An investigation of leadership styles and relationship cultures of Chinese and expatriate managers in multinational construction companies in Hong Kong

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Cross-cultural leadership research has predicted that the Chinese are perceived as people-oriented and prefer a high-context power relationship, whereas Westerners are perceived as task-oriented and prefer a low-context power relationship. However, such general predictions are less accurate when intercultural interactions exist in multicultural workplaces. For this reason leadership perceptions and power relationships of both Chinese and Western expatriate project managers are explored in multinational construction firms in Hong Kong. Questionnaire data from 45 project managers and 61 subordinates suggested that the local (Hong Kong) Chinese and Western expatriate managers do not differ significantly in terms of leadership perceptions and power relationships. Both manager groups equally considered the importance of task performance and interpersonal relationships. Two possibilities are proposed which lead to similar leadership and power relationship styles of managers from different cultural orientations: the 'intercultural adjustment' of expatriates, and the adaptation of Western styles of leadership by the Hong Kong Chinese project managers.

Keywords: China, project manager, leadership, culture, international business

Introduction

The growth of the global economy and the expansion of international corporations have led to an increasing number of managing professionals working across boundaries and forming a multicultural workplace comprising expatriates from Western countries and host-nationals (local staff). The construction industry is just one of the fields that involve multinational participants with diverse cultural backgrounds. Over the last few decades, Hong Kong has experienced a strong economic growth. The high demand of infrastructure development has attracted a large number of worldwide construction companies and building professionals, despite the recent fluctuations. However, when people from diverse cultural values, attitudes and work styles interact, complications may arise (Brew and Cairns, 2004). Cross-cultural and international business research has recognised that different cultures support different sets of beliefs and practices towards

management and leadership, particularly when those cultures reflect fundamentally different concepts of reality (Chen and Partington, 2004; Mäkilouko, 2004; Chan and Goto, 2003; Liang and Whiteley, 2003; Thomas, 2002; Loosemore and Lee, 2002; Leung and Chan, 1999; Mason and Spich, 1987; Hofstede, 1983). For example, in general the Chinese are perceived as people-oriented, and are concerned with relationships, group harmony and 'face' in the workplace (Easterby-Smith *et al.*, 1995). In contrast, Westerners are described as task-orientated, they value productivity, prefer employees to follow procedures and instructions so that they can work productively (Bass, 1990; Misumi and Peterson, 1985).

Over the last two decades, issues of the culturally diverse workplace have received increasing international attention in the construction literature (for example, Chen and Partington, 2004). Cultural diversities between project leaders in different geographical locations have been extensively investigated. For example, Chan and Tse (2003) developed the groundwork on the impact of cultural issues on contractual

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arrangements, conflict causation, and the selection of dispute resolution mechanisms for international construction projects in the UK, Australia and Hong Kong. Loosemore and Lee (2002) analysed the problems of managing employees at a construction workplace in Australia and Singapore when the managers had limited proficiency in the indigenous language. Chen and Partington (2004) developed an interpretive comparison of the conception of relationships of project managers in China and the UK. Researchers have widely recognised that the concept of construction project management work and communication/conflict resolution skills of both Chinese and Western project managers are likely to be different. Although these studies may provide useful references to make general predictions about groups of managers from particular cultures/nations, it is increasingly evident that these predictions may be less accurate in dealing with situations where specific issues arise from intercultural interactions in culturally diverse workplaces (Brew and Cairns, 2004). For example, in the intercultural workplace study of expatriate superiors (Australian) and host-nationals local staff (East Asian), Brew and Cairns (2004) found that East Asian respondents reacted similarly to Australian expatriates in various dimensions of communicative responses and conflict management behaviour. Mäkilouko (2004) investigated the multicultural project leadership of Finnish and expatriate (Chinese, European and American) project managers in Finland, and found a third of leadership styles incorporating task-oriented and people-oriented leadership styles. The findings of these studies argue that predictions based on cross-cultural dimensions may not sufficiently explain project leadership styles in intercultural settings. Furthermore, an investigation of the multicultural project leadership styles in intercultural workplaces has been sparse in local Hong Kong construction research. To fill this knowledge gap, this study was designed to explore the differences in leadership perceptions and relationship cultures (i.e. power relationships) of the local (Hong Kong) Chinese and Western expatriate project managers in the multinational construction companies in Hong Kong.

Literature review

Collectivism vs. individualism

A review of cross-cultural research revealed that two main dimensions of cultural variability might have an impact on the behaviour of the Chinese and Westerners in carrying out a business process in the workplace (Brew and Cairns, 2004; Ting-Toomey, 1988, 1999).

The first is associated with the well-established cultural value of individualism–collectivism (for example: Brew and Cairns, 2004; Ting-Toomey, 1988; Hui, 1988; Matsumoto, 1991; Triandis, 1995; Gudykunst and Kim, 1997; Hofstede, 1998; Neuliep, 2000; Ting-Toomey and Oetzel, 2002). Hofstede (1983) indicated that individualism–collectivism was the major construct between Chinese and Western societies. Collectivism has been defined as 'a set of feelings, beliefs, behavioural intentions and behaviours related to solidarity, concern for others, cooperation among members of in-group and the desire to develop a feeling of groupness with other members' (Kapoor *et al.*, 2003, p. 687). In general, the Chinese measure high on collectivism as they emphasise cooperation, interdependence and harmony. They are more concerned with the consequences of their behaviour on their in-group members and are more likely to sacrifice personal interest for the attainment of collective interests (Hofstede, 1983; Chan and Goto, 2003). In contrast, individualism is a characteristic of cultures in which there is 'the tendency to view one's self as independent of others and to be more concerned about the consequences for one's self of a particular behaviour' (Thomas, 2002, p. 62). Waterman (1984) identified four psychological qualities for individualism: (1) sense of personal identity; (2) striving to be one's true self; (3) internal locus of control; and (4) principled moral reasoning. Westerners measure high on individualism as they are more concerned with the relation of their behaviour to their own needs, interests and goals more than community concerns, and tend to be less concerned with the consequences of their behaviour on people in the social environment (Bond *et al.*, 1985). Chen and Partington (2004) examined the dimension of individualism–collectivism in construction industry context, and found that project managers in China expressed a strong self-identity as a company employee (collectivist), whereas the project managers in the UK considered themselves more as an individualist. To investigate whether this prediction may have relevance to the local Chinese and Western expatriate project managers in Hong Kong multinational construction firms, we hypothesised (H1) that Western expatriate project managers associate their work identity with the self, while the Hong Kong Chinese project managers associate their work identity with the company.

Researchers have also recognised the strong influence that the cultural orientation towards individualism/collectivism has on individual communication styles and conflict resolution skills (Kapoor *et al.*, 2003; Brew and Cairns, 2004; Hall, 1976). Traditional cultural dichotomies (Brew and Cairns, 2004; Gao, 1998; Tang and Kirkbride, 1986; Yum, 1988) predicted that the collectivist Chinese are rather indirect, and rely on

contextual cues and situational knowledge, resulting in the use of implicit references and indirect speech acts ('high-context culture'). The collectivists promote social relationships and concern for others, and therefore require an essential politeness and diplomacy. By contrast, the individualist Westerners are rather confrontational, and adopt a logic-deductive thought process and explicit codes of speech ('low-context culture'). The individualists promote freedom of speech, truth, logical thinking and objectivity, leading to explicit speech (Brew and Cairns, 2004). In addition, previous studies (Chen and Partington, 2004; Bilbow, 1997) predicted that the Chinese are likely to pay greater attention to group harmony, maintaining 'face' and relationships with all involved. They tend to avoid direct debate or confrontation and always attempt to get through conflicts quietly. In contrast, in order to get the problems solved quickly, Westerners tend to encourage open discussions on disagreements and conflicts when experiencing and solving conflicts. Considering a workplace dispute in the construction field, we extend Chen and Partington's (2004) predictions on communication and conflict resolution styles to the local Chinese and Western expatriate project managers, and we hypothesised (H2) that the Hong Kong Chinese project managers would choose less confrontational procedures to resolve a conflict in order to maintain relationships with others; while the Western expatriate project managers tend to choose more confrontational procedures to avoid the risk of being misunderstood and to resolve the conflict.

People-orientation vs. task-orientation

In addition to the dimension of individualism–collectivism, the behaviour of project leaders can be described in terms of working methods for their groups ('task/people-orientation') (Bass, 1990). The notion of task/people-orientation has been considered as a main distinction in leadership or management styles in different cultures (Thomas, 2002; Ah Chong and Thomas, 1997; Ayman and Chemers, 1983; Tscheulin, 1973). The literature indicates that Westerners tend to be task-oriented (Trompenaars, 1994; Harris and Moran, 1994; Chen and Partington, 2004). Task-oriented leaders focus on a group's goals and means to achieve the goals, value productivity, and want their employees to follow procedures and instructions so that they work productively (Bass, 1990; Misumi and Peterson, 1985). Leaders from a task-orientation style clearly define the roles of the team members, explain what to do, establish well-defined patterns of organisation and channels of communication and determine ways to accomplish assignments. Task-oriented leaders consider

the project team as a temporary organisation for achieving a specific task, and their relationships are subordinate to the task (Chen and Partington, 2004). Hofstede (1998) pointed out that personal achievement dominates if there is a high degree of individualism. In extreme situations, task-oriented leadership is 'ethnocentric', and leaders from this type were culturally blind, ethnocentric or even had parochial attitudes (Mäkilouko, 2004). In contrast, Chinese managers measured high as people-oriented as they are more concerned with relations with others, and the achievements of the team (Hsu, 1981). People-oriented leaders tend to maintain friendly and supportive relations with their followers (Misumi and Peterson, 1985). Leaders with strong relations orientation are usually associated with a sense of trust in subordinates, feel less need to control them, and provide more general rather than close supervision of the subordinates (McGregor, 1960). Mäkilouko (2004) defined this interpersonal leadership approach as 'synergy', and leaders in this style actively attempted to build personal relationships with the project team members. In order to examine the leadership orientations of project managers in the intercultural construction workplaces in Hong Kong, we developed a similar hypothesis as Chen and Partington (2004) that the Hong Kong Chinese project managers are likely to pay greater attention to building and maintaining personal relationships with the project teams, while the Western expatriate project managers are likely to pay greater attention to task performance and project achievement (H3).

High power distance vs. low power distance

The dimension of power relationship has also been identified as a major variable affecting communication (Brew and Cairns, 2004). The power distance is considered as the degree of inequality in power between a less powerful individual and a more powerful other (Mulder, 1977). Divergences between Chinese and Western managers in power distance are expected to lead to different styles in leading their teams (Hofstede, 1998). Among the Chinese, the 'face' issue is considered as a priority in ways of business and management practices, and results in a high power distance (Scarborough, 1998). 'Face' can be defined as a matter of maintaining one's public dignity and standing, and the 'face' components (i.e. *Lieu* and *Mianzi*) refer to one's prestige attached to professional reputation, knowledge, wealth and success. The concept of 'face' was traditionally influenced by Confucianism, which emphasised clear social and structural relationships between superior and subordinate, father and son, wife and husband, brothers, and friends (Syu, 1994). This gave rise to the traditional respect for age, hierarchy

and authority in China. The Confucian concept of *Li* (means ritual propriety) plays a vital role in maintaining a person's social position (Fung, 1976). Westwood (1992) pointed out that *Li* can be seen in China today in the existing traditional organisation with vertical relationships as Confucian values assume that organisations should be managed by the same principles as the family where father is the head of organisation, and employees are the children (Tjosvold, 2002). As such, the relationship between superiors and subordinates is more morally based in China. Group solidarity, sharing duties and obligations are encouraged, and individuals within a collective are bound by affection and loyalty to one another (Chen and Partington, 2004). In contrast, Western managers value low power distance resulting in a more egalitarian approach (Hofstede, 1998). They emphasise individual freedom and preferences, and the relationship between superiors and subordinates is more contractually based (Chen and Partington, 2004). In the empirical study conducted by Bartlett and Ghoshal (2000), they concluded that managers in China used personal relations more widely to exchange information, negotiate with their counterparts and accelerate the decision-making process compared to managers in the UK. Hofstede (1998) also suggested that the desired power distance for people from the UK is considerably lower than for the Chinese. Hence, we further hypothesised (H4) that the Western expatriate project managers tend to have a low power distance or the equal distribution of power, while the Hong Kong Chinese project managers tend to value high power distance or the unequal distribution of power and those who favour high power distance are less pervious to face concerns of self and others.

Research method

Sampling method and pilot test

In this research, structured questionnaires were used to collect quantitative data and to explore the potential difference in leadership styles and power relationships between local (Hong Kong) Chinese and Western expatriate project managers in multinational construction companies in Hong Kong. To search for industry participants, invitation letters were first mailed to the executives of the multinational construction firms in order to get their approval and assistance to contact their project managers to participate in this survey. In order to minimise the possibility of bias, and to provide an impartial perspective of the managers' leadership style, the authors invited the project managers to nominate a maximum of three subordinates to participate in this research. Two different questionnaires (managers and

their subordinates) were prepared. The managers' questionnaire was designed to allow the project managers to identify their leadership styles, while the subordinates' questionnaire was aimed at exploring the leadership style of their immediate managers. Participants were assured that their survey responses would be confidential and anonymous. Each questionnaire was marked with an identity code so as to allow easy matching between a subordinate's rating with those of his/her immediate project managers by the authors.

Prior to the sending of questionnaires, the first version of the questionnaires was pre-tested via interviews with selected project managers and their subordinates. These interviews served two purposes; first, to pilot the questionnaire before sending it out, and second, to ensure the suitability and comprehensibility of the questionnaires. At the end of this consultation process, improvements were made to both questionnaires based on the comments of interviewees, and the amended questionnaires were ready for data collection. Having successfully concluded the pilot work, the main survey was administered to a sample of 78 Hong Kong Chinese and Western expatriate managers and their subordinates (120 no.) in various multinational construction companies in Hong Kong. The response rate from the 78 managers' questionnaires posted was 45 valid responses, representing a total consolidated response rate of 57%. A response rate of 50% (61 valid responses) was received from the subordinates. The response rate of project managers is considered as acceptable based on the reducing number of multinational construction companies under the current construction downturn in Hong Kong. Owing to the limitations in space, this paper focuses on discussing the findings of the project managers' survey. On the whole, the ratings of the leadership perceptions and power relationships of the managers from the subordinates' questionnaire were consistent with the results from the project managers.

Instrument and measures

Both questionnaires consisted of statements describing the leadership styles and power relationships of project managers which were constructed based on the prior empirical studies and literature (for example Chen and Partington, 2004; Brew and Cairns, 2004; Chan and Goto, 2003; Kapoor *et al.*, 2003). The managers' questionnaire comprised three parts. Part 1 requested managers' personal details including his/her ethnic group and managerial experience. Part 2 dealt with questions about the leadership styles of project managers. It consisted of 14 questions on various aspects of task/people orientation, relationships with company, project team, client, communication and conflict resolutions.

Part 3 was designed to explore managers' power relationships. This section consisted of 20 questions on aspects of relationship cultures with their superiors, subordinates and subcontractors. These statements were tabulated in Tables 1 and 2. At this end of this questionnaire, a short statement regarding the potential impact of different leadership styles on project performance or outcomes were asked. The design and questions of the subordinate questionnaire were similar to the project managers' survey but questions which are subjective in nature or imperceptible to subordinates were excluded. All respondents were required to rate the statements on a five-point Likert scale format ranging from 1 (never true) to 5 (always true) which reflected how they would act if encountered with such a situation. Five-point Likert scales facilitated the quantification of

responses so that statistical analysis could be taken and differences between participants could be observed and generalised (Abdel-Kader and Dugdale, 2001). As such, this measure is based on the positivistic approach and objectivity can be achieved. The *independent samples t-test* was adopted to evaluate the difference between the means of the local Chinese and Western expatriate manager groups.

Findings and results

Sample characteristics

The sample of project managers was selected from multinational construction firms that are currently

Table 1 Survey results on leadership perceptions between Hong Kong Chinese and Western expatriate project managers

Statements		Chinese managers		Western expatriate managers		t-value	p-value
		Mean	SD	Mean	SD		
Leadership styles							
General leadership style							
II.1	Meeting project time deadlines and ensuring efficient task performance are more important than maintaining a friendly and supportive relationship with people that I work with.	4.38	0.875	4.19	0.873	0.706	0.484
II.2	I have strong concern for the team's goals and the means to achieve the goals.	3.71	0.806	3.33	0.966	1.419	0.163
II.3	To me, a project team is more a temporary organisation for achieving a specific task.	2.92	1.176	2.38	0.865	1.719	0.093
II.4	I believe project tasks can only be accomplished if close relationships within the project team are achieved.	4.25	0.676	3.95	0.805	1.349	0.184
II.5	Team achievement is more important than my own achievement.	4.17	0.761	4.29	0.644	−0.562	0.577
II.6	I prefer to be self-reliant rather than depend on others in work.	2.71	1.122	2.67	0.730	0.145	0.885
Relationship with company							
II.7	I consider myself as a manager of the project more than an employee of the company.	3.54	1.215	3.05	0.921	1.520	0.136
II.8	I work for company's benefit more than for my own career achievements and job satisfaction.	3.75	0.737	3.76	0.768	−0.053	0.958
Communication and conflict resolution							
II.9	I'd rather say 'No' directly and forthrightly than risk being misunderstood.	3.75	0.897	4.00	0.548	−1.108	0.274
II.10	I'd rather use indirect speech codes to avoid conflicts with others.	3.17	0.637	2.24	0.700	4.658	**0.00***
II.11	I openly express my feelings and emotions and show my disagreement with others in work.	3.58	0.654	3.81	0.680	−1.137	0.262
II.12	I avoid an argument even when I strongly disagree with my team members.	2.58	0.881	2.38	0.740	0.282	0.412
II.13	I believe negotiation is a key to maintaining a good relationship and ensuring avoidance of conflict.	3.33	0.816	3.05	0.865	1.139	0.261
II.14	I believe that a good relationship is more important than a good contract to ensure avoidance of conflict.	3.63	0.875	3.14	1.108	1.629	0.111

Note: * represents a significant difference as $p < 0.05$.

Table 2 Survey results of the perceptions on power relationships between Hong Kong Chinese and Western expatriate project managers

Statements		Chinese managers		Western expatriate managers		*t*-value	*p*-value
		Mean	SD	Mean	SD		
Power relationships							
Deal with subordinates/project teams							
III.1	I emphasise hierarchy with my subordinates.	3.21	0.884	2.57	0.870	2.429	**0.019***
III.2	I value long-term cooperation and emphasise the need to maintain harmony with my subordinates.	4.50	0.590	4.00	0.548	2.933	**0.005***
III.3	I feel no need to control the followers of my team. I have more general rather than close supervision of them.	3.46	0.833	3.62	0.669	−0.707	0.484
III.4	It is important for me to respect decisions made by the majority in the team that I supervise.	3.83	0.702	3.62	0.498	1.165	0.250
III.5	I like to confront issues up front when dealing with my subordinates.	2.21	1.062	2.24	0.831	−0.104	0.918
III.6	I do not like it if my subordinates disagree or fail to respect my decisions.	2.08	0.929	1.52	0.750	2.203	**0.033***
III.7	I treat my subordinates as friend-like, with respect, equality and trust.	4.21	0.721	4.24	0.436	−0.164	0.870
Deal with subcontractors							
III.8	I emphasise hierarchy with subcontractors.	3.21	0.884	2.81	1.030	1.398	0.169
III.9	I value long-term cooperation with subcontractors for mutual benefits.	4.42	0.654	4.14	0.655	1.401	0.168
III.10	I like to confront issues up front when dealing with subcontractors.	2.46	1.021	2.14	0.964	1.062	0.294
III.11	I do not like it if the subcontractors disagree or fail to respect my decisions.	2.54	1.062	2.24	0.768	1.084	0.284
III.12	I treat subcontractors as friend-like, with respect, equality and trust.	3.54	1.021	3.52	0.750	0.066	0.948
Deal with clients or authorities							
III.13	I emphasise hierarchy with client/the person in authority.	3.25	0.676	3.00	1.00	0.993	0.326
III.14	I consider the client as the 'boss' of the project more than the 'provider' of project funds.	2.96	0.859	3.10	0.889	−0.525	0.602
III.15	To me, making the clients/the person in authority happy is relatively more important than keeping them informed.	2.79	1.103	2.71	0.92	0.255	0.800
III.16	This is important to develop working and emphasise the need to maintain harmony with client/person in authority for mutual benefits.	4.00	0.885	3.71	0.902	1.071	0.290
III.17	I value long-term cooperation with client/person in authority.	4.50	0.659	4.29	0.463	1.244	0.220
III.18	I am concerned to protect the 'face' of my client/person in authority.	3.63	0.647	3.29	0.902	1.463	0.151
III.19	I like to be accurate when I communicate with client/person in authority.	4.13	0.741	4.67	0.483	−2.859	**0.007***
III.20	When I disagree with client/person in authority, I express my disagreement.	3.67	0.637	3.81	0.602	−0.770	0.445

Note: * represents a significant difference as p<0.05.

operating in Hong Kong. The sample was considered to be a reasonable representation of the local Chinese and expatriate managers in Hong Kong, which consisted of a total of 45 project managers (24 local Hong Kong Chinese, and 21 Western expatriate managers) ranging from executive directors to various levels of project and construction managers who actively led parts of large projects. For the age distribution, the majority (38%) of the respondents were within the age group of 46–50, and about 75% of the respondents have had more than 20 years' experience in the construction field suggesting that they were highly experienced. Regarding the managerial position, the demographic information revealed that 40% of them were at the executive management level, while others were at the senior

management (40%) and middle management (20%) level.

Of the 21 Western expatriate managers, 16 of them were from the UK, and five of them from other Western nations (two French, one Australian, one Swedish and one Central European). The expatriate managers have been working in Hong Kong for a period ranging from three years to 30 years.

Leadership styles

Hypothesis 1, which predicted that the Hong Kong Chinese project managers would associate their work identity with the company, while Western expatriate project managers associate their work identity with the self, was not supported in that Western expatriates reported a perception similar to that of Hong Kong Chinese project managers. Both local Chinese (M=3.54, SD=1.215) and expatriate managers (M=3.05, SD=0.921) equally considered themselves as a manager of the project rather than an employee of the company (t=1.520, df=43, and p<0.136). In addition, both local Chinese (M=3.75, SD=0.737) and expatriate managers (M=3.76, SD=0.768) considered that they work more for the company's benefit than for their own career achievements and job satisfaction (t=−0.053, df=43, and p<0.958). These results suggested there was no significant difference between the Hong Kong Chinese and Western expatriate project managers in their relationships with the company. It should be noted that the statements for this hypothesis were not asked in the subordinates' questionnaire because this is related to the subjective feeling of project managers.

Hypothesis 2 predicted that Hong Kong Chinese project managers would choose less confrontational procedures to resolve conflicts in order to maintain relationships with others, while Western expatriate managers tend to choose more confrontational procedures to avoid the risk of being misunderstood and to resolve the conflicts; this prediction was also not supported. Although the survey suggested that Western expatriate managers seldom adopted indirect speech codes (M=2.24, SD=0.700) (t=4.658, df=43, and p<0.000) compared to the Hong Kong Chinese managers (M=3.17, SD=0.637), both manager groups did not significantly differ in other communication and conflict resolution dimensions. Interestingly, some Hong Kong Chinese project managers indicated that they preferred to express their feelings and emotions openly by showing their disagreement with others in work. They argued with team members when they strongly disagreed with them. These behaviours contradict the traditional patterns of communication of collectivist Chinese as reported in previous studies

(Brew and Cairns, 2004; Gao, 1998; Tang and Kirkbride, 1986; Yum, 1988). It is also interesting to find that some Western expatriate managers place a high emphasis on good relationships. The findings show that they preferred negotiation, avoided conflicts and maintained a good relationship with external parties.

Hypothesis 3 predicted that the Hong Kong Chinese project managers are likely to pay greater attention to building and maintaining personal relationships with the project teams than their Western counterparts. This hypothesis was not supported as both sample project manager groups considered meeting project time deadlines and ensuring efficient task performances more important than maintaining a friendly and supportive relationship with people (item II1 of Table 1). Both groups also placed a high value on interpersonal relationships with team members. Interestingly, some Western expatriate managers considered team achievements to be more important than their own achievements. Table 1 summarises the survey results of the leadership styles of both manager groups.

Power relationship

In dealing with subordinates, the Western expatriate project managers reported less emphasis on hierarchy (M=2.57, SD=0.870) compared with the Hong Kong Chinese project managers (M=3.21, SD=0.884) (t=2.429, df=43, and p<0.019). Expatriate managers also reported that they seldom dislike their subordinates if their subordinates disagree or fail to respect their decision (M=1.52, SD=0.750) in contrast to their Chinese counterparts (M=2.08, SD=0.929) (t=2.203, df=43, and p<0.033). On the other hand, the Hong Kong Chinese project managers placed higher emphasis on long-term cooperation and harmony with subordinates (M=4.50, SD=0.590) than did expatriate managers (M=4.006, SD=0.548) (t=2.203, df=43, and p<0.033). In their relationships with the clients or authorities, both groups tended to maintain a hierarchy and long-term cooperation with clients or persons of authority. The only difference was that the expatriate managers tended to be more accurate (M=4.67, SD=0.483) in communicating with clients/persons in authority than the local Chinese managers (M=4.13, SD=0.741) (t=−2.859, df=43, and p<0.007). For these reasons, Hypothesis 4 which predicted that the Hong Kong Chinese managers value high power distance or the unequal distribution of power, while Western expatriate project managers conceive people of different status as equal contract parties, was not fully supported. Table 2 tabulates the survey findings on the relationship culture for both manager groups.

Discussion

This study compared and contrasted the local (Hong Kong) Chinese and Western expatriate project managers in terms of task-oriented/people-oriented leadership styles, individualistic/collectivist values and high/low power distance. Traditional cultural dichotomies predicted sharp distinctions between people from Chinese and Western cultures (Chen and Partington, 2004; Mäkilouko, 2004; Chan and Goto, 2003; Loosemore and Lee, 2002; Leung and Chan, 1999; Mason and Spich, 1987; Hofstede, 1983), and provided stereotypical views towards the leadership styles, communication and conflict resolution skills as well as power relationships of Western and non-Western cultures. In contrast with the dichotomised predictions, this study revealed that the leadership perceptions and power relationships of both the local Chinese and expatriate project managers working in an intercultural workplace did not vary significantly. Both manager groups were heavily concerned with meeting project time deadlines and ensuring an efficient task performance. They also placed emphasis on team achievement and interpersonal relationships. Our findings reinforced Orton's (2000) study, where he argued that multinational organisations with a mix of senior management may not follow completely either the rational task-orientation or people-orientation model. Orton's studies (2000) found that Westerners were not completely oriented to being task-driven as they tended to build a more people-focused corporate culture and to adopt a rational approach. Our findings further revealed that both manager groups emphasised long-term cooperation with clients or people of authority. The differences between our findings and the dichotomised predictions could be explained in the following two ways. The first possibility is the 'intercultural adjustment' of expatriate managers (McEvoy and Parker, 1995). Intercultural adjustment was recognised as ideal for cross-cultural success for sojourners from prior studies (Guthrie and Zektick, 1967; Jones and Popper, 1972; Brew and Cairns, 2004). For example, in the study by Brew and Cairns (2004), they found that Australian expatriates modified their communicative and conflict behaviour towards the host culture (East Asia) when dealing with members of that culture. Schneider and Barsoux (2003) suggested that the expatriate managers have to depend on local management and employees to achieve their objectives, and therefore, the ability to form relationships with local employees helps them integrate into the social fabric of the host culture. Successful expatriates needed to be low task-oriented since a strong task-orientation can interfere with the need to build relationships and trust (Kohls, 1979). This suggested that expatriate managers need to adjust and adapt to host-national culture (or 'localised') in order to be successful in their 'international' management (Imahori and Lanigan, 1989; Abdul-Aziz, 1993).

The second possibility is that, referring to the viewpoints of Hall (1976) and Kapoor *et al.* (2003), all cultures have both individualism/collectivism and high/low power relationships in them, because of demographic, regional, class and other differences within the culture (Kapoor *et al.*, 2003). For example, Chen and Partington (2004) concluded that a higher value on relationships is not unique to Chinese managers; the UK managers also consider good relationships at work to be crucial. In this study, the Hong Kong Chinese managers rated themselves higher on 'task-orientation' and 'individualism' than Westerners. This can be explained by the argument developed by Levine and Norenzayan (1999) and Brew and Cairns (2004) that, perhaps, the modernisation and economic development led many Asians to focus on work schedules as much as Westerners. With increasing contact with Western artefacts and people, many Asians have become more 'westernised' (Bond and King, 1985; Ralston *et al.*, 1993). In the study of Bond and King (1985), they found that 79% of Hong Kong people they sampled felt that they were westernised in some respect. Ralston *et al.* (1993) suggested that the thinking of Hong Kong Chinese managers is influenced by both the Eastern cultural heritage and their exposure to Western ways of business. This may explain why the local Chinese managers rated themselves higher on 'task-orientation' and 'individualism'. Our findings imply that a 'third leadership style' which equally considers the importance of task performance and interpersonal relationships (Mäkilouko, 2004) might also exist in the multinational construction firms in Hong Kong. Leaders under this style do not attempt team building or especially develop interaction between team members. Instead, they act as a link between the team members according to the cultural division. Our findings also support arguments put forward by Hermans and Kempen (1998) and Brew and Cairns (2004) that a 'third culture' incorporating an intercultural adjustment by Western expatriates and a cultural norm for East Asian hosts is emerging and developing when the world economy has become increasingly networked.

The findings of the present study suggested that both local (Hong Kong) Chinese and expatriate project managers were experiencing some cultural adjustments, but the survey also revealed that some dominant deep-rooted cultural values and beliefs were not easily altered (Chen and Partington, 2004). The current study confirmed that the relationship culture was

predominant in local Chinese project managers. The Hong Kong Chinese project managers were less concerned with saving the face of subordinates, and tended to dislike their subordinates if they disagreed or failed to respect their decisions. This implies that the concept of 'face' and a clear social and structural relationship between superior and subordinate are important in Hong Kong Chinese culture. Similarly, the concepts of individual freedom and equal relationships between superiors and subordinates are also deep-rooted in Western expatriate managers. Western expatriate manager groups placed less emphasis on long-term cooperation and harmony with subordinates. In this regard, our findings are similar to those of Lee and Rogan (1991) who reported that the Koreans were more confrontational as power and status increased compared to Americans.

Despite such achievements, this study was designed with boundaries. First, this study was based on a small sample of local Chinese and expatriate project managers from firms with a specific organisational type (i.e. multinational construction firms). Caution should be taken not to make generalisations from the findings to contexts for the whole construction field. Future studies need not only to investigate a larger sample, but also to extend the study to a wider construction workplace such as subcontractors, consultancies and development firms. In addition, limited comparison was made between various expatriate manager groups because of the unbalanced representation of nationalities in the sample. The majority of managers in the expatriate sample were from the UK. It may be possible to include a balanced representation of various international manager groups in further studies in order to scrutinise the leadership styles and power relationships from different Western expatriate groups. Furthermore, bi-linguistic questionnaires are recommended in further studies as they would help those non-native English-speaking (local) respondents who may not be completely fluent in spoken and written English. A translation of items and questions could improve the accuracy of the responses.

The present research focused on the leadership perceptions of project managers from different national or ethnic backgrounds. However, no consideration has been made in this research for the influence of the organisational culture on the leadership perceptions. Thomas (2002) indicated that the influence of organisational norm is an important consideration in understanding causes of behaviour in organisations. Bass (1990) also pointed out that organisational culture is of particular consequence to the interactions of the leader and their subordinates. Hofstede *et al.* (1990) suggested that the organisational culture includes different constructs and is composed of different elements from those of national culture. Organisational culture is associated with the predominant mode of control and coordination in the organisation (Shamir and Howell, 1999). Generally, there are three dominant modes of organisational governance: market, bureaucracy and clan (Ouchi, 1980). In the market model, activities are regulated by market or price mechanisms and such control applies to the entire organisation. The bureaucratic control and coordination depends on rules, policies, hierarchy of authority, standardisation, written communication and other mechanisms to standardise behaviour and assess performance. The clan control mode involves the use of shared values, traditions, beliefs and commitments to control behaviour. Shamir and Howell (1999) stated that when an organisation emphasises either market mechanisms or bureaucratic controls, the focus is likely to be on structuring of organisational activities to achieve higher efficiency. This, in turn, leads to a leadership style that emphasises order, clear goals and measured outputs. Greater concerns will be placed by the senior management on the ability of staff to perform their prescribed obligations. In contrast, the clan control tends to be a rather collectivistic orientation. Leadership close to the collectivist approach is likely to emerge and be effective under this mode of organisational culture (Shamir and Howell, 1999). No matter which organisational culture they belong to, managers often need to adjust their habits to fit with the desired new directions for the organisation (Rubin and Berlew, 1984). Therefore, in order to provide a better insight into the leadership adjustments in Hong Kong multinational construction firms, the current research should be expanded to investigate whether the organisational culture is a significant factor in determining the leadership perceptions of both local and expatriate project managers.

On the other hand, a statement was included at the end of the managers' survey in this study to collect their views towards the impact of different leadership perceptions and power relationships on project performance. A majority of the manager respondents indicated a close relationship between the leadership styles/power relationships and project success. This initial finding was consistent with the study of Odusami *et al.* 2003) regarding the importance of leadership styles to overall project performance. However, the relationship between the leadership styles and project success is far more complex than we expected. Phua and Rowlinson (2003 and 2004) analysed the cooperative behaviours of project managers and their impact on project performance in the Hong Kong construction industry. They found that the ingroup/outgroup distinction further complicates the leadership styles and project success of construction organisations. The individual behavioural differences of project managers

in collectivism/individualism may be a moderating factor for inter-organisational cooperation and serves as a mechanism that affects the success or failure of projects. According to Phua and Rowlinson (2003), if the organisation is composed of collectivist managers, they would display more cooperative behaviour with others in their organisation. If the organisation is composed of individualistic managers, they would feel more interdependent with, and be more concerned about the results of their actions on members of their organisation. The ingroup and collectivism can improve cooperation within the organisation, but this would lead to a greater hostility towards those who do not belong to their organisation and probably lead to conflict (Phua and Rowlinson, 2003). This outgroup hostility may generally inhibit success. Given such cultural complexity, it would also be interesting in future studies to investigate whether the ingroup/outgroup distinction exists in multinational construction firms in Hong Kong and how this distinction affects the project performance or success.

Conclusions

This study made two interesting findings. First, the sampled Hong Kong Chinese and Western expatriate project managers did not differ significantly in leadership perceptions. Both manager groups value high productivity, and emphasise project time deadlines and efficient task performance. Although the results suggested that expatriate managers seldom used indirect speech codes to avoid conflict with others, our findings showed that the two manager groups did not significantly differ in other communication and conflict resolution dimensions. Both manager groups reported a strong emphasis on interpersonal relationships. Both groups preferred to negotiate, avoid conflict and maintain good relationships with external parties. Second, this study found that the Hong Kong Chinese and expatriate project managers did not differ significantly in their relationships with the company, clients as well as subcontractors, but it revealed that some dominant deep-rooted cultural values and beliefs were not easily altered. For example, the Hong Kong Chinese project managers were less concerned with saving the face of subordinates, and tended to dislike their subordinates if they disagreed or failed to respect their decisions.

Based on the minor differences between the Hong Kong Chinese and Western expatriate project managers in terms of their leadership styles and power relationships, this research proposed two possibilities. The first is that the Western expatriate managers were

trying to adapt to host-national culture in order to be successful in their international management. The second possibility related to the attempt of the Hong Kong Chinese managers to adapt to the global Western model of business and leadership styles. The current research can be extended in various directions. It would be interesting to undertake and extend similar studies for the management styles of individuals while working on similar projects, but in different environments, such as comparing the leadership styles of local and expatriate project managers of the large contractors operating in China or in other Western nations. The current research can also be extended by investigating the impact of organisational cultures on the leadership perceptions of both local Chinese and Western expatriate project managers. It may also be interesting to see how the perception differences in leadership styles or power relationships of different project managers as well as the ingroup/outgroup distinction may affect the project performance or success in multinational construction firms.

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