APPLICABILITY OF SOME ORGANIZATIONAL BEHAVIOR THEORIES IN THE PEOPLE'S REPUBLIC OF CHINA

by

SHOUGANG JIANG

B.Sc., Shanghai Jiao Tong University, 1983

A THESIS SUBMITTED IN PARTIAL FULFILMENT OF
THE REQUIREMENTS FOR THE DEGREE OF
MASTER OF SCIENCE

in

THE FACULTY OF GRADUATE STUDIES
(Faculty of Commerce and Business Administration)

We accept this thesis as conforming
to the required standard

THE UNIVERSITY OF BRITISH COLUMBIA

January 1987

© Shougang Jiang, 1987
In presenting this thesis in partial fulfilment of the requirements for an advanced degree at the University of British Columbia, I agree that the Library shall make it freely available for reference and study. I further agree that permission for extensive copying of this thesis for scholarly purposes may be granted by the head of my department or by his or her representatives. It is understood that copying or publication of this thesis for financial gain shall not be allowed without my written permission.

Department of Commerce

The University of British Columbia
1956 Main Mall
Vancouver, Canada
V6T 1Y3

Date January 21, 1987.
Abstract

The recent economic and political developments in China, as a result of the open-door policy and commitment by Chinese leaders to attaining the national goals, have made it inevitable for Western theories of management to be introduced to Chinese managers. Transferability of these theories has become an important concern of the managers and scholars in management. The current study was thus intended to serve as a preliminary attempt to look into the applicability of some management theories in China's industries.

The focal attention has been given to evaluation of theories in the areas of motivation and leadership. The selected theories of motivation include Maslow's need hierarchy theory, equity theory, and expectancy theory. Vroom and Yetton decision tree and Hollander's idiosyncracy credit theory of leadership have been chosen to provide discussion on leader behaviors. The basic assumptions and boundary conditions have been identified and examined in the context of Chinese cultural, social, and political systems.

It was found that most theories evaluated are not applicable in China——their preconditions for application are not met to the extent that managerial implications derived from them can create effects intended to enhance managerial effectiveness. Such inapplicability is the result of a wide range of differences in perception of man's role in society, value systems, and the corresponding organizational processes between Western and Chinese cultures.
# Table of Contents

Abstract ........................................................................................................................................... ii
Acknowledgement ................................................................................................................................. v
Introduction ........................................................................................................................................... 1

## SECTION ONE: EVALUATION OF MOTIVATION THEORIES

1.1: Need Structure of Chinese Workers ......................................................................................... 10
   Social Relatedness and Socialization at Work ............................................................................... 13
   Self-esteem Needs ............................................................................................................................. 16

1.2: Need Hierarchy Theory of Motivation ....................................................................................... 18
   Weights of Needs ............................................................................................................................... 18
   Prepotency Reversal .......................................................................................................................... 20
   The Notion of Self-Actualization in Chinese Culture ..................................................................... 22
   Discussion ......................................................................................................................................... 23

1.3: Equity Theory of Motivation ...................................................................................................... 25
   Perception of Equity .......................................................................................................................... 25
   Reactions to Inequity ......................................................................................................................... 28
   Discussion ......................................................................................................................................... 30

1.4: Expectancy Theory of Motivation ............................................................................................... 31
   Reward and Merit Increases in Relation to Performance ............................................................... 32
   Promotion/Advancement and Performance ...................................................................................... 33
   Salary and Performance ..................................................................................................................... 34
   Internality and Externality ............................................................................................................... 35
   Discussion ......................................................................................................................................... 36

1.5: Perspectives on Work Motivation in China ............................................................................... 38
SECTION TWO: EVALUATION OF LEADERSHIP THEORIES

2.1: The Role of a Chinese Cadre ......................................................... 45
2.2: Vroom and Yetton's Decision Tree Theory ...................................... 48
    Freedom of Leader in The Selection of Decision-making Style .......... 48
    Weight of Various Decision-making Factors .................................... 49
    Discussion .................................................................................. 50
    Collective Leadership and Decision-making .................................... 51
2.3: Idiosyncrasy Credit Theory of Leadership ...................................... 53

SECTION THREE: CULTURE, SYMBOLISM AND ORGANIZATIONS

3.1: Face ...................................................................................... 57
3.2: Organizational Stories And the Memory of the Past ...................... 59
3.3: Rituals and Ceremonies ............................................................ 61
3.4: Means of Social Identification .................................................... 62
3.5: The Effectiveness of Western Structural Approaches .................... 64

SECTION FOUR: CONCLUSIONS

4.1: The Two Distinctive Concepts of Man ........................................ 67
4.2: Suggestions for Western Managers ............................................. 73
4.3: Implications for Western Scholars And Chinese Students in
    Organizational Behavior .............................................................. 75

Bibliography .................................................................................. 79
Appendix A: The Motivation Model .................................................... 82
Appendix B: Income And Expenditures of Urban Families ..................... 83
Appendix C: A Comparison of Perceived Need Importance .................... 84
Appendix D: Value Profile --- American Managers ............................... 85
Appendix E: Concept Differences between Pragmatists And Moralists .......... 86
Acknowledgement

The current study has benefited from many people; it is impossible to name or to adequately thank everyone. In particular, I would like to express my sincere gratitude to my family and dear friends who have always provided support, encouragement, and love through the two and half years of M.Sc. program. Many thanks also to Mrs. Grace Wong and Dr. Larry Moore for their facilitating efforts toward the completion of this study. In addition, I also like to thank a wonderful friend, Mackie Chase, for the extensive hours she spent editing the drafts, even at the time of fatigue and sickness. My thanks are also extended to Dr. Frost and Dr. Verma for their interest in the topic of the current study and willingness to serve as committee member and examiner.

Finally, I owe most to a dear-hearted man, Dr. Vance Mitchell, who acted as my thesis advisor. Without his direction, encouragement, and patience, this study could not have been possible. He provided motivation essential to the completion of the project. He demonstrated forgiveness that enhanced mutual understanding. He has not only shown an admirable level of knowledge and competence, but has also exemplified, through his teachings, virtues of an educator. Vance, my deepest thanks to you from inside.
Introduction

As China has set out to implement reforms in the industrial sectors of the economy, management deficiencies have been recognized as a fundamental barrier to the attainment of the national goals, the Four Modernizations. Mobilization and management of human resources in today’s China present special, unprecedented challenges and difficulties for the current leaders who are facing a population clearly different from that of Mao’s time. The changing political and economic climates constantly shape and adjust people’s expectations and attitudes. Using political indoctrination and campaigns as major sources of motivation has failed to prove effective after years of political movements, culminating in the Cultural Revolution when the economy encountered severe damage. New ways of remobilizing the population towards the realization of the Four Modernizations have become the major concerns of contemporary Chinese leaders and managers.

The open door policy has enabled China to engage in increasing economic and cultural exchanges with the West; it has also led to a gradual liberalization in the Chinese people’s attitudes towards Western society and life. As China is eager to learn from the West, especially in the area of industrial management, these new changes have made it possible to transfer Western concepts and practices of management to China. However, a wide range of systematic differences remain that threaten the applicability of these concepts in China. Although the issue of transferability is widely recognized, specific conditions need to be determined as to their likely impact on such a transfer. Most scholars and managers both in China and the West are cautious about the consequences and resulting costs associated with the transfer of inappropriate management theories and practices. The effort expended in exploring the possibility of transfer, however, may help distinguish applicable from inapplicable theories and practices. The value of such an effort goes
beyond making distinctions. It is hoped that China can learn and draw on the managerial experiences of other countries.

The current study is multifold in purpose. First, management theories are evaluated in the context of Chinese political, cultural and social conditions to demonstrate why some theories may be applicable while others may not. Furthermore, the significance of such an evaluation is greater than a mere selection of theories. As Western management practices are introduced to China’s industrial sectors, two distinctive phenomena may occur. Some people may rush to adopt Western management techniques in admiration of Western industrial achievement, without fully estimating their usefulness in Chinese organizations. In contrast, others may be opposed to using foreign practices because of their xenophobic tendencies and philosophical rigidity.

Chinese history from the nineteenth century to the foundation of socialist China, records the bitterness and suffering of the people due to repeated foreign invasions. These experiences have been used by various revolutionists, including Dr. Sun and Mao, to effectively mobilize the masses by constantly reminding them of the national humiliation of their past. The legacy of such teachings, evoking hatred for foreign ‘devils’, can still be found in today’s state of thinking. "This is evident in the few who still try to analyze modern Western civilization from the viewpoint of China’s orthodox values" (p.27, Beijing Review No.28). This is also evident in China’s long history of isolation from the rest of the world. Although one could argue that the Chinese youth today are more receptive to new ideas and foreign influence than their forefathers, it is mostly the older, more conservative, people who are in positions of responsibility and power. Xenophobia and philosophical rigidity all served as potent forces contributing to the Communist’s victory. It is
doubtful that these forces will easily give way to the introduction of Western management concepts.

Each of the above responses to transfer of Western management know-how can be potentially detrimental to China’s development of its management systems and might cause a divergence of stand or splittism. One way of preventing such a diversion from emerging and intensifying lies in the use of the scientific method to reveal the usefulness of some theories and concepts in China, and at the same time, warn against the adoption of inappropriate ones. Only by systematic analysis can such confusion be alleviated, and China benefit from other countries as a late starter in the transfer of management skills.

The second purpose of the current study is to reveal social, political and cultural differences between China and the West that have significant impact on the application of Western management theories. Preconditions for trans-cultural application of these theories can then be specified. Revealing these cultural differences will help Western managers and scholars understand China and its people, while the preconditions will provide guidelines and precautions for application. Thus, both Western and Chinese managers can build up confidence in transferring applicable management practices.

Third, in response to Thompson’s appeal for building a body of administrative knowledge applicable not only to North America but to other parts of the world (Thompson, 1956), this study is also aimed at providing a Chinese perspective in the attempt to build up a more universal body of applied social science. Despite some encouraging results by scholars doing research in different countries, a greater variety of participants and geographical representation is essential. With nearly one
quarter of the world's population, China, representing the largest organizational giant on earth is just now open to and getting attention from scholars in organizational behavior.

Finally, an old Chinese expression sums up the intention of this study: "cast a brick to attract jade", meaning that one offers a few commonplace remarks by way of introduction so that others may come up with valuable opinions. With China's door opening wider to the West and its gradual establishment of management education and research institutions, it is hoped that many more researchers, scholars, and practitioners in organizational behavior will become interested in China and in helping to improve its management effectiveness and efficiency. Such a task by no means ranks second to the introduction of advanced technology in importance and urgency in China's development. If this goal can be obtained, this study, attempting to serve the role of jade-inducing brick, will be well worthwhile.

**Current Research on Organizational Behavior in China**

Organizational behavior is viewed by the Chinese specialists as virgin territory, and the existing group of organizational behavior researchers in China is not sufficiently mature to conduct systematic studies. Many subjects related to the disciplines of social and behavioral sciences are usually offered in the sociology department of various universities (Warner, 1984). In some management schools, the addition of courses on organizational behavior is still an issue of controversy, indicating political and ideological restrictions from various sources.

While organizational behavior is gaining acceptance, some American scholars have focused their attention on studies of Chinese organizations. In spite of the
apparent value and important implications of their findings, "with some notable exceptions, most studies of organizational behavior in the People's Republic are ideographic rather than nomothetic and hence less apt either to challenge or confirm propositions and theoretical generalizations derived from Western experience (Greenblatt, 1979, p.7)." According to Dr. Greenblatt, such incomparable results are due to restrictions on access to data, failure to incorporate findings on China into general knowledge of administration, and unfamiliarity of Chinese specialists with developments in the parent disciplines.

**Toward a Framework of Systematic Analysis**

Evaluating the applicability of Western organizational behavior theories requires consideration of an almost endless list of moderator factors generally categorized as differences in social, political, and cultural environments that will either promote or prohibit the application of foreign management concepts in China. Although generating a comprehensive list of relevant variables is not difficult, it is understood that those variables vary in degree of impact on the application process across time, space, and population. A working framework can help researchers focus on major influential factors and furthermore demonstrate the interdependence and interaction among these factors. As a result of search through management literature for frameworks associated with applications of managerial concepts in cross-cultural settings, the following ones have been found to be useful when they are integrated to ensure comprehensive and systematic analysis.
Comparative Management

According to Negandhi (1975), the following approaches broadly represent the major thrusts in the field of comparative management.

(1) Economic Development Approach. This approach concentrates on examining the basic trends in managerial development which are inherent in each of the four stages of a nation's industrialization. At any state of industrial and economic development, a specific management philosophy tends to prevail, to approach compatibility of managerial philosophy with industrial development.

(2) Environmental Approach. The underlying assumption in this method is that external environmental factors such as cultural, social, political, legal, and economic conditions partly determine managerial effectiveness. While this approach emphasizes the significance of forces external to organizations, internal organizational processes are ignored. These internal processes can serve either as facilitating mechanisms or as serious barriers to the utilization of theories.

(3) The Behavioral Approach. This approach assumes that cultural variables such as beliefs, attitudes, need hierarchies, values, and behavioral patterns, determine management practices and therefore managerial effectiveness.

(4) Macro-micro Approach. Relating the organization to its environment, this approach assumes that the organization operates in an open system. With specification of a three-layer environment (organizational, task, and societal), this approach integrates aspects of all previous approaches.
The Concept of Applicability

Conceptualizing applicability of theories cross-culturally calls for several considerations of the application process. First, the theory must be workable, meaning that the prescriptions must be compatible with Chinese settings and behavioral patterns. Second, application of Western organizational behavior theories must be facilitated by existing management operations and systems. Third, measurements of organizational effectiveness are essential to provide feedback for evaluation so that positive consequences can enhance institutionalization of useful practices.

All of these conditions are necessary, yet the measurements of organizational effectiveness are critical in judgement of relative applicability of the theories. Robbins (1983) offers an outline of the prevailing approaches to organizational effectiveness that may be taken to serve as applicability criteria, either by the scholars in organizational behavior, or by Chinese leaders and managers. The goal-attainment approach emphasizes organizational processes conducive to the realization of the ultimate, defined goals. The systems approach calls for successful interactions between interrelated subparts active in the organizational environments to ensure survival. Similar to the systems approach, the strategic-constituencies approach is founded on the assumption that survival requires the organization’s ability to identify critical interest groups and to respond to their demands which change frequently. Finally, the competing-values approach views that conflicting goals exist due to competing values held by various interest groups. The value of this last approach lies in that it offers multiple criteria to measure organizational effectiveness; different criteria can be applied to different situations by different people.
In the eyes of the Chinese leaders and managers, the first three approaches will be valuable. This can be understood in the context of the uniform political and social influences with which all Chinese organizations are confronted, and the central planning nature of the economy. The final approach, the competing-values approach, is of value to researchers in coming up with an overall assessment of organizational effectiveness using multiple measurements in the process of theory applications.

It is expected that some theories will be found inapplicable. In this case, alternatives will be generated to accomplish what the theory purports to achieve, in ways which are acceptable under particular Chinese political, cultural, and social contexts.

This paper is divided into four sections. The first section deals with the area of motivation, and the second section with leadership theories. In the third section, several social fabrics of a Chinese worker's work life are revealed to demonstrate the impact of culture on organizational rationality that the theories attempt to accomplish. Finally, the fourth section summarizes the findings of the previous sections and offers some fundamental suggestions for application and research.
SECTION ONE:

Evaluation of Motivation Theories

1.1: Need Structure of Chinese Workers
1.2: Need Hierarchy Theory of Motivation
1.3: Equity Theory of Motivation
1.4: Expectancy Theory of Motivation
1.5: Perspectives on Work Motivation in China
Three theories of motivation has been chosen for analysis, namely, Maslow's Need Hierarchy Theory, Expectancy Theory and Equity Theory. Although coverage of more theories would be preferable, the chosen theories are believed to provide discussion of the most fundamental motivation processes in the work setting. Furthermore, discussion of applicability of these theories can reveal conditions that affect application of other theories of motivation. This will become obvious in the later sections of the discussion.

A working analytic model that can integrate all the three theories and demonstrate their inter-dependence in defining boundary conditions is provided by Lawler (Lawler, 1971, Appendix A). Although this model was used to analyze the effect of pay, it is considered to be useful in analysis of other forms of external motivation as well. Prior to being able to use the model for assessment of applicability, certain relevant parameters in the Chinese industrial society that have motivational significance need to be specified. Then, these parameters are compared against the assumptions and managerial implications of the theories to determine their applicability. In addition, specification of these parameters will help develop motivational theories which are practical in China.
1.1: Need Structure of Chinese Workers

In China, people are said to be the masters of the country and the state is the institutional representative of the people's interests. This relationship is based on the allegation that with the overturn of the Kuomindang regime in 1949 and the founding of a new China in the same year, the Chinese Communist Party, with its United Front (consisting of peasants, workers, soldiers and intellectuals), conquered the people's common enemy. This allegation goes further to state that, in the new China, people belong to the same class, the proletariat, regardless of rank and profession. Therefore, role difference results only from division of labor, and the nature of exchange between the state and the people is that of mutual trust and benefits, with a common goal of building up a strong socialist nation. In this way, everyone is master of the country, and at the same time, a servant to its people.

Because of the claimed elimination of class distinction among the people and the representative nature of the government, the state takes responsibility for satisfying people's basic existence needs, partially for continued survival, partly for the purpose of compensation for their cheap labor. In the industrial sector, employee benefits consist of basic wages, subsidies, bonuses, sickness, injury, and disability benefits and retirement benefits. Other benefits include housing, generous maternity benefits, transportation subsidies, and day care facilities for workers' children (Tung, 1982).

Basic wages are relatively equally distributed among those who have similar qualifications, tasks and seniority. In other words, holding any two of the above factors unchanged, the third factor becomes dominant in structuring relative wage scales. Bonuses, reintroduced in 1978, are attached to the fulfillment of
state-determined production plans, and therefore found to vary in amount across industries and factories because of incomparable management and production capacities. To complicate the bonus system even further, local authorities, factories, and even work teams at the shop level are encouraged to participate in bonus decisions as a result of recent reforms in industries.

Safety needs of workers are considered to be highly met. Welfare policies ensure a stable source of income and delivery of social and medical services.

Researchers of organizational behavior who are interested in China's industrial management argue that, given such a comprehensive package of benefits, Chinese workers are taken care of in terms of their basic physiological needs (with the exception of premarital sex) (Tung, 1982). However, it is doubtful that these basic needs of an average Chinese worker are met to the extent that others needs become dominant in determining one's behavior. First, the living facilities provided by the state are of low quality, though easy and inexpensive to come by; with housing for example, the average living space of urban families is about five square meters per person. Although construction of living space has grown at a startling speed in comparison with Western standards, the effects are minimal to reduce the tension of population growth in cities. In large cities like Shanghai and Peking, many young people have to delay their marriage because of the enormous list of applicants waiting for allocation of houses. As a consequence, people experience a certain level of stress because of dissatisfaction with living conditions, especially since nothing is in their control to change the status quo. Rather, those who do not have the patience to wait in line for assignment usually turn to other means of obtaining better living necessities, even during working hours.
Second, in recent years, Chinese workers have adjusted perception of their needs. Since Mao’s death and the arrest of the "Gang of Four", the Chinese leadership has stressed that one of the purposes of constructing a socialist country is to raise the living standard of the general population. Therefore, improved household facilities and possession of so-called luxury items are no longer criticized by peers and neighbors as signs of bourgeois life style. On the contrary, farmers are encouraged to get rich in the countryside as an incentive for rapid agricultural growth, indicating a change of government attitude toward material wealth. Furthermore, in accordance with the principles of the economic reforms, the current production and investment policies have been adjusted such that light industries put out far more output than ever in terms of percentage contribution to GNP figures; and more consumer products are available on the relaxed commercial market. The above changes have all had an impact on reinforcing the workers’ perception of their basic needs and stimulating and raising their expectations for improved living conditions.

The results of the analysis above are reflected in the structure of income and expenditures of urban families presented in Appendix B. As indicated, the average Chinese family spends about 90% of the family income on the purchase of food, clothing, and daily expenses. More importantly, this trend dominated through the period from 1978 to 1983, when the average income of urban families increased 43% from 318 yuans to 526 yuans. Of course, one could argue that prices of goods in China had increased during the same period. However, prices of basic items have been relatively stable. So, to an ordinary Chinese urban family, even though facilities for life are taken care of by the state, these facilities do not seem to live up to the expectations that have been created by the new economic
developments. Improving life on the current basis still has a strong influence on people's economic behavior. People will seek a better quality of life by purchasing goods and services from the increasingly richer marketplace for which pay is instrumental. Nevertheless, this is not meant to say that motivation can be achieved merely by pay raises. Other considerations may exert a significant impact on performance and the effectiveness of material incentives. These factors will become clear in the later discussion.

Social Relatedness and Socialization at Work

The Chinese are seen as tending to form a communal society wherever they settle down. The tendency to emphasize relationships in life is rooted in China's 5000 years of social evolution. In both ancient and contemporary China, influential thinkers and philosophers have stressed the role of kinship and social connection in pursuing perfection of human beings. Hsu (1971) has argued that the Western concept of personality is deeply rooted in individualism, which can not be easily transformed to Oriental cultures. The Chinese conception of "jen" (meaning man) is based on the individual's transactions with his fellow human beings (Hsu, 1971, p.29). In other words, a person should be judged partly on the basis of how he or she behaves in relation to the surrounding human environment, and how well he or she plays various social roles which are well defined by the ancestors of Chinese people and passed on from generation to generation through the social mechanisms of education.

Like the Chinese Culture as a whole, Chinese industrial organizations are highly contextual. Social elements of organizational processes are widely reflected in the work of Western writers (Butterfield, 1982, Tung 1982, Brugger 1985, Nelson & Reeder 1981). Danwei, the work unit, virtually owns its employees, and serves
as a control apparatus, linking the state and the people. Workers from the same
factory are organized to live in the residential quarters built on the particular piece
of land assigned by city authorities for housing to the work organization (including
hospitals, factories, universities and other organizations; Cohen, 1982; Butterfield,
1982). The consequent closeness of living facilitates informal communication and
socialization of work and has an immense impact on relations at work. This process
of socialization mainly takes the form of visiting one another, expanding one's
personal base, discussing new developments in the factory and community, or
building connections leading to the use of "back door", a popular way of acquiring
better commodities, job assignments, and other benefits through personal relations
which otherwise can not be acquired by going through normal procedures (the front
door). Given that people find themselves dealing with the same human environment
both off the job and on the job, it is inevitable that personal considerations affect
organizational processes, especially in the area of personnel administration.

This pattern of socialization and building connections also causes and, is
reinforced by, the existence of a "dual economy". Because the average Chinese are
generally not content with what they are entitled to from the state due to
unsatisfactory quality, they often seek other methods of gratifying their needs,
obtaining what cannot be bought with money. For example, luxury commodities are
still rare on the market. Instead, people turn to their personal friends or relatives
who have access to cheaper and better consumer goods. People who have personal
connections with doctors can avoid waiting in long lines and get superior attention
from doctors. In the organizational setting nepotism mainly operates in the field of
youth employment, job assignment, transfer, and replacement, employee evaluation,
and promotion. Due to lack of concrete criteria, alternatives and candidates are
"evaluated by impressions" (Shirk 1981), which leaves much room for self-interest and favoritism.

Consequently, these social elements in the work place have been recognized by Brugger (1985) as factors contributing to quasi-kinship work relations in Chinese industry. Interestingly such quasi-kinships have been strengthened by some genuine elements. An old practice that was formalized in the post-Mao era is to recruit children or relatives of those workers who are approaching retirement due to age or health conditions. This helps alleviate the social problems of severe unemployment among urban youth, and increases productivity of the work force. It is believed that this system provides "incentive for the old workers to retire early and continue to draw 75% of their former salary" (Brugger, 1985). By doing so, a further incentive can be realized since most families involved can increase the family income. Moreover, policies regarding allocation of housing space further encourage young workers to choose their spouse from the same danwei, besides the fact that many couples already work for the same danwei. Young couples from the same work organization have higher priority in apartment assignment because the organization can resolve the housing problem for two workers by providing one apartment. Additional practical value is now attached to this practice since youth born during the baby-boom period are approaching marriageable age, thus aggravating the tension for housing.

No doubt, emotional elements resulting from these social and organizational fabrics contribute to internal coalition, integration and conflict. Thus, in large measure, these emotional elements contribute to overall organizational inefficiency. These fabrics can also become a strong impediment to any policy change likely to stir conflict of interests. As reported, a Western manager working in a Chinese
factory was frustrated by the fact that he had to spend 80% of his time dealing with non-productive, interpersonal problems. Considering the high degree of homogeneity in social and organizational structure and the extent to which Chinese people value personal relationships, this phenomenon is seen as typical across cities and organizations. Despite recent stress on industrial efficiency and meritocratic procedures in employee evaluation and recruitment, the effects of quasi-kinship and genuine kinship will continue to be important and will be lasting, for at least a few decades.

Self-esteem Needs

Chinese culture has been described as highly contextual. This is true, especially when one looks at how the social structure affects the degree to which people's esteem needs are met. Desires for feelings such as strength, adequacy, and confidence are subject to pressures of institutional forces which are out of the individual's control. In addition, satisfaction of these internal esteem needs is related to perception of feedback from external sources that include reputation, prestige, importance, recognition, attention, and appreciation. The more structured and contextual the society is, the more important the external sources are to the overall satisfaction of esteem needs.

In China, heightened interpersonal sensitivity and social awareness result from the closeness of living and the powerful forces of the informal grapevine. It is impossible for one to escape attention of the surrounding others. Considering that the Chinese strongly value personal relationships, it is important in establishing respect and friendship/love that one live up to the expectations of the others in his life circle. Therefore, Chinese people, in comparison with Westerners, are somewhat more shaped by the society, demonstrating relatively less deviation from the general
population. According to Ng,

"the conformity to socially acceptable behavior in the West is achieved through morality based on guilt (internalized conviction of sin), the pain of which is well known. In the Chinese case the same end product of acceptable behavior is achieved through the adoption of a lofty model prescribed in traditional terms and the meticulous and unsparing efforts to try to attain it. The better to pursue it, the individual trains himself or is trained to have a sensitive pride, which reminds him with a painful sense of shame or wounded pride whenever he falls short of it (Ng, 1977:p.35).

Resembling a shame culture, which relys on external sanctions for good behavior, the Chinese society propogates greater pressure towards conformity. The implication of this in social and interpersonal relationships is "face". More importantly, "face" can be a powerful motivational force. It is also an essential factor that has to be taken into account in proposing the adequate leadership style. The importance of "face", as unique to the Asian, will certainly restrain the universality of knowledge of managing human resources and have strong practical implications in designing and selecting methods of social influence and motivation."
1.2: Need Hierarchy Theory of Motivation

The need hierarchy theory of motivation, originated by Maslow (1943) and elaborated by other researchers, takes on importance in the domain of human motivation due to the widespread awareness among managers of the criticality of need satisfaction in the realm of work life. Also the theory has potentially significant implications for managing and organizing human beings, provided the theory is valid. Despite the lack of conclusive supporting evidence in Western countries, the theory is selected as a good departure point for discussion of motivation. Three boundary conditions are identified that will have impact on the cross cultural transferability of the theory, namely, weights of needs, prepotency of needs, and the notion of self-actualization.

Weights of Needs

Needs groupings by Maslow, though not necessarily mutually exclusive and exhaustive, provide a coverage of major need orientations which procreate motives directing behaviors. However, the relative dominance, or importance among these needs varies with economic state and cultural orientations. Human need structure within a certain culture transforms according to changing political and economic conditions, varying expectations, and increasing exchanges with other nations. Nevertheless, differences in relative need dominance due to differing cultures and value systems are far slower to change and, to a large extent, can survive leadership succession, political and cultural infiltration, and economic development.

Because research on comparative need structures between China and Western countries is virtually non-existent, Appendix C is chosen to provide a reference basis for inference. It shows the pattern of responses from a survey of 376 Chinese
managers in Hong Kong in comparison with data from the original survey in some Western countries (European and Anglo-American) by Haire, Ghiselli and Porter (1960). Although the questionnaire used in the survey has been shown to be discredited as a measure of Maslow's needs hierarchy, for the purpose of comparing need strength, the results are considered appropriate.

As indicated, three outcomes are distinctively notable. First, evidently the Chinese show less concern for security, attributed to life-time employment and sustained social status, as well as emphasis on stability in social association. Second, the Chinese perceive social and esteem needs as more important than the Westerners do. Given the fact that the Asians tend to form highly contextual societies and that the Chinese strongly value personal relations with their fellow human beings, such greater needs for satisfaction in social relations and self-esteem are by no means unexpected. Third, the Chinese put less weight on such scales as autonomy and self-actualization. The explanations for this phenomenon are congruent with the reasons for greater social and esteem needs. One must align with the norms and expectations of the society in order to obtain satisfaction at a higher level that the Westerners would attain by achieving autonomy and self-actualization.

Clearly, these results are largely consistent with the discussion of need structure in the early section of the chapter. Of course, it could be argued that there might be some differences inherent between Hong Kong Chinese and people under Communist rule, and the above inference might be misleading. Yet, a counter argument can be easily made that China has not been open to Western economic and cultural influence which Hong Kong as a free harbor has experienced. Thus, people in China could be expected to display a pattern of relative need salience that is even more at variance with the pattern of need importance for a
Westerner. One thing worth noting, however, is that sample populations in both surveys consist of people at the managerial level, and the importance of achievement needs for an average employee below the level of the manager could be lower.

**Prepotency Reversal**

Despite the lack of scientific validity of the questionnaire proposed by Haire et al, the results from both surveys using the questionnaire, as shown in Fig. 2, are seen as conforming to intuition. The displayed patterns of relative needs importance also seem to be supported by the early discussion on differences in values and perceptions of man between Western and Chinese cultures. Compared to the need prepotency proposed by Maslow, an inversion of needs ordering is apparent in Chinese people.

Although many factors can account for such reversal of need salience, the best explanations are provided by Maslow himself. According to Maslow (1943) in listing the causes of need reversal, "perhaps more important than all exceptions are the ones that involve ideals, high social standards, high values and the like" (p.387). Unlike the Western culture which fosters individualism and self-expression, the Chinese culture requires high awareness of man's social responsibilities as defined in terms of the fulfillment of his role expectations. Inevitably, awareness of these role expectations is likely to lead people to stress social needs in answering the questionnaire because of their social desirability.

Maslow also talks about preconditions for basic need satisfactions. Among others, the identified preconditions include freedom to speak, freedom of self-action without doing harm to others, freedom of self-expression, freedom of seeking
information, and freedom of self-defense. Thwarting in these freedoms imposes danger to the gratification of the basic needs. While these freedoms are taken for granted in the West, they are not encouraged in China. The resultant frustration of the basic needs precludes people from pursuing satisfaction of higher-order needs such as autonomy and self-actualization. Furthermore, the suppression of these higher needs deadens or lowers the perceived importance of these needs (Maslow, 1943). This is particularly true with reference to China. Throughout all the phases of China's evolution, man has always been taught to obey and respect the older and powerful. One must sacrifice self determination for social acceptance.

On the basis of the above discussion, there is reason to believe that the need reversal is culturally induced. This statement can find partial support from Jung's proposition of Collective Unconscious. As archetypes, defined as uniform and regularly reoccurring modes of apprehension and action, are common to all humans, their effects, or images, are culture-specific (Mattoon, 1983). These cultural factors serve the role of lenses through which specific versions of the reality are created. People of all cultures have the same needs, yet the patterns of the relative prepotency of these needs vary with differing social conditions. In light of this proposition, it may not be meaningful to say that there are differences in contents of phenomena. Differences are only in intensity and variety of the manifestations of these phenomena.

Just as the notion of "economic man" has come under serious criticism, the concept of prepotency of needs beyond the existence level can not explain highly complex human behavior. Most human beings are not systematic in perceiving their needs and need importance in regulating their behaviors, and a lot of human behaviors are haphazard, subject to influences out of their control. Once certain
needs are satisfied, much time needs to be spent on maintaining satisfaction at that level. Furthermore, perceptions of satisfaction are vulnerable, easily ruined by changes in the surrounding physical and human environments and varying expectations. Moreover, ability to pursue satisfaction of certain needs is confined by opportunity open to individuals. In China, where central planning dominates, and the danwei "owns" its staff and workers, individuals are left with less freedom to choose their life style. In addition, in such a highly contextual, tightly structured society as China, with various mechanisms of social influence and control, individuals' behaviors in a large measure reflect or stay in line with behavioral inclinations and expectations of the surrounding human environment, or the society at large. In designing and selecting mechanics of social influence and motivation, therefore, it makes little sense to think of the relationship between motivation and behavior on an individual basis. Influence from a larger number of others becomes more relevant than in the West.

The Notion of Self-Actualization in Chinese Culture

Among the five levels of needs, physiological, safety, social and esteem needs are all experienced by people from all cultures, while the concept of self-actualization has been thought to be based on individualism and existentialism less relevant in Oriental cultures, thus, it is culture-bound (Maruyama, 1974). "If a person is inextricably bound up with a social context, and the notion of self is not perceived in the same way as in Western cultures, self-actualization may not be the same process" (Redding & Johns, 1979). As Maruyama (1974) pointed out, "it is regrettable that Maslow died in 1970 just when he began to be actively interested in other cultures such as the Navajos; one more year of his life could have meant an important change in his conceptual formulation (p.183-184)." In a
culture like China where self is perceived in conjunction with others, "to become 
more and more what one is, to become everything one is capable of becoming"
(Maslow 1943, p.382) reflects both his desire for fulfillment of his ideals and the 
importance he attaches to the attitude of the surrounding, relevant others toward 
that fulfillment. Individualism and existentialism on which self-actualization is based 
left Maslow puzzled about what self-actualization meant to the Chinese (Redding 
1979). Given the contrast in perception of self between a Westerner and a Chinese, 
should Chinese people self actualize, their social and esteem needs must be satisfied 
at a considerably high level.

Discussion

The discussion above on examining boundary conditions of the Need Hierarchy 
Theory of Motivation in China reveals threats to its cross-cultural application. Given 
the inevitable contrast in need orientation between Chinese and Western cultures, 
need prepotency above the existence level suggested by Maslow's writing loses 
strength in the Chinese society. This is because the Chinese emphasize the 
interdependence between individual and society in perception of self and need 
satisfaction and the consequent pressure towards conformity to socially prevailing 
norms and expectations.

In coming to a comprehensive evaluation of the theory, it is impossible to 
avoid assessing the processes through which the theory is applied to organizations. 
The application of the theory is grounded on the prevalent assumptions that 
satisfaction and performance are linked together, and that organizations can enhance 
productivity by providing opportunities for satisfaction of the basic needs. These 
assumptions may seem attractive and convincing, but research on the relationships 
between job satisfaction and performance has generated inconsistent results from
study to study (Nord, 1976). Production pressure, autonomy on the job, and group norms have all been shown to moderate the relationships between job satisfaction and performance. Perhaps the more influential moderators than any others are the ways rewards are distributed to organizational members. When rewards are contingent on performance, satisfaction will enhance performance, and vice versa. Only when behaviors perceived as leading to performance are also seen as leading to satisfaction can positive relationships be expected (Nord, 1976).

Therefore, the need hierarchy theory and other motivational theories based on need satisfaction can not be applied without taking into consideration the environmental factors that have motivational significance. The following parts of the paper evaluate the equity theory and expectancy theory of motivation that deal with some important environmental variables. Thus, as a result, usefulness of the need hierarchy theory should be judged partly on the basis of the application of other motivation theories.
1.3: Equity Theory of Motivation

In contrast with need hierarchy theory, equity theory seems to have gained more favorable support from various experiments designed to test its scientific validity. Much of the research has been conducted in the laboratory setting, thus subjecting the the work to limitations of experimentation and design. Time duration and wide individual differences in response to inequity further limit its application in setting pay scales and predicting performance related behaviors. Moreover, national and cultural differences have been recognized regarding equity motivation (Weick, Bouqon, and Marugania, 1976), although research in this respect is minimal.

Cross-cultural examination of equity theory calls for determining conditions under which equity motivation is mobilized and typical responses to perceived inequity. In order to mobilize equity motivation, there must be a clear perception of composition of the input and output dimensions and a clear perception of one’s position on these dimensions relative to his reference sources. A second consideration is related to the likely effects of inequity in respect to behavioral changes in attaining equity or feelings of equity. It is believed that beliefs, traditions, and social fabrics exert considerable impact on the way people from one particular culture behave to reduce tensions of inequity.

Perception of Equity

There exist various kinds of input and outcome dimensions that people use to form the perception of equity for themselves and other persons. The weights subjectively assigned to these input and outcome factors used in perceiving equity are influenced by individual differences in beliefs and preferences. In addition to this, managerial practices of a particular organization can set up expectations of the
future importance that employees will attach to the relevant dimensions in equity perception. Thus, significant organization changes may well alter the employees’ psychological state of satisfaction through changed perception of equity. Besides, people of a particular culture hold distinct values as to what should be taken into account in measuring performance level and allocating reward.

In Chinese industries, salary scales are based on criteria such as education and training, seniority, and managerial rank. Bonus and subsidies are related to performance level tied to fulfillment of production target, peer ratings and working conditions. Promotions to higher managerial level are largely made through appointments despite recent emphasis on technical competence and leadership abilities as two critical qualifications for management positions. Political qualification and party membership often come into decisions regarding promotion and task assignments. Elections are used in some factories for major positions on an experimental basis, and only account for a small portion of promotion decisions (Brugger, 1985).

It is widely advocated that in order for equity theory to work, it is necessary that reward plans be made visible to all organizational members, and that by so doing, they are motivated by inequities. In light of this line, equity theory enjoys greater power in China because of high social awareness and sensitivity. As mentioned before, Chinese people live in a highly contextual society. Need for strong social relations and closeness of living provide a powerful grapevine by which much information can be gained about any person, which is a good opportunity for one to determine relative standings of the reference source on various input and output dimensions.
Unlike many Western organizations which strictly follow the principle of salary secrecy, pay schemes are highly publicized and designed along predictable patterns. Standardization of pay plans across the nation further enables one to obtain an accurate perception of what might be categorized in the West as one's "own business". So, in order to know about the reference source, all one has to do is to acquire information on the past experience of the reference source. More importantly, Chinese people clearly follow a different philosophy as to what can be talked about during informal conversations. They accept what Westerners might take as intruding on one's privacy; besides, one can hardly escape public attention. Consequently, high social awareness results. These factors enable the workers to perceive inputs and outcomes for themselves and their reference source, and then obtain a comparison that affects one's sense of fairness and satisfaction.

Furthermore, the belief that all people belong to the same class and work under one unified leadership inevitably makes people expect fair and equitable assignments of state properties and allocations of rewards. Sensitivity to perceived inequity is high. Therefore, it is required that a considerable degree of equity exist in pay scales and welfare assignments. Any form of corruption and nepotism creates dissatisfaction and damage the credibility of the organizational system and its management.

There are particular difficulties found in Chinese industries. First, evaluation procedures for recruitment, job assignments, performance evaluation, and promotion are underdeveloped; decisions are made based on impressions. Because of the lack of job descriptions, job requirements are not properly tied with abilities and aptitudes of recruits. Bonus amounts are partly determined through group discussions and peer ratings. This allows much room for subjectivity of opinions and judgements.
Perception of exchange between individuals' inputs and outcomes is seriously subject to vast diversity of ways of seeing and interpreting things.

Second, the high degree of homogeneity of pay and benefit standards across factories and industries, above mentioned high social awareness and sensitivity, and the informal and close work relationship, inevitably confront one with a much larger reference source than that available to most North American workers. Obviously, the larger the reference pool, the more likely that one will find one or a few persons whose ratios of outcomes over inputs are greater than his own. So dissatisfaction due to perceived inequity is more likely to result from being exposed to a larger reference pool.

Third, work teams are a way of organizing, controlling and communicating with individuals. Work teams also fit with the notion of mutual help and caring for each other. Tasks are frequently assigned to groups rather than to individuals. Performance is measured at the group level, with minor individual differentiations made by group discussions and peer ratings for bonus purposes. Because independent and complete tasks are often not assigned to individuals, individual performance can not be easily differentiated from performance of the rest of the group. Attempts to reward individuals in the task group are likely to entail conflict of opinions leading to perceptions of inequity.

Reactions to Inequity

Despite the above difficulties in setting equitable reward plans, once inequities are felt, pressure on individuals to reduce them is strong. Due to the considerable salience that Chinese people attach to interpersonal relationships with fellow workers, individuals need to align themselves with the norms of the group they belong to.
Therefore, one's judgement of others' perception regarding reward equity becomes an important factor affecting his future input and outcome levels. Persons feeling that they are treated favorably will very likely perform at a higher level, in order to reduce inequity and maintain respect within the team.

On the other hand, if those who are seen as receiving favorable treatment in relation to their input level fail to bring performance up to a higher level, performance and morale of other members will likely suffer as a result. Such phenomena of equity motivation are well conceptualized by Miner (1980) as a type of motive that consists of "two distinct motivational states, one guilt or shame reduction motive and the other an anger or hatred reduction motive". This is particularly true in Chinese industries where people are sensitive to equity of reward and try to avoid hurting fellow workers' feelings. It is believed that the inequity reduction motivation can be so strong that overreward and underreward feelings are not dissipated cognitively to any large extent unless input/outcome ratios change eventually into a perceptually equitable level.

One thing that deserves noting is that although feelings of inequity can result from unfair assignments of housing facilities and benefits, such inequity will not likely change one's motivational state and affect performance level. The reason is that welfare allocation is meant to meet one's personal living needs, and is not tied to his performance.

Little research has been done concerning the relationship of the size of the difference in input and outcome levels among individuals and likely reactions to such difference, given that any inequities are within the tolerable range. Yet this relationship certainly places a limit to application of contrived overreward in Chinese
industries. If overreward and consequent increase in effort are sizable, such response to overreward will lead to the perception by fellow workers of deviation from group norms and the resultant reaction from the group is social alienation.

**Discussion**

The Equity theory of motivation is expected to obtain more favorable support in China's industrial world, although more relevant parameters need to be explored. Equity theory has created great insight in understanding human behaviors at work, especially in such a contextual human environment as that of the Chinese workers. Cultural characteristics such as high social awareness and sensitivity as well as strong interdependence among individual behaviors give the theory much explanatory power. However, particular difficulties make it a challenging task to set equitable reward plans and to fairly allocate welfare items. Overreward as an inequity reduction motivation can be used, but with great care. Excessive overreward will create fear of deviation from group norms and fear of consequent decline in acceptance by fellow workers, and then dampen the effect of intended inequity reduction motivation. In addition, individuals who receive overreward must be highly motivatable with a high level of self esteem. Failure to bring performance up to the equity level does more harm than good to the group as a whole.

Considering that group norms play a critical role in influencing individuals' behaviors, motivating individuals using the propositions of Equity Theory is difficult unless the whole group is motivated. This calls for organizational policies that gradually structure and alter group expectations in the intended direction over the long term.
1.4: Expectancy Theory of Motivation

This part examines yet another motivational theory that has even greater support than other previously considered theories. Yet when it comes to cross-cultural applications of these theories, relative amounts of support from research conducted in one culture determines nothing about their applicability in another cultural setting. Although expectancy theories advanced by various scholars take different forms and have distinctive features, they tend to complement one another and the central elements of all are similar. They are all concerned with conditions intended to structure human motivational patterns and expand the human thinking process as into a future time span.

While there is reason to believe that people form their future probabilities based on feedback from past experiences, it is not surprising that one of the most suggested boundary conditions within which expectancy theories are expected to apply is the establishment of high performance-outcome contingencies (Green 1969, Miner 1980). Discussions on whether these contingencies exist in China and how difficult it is to establish these contingencies will naturally become the focal point of attention in this section, though some assumptions underlying the theories will also be examined.

With the current state of knowledge, conditions necessary for strong and concrete contingencies emerged from research results and are summarized by Miner (1980) as follows:

"A. People are rewarded in proportion to the excellence of their performance.

B. Merit increase percentages are an accurate reflection of relative performance."
C. The motivation system helps the best person to the top.

D. Salary increases are viewed as based on performance." (p.154)

Though not comprehensive, these conditions provide a good starting point. Some other relevant factors will be included as well.

**Reward and Merit Increases in Relation to Performance**

Chinese leaders have long been advocating "from each according to his ability, to each according to his work", yet implementation of such policy has proven problematic. As mentioned in the earlier section where applicability of the equity theory was examined, deviation from group norms may be punished if it is sizable. People striving to increase performance for more reward encounter strong resistance.

Two incidents are relevant at this point. The first is provided by Mathews (1983).

"Those who strive for big money bonuses run into intangible yet powerful obstacles. One worker recalled his first months at a new plant in which not knowing the others too well, he tried to work at full speed and increase his chances for an extra bonus. A man at the next machine regarded him with a scowl: 'Are you trying to make the rest of us look bad?'" (p. 63)

Another example involves jealousy on the part of fellow workers and even bosses of people who seem to make special contribution that may be perceived as revealing deficiencies of others.

A model worker who exceeded his production quota far ahead of others in his factory was mocked. When this young man tried to do his deeds, factory officials did not encourage him, but rather said he was trying to gain political points. When he tried to do extra work, he only got a beating, but the factory refused to give him sick leave. The result: he had a mental breakdown and was sent to an asylum. This is an extreme example of a prevalent situation''. (China Daily, January 6, 1982, p.4).

Although these incidents do not happen daily or everywhere, they tell us something about the extent to which one's behavior and motivation are influenced
by the surrounding others. Pressure on individuals to conform is strong, though not necessarily visible. Deviation from group standards is subject to free interpretations by fellow members, avoidance of such often unfavorable interpretations leads to alignment with dominant norms. It should be noted, moreover, that the prevailing attitude toward monetary incentives will further dampen the effects of incentive plans intended to clarify performance reward contingencies. Money is not viewed as so much a dirty word any more, but it is still believed to make a person forget about cooperation and become self-centered. Thus people striving for money are despised by the society.

**Promotion/Advancement and Performance**

The dominant ways of promotion are appointments, recommendations and discussions by fellow workers, and elections. While some promotions ensure that the best person gets to fill the position, others may not. Because of lack of periodic job evaluations, criteria used in these promotion processes may not be relevant to performance level. To a much larger extent than in the West, political qualifications and obedience, as well as personal connections, can be major concerns of higher authorities in making appointments. Worker participation in promotion and advancement decisions means that personal relatives and social popularity may come into consideration. In addition, in the case of elections, party committees may play an important role in deciding which candidates are suitable, though their veto power is prohibited. By and large, older workers have high prestige in Chinese danwei even though their skills might be lower. Seniority is preferred as a basis for promotion, because it is easier to measure (Brugger, 1985).

To complicate the matter even more, rigidity of the cadre system will further make it difficult to put the workers' preference in position. All state enterprise
cadres, the factory managers and technical workers, belong to a cadre system of 25 grades, with 1 being the highest (the premier) and 25 the lowest on the scale. The grading is compatible with various positions on the vertical ladder all the way to top leader of the nation. It is very difficult to promote someone who is not already on the appropriate grade, or such a choice may likely be turned down by ministries above the factories. As a result of such rigidity, candidates for election above supervisor level tend to be former holders of the position or their deputies. The turnover at election for factory general managers is only about one-sixth (Brugger, 1985).

**Salary and Performance**

A grade system exists for technicians and workers, with 15 and 8 levels respectively. Different salaries are tied to various grades. Advancement to the next higher grade is based on seniority more than on other factors, unless performance is far below the expected level. Therefore, there is a low contingency between salary increases and actual performance, there is little incentive to work at a higher level because there is little effect on pay.

Although Chinese leaders have recognized the disincentives in the current salary systems, and have stated their intentions to solve the problems, little has been changed in this regard. One reason is attributable to resistance from mid-level authorities and to concern for senior employees' needs to support families, even though they can hardly perform at a level that is compatible with their grades.

The supplement to the salary system is the bonus system. Though extra monetary incentive is meant to reward superior work and effort, its effects as a motivational tool have been less than successful, since it first became readopted in
most factories after the Cultural Revolution.

Due to reasons already mentioned, bonuses have tended to be distributed equally among workers, technicians and managers in a same grade. Another factor also considered to be operative in bonus allocation is "face saving". Because of high social sensitivity and tendency to care for fellow human beings, "managers are reluctant to shame someone by reducing his or her bonus payments and, thereby, creating human relations problems of the first magnitude for themselves" (Nelson & Reeder, 1985: p.15). Given the existing high publicity of reward schemes, relative standing in bonus payments among people of a given grade takes on status value that defines dignity and respect in a sensitive human environment.

The principle of "saving face" in social dealings and influence is yet another reflection of the Chinese notion of self, and violation of this principle means lowered self-esteem, lack of respect, and feelings of shame and anger, and the consequent decline in motivation to work. The operation of this principle is subtle yet so powerful that sometimes other considerations have to give way. It is realized that face saving operates in other areas of human resource management in Chinese industries, which will be further explored in later sections of this study.

**Internality and Externality**

Miner (1980) has pointed out that from a sizable body of research, the people with the most motivational energy as determined from expectancy theory are seen as internals, people who believe that their own influence is the major determinant of their life events, while externals view themselves as largely at the mercy of fate, luck, and more powerful individuals. The internals can align themselves well with the expectancy context and become strongly motivated in expectancy terms.
With respect to the Chinese case, the workers are expected to fall toward the externality end of the continuum. Fatalism in Chinese people is believed to come from the educational background which is mostly religious, philosophical, and non-scientific. It is rooted in the harsh experience of Chinese people throughout the history of five thousand years of having been attacked and dominated by the power of nature and fate in both physical and human environments that are always in a state of flux.

Revolution did not give people more power in managing their lives. Instead, control mechanisms in the contemporary Chinese political and economic systems add some modern elements to the traditional fatalistic view of the world. In the process of cognitive adjustment, fatalism serves as a "defense mechanism" that prevents one from feeling much pain due to unfulfilled high expectations (Sithi-Amaui, 1968). Pain is experienced to a lesser extent when it is caused by influences out of one's control.

**Discussion**

Like the need hierarchy theory of motivation, expectancy theory has been found to be culture-bound. Organizational characteristics do little to help establish and strengthen performance-outcome contingencies. Because there is much inertia in the system, these characteristics are expected to last and resist reforms intended to link performance to outcome.

Discussion in this section has been centered on examining conditions for performance-outcome contingencies, but other boundary conditions are not meant to be unimportant. Effort-performance contingencies are considered high because most workers possess required skills and technology used in industrial transformation and
processing is mostly easy to master. Furthermore, about 90% of workers stay with one job for a much longer time than most Westerners. It is seen as a cause for shame to ask for a different job, because workers are supposed to love their work. Therefore, experience and long term learning on the job enable them to build up ability and confidence in terms of their expectation that effort will lead to performance. It is the weakness of performance-outcome contingencies that hampers motivation to work at an above-group level.

Much criticism has been raised concerning the basic assumptions of the theory. Much of the same questioning can be raised with reference to the Chinese context. While expectancy theory has its potential in explaining and understanding human behaviors, human nature in forming motives affecting work can not be satisfactorily described by expectancy theory that assumes rationality, hedonism, and calculative processes. Instead, other factors such as group pressure, social relations, and face-saving play a powerful role in determining performance and work satisfaction.
1.5: Perspectives on Work Motivation in China

The previous evaluation of need hierarchy theory, equity theory, and expectancy theory of motivation reveals that the existing social cultural and organizational conditions create serious barriers to direct transfer of applications derived from these theories. However, one should not be overwhelmed by the difficulties in implementing application of these theories so as to conclude that they have no value to China in its attempts to remobilize the population toward the attainment of its national goals. The notions of designing work environments that are instrumental for human need satisfaction, providing fair and equitable reward allocation, and linking performance with desired outcomes, are valuable in understanding behaviors and formulating motivation methods that are applicable to China.

It seems that applicability of need hierarchy theory is limited with respect to need importance, social dynamics, and value system, while expectancy theory suffers largely from difficulties resulting from design of organizational processes. Of course it can be argued that the organizational design more or less reflects cultural characteristics of the society at large within which the organization operates. Organizational processes are easiest to change and restructure, given the established structure of control and associated power. Thus expectancy theory will seem more applicable if certain favorable changes can take place without upsetting social fabrics.

However, it is important to realize the impact of social pressures on any major organizational changes. Such impact is reflected in the inter-relatedness of equity theory and expectancy theory in their applications. This inter-relatedness has
been incorporated in Lawler’s model of motivation (see Appendix A). As indicated, equity of outcomes helps form or change the probability that performance will lead to desired outcomes. In other words, the core of the expectancy notion is to make one see what pays off is superior performance, which is also the theoretical domain the equity theory deals with. High performance-outcome contingencies exist when one foresees equitable outcomes ahead in return for a certain level of performance. Low performance-outcome contingencies result when the compensation system is not seen as distributing equitable reward. This is where the two theories overlap, and it is not surprising that when being tested together, "the two theories tend to emerge as complementary with each expanding the predictive power of the other" (Miner, 1980: p.163). It is reasonable, therefore, to believe that applicability of equity theory serves as a precondition for applicability of expectancy theory.

Obviously, it is necessary that changes regarding pay schemes and current compensation practices be made to bring reward to a more equitable state, thus increasing perceived effort-outcome contingencies. To accomplish such a task might likely take a period of a few decades. Implementation of such changes will certainly entail resistance to changing the traditional norms. It seems advisable that the implementation of any change should be gradual and incremental, allowing attitudinal adjustment and acceptance. Certain jobs need to be redesigned so that individuals are held responsible for distinguishable tasks. Job descriptions and job requirements should be developed to assist recruitment and periodic performance evaluation. The process of quality control should be independent of other work processes. Only after these more or less objective measures are taken can reward equity be possible.

As the above steps will take a long time, as an alternative for the short run, reward can be tied to group performance. This suggestion is based on
characteristics of the Chinese work group already mentioned. Peer pressure, conformity, demand for equality, and strong self esteem orientation, tend to unify the group in terms of expectation, performance level, and reward distribution. As discussed earlier, such group homogeneity makes it difficult to motivate individuals. It is group uniformity that seems more powerful in determining individual work behaviors and motivational state. Therefore, the task of motivating an individual becomes one of motivating a group to which the individual belongs as a member.

While motivation of a group may seem more difficult to accomplish, it can be effective with the following conditions being met. First, the group should be as uniform as possible. It is preferable that the group members hold similar attitudes toward work, have similar need states, and work in agreement. Second, economic measures and accounting procedures should provide a basis for reward and performance feedback. Finally, the group performance must be rewarded equitably, since failure to achieve equity similarly damages motivation.

As for need structure, Strauss provides some insights for one to understand the role of work for an average Chinese worker.

"There is an additional value judgement in the basic hypothesis that the job should be the primary form of need satisfaction for everyone (as it is for a professor). But the central focus of many people's lives is not the job (which is merely a way of getting a living), but the home or the community. Many people find a full measure of challenge, creativity, and autonomy in raising a family, pursuing a hobby, or taking part in community affairs."(Strauss, 1963)

People at the managerial level may have a stronger desire for satisfaction of needs such as autonomy, creativity, and competence, but for an ordinary Chinese worker, job becomes a routine activity to generate income and gain social acceptance as a capable person. As safety needs are highly satisfied due to guaranteed life
time employment and family stability, and strong social needs are fulfilled to a large degree through relations at work and especially, off work, one's focal attention may become improvement of basic living conditions for the family, a more comfortable apartment and good marriages for the children. This is true especially in China in that for many people, the highest goal in life is to raise a family and provide a good life for their children. Unlike Westerners, Chinese people are trained to think that they have moral responsibility for the wellbeing of future generations, partly because they are raised under the great care of past generations. When the children come of age for job assignment, many parents with connections turn to personal relations they have been establishing carefully through the years in order to get a prestigious and comfortable occupation for their children. As the children grow up and approach marriageable age, the parents begin to save their income for the upcoming marriage and the new family.

There is another reason that the job is not the primary form of need satisfaction, but only an instrument leading to satisfaction. Job mobility in China is minimal, and the assigned job is usually not what workers prefer. This reduces the importance of the job as a source of satisfaction.

All the above factors suggest that, although employees today expect better physical, psychological and social conditions at work than they ever did before, money can also be used as an instrument of satisfying higher level needs, and it continues to be a prime motivator (Strauss, 1963). While wages are relatively fixed, bonuses should reflect relative contribution to profitability. Cross-the-board bonus allocation without reference to the attained profit will make employees expect that bonus is just a part of the monthly salary, and therefore dampen the effects of bonus systems. It is preferred that an enterprise establish its bonus fund as a
percentage of retained profits or income retained after the payment of the enterprise income tax.

Although the notion of self-actualization is less relevant to most Chinese, certain people do have strong needs for realization of their potentials, self-expression, and self-direction. These people are strongly motivated in expectancy terms and tend to be categorized as internals. Many of the ambitious, and generally able, people choose various professions as their careers, such as university teachers, researchers, and technicians. In whichever danwei to which they devote their work lives, however, they are bound to encounter difficulties based on competence. This is partially because the same principles of reward distribution and welfare assignment used for ordinary workers also apply to these professionals. As a consequence, they also can hardly escape the effects of the operative norms of egalitarianism, and are often forced into professional mediocrity and their needs for achievement atrophy due to lack of control over the situation. Because people are deprived of the right to escape from a bad organization, their desires for achievement and recognition are seriously frustrated. Frustration may be alleviated to some extent as one realizes that other work organizations are just as bad. In this case, some people turn to join and rely on powerful coalitions, but many others subject their satisfaction and career advancement to the mercy of the powerful.

Another factor contributing to frustration among the professionals is lack of satisfactory living and working conditions. Much time and effort have to be spent to achieve and improve satisfaction of the lower level needs so that less energy is left for professional progression. For those who are married, raising a family may cost a promising career.
When many people's careers are less than outstanding, promotion and advancement based on seniority and favoritism tend to prevail. Young and ambitious people are among the most affected victims of these norms.

The costs associated with the above phenomenon are enormous. Because education and training in China are almost free, funds (the people's money) invested in building one's knowledge and ability ought to be but are not fully transformed into future contributions to the country and its people. In some cases, the return on such investment falls far below its potential.

Clearly, one of the major tasks in the course of realizing China's national goals is to successfully motivate and utilize the able and educated. The critical step toward this goal is loosening-up of the job market. Although it is impossible now to open the job market for all, it is essential that the more educated and capable have a chance to realize their potentials through job mobility and competition. This change will also make the danwei respect the talented, stress evaluation measures based on competence, and provide facilities for career development. Even though there might be temporary chaos, the long-term benefits can not be over-emphasized. Although the political and social impacts need to be explored, occupational freedom and socialism need not be contradictory. The Soviet Union is an example in point.
SECTION TWO:

Evaluation of Leadership Theories

2.1: The Role of A Chinese Cadre

2.2: Vroom and Yetton's Decision Tree Theory

2.3: Idiosyncrasy Credit Theory of Leadership
This section seeks to examine the applicability of two leadership theories, Vroom and Yetton's theory of participative leadership and Hollander's idiosyncrasy credit theory, and to reveal some social fabrics of decision-making processes in China. The two theories of leadership as selected are not expected to present the major issues in the area of leadership theorizing and research, yet they seem useful in bringing up the most fundamental differences concerning leader behavior in a comparative sense. In addition, the findings with respect to the applicability of the two theories may help one understand and estimate the possibility that other leadership theories and proposed guidelines are applicable in China.

Considering the vast gap between China and the West in culture and social environments within which leaders are fostered, it seems appropriate to first provide a description of the role of Chinese leaders in the enterprises, to provide a frame of reference for the discussion which follows.
2.1: The Role of A Chinese Cadre

One of the aims of the revolution led by Mao and his associates was to abolish class distinction. After the founding of the New China, as the workers and peasants were liberated from slave labor under severe exploitation to become masters of the country, the role of authority underwent a dramatic change in nature. Attempts were made to give the people real power. Leaders at various levels were selected as representatives of their comrades to voice opinions concerning the running of the state. Those in leading positions were expected to act as people’s servants and therefore guard against arrogance. A leader represented a group or an organization, and ideally, did not pursue self-aggrandizement.

Although China has experienced several leadership successions and major intra-party ideological shifts, many of the expected role behaviors remain the same and are regulated. A leader is expected to consult with the masses in making decisions to solicit opinions and suggestions. Moreover, some mechanisms for democratic feedback from the danwei members to their leaders have been developed and institutionalized. Organization members are encouraged to speak of any situations in which there is unfair treatment by going to higher authorities or writing a letter to the opinion box. If the issue remains unsolved, one can go to even higher offices to voice opinions or criticize his immediate superior for any misconduct or unfair treatment. Every once in a while the leader is to sit with a group of comrades or with any individual to solicit criticism for the purpose of future improvement.

The administrative task has always been influenced by party guidelines. This is achieved through appointing party members to leadership posts. These leaders
belong to the administrative body directing and organizing the productive processes and participate in regular party committee meetings and activities. Often the central party congress at the national level issues guidelines for cadres to follow and warns against trends in leadership style that are not congruent with communist ideology. In 1981, the government called for a separation of party administration from factory administrations (Tung, 1982). But many former leaders remain in power.

The main reason for the above separation is that the system of party responsibility for policy making and management responsibility for operation came under serious criticism in the late 1970s. The major argument is that leadership of party committees in the area of managerial policy making has led to incompetence. Much blame has been poured on transferred military cadres who are considered politically sound but who lack skills in managing industrial organizations. As the recent reforms awarded more autonomy and decision-making power, there is much greater demand for high quality in policy and decision making at the factory level. This accounted for the recent trend of promoting technically competent people to the managerial posts. It is doubtful that the new generation of leaders have the necessary managerial skills, though a very small portion of factory managers have undergone organized education in management in a few leading yet still young management schools.

The above brief description of the role of the danwei leader in China reveals characteristics of leader behavior that are in accordance with findings in the previous chapter. A leader, though having his or her own personal characteristics, is largely a reflection of the surrounding human environment tightly structured with a combination of traditional norms and rules passed down from above. A leader is acceptable to the extent that his or her behavior is viewed by the society as
justified and worthy.

With the above introduction of expected role behaviors of a Chinese cadre, a stage is set up next for examining the application of the two leadership theories.
2.2: Vroom and Yetton's Decision Tree Theory

Vroom and Yetton's decision tree theory of participative leadership is basically of an inductive nature. It is a statistical reflection of habitual orientations of Western managers in decision making with respect to employee participation. For this reason, it seems justified that examination of the theory in terms of its applicability to China dwells on exploring cognitive and situational differences that distinguish a Western manager from a Chinese cadre. These differences draw on several assumptions upon which the theory is based, and within which the decision model can be applied. These assumptions concern the power and freedom of the leader in selecting an appropriate participation mode, the weight given to each consideration in the diagnostic process (such as time, acceptance of the decision), and the quality of the decision.

Freedom of Leader in The Selection of Decision-making Style

Compared with Western managers, Chinese danwei leaders have less power and freedom in deciding the degree of worker participation in the process of decision making. Communist ideology and political norms promote use of worker participation in matters regarding the running of the danwei. Regardless of what types of problems are to be solved, participative leadership is preferred because it nurtures correct attitudes among the organization members. The origin of participative management dates back to the mid-1930s when Mao expounded the principle of 'democratic centralism', meaning high degree of democracy and high degree of centralization combined, in the three major fields, party affairs, army, and among the masses (Tung, 1982). Democratic centralism calls for open discussion among the masses for solutions and suggestions and then integrating of opinions towards a final conclusion. In the post-Mao era, workers participate in management decision
through the Congress of Workers and Staff. Members of the Congress are elected by the workers and staff on the following grounds: (1) political and ideological soundness; (2) performance at work; (3) close ties with other workers; and (4) skills at soliciting the worker’s opinions and transmitting the spirit of the decision made. The factory leadership is expected to listen to criticisms and suggestions by worker representatives in the Congress, and find solutions to various problems. Such congresses have been set up in all the large and medium-sized enterprises across the country and place tremendous pressure on management to draw participation from the workers, at least symbolically.

Weight of Various Decision-making Factors

Vroom and Yetton’s decision model assumes equal importance attached to answers to the seven questions the theory specifies as important to selection of a proper participatory style. Yet it is clear at this point that such equal weighting has less meaning to a Chinese leader. Obviously, subordinate acceptance, and likely conflict among the workers would assume prime importance, given the Chinese notion of self and institutionalized emphasis on participation of the masses in the operation of enterprises. Whether the leader has sufficient information to make high quality decisions seems less revelant in the Chinese case in that participation has been formalized and seen as an attempt to gain support from rank and file for continued leadership. Time may be often set aside because of lack of competition among factories for profit and human resources, and the consequent lack of sense of urgency.
Discussion

It appears that the theory of participative leadership specifies conditions for application that are not met in Chinese organizations, thus limiting its applicability in China. The main reason lies in the fact that a Chinese leader differs from a Western manager in freedom to make independent decisions and the relationship between the leader and his or her subordinates. A decision maker ideal for implementing the diagnostic analysis specified in the decision model must be a highly relational individual, concerned largely with economic consequences of the decision, but for a Chinese manager, acting as representative of the subordinates, social and administrative considerations define the criteria against which his or her behavior is judged to be acceptable or not.

The decision model fails to be applicable in China for another reason. It does not capture some characteristics of the organizational climate or culture that play a significant role in influencing the choice of a participatory style in decision making. Social values, worker expectations, and personalities of the leader, should not be ignored as minor factors. China and other oriental countries present a strong case on this issue.

It should be noted that although worker participation has been ritualized, its effects are moderated by the predisposition of subordinates to participate or to gain satisfaction from the participative process (House & Baety, 1979). Participation is also used by the leaders to demonstrate that they are concerned for the masses, thus to gain support from the workers and a favorable impression from higher authorities. Often-times, feedback from workers is simply ignored due to the leader’s own determined course of action and bureaucracy. The power of "centralism" after
democracy (workers' participation) always leaves the leader the right to the final say and chance for manipulation in favour of his or her personal interests. In addition, not all decisions have to be made through participation. After all, the leaders have exclusive rights on personnel matters. Nepotism and personal connections have their free way, unless they have been noticed and condemned.

**Collective Leadership and Decision-making**

For thirty years before 1980, China had been under the ruling of a highly authoritarian regime that nurtured personal worship and one-man decision-making. Mao was responsible for most major decisions that swayed the country from one political movement to another, though he was not held accountable for all the social and economic consequences of those events. "Party secretary takes command" was prevalent in all organizations throughout the country, small and large. Having recognized these problems with authoritarian leadership, the current government promotes collectivism of leadership in all levels of decision-making bodies. Collective decision-making is believed to reduce ego involvement of the leading individuals. Other advantages are apparent as well. Collective leadership tends to prevent any one from assuming responsibility for the decision made and its consequences. This also accounts for the fact that complaints and inquiries often end up with no response from management because making decisions together makes individuals feel less responsible for solving problems (Coehen, 1982).

It is interesting to note that the workers have developed their own devices to exert influence on the leader. When exit out of the organization is difficult or impossible, dissatisfied employees turn to expression of their opinions. As sometimes voicing opinions leads to subtle forms of sabotage or interpretation in a political sense, group voice is adopted. A chosen representative appears to speak for the
group and the spokesman is less likely to hesitate to "express even the most embarassing complaint" (Coohen, 1982, p.76). By doing so, the complaint carries more weight and any individual can be protected.
2.3: Idiosyncrasy Credit Theory of Leadership

This theory, advanced by Hollander, is an attempt to explain within group influence processes in the realm of emergent leadership. It has much relevance to China because leaders are seen as representatives of the workers' interests, and elections have replaced appointments in some factories. Even though the emergent leaders may not become managers eventually because of rigidity of the cadre system, they are important in the sense that they are usually called upon to assist the formal leader in running daily operations and influencing the fellow workers.

The theory states that an individual is judged by the group members positively to the extent that his or her behavior conforms to the common and role expectations implicitly defined in the group, and contributes toward the group's goals. The individual's status is defined in terms of member evaluation by expectations. Status contributes to idiosyncrasy credit which is an accumulation of positively disposed relative impressions of the individual by group members. Idiosyncrasy credit represents the degree to which the individual can deviate from group expectations to assume leadership. Deviant behaviors are seen as unique and innovative and as contributing to attaining group goals (House & Baetz, 1979).

The above theoretical formulation bases its assumptions on universal elements of human interaction, and enjoys sizable support from empirical research. With its general definition of idiosyncrasy credit, the theory conceptualizes social mechanisms and perceptive processes that are not subject to the impact of different political, cultural, and economic situations. Its applicability is expected.

The applicability of the theory is enhanced by the fact that it is formulated on the basis of social exchange which is of important value to the leader-follower
relationship in the Chinese case. The theory is a transactional model which stresses a two-way influence relationship between the leader or would-be leader and the followers (Hollander, 1985). The inputs by group members through expressed expectations affecting leader behaviors coincide with the representational nature of the cadre. Conformity to these expectations helps the potential leader gain acceptance and respect, and the consequent ability to influence others, from people with an evaluating mind. In China, interpersonal evaluation occurs in any form of social exchange. It certainly affects the process of leadership emergence.

It should be noted, however, that the theory is most applicable in understanding emergence of leadership in an autonomous group. An active environment will likely make it more challenging for the leader to maintain credit. In China, Once a person has been chosen to represent the interests of the members of the group, this person is required to comply with the principles given from the party line which may not be in the best interests of the rank and file. Difficulty in conforming to different, and often conflicting, expectations is widely known.

It should also be noted that expectations and idiosyncrasy credit need to be defined with respect to the Chinese social context. Social and interpersonal skills may take on primary importance in contributing to perceptions of competence that the theory stresses. Relative salience of other determinents will vary from one group to another.
SECTION THREE:
Culture, Symbolism And Organizations

3.1: Face
3.2: Organizational Stories And
    The Memory of The Past
3.3: Rituals and Ceremonies
3.4: Means of Social Identification
3.5: The Effectiveness of Western
    Structural Approaches
Most approaches to organizing people in the form of theories examined previously stress rationality and linear functions in motivating, structuring, and directing human behaviours at work. The need hierarchy theory assumes that prepotency of needs leads people from satisfying needs at one level to pursuing satisfaction of needs at the next higher level; the expectancy theories emphasize a linear relationship among effort, performance, and outcomes. Other theories such as the decision tree of participative leadership call for rationality of cognitive process and behavioural implementation. Alternatives are evaluated against certain criteria and an optimal course of action is pursued.

Yet, human society is not linear nor rational in nature. The relationship of events is moderated by beliefs and preconditioned ways of perceiving. Behavior or action responds to the external world out of motives independent of rational thinking. Natural yet subjective inclinations undermine the efforts of seemingly objective systems.

Rational assumptions may fit better in some cultures than in others. Activities follow the rational logic and are measured by figures in order to be efficient and cost-effective. Yet people attend these activities with predetermined behavioral inclinations that can produce results which may hardly be in line with the rational intentions. Especially in China, various social traditions, religious beliefs, memory of historical events, and close connections, form an organizational setting that deviates significantly from the traditional frames of rationality. Therefore, it is believed that rational assumptions underlying most theories of structure, control, and organizational design and decision-making are less likely to provide satisfactory frames for understanding behavioral patterns of people in most Oriental societies. This section is intended to demonstrate some traditional and cultural elements in the Chinese
society in the realm of symbolism that are expected to limit both the cross-cultural applicability of those organizational behavior theories calling for rationality, certainty, and linearity, and the success of ongoing and upcoming reforms in the Chinese industrial sectors attempting to rationalize some organizational processes.
3.1: Face

Face is a symbolic reflection of the combination of high social relations and self-esteem. In China, face becomes a principle in social interaction and association. This principle is inevitably followed by members of the danwei in daily operations.

Face serves as a sign of respect. In the case of elections for factory general managers, the former managers who fail to be reelected are usually made advisors, even though they have no responsibility for giving any advice. By doing so, they lose managerial power, yet their face is saved. For those who may not have courage to face the result of the election, the best way of maintaining face is to give way to others.

In those years before the end of the Cultural Revolution, a common practice used at various levels of the system was the principle of self-criticism before a group of people the size of which varied from a work group, a class, to a factory, the whole nation. In addition to this, criticism by others was even more powerful in bringing people in line with the prevailing norms. Therefore, face is also a powerful motivator in the sense that individuals modify their behaviors to avoid the painful feelings of losing face. Though not widely used today, such practice still has its legacy and continues to be forceful.

As mentioned before, differentiation of wages and bonuses among workers with the same grade or seniority might be interpreted as indicating differences in work quality, labour attitude, and social relationship with co-workers. This may make some people lose face, given the dominant norm and expectation of egalitarianism. To avoid such loss of face and the consequent interpersonal problems, the manager is often pressured to offer more or less uniform allocation of reward, at the
expense of motivation of the superior performing employees that could otherwise be maintained by providing equitable reward.
3.2: Organizational Stories And the Memory of the Past

As people stay with the same danwei for most of their work life, turnover is minimal. Naturally, past events that a danwei has experienced over the years of political upheaval and movements as well as the Cultural Revolution, are remembered by most employees. For those who are newly employed, especially the children and relatives of former workers, these events become scriptal stories or sagas that symbolize vision transmission into today's way of seeing the world. These stories or memory of them enable the newcomers into the organization to see a large part of their work unit as given.

Probably the most influential manifestation of these stories is the memory of how the workers and their peers behaved during that turbulent era of the Cultural Revolution when people were subdivided into a few political factions which shifted position of dominance as the national political wave turned its course. People of different factions at the time saw each other as enemies, fighting over righteous communist ideology. A decade has passed, and the Cultural Revolution is now regarded as a fiasco, yet some of its effects are lasting. Those same people still work in the same danwei after ten years, and it is doubtful that wounds of the past have been healed. Perhaps this accounts for the emergence and continuing existence of "independent kingdoms", which are virtually lines of vertical and lateral coalition in addition to the network of nepotism at the work place. Certainly this may seriously undermine the effectiveness of structural approaches intended to improve management control and coordination in the system.

Behavior is a function of the memory of the past. Past experiences educate people about ways behavior is interpreted by others. It has been witnessed that
party and government guidelines have become symbols of current and safe measures of behavior. Violation and deviation as well as creative initiatives may be interpreted in a political sense, and thus be penalized. Therefore, acting according to the spirit of the central government is a prevailing norm among managers. Often, political justification overweighs social and economic considerations.
3.3: Rituals and Ceremonies

As discussed earlier, the Congress of Workers and Staff symbolizes the mastership of workers and the rights of workers to participate in management of the danwei. Factory leaders meet their employees informally to discuss the problems concerning work and social relations. The factory manager is approachable by anyone in the factory.

At a time of New Year, Chinese people follow the tradition of visiting friends and relatives and making good wishes for the coming year. Such tradition has long been a pattern of socialization for the workers too; visiting peers, cadres, and the subordinates at New Year is a symbol of a time for expanding social and work relations and forgetting interpersonal problems.

All these ritualized events have an effect of invoking feelings of loyalty, closeness of leaders and workers, and warmth in the danwei — a socialist community.
3.4: Means of Social Identification

There are many attributes on the basis of which people form friendship or build up personal connections. Yet besides sharing these attributes with their Western counterparts, the Chinese also rely on personal characteristics that are unique in a danwei.

Because of the nation-wide job assignment for the cadres and technical personnel, each organization is composed, to different extents, of people from different parts of the country who speak a wide range of dialects. These dialects vary dramatically, especially in the cases of the southern people. As the Chinese believe that "a good life depends on parents at home while on friends when elsewhere", the kind of dialect one speaks becomes a natural yet important symbol of a source of friendship and help. Sometimes friendship so come by is necessary to deal with subtle discrimination by the dominating local people. People speaking the same dialect inevitably form social coalitions which run across the boundaries of the formal hierarchy, representing a potential cause of personnel problems.

The formation of these coalitions may not be based just on language grounds. Thousands of years of China's civilization have been accompanied by the development of subcultures. In addition, people have formed stereotyped views about people living in other places. For example, a large number of people in northern China may think of people from Shanghai as selfish and calculating; people in Shanghai, in turn, might see the northerners as frank but ill-mannered. Social prejudice of this kind may very likely determine the method of social observation and then affect the objectivity of the resulting perception. As a consequence, such prejudice may become a self-fulfilling prophecy and therefore be reinforced. This
kind of stereotype view could only lead to further separation of different groups and affect organizational processes such as evaluation, promotion, coordination, and policy implementation.
3.5: The Effectiveness of Western Structural Approaches

Kervasdoue and Kimberly (1979), in comparing the effectiveness and processes of hospital innovation through facilitation of structural changes in U.S. and France, demonstrate that organizational structures are not culture-free. Their findings lead them to challenge the basic assumptions underlying the structural approach and its usefulness in non-American cultures. In the view of a structuralist, organizational structure is the most important attribute constraining effectiveness, and managers can improve effectiveness by making structural changes. Thus logically, organizations have autonomy and ability in making decisions about structural inputs and organizational outputs. This notion of organizational autonomy and decisional discretion makes one believe that organizations are equal and serve as an appropriate level of analysis.

Clearly, because of the origin of the structural approach, these assumptions most closely approximate the U.S. organizations. In China, however, the enormous influence of state political and economic policies exert constraining forces on the danwei, greatly limiting its decisional autonomy and discretion. The task of adapting to the external world becomes one of following and implementing the current state policies.

The effectiveness of structures is also determined by the perception of managers about the importance and usefulness of the structural arrangements. In other words, managers' value orientations naturally influence their view as to how people should be managed effectively. As England (1975) points out value orientations have a significant impact on managers' choice and action processes; particular behavioral patterns result from particular set of values. Among various
types of values, operative values are most readily translated into behavior, and influence the ways in which managers control, integrate, and design organizational activities.

England provides an index of operative, intended, adopted, and weak values for American managers (Appendix D). From this index, several observations are made. First, among the operative values, American managers give importance to organizational rationality. Such values as organizational efficiency, profit maximization, creativity, and competition carry little emotional content. Organizational achievement is the primary purpose of the existence of organizations. Second, values like owners, industrial leadership, my company, customers and organizational growth would make little sense to a Chinese manager. These values are not encouraged or have little meaning to Chinese managers due to the nature of public ownership. Third, it is interesting to note that many of the weak values for American managers such as obedience, equality, compassion, security, emotions, influence, power, prestige, social welfare, and conformity seem to form a collectivity of guiding principles operative in the running of a danwei. These values have a humanistic orientation and emphasize the relationship and interaction between individuals and the relevant surrounding human beings that best describe Chinese society and work organizations. Support for this observation is abundant from the earlier illustrations.

Managers who have strong humanistic value orientations are classified as moralists as opposed to pragmatists (England, 1975). Pragmatists have an economic and organizational competence orientation, while moralists have a human bureaucratic orientation (Appendix E). Although no research on value systems exists to indicate that Chinese managers are more moralistic than pragmatic, indirect sources of writings on their beliefs and the previous discussions of the current study support
the allegation that the majority of them are so. They are preconditioned to concern themselves with the human aspects of the consequences of their actions rather than with the economic results, because choice made using such a evaluative framework is more likely to be justified as acceptable. Therefore, many of the Western structural approaches that are mainly concerned with organizational rationality and economic achievements may well appeal to the pragmatic American managers, but may not appeal to the moralistic Chinese managers. This is also accounted for by the widespread worker participation in management, tight control by the central government over the danwei's structural patterns, communication across vertical and horizontal boundaries, and the power of the inner-working of interpersonal relationships in the danwei. As one may realize, many of the structural elements such as centralization, delegation, and formalization are already stabilized and allow little flexibility in the case of the Chinese danwei due to philosophical reasons rather than economic justifications, regardless of organizational size, environmental complexity, and nature of the task.
SECTION FOUR:

Conclusions

4.1: Two Distinctive Concepts of Man

4.2: Suggestions for Western Managers

4.3: Implications for Western Scholars
And Chinese Students in Organizational Behavior
It is clear at this point that the managerial practices derived from some Western organizational behavior theories may encounter difficulties in application because of social, cultural and political differences. The conditions that make the applicability of these theories limited are reflections of deeply rooted traditional norms and values that result from thousands of years of evolution of China, and therefore, are lasting. However, one should not be overwhelmed by such difficulties so as to conclude that no Western-based theories will be of value to China. Recognizing these difficulties is an essential step toward modifying Western organizational theories to fit Chinese organizations and providing suggestions for future directions of research on administrative processes China. Prior to any modification or research, one needs to have a systematic understanding of differences between China and Western societies, many of which have already been discussed. This section is intended to organize the findings of the earlier discussions and therefore to draw implications for practice and research.

4.1: The Two Distinctive Concepts of Man

Given such a wide range of cultural differences, it may seem difficult to integrate them into a framework of logical relevance. Munro’s comparative analysis of Western and Chinese concepts of man contained in his book "The Concept of Man in Contemporary China" (1977), however, offers great insights for a systematic understanding of Chinese life values and organizational attitudes. His analysis is also believed to provide an overarching structure for the realization of most cultural differences that affect the applicability of Western management knowledge in question. According to Dr. Munro, the concept of man specific to one society is a relatively stable while fundamental element common to most members of the society. It is the functioning of the view of man that determines the belief system and
values regarding individuals' social exchange and interactions. The assumption about the nature of man also shapes the role of the government and therefore the leaders. With differing realizations of the nature of man, individuals form different views regarding the role of society responding to their needs and interests and the place of man within it. Organizational reality is forged largely in a way compatible with the dominating preassumption about human nature. Much of the following discussion is inspired by Dr. Munro's analytical comparison.

The popular Western liberal concept of man advocates that man's dominant traits such as opinions and beliefs exist independent of social context. Society consists of a wide range of social arrangements that respond to the requirements of its members. So, there is a clear distinction between social/public and private domains of human life. Within the realm of private life, any human needs and interests or those traits that do not interfere with or harm others should be protected from the power of society. Derived from this claim are the three natural traits, namely, natural rights, privacy and autonomy. First, individuals are born with certain rights to life; and these are not an endowment of the society. The preservation of natural rights is through man's realization of them and a general agreement by the society. Second, the value of privacy offers the opportunity for individuals to develop their own innate capacities and techniques in isolation from outside influence. Directed by his inner forces, man is left alone to choose his own life style with satisfaction in realization of his potentials. Third, man is assumed to possess the capacity of making rational choice autonomously. Self-direction is the key to autonomy. Choices for action made under the manipulation of outside agencies take man away from the ideal conditions for belief formation and choice making, therefore, are less desirable. In sum, in the view of the Western liberal democratic
individualism, the primacy of the private self constitutes the basis of natural man, not a social man. Because of the innate resistance to manipulation by external agencies, individualism imposes limits on malleability of human nature and personality through environmental forces.

In sharp contrast with the Western view, the Chinese concept of man stresses the social element, namely, the social nature. As human nature is regarded to consist of biological nature (the natural essence) and the social nature (the social essence), it is the latter that is believed to dominate the state of mind and tendencies to act in the society, while the biological nature is shared by all and is not a key element in the formation of personality. In the classical Confucian theory, the social essence of life includes tendencies to behave towards others in socially acceptable ways. Human heartedness and respect ensure a stable and orderly social environment.

In the Chinese view, man's social nature is the result of social belongings, formed only in society. All people belong to some group or party and accept responsibilities and obligations binding on them through the inescapable consequences of their social nature. In other words, one's identity results from the roles expected of him by the members of the groups or social organizations to which one belongs. Quite different from the Western idealization, perfection of man's social nature can only be achieved by accomplishing one's role requirements defined according to one's specific social positions.

As expected, the Chinese view of man does not distinguish the public domain from the private domain of life as does the Western one. Whenever self interests interfere with the social domain, self interests are forced to be subject to the power
of social mores. Each person, with an evaluating mind, monitors social behaviors of his fellow people according to what Dr. Munro calls the legitimacy criterion defined by the society. Preservation of social order is enforced by teachings of such legitimacy criterion by various educators, who basically form one's circles of social life.

Society creates and shapes the social nature of man within it. To a much larger extent than in the case of a Westerner, a Chinese is made a social man, whose natural essence and private features are shrouded in demands of social obligations. No one can escape the consequences of having a social nature, regardless of his political and economic status. Understandably, in accordance with the dominance of the social nature is the often observed lack of natural rights, privacy, and autonomy central to the Western concept of man. Such lack is usually accompanied by low demand for these qualities, as they are taken away from individuals in the process of developing their social nature. Therefore, the social mechanism for ensuring the protection for those traits of the private self in Western cultures is, by and large, missing in the Chinese society.

Having understood man's relationship with the society at large, it is easy to argue that the transformation of personality through altering one's social nature can be accomplished by mechanisms of social influence and control. Selfishness in man is identified when he is separated from the social network to which he belongs, or social links become obscured in his mind. Sentiments toward those in the network form the basis for social respect and public acceptance, then constitute the means to avoid the pains of social alienation.
The concept of man inevitably shapes the organizational reality. In the previous sections, one has seen manifestations of the Chinese assumption of man's nature. As a consequence, the Chinese differ from the Westerners in needs structure, response to felt inequity of payment, expectations for the leaders, and perception of themselves in the organization.

Recognizing such differences, the implication concerning the issue of applicability of Western management theories in China seems clear. The fundamental barrier to applicability is that most Western theories evaluated failed to capture the social significance of Chinese people's work life. In another word, the Western view of man allows the organizational behavior theorist to treat organization members, at the very first stage of theorizing, more or less as independent, rational, individuals whose social activities do not exert organizational significance. This is evident in the construction of the needs hierarchy theory, the expectancy theory and the participation style of leadership. These theories all assume that self direction leads to the satisfying ends, and one's decision is based on self-interests or traits belonging to one's private realm that do not interfere with others. While the equity theory takes into account the use of comparison in evoking the feelings of inequity, such comparison is economic in nature. Although sensitivity to inequity is high in the Chinese case, the inability of a Chinese worker to freely adjust his or her output/input ratios may not result in much organizational gain through increased motivation.

Unlike other theories, the idiosyncrasy credit theory of leadership is able to stress the social essence of one's work life. It is based on role definition and expectation fulfillment which are essential elements in the Chinese way of viewing man and judging behaviors. It seems now that what is most useful to China in
terms of improving its industrial management should or must be able to capture the social nature of man, aimed at achieving economic goals through social means.
4.2: Suggestions for Western Managers

As joint-venture has become a popular form of obtaining foreign investment and introducing advanced technology into China, more and more Western managers and businessmen will take the post of advising or assuming management of Chinese organizations. To be able to deal with such a challenge, one needs a few guidelines:

(1). Understand the Chinese culture as much as possible. A good understanding of value system, social mechanism, and general expectation is important for making policy and organizational changes without upsetting the existing, powerful organizational conditions upon which the workers' motivation and satisfaction are based. Cooperation with the Chinese co-workers and sufficient communication are highly advised.

(2). Understand the Chinese interpretation of various symbols in the organization. Symbols as third-order controls can produce results. Some of the existing symbols can be used to foster and strengthen useful values and expectations; and in creating new symbols, it is essential to avoid using symbols the meanings of which are in conflict with those of the existing ones, thus reducing confusion and discontent.

(3). Be aware of the high social sensitivity at the work place. Social dynamics of influence can be powerful in resisting the implementation of changes in policy, especially regarding the pay plan. It is necessary to conform to the existing pay schemes that emphasize uniformity among people in the same level of technical skills, grades, and seniority. Any changes should be incremental in implementation. In addition, motivation methods applied to a group are often more effective than if they are applied to individuals due to pressures toward
conformity. Reward and outcome can be linked to the performance of a cohesive group of workers.

(4). To many Chinese workers, a good leader is one who shows concern and caring for his/her subordinates, consideration for people generally overweighs the importance of task consideration. It seems appropriate to attach higher priority to people consideration in order to gain credit and respect. By doing so, one can be more successful and effective in initiating task structure to accomplish performance goals.
4.3: Implications for Western Scholars and Chinese Students in Organizational Behavior

As China is eager to learn management techniques from more advanced industrial countries, more and more Chinese scholars and students are going abroad to study management, some in the field of organizational behavior. At the same time, an increasing number of Western researchers of organizational behavior are becoming interested in China's industrial management. For people concerned with such transfers of management knowledge across the boundaries of cultures and its likely future effects answers to two questions are of considerable value. What useful experiences of management in the West should the Chinese students and scholars bring home to assist the attainment of the national goal? And what practical management experiences can Western scholars introduce to China to improve its industrial performance? The answer to these questions may never be conclusive or complete without well designed comparative studies, yet the results of the current studies reveal several implications:

(1) Many applications derived from the theories evaluated are culture-bound. This does not mean the theories are not of value to China. Rather, they prove to be useful in that they identify and conceptualize an important, though not necessarily complete, set of factors affecting human behavior at work, and these factors contribute to understanding of organizational phenomena and help formulate future theories for the purpose of proposing applicable practices in China. It is inevitable that the basic, descriptive research needs to be conducted to determine the state of the Chinese workers on such dimensions as need structure in terms of relative needs prepotency, response to perceived inequity, perception of effort-outcome contingencies, and leader characteristics preferred by
the workers. Any conceptualizing and theorizing have to take into account the Chinese social context which justifies assumptions and boundary conditions for applications.

(2). While it is worthwhile to learn and teach most theories and applications developed in the West, those theories that deal with inter- and intra-group interactions deserve more attention. These theories may become valuable given the Chinese notion of self and importance of social exchanges in the work and off-work settings.

(3). The Chinese are less programmatic and rational in structuring behavior, they rely more on intuition and feeling than on certainty and rationality. Traditional norms and cultural fabrics play a powerful role in influencing organizational processes. The way of viewing the danwei as a culture will shed light on understanding the fundamentals of social environment and behavior orientations. Although research on organizational symbolism and corporate culture is relatively new, it may have much to offer to decoding culture-like organizations such as danwei.

(4). Pragmatic managers' behaviors are more easily modified through educational approaches using rational and economic justifications signifying achievement, and moralistic managers' behaviors are more easily modified through educational methods utilizing moral and philosophical justifications (England, 1975). Because it has been argued that the majority of Chinese managers have a moralistic orientation, it is necessary that management education programs aimed at introducing Western management practices and concepts emphasize aspects of such an introduction that are congruent with the operative values of Chinese
managers.
Future Perspectives

China seems to be experiencing dramatic changes; some are superficial. In the state of change, making predictions of any specificity does little help. A general trend seems to come to shape, though. Because of relaxation in political control and increasing cultural exchanges with the West, the new generation may eventually develop adopted values, calling for more freedom and democracy at the workplace. In addition, the principles underlying the current industrial reforms tend to find counterparts in Western rationality. The resulting organizational changes will inevitably reflect changes in value systems of the future workforce and in industrial policy orientations. Applicability of Western management theories is expected to be enhanced.

However, political upheavals have always dominated China's fate. The fight between the pragmatists and conservatives has become less manifest, but is still easily stirred up by changes in national policies. Negative consequences associated with introduction and application of Western management practices might be taken as political weapons to gain power and influence. The applicability of the theories hinges heavily on the definition and criteria given by the dominating coalition.


Thompson, J. D. "On Building Administrative Science." Administrative Science Quaterly, 1956, 1, 102-111.


APPENDIX A:

The Motivation Model

(Lawler, 1971)
APPENDIX B:
Income And Expenditures of Urban Families
(From "China, Facts & Figures, Annual." 1983, pp.338.)

(Average Annual Per Capita)

Income (yuan)  
495  526  
An Increase of  
43% over 1978 
excluding price rise  

3.29 in 1957  
2.06 in 1978  
1.71 in 1983  

Persons supported by every wage-earner

Breakdown of expenditures (%)  
1978  
Food  Clothing  Daily expenses  Others
57.5  13.6  16.1  12.8
1983  
59.2  14.5  16.7  10.1

APPENDIX C:

A Comparison of Perceived Need Importance

(Reddin, 1980)
APPENDIX D:

Value Profile--American Managers
(England, 1975)
APPENDIX E:

Concept Differences Between Pragmatists and Moralists
(England, 1975)

<table>
<thead>
<tr>
<th>Pragmatists Have Higher Behavioral Relevance Scores than Moralists</th>
<th>Moralists Have Higher Behavioral Relevance Scores than Pragmatists</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organizational Goals</strong></td>
<td></td>
</tr>
<tr>
<td>8 of 8</td>
<td></td>
</tr>
<tr>
<td>High Productivity (36)*</td>
<td></td>
</tr>
<tr>
<td>Organizational Growth (34)</td>
<td></td>
</tr>
<tr>
<td>Profit Maximization (32)</td>
<td></td>
</tr>
<tr>
<td>Organizational Efficiency (17)</td>
<td></td>
</tr>
<tr>
<td>Organizational Stability (14)</td>
<td></td>
</tr>
<tr>
<td>Industry Leadership (12)</td>
<td></td>
</tr>
<tr>
<td>Employee Welfare (40)</td>
<td></td>
</tr>
<tr>
<td>Social Welfare (24)</td>
<td></td>
</tr>
<tr>
<td><strong>Ideas Associated with People</strong></td>
<td></td>
</tr>
<tr>
<td>10 of 13</td>
<td></td>
</tr>
<tr>
<td>Ability (39)</td>
<td></td>
</tr>
<tr>
<td>Aggressiveness (26)</td>
<td></td>
</tr>
<tr>
<td>Skill (19)</td>
<td></td>
</tr>
<tr>
<td>Ambition (18)</td>
<td></td>
</tr>
<tr>
<td>Trust (52)</td>
<td></td>
</tr>
<tr>
<td>Loyalty (51)</td>
<td></td>
</tr>
<tr>
<td>Honor (46)</td>
<td></td>
</tr>
<tr>
<td>Tolerance (25)</td>
<td></td>
</tr>
<tr>
<td>Compassion (25)</td>
<td></td>
</tr>
<tr>
<td>Obedience (25)</td>
<td></td>
</tr>
<tr>
<td><strong>Personal Goals</strong></td>
<td></td>
</tr>
<tr>
<td>6 of 13</td>
<td></td>
</tr>
<tr>
<td>Success (39)</td>
<td></td>
</tr>
<tr>
<td>Achievement (35)</td>
<td></td>
</tr>
<tr>
<td>Creativity (24)</td>
<td></td>
</tr>
<tr>
<td>Money (18)</td>
<td></td>
</tr>
<tr>
<td>Dignity (38)</td>
<td></td>
</tr>
<tr>
<td>Security (15)</td>
<td></td>
</tr>
<tr>
<td><strong>General Concepts</strong></td>
<td></td>
</tr>
<tr>
<td>5 of 15</td>
<td></td>
</tr>
<tr>
<td>Change (13)</td>
<td></td>
</tr>
<tr>
<td>Religion (28)</td>
<td></td>
</tr>
<tr>
<td>Equality (25)</td>
<td></td>
</tr>
<tr>
<td>Authority (17)</td>
<td></td>
</tr>
<tr>
<td>Liberalism (16)</td>
<td></td>
</tr>
<tr>
<td><strong>Groups of People</strong></td>
<td></td>
</tr>
<tr>
<td>4 of 17</td>
<td></td>
</tr>
<tr>
<td>Managers (19)</td>
<td></td>
</tr>
<tr>
<td>Government (26)</td>
<td></td>
</tr>
<tr>
<td>Customers (15)</td>
<td></td>
</tr>
<tr>
<td>My Company (11)</td>
<td></td>
</tr>
</tbody>
</table>

*The difference in behavioral relevance score between the two groups in the international sample.*