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The effects of education and allocentrism on organizational commitment in Chinese companies: A multi-level analysis

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The Effects of Education and Allocentrism on Organizational Commitment in Chinese Companies: A Multi-level Analysis

Abstract

As Chinese companies move to the world stage of business, they must leverage a more knowledgeable and collaborative workforce to meet new challenges. This study investigates how two prominent individual attributes, education and allocentrism, create work tension for human capital practices in Chinese companies. By surveying nearly 500 workers in four Chinese companies and using multi-level methodology, we demonstrate that higher levels of education work to the detriment of employees' affective organizational commitment and positively influence seeking-to-leave behavior. In addition, this study suggests a positive relation between allocentrism and affective organizational commitment. Personalized leadership, a common leadership style in high-power distance cultures such as China, further exacerbates the problems with higher levels of education and diminishes the commitment benefits of allocentrism. Conversely, regardless of leadership style, if supervisors involve workers in decision-making activities, those workers who are more educated will become more committed to the organization and less likely to leave. Implications of these findings for practice and future research are discussed.

Key words: allocentrism, education, affective organizational commitment, participative decision-making

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The globalization of companies has placed a premium on the human capital required to maintain and gain competitive advantages in the world market. As a result of such external pressures, companies desire to acquire, engage, and maintain a work force that is both more educated (e.g., Cappelli, 2000) and more collaborative (e.g., Bosch-Sijtsema *et al.*, 2011). Nonetheless, higher levels of education give workers more employment options and make them more loyal to their profession than to a specific company (Elliman and Hayman 1999;   making organizational commitment and retention more problematic than with less-educated workers in western culture (Majer and Hulpke, 1990; Mowday, Portor and Steers, 1982). Does this hold true for Chinese employees as well?

Understanding the Chinese workforce has become more important as attention to Asian work practices has increased and China has been considered the source of rapid economic growth in Asia (Goncalo and Staw, 2006). Western management scholars have even gone so far as to suggest that a fundamental shift of mindset from individualism to collectivism is needed to promote coordination and collaboration in the workplace (Goncalo and Staw, 2006). Studies show that people in collectivistic cultures tend to identify more strongly with teams and organizations (Hofstede, 2001). Does this mean that individuals in collectivistic cultures more readily demonstrate affective organizational commitment and are easier to manage?

Chinese employees' tendency to value their groups above themselves (allocentrism) generally enhances collaboration (McMillan, 2001). However, questions remain about whether established perspectives on allocentrism hold true in Chinese businesses, where the indigenous values, such as collectivism (Hostede, 2001), may counteract or reinforce support of the organization. Of particular importance for companies in countries with high-power distance cultures are the issues associated with leadership practices. Given that personalized leadership is a vision consistent with power consolidation and the self-aggrandizing behaviors of leaders in high-power cultures (Bass and Riggio, 2006), would we find such leadership practices working against engaging educated and allocentric workers? In contrast, would enhanced leadership practices emerging in western democracies, such as participative decision-making (Locke, 1979),

work in eastern cultures to alleviate the negative impact of personalized leadership? These are timely and important inquiries, given that employees in China are becoming more educated, and companies are casting about to acquire, retain, and engage knowledgeable workers to provide the basis for global competitiveness.

By adopting an interactionist approach, individual work outcomes are seen as the results of the complex interplay between personal and situational factors (e.g., Amabile, 1996). We seek to understand the theoretically relevant and practically important individual variables such education and cultural orientation (allocentrism) by exploring the relationship between these individual differences and individual outcomes, such as affective organizational commitment and turnover intentions. We then probe important contextually relevant variables, such as personalized leadership and participative decision-making that could exacerbate or constructively combat the challenges of managing a highly educated, collaborative workforce in Chinese companies. Thus, the interaction of individual and situational factors represents both historical and emerging factors in Chinese businesses as they become more integrated in the broader global economy.

Theoretical Background and Hypotheses
The Dark Side of Education

Education has been an important proxy for workforce quality because of its validity and convenience of usage. Yet, education has been recognized to negatively impact organizational commitment (Majer and Hulpke, 1990; Mowday *et al.,* 1982). Meyer and Allen (1997) distinguished multiple foci of commitment, including commitment from necessity or cost of leaving (continuance commitment) and commitment from moral obligation or a sense of loyalty (normative commitment). In contrast, affective organizational commitment (AOC) is the worker's emotional and psychological attachment and identification with the organization (Meyer and Allen, 1997). Affective commitment is particularly important because research shows that employees who are more affectively committed demonstrate diminished intent to

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leave, higher job performance, organizational citizenship behavior and more ethical behaviors (Rosen *et al.,* 2006). Among all forms of organizational commitment, the most significant to organizational success is affective organizational commitment (Meyer and Allen, 1997). Empirical evidence indicated that affective commitment in the Chinese contexts can be separated by the Chinese employees as different commitment foci such as commitment to the organization, supervisor, work group, and the union, and the specific commitment foci of commitment with organization plays an important role in predicting organizational citizenship behaviors and organizational withdrawal cognitions (e.g. Chan, Snape and Redman, 2011). , Our current study focuses on affective commitment to the organization in lieu of the other forms of organizational commitment base and foci.

Person and organization fit theory (Edwards and Cooper, 1990; French, Caplan and Harrison, 1982;) evaluates and emphasizes the dynamic interactions between environmental conditions and personal preferences or attributes. *Fit* is multidimensional, encompassing personality, values, and needs with regards to various targets, such as the job or organization (French, Caplan and Harrison, 1982; In the present study, we are primarily interested in individuals' needs met by the organization (complementary p-o fit, Kristof, 1996) and how *misfit* can explain impacts on an individual employee's affective commitment.

The linkages between needs- supplies fit and employees' affective commitment have been explored by previous research (Meyer and Allen, 1997; Meyer and Herscovitch, 2001), and these studies suggest that affective commitment decreases when environmental supplies fall short of the person's needs.

In the context of Chinese companies (Tsui, 2004), higher education opportunities are often seen as rare, and level of education often reflects social status in mainland China where urban residents or wealthier members of society have a better chance of receiving a higher education than those who live in rural or poor areas (Qian and Smyth, 2005). Individuals with higher social status seem to place higher demands on organizations and their resources, including

opportunities for professional growth (Majer and Hulpke, 1990). Given that organizations generally tend not to have the resources and opportunities required to adequately fulfill the expectations consciously held by ambitious persons (Edwards and Cooper, 1990), we could see organizations' inability to supply the needs of highly educated Chinese individuals associated with higher expectations, achievement orientation, and drive for success. In addition, Chinese culture values power consolidation leading individuals with higher education to perceive a greater degree of *misfit* due to their need for self-expression and empowerment. Consequently, we speculate, "an inverse relationship may result from the fact that more educated individuals have higher expectations that the organization may be unable to meet" (Mowday *et al.*, 1982, p. 30).

Since employee fit with an organization's values and goals relates positively with the individual's affective organization commitment and negatively with withdrawal behaviors (Kristof, 1996), we hypothesize that in Chinese companies:

H1a: Education levels of workers relate negatively with affective organization commitment.
H1b: Education levels of workers relate positively with seeking to leave the organization.

Individual cultural value: allocentrism

One purpose of the current study is to understand how important individual cultural values or personal cultural orientations play a role in organizational behavior in Chinese companies. Individualism and collectivism characterize the general attributes of a group or culture, representing the value that the group members place on the relationships they have with one another and with the collective social entity in which they reside (Triandis, 1995). In a collectivistic culture, one's self is considered to be interdependent, whereas personal needs, opinions, and preferences are deemed less important when it comes to maintaining in-group harmony (Triandis, 1995). In an individualistic culture, the self is construed as independent;

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personal goals often are given priority (Markus and Kitayama, 1991). Collectivism and individualism are "group-level characteristics, and these cultural attributes generally have analogous cognitive structures at the individual level" (Lawler, Walumbwa, & Bai, 2008, p. 8). While idiocentrism and allocentrism capture the individual-level cultural orientations that reflect these higher order group level values such as collectivism/individualism, it is essential to recognize the individual differences that can exist within the same greater collective culture (Triandis, McCusker and Hui, 1990).

Relationships are important and hold more personal meaning for allocentric in contrast to idiocentrics, who maintain relationships only when they are consistent with the individual's preferences and benefits. Idiocentrics also tend to be more emotionally withdrawn from groups or organizations when their personal and group interests are not aligned (Triandis, McCusker and Hui, 1990). Based on these observations, this study posits that the effect of allocentrism on affective attitudes toward one's organization will be favorable by hypothesizing that in Chinese companies:

H2: Allocentrism relates positively with affective organizational commitment.

Personalized leadership

Leadership scholars hold to the notion that effects on followers and the greater organization depend on what the leader communicates through their messages and actions. One distinction between leaders is that some project a personalized vision that focuses on dominance, perpetuating self-interest, an obsession with power/authority, the exploitation of subordinates, and an over-emphasis on the role of a leader (Waldman, Balthazard and Peterson, 2011). This style of leadership typically fails to inspire followers with a strong self-concept (Howell and Shamir, 2005). Leader-Member Exchange theories find that employees take some organizational attachment cues from their supervisor (Graen and Cashman, 1975). Assuming that more highly educated individuals demonstrate a greater sense of self, personalized leadership should further diminish these individuals' attachment to the organization.

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Furthermore, the contrast to personalized leadership is a socialized vision, which results in behaviors such as empowering followers and inspiring them to achieve the interests and goals of the greater collective (House and Howell, 1992). Since personalized leaders work primarily for their own gain in lieu of the collective (Bass and Riggio, 2006), personalized leadership should conflict with the perspectives of followers who respond more favorably to socialized practices and value the group more than any one individual (Hofstede, 2001).

We speculated that personalized leadership can heighten *misfit* for highly educated workers, making them less likely to desire association with their organization and more likely to leave. In addition, while allocentric workers generally desire to be associated with their organization, we posit that they are less likely to be supportive of their organization when bosses are singled out as more important than those whom they supervise. Therefore, if we assume that supervisors who exhibit higher levels of personalized vision would further alienate employees from identifying with the organization' goal and values (e.g., Conger and Kanungo, 1998), we hypothesize that in Chinese companies:

H3a: Personalized leadership moderates the relationship between employee's education level and AOC such that the education-AOC linkage is more negative when the prevailing leadership norm is highly personalized.

H3b: Personalized leadership moderates the relationship between allocentrism and AOC such that the relationship is weakened when the prevailing leadership norm is highly personalized.

While affective organizational commitment negatively impacts turnover intentions, there are many reasons employees with low affective commitment remain with their organization. For example, in Western cultures, regardless of whether they want to or not, many employees with a low education level have to stay with their current employers because they have fewer employment alternatives (Majer and Hulpke, 1990; Mowday *et al.*, 1982). Individuals who

attain higher levels of education develop knowledge and skills that are more transferable. In addition, higher educated individuals have more experience in achievement settings and should have greater efficacy in approaching new tasks (e.g., Bandura, 1977), leading to a greater willingness to take the initiative to change jobs or careers.

While allocentric individuals in a personalized leadership context may wish to leave (low affective commitment), that alone without other employment options will not necessarily result in behaviors associated with seeking to leave the organization. Since those with higher levels of education do have the flexibility to leave, they should be even more likely to "look around" when they have a personalized leadership environment than those employees who are less educated. Thus, we hypothesize the moderating role of personalized leadership on the education – seeking to leave relationship.

H3c: Personalized leadership moderates the relationship between education and seeking to leave behaviors, such that seeking to leave behaviors are more likely to occur for higher educated individuals when they perceive that the leadership is personalized.

Participative Decision-making (PDM)

It is thought that participative decision-making has a positive impact on work performance and job attitudes (Spreitzer, Kizilos and Nason, 1997), especially in its positive influence on morale (Locke and Schweiger, 1979). While PDM denotes some level of sharing between those in authority and others who are not, the sharing is not democratic but instead is usually determined by knowledge competencies (Locke and Schweiger, 1979). By giving followers more perceived control, PDM results in more commitment to the organization's goals (Locke and Schweiger, 1979).

The hierarchical nature of Chinese culture might lead one to observe that managers are reluctant to allocate power and discretion to subordinates (e.g., Wang and Mobley, 1999).

Nevertheless, with an immense foreign direct investment from Western investors, Western management ideologies have also influenced the leadership behaviors in China (Tsui *et al.*, 2004). Research is greatly needed to investigate whether these Western leadership ideas are in line with traditional philosophy of Chinese leadership (Lin, 2008). While leaders within Chinese companies may place a high value on consolidating power (Hofstede, 2001), they do not necessarily need to exclude their employees from decision-making activities because PDM is adopted based on its practical role, not an ideological alignment (Locke and Schweiger, 1979). Even authoritative leaders may exercise PDM when they believe their workers have knowledge competencies. So, regardless of one's natural authoritative perspective, we know that when leaders involve socialized practices, they can generate positive emotions from others (Carmeli, Gilat and Waldman, 2007). Furthermore, recent literature has suggested that the Chinese social cultural values and business ideology has been deeply affected by the profound economic and social reforms in China, which effectively converged with those of the West (Ralston, *et al.*, 2006). Specifically, the Ralston et al. (2006) longitudinal study on the change of the cultural values in Chinese society suggested that the traditional "power distance" value was significantly reduced. Therefore, it is not surprising that empirical evidence was found that PDM worked on Chinese employees. For example, Huang *et al.* (2010) found that PDW has positive effects on employee task performance and organizational citizenship behaviors through motivation for managerial employees and trust for non-managerial employees.

Highly educated employees tend to be more committed to their careers and occupations than to their organizations (Elliman and Hayman, 1999), and they are interested in the market value and upkeep of their knowledge and capabilities (Reed, 1996). In response to the more obvious demand for high quality labor in increasingly knowledge-intensive sectors, educated employees feel the need to continuously upgrade their knowledge and professional capacity through professional development. However, many Chinese firms are less conscious to meet the needs of constant improvement of educated workers than to provide them with material

incentives. The problem of misfit between need-and- supplies for educated workers in Chinese

firms is a rather pronounced one.

Participative decision-making would seem to lessen the *misfit* between the educated

employees and a higher power distance culture. Locke and Schweiger (1979) found that the most

significant factor in determining the usefulness of PDM is knowledge, and participation should

be more salient to educated employees since higher educated workers believe they have more to

offer. Given that the morale of higher educated workers would be more affected by perceived

psychological empowerment (e.g., Huang *et al.*, 2010) from PDM than the morale of less

educated ones, we should expect PDM to lessen the negative relationship between education and

seeking to leave the organization. Thus, we hypothesize that

H4:   In Chinese companies, PDM moderates the relationship between education and seeking-

to- leave behaviors such that seeking to leave behaviors are less likely to occur when

management exercises PDM.

Methods

Sample

The entire survey was double translated (Brislin, 1980), first into Chinese and then back

into English to minimize systematic error and ensure construct validity of the measurements. All

the translators were bilinguals who were fluent in both Chinese and English and performed the

translation independently. Data were collected using a questionnaire with employees of four

Chinese companies. These organizations are in both heavy and light manufacturing industries.

Two organizations were privately held, medium-sized indigenous Chinese companies with 150-

300 employees and located in a suburb of a major city in northern China; the other two were

large (more than 10000 employees) government-run enterprises in a coastal city in eastern China.

We selected these organizations to represent companies in different ownership, sizes, industries,

and geographical locations to ensure generalizability of the study. Six hundred thirty-three (633)

employees in total from these organizations participated in the survey and directly returned the

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surveys back to the researchers when they finished. After controlling for missing data, 494 participants could be used in the analyses for an effective response rate of 78 percent. The researchers explained to the participants that the results of the study were to be kept confidential from the management of the companies. They were also notified that their participation in the study was completely voluntary.

Measures

Education level was measured by the number of school years (including higher education such as university and vocational school) completed. While number of years may not fully capture variance in quality or extent of education, it does capture the degree to which some workers have more exposure to learning than others and how that affects their relationship with their organization.

Allocentrism: We used a ten-item scale derived from Triandis and Gelfand (1998) to measure allocentrism. An example of the items is, "I feel good when I cooperate with others," "It is important to maintain harmony with my group," "I hate to disagree with others in my group," and "If a co-worker gets a prize, I would feel proud"). The items for allocentrism were scored on a 5-point Likert scale with 1 being "strongly disagree" and 5 being "strongly agree." Cronbach's alpha shows reliability is .71.

Affective commitment: Affective commitment was measured using a modified version (nine items) of Mowday *et al.'s* (1979) organizational affective commitment scale, which measures emotional attachment to the organization. As suggested by Robert *et al*. (2000), this scale has been verified to be reliable across different cultures. Sample items include "I feel very little loyalty to this company," and "I am extremely glad that I chose this company to work for."

Affective commitment is scored on a 5-point Likert scale with 1 being "strongly disagree" and 5 being "strongly agree." The reliability alpha is .83.

Personalized leadership: This leadership approach focuses attention more on the privileges and power of the leader than the shared mission or the welfare of the followers (Bass and Riggio, 2006). A nine item scale was developed by the research team to capture the sense in which the respondents believed that the leader was valued over the workers, power was consolidated in the leaders, and leaders were the central focus of the organization. The items for this scale are "during discussions in this company, supervisors talk and workers listen," "supervisors are often given credit for their subordinates' good performance," "in this company it is clear authority flows from the top down," "most workers feel nervous when they need to ask for their supervisor's help," "most workers would feel uncomfortable questioning their supervisor's authority," "supervisors are given special privileges that workers do not get," "in this organization it is easy to tell who is in charge," and "supervisors have little time for their subordinates." Personalized leadership is scored on a 5-point Likert scale with 1 being "strongly disagree" and 5 being "strongly agree." The reliability alpha is .68.

Participative decision-making: A 5-item scale (Sagie and Koslowsky, 1994) was adapted to capture the extent supervisors in the respondents' company include and value the voice of their subordinates when decisions are being made. Sample items are "supervisors schedule meetings with workers to discuss ways how work gets done" and "workers are often given a chance to voice their opinions about work related issues". Items comprising PDM is scored on a 5-point Likert scale with 1 being "strongly disagree" and 5 being "strongly agree." Cronbach alpha for this scale is .82.

Turnover intention: Turnover intentions were measured using three items adapted from the Job Withdrawal scale developed by Hanisch and Hulin (1991). These items assess

respondents' reported desire and likelihood of quitting, and the degree to which respondents acted over the past year in ways associated with leaving the organization. The respondents were asked to recount on a scale of 0 to 7 the number of times in the past year they had done the following: "thinking about quitting your job because of work related issues," "looked for a different job," and "asked people you know about jobs in other places or looked at job advertisements." The score for this scale is the average score of the three items. Higher scores capture greater frequency of these actions. That is, zero is "never", 1 is "maybe once a year" and 7 is "more than once a week". The reliability score for this scale is .74.

Results

Since the data are multi-level, Hierarchical Linear Modeling (HLM) was used to assess the multi and cross-level relationships between the independent variables (group level) and the dependent variables (individual-level). When the data has multiple levels, using HLM analysis produces more robust results than single-level analysis to maintain the necessary requirements of variable independence (Hofmann, 1997).

For group level variables we computed inter-rater reliability (Rwg) scores to examine the extent to which group members agree with each other when they are reporting on the same leader (James, Demaree and Wolf, 1984). We found high agreement among those with the same leader (the median score for PDM is .985 and .983 for personalized leadership). A measure that helps demonstrate that the groups are different from each other on these group level variables is the intraclass correlation coefficient (ICC1, Bliese, 2000). The extent to which group membership accounted for members' ratings for both group level variables (Table 1) was a less than desired level of .10, but both were statistically significant, showing some amount of dependency of the data on group membership. However, high Rwg and low ICC1 suggest homogeneity of leadership culture and practices among work units across all four companies regardless of whether the company was private or government owned, as we might expect in a strong culture such as China.

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Table 1 also provides the zero order correlation for all variables within their respective level of analysis. For individual level variables affective organizational commitment (AOC) is negatively related to education ($p < .01$) and positively related to seeking to quit, providing support for both H1a and H1b. Allocentrism is positively related to AOC, supporting H2. At the group level we find that there is considerable negative relationship between participative decision-making and personalized leadership, supporting the notion that soliciting follower voice in decision-making is an uncommon practice for those leaders who adopt a personalized leadership vision.

Table 2 shows results of the HLM regression on affective organizational commitment. When both education and allocentrism are considered together, H2 remains supported but H1a is not. Step 2 introduces the group level variable personalized leadership and the cross-level interactions with education (H3a) and allocentrism (H3b). Both interactions are found to be significant ($p < .01$). Figure 1 and figure 2 are provided to interpret the interactions using the mean plus and minus one standard deviation for the predictor variables. Figure 1 shows that the negative relationship between education and AOC occurs only when leadership is highly personalized. This is consistent with H3a. However, the graph suggests that the relationship could be positive when leaders are less personalized (possibly more socialized). Figure 2 shows that the positive relationship between allocentrism and AOC is more positive when personalized leadership is low, or more consistent with collectivist cultures that influence individuals to be more allocentristic. This result is consistent with the hypothesized effects of the interaction between personalized leadership and allocentrism (H3b).

****** place Table 2 and figures 1 and 2 about here *****

Table 3 presents the results of the HLM regression on seeking to leave the organization. Education relates positively with the employee's seeking to leave actions over the past year. This further supports H1b. The full model includes the effects of group level variables PDM and personalized leadership. The results show that the moderating effects of both of these leadership

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practices are significant. Figure 3 illustrates H3c, the effects of personalized leadership on the positive relationship between education and seeking to leave. As hypothesized, the relationship is more positive when personalized leadership is high. Figure 4 illustrates the expectation that the positive relationship between education and seeking to quit is reduced (eliminated in this sample) when PDM is high.

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Discussion

Findings and theoretical contributions

Organizational commitment is a highly relevant outcome in the study of organizational behavior, and it is related to "(a) employee behaviors and performance effectiveness, and (b) attitudinal, affective, and cognitive constructs such as job satisfaction" (Bateman and Strasser, 1984, p. 95-96). It is important to further the thinking that individual differences impact affective commitment, and this study contributes to our knowledge by testing hypotheses concerning how educational level and personalized cultural values relate to employees' affective commitment in China. To the best of our knowledge, it is one of the first studies to examine educational level and cultural orientation as antecedents to affective commitment, especially in Chinese businesses where workers' education level is a growing phenomenon and allocentrism is a traditional characteristic of Chinese workers.

We have found that education may serve as a double edged sword for employers. Employees' higher education constitutes a higher value of human capital by bringing both a greater extent of general knowledge and also more advanced problem-solving skills that come with educational development. However, employees with better education also have more mobility on the market and may be less attached emotionally to their employers. As hypothesized, our findings suggested that employees' level of education negatively relates to their affective commitment to their organizations. The negative connection between employee's increased education level and affective commitment could only get worse when the supervisor

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demonstrates a personalized leadership style, i.e., dominance and exploitation of employees, which is common in many developing countries. Interestingly, this negative connection is converted to positive (see figure 1) when leaders exhibit low level of personalized leadership style, meaning highly educated employees are more affectively committed when leaders are less dominant or authoritative. This highlights the challenges as well as remedies for organizations in these countries of upgrading their human capital as they emerge into the global marketplace while also attending to employment practices so that their increasingly mobile work force can be retained.

Another hallmark of organizational effectiveness in an increasingly competitive environment is collaboration among workers, which spurs creativity and innovation (McMillan, 2001). This study contributes to our knowledge on the role of culture at the individual level (i.e., allocentrism) and how it affects employees' attitudes and behavior. Workers who value the greater good and see the group's goals and accomplishments as more significant than their own will more likely work collectively to "engineer higher level solutions that escape the magnetic pull of compromise" (McMillan, 2001, p. 170), which is critical for success in emerging markets like China. As expected, we found that workers who more value the group that they function within (allocentrics) tend to be more affectively committed to their organization. This works to the benefit of companies in emerging markets that are influenced by collectivist cultures developed over their country's history.

Understanding the dynamics of group-individual linkages is generally most helpful to understanding organizational phenomenon (House, *et al*., 1995). This meso-framework is a hallmark feature of our study, given the hierarchical nature of our research inquiry and data set. Our results reveal that ambient group level factors, such as participative decision making and personalized leadership, have a significant cross-level influence on individual affective commitment and seeking to leave behaviors. Highly personalized leadership seems to strengthen the negative impact of education and reduce positive cultural orientation on affective commitment. In addition, we found that the concerns about low commitment and even losing

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employment services of educated workers can be alleviated somewhat by participative decision making practices of leaders.

Another main theoretical contribution is that we fleshed out the concept of personalized leadership, substantiating the construct and empirically testing its moderating effect on the linkage between individual attributes and individual outcomes. While recognized in the literature as a contrast to authentic transformational leadership (Bass and Riggio, 2006), leadership studies have rarely explored effects of personalized leadership norms to investigate its counter-productive influences. Nevertheless, this construct could be especially important in Chinese companies where leadership and power can be misused or abused in an organizational culture where authority faces little or no checks and balances and self-aggrandizing exploitation is commonplace. As Confucianism emphasizes a rigid social hierarchy and upward deference to leaders, a top-down control and incubator for power misuse and personalized leadership are only natural occurrences. Previous authors (i.e, Tsui *et al.*, 2004) held that China provides a unique context for research on new, yet indigenous, constructs in addition to testing how Western management theories interact with the traditional philosophies in a transition economy. Studying leadership variables that are particularly relevant to Chinese culture is important to gaining insight in China's economic takeoff (Lin, 2008). Our contribution on personalized leadership supports this research opportunity, and it adds not only to leadership research but also to our understanding of cross-cultural leadership and management.

Practical implications

Studying the influence of individual differences on cultural values and their main effects is certainly illuminating in a time of increasing cultural diversity within an organization (Lee *et al.,* 2000). This study suggests that members who endorse allocentrism arelikely to have high affective commitment. If managers can select individuals high on the allocentrism scale, there is a higher likelihood that these individuals will attach emotionally to the organization. Affective commitment is negatively related to turnover and absenteeism (Eby *et al.*, 1999). Thus,

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organizations could potentially benefit from workers who value the collective more than the individual, resulting in greater collaborative team processes, lower turnover and recruitment costs, as well as reduce absences.

Managers should not simply conclude that idiocentrics are "worse" employees than allocentrics. Instead, managers may utilize effective management tactics to cultivate more socialized leadership visions among their supervisors. Lessening the evidence of personalized leadership can mitigate the negative impact of high power distant cultures on the organizational benefits of allocentrism and the challenges of increasingly educated workers. Leadership training programs that aim at correcting the deep-rooted traditional authoritative attitudes and reducing the personalized leadership behaviors will help retain highly educated employees and strengthen the effect of their allocentric values on their commitment to the organization. These implications are important not only for multi-national corporations that have interests in doing business in China, but also for any organizations that embrace value diversity.

Finally, we find that independent of whether leadership is more or less personalized, managers can retain valued educated workers by including them in decision-making activities. Even when power and recognition is scarcely shared with workers, participating in decision-making is practical and knowledge-centric, and gives the employees a sense of respect and recognition of their intellectual capital, which consequently enhances the perceived control and goal commitment of those workers who can provide knowledge competencies to their leaders (Locke and Schweiger, 1979). These types of experiences enhance fit for more highly educated workers and help them develop reasons for why they should stay with the organization.

Limitations and directions for future research

The results of this study should be considered in light of several important limitations. One limitation is that our data were collected using self-reported questionnaires, which may cause common method variance (CMV). Given the objective nature of education level, the behavioral versus attitudinal construction of the two group level influences and one of the

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dependent variables, and the cross-level interaction explanation of the key findings, our concerns are lessened somewhat. The reliability for personalized leadership was slightly below .70. This may be due to the multiple dimensions that are reflected in leadership styles and that individuals do not see all dimensions equally when they perceive their supervisor's approach to leadership, although this concern did not limit the ability to find significant support for the hypotheses.

Another limitation of this study is its focus on allocentrism without considering other personal expression of cultural values. This approach could be too narrow (Gelfand *et al.,* 2007). One good cultural dimension to incorporate in future research is how power distance, for instance, may influence the effects of leadership approaches and together with allocentrism (or idiocentrism) to influence people's reactions to misfit or different leadership styles. A measure to be used could be Triandis and Gelfand's (1998) measure that cross linked the individualism/collectivism measure and power distance measure and created a new construct (horizontal and vertical individualism/collectivism).

From an interactional approach, future research could also investigate contextual factors such as human resources best practices, as well as other individual attributes.

Conclusion

The context for this study is set in a relatively collectivistic, high power distance Chinese society (Hofstede, 2001), where the hypothesized relationship between education and affective organizational commitment may be context bound, and highly allocentric values and personalized leadership tend to be more normative. While these contextual variables may limit generalization, it does provide a relevant backdrop of an indigenous context as called for by Tsui (2004) to demonstrate the effects of contextual variables, not indigenous, such as PDM. We recognize the debate as to whether constructs developed in Western research are applicable in such a distinctly different culture as that of China (Tsui, 2004). Tsui and others raise questions as to whether we can simply research Chinese management by applying theories developed elsewhere or whether we must develop theories of Chinese management while understanding the

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effects of context variables. For example, we hypothesized that personalized leadership moderated the relationship between education and affective organization commitment using theories from Western management. However, we see from the graph of the interaction (Figure 1) that there is a direct positive relationship between personalized power and AOC when education is low. Since a large percentage of a developing country like China has a disproportionately less educated population, might we say that the indigenous context of personalized power is more explanatory where workers have not developed ideas beyond their culture? That is, in China personal power consolidation is more normal (high power distance) whereas in US it is not (low power distance).

However, the constructs in this study were found to be meaningful in a Chinese context, providing insight to improving effectiveness of Chinese businesses by applying more Western practices like PDM to better fully engage a growing educated work force and one less constrained by cultural influences. Given the call for global management knowledge (Tsui, 2004), this study also can be used to inform Western theories of management where collectivism and power consolidation may not culturally (normally) coexist. We believe the context of indigenous Chinese organizations could inform global management to the extent to which PDM practices can mitigate the negative implications of personalized leadership on the growing need for an educated work force. This is especially important as empowerment and innovation become growing necessities in a global competitive market.

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Table 1. Means, standard deviations, reliability coefficients, and intercorrelations among study

variables

	Mean	S.D	ICC1	1	2	3	4
Education level	12.25	2.77	0.21	---			
Allocentrism	3.85	0.42	0	0.015	0.71		
AOC	3.61	0.71	0.05	-.13**	.306**	0.83	
Seeking to leave	0.71	1.09	0.06	.214**	-.15**	-.38**	0.74
Group level							
Personalized leadership	3.48	0.37	0.06	0.68			
PDM	3.17	0.53	0.03	-.534**	0.82		

Individual level – N = 494, Group level – N = 73   * p < .05   ** p < .01

Table 2. Hypothesis testing for individual outcome: Affective Organizational Commitment

(using HLM to analyze the multi-level, cross-level model)

	Step 1		Full Model	
	Beta	*p*-value	Beta	*p*-value
Individual Level				
Education level	-.017	n.s. **H1a**	-.027	.018
Allocentrism	.516	.000 **H2**	.486	.000
Group level				
PL	-.274	n.s.	.003	n.s.
Interactions				
Education X PL			-.162	.000 **H3a**
Allocentrism X PL			-.477	.002 **H3b**

HLM equations:

$AOC_{ij} = B0j + B1j\ Ed + B2j\ Allocentism + rij$

$B0j = G00 + G01\ (PL) + U0j$

$B1j = G10 + G11\ (PL) + U1j$

$B2j = G20 + G21\ (PL) + U2j$

Where Ed is level of education, AOC is affective organizational commitment, and PL is personalized leadership.

Table 3 Hypothesis testing for individual outcome: seeking to leave

(using HLM to analyze the multi-level, cross-level model)

	Step 1		Full Model	
	Beta	***p*-value**	**Beta**	***p*-value**
Individual Level				
Education level	.08	0	.08	0
AOC	-.59	0	-.53	0
Group level				
PL	.13	n.s.	.08	n.s.
PDM	.20	n.s.	.11	n.s.
Interactions				
Education X PL			-.16	.039 **H3c**
Education X PDM			-.20	.006 **H4**

HLM equations:

Seek to leaveij = B0j + B1j Ed + B2j AOC + rij

B0j = G00 + G01 (PL) + G02 (PDM) + U0j

B1j = G10 + G11 (PL) + G12 (PDM) + U1j

B2j = G20 + U2j

Ed is level of education, AOC is affective organizational commitment, PL is personalized leadership and PDM is participative decision-making.
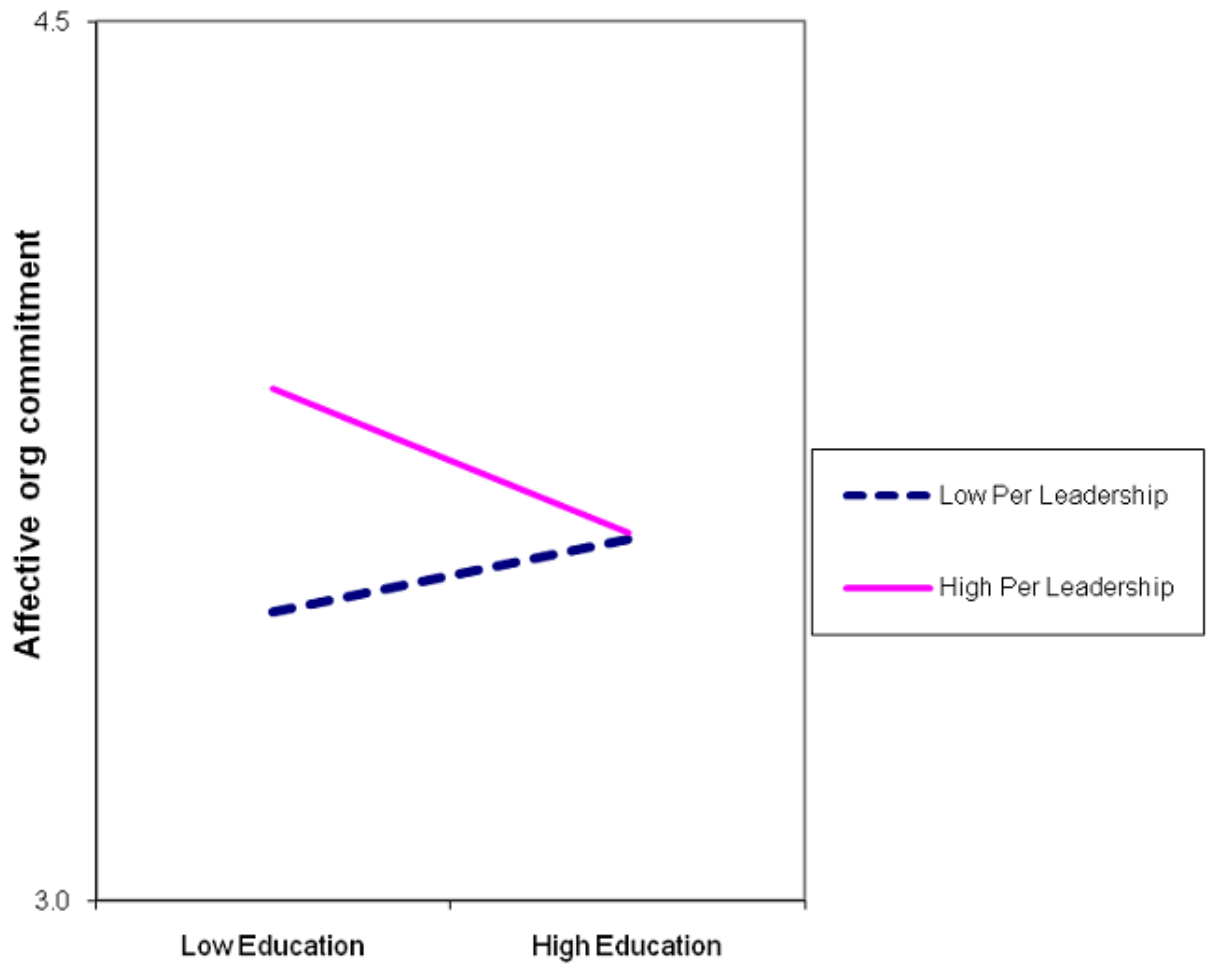
Figure 1 Depicts that the negative relationship between education and AOC occurs only when leadership is highly personalized.
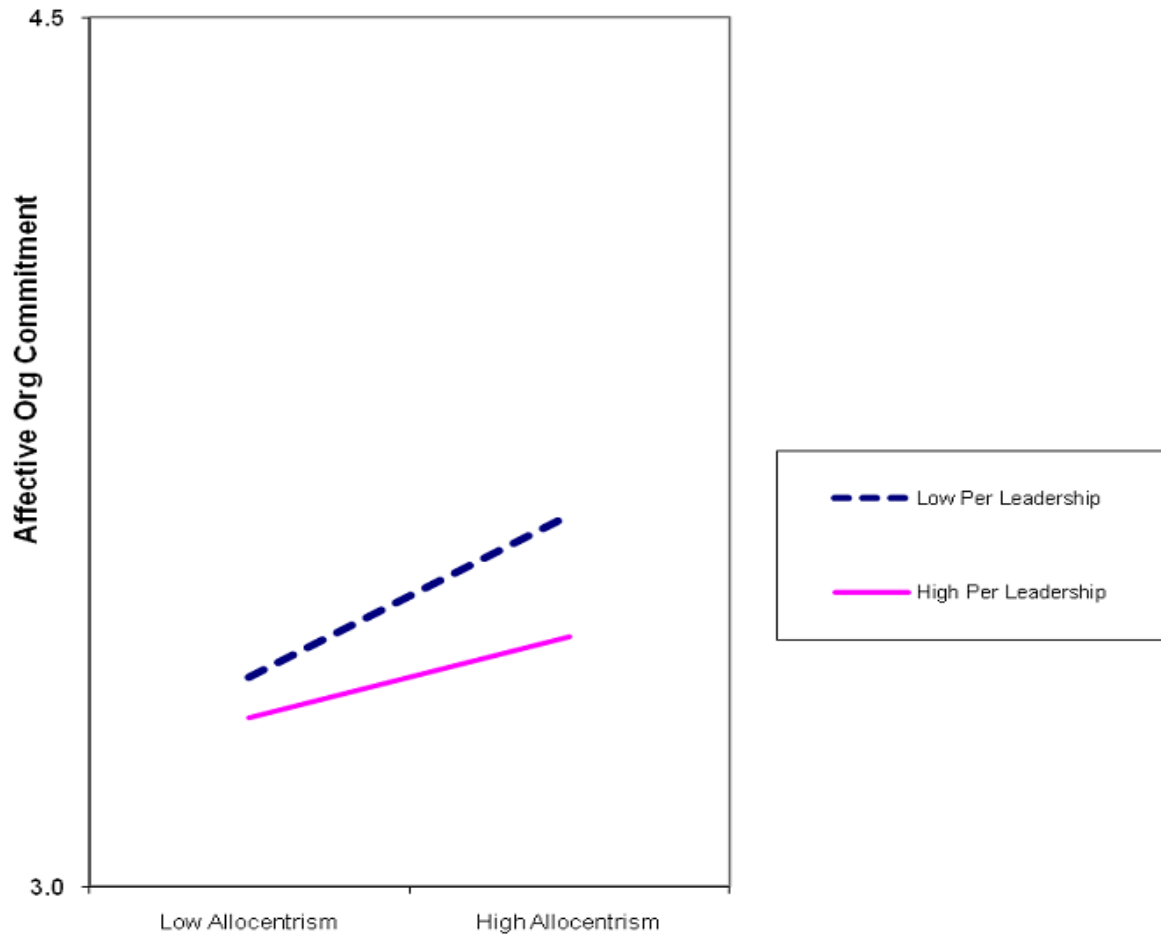
Figure 2. Figure 2 shows that the positive relationship between allocentrism and AOC is more positive when personalized leadership is low.
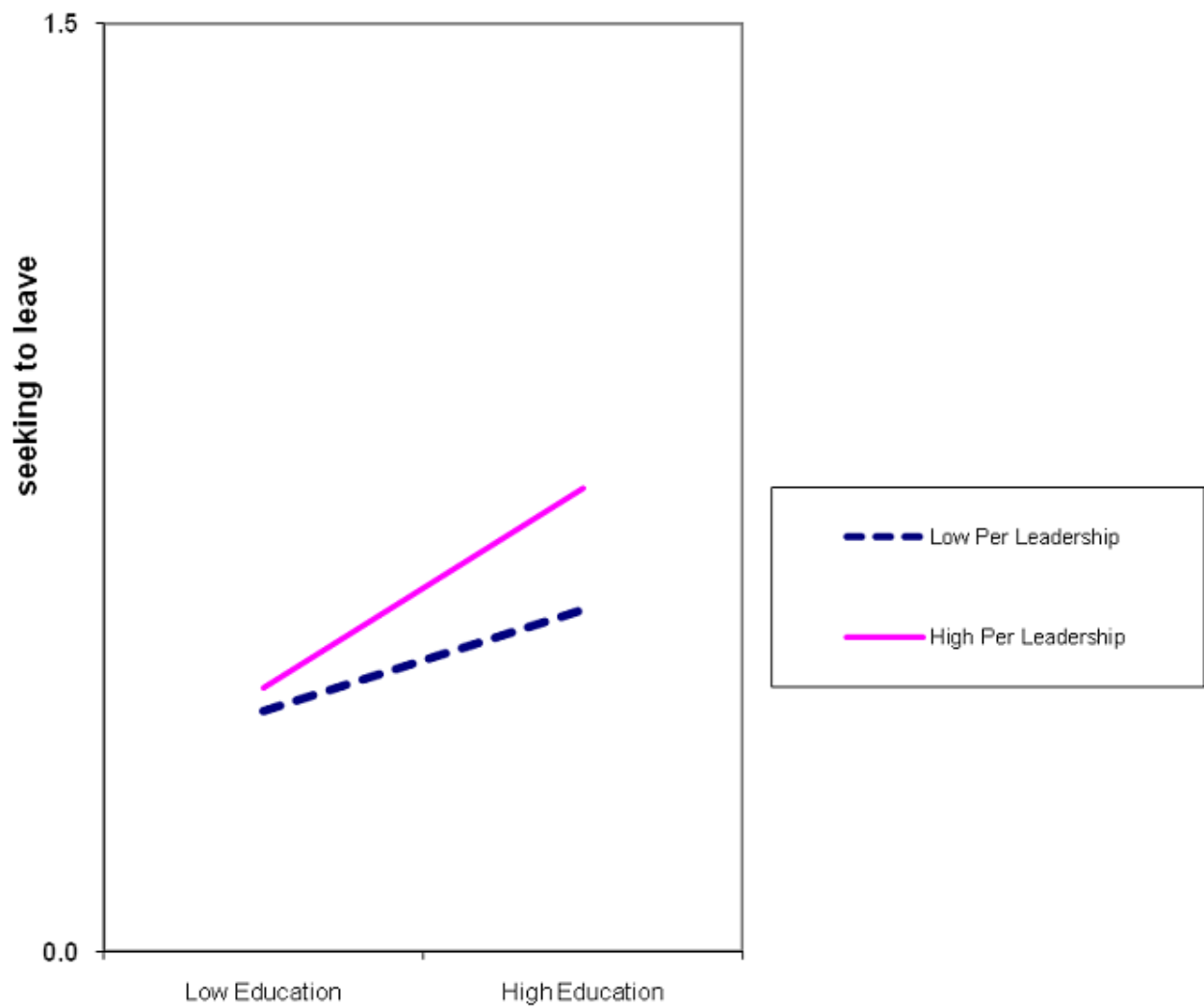
Figure 3 Illustrates the effects of personalized leadership on the positive relationship between education and seeking to leave.
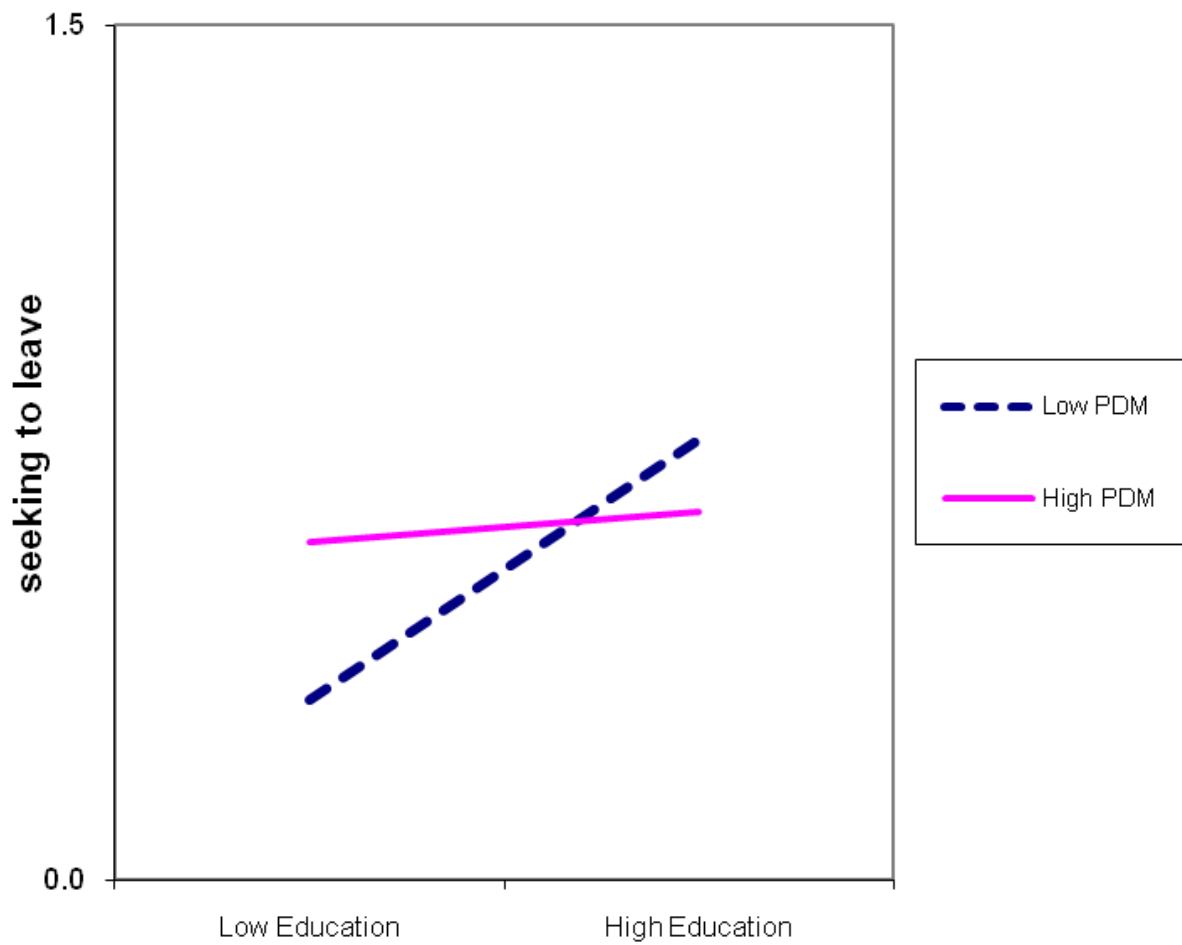
Figure 4. Illustrates that the positive relationship between education and seeking to quit is reduced (eliminated in this sample) when PDM is high.

Acknowledgement