American and Chinese Entrepreneurial and Managerial Orientations: A Management Education Perspective

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The present study investigated differences in self-management ability, motivation to manage, entrepreneurial orientation, and views on participative decision making among American management students, Chinese management students studying in Mainland China, and Chinese management students studying in the United States. Findings were not as expected, with Chinese students in the United States demonstrating the greatest support for participative decision-making, and Mainland Chinese students demonstrating the highest level of entrepreneurial orientation. Implications for management educators and managers are provided.

“Bait them with the prospect of gain, bewilder and mystify them.  
Use anger to disrupt them, humility to make them arrogant.  
Tire them by running away, cause them the quarrel among themselves.  
Be so subtle that you are invisible.  
Be so mysterious that you are intangible.  
Then you will control your rivals’ fate.”  

Sun Tzu, “The Art of War” (McNeilly, 1996).

The number of joint ventures between Chinese and Western firms, as well as the number of foreign-owned enterprises operating in China, has increased dramatically in the last decade (Weldon & Vanhonacker, 1999). During this same period, the heightened demand for Western-style management education programs in China (Chao & Dubas, 1995; Chen & Martin, 1996; Frazer 1999; Johnstone, 1997; Kamis, 1996) has sparked a renewed interest in Chinese learning styles and challenges associated with delivering programs there (Thompson, 2000; Thompson & Gui, 2000). However, Western teaching and learning approaches are not always successful in the Chinese context and must be adapted to cultural differences (Cheung, 1998; Thompson, 2000; Warner & Ying, 1998).

As compared to the West, management education in China typically consists of hard, technically-oriented management curricula delivered via lecture. A high degree of student participation during lectures is not common (Wo & Pounder, 2000). Students used to
the traditional rote style of learning common in China may not easily adapt to the problem-oriented, open styles common in American business schools (Biggs, 1996; Lee, 1996; Zhang, 1999). This is slowly changing, as a number of Chinese professors are beginning to utilize cases, especially in graduate business courses.

These challenges notwithstanding, China is aggressively importing business training from the West (Tabak, Stern-Solomon, & Nielsen, 1998). From a Western perspective, the effort to develop effective educational programs for Chinese students can be enhanced by an understanding of Chinese managerial philosophy, and more specifically, how perceptions of management behavior differ between American students and their Chinese counterparts (Zhang, 1999). The present study examines a number of management-related scales among American and Chinese management students, including Chinese students studying in Mainland China and those who are pursuing degrees in the United States.

The remainder of this paper is divided into three sections. First, data collection and analysis methods are outlined. Results of the study are presented and elaborated, followed by a presentation of implications for management educators and directions for future research.

Method

Surveying students in Mainland China can be a tedious process, as permission may be required from governmental authorities to carry out the surveys. As such, a number of researchers have opted to study Chinese students abroad (Chung, Walkey, & Bemak, 1997; McCrae, Yik, & Trapnell, 1998) or investigate the predominantly Chinese population in Hong Kong (Dollinger & Danis, 1998). Considering the economic and political differences between Hong Kong and Mainland China, as well as the difference in social influences between Chinese students and those in the West, these alternatives have their obvious shortcomings (Thompson, 2000).

The present study surveyed 109 Chinese management students—30 studying in Mainland China and 79 in the United States—and 145 American management students. The average age of the American students was 27.6 years, compared to 25.6 years for their Chinese counterparts. The male-female ratio was 55-45 for the American students and 45-55 for the Chinese students. Hence, there did not appear to be any significant demographic differences between the two student groups.

Students were administered Likert scales to measure management motivation (Miner & Smith, 1982), entrepreneurial orientation (Carraher, Carraher, & Buckley, 2001), and self-management (Parnell & Carraher, 2001), as well as the propensity for participative decision-making (PPDM) subscales for organizational effectiveness and power (Parnell & Bell, 1994). All scales administered have been previously validated. Due to the exploratory nature of the study, no formal hypotheses were proposed.
Findings and Discussion

Reliability was assessed to ensure the integrity of the five scales utilized in the study. Coefficient alphas (Cronbach, 1951) ranged from .501 to .725 (see table 1), suggesting varying degrees of internal consistency, an important indication of reliability (Kuratko, Montagno & Hornsby, 1990; Peter, 1979). Although scholars prefer alphas at the .60 or .70 level, it is not uncommon for alphas to decline when Western scales are administered to a cross-cultural audience (Peng, Lu, Shenkar, & Wang, 2001). For this reason, original, previously validated scales were not modified, and the alphas derived were considered appropriate for the aims of the present study.

Factor scores (regression method) were calculated for each scale to serve as a composite measure of the construct. Two sets of comparisons were made. First, American students were compared to their Chinese counterparts along the five dimensions. Significant differences were found in four of the five measures (see table 2). American students demonstrated a higher capacity for self-management, but also demonstrated a lower motivation to manage.

A number of findings warrant further discussion. American students were less convinced of the value and effectiveness of participative decision-making (PDM) as a managerial philosophy than their Chinese counterparts. The different perspectives on decision-making between the two cultures is interesting to note. This anomaly may be due to differences in the samples, as the Chinese sample tends to represent the most highly qualified Chinese students, whereas the American sample represents a cross section of students.

The nature of decision-making varies considerably between the two cultures. Managerial decisions are emotionally stressful in the Chinese context. Chinese managers may strive to appear to be emotionally neutral when making difficult decisions in order to preserve face for both subordinates and themselves (Krone & Chen, 1997).

In general, Chinese managers rely on accumulated wisdom, holistic thinking, and experience to make decisions, whereas their American counterparts emphasize compartmentalization, rationality, and objectivity (Scarborough, 1998; Wall, 1990). Experienced managers, not necessarily those most recently or thoroughly trained, make the major decisions in Chinese organizations (Chong, 1987; Leung & Yeung, 1995; Redding, 1988).

The concept of power distance is much more pronounced in Chinese society than in the U.S. (Hofstede, 1980, 1993). Chinese workers and managers tend to be much more aware and respectful of formal hierarchies than Americans. In China, information is closely held, decisions are not challenged, and decision-making tends to be top-down (Scarborough, 1998). Interestingly, however, the religious tradition of Buddhism, as well as Confucian writings, downplays the notion of self and fosters the importance of the group (Warner & Ying, 1998). As such, Chinese managers tend to be more people- and relationship-oriented than American managers (Lockett, 1988; Wah, 2001).
Table 1. Factor Loadings of Scales Utilized in the Study

<table>
<thead>
<tr>
<th>Item</th>
<th>Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPDM-Organizational Effectiveness (Alpha=.509)</td>
<td></td>
</tr>
<tr>
<td>ORG1. Many organizational problems disappear when everyone has a chance to participate in decision making</td>
<td>.597</td>
</tr>
<tr>
<td>ORG2. Participative decision making usually results in effective decisions</td>
<td>.742</td>
</tr>
<tr>
<td>ORG3. Group decisions are worth any extra time required</td>
<td>.778</td>
</tr>
<tr>
<td>PPDM-Power (Alpha=.501)</td>
<td></td>
</tr>
<tr>
<td>PWR1*. Participative decision making requires divulging too much confidential information</td>
<td>.736</td>
</tr>
<tr>
<td>PWR2*. Participative decision making gives too much power to subordinates</td>
<td>.756</td>
</tr>
<tr>
<td>PWR3*. Subordinates often cannot be trusted</td>
<td>.636</td>
</tr>
<tr>
<td>Entrepreneurial Orientation 9 (Alpha=.725)</td>
<td></td>
</tr>
<tr>
<td>ENT1. I consider myself to be entrepreneurial</td>
<td>.302</td>
</tr>
<tr>
<td>ENT2. I desire to be self-employed</td>
<td>.465</td>
</tr>
<tr>
<td>ENT3. I own (or plan to own) my own business</td>
<td>.771</td>
</tr>
<tr>
<td>ENT4. I plan on opening my own business at some point in the future</td>
<td>.818</td>
</tr>
<tr>
<td>ENT5. I have a strong desire to own my own business</td>
<td>.669</td>
</tr>
<tr>
<td>ENT6. I aspire to be my own boss</td>
<td>.771</td>
</tr>
<tr>
<td>Managerial Motivation (Alpha=.536)</td>
<td></td>
</tr>
<tr>
<td>MM1. I have a desire to build positive relationships with my superiors</td>
<td>.358</td>
</tr>
<tr>
<td>MM2. I have a desire to compete with peers in games and sports</td>
<td>.283</td>
</tr>
<tr>
<td>MM3. I have a desire to compete with peers in work-related activities</td>
<td>.570</td>
</tr>
<tr>
<td>MM4. I have a desire to behave in an active and assertive manner</td>
<td>.778</td>
</tr>
<tr>
<td>MM5. I have a desire to tell others what to do and to impose sanctions in influencing others</td>
<td>.412</td>
</tr>
<tr>
<td>MM6. I have a desire to stand out from the group in a unique &amp; highly visible fashion</td>
<td>.567</td>
</tr>
<tr>
<td>MM7. I have a desire to carry out the routine duties often associated with managerial work</td>
<td>.243</td>
</tr>
<tr>
<td>Self-Management (Alpha=.535)</td>
<td></td>
</tr>
<tr>
<td>SELF1. I consider myself to be well-organized.</td>
<td>.753</td>
</tr>
<tr>
<td>SELF2. I am more self-disciplined than most of my colleagues</td>
<td>.622</td>
</tr>
<tr>
<td>SELF3. I tend to manage my time well</td>
<td>.669</td>
</tr>
</tbody>
</table>

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Another explanation for this difference may be equally valid. The Confucian-based national system of career examinations for the National Civil Service has had significant impact on managerial thinking. The national examination became not so much a test of managerial ability or creative thinking, but a test of one's ability to master an increasingly arcane and rigid system of Confucian logic. Thus any predisposition one might have towards entrepreneurial or participative decision-making would not likely have survived. It would not be until the early part of the twentieth century that the national examination system would be abandoned. Yet, its influence of Chinese management style has been slow to dissipate.

American students were also less likely than the Chinese students to associate PDM with a decline in managerial power. This finding is consistent with previous research, and may be explained by Barnard's (1938) acceptance theory of authority. According to this perspective, managers only have as much authority as their subordinates allow them to have. Authority flows downward but depends on acceptance by the subordinate.

The Confucian influence in China may also shed light on this difference. A number of organizations in China appear to exhibit cultural similarities that emanate from Confucian values, including the respect for authority, emphasis on personal relationships, and a family/collective orientation (Hall & Xu, 1991; Hofstede, 1980; Redding, 1987). Decisions are made at the top (Lu, 1996), and interaction among individuals and organizations is built upon trust and highly personalized (Schermhorn & Bond, 1992). As such, participative management techniques are not typically employed (Pun, Chin, & Lau, 2000; Redding & Richardson, 1986; Westwood, 1997; Xu, 1987).

The Chinese manager is often seen as a father figure (Child, 1994; Ng, 1998). Nepotism and paternalism dominate the leadership orientation of most Chinese managers (Bond & Kwang, 1986; Redding, 1990; Tan, 1989). In fact, many Chinese businesses are family-oriented, with an organizational structure that typically resembles the family structure (Wah, 2001). Even in large Chinese organizations, the sense of an individual’s loyalty to the manager and the organization, as well as a manager's loyalty to his or her subordinate, tends to be much more prominent (Xing, 1995).

Interestingly, no significant differences were found in entrepreneurial orientation between American and Chinese students. This finding runs counter to conventional wisdom suggesting that Americans embrace individualism, whereas Chinese embrace collectivism (Wah, 2001). However, the notion that attractive careers in Mainland China can only be found in large, state-owned enterprises is changing, as private and foreign-owned enterprises are becoming more successful.

Chinese managers tend to demonstrate high uncertainty avoidance relative to their American counterparts (Fahr, Earley, & Lin, 1997; Hofstede, 1980; Lockett, 1988). As such, security, stability, and predictability are highly valued in contemplating the direction of an organization. This is not to suggest that Chinese managers are not skilled strategic thinkers, but rather that they have a tendency to prefer predictability and consistency
over potential payoff in the evaluation of strategic opportunities (Birnbaum-More & Wong, 1995). This uncertainty avoidance, coupled with the cultural emphasis on thrift and productivity, tends to translate into cost leadership strategies for many Chinese businesses, whereas the American emphasis on uniqueness and individuality tend to translate into differentiation strategies (Merrilees & Miller, 1999; Wah, 2001).

In addition to American-Chinese comparisons, Chinese students in Mainland China were compared to Chinese students studying in the U.S. to investigate possible differences that cultural influences could play. Significant differences were found in three of the five measures (see table 3). Motivation to manage was higher among Chinese students studying in the U.S. than among Chinese students studying in Mainland China. It is interesting to note that Chinese students studying in the U.S. also scored higher on this scale than did American students.

<table>
<thead>
<tr>
<th></th>
<th>American</th>
<th>Chinese</th>
<th>F-statistic</th>
<th>Signif.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-Management</td>
<td>.157</td>
<td>-.159</td>
<td>7.138</td>
<td>.008</td>
</tr>
<tr>
<td>Management Motivation</td>
<td>-.158</td>
<td>.161</td>
<td>7.143</td>
<td>.008</td>
</tr>
<tr>
<td>Entrepreneurial</td>
<td>-.005</td>
<td>.005</td>
<td>0.713</td>
<td>.399</td>
</tr>
<tr>
<td>Orientation</td>
<td>-141</td>
<td>.146</td>
<td>5.847</td>
<td>.016</td>
</tr>
<tr>
<td>PPDM-Organizational</td>
<td>.308</td>
<td>-.325</td>
<td>30.790</td>
<td>.000</td>
</tr>
<tr>
<td>Effectiveness</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>U.S.</th>
<th>China</th>
<th>F-statistic</th>
<th>Signif.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-Management</td>
<td>-.150</td>
<td>-.192</td>
<td>0.064</td>
<td>.800</td>
</tr>
<tr>
<td>Management Motivation</td>
<td>.223</td>
<td>.059</td>
<td>2.296</td>
<td>.132</td>
</tr>
<tr>
<td>Entrepreneurial</td>
<td>-.055</td>
<td>.421</td>
<td>5.567</td>
<td>.020</td>
</tr>
<tr>
<td>Orientation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PPDM-Organizational</td>
<td>.330</td>
<td>-.512</td>
<td>23.044</td>
<td>.000</td>
</tr>
<tr>
<td>Effectiveness</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PPDM-Power</td>
<td>-.346</td>
<td>-.249</td>
<td>0.283</td>
<td>.595</td>
</tr>
</tbody>
</table>
Entrepreneurial orientation among Chinese students in Mainland China was significantly higher than among Chinese students in the U.S. This finding is likely due to sampling differences, as Chinese students in the U.S. are more likely to have family connections in Mainland China that may result in strong career opportunities with existing firms.

Chinese students in the U.S. were more likely than their counterparts in Mainland China to accept the notion that PDM enhances organizational effectiveness. This difference is likely due to the heightened exposure of Chinese students studying in the U.S. to the advantages of participative management philosophies.

Conclusions and Future Research

A number of differences among American and Chinese management students were demonstrated. Compared to their American counterparts, Chinese students in the United States demonstrated a strong management motivation and appear to be receptive to participative management styles. In analyzing the differences, however, China's rich and complex cultural history should be considered.

Because of its early emphasis on agriculture, China has enjoyed a love-hate relationship with its merchant and managerial class. Chinese history marks the ebb and flow of this changing relationship. In the 800s, North China, the traditional seat of government, suffered due to an absence of trade while South China enjoyed prosperity associated with foreign imports, allowing the merchant class in the south to prosper. This period marked the beginning of a shift in China back and forth between holding merchants in high esteem and persecuting them. Even today, the Chinese perspective on business leaders is not always clear.

A number of challenges remain. First, the application of Western scales to non-Western samples remains a difficult process (Peng, Lu, Shenkar, & Wang, 2001), and the present study was no exception. When scales are not translated to account for language and cultural differences for generalizability sake, scale reliabilitys generally suffer as a result. However, when scales are translated and/or modified to address cultural differences, then direct comparisons between distinct cultural groups are tenuous at best. Solving this dilemma is not easy. Nonetheless, future research should embrace multiple approaches to develop a comprehensive understanding of the phenomena.

Second, Western models and instruments typically do not measure the constraints in which Chinese employers function (Adler, Campbell, & Laurent, 1989). As a result, Chinese applications of Western survey instruments such as the scales utilized in the present study have their limitations. Alternatively, researchers may choose to develop instruments from indigenous Chinese values (e.g., Fahr, Podsakoff, & Cheng, 1987; Fahr, Tsui, Xin, & Cheng, 1998) to maximize measurement precision. Unfortunately, doing so is expensive and typically produces results that are incomparable with Western literature (Peng, Lu, Shenkar, & Wang, 2001). Additional research that integrates both approaches in hypothesis testing may lend more robust and reliable conclusions. Further, Farh, Earley, & Lin's (1997) development of the Chinese organizational citizenship
behavior (OCB) scale considered cultural variability within the Chinese culture, not between or among cultures. Hence, additional research that moves beyond pitting one culture against another will also be helpful.

Third, a number of cultural differences between China and the U.S. that are associated with management practice have been identified (Peng, Lu, Shenkar, & Wang, 2001). The present study examined only a few. For example, Ralston and Gustafson (1993) identified four major Chinese managerial values that distinguish Chinese managers from their Western counterparts: Confucian work dynamism, human-heartedness, integration, and moral discipline.

In addition, the present study did not consider the influence of the Chinese system of guanxi, perhaps the most widely known management-related distinction of Chinese culture in the West. Pye's (1992) expanded definition of the term suggests a friendship between parties with implications of continued exchange of favors. In many respects, guanxi is the lubricant which enables Chinese and foreign individuals to work together effectively and transact business (Bjorkman & Kock, 1995). According to both conventional wisdom and empirical research, foreign companies without guanxi are not as likely to succeed in their business efforts as those that possess it (Ambler, 1994; Tsang, 1998). More specifically, guanxi is a critical precursor to subordinate trust in the supervisor in Chinese organizations (Farh, Tsui, Xin, & Cheng, 1998).

Fourth, the prospective role of the Internet in changing managerial perceptions of Chinese students has not been empirically assessed. Indeed, Chinese Internet usage patterns are differ dramatically from their Western counterparts. For example, approximately three-fourths of Chinese online users report spending time at e-commerce websites, but most have never made an online purchase (Wee & Ramachandra, 2000). Most Chinese believe that online buying will become mainstream within the next five years (Xinhua, 2001), and most analysts expected the strong growth in Internet usage to continue (Network Briefing Daily, 2001a).

In addition, the Chinese government is sensitive to the use of the Internet as an effective medium of state opposition (Yang, 2001). Net executives in China adhere to local customs, a practice the many critics interpret as voluntary censorship. For example, the web site for Yahoo in China posts news on world events only from government-owned newspapers. A number of international news sites are often blocked at centralized routers that control Internet traffic in and out of China, resulting in hit-and-miss access to savvy surfers who read English (Yee, 2001).

Finally, this study examined differences among three management student groups but did not suggest strategies for delivering educational programs when the learners are from more than one background. In the U.S., most business schools enroll students from a number of cultural backgrounds. Additional research that suggests methods and means for instructional delivery in multicultural settings would be beneficial to the field.
References


Xinhua (2001). China has 26 million Internet users. Xinhua, September 17.


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