



VAASAN AMMATTIKORKEAKOULU  
VASA YRKESHÖGSKOLA  
UNIVERSITY OF APPLIED SCIENCES

Yiqiong Zhang

# COMPARISON OF LEADERSHIP STYLES IN CHINESE COMPANIES

Case Study: Wuhuan Engineering Co, Ltd.

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## TIIVISTELMÄ

Tekijä	Zhang Yiqiong
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Johtaminen on noussut yhdeksi yritysten menestystekijöistä nykyaajan liiketoimintaympäristössä jossa talous ja teknologia kehittyvät nopeaan tahtiin ja kansainvälistymisestä ja globalisaatiosta on tullut johtavia suuntauksia. Maailman toiseksi suurimmalla kansantaloudella Kiinalla on johtamiskulttuurin kehittämisessä vielä pitkä tie kuljettavanaan. Muodonmuutos on tarpeen, jotta voidaan mukautua nopeasti muuttuvaan liikemaailmaan.

Tutkimuksen pääavoitteena oli selvittää mitä johtamistyylejä kiinalaisessa esimerkkiyrityksessä sovelletaan sekä antaa johtamista koskevia kehittämissuhteita. Tutkimuksen viitekehys pohjautuu pääosin johtamisen neljään diskurssiin sekä muihin siihen liittyviin teorioihin, kuten Ohio State Universityn tutkimuksiin huomioon ottamisesta ja aloitteellisuuden rakenteesta. Viitekehysessä on huomioitu myös nykyinen johtaminen. Tutkimuksen empiirinen osuus on toteutettu laadullisella menetelmällä Tutkimusta varten haastateltiin seitsemää johtajaa esimerkkiyrityksen eri osastoilta.

Tutkimuksen tuloksista ilmenee, että esimerkkiyrityksen johtamisessa sovelletaan etenkin kontrolloivaa sekä terapeuttista johtamiskeskustelua. Keskeiset ovat myös sekä toisten huomioon ottaminen että aloitteellisuuden rakenne. Yrityksen johtamisessa tulisi kuitenkin ottaa huomioon myös nykyisyys. Lisäksi johtamistaitoa voitaisiin arvioida testeillä. Liiketoimintaa harjoittaessaan johtajien tulisi ottaa huomioon niin ympäristölliset kuin taloudelliset tekijät.

## ABSTRACT

Author	Zhang Yiqiong
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With the rapid development of economy and technology, internationalization and globalization are the main trends for businesses nowadays. Moreover, the role of leadership becomes more important to corporations and it is also one factor of a company's success. As the second largest economy, China still has long way to develop in this area, and transformation is needed to adapt to this fast changing world in business leaders' views.

The main research problem of the study is to find out the leadership styles implemented in a Chinese case company and then give suggestions for its development. The four discourses of leadership is chosen to be the main background for the thesis; other related theories such as leading with humility and the studies of Ohio State University about consideration and initiating structure are also included. Furthermore, the empirical part is conducted by qualitative methods; seven leaders in different departments were interviewed.

Outcome of the study indicates that the main leadership styles utilized in the case company are the Controller Leadership and the Therapist Leadership, both the consideration and initiating structure can be found in practice. Moreover, humility is also the factor that leaders should take into account, additionally, evaluation tests can be implemented among leaders, and both natural environment and economy have to be considered when operating business.

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## 1 INTRODUCTION TO THE TOPIC

As the main trend nowadays, globalization has huge impacts in the world. The world's economy has been integrated and interacted by cross border transactions, foreign investments and large movements of goods, services and raw materials from one country to another. Moreover, opportunities as well as the challenges grow due to the globalization. In order to face new conditions and challenges in competitive economical environment, the Chinese business leaders aware that transformation is needed (Conte & Novello 2008, 1002-1016).

After the reform and opening-up policy, Chinese open-economy develops rapidly (Zhang, Jia & Liu 2008, 269-274). Although rapid economic ascendance accelerates the speed of development and China becomes the second largest economy (The World Bank, 2014), gaps still exist. Leadership styles in business environment have changed a lot due to these significant developments, while compared to business leaders in developed countries, Chinese leaders still have a long way to go. As the role of business leaders is crucial to companies, good leaders and appropriate leadership styles lead firms to correct direction and success, so, development of leaders is urgent. In today's knowledge economy, adaptable, developed and creative leadership styles are needed (See Zhang, Jia & Liu 2008, 269-274).

There are many leadership styles utilized in practice nowadays and various studies and theories have been used. Combining both social competencies and emotional intelligence, and in addition, by using ethics properly, an outstanding leadership will be generated (McKee 2013). Leadership styles are not general, although the same leadership style can be used in many situations, differences still exist in practice. To figure out leadership styles in the Chinese case company, actual things should be taken into consideration.

Because of the Chinese culture and complicated business environment, leadership styles vary from different companies based on their own real situations and also the departments' properties. As leadership style is quite vital, it can not only



enhance the cohesion in a group, but also be one part of success, knowing leadership styles in Chinese enterprises can help improve the leaders and also the business operations.

### **1.1 Objective of the Study**

The aim of the study is to find out what leadership styles are used in the Chinese case company, and what improvements can be made. In detail, leadership styles implementation is conducted in a Chinese company, Wuhuan Engineering CO, Ltd., by interviewing different leaders in various departments. Through the interview, it is clear to see the different leadership styles implemented in various departments. Based on diverse properties of the job, leadership styles change according to real situations.

The four discourses of leadership (2013) is used as the main theory to analyze leaders of Wuhuan Engineering CO, Ltd.. The Controller Leadership, the Therapist Leadership, the Messiah Leadership and the Eco-Leadership have their own characters. Furthermore, in order to take theories into practice to make big progress, improvements and suggestions are made based on actual circumstances.

On the basis of the thesis, the main research problem is to find out leadership styles implemented in the Chinese case company and ways of improvement and suggestions. Additionally, during the analyzing process of the study, other related problems are going to be solved, for instance, definition of the leadership and also different leadership styles besides the four discourses of leadership which is the main theory this thesis uses.

In order to have better results and ensure the quality, reliability and validity of the research, the qualitative method is chosen to be the research method of this thesis to collect data. Deeper information will give in-depth results which help to have better understanding of the topic. Different leaders in various departments of Wuhuan Engineering CO, Ltd. are the sample of the study. In addition, objective and appropriate interview questions will lead to clear results.

## **1.2 Outline of the Study**

This thesis is divided into five parts, first is the introduction which mainly gives readers a brief framework about the topic, containing the background information, research problems and research method. Moreover, the reasons for choosing this topic and also the importance of the study are obvious. Second to third parts are the theories which explain the basic concepts about leadership and management, additionally, different theories about leadership styles. Furthermore, it gives detailed explanations about the main theory that is used in the thesis. Chapter four presents not only the research method and questions, but also basic information of the case company, additionally, the actual study is conducted as well as the results of the research. Finally, outcome and limitations of the study are going to be presented, as well as the future suggestions and improvements.

## **1.3 Limitations of the Study**

Limitations and restrictions of the study have to be clearly demonstrated in order to ensure the validity of this research.

China is a big country with thousands of enterprises in different areas; every company has its own real situation and environment, and leadership styles can vary from industry to industry. Since the conclusions of this thesis are based on the research of a specific case company in China, limitations are inevitable. The outcomes and the suggestions of the research cannot be suitable for all Chinese companies. Moreover, only by using qualitative method may be not enough to gain holistic information, also language difference is another part of limitations. More accurate and detailed analyzes will be presented in the last chapter.

## **2 DEFINITION OF LEADERSHIP AND MANAGEMENT**

In this theoretical part, basic concepts and different leadership styles will be presented, for instance, the meaning of leader, manager, leadership and management will be defined first, and then there will be a brief introduction to leadership styles. Although other related theories will be mentioned in the text, the main theory this study uses is the four discourses of leadership (2013), and detailed contents are going to be presented.

The literature, theories and digital information which are related to the topic, also helpful to the research will be used widely and effectively. In addition, references will also be showed clearly in the final part of the study.

In the beginning of the theory, essential concepts are presented to give deeper and better understanding.

In order to understand the leadership styles and related theories clearer, leadership and management are important to identify as well as the leader and manager since they are the premises of deeper comprehension. Adaptable and detailed explanations are made in this literature review by indicating different views of various people. These concepts have been discussed in numerous studies and considerable opinions were come out through the combination and the comparison.

### **2.1 Definition of a Leader**

As McKee (2013, 7) states, a leader can be defined as a person who has the abilities to affect and encourage people to follow him or her. Moreover, leaders are encouraged to concentrate on vision of companies, inspiration and the large environment; furthermore, they also picture tasks, people and organization as a whole unit rather than isolated issues (McKee 2013). What is more, emotional aspects are more focused: groups' conflicts will be resolved by leaders, and emotional support will be provided when employees have problems, moreover, the leader can be the bridge which links group members together to ensure the

cohesiveness, and because of this strong positive spirit, the same goals will be set (Hughes, Ginnett & Curohy 1996).

According to previous studies, leaders have quite crucial roles in companies, additionally; they have a large impact on influencing employees' emotions which is one part of business success. Corbell (2013) points out that leaders contribute to enterprises a lot, mainly concerning innovation, but also to problem solving in teams, group members and emotional aspects, as well as having a holistic view of company's development (See Corbell 2013). Besides, leaders put more attention on creating values rather than counting them (Nayar 2013), also by asking questions, pointing out mistakes, giving rewards and emphasizing the advantages aspects of employees (Pozin 2013), leaders will help to build harmonious and positive atmosphere among the whole group.

## **2.2 Meaning of a Manager**

McKee (2013) also provides detailed and clear explanation of the manager: managers are individuals who make plans of the operations, organize people, business production and services, and control them, moreover, resources are regulated and distributed by them (McKee 2013). Furthermore, a more brief and understandable interpretation is stated by Huges, Ginnett and Curphy, in their opinion, managers plan, investigate, coordinate, organize and control functions in organizations (Hughes et al. 1996).

In detail, rationality and control are two main parts managers focus on, they are usually objective when solving the problems and setting goals. Basically, work is a process which involves both people and ideas to make decisions and strategies in managers' views (Zaleznik 1977, 74-81).

## **2.3 Defining Leadership and Management**

According to the previous literature and research, Western (2013) holds the view that leadership can be stated as a "psychosocial influencing dynamic" which is not the character of individuals nor abilities a person has, however, as a rational

phenomena, leadership is dynamic related to people and social field. Moreover, leadership moves, occurs within and between people, also it gives effects in every aspect. People can have superior understanding of leadership in the social fields, for instance, culture, politics and history (Western 2013).

Furthermore, Smircich and Morgan (1982, 257-273) describe leadership constructs socially within considerable interaction. What is more, leadership is also defined as a process which can have significant influence on structured groups by achieving the goals (Hughes et al. 1996).

When it comes to management, Rost (1998) indicates that in companies, management leads people to become compliant to routine orders. Almost every task is planned and employees follow the structures to finish work. Moreover, he also mentions that “management exists in the relationships between positions in an organization” (Rost 1998, 97-113). In addition, management is a process which contains making plans, setting the budget, staff training, evaluation of jobs, performance and solving problems (Ratcliffe 2013).

#### **2.4 Differences between Leadership and Management**

Compared to management, leadership can be considered as both science and art, rationality and emotionality are the two main features. Considerable research and studies which are related to leadership provide a sufficient image of the topic. As an immature science, theories of leadership should still be developed and improved. In addition, the theories could also be helpful for researchers to identify the behaviors and effects of characteristic leaders. Moreover, leadership contains actions and effects according to reality, logic, inspiration and passion. On the contrary, management is mainly rational: it pays more attention to head rather than heart. When it comes to management, it is usually connected with controlling, regulating, planning and organizing (Hughes et al. 1996).

Although differences exist between leadership and management, they still have close relationships and interaction. The objectives of management activities

cannot be achieved without leadership behavior. In contrast, improvements of leadership behavior also need the assistance of management practice. For both leaders and managers, certain capacities are required. Leaders are in charge of the overall situations, in addition, cooperation and external communication are also important. What is more, internal communication and management are the two core parts which managers focus on (Zhao & Xu 2012).

Leaders and managers play crucial roles in business as well as the leadership and management. In order to operate successful business, it is essential for organizations to take both leaders and managers into account, also positive effects could be made among the interactive relationships between leadership and management (See McKee 2013).

### **3 LEADERSHIP STYLES**

As leadership becomes more important, a considerable amount of theories has been emerged. In order to acquire a deeper comprehension of this topic, two leadership styles will be briefly introduced in the following part, which are leadership with humility and Ohio States studies.

#### **3.1 Leading with Humility**

As a virtue from ancient times, humility has been viewed as a positive and nice aspect of peoples' characters. According to various reviews of theological and philosophical theories, humility can be defined as a human virtue, and it is a stable trait. Moreover, it is a personal orientation which is based on a willingness of recognizing self accurately and self-awareness (Morris, C deste & Urbanski 2005, 1323-1350). On the basis of Nielsen, Marrone and Ferraro (2013), there are three core components of humility, all of them can help to have better understanding of the concept. Furthermore, as these three aspects are closely connected with humble leadership, figuring out the relationships between them is also helpful to understand this leadership style.

First of all, understanding yourself is quite an important part of humility. Discovering both weaknesses and strengths objectively can help to develop the self- awareness which is significant to be a humble leader. Leaders with humility have a deep comprehension of themselves by actively identifying advantages and disadvantages. The image of a humble leader in followers' and others' views is authentic and trustful, moreover, these characteristics can help to build harmonious and positive atmosphere among groups (See Nielsen et al. 2013).

Secondly, as a foundation of humility, relating to others helps leaders to build closer relationships with followers and colleagues. Relationship building is based on three different levels of relating: at the cognitive level, people figure out their own roles in a relationship by looking at the relational and collective identities. In the affective level, two types of emotions are recognized, namely empathy and

sympathy. Finally, in the behavioral level, by communicating, learning to be tolerant and acting with others, relationships are built. Humble leaders utilize the knowledge of relating to others, and learn to see from others' views, moreover, identifying their own positions in relationships, also having communication with others (See Nielsen et al. 2013).

Last but not the least, gaining a wide perspective is crucial to become a humble leader. Different perspectives expand horizons and a perspective taking leader can have wider views of problems and solutions. A considerable amount of views come out in every second, however, few of them can be taken by people. In order to be a humble leader, taking perspectives is essential (See Nielsen et al. 2013).

Humility in leadership has potential effects on both leaders and organizations. First, it may influence the leaders' manners: leaders behave more humble rather than self-enhancing. Second, because of the possession of humility, leaders could shun attention such as public adulation. Therefore, humility may make contributions to the organizational performance in a positive way (Morris et al. 2005, 1323-1350).

Overall, as a leadership style, leadership with humility requires leaders to be humble. By enriching the knowledge of shortage parts, keeping cautious and being aware of the tense competition are important to a humble leader, moreover, having the spirits of servicing, challenging, being curious can also help to build humble leadership, and learning to listen can expand views (Dame& Gedmin 2013). What is more, Nielsen et al. (2013) point out to cultivate leadership with humility, recognizing shortages and advantages, having larger visions and being self-sacrificing are considerable for leaders, and it is important to let followers see and feel the humility.

### **3.2 Consideration and Initiating Structure**

Research from Ohio State University indicates that there are mainly two aspects of leadership behaviors, the first one is consideration and the other is initiating



structure. When it comes to consideration, it refers to the behavior which is more people-oriented, for instance, respecting employees, widely listening to the perspectives of employees and taking more care about them (Mckee 2013). As Lowin, Hrapchak and Kavanagh (1969) also claim, consideration contains behaviors with trust, warmth and respect, additionally; the relationships between leaders and followers are quite harmonious (Lowin et al 1969, 238-253). Moreover, if leaders emphasize consideration, trustful and harmonious, positive atmosphere will be created in groups, people prefer communicating openly and working as a team. Under this circumstance, employees' needs are sufficiently satisfied as well as the participation (See McKee 2013).

In consideration structure, a work climate with psychological support, mutual trust and friendliness will be developed by the superiors. In addition, this working environment enhances both employees' emotional needs and the social involvements, individuals can have better interaction with other members of organizations. Moreover, the considerate leadership style pays more attention to social interaction, communication and outcome information (Dale & Fox 2008, 109-130).

On the other hand, initiating structure contains behavior which is connected with tasks and goals, for example, clear directions of the work are given, performance of employees are evaluated and monitored, everything is well planned and structured (See Mckee 2013). Leaders who prefer this dimension try to define both activities and relation in the group; roles and work are divided systematically (Lowin et al 1969, 238-253). What is more, efficiency and effectiveness are two parts leaders emphasize in this situation. In addition, leaders give support to employees in tasks by giving directions and information to let the staff achieve goals easier and successfully (See Mckee 2013).

Different roles will be defined by supervisor according to the achievements of the group's goals in initiating structure. Additionally, task assignment, making plans and schedules of work, importance of the meeting deadlines also the strict

standards of performance can be included in this structure (Dale & Fox 2008, 109-130).

### **3.3 The Four Discourses of Leadership**

In the next part, the core theory of this study is presented in detail. This theory is mainly about the four discourses of leadership which has been developed by Western (2013) based on earliest studies on leadership. All these four types of leadership styles are formed in accordance with different periods of time. According to Western (2013), each period has its own social environment and situation, leadership will change in order to be adaptable to the real conditions. Although there are various leadership styles, Western (2013) categorized them into four parts: the Controller Leadership Discourse, the Therapist Leadership Discourse, the Messiah Leadership Discourse and the Eco-Leadership Discourse.

Leadership discourses have a close relationship with the individual leaders: discourse can affect thinking and being of leaders, also indicate ways of systematical thinking and standardized action determined by language or communication. The fact that cannot be denied is that every individual leader has own characters based on different particular leadership style, In other words, different leadership discourses have their own symbolic characters (See Western 2013).

In detail, leadership discourses have considerable effects on leaders in many aspects. For instance, leaders with diverse leadership discourses will act differently when treating employees under the same circumstance. Leadership discourse has its own rules which define the specific characters of leaders.

As the key parts of the theory, four different discourses of leadership will be given detailed explanations. Although some leadership styles are emerged quite earlier, the discourses of leadership are still utilized by organizations and they play significant roles in today's world. In order to have a comprehensive understanding

of these leadership styles, it is not enough to understand the theoretical definitions, therefore, combinations of theories and practice have overwhelming significance.

### **3.4 The Controller Leadership Discourse**

In this part, the development of controller leadership as a concept is going to be introduced, in order to identify the main characters of the newest controller leadership styles. Although it has a long history, the overwhelming influence this leadership discourse has cannot be ignored, because nowadays, many companies use this leadership style to become successful.

#### **3.4.1 Phases of Development**

With the rapid development of new technologies and increasing demand of production, new ways of leadership and management have come out at early 20<sup>th</sup> century. In order to be more efficient to better satisfy a growing demand, Taylorism and Fordism appeared in the automobile industry. Large demands stimulate the needs of effectiveness, so the leadership which focuses on efficiency and productivity was emerged (See Malsch & Dohse 1993, 2).

On the one hand, Western (2013) indicates that in Taylorism, Taylor's leadership had comprehensive arguments: by using scientific methods, workplace was going to be rationalized. Furthermore, efficiency and productivity were ensured to be improved. Moreover, as a key part of Taylorism, rationalization leads to strict planning and regulations to work, which required excellent labour skills (Malsch & Dohse 1993). In addition, Taylor believed only rationalization could let workers use their own knowledge to produce more (Western 2013).

On the other hand, compared to Taylorism, Fordism put more focus on increasing production which increased conflicts between managers and workers later (Malsch & Dohse 1993). Overall, with the development of industrialization, the Controller Leadership discourse was formed first at manufacturing sector and at this stage, tight control of production and workers on assembly lines was

stimulated; also efficiency, standardization and rationalization became the symbols of the Controller Leadership (See Western 2013).

In the next period around 1950s-1960s, offices and white-collar workers increased rapidly and the Controller Leadership was implemented not only in factories, but also in office. As economy developed and the society transformed, people as well as the society became utilitarian, and bureaucracy was considered as the new efficient method to do business and manage organizations (See Western 2013). Many social problems existed because of the bureaucratic managing and tight controls, for instance, inflation (Bennis 1969).

### **3.4.2 Leading and Controlling by Numbers**

With the rapid development of technology and economy, the world is becoming digital and almost all the information can be transferred into numbers with scientific rationality, including services, goals and standards. Different than before, leaders use numbers to lead and control workers, using data is now the new trend of organizational control. Therefore, numbers play crucial roles in today's world (See Western 2013). As Kerfoot (2005, 141-143) points out, leaders can use numbers to control people, also people can understand the larger image of organizations' success through using numbers. Moreover, people in organizations use numbers to succeed, as well as the corporations. As this is a win-win method, it is commonly accepted. So, in the 21<sup>st</sup> century, leading by numbers becomes the core part of the Controller Leadership.

Because of the relatively high demand of efficiency and productivity, tasks and goals are crucial to the Controller Leadership. Using numbers to explain the objectives of organizations can give clear images to employees, and workers could easily understand the goals. As a task-oriented leadership style, the objectives will be accomplished by organizing task-related activities (Alas, Källiki & Tuulik 2007, 50-60).

In conclusion, no matter the Taylorism, bureaucratic leadership or leading by numbers, the Controller Leadership discourse can not only ensure productivity, efficiency, strict rules, but also improve quality and safety. However, it can also decrease the humanism of organizations (See Western 2013).

### **3.4.3 The Character of the Controller Leader**

Based on the related information about the Controller Leadership, it is obvious to see two key goals of this leadership style, which are efficiency and productivity. Owing to these goals, empirical and crucial targets can be achieved in time. Moreover, this leadership ensures the standards and quality of products which helps reduce waste. So, it is often utilized in manufacturing or production line where efficiency is seen as vital part. In addition, departments which main task is accounting or finance also use this discourse, as well as the construction industry and task-concentrated project. In contrast, to businesses which focus on creativity, knowledge and people, this discourse is less useful (See Western 2013).

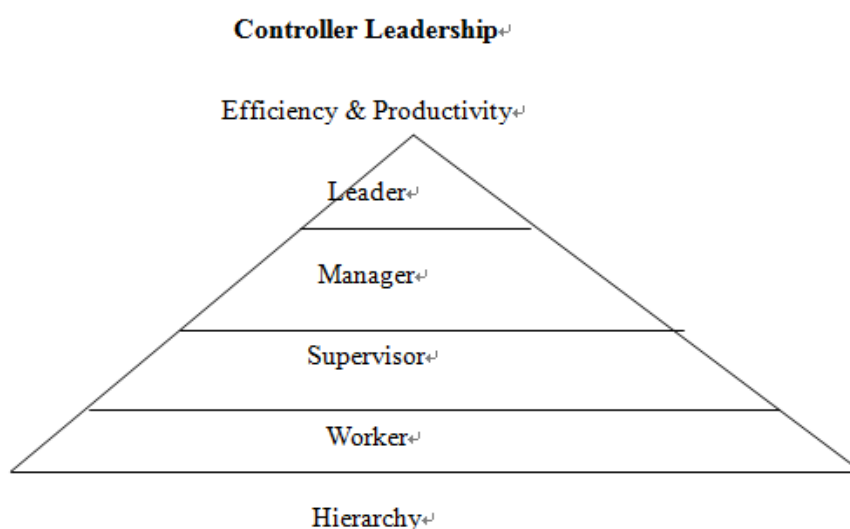
According to Kerfoot (2005), as profits to organizations is like oxygen to creatures, profits are necessary and important to enterprises no matter how big or small the companies are. Numbers are one of the essential parts to achieve success, so the Controller Leadership is necessary and it is needed in organizations (Kerfoot 2005, 141-143).

When it comes to controller leaders, because of the crucial roles of efficiency and productivity, clear tasks and roles, strict control, well-designed structures should be included in the organization system. Controller leaders do not focus on being innovative and creative; all the tasks they do are utilitarian and concentrated. Furthermore, they expect workers to follow the rules, also understand the correct position levels. People who conform and follow the standards can get promoted (See Western 2013).

Furthermore, leaders with this leadership style focus more on high standardization, strict rules and clear roles. In detail, controller leaders encourage employees to

follow the procedures and schedules, also high standards of performance are required. Additionally, leaders can clearly identify different roles and positions among employees (Alas et al. 2007, 50-60).

Figure 1 illustrates the organizational form of the Controller Leadership which can give more comprehensive understanding of this leadership discourse.



**Figure 1.** Organizational form of the Controller Leadership (Western 2013, 161).

It is clear to find out the two main goals of the Controller Leadership which are efficiency and productivity. The hierarchy of this leadership is obviously showed and different people have various positions. Moreover, to achieve the final goals, every role should recognize its own position and level in an organization. By following standards, rules, schedules and procedures, objectives can be achieved.

### **3.5 The Therapist Leadership Discourse**

Compared to the period when the Controller Leadership appeared, the Therapist Leadership was emerged after the war at around 1940s. It was deeply influenced by the democratization movements and individualism in Western society which indicated a ‘therapeutic culture’ (See Western 2013). Furthermore, this kind of culture also showed increasing concerns about emotions and expressions,

additionally, people were more relying on the formal relationships (Park, Curtice, Thomson, Phillips & Clery 2009, 155-172).

The culture of therapy affects the ways people think and also changes the social practices. With this culture spread widely and deeply, people become aware their inner emotions should be satisfied, moreover, self-actualization and good relationships as well as psychological aspects become considerable to them (Rimke & Brock 2011, 182-202).

Under this circumstance, the workplace has been seen as a very crucial place, because social activities and pressures can be showed. In order to encourage and motivate the employees, therapist leaders have to utilize their capabilities to solve problems by using emotional management, for instance, redesigning and enhancing jobs to make employees satisfied. Also, personal growth, self-fulfillment and team work are the parts leaders pay attention to (Western 2013).

### **3.5.1 21<sup>st</sup> century Therapist Leadership**

Although the Therapist Leadership was taken a dominant place by the Messiah Leadership in the 1980s, the effects it has cannot be ignored because this strong leadership discourse has been continuously developing. Nowadays, many leaders take advantages from the Therapist Leadership, and it is still progressing (See Western 2013).

In comparison with the Controller Leadership, the Therapist Leadership concentrates more on humanistic parts not only in focusing on psyche and emotions, but also motivating and encouraging employees. Whereas, the main purpose of this leadership discourse is to improve productivity, by having increased motivation, cohesion and personal growth to maximize production. Overall, therapist leaders care about employees and treat them like clients rather than machine. Within the Therapist Leadership, democracy, cooperation, cohesion and group work become considerable and leaders intend to create harmonious and

happier individuals and groups. In addition, the culture of the workplace changes as well as the society (See Western 2013).

As Wu (2002, 363-371) points out that it is essential for business leaders to have their own therapist, concentrating on identifying ethical aspects is a useful way of improving efficiency and productivity. However, everything should not be isolated. Therefore, when therapist leaders have to solve the problems, commercial environment, business responsibilities and employees' emotional situations are vital to be taken into consideration.

For the Therapist Leadership, employees are viewed as precious assets, as humanism takes large percentage of this leadership style, the Therapist Leadership can be also seen as people-oriented leadership. A leadership which pays attention to people can help employees improve the work-related attitudes and behaviors. Meanwhile, the workforce could also become self-accountable for the work (Geller 2008, 29-36). Based on Karp and Thomas (2008, 30-37), as important components of organizations, people play vital roles. Communication and relationship building in organizations affect both practical activities of people and organizations. Leaders are formed by groups, and the leadership has close relationships with people, so taking employees into account is vital.

Western (2013) holds the view that because the Therapist Leadership motivates and encourages individuals, team cohesion is developed, less problems between people happen. As trust is built by emotional leaders, personal growth can be accomplished, so this leadership discourse is useful in people and value-focused organization, for instance, human resource functions and training departments. On the contrary, when looking at the weaknesses of this discourse, lack of energy, big visions and strong cultures lead the Therapist Leadership hardly survive in rapid changing organizations.

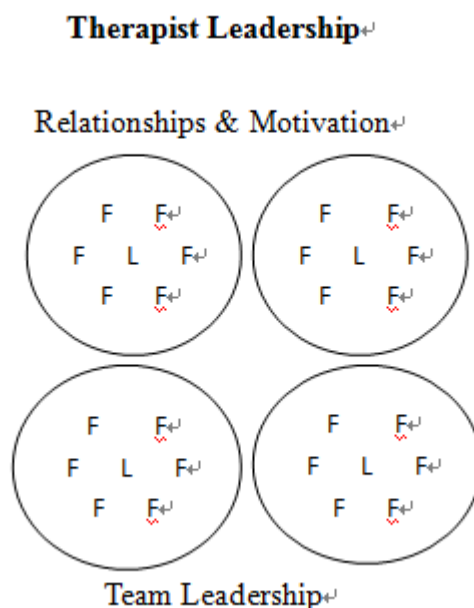


### **3.5.2 The Character of the Therapist Leader**

Because of the strong influence of therapy culture, a therapist leader takes employees into the important place; workers are seen as precious assets. Leaders believe that by motivating, encouraging, supporting, caring and listening, they can have positive effects on both business and good ethical of society. Moreover, they care about teams and individuals, additionally, personal growth and self-fulfillment of employees are crucial to them. Also, they are fond of developing themselves on leadership approaches and positive psychology. In order to recognize the emotional fluctuations of workers and teams, psychological feedback and 360 degree feedback are methods this leader utilizes. (See Western 2013).

Moreover, leaders with the Therapist Leadership are friendly and interpersonally oriented, they help and give support to employees, consider workers' welfare, also explain procedures to employees if they have problems (Alas et al. 2007, 50-60).

Not only individuals, but also teams, when they are leaded by therapist leaders, humanism is a proper word to describe the ethical stance of this discourse, as this organizational form of the Therapist Leadership demonstrates (see Figure 2).



**Figure 2.** Organizational form of the Therapist Leadership: organizations are shaped around team leaders and their followers (Western 2013, 187).

As the two main parts of the Therapist Leadership, relationships and motivation let employees shape around leaders. Therapist leaders encourage and motivate workers and the inner-emotions as well as the self-fulfillment of employees are satisfied. By using humanistic methods, harmonious working environment is created and fewer problems between people exist in organizations.

### 3.6 The Messiah Leadership Discourse

Western (2013) states that in order to respond the economical recession and needs of different ways running business in developing world, the Messiah Leadership discourse formed as a new hope in 1980s. To face the new conditions and challenges, different leadership styles are needed. In the unstable environment, companies need new inspired cultures which can lead organizations to overcome difficulties.

As an important role in the globalized and knowledgeable economy, the Messiah Leadership cannot be ignored. This leadership discourse is emerged and

summarized as a new leadership style by Western (2013) based on transformational leadership. So as the core part of the Messiah Leadership, the transformational leadership will be given detailed explanations.

### **3.6.1 Transformational Leadership**

In 1980s, the economic recession had influenced the world, in order to get rid of the negative situations, a revolution was needed in both private and public organizations. Changes were made by transformational leaders who had capabilities, desire and courage, also were familiar with the transformational leadership (Warrick 2011, 11-26).

When it comes to transformational leadership, it refers to a process that leaders bring: by giving motivation, vision and capacities, followers view collective purpose more crucial than their self-interests (Warrick 2011, 11-26). The transformational leadership can be also defined as a leadership type which leaders have charisma and intellectual stimulation, consideration of individuals and inspired motivation are provided to employees (Beugré, William & William 2006, 52-62).

Moreover, as Krishnan (2004) pointed out, transformational leadership occurs at a higher value level between leaders and followers. Also, transformational leaders make employees expand their horizons and change interests in order to be aware and accept the mission and purpose of groups. Additionally, significant influence, inspired motivation, appropriate stimulation and individualized consideration are seen as the four aspects of transformational leadership (Krishnan 2004, 58-72). Furthermore, Fitzgerald and Schutte (2010, 495-505) have claimed that there are six important features of transformational leadership: recognizing a vision, providing a proper method, agreements of team goals, communicating broad expectations, giving good support to followers and having high level of charisma. Generally, the culture that transformational leadership creates is more effective and it is important to organizations, what is more, the culture makes the followers to become more loyal. Additionally, the transformational leadership can make

followers exceed expected performance, also high levels of follower satisfaction and commitment to organizations can be led (Bass & Riggio 2006).

A clear vision and corporate culture of an organization are essential and irreplaceable (Western 2013). Under the positive influence of transformational leadership, cultural values of organizations are deeply set into followers' minds and a bond between individual and collective interests let employees accomplish work and objectives (Constant, Acar& Braun 2006, 52-62).

### **3.6.2 The Character of the Messiah Leader**

Since transformational leadership is the core part of the Messiah leadership discourse, transformational leaders and Messiah leaders have many similar characters (See Western 2013). The main focus of the transformational leader is the organization, moreover, their behaviors affect subordinates, and follower commitment is built based on organizational goals (Stone, Russell & Patterson 2004, 349-361).

According to Bass and Riggio (2006), transformational leaders help employees grow and develop. Leaders satisfy individual employees' needs by empowering them, also by aligning the goals of employees, leaders, groups and organizations.

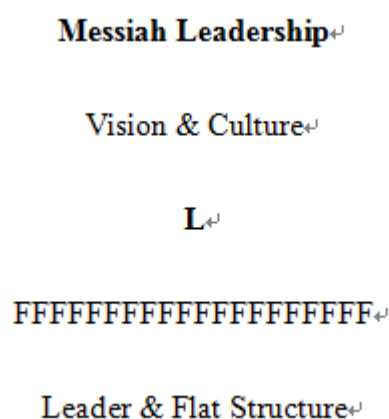
As the Messiah Leadership leads communities and it concentrates on strong cultures, employees have the sense of belonging, also they are loyal to the organization and put companies before themselves. Moreover, Messiah leaders have visionary aims and they motivate teams to become self-managed. Based on these, this discourse is suitable for knowledge-focused or international companies. In addition, not only the big companies, but also the start-ups can also get benefits from it. However, this leadership cannot be sustainable in long periods, so for industrial and manufacturing sector or for public sector, the Messiah Leadership may not be the best choice (Western 2013).

Basically, Messiah leaders are extroverted and fond of getting peoples' attentions. To cultivate the strong culture, Messiah leaders usually demand loyalty and

devotion from followers, so those who are seen as disloyal will be criticized without doubt. Because of these characters, Messiah leaders are a little bit arrogant which can be both a strength and weakness (See Western 2013).

Moreover, when applying the Messiah Leadership discourse to the real life, leaders have to give people a crucial role in their organizations, let employees feel they are focused and their needs can be well satisfied. Another thing that should be kept in mind is the motivation, in order to make employees commit and follow the companies' mission and vision. The third aspect is that Messiah leaders should encourage employees try to accept challenges and stimulate the innovation and creativity. Last but not the least, in order to lead better and creative teams, leaders have to act properly as a role model to employees (Sarros & Santora 2001, 383-393).

Based on the theory of the Messiah Leadership and characters of Messiah leaders, a brief image about the Messiah Leadership discourse is showed in Figure 3.



**Figure 3.** Organizational form of the Messiah Leadership (Western 2013, 217).

With the Messiah Leadership, organizations have flat structure and the key aspects are vision and culture. Because of the strong culture and the role model of leader, followers view collective views more important than their self interests. Loyal employees follow the leaders and the organizations, viewing organizational objectives as their own goals.

### 3.7 The Eco-Leadership Discourse

As a new type of leadership discourse, the Eco-Leadership is emerged in 21<sup>st</sup> century and it plays a significant role at the moment. Nowadays, the world has changed not only in terms of economy, but also in terms of environment. The natural environment faces many problems, for instance, climate change, lack of natural resources and pollution. Besides, society, politics and economy have been deeply influenced by the financial crisis which happened in 2008. Therefore, sustainable development is a crucial part to be taken into consideration in every aspect (See Western 2013).

Rădulescu (2013, 310-317) claimed that sustainable development means the present needs can be satisfied in the situation without compromising the future benefits of next generations. In another word, long term economic performance should be considered by leaders.

Moreover, the role of business is quite crucial in society, especially when it becomes associated with environmental issues. As environmental issues become serious, companies have to pay much more attention to them when operating business, and because leadership is vital to organizations, so leadership has to be connected with sustainability. (Velsor & Quinn 2012, 241-261) Additionally, to follow the green economy, eco-leaders have to use green principles and long term visions in organizations to make business and environment in equilibrium (Rădulescu 2013, 310-317). An appropriate leadership helps to cultivate cultures and also support the sustainability through strategies and operations. Furthermore, companies will be built with high level of social responsibility and strong awareness of sustainability (See Velsor & Quinn 2012, 241-261).

The Eco-Leadership views organization as a whole, besides, it is considered as a systematic network such as the networked society which people live in. Additionally, this new type of leadership discourse is connectable, interdependent and sustainable through both ethical and responsible views. Organization becomes more efficient and transparent as an interacted network between people, nature

and technology. Utilizing the Eco-Leadership makes sustainable triangle more stable, and lets the relationships between economy, social and environment be more harmonious (See Rădulescu 2013, 310-317; Western 2013).

### **3.7.1 Four Qualities of the Eco-Leadership**

The Eco-Leadership expands the meaning of value and success of organizations, from eco-leaders' point of views, the real value contains valuing creativity and dignity of people, natural environment, communities and happiness of employees and clients (See Western 2013). Furthermore, there are four different qualities of the Eco-Leadership which are going to be introduced next: connectivity and interdependence, systemic ethics, leadership spirit and organizational belonging.

Connectivity and interdependence as the first quality of the Eco-Leadership means that eco-leaders believe the organization is an interactive network. In the complex society, social relationships are important. Besides, recognizing interdependence with others and environment can let people feel closer to each other which enhances the connectivity in organizations. On the one hand, ecosystems of internal organization in social, technical and natural aspects are focused. On the other hand, as organizations act as a part of the world, external ecosystems cannot be ignored (See Western 2013).

Systemic ethics as a second quality of the Eco-Leadership, it is a core part of an organization, culture is important. It determines the atmosphere in a workplace and influences the behaviors of leaders and employees, and even affects the success of a company. Also, ethic plays crucial role in companies' culture, so it should be paid more attention to (Western 2013).

Green economy goes deeply into peoples' minds, and "ecological intelligence" becomes the key point to human life nowadays. The Eco-Leadership requires leaders to have green visions and systemic ethics to operate business better. In addition, in eco-leader's eyes, the value of success is changing compared to previous concept. They think a more sustainable, healthier and humanist success

is better (Rădulescu 2013, 310-317). Western (2013) also claims that systemic ethics have close relationships with both company values and leader morality. If ethics are appropriate, both companies and environment can get benefits.

Leadership spirit as a third quality is significant to the Eco-Leadership and also to the natural world. The spirit of this leadership quality is to make harmonious relationships between humanity and nature. Community, friendship, creativity and imagination are concentrated on, moreover, human relationships are dynamic and important in terms of the Eco-Leadership. Overall, the spirit of the Eco-Leadership stands for sustainability (See Western 2013).

Organizational belonging as a fourth quality of the Eco-Leadership is based on the following issues. Everyone is eager to be one part of a community, and most of the companies try to build harmonious relationships in order to let employees feel a sense of belonging and this way makes people more loyal (Barrett 1997). However, according to Western (2013), businesses and corporations also need to belong to communities: eco-leaders believe organizations belong to local habitat and real networks, as both organizations and society can have similar interests which leads them become ecosystems within ecosystems.

### **3.7.2 The Character of the Eco-leader**

Western (2013) states the eco-leaders are generative and by using technology and procedures, they can build networks, moreover, people are well connected by them. Eco-leaders consider that working environment is crucial to employees: it is not just a place to work, it is a place where peoples' psychological aspects can be satisfied, and creativity and also productivity are stimulated. Additionally, eco-leaders are fond of ethics, so they try to humanize the workplace, develop the sustainable strategy and protect the nature. What is more, a successful eco-leader gives opportunities and spaces for others to lead. As a collective leadership needs others' efforts, eco-leaders contact people constantly and encourage them to be more creative (Western 2013).

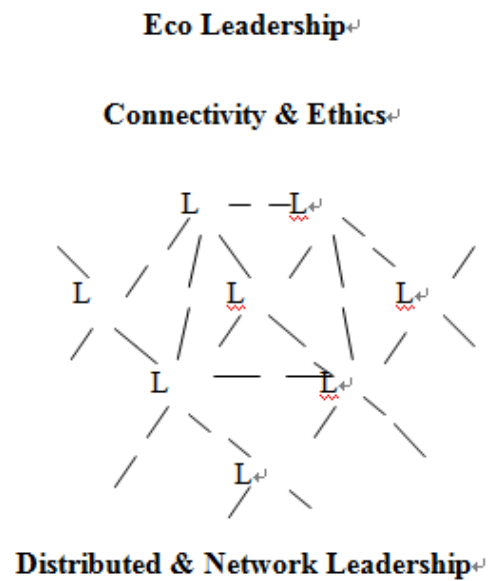


When taking the Eco-Leadership into practice, a long-term perspective is what eco-leaders should have in order to make sustainable decisions, also creativity is important as well as loyal and knowledgeable employees. In detail, there are basically four levels of practicing the Eco-Leadership according to Avery and Bergsteiner (2011). First level is the fundamental practices which focus on staff training, enhancing social responsibilities and determining proper vision. Second level refers to appropriate decision making, trusting atmosphere and organizational culture. The third level is to find elements that can drive organizational performance and the fourth level indicates the outcomes of organizational performance, for instance, the reputation, brand, customer satisfaction and shareholder value (Avery & Bergsteiner 2011, 5-15).

As the Eco-Leadership tries to make environment, economy and social issues in balance and view organization as an ecosystem, leaders of this discourse encourage creativity, sustainability, long-term vision and also strong culture. Actually, this discourse is suitable for most organizations, and senior leaders take charge of building the cultures of companies, moreover, global and flat organizations as well as sustainability-focused organizations are applicable. However, for those who have short-term projects, the Eco-Leadership is less valuable (Western 2013).

In conclusion, the eco-leaders have long term perspectives and holistic views, and they are transparent, created, passionate, also leading with humility is another feature (Rădulescu 2013, 310-317).

Furthermore, a distributed and network organizational form of the Eco-Leadership is showed in Figure 4. It helps to make business and environment in equilibrium.



**Figure 4.** Organizational form of the Eco-Leadership (Western 2013, 244).

Eco-leaders look both internally and externally of organizations. Organization is an ecosystem, and because of the connectivity and systemic ethics, close and systematic relationships exist between leaders and employees. Moreover, when organization is considered in the wider environments which include both society and nature, it can be viewed as an ecosystem within ecosystems.

## **4 EMPIRICAL STUDY**

In this part, empirical results will be explained and analyzed. First of all, the research method this thesis uses will be introduced, then the background of the case company, Wuhuan Engineering Co, Ltd., is going to be illustrated. Moreover, data which is collected from the case company will be demonstrated, and an analysis will be conducted.

### **4.1 Research Method**

Both qualitative and quantitative methods can be utilized when doing the research, however, according to the research problem and aims of the thesis, the qualitative research is chosen as the research method in this study.

In order to figure out the leadership styles in the case company, deeper comprehension and understanding of leaders are necessary and essential. Based on these, numbers and measurement techniques cannot give detailed information. On the contrary, qualitative data can satisfy these needs. As Yauch and Steudel (2003, 465-481) claim, the core parts that qualitative and quantitative methods concentrate on are various. Moreover, different situations and research phenomenon determine the research methods.

After the research method is chosen, data collection is another aspect not to be ignored. There are now two types of data which are widely used in studies: primary data means the information collected by doing experiments and empirical work and finding the first hand information. When it comes to secondary data, it means the information collected indirectly, basically from the secondary sources (Rabianski 2003, 43-55).

The data which this thesis uses in empirical part is mainly primary data through open-ended questionnaires. By sending open-ended questionnaires to various leaders in different departments in the case company, information is collected and analyzed.

## **4.2 Introduction of Wuhuan Engineering Co, Ltd.**

As a case company is the focus of this study, in order to figure out the research problem and have better comprehension, it is significant to know about the enterprise. So Wuhuan Engineering Co, Ltd. will be introduced in the following parts, containing background, main business services and also the organizational structure of the company.

### **4.2.1 Basic Background**

Wuhuan Engineering Corporation (WUHUAN) is an enterprise which concentrates on engineering consulting, designing and contracting in chemical, petro-chemical and medical industries (WUHUAN 2008).

Originally, it was formed in 1958 as the 4<sup>th</sup> Design Institute of the Ministry of Chemical Industry of China which was the core consulting agency of chemical industries of central government of China. Currently, it is an international engineering company with the whole process of engineering construction project contracting and management. Moreover, there are over 1100 employees and 96 percent of them have strong technical skills, furthermore, all the certificates it has are in class A. Additionally, WUHUAN has accomplished over 1700 medium and large-sized projects in home and abroad. Besides, the business covers 31 provinces and municipalities in China and involves over 20 countries and districts. Based on the skillful staffs, advanced technology and management, WUHUAN contributes to the development of Chinese Chemical Industry (WUHUAN 2008).

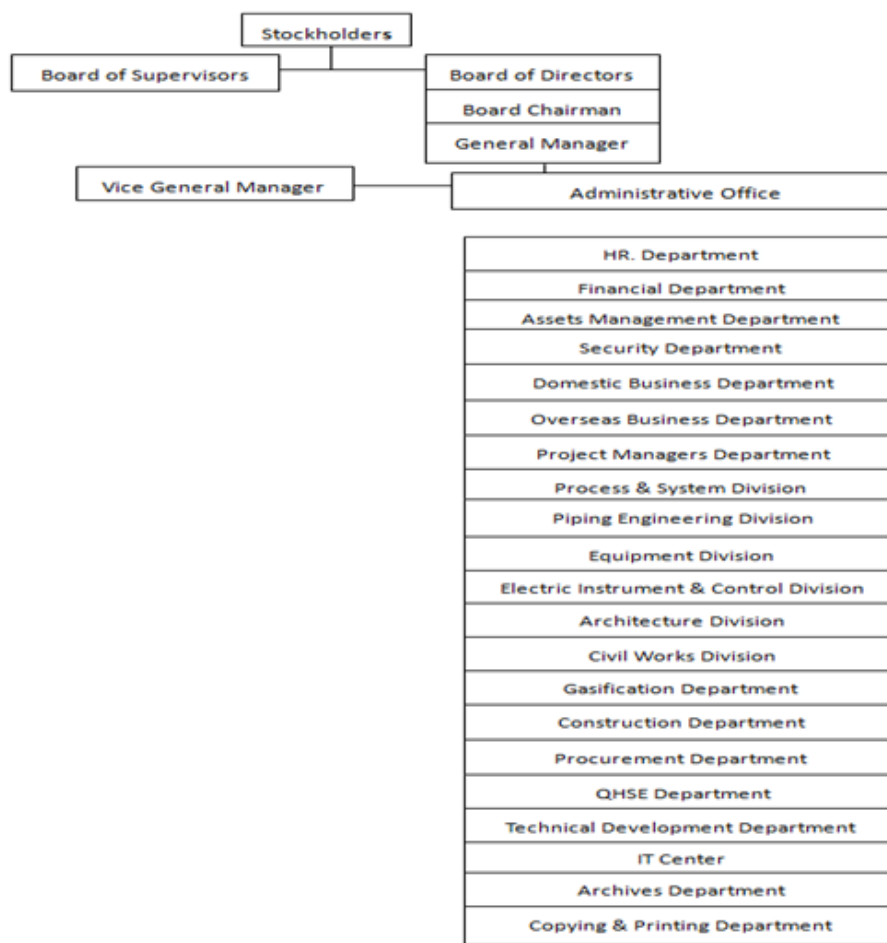
As a leader in many areas of the chemical industry, WUHUAN has well qualified employees and an advanced computer network platform system also application system. What is more, QHSE management is highly focused on by the company as well as the innovation of technology. As introduced in their webpage, WUHUAN also has many influential technological achievements within the industry (WUHUAN 2008).

When it comes to the main business services in WUHUAN, the company states that businesses are involved in various industries, such as “nitrogenous fertilizer, petro-chemical, natural gas chemical industry, coal chemical industry, food industry, oil and chemical storage and distribution, environmental engineering and power station, etc.” (WUHUAN 2008) The services provided include “turn-key project service, project consulting, engineering, procurement, construction, commissioning, new technology development and environmental impact assessment” (WUHUAN 2009).

Last but not the least, main ethos of this corporation are defined as “unity, initiative, dedication and diligence”. WUHUAN also states as its objectives and values as the following: being authentic to clients and to be the first-class in the whole industry, depending on human resources development, giving an overwhelming consideration to clients, promoting corporation credibility reputation and developing technology innovation (WUHUAN 2008).

#### **4.2.2 Organizational Structure**

Identifying the organizational structure can provide a clearer image of the company. The organizational structure in WUHUAN is presented in Figure 5.



**Figure 5.** WUHUAN organizational form (WUHUAN 2009).

Besides the stockholders, supervisors, directors and the broad chairman which are in superior levels, there are total 22 departments in WUHUAN, and they are classified based on working properties and main services. Because of these various departments, the businesses in WUHUAN can be operated in good order.

### 4.3 Questionnaire Design and Data Collection

To get a deeper understanding of the topic and to solve the research problems, eight open questions were designed containing different aspects. Moreover, based on the organizational structure in WUHUAN, seven major departments were taken into consideration: the HR Department, the Financial Department, the

Assets Management Department, the Domestic Business Department, the Project Managers Department, the Procurement Department and the Technical Development Department. These departments are different from each other, and the main focuses are various which cover different areas and fields. Furthermore, seven leaders from diverse departments answered to the open-ended questionnaire and gave detailed information about the research.

The empirical study was conducted at the beginning of April after eight open-ended questions were designed. At first, basic information about this thesis as well as the process of empirical research was introduced to the leader of the Project Managers Department through Skype. With the help of this leader, it was relatively easier to get the contact information of other six leaders. Then, the open-ended questionnaire was sent to seven leaders through e-mail with the explanation of research objectives and process. Finally, after two weeks, all seven leaders gave detailed and useful answers.

#### **4.4 Analysis of Data**

In this part, the open-ended questions will be presented and explained respectively as well as the information received from the respondents. Additionally, the questionnaire will be showed in Appendix.

##### **4.4.1 Identifying Competent Employees**

The first question was “How do you identify a competent employee?” By giving the characteristics of a competent employee, this question aims to clarify the distinctions between different leaders in various departments. To an extent, these also reflect the characteristics of leaders and parts of leadership styles.

Mrs. Liu who is the leader of the HR Department states that a competent employee should accomplish their work actively, with high standards and efficiency. In detail, she focuses more on the capacities, attitudes of employees and the quality of the work. Mr. He from the Financial Department thinks employees who have clear goals, the capacities of cooperating with others to

accomplish work efficiently, also the abilities to take responsibilities are competent. Moreover, to Mr. Chen, who is the leader of the Assets Management Department, a competent employee is a person who loves the job and work, has the integrity and capacities of working in a team. When it comes to the Domestic Business Department, Mr. Nie gives several aspects of a competent employee: figuring out the responsibilities and goals of their own work, being familiar with the processes and requirements of the work, working actively and having strong professional spirit, team work spirit and commitment, also the abilities of undertaking pressures, last but not the least, good working performance and persistence are quite crucial.

As the core part of WUHUAN, the Project Managers Department plays an important role as well. The leader Mr. Chen points out that a competent employee should be fond of the work, be active, progressive, precise, honest and daring to take responsibilities, furthermore, learning is also important as well as the team work. What is more, in the Procurement Department, Mr. Hu thinks minds and actions of a competent employee should be suitable for corporation culture and responsibilities are quite vital. Finally, Mr. Lao in the Technical Development Department states that professional knowledge and related skills are significant to employees as well as the passions and responsibilities, also high efficiency and strong abilities of execution.

#### **4.4.2 Department Goals on Visions**

The second question was stated as “What are goals or visions of your department?” Goals and visions are important not only to departments but also to the company. Different departments have their own goals according to the working properties and fields. Moreover, because of the diverse characteristics of different work, leaders have to decide the appropriate leadership styles in order to maximize the advantages. So, identifying the visions and goals of departments is essential and important. Table 6 clearly demonstrates the goals of seven departments.



**Table 6.** Goals and Visions of Seven Departments.

<b>Department</b>	<b>Goals &amp; Visions</b>
<b>HR. Dept.</b>	Build a team with high quality staffs. In detail, this team is in an appropriate scale with full of energy, also high efficient activities are included. Moreover, objectives of the department should satisfy the demands of corporation's businesses, operation, manufacture and long-term development.
<b>Financial Dept.</b>	The department achieves their goals step by step. Moreover, goals and visions of the Financial Department are mainly based on the company strategic objectives.
<b>Assets Management Dept.</b>	Goals of this department are mainly to satisfy management production supplies and equipment needs, also to have centralized procurement and to achieve cost control. In the meanwhile, well material object management, the accordance between accounts and real material and proper management of energy consumption are also important.
<b>Domestic Business Dept.</b>	The main goal of the department is to develop domestic engineering market, especially in the modern coal chemical industry. Furthermore, the new signing contracts should be more than 4 billion RMB (around 500 million EUR) every year.
<b>Project Managers Dept.</b>	To achieve the management and strategic goals of company, the control work of projects' plan, material and cost should be accomplished with high quality and efficiency. In detail, enhancing the team building, giving support and assistance to employees' development are vital.
<b>Procurement Dept.</b>	Goals of this department are efficiency and to have adaptable procurement also proper cost management.
<b>Technical Development Dept.</b>	The main objective of the department is to identify advanced technology and new trends in technical areas, and the encouragement of creation and innovation of employees should not be ignored as well.

Overall, all the leaders of these departments give explanations of their goals and visions which provide clearer images of characteristics and properties of the work. Moreover, through these objectives, different characteristics of leaders are obviously showed.

#### **4.4.3 Work Evaluation Standards**

The third open-ended question was “Do you have standards when evaluating the work?” Based on properties of the work, different leadership styles are utilized in diverse departments, some leaders have their own strict and standardized evaluation system, while others do not have. This question may provide distinctions between the seven leaders.

First, in the HR Department, Mrs. Liu evaluates the work from various aspects, which include employees’ attitudes towards work, the efficiency and working performance, she has no formalist standards and strict rules. Then, Mr. He from the Financial Department focuses more on the quality and efficiency of the work. Moreover, the leader from the Assets Management Dept. evaluates the work according to the attitudes and also the efficiency. When it comes to the Domestic Business Department, Mr. Nie claims that the active attitudes, serious and strong responsibilities are vital to evaluate, also the quality of the work, team spirit and the learning abilities are significant in evaluation. Furthermore, Mr. Chen from the Project Managers Department takes several aspects into consideration when evaluating the work. He will combine the quantitative index with qualitative analysis. Also, the assessments from leaders, self evaluation from employee groups, the performance and records based on the annual evaluation of the work, administrative assessments with team assessments, in addition to efficiency and responsibilities are also considered.

In the Procurement Department, Mr. Hu separates the work evaluation into two parts based on the levels of employees. To new employees, getting familiar with the work and department documents in a short time is important, and also the abilities to work. However, to employees who have been working for a longer

period, when evaluating their work, good planning of schedules, high efficiency and well structured schemes before the work are quite significant. To Mr. Lao in the Technical Development Department, time, quality and innovation are elements which should be taken into consideration.

#### **4.4.4 Department Culture**

The fourth question presented to the respondents was “What kind of culture is suitable for the department?” Culture plays a vital role at company as well as department level, and it can influence the actions and behaviors of both employees and leaders. In other words, department culture could reflect the leadership styles of leaders. An appropriate culture cultivates positive moods and environments, which can help to achieve the goals and emerge a positive cycle. On the other hand, an inappropriate culture influences the motivation of employees which could cause bad results.

To the HR Department, suitable culture contains encouraging innovation and creation, with high efficiency and honesty, good team work and cooperation, democracy and equality, respecting diverse personalities, also having the determination to accomplish work. Moreover, a suitable culture for the Financial Department consists of cooperation and high efficiency. Additionally, scientific management, a well structured system, clear responsibilities, transparency, equality and equity are important to department culture in the Assets Management Department. Mr. Nie in the Domestic Business Department thinks the suitable culture for their department is based on unity, cooperation, honesty, respect, activity and strong social responsibility.

What is more, in the Project Managers Department, unity and cooperation are also parts of a suitable culture; in addition, cohesion, making progress and creation cannot be ignored. Mr. Hu, the leader of the Procurement Department thinks that the culture of the department should be well adapted to corporation’s culture, everyone is seen as talented, and learning new knowledge should never stop. In Mr. Lao’s perspective, the Technical Development Department should have a

culture with cooperation, innovation and happiness which can satisfy employees' needs.

#### **4.4.5 Perceptions of Mistakes**

As a fifth question, the department leaders were asked "If your employees make mistakes during the work, what do you usually do?" It is common that people make mistakes, but when it comes to work, leaders have to consider carefully when to handle this situation, because the results will have an influence on the department, not only on employees, but also on management and other processes. Through the behaviors what leaders do, it is obvious to figure out different leadership styles implemented during work.

In the HR Department, the leader will point out the mistakes strictly and educate patiently. Just as Mrs. Liu, Mr. He from the Financial Department thinks similarly: he will tell the reasons why employees make mistakes and then show the methods which can improve the work. Moreover, the leader of the Assets Management Department will first tell the correct ways of handling problems and requirements, after that, he points out mistakes directly. Considering the Technical Development Department, the leader has similar perceptions that mistakes will be pointed out directly and employees will be taught correct regulations afterwards.

Besides these methods, Mr. Nie from the Domestic Business Department has stricter means. If it is the first time that an employee makes a mistake, he will forgive them, and then give support and assistance to make improvements. If it is the second time, he will point out the mistakes and criticize strictly. However, the employees will not be forgiven for the third time. In addition, the Project Managers Department has more detailed ways. Mr. Chen states that there are different ways of solving these problems according to the reasons, rates and influences of making mistakes. If it is the normal mistake because of the negligence, leader will communicate with employees, and let them pay more attention to the problems. In another situation, if employees have done the work several times, but still make mistakes or mistakes have serious influences, the

leader will take actions based on the rewards and punishment regulations of company and departments. Furthermore, Mr. Hu in the Procurement Department will also tell employees always try to sum up the experience of making mistakes, because the most important thing is to accept them and learn how to prevent having the same problems.

#### **4.4.6 Decision-making Procedures**

The following open-ended question prepared to the department leaders was “How are decisions made in your department?” Figuring out decision making is quite significant, because it can not only show different leadership styles, but also reflect the leader’s personalities and characteristics. Final decisions can determine the progress of a project, even the objectives of the department or company, so as a core part, decisions should be made seriously. Moreover, a leader acts as a person who has the rights to make the final decision, however, the ways of making decisions can be totally distinct and various.

Mrs. Liu in the HR Department states that before making the decisions, she will ask the suggestions and opinions from professionals who work in related departments, as almost all the departments in company have close relationship with HR. When it comes to the Financial Department, first of all, discussion will be held among employees, after that, decisions will be summarized and determined by the leader. In the Assets Management Department, all the decisions will follow the work regulations and standards of company, combined with the real situation, and then leaders will make decisions. Moreover, the leader of the Domestic Business Department will first ask opinions from department employees and combine the information with other related aspects, finally making decisions.

Generally, group-decision making is utilized in the Project Managers Department. In detail, department work can be divided into different areas and several groups with large amount of employees. When making the crucial decisions, employees from different areas and groups can give suggestions, and based on these ideas, the leader will combine them together and then decide. When facing the normal

decisions, decisions will be made after the discussions with employees. Additionally, in the Procurement Department, group-decision making is also used, and in order to maximize the intelligence of teams, different opinions will be discussed and determined. Mr. Lao from the Technical Development Department indicates that their decision making is based on the annual plan of company and also on the responsibilities of department.

#### **4.4.7 Environmental Sustainability**

The seventh open-ended question which leaders answered was “Is it necessary to take natural environment into consideration in the work?” With the rapid development of economy and technology, environment gradually becomes a serious issue. Since natural environment and economic development can conflict on each other, finding the balance and equilibrium is quite considerable. Leadership plays vital role in corporations, because of different leaders, the attitudes towards natural environment can be also diverse, as well as the company’s operations.

From the results of these seven departments, all of them think natural environment is the aspect that has to be taken into consideration when doing the work. The leader from the HR Department holds the view that environmentally friendly concept should be remembered by corporations, and by improving the technology and innovation to minimize the bad influence to natural environment. What is more, both the Financial Department and the Domestic Business Department think human and natural environment are closely related to each other, and it is essential to consider natural environment at work.

Besides these views, the Assets Management Department gives another reason that since the QHSE Management System which is applied in WUHUAN also has the regulations about protecting the natural environment, so it is important to take environment into account when doing business. Mr. Chen in the Project Managers Department points out that corporation should have long-term vision, and because WUHUAN is a technology-intensive chemical design enterprise, projects and

design do have numerous effects on natural environment, so it is quite important. In another word, if the company does not take natural environment into consideration, high polluted enterprises will be definitely obsolete.

#### **4.4.8 Leaders Characteristics**

The last open question was stated as “What characters should leaders have in your opinion?” This gives opportunities to leaders to demonstrate their ideal leader image, in an extent; this can also reflect characteristics and personalities of leaders. Table 7 will give detailed information on the results.

**Table 7.** Characters that Leaders should have.

<b>Department</b>	<b>Characters that Leaders should have</b>
<b>HR. Dept.</b>	Leaders should have good educational background, rich work experience, abilities of thinking independently and finding markets, proper language and communication skills, decisive work style, capacities of high efficient decision-making and discovering talented people. Moreover, leaders have to know how to use persons in right places and dare to empower employees.
<b>Financial Dept.</b>	Leaders should have professional skills, good leadership styles and abilities to manage.
<b>Assets Management Dept.</b>	Leaders should be compatible, tolerant and have the capacity to determine. Also they need to know when to use strict rules and standards.
<b>Domestic Business Dept.</b>	The ability of analyzing problems objectively is important to leaders, as well as the decisive determination. Leaders also need to have broad horizons, strong holistic views and the social responsibilities. Last but not the least is the ability to undertake pressures and solving serious problems.
<b>Project Managers Dept.</b>	Rich and professional knowledge and experience are important to leaders, also the spirit of continuously learning, abilities to think and identify the political aspects, team spirit, decisive determination and full of creation and innovation.
<b>Procurement Dept.</b>	Tolerance, being full of energy and having holistic horizons are vital to leaders.
<b>Technical Development Dept.</b>	Leaders should have professional background, good personalities, knowledge of management, the skills of communication and the most important thing is the self-awareness of being a good model for employees.



In conclusion, good educational backgrounds as well as the adequate knowledge are important to leaders. Almost every leader mentions that it is crucial to learn new knowledge and besides the professional skills, social abilities are also significant: the capacities of communication and building relationships. Moreover, leaders should learn to be tolerant, also have holistic views when making decisions.

#### **4.5 Analysis of Leadership Styles**

After collecting all the information from the leaders, similarities and differences can be identified. Based on the previous theories and primary data, seven leaders' leadership styles will be explained respectively.

##### **4.5.1 HR Department**

From the perspective of consideration and initiating structure, it is clear to identify that the HR Department in WUHUAN is more people-oriented. In other words, consideration structure is utilized in this department. According to its culture, respect, trust, team work and warmth are quite important. Also, when treating employees who make mistakes, the leader will point out problems and explain patiently.

Moreover, a leader focuses more on personal growth and team work based on the goals and evaluation standards, people are quite a central matter to this department. Employees will be estimated from various aspects and they will be given supports by harmonious and motivated atmosphere. Furthermore, the leader develops the team cohesion among the staffs, also encourages employees to work better and personal growth is highly supported in this department. So the main leadership style implemented is the Therapist Leadership. Besides that, when looking at the attitudes that leader has on natural environment, it is obvious to see that as a leader in the HR Department, Mrs. Liu also pays attention to the

relationship between the corporation and natural environment which has quite a significant meaning.

#### **4.5.2 Financial Department**

The leader at this department concentrates more on quality and efficiency of work when evaluating employees, moreover, tasks and goals are important to be accomplished, every objective is well planned and structured in the Financial Department. As efficiency and effectiveness are vital, initiating structure is mainly used in this department. However, the leader also has people-oriented views in some aspects, such as team cohesion and cooperation.

The major leadership style in the Financial Department is the Controller Leadership. Firstly, efficiency, tasks and output are stated not only in the goals, but also standards which leaders use to evaluate employees. Secondly, employees have to follow the rules and standards; moreover, clear targets and systematic schedule are required. Although effectiveness is crucial, the leader also takes employees into consideration. No matter in the process of making decisions or in the department's culture, cooperation and team work are well illustrated, also when people make mistakes, the leader will give suggestions. Furthermore, in the leader's view, knowing how to use people properly is also the key part as well as the natural environment. In an extent, the Therapist Leadership style can also be seen in this department.

#### **4.5.3 Assets Management Department**

Similar to the Financial Department, the Assets Management Department also belongs to initiating structure, and leadership styles here are both the Controller Leadership and the Therapist Leadership.

Employees with clear objectives and high efficiency are seen as competent in this department, moreover, systematic and transparent structure is important. In order to control the cost, manage energy appropriately and accomplish the goals, the Controller Leadership is essential and necessary. Because of this leadership style,

waste can be reduced and also the sustainability can be ensured. Meanwhile, cooperation, team work, equality, motivation and trust are not ignored by leader.

#### **4.5.4 Domestic Business Department**

From the information provided by Mr. Nie, who is the leader of the Domestic Business Department, it is clear to see he has broad horizons and holistic views, because nature, society and economy are taken into account in department's culture and also the characteristics of successful leaders.

Social responsibility is quite important to today's corporations, as natural environment plays more crucial roles in both society and economy, this is the issue that should not be ignored. Moreover, the leader looks both internally and externally in this department. Cooperation, positive atmosphere, holistic connections, motivation, creation, team work, ethical and sustainable approaches are well demonstrated in the daily work. When it comes to the external environment, a holistic eco-system is shaped in leader's minds. Mr. Nie identifies the significant relationship between natural environments and economy, so he thinks as a leader, besides having the basic qualities, wider perspectives and horizons are indispensable. Moreover, nature must be paid more attention to and corporations have the obligation to take the social responsibilities into consideration.

From the culture, behaviors and other related aspects, the Eco-Leadership is considered as the main leadership style implemented in the Domestic Business Department, and according to specific targets and strict standards, the Controller Leadership is also utilized.

#### **4.5.5 Project Managers Department**

As the core part of WUHUAN, the Project Managers Department takes charge of the control work of projects' plan, material and cost. In order to accomplish the work efficiently and with high quality, empirical and measurable targets are needed as well as the strong culture. Because of the special and important

meaning of the work, this department is related to economic benefits of corporation directly, so the culture in the department shows the significant role of the collective interests. Moreover, cooperation, team work, trust, understanding, respect and harmonious atmosphere are also key issues. When it comes to natural environment, leader has clear recognition of it and understands the results of ignoring nature.

Consequently, the four discourses of leadership are involved in this department in different areas, but especially the Controller Leadership and the Therapist Leadership are the main leadership styles this department uses.

#### **4.5.6 Procurement Department**

This department has clear targets and objectives, also effectiveness, high efficiency and good planning play vital roles in it. As the tasks and the goals are the main focuses of the Procurement Department, initiating structure is implemented.

The Controller Leadership leads this department to accomplish every objective. However, besides the rules, standards and effectiveness, team work, cooperation, trust, equality and cohesion are also advocated when doing the work. The Therapist Leadership lets the leader to consider problems in more humanistic ways. By combining different leadership styles together, disadvantages of using just one leadership can be avoided which leads the department to become more sustainable and better.

#### **4.5.7 Technical Development Department**

When it comes to the Technical Development Department, the team work spirit and working with pleasure cultivate a creative and positive environment which makes employees to have feelings of belonging. Although quality affects a lot when evaluating staff, leader listens, cares and motivates employees. Support and encouragement enhance not only the relationships, but also the team cohesion in department.

Besides the Therapist Leadership, requirements among competent employees which indicate effectively working and abilities of strong execution reflect the characteristics of the Controller Leadership.

#### **4.5.8 Summarizing the Results**

In conclusion, most departments have more than one type of leadership style, while the Controller Leadership and the Therapist Leadership are the main styles which leaders utilize. Different departments have special and detailed work; every goal is not the same. According to these diverse characteristics and properties, leadership styles must adapt to the real situations. For example, the HR Department mainly focuses on people and it is very hard to have strict and standardized rules to evaluate both employees and work. Because people have their own minds and emotions, leaders cannot justify people by unique standards. Compared to the HR Department, the Financial and the Assets Management Department can evaluate work by standards because of the working properties. Moreover, most companies clearly realize the importance of human nowadays, so the Therapist Leadership can be seen in almost every department.

When having a look at the results, every leader has the awareness of protecting the natural environment. Reasons for this can be concluded as the following. The first reason is that the importance of natural environment is realized by numerous people in China. With the wide spread of opinions about protecting environment, strong awareness is built. The second reason is because WUHUAN is a technology-intensive chemical design corporation, as the company itself has close connections with the natural environment, every decision the enterprise makes can have big impacts on the environment. Final reason is because of the regulations and policies of protecting environment drafted by the Chinese government. Under these circumstances, leaders in WUHUAN have stronger consciousness to find balance between environment and economy.

From the information which was provided by the leaders, both the Domestic Business Department and the Project Managers Department show more the Eco-

Leadership style in their work. As a new and appropriate leadership style, the Eco-Leadership should be advocated, in particular to the company like WUHUAN which can have big influences on the natural environment.

## **5 RESULTS OF THE STUDY**

In this part, conclusions will be presented based on the results. Also, suggestions to the case company will be given. Moreover, in order to evaluate the validity and reliability of the research, the validity of study will be explained. Although both theoretical and empirical analyses were made, limitations still exist. To make this study more useful and reliable, further study areas will be recognized as well.

### **5.1 Conclusions and Suggestions**

Different leadership styles were demonstrated in this study. Apart from the four discourses of leadership which is the main theory this thesis uses, leading with humility, consideration and initiating structure also have significant meaning to this research.

For almost every company, humility is a virtue that leaders should have no matter how high the position is. From the results of the empirical study, although many leaders mention both knowledge and horizons should be opened widely, it is still hard to identify whether leaders are humble or not. Gaining broader perspectives is just one part of being humble, besides this one, leaders should also have better comprehensions about themselves, and they should learn to take others' perspectives into consideration. Moreover, as an invisible issue, humility should be identified by many elements, only by looking at the attitudes and standards towards employees are hard to determine the humility. Additionally, not every leader is humble because this can also be affected by the personality. However, leaders should learn to have humility when leading a team or corporation.

Many practices can be utilized in a real working environment to help leaders to have humility. For instance, apart from the evaluation systems between employees and leaders in the same department, this can be also applied between leaders from diverse departments. Different leaders can give grades and suggestions according to the performance and other standards to each other. Moreover, WUHUAN can set suggestion boxes in every department, so that everyone, no matter leaders or

employees, can give ideas, and in the end of quarter, advices will be shown to leaders. Besides concentrating on personal qualities, professional knowledge is also an aspect that should not be ignored. Every specific period, leaders could have tests to evaluate themselves, and also by knowing the disadvantages and advantages, leaders can learn to be humble. In addition, WUHUAN can also give support and awards to people who are willing to learn more.

Furthermore, leaders in WUHUAN also have to focus on building relationships with employees. Communication is a way to know each other, and it is also a method to build good relationships. The case company can have a place where both leaders and employees could have a rest during the work, under this relaxing circumstance, leaders can communicate with employees to identify workers' inner emotions and needs.

Because this corporation is related to chemical design, most of the work is related to tasks and goals, which should be accomplished in time, so well planned schedule, systematic management and high efficiency are important to the enterprise. Based on these facts, most departments in WUHUAN have initiating structures; however, the HR Department has a consideration structure due to its working properties.

From the results of the empirical study, although several departments have initiating structures, it is obvious to see the humanistic parts as well. In WUHUAN, a single structure is rare and in most of the circumstances, departments combine these two types of structure together. Systematic plans, strict standards and regulations are considerable for company to achieve goals as well as the cohesion, trust, creation and positive attitudes towards employees. Overall, the combination between these two structures is helpful to WUHUAN and enterprise can gain more benefits from it. To Wuhuan Engineering Co, Ltd., both strict standards and humanistic aspects should be recognized.

Furthermore, from the perspectives of the four discourses of leadership, the Controller Leadership and the Therapist Leadership are the major leadership



styles WUHUAN uses, but also the Eco-Leadership and the Messiah Leadership can be found in different departments.

Based on the information provided by the leaders, departments which are related to finance, assets, procurement and other task-focused project, the Controller Leadership is in the key position. However, in these departments in WUHUAN, unique leadership style implemented is not common, most of them combine the Therapist Leadership with the Controller Leadership. Similar to the consideration and initiating structure, both people-oriented and task-focused structure are considered. In the meanwhile, departments which are value-concentrated, such as the HR Department, the Therapist Leadership is mostly used in WUHUAN. In addition, in the Domestic Business Department, although the Eco-Leadership is the main leadership style, the Controller Leadership is also involved. When it comes to Project Managers Department, as the main department in WUHUAN, four types of leadership styles are relatively applied.

Taking profitability and natural environment into consideration is the most appropriate and reasonable way of development. A company which ignores the connections between nature and economy will be destroyed by itself. The Eco-Leadership focuses on the eco-system in both organization and external environment: Eco-leaders consider corporation as a unity and have holistic views which are quite significant.

Overall, the Controller Leadership and the Therapist Leadership play vital role in company's development. Although it is a technology-intensive chemical design enterprise, other types of leadership styles can also help the company to develop. For the senior leaders who determine the "big picture" of WUHUAN, the Eco-Leadership is the leadership style that they should become aware of, because with the help of holistic views and broader horizons, correct directions can be identified. By learning policies which are related to natural environment, long-term objectives and developmental strategies should be made. For the leaders in specific departments, every decision must be made according to the true and real

situations. Moreover, proper combinations of different leadership styles can help departments to cultivate positive atmosphere.

## **5.2 Validity of the Study**

In order to solve the research problem, qualitative research was utilized in this study. Golafshani (2003, 597-607) states that when using qualitative method, information is analyzed through context-specific contents, not with the help of statistics or digital data. More detailed and specific information can be provided by qualitative research which gives a deeper understanding of the issue. Moreover, no matter what research methods are used, validity and reliability are important to consider. A good qualitative study can help to give a better comprehension of the research situations. In addition, trustworthiness and objectiveness play vital roles in it (See Golafshani 2003, 597-607).

To ensure the validity and reliability, the design of open-ended questions and choice of respondents have a quite significant role in this thesis. WUHUAN has 22 specific departments in total and seven leaders from seven major departments were chosen which could provide insights on leadership styles. These seven departments covered different fields: finance, assets management, human resource, business operation, project management, procurement and also the technology development. By selecting these different areas, results could be more generalized, and the information could be holistic and more trustful.

When it comes to the open-ended questions, all the respondents had the same questions. To ensure validity and reliability, these questions were carefully planned, so that questions would be objective and interviewees would not lead to give expected answers. Additionally, the questionnaire was built based on the main theoretical framework of the research problems. In addition, there was no specific deadline required which gave leaders more time to consider and complete the questions.

Because of the time differences between China and Finland, it is hard to manage the time of interview. Moreover, leaders are quite busy and they are unwilling to spend plenty of time on the research. In China, sometimes it is difficult to contact with leaders who are in the higher positions. Relationships are vital in Chinese culture, and it is usual to be rejected if no acquaintances work in the company. Although this research was completed mainly by sending questionnaires through E-mail to leaders, an interview was still conducted based on the leader of the Project Managers Department in WUHUAN. Additionally, the answers which leaders provided were detailed and clear, every question was well explained.

### **5.3 Limitations of the Study**

This study has some limitations and restrictions. Drawbacks and disadvantages should be demonstrated to increase the validity of the findings.

Firstly, because the empirical study uses qualitative research and results are based on personal opinions from different leaders, it is quite hard to identify whether the answers are exactly objective. To find out the leadership styles applied in WUHUAN, only by combining the information provided by seven leaders with theories is not enough. Besides the views from leaders, employees' opinions are also important. However, because of various restrictions, it would not have been possible to get information from employees covering all departments in the case company.

Second limitation is the questionnaire design. There were only eight open questions, which cannot contain all the aspects related to leadership styles. However, too many questions can lead the respondents feel bored and exhausted, which can provide useless results for the study. So, to some extent, open-ended questions also have limitations.

Another restriction is the language differences. The first edition of questions was designed in English, which was easy to understand. All the respondents were Chinese, so in order to get detailed information from them, questionnaires had to

be translated into Chinese. In addition, all answers also had to be translated. Because of the complexity and diversity of the Chinese language, some meanings and concepts may change somewhat in translation compared to the original versions. What is more, those faults can have an impact on the answers of the respondents and also to the results of the study.

#### **5.4 Further Study**

To conduct further studies within the case company, the first thing that should be taken into consideration is to connect with diverse employees, and try to contact more leaders in different departments. Moreover, both quantitative and qualitative methods should be utilized. In detail, at least five employees from each selected departments should participate, and in this way, enlarging the sample and increasing the validity and reliability of the study.

Also it would be valuable if developing the research in different industries. The case company which this thesis focuses on is Wuhuan Engineering Co, Ltd. which represents the chemical industry in China. However, China has large number of industries and enterprises, which are quite diverse and different. If comparisons are made between various industries, more information and results can be provided.

With the rapid development of economy, it is important to do more research on leadership styles implemented in Chinese companies. It is the fact that Chinese leaders still have a long way to improve in this field compared to leaders in developed countries. In addition, research on leadership styles can be also developed when taking cultural differences into account. The comparison between companies of different countries will provide more holistic results. As leadership plays a considerable role in today's world, and it has a significant meaning to enterprises' success, so the demand of studying leadership styles remains to exist.

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**5. If your employees make mistakes during the work, what do you usually do?**

**6. How are decisions made in your department?**

**7. Is it necessary to take natural environment into consideration in the work?**

**8. What characteristics should leaders have in your opinion?**