



## Group Leadership and Corporate Leadership as Perceived by Employees in Selected Import-Export Companies in Kunming, Yunnan, China

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**Abstract:** *With the increasing development of business in China, import and export companies play a very important role for developing of China economy. Leadership is an important function of management which helps to maximize efficiency and to achieve organizational goals. However, compared with advanced foreign enterprises, domestic enterprises leadership development in the city of Kunming, China started rather late. This study was trying to explicate the development of group leadership and corporate leadership from the employees' perspectives in import and export companies in Kunming, China, and compare the difference in the area of group leadership and corporate leadership in two import and export companies. A five-scale questionnaire was used to collect data as perceived by employees working with their supervisors on group leadership as well as corporate leadership. The data collected was analyzed through correlation analyses. The study covered 122 participants employed in Yunnan Emerald Essence Ltd (company A) and Ostring Centre Imp&Exp Trading Co., Ltd (company B) in China. The study could be used to help supervisors understand and improve group leadership ability and professional development in these two companies and the findings might be beneficial to other supervisors who work in these kinds of companies. The finding results it could be revealed that there was no significant difference between company A and company B in the area of group leadership. There was no significant difference between company A and company B in the area of corporate leadership.*

**Keywords:** Group Leadership, Corporate leadership, Import and Export Company in China

### Introduction

In a globalizing and rapid changing business environment, "strong leadership" is regarded as one of the key factors to drive business organizations to grow, to innovate and to regenerate. Today's global markets face competition and changing external environment, thus growing the demand for leadership. Leadership is a process by which a leader can direct, guide and influence the behavior and work of others towards accomplishment of specific goals in a given situation. The concept of leadership development has shifted drastically during the past several years. Since 1980s the idea of developing specialist leaders seemed to fade in face of fear of the future and pursuit of quick fixes. The early 1990s will probably be remembered for management fads that emphasized processes and culture over leadership (Wu, 2010). Now, the central challenge for senior executives is to create a company that wins continuously, and leadership has become a broader concept than that of leaders. The new understanding of leadership must include three areas: the leaders, the followers and the situation. Furthermore, the understanding of leadership also must involve the changing nature of leader-followers relationships and the increasingly greater complexity of situations leaders and followers face.

Leadership behavior of the supervisor is the key for employee performance. In the early stages, one theory holds that leadership is the ability to impress the will of the leader on those led and induces respect, loyalty and cooperation. In the 1960s, another theory thought that management is leadership



in the industry (Gill, 2006). The word leadership means different things to different scholars, Gill (2006) suggested almost history of leadership in his book, records several researchers' views from 1920 to 2006. Following are some definitions of leadership listed in Gill's book, for instance, Hemphill and Coons (1957) suggested leadership is "the behavior of an individual when is directing the activities of a group towards a shared goal". Katz and Kahn (1978) held "the influential increment over and above mechanical compliance with the routine directions of the organization". Jacobs and Jaques (1990) thought that leadership is a process of giving purpose to collective effort, and causing willing effort to be expanded to achieve purpose. At same year, Bass and Stogdill defined leadership is "the principle dynamic force that motivates and coordinates the organization in the accomplishment of its objectives" (Gill, 2006).

The definition of leadership is recognized in the well-known Excellence Model promoted by the European Foundation for Quality Management (EFQM) and British Quality Foundation (BQF), Roger mentioned. Leadership is defined by EFQM as: How leaders develop and facilitate the achievement of the mission and vision, develop values required for long term success and implement these via appropriate actions and behaviors, and are personally involved in ensuring that the organization's management system is developed and implemented (Gill, 2006).

The word leadership has been described in terms of the position, personality, responsibility, influence process, an instrument to meet a goal, behaviors, result from interaction and given some other meanings by various researchers. Most definitions have the same common theme of directing a group towards a goal. Thus, the present study follow the definition of leadership is the process of influencing the activities of an organized group in its efforts toward goal setting and goal achievement (Stogdill, 1950).

Leadership development in Asia is essential to meet the strategic goals of employers, if modern enterprise would survive and develop in the fierce struggle conditions. Regrettably, however, leadership training is not readily available in business, and there is no focus on leadership styles. The traditional organization mechanics are maturing, and although foreign enterprises have upgraded thinking about leadership, there are still drawbacks. In China domestic enterprises leadership development started rather late, as compared with foreign advanced enterprises.

Regardless of the quantity or quality, a huge gap has existed. In addition, some surveys indicate that the Chinese enterprises lag behind other business organizations either in the western developed countries or in other Asian countries, in terms of the manager's leadership level. Most of the Chinese enterprises don't have a systemic and effective leadership development approach at the moment (Wu, 2010). Furthermore, Bernthal, Bondra and Wang (2006b) reported that China's growth has dramatically stretched an already aging labor supply, fueling intense competition for talent. Turnover rates continue to rise as workers, their skills in demand, hold more bargaining power. While an economic juggernaut now and for the near future, China might not be able to sustain its newfound stature in the face of such challenges. Yunnan Province in southern China is one area for such change and development.

Yunnan Emerald Essence Ltd in China is a professional manufacturer and trader of Yunnan's natural essential oils which are internationally renowned. Enterprise of China Essential Oils, Aroma and Spices Trade Association and Chairman of Yunnan Essential Oils Trade Association as well as a member of the International Federation of Essential Oils and Aroma Trades, Founded in 2006, The company combines the staff and business of the former Essential Oils Department and Kunming Lubao Perfumery Factory of Yunnan Native Produce Import & Export Co., Ltd., carrying forth the established tradition, experience and strength over the past decades in serving flavor, fragrance and pharmaceutical industries. The aim of the company is to expand and make further development on production, research and sales. The company's trademark "E" Brand has been successfully registered in the United States, the European Union and India, and has enjoyed high reputation in the business circle. It was interesting to investigate their leadership practices for both regional and global business.

Ostring Centre Imp & Exp Trading Co., Ltd, founded in June 2008, is also located in Kunming, the center of Yunnan province. The registered capital of this company is 10 million RMB. The company mainly embarks on the selling operation of import and export of high technology equipment



and medical equipment. The company always persists in building company spirit by focusing on people, making the employees benefits as the most importance, making the talent as the core resource of company. The company inspires respect and the talent and potential of the staff through training and encouraging company and individuals to promote common development. Employees are separated in 9 working groups in this company, each one supervisor responsible with group respectively.

To maintain or enhance effectiveness within rapidly changing and extremely competitive environments, organizations have to be creative at the individual, group, and organizational levels (Drazin, Glynn, & Kazanjian, 1999; Mumford, Scott, Gaddis, & Strange, 2002). The challenge for organizational management is to identify the factors that contribute to creativity at these different levels within a company. It is necessary for all levels to develop leadership related to the policy of these two companies. What called group leadership. This study is intended to investigate the group leadership developing at Yunnan Emerald Essence Ltd and China Ostring Centre Imp & Exp Trade Co., Ltd. In addition, comparing current situations of group leadership and corporate leadership in two of these companies was important. The main purpose was to get the information about how group and corporate leadership was managed in these two companies, and to find the adaptable approach to guide supervisors' leadership behavior for these kinds of enterprises in China.

### **Research Objectives:**

1. The first objective of this project was to investigate and compare the development of group leadership and corporate leadership in two Chinese import and export companies.
2. Comparing group leadership styles in these companies was the second objective in this study.
3. The third objective of this research was compared development of corporate leadership as perceived by employees in these companies.

### **Research Questions:**

1. What was corporate leadership of Import and Export companies as proposed by employees?
2. How was group leadership developed in Chinese Import and Export Companies?
3. What did the supervisor of Chinese Import and Export Companies do to gain leadership behavior as proposed by employees to join group leadership?

### **China's Economy**

China is the largest creditor nation in the world and owns approximately 20.8 % of all foreign-owned US Treasury securities (China Economic Times). It has also appeared that Noopolitik and the knowledge economy had become salient interests of the People's Republic of China (PRC)'s economic policy across the 2000s, through which the country made clear its move from "Made in China" to "Innovated in China" as notes Segal. Aberkane thus argued "With China's cosmopolitan and highly educated diaspora; it is no surprise that as of 2010, five of the top twenty most visited websites in the world are indexed in Mandarin. They include PRC-born behemoths such as Baidu.com, Taobao.com, and Sina.com.cn, and video sharing Tudou.com, which has gained users in both North America and Europe."

It has been known that China has generally implemented reforms in a gradualist fashion. As its role in world trade has steadily grown, its importance to the international economy has also increased apace. China's foreign trade has grown faster than its GDP for the past 25 years (Carney, Michael, & Gedajlovic, Eric, 2002a). China's growth comes both from huge state investment in infrastructure and heavy industry and from private sector expansion in light industry instead of just exports, whose role in the economy appears to have been significantly overestimated (Carney, Michael, & Gedajlovic, Eric, 2002b). The smaller but highly concentrated public sector, dominated by 159 large SOEs, provided key inputs from utilities, heavy industries, and energy resources that facilitated private sector growth and drove investment, the foundation of national growth. In 2008 thousands of private



companies closed down and the government announced plans to expand the public sector to take up the slack caused by the global financial crisis (Carney, Michael, & Gedajlovic, Eric, 2003). In 2010, there were approximately 10 million small businesses in China (Chan, Kwok Bun, & Chiang, See-Ngoh Claire, 1994).

Actually, there are a lot of Chinese businesses in other countries. In Asia, Chinese investment is in progress, Chinese trade associations play important role in making connection with other countries. The government also provides policy and support.

According to the agreement of 10 countries in South East Asia to collaborate economic development beginning in the year 2015, China has paid attention to extend the economic power in this region. However, both South Korea and Japan are also interested in playing business roles for their benefit. The conclusion is the extension of the collaboration. ASEAN +3 is the key for success together. It is clear that Chinese business and industries will be extended to all of 10 member countries of ASEAN.

However, Chinese trading companies turn to develop themselves as well so that the policy of the government will be effective. One alternative is to provide leadership in all sections of entrepreneurs business and industrial development in North America, Europe, and South East Asian. The creation of ASEAN economic community encourages China to play important role in this region.

## Corporate Leadership

According to Robin (2012), corporate leadership is comprised of the executives and managers who run a company. It occurs when a company foresees ultimate success from the strong leaders that run its daily operations. Leaders themselves are responsible for effectively managing the company's resources, working with advertising teams and inspiring others to do their best work. They also envision ways to improve the company from the perspective of overall involvement. Ultimately, the actions and decisions of executives are what are referred to as corporate leadership.

To manage global business team work is required to perform complicated responsibilities. Leadership of an individual member on a manager may be not enough for changing and competing business. Leadership of the team or group leadership is needed to provide more strength in the same direction of performance.

## Group Leadership

Rarely, if ever, do groups form without a leader being assigned or emerging out of the group (Rosenfeld & Plax, 1975). Group leadership focuses on aspects of group communication that is a constant in group communication (Marken, 1999). More than eight thousand studies have focused solely on group leadership Pavitt (1999). Investigations have been specifically designed to focus on the group leader, such as, group leader apprehension (Hawkins & Stewart, 1990), emergent leaders (Andrews, 1984; Wright, 1977), and preference for leadership style (Aldoory & Toth, 2004). Bass (1960) confirms that only fifty years ago, there were more than one hundred and twenty definitions of leadership. All focus their efforts on the group leader.

Rothwell (2007) clarified that "Despite the numerous definitions of leadership, there is an evolving consensus on what leadership is and is not" (p. 151). Difficult as group leadership may be to define, Rothwell also suggested that regardless of what kind of group or organization is being led, "leaders must have two things: followers, and influence over those followers" (pp. 151-152).

## Populations and Samples

The population of interest were the people who worked for Import- Export companies which package natural products to market overseas. There are many such companies but two were chosen for this pilot study based on convenience and willingness to cooperate. The participants comprised employees who were working for supervisor separately in different working groups at the Yunnan Emerald Essence Ltd in China. In this company, working groups are established. There was one supervisor



who was responsible for each working group, and there were seven or eight employees working for the supervisor in the group. Sixty-six of employees were selected as subject for study in accordance with Krejcie and Morgan's principle. A comparable group of 65 employees worked in China Ostring Centre Imp&Exp Trading Co, Ltd. Eight working groups are established in this company. According to the sample size principle of Krejcie and Morgan, fifty- six employees in this company were samples for the research. Totally, the sample size of the research was 122 employees.

## Instruments

Based on the literature review, the researcher created questionnaire as instrument of the survey. The similarities and differences between two companies were assessed gain a clear understanding of management strengths and development needs. Employees' feedback served as the basis for each person's focused career development and desire to become a more effective manager and leader.

The scope of the instrument for collecting data as following:

1. Group Leadership
  - 1.1 Group Development
  - 1.2 Group Performance
  - 1.3 Professional Development
2. Corporate Leadership
  - 2.1 Vision and Mission
  - 2.2 Organizational Structure
  - 2.3 Organizational Culture

## Factors Operational Definitions of Variables

Items that reflect the expected leadership competences of supervisors were grouped together as they relate to three major research questions. The issues for corporate' group leadership and professional development are outlined here.

For research question 1: What should be corporate leadership of Import and Export companies as proposed by employees?

There were three areas of practices for corporate leadership development:

1. Vision and Mission (7 questions).
2. Organizational Structure (6 questions)
3. Organizational Culture (7 questions).

For research question 2: How is group leadership developed in Chinese Import and Export Companies?

There were two areas of for group leadership development:

1. Group Development (8 questions).
2. Group Performance (8 questions).

For research question 3: What should the supervisor of Chinese Import and Export Companies do to gain leadership behavior as proposed by employees to join group leadership?

There was one area of for supervisor leadership behavior:

Professional Development (9 questions)

Principles of group leadership and how to develop group leadership based on eastern philosophy was investigated by means of library research discussion and perception of employees on leadership behaviors of their supervisors.

Each item in the questionnaire used a Likert rating scale, from 1 to 5; the definition of response categories is described as follows:

- |   |           |                   |
|---|-----------|-------------------|
| 1 | indicated | Strongly Disagree |
| 2 | indicated | Disagree          |
| 3 | indicated | Undecided         |
| 4 | indicated | Agree             |
| 5 | indicated | Strongly Agree    |



## Data analysis

For the data analysis, the researcher referred to the data from questionnaire survey of the participants about their supervisors' group leadership behaviors and companies' corporate leadership behaviors in two companies. Furthermore, the study focused on comparing the data from these two companies, and then analyzed the development of group leadership and corporate leadership.

The returned and completed questionnaires were coded and analyzed via statistical program of social package for social sciences (SPSS, version 16.0) for windows. According to the questionnaire design, the researcher analyzed data via descriptive statistics of mean and standard deviation.

For corporate leadership of the import-export company as perceived by employees, the discussion and conclusion were made based on Change Theories and strategies of Chinese government on ASEAN economic community.

The following formulae were used to calculate the Mean and Standard Deviation:

a Mean (Groebner, Sbrannon, Fry & Smith, 2001, p. 85)

= Where:

= sample mean

$\Sigma x$  = summation

$X_i$  = independent variable

$n$  = number of observations in the sample

Standard Deviation (Groebner, Sbrannon, Fry, & Smith, 2001, p. 101)

$$s = \sqrt{\frac{1}{N-1} \sum_{i=1}^N (x_i - \bar{x})^2}$$

Where

$S$  = standard Deviation

= sample mean

$\Sigma x$  = summation

$X_i$  = independent variable

$n$  = sample size

Average of the Mean

The research conducted an overview of mean for each factor of group leadership and corporate leadership. The guide for determining the ranking for the averaged mean as follows:

4.50 -5.00 = Very High

3.50-4.49 = High

2.50-3.49 = Moderate

1.50-2.49 = Low

1.00-1.49 = Very Low

## Findings

Table1. Means and standard deviations of perspectives of corporate leadership in Yunnan Emerald Essence Ltd (company A) and Ostring Centre Imp & Exp Trading Co, Ltd Kunming, China (company B).

Factors of Corporate Leadership	Company A Mean SD		Ranking	Company B Mean SD		Ranking
Vision and mission	4.12	.79	2	4.06	.95	1
Organizational structure	4.08	.78	3	4.02	.96	3





Organizational culture	4.18	.82	1	4.05	.99	2
Total	4.13	.80		4.06	.95	

According to this table, the average level of corporate leadership in company A was higher than in company B. In the area of corporate leadership, factors were rated high to low in company A as follows: (1) organizational culture (2) vision and mission (3) organizational structure. In contrast, the highest level of factor in company B was vision and mission, the second was organizational culture, the last was organizational structure.

Table 2 Means and standard deviations of perspectives of group leadership in Yunnan Emerald Essence Ltd (company A) and Ostring Centre Imp & Exp Trading Co, Ltd Kunming, China (company B).

Factors of Group Leadership	Company A Mean SD		Ranking	Company B Mean SD		Ranking
Group development	4.38	.72	1	4.01	.97	3
Group performance	4.36	.74	2	4.14	.98	1
Professional development	4.35	.72	3	4.09	.96	2
Total	4.36	.73		4.08	.97	

Table 2 shows that the highest factor in the area of group leadership was group development in company A. group performance was higher than professional development. The average level of group leadership in company A still higher than company B. The first concern in company B was group performance, the follower was professional development. The lowest mean was group development.

## Discussion

In this study, the researcher found that there were correlations between group leadership and group performance from the employees' perspectives.

Group development was seen as an important part in the area of group development. Group development is a process of a group forming and then working together so that a goal is accomplished. The supervisor is the key man for group development building in a group.

There were correlations between professional development and supervisors' group leadership ability. The professional development referred to the professional skills of supervisors in groups. A supervisor who has the strong group leadership ability demands professional skills for supervising and working with subordinates. In addition, a supervisor is not likely to be effective if he or she only has the ability to deal with certain types of people. He or she must do the best to be able to view the same situation from different perspectives. Communication is an important part of supervisor skills. Dealing with different people often involves relaying information to them. Everyone will not have the same comprehension level. A supervisor may have to help people with little or no education understand subjects that may seem very complex to them. On the other hand, that person may also have to make upper management understand staff issues that they cannot relate to.

Corporate leadership is comprised of the executives and managers who run a company (Robin, 2012). Having the clear and open vision and mission in a company was viewed as a vital part of the high level corporate leadership. Vision statements reflect the ideal image of the organization in the future. They create a focal point for strategic planning and are time bound, with most vision statements projected for a period of 5 to 10 years. The vision statement communicates both the purpose and values of the organization. For employees, it gives direction about how they are expected to behave and inspires them to give their best. According to Vern McGinis (2009), a mission statement explains the company's core purpose and values. a mission should define what the company is; define what the company aspires to be ; be limited to exclude some ventures ; broad enough to allow for creative growth ; distinguish the company from all others ; serve as framework to evaluate current activities ; and be stated clearly so that it is understood by all. In the area of vision and mission, the



highest score question was whether the management of the company sees the “big picture”; and understands how their business unit affects the entire organization in company A, but the highest score question was from the formulation of short- and long-term goals and objectives with deadlines in company B.

## Conclusions

As this study indicates, moderate group leadership and corporate leadership abilities were perceived among employees in Yunnan Emerald Essence Ltd (company A) and Ostring Centre Imp & Exp Trading Co, Ltd (company B). The results made understood about development of group leadership and corporate leadership condition in these kinds of companies in China now. There were two main objectives in this study. After doing this research, two of these study objectives were achieved. Research objective 1 was compare the difference of group leadership in company A and company B. The results showed that that there was no significant difference between company A and company B in the area of group leadership. Research objective 2 was compare the difference of corporate leadership in company A and company B. The result indicated that there was no significant difference between company A and company B in the area of corporate leadership.

### 1. Specific responses for practice of leadership

1.1 In the area of professional development, group employees' potential was not fully realized. For supervisors, they should be good at detecting the potential of each team member, and maximizing the potential in working. Group leaders should be skillful in using information and technical resources to achieve objectives and improve group working performance.

1.2 In the area of group development, group members could not be provided opportunities for communicating with other groups. Supervisors should create chances for their team members to communicate with other groups; if their group members have chance to communicate with other groups, they will find their own weakness and drawbacks, and then improve their working effectiveness

1.3 In the area of group performance, the clear expectations for assignment could not be conveyed from supervisor to employees. For supervisors, they should be clear and precise when they convey the working assignments to employees. Another hand in this area is supervisors should let employees know when they have performed a task well, in other words, employees should be when they perform well in working.

### 2. Implications for general management of these kinds of companies:

2.1 From the research, employees agreed that their company did not make the whole development strategy of company clear to subordinates. Sometimes the company should keep their development strategy if it is necessary, but on the other hand, the company should try their best to open the development strategy to employees, thus employees may got the sense of trust from company, then they will do the best in their job.

2.2 Companies should make the policy that personnel are the asset of the company. Thus the employees will feel their ability is viewed with attention from company.

2.3 From an organizational culture perspective results prove that more employee participation in the company' base management was very important. These kinds of companies should invite employees to join in setting up development plans and take employees' suggestions into consideration.

## Limitations of the Study and Recommendations for Further Study

One of the main limitations of the study is how culture impacted the relationship between supervisors and employees. The study is conducted in China, so it may be important to consider the values and beliefs of Chinese culture and how it impacts the roles of individuals within the workplace. The results of this current study will be possibly different from previous research that is conducted under the background of other cultures. There are just two company samples in this study, so another limitation





of this study is that it cannot represent the whole Chinese import-export companies' levels of group and corporate leadership, so that it may lack of the generalizability in the same industry. Thirdly, some employees are not experienced enough to answer questionnaires related to group leadership. In addition, biases are unavoidable when employees answer questionnaires about supervisors' leadership performance in groups.

There are a lot of factors included in group leadership and corporate leadership. The further study may pay more attention to the leadership style research. The research may be conducted in other industries with more factors in China related to development of group leadership and corporate leadership. More research methods; such as face-to-face interviews may be used to get reliable data in the future study.

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