- Interpersonal factor: building relationship/negotiating and influencing/country and client relation;
- People management factor: motivating performance/delegating/fostering teamwork/appraising and developing staff.

3.3.2. The Hamlin's Generic Model

Hamlin's Generic Model of Leadership Effectiveness distinguishes positive and negative factors of leadership.

Positives factors are:

- Effective organization and planning;

- Proactive management;
- Participative and supportive leadership, Proactive team leadership;
- Empowerment and delegation;
- Genuine concern for people, looks after the interests and development needs of staff;
- Open and personal management approach, inclusive decision making;
- Communication and consultation wide, keeps people informed;

Negatives factors are:

- Shows lack of consideration or concern for staff, ineffective autocratic or dictatorial style of management;
- Uncaring, self serving management/undermining, depriving and intimidating behavior;
- Tolerance of poor performance and low standards, ignoring and avoidance;
- Abdicating roles and responsibilities, resistant to new ideas and change, negative approach.

3.3.3. The Zenger Miller Grass-roots Leadership Model

The Zenger Miller Grass-roots Leadership Model was developed from an empirical research. The factors of model are:

- Creating a compelling future: create and describe a vision;
- Let the customer drive the organization: respond to customer's requirements;
- Involve every mind: support individual effort, support team effort, share information, and make decision that solves problems;
- Manage work horizontally: manage cross-functional process, display technical

skills and manage time and resource;

- Build personal credibility: take initiative beyond job requirement, take responsibility for oneself or group's action, and handle emotions, display professional ethics and show compassion.

3.3.4. The Chinese Leadership Competency Model-CPM Model

Whilst there are abundant traditional Chinese leadership theories, they failed to establish a coherent system as western researchers did, due to "lack of independent properties, laconic categorization and content validity" (Tan, 1994). In a quite long time, researchers tried to frame their study on Chinese leadership model under the guide of Western theories, instead of traditional Chinese theories. Yet, simply using western theories to analyze Chinese leadership were way insubstantial, because Chinese culture is different way to guide Chinese behavior.

In 1980s, the CPM model (the Chinese CPM leadership behavior model) was developed, which is virtually a revised version of PM model (Musumi's Performance and Maintenance Model). The sparkling point of CPM model is that included evaluation of leader's characteristics and moral facet firstly in the study field of Chinese leadership Model. The CPM model recognizes three factors: Character and Moral ("C" factor), Performance ("P" factor) and Maintenance ("M" factor). The PM model focus on the interact in their effects on followers, the Performance factor refers to the leadership behavior that prompts and motivates group achievement and Maintenance factor refers to the leadership behavior that promotes and reinforces self-preservation and group social ability (Misumi, 1985). In the later study conducted by Michigan University and State Ohio University, characteristic and moral factor was added in order to meet "the Chinese unique

leadership system-traditional Chinese philosophy, ethics system, moral integrity and long-standing authoritarianism" (Ling and Fang, 1994). These studies point to the salience of a cultural aspect. It has been demonstrated in the Chinese cultural context that the Chinese still place key importance on the moral character of their leaders and their behavior.

CHAPTER 4. THE METHODOLOGY OF SURVEY AND

HYPOTHESIS

The survey was conducted by both quantitative and qualitative methods. The author made face-to-face interview with managements (including business units and human resource department) in company L to design leadership competency model and did further survey in potential leaders candidates in order to test effectiveness of the hypothesis. The findings will be analyzed and discussed in next chapter.

4.1. THE INTERVIEW WITH MANAGERMENTS IN COMPANY L

Leaders not only are men who have outstanding performance but also should own core abilities that correspond to company's strategic vision. Beside two points mentioned above, based on the CPM model, ideal Chinese leaders have to be moral model and their characteristics are fit for company's culture.

Company L, established in 2010, runs business in over 300 cities and has become the biggest online group buying provider in mainland China. The number of employees is nearly 4,000. Due to rapid growth; Company L needs numbers of qualified leaders.

The interview with management aims to describe the key behaviors and deliver evaluation scales of each factor in leadership competency model. The author did face-to-face interview with managements in headquarters and general managers in region, totally 42 people, asking them to describe their opinions on key factors in details respectively.

4.2. THE LEADERSHIP COMPETENCY MODEL OF COMPANY L

The leadership competency model of company L is based on CPM model and conclusion of interview with managements. The five items of model represent three factors of CPM model and there are specific behavior descriptions of each item.

Table 5: the leadership competency model of company L

Leadership competency items	scale	The descriptions of behavior of leadership competency
Innovation & Creation	5point	Expand business creatively and affect market structure through innovation.
	4point	Exceed business objectives, continuous optimize process and improve the output of work significantly.
	3point	Could complete business objective through innovation and continuous optimize process.
	2point	Have positive working attitude, open mind and be willing to try different working ways.
	1point	Follow existing process and work hardly
Customer Oriented	5point	Go beyond customers' expectation and gain over return from customers; could be able to retrieve lost customers.
	4point	Improve customer relationship and make customer delight.

	3point	Satisfy the customers and solve customers' problems.
	2point	Customer oriented, could distinguish needs and requirements of customers.
	1point	Complete the work in accordance with customers' requirements.
Performance oriented	5point	Proactively consider performance achievement, emphasize cost and improve profit, and promote value creation.
	4point	Accept challenge; be able to coordinate different resources to achieve objectives.
	3point	Make specific and practicable plan and achieve objective.
	2point	Objective oriented, could Exclude extraneous interference during the work.
	1point	Could complete the work.
Self development and career development for team member	5point	Concern on fostering brilliant talents for company, and promote talent reserve and succession plan.
	4point	Share and transfer skills/knowledge, and build up learning organization.
	3point	Help team members to improve their working abilities and working quality.

	2point	Motivate team members' passion through creating vision and build up positive, trust and supportive working atmosphere.
	1point	Have team work sense
Integrity and keeping promise	5point	Initiate social responsibility, comply with industry rules and be a moral model.
	4point	Integrity and keeping promise, and persuade employees to keep their promises.
	3point	Integrity and keeping promise, set good moral example in company.
	2point	Integrity and keeping promise and could say NO to inappropriate business practices and report inappropriate manners.
	1point	Integrity and keeping promise, follow the rules and process.

Source: author

4.3. THE METHODOLOGY OF SURVEY

4.3.1. Step one, fill the questionnaire

80 managers selected by managements were survey samples to test the effectiveness of model. Each potential candidate was evaluated by 2 superiors together, then Superiors filled the questionnaire (table 6), on the basis of specific description of behaviors of each item.

Table 6: details of questionnaire

A, Personal information:

Question 1: Age

- 21~25
- 26~30
- 31~40
- 41~50
- 51 or older

Question 2: Gender

- Male
- Female

Question 3: How many subordinates in your team?

- None
- 1- 5
- 6 -10
- 11-20
- More than 20

Question 4: How long have you been working?

- 6 months or less
- 6 months~1 year
- 1~2 years
- 2~5 years
- 5~10 years
- 10 years or more

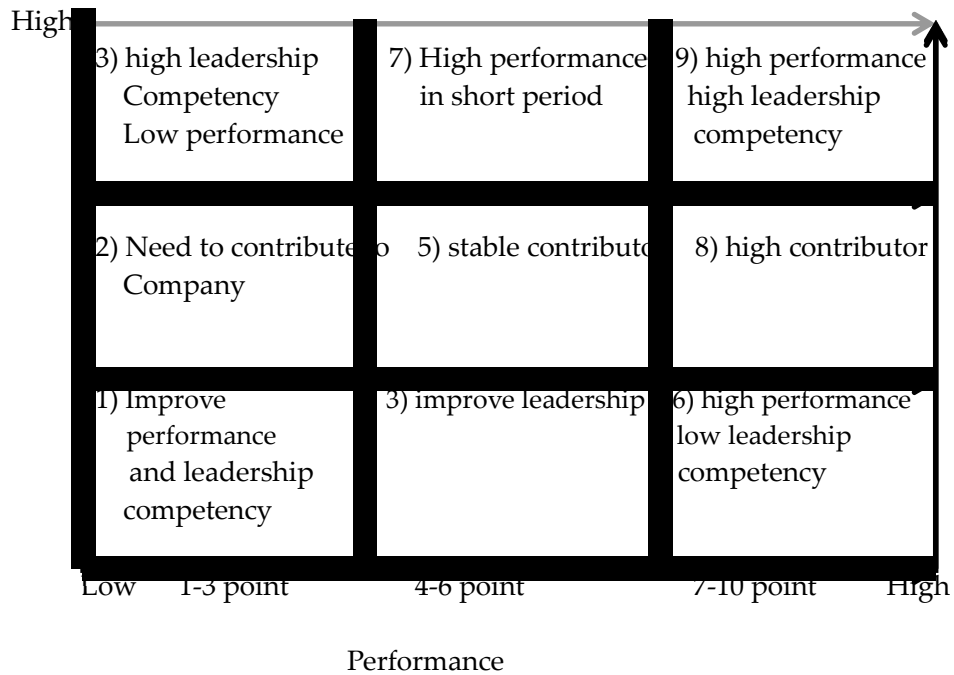
B, Evaluation items

						Performance result	Result
Innovation & creation	Customer oriented	Performance oriented	Personal development and career development for team member	Integrity& keeping promise	result	Performance level	

4.3.2. Step two, calculate the score

The questionnaire format would calculate the score automatically. Then we could define the section in which potential candidates fall in the matrix, as table 6 below shown.

Figure 5: leadership competency model matrix



Source: author

4.3.3. Hypothesis

If most of participants who fall into the section 7), section 8) and section 9) in leadership competency model matrix, the result is supposed to verify the effectiveness of leadership competency model.

4.4. THE RESULTS OF SURVEY

There are eighty participants were involved into survey to test effectiveness of leadership competency model and fifty-one participants' final results fell into section 7), section 8) and section 9) in leadership competency model matrix. Due to 63.75% of participants fell into section 7), section 8) and section 9) in leadership competency model matrix, the hypothesis could be accepted.

4.4.1. The results of eighty participants

Eighty candidates were participated into the survey, including sixty-one males and nineteen females. The average age of the candidates is twenty-nine years old. Nearly half of candidates manage over twenty employees. In terms of working experiences, seventeen candidates have been working over 10 years or more, forty-two have 5-10 year working experiences.

The average score of factors were shown below (table 7). The average score of leadership competency was 3.52 and performance average score was 5.33. Among the leadership competency, the highest score was “integrity & keeping promise” factor and lowest score was “self development and career development for team members”.

Table 7: the average score of factors in survey

						Performance result	Result
Innovation & creation	Customer oriented	Performance oriented	self development and career development for team member	Integrity& keeping promise	result	Performance level	
3.35	3.7	3.58	2.97	3.86	3.52	5.33	6.54

Source: author

In order to understand the correlation of factors of the survey, the Pearson’s correlation and Two-Paired Samples T-Test method was conducted and results were illustrated below (table 8). Whilst the factors of age, team scale and working experience have strong correlation with customer oriented factor, weak correlation could be found between those three factors and other leadership competency factors.

Table 8: Pearson's Correlation Test

		Age	numbers of team member	working years	innovation & creation	customer oriented	integrity	performance oriented	self development	leadership factors score	performance evaluation score	result
Age	Pearson Correlation	1	.260*	.815**	-.162	.095	.051	-.044	-.051	-.051	.105	-.107
	Sig. (2-tailed)		.020	.000	.151	.404	.652	.701	.651	.656	.353	.344
	N	80	80	80	80	80	80	80	80	80	80	80
numbers of team member	Pearson Correlation	.260*	1	.248*	-.034	.069	.021	.041	-.013	.038	.005	-.016
	Sig. (2-tailed)	.020		.027	.762	.543	.855	.716	.911	.740	.967	.891
	N	80	80	80	80	80	80	80	80	80	80	80
working years	Pearson Correlation	.815**	.248*	1	-.116	.087	-.004	.065	-.181	-.036	.160	-.100
	Sig. (2-tailed)	.000	.027		.304	.440	.974	.565	.108	.748	.156	.376
	N	80	80	80	80	80	80	80	80	80	80	80
innovation & creation	Pearson Correlation	-.162	-.034	-.116	1	.414**	.283*	.607**	.546**	.705**	.232*	.633**
	Sig. (2-tailed)	.151	.762	.304		.000	.011	.000	.000	.000	.038	.000
	N	80	80	80	80	80	80	80	80	80	80	80
customer oriented	Pearson Correlation	.095	.069	.087	.414**	1	.473**	.392**	.370**	.618**	-.087	.443**
	Sig. (2-tailed)	.404	.543	.440	.000		.000	.000	.001	.000	.444	.000
	N	80	80	80	80	80	80	80	80	80	80	80
integrity	Pearson Correlation	.051	.021	-.004	.283*	.473**	1	.462**	.491**	.639**	.052	.406**
	Sig. (2-tailed)	.652	.855	.974	.011	.000		.000	.000	.000	.647	.000
	N	80	80	80	80	80	80	80	80	80	80	80
performance oriented	Pearson Correlation	-.044	.041	.065	.607**	.392**	.462**	1	.409**	.753**	.303**	.632**

ance oriented	Sig. (2-tailed)	.701	.716	.565	.000	.000	.000		.000	.000	.006	.000
	N	80	80	80	80	80	80	80	80	80	80	80
self develop ment	Pearson Correlati on	-.051	-.013	-.181	.546**	.370**	.491**	.409**	1	.657**	.143	.459**
	Sig. (2-tailed)	.651	.911	.108	.000	.001	.000	.000		.000	.204	.000
	N	80	80	80	80	80	80	80	80	80	80	80
leadershi p factors score	Pearson Correlati on	-.051	.038	-.036	.705**	.618**	.639**	.753**	.657**	1	.083	.637**
	Sig. (2-tailed)	.656	.740	.748	.000	.000	.000	.000	.000		.465	.000
	N	80	80	80	80	80	80	80	80	80	80	80
perform ance evalutio n score	Pearson Correlati on	.105	.005	.160	.232*	-.087	.052	.303**	.143	.083	1	.517**
	Sig. (2-tailed)	.353	.967	.156	.038	.444	.647	.006	.204	.465		.000
	N	80	80	80	80	80	80	80	80	80	80	80
result	Pearson Correlati on	-.107	-.016	-.100	.633**	.443**	.406**	.632**	.459**	.637**	.517**	1
	Sig. (2-tailed)	.344	.891	.376	.000	.000	.000	.000	.000	.000	.000	
	N	80	80	80	80	80	80	80	80	80	80	80

*. Correlation is significant at the 0.05 level (2-tailed).

** . Correlation is significant at the 0.01 level (2-tailed).

Table 9: Descriptive Statistics

	N	Range	Mini mum	Maxi mum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statist ics	Statist ics	Statist ics	Statist ics	Statis tics		Statist ics	Standard error	Statist ics	Standar d error
						Statistics	ics	error	ics	d error
Age	81	10	25	35	29.36	3.009	.279	.267	-1.003	.529
numbers of team member	81	20	10	30	18.80	5.418	.207	.267	-.904	.529
working years	81	14	1	15	6.52	3.186	.688	.267	-.157	.529
innovation & creation	81	4	1	5	3.36	.884	-.794	.267	.867	.529
customer oriented	81	4	1	5	3.72	.922	-.299	.267	-.229	.529
integrity	81	4	1	5	3.87	.781	-.742	.267	1.514	.529
performance oriented	81	4	1	5	3.59	.862	-.639	.267	.831	.529
self development	81	4	1	5	2.99	.942	.026	.267	.153	.529
leadership factors score	81	4	1	5	3.52	.758	-.528	.267	.789	.529
performance evaluation score	81	8	1	9	5.36	2.347	-.158	.267	-1.298	.529
result	81	8	1	9	6.57	2.042	-.602	.267	-.373	.529
Valid N (list wise)	81									

4.4.2. The results of fifty-two participants who fell into section 7), 8) and 9)

There are fifty-two (including forty-one males and ten females) fell into section 7), section 8) and section 9), which would be called fifty-two leaders in the following articles in order to differentiate from eighty participants. The average age of those fifty-two leaders is twenty-nine years old and average management range is nineteen employees. The average working experiences is 6 years.

Compare with data of eighty participants, we could find there are hardly differences between two group in basic information, shown in table 10 below. It could be asserted that leadership competency model in E-commerce industry does not include basic demographic information.

Table 10: Comparison of eighty participants and fifty-two leaders

	Eighty participants	Fifty-two leaders
Gender(male: female)	61:19	41:10
Average age	29 years old	29 years old
average management range	19 employees	19 employees
The average working experiences	6.48 years	6.21 years

source: author

Comparison was conducted to understand in which factors eighty participants and fifty-two leaders had significant differences. Shown as table 10 below, the average scores of Fifty-two leaders were higher than average scores of eighty participants in all factors. However, lowest score of participants in company L was Self-development factor and highest score was integrity factor.

Table 11: Comparison of difference factors between eighty participants and fifty-two leaders

	Eighty participants	Fifty-two leaders
Innovation & creation	3.35	3.72
Customer oriented	3.7	4
Performance oriented	3.58	3.9
Self development	2.97	3.25

Integrity	3.86	4.08
Performance result	5.33	6.1
Average rusult	6.54	7.86

source: author

Further analysis was conducted and results were illustrated below (table 11), under the Pearson's correlation and Two-Paired Samples T-Test method. Similar with eight participants, there is null correlation between leadership competency factors and basic demographic information.

The tests verified that leadership competency model in E-commerce industry, or at least in company L does not have correlation with basic demographic information.

Table 12: Pearson's Correlation Test

		Age	numbers of team member	working years	innovation & creation	customer oriented	integrity	performance oriented	self development	leadership factors score	performance evaluation score	result
Age	Pearson Correlation	1	.399**	.793**	-.197	.123	-.021	-.119	-.077	-.094	.123	-.097
	Sig. (2-tailed)		.003	.000	.162	.383	.881	.402	.588	.510	.387	.493
	N	52	52	52	52	52	52	52	52	52	52	52
numbers of team member	Pearson Correlation	.399**	1	.315*	-.001	.059	.137	.098	.189	.057	.007	.046
	Sig. (2-tailed)	.003		.023	.994	.678	.333	.488	.181	.690	.958	.744
	N	52	52	52	52	52	52	52	52	52	52	52
working	Pearson Correlation	.793**	.315*	1	-.175	.017	-.036	-.078	-.211	-.169	.226	-.032

ing years	Sig. (2-tailed) N	.000 52	.023 52		.214 52	.905 52	.802 52	.583 52	.134 52	.231 52	.107 52	.824 52
innova tion & creatio n	Pearson Correlati on Sig. (2-tailed) N	-.197 .162 52	-.001 .994 52	-.175 .214 52	1 .257 52	.329* .066 52	.328* .017 52	.375** .018 52	.532** .006 52	-.132 .000 52	.351 .073 52	.250 .073 52
custo mer oriente d	Pearson Correlati on Sig. (2-tailed) N	.123 .383 52	.059 .678 52	.017 .905 52	.257 .066 52	1 .324* 52	.324* .019 52	.000 1.000 52	.304* .029 52	.456** .001 52	-.619** .000 52	-.028 .846 52
integri ty	Pearson Correlati on Sig. (2-tailed) N	-.021 .881 52	.137 .333 52	-.036 .802 52	.329* .017 52	.324* .019 52	1 .432** 52	.432** .001 52	.387** .005 52	.668** .000 52	-.189 .179 52	.314* .024 52
perfor mance oriente d	Pearson Correlati on Sig. (2-tailed) N	-.119 .402 52	.098 .488 52	-.078 .583 52	.328* .018 52	.000 1.000 52	.432** .001 52	1 .155 52	.200 .000 52	.490** .000 52	.068 .634 52	.486** .000 52
self develo pment	Pearson Correlati on Sig. (2-tailed) N	-.077 .588 52	.189 .181 52	-.211 .134 52	.375** .006 52	.304* .029 52	.387** .005 52	.200 .155 52	1 .000 52	.634** .000 52	-.064 .650 52	.223 .112 52
leader ship factors score	Pearson Correlati on Sig. (2-tailed) N	-.094 .510 52	.057 .690 52	-.169 .231 52	.532** .000 52	.456** .001 52	.668** .000 52	.490** .000 52	.634** .000 52	1 .000 52	-.384** .005 52	.340* .014 52
perfor mance evalua tion score	Pearson Correlati on Sig. (2-tailed) N	.123 .387 52	.007 .958 52	.226 .107 52	-.132 .351 52	-.619** .000 52	-.189 .179 52	.068 .634 52	-.064 .650 52	-.384** .005 52	1 .000 52	.191 .175 52

result	Pearson Correlation	-.097	.046	-.032	.250	-.028	.314*	.486**	.223	.340*	.191	1
	Sig. (2-tailed)	.493	.744	.824	.073	.846	.024	.000	.112	.014	.175	
	N	52	52	52	52	52	52	52	52	52	52	52

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Table 13: Descriptive Statistics

	N	Range	Minimum	Maximum	Mean		Std. Deviation	Skewness		Kurtosis	
					Statistic	Standard error		Statistic	Standard error	Statistic	Standard error
					ics	ics		ics	ics	ics	ics
Age	52	10	25	35	29.10	.431	3.108	.419	.330	-.935	.650
numbers of team member	52	20	10	30	19.06	.721	5.196	.079	.330	-.816	.650
working years	52	14	1	15	6.22	.416	2.999	.804	.330	.364	.650
innovation & creation	52	2	3	5	3.73	.083	.597	.193	.330	-.452	.650
customer oriented	52	3	2	5	4.00	.106	.767	-.271	.330	-.508	.650
integrity	52	3	2	5	4.08	.098	.710	-.460	.330	.257	.650
performance oriented	52	2	3	5	3.90	.092	.664	.116	.330	-.654	.650
self development	52	4	1	5	3.25	.128	.926	.071	.330	-.210	.650
leadership factors score	52	2	3	5	3.86	.078	.561	-.030	.330	.166	.650
performance evaluation score	52	7	2	9	6.10	.332	2.395	-.690	.330	-1.10	.650
result	52	2	7	9	7.86	.129	.929	.286	.330	-1.81	.650

	N	Range	Minimum	Maximum	Mean		Std. Deviation	Skewness		Kurtosis	
	Statistics	Statistics	Statistics	Statistics	Statistics	Standard error	Statistics	Statistics	Standard error	Statistics	Standard error
	ics	ics	ics	ics	ics	ics	ics	ics	ics	ics	ics
Age	52	10	25	35	29.10	.431	3.108	.419	.330	-.935	.650
numbers of team member	52	20	10	30	19.06	.721	5.196	.079	.330	-.816	.650
working years	52	14	1	15	6.22	.416	2.999	.804	.330	.364	.650
innovation & creation	52	2	3	5	3.73	.083	.597	.193	.330	-.452	.650
customer oriented	52	3	2	5	4.00	.106	.767	-.271	.330	-.508	.650
integrity	52	3	2	5	4.08	.098	.710	-.460	.330	.257	.650
performance oriented	52	2	3	5	3.90	.092	.664	.116	.330	-.654	.650
self development	52	4	1	5	3.25	.128	.926	.071	.330	-.210	.650
leadership factors score	52	2	3	5	3.86	.078	.561	-.030	.330	.166	.650
performance evaluation score	52	7	2	9	6.10	.332	2.395	-.690	.330	-1.10	.650
result	52	2	7	9	7.86	.129	.929	.286	.330	-1.81	.650
Valid N (list wise)	52										

CHAPTER 5. THE CONCLUSIONS AND BUSINESS

PRACTICE

Chapter five aims to analyze the findings of the survey. On the basis of discussion, author tries to provide practical leadership competency model and an executed proposal of leadership development in E-commerce industry. The author also discusses the limitations of paper in this chapter.

5.1. THE DISCUSSION OF FINDINGS

Based on the results of survey, 51 participants out of 80 participants were in section 7), section 8) and section 9). This outcome confirmed that assumed leadership competency model could be effective in company L.

Both two analyzed data noted in chapter four revealed that there is weak correlation between basic demographic information and leadership competency factors. Unlike traditional industries, E-commerce industry is growing faster and new business models are continuous appeared. Constantly changing business environments require leaders with high adaptability. According to the <China 2012: business leaders' top talent challenges > from Mercer China, the average age of leaders in China is 10 years younger than Western countries. Therefore, basic demographic factors, (for example, an employee with long working experience) are not sufficient and essential conditions of being a qualified leader in China E-commerce industry.

The highest score in the survey is "integrity" factor, which is considered as one of most important factors in CPM model. Chinese leaders are usually regarded as moral

models in the organization, and excellent Chinese leaders should show their integrity, honesty, intelligence, trustworthiness, humaneness, courage, and discipline to team members. In Chinese company, "integrity" is key criteria for choosing leaders, and normally each company's culture refines the definition of integrity respectively. Moreover, managements concern about how their leaders or potential leaders demonstrate company culture. President and CEO of LENOVO, Yang Yuanqing said:"company (Lenovo) has created an open organizational architecture in which senior executives value employees, model positive behaviors and set good examples by being open, honest, decisive and ethical in all of our dealing"(Heidrick and Struggles,2004). In company L, company encourages their leaders to be pioneers of shouldering social responsibility. For example, in the campaign of donating books to children living in poor areas of northwestern China, sponsored by company L, leaders are encouraged to be volunteer teacher for one month with salary pay. However, we have to notice that it is very difficult to judge one's integrity level totally objectively, because culture and integrity is metaphysical.

Another finding of survey is lack of "self development ability". Both eighty participants and fifty-one leaders got their lowest point in this factor. The average score of self development is 2.97 and 3.25 respectively, implying that current self-development and training programs do not make positive impact on leaders in company L. Especially in the group of fifty-one leaders, they are very high motivated (high performance) but low awareness of career plan (self development). One of explanations is that average age of those leaders in company L is only 29 years old. Leaders are busy creating first peak in their career path and seldom spend time to think about career development. Another reason is in lack of targeted training programs, which should be provided by company L.

Rapid changes of the industry force those leaders to focus on pursuing outstanding performance. Meanwhile, rapid changes require leaders have strong adaptability, meaning both leaders and company should strength their career development plan towards company's business vision and strategy.

5.2. THE SUGGESTIONS ON BUSINESS PRACTICE

Based on discussion of survey, some suggestions on business practice could be implemented to improve leadership competency model in Chinese E-commerce industry.

From the analysis of survey, leaders are short of self development awareness and ability. Training system should be provided by human resource department to help leaders to develop their competency. The training system includes training course, trainer management system and training result assessment. The training courses contain career development guidance, OJT program, learning from industry forum and industry insiders' communication. Leaders or potential leaders also could easily understand their deficiencies of leadership competency, according to the feedback of competency model. They could choose appropriate course, in line with their actual situation.

Further step is leader pipeline and succession plan. Those leaders or potential leaders could be given chance to learn management knowledge, skills and experience professional career in E-commerce field, under the job rotation mechanism, OJT program or other training program. Company could assign managements or other professionals who have sufficient management experience or working experience in E-commerce industry as those leaders' tutors, in order to guide their career development personally. Simultaneously, tutors also could improve themselves by the teaching and learning

mechanism. Daniel Mao, board member of SINA Corporation advocated this point: "as far as my own ongoing development, I consider myself a people person, and I have improved my people skills through monitoring from venture capitalists, managements consultants, and business lawyers... above all, I continue to learn and improve as a leader by listening carefully to my staff and customers" (Heidrick and Struggles, 2004).

Conduct continuous survey and optimize the competency model. The company could carry out the yearly survey and summarize the different points of those leaders. Taking advantage of results of survey, company could examine the reliability and validity of training system and optimize the competency model.

5.3. THE CONCLUSION

The study served as a research on leadership competency model of China E-commerce industry. In spite of the complicated culture background and various definitions of integrity make it more difficult to distinguish different leadership styles in Chinese company, the thesis tried to figure out the key factors of leadership competency and delivered an effective competency model for Chinese E-commerce companies.

Author did the research by making a case study and then reviewed both western and Chinese perspectives of leadership theories and leadership competency theories, in particular, the different understanding of leadership between east and west. Additionally, a competency model-CPM model was introduced as a notion of Chinese style leadership competency model which may be fit for Chinese cultural background. Based on the literature review, a leadership competency model was developed and verified in the company L. The result of survey revealed that the model is applicable in company L.

The thesis has some theoretical and practical implications. Theoretically, the study of leadership competency model of Chinese E-commerce industry might broaden the research on the leadership competency theory and provide a Chinese perspective to understand the conception of Chinese style leadership and leadership competency. Those will have implications at the practical level. HR professionals will be able to articulate views of leadership by using this model, in turn; line managers could be aware of leadership and ultimately may change their behavior and business practice.

However, the research and survey are based on the case study of company L. Although the theoretical basis of leadership competency model is CPM model, the author interviewed management only from company L and concluded the specific behavior descriptions of each factor. Despite the fact that effectiveness of model was verified in company L, does the model could be effective in other E-commerce industry? Because every company has its own unique culture, the “integrity factor” of model might not reflect whole industry accurately. The further study would be conducted to research: 1) whether existed integrity factors of models could be effective in other E-commerce companies; 2) if not effective, more interviews with other companies’ management would be conducted, aiming to find whether there are integrity factors could be applied in whole industry.

The samples of survey are all from company L and their working experience in company L is maximum 2 years (company L only have 2 years history though). Their so far tracked performance is so short. In future study, author will continue to track their performance and add their new performance outcomes as experimental data. Meanwhile, author also will increase more potential leader candidates into survey. With the continuous update of survey, the model will be optimized, in order to fit for business reality of

company L.

5.4. THE ACKNOWLEDGEMENT

First of all, I would like to extend my sincere gratitude to my tutor-Prof. Masakazu Sugiura, who has provided me with valuable guidance in every stage of the writing. Without his enlightening instruction, impressive kindness and patience, I could not complete my thesis.

I am also greatly indebted to Prof. Reiji Ohtaki and Prof. Hiroyoshi Umezu for their instructive advice and suggestions on my thesis.

My colleagues from company L supported me in my research. I want to thank them for all their help.

Special thanks should go to my zemi members, in particularly Simon and Angel who put considerable time and effort into their cross over check and comments on my draft.

Especially, I would like to give my thanks to my family for their continuous supports during my two years life in Waseda University.

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