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The Case of Chinese Expatriate Managers in the Dutch Context

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The traditional Chinese philosophies in inter-cultural leadership

The case of Chinese expatriate managers in the Dutch context

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Abstract

Purpose – As the global presence of Chinese firms grows, increasing numbers of Chinese managers are working abroad as expatriates. However, little attention has been paid to such Chinese expatriate managers and their leadership challenges in an inter-cultural context, especially across a large cultural distance. To fill the gap in the literature concerning the leadership challenges for expatriate managers in an inter-cultural context, the purpose of this paper is to elucidate the leadership styles of Chinese expatriate managers from the perspectives of three traditional Chinese philosophies (i.e. Confucianism, Taoism, and Legalism) in the inter-cultural context of the Netherlands.

Design/methodology/approach – The data for this qualitative study were collected via semi-structured, open-ended, narrative interviews with 30 Chinese expatriate managers in the Netherlands.

Findings – The results clearly show that the leadership style of Chinese expatriate managers is deeply rooted in the three traditional Chinese philosophies of Confucianism, Taoism, and Legalism, even in an inter-cultural context. Specifically, the study reveals two salient aspects of how Chinese expatriate managers frame and interact with a foreign cultural context from the perspectives of traditional Chinese philosophies. First, the Chinese expatriate managers reported an initial cultural shock related to frictions between the foreign cultural context and Confucianism or Taoism, but less so in the case of Legalism. Second, the Chinese expatriate managers also reported that their interactions with the Dutch culture are best described as a balance between partial conflict and partial complementarity (thus, a duality). In this sense, the leadership style of Chinese expatriate managers is influenced jointly by the three traditional Chinese philosophies and certain elements of the foreign cultural context. This is consistent with the Chinese perspective of yin-yang balancing.

Originality/value – This study is among the first to offer a more nuanced and highly contextualized understanding of leadership in the unique case of expatriate managers from an emerging market (e.g. China) in an advanced economy (e.g. the Netherlands). The authors call for more research to apply the unique

perspective of yin-yang balancing in an inter-cultural context. The authors posit that this approach represents the most salient implication of this study. For practical implications, the authors argue that expatriate leaders should carefully manage the interplay between their deep-rooted home-country philosophies and their salient host-country culture. Reflecting on traditional philosophies in another culture can facilitate inter-cultural leadership training for Chinese expatriates.

Introduction

In recent decades, China's global presence has continued to expand, and an increasing number of Chinese managers are working abroad and collaborating with local employees. According to a report in *The Financial Times*, China will be one of or even the largest cross-border investor by 2020 (Anderlini, 2015). When people with different work styles, attitudes and cultural values interact, challenges arise (Choo *et al.*, 2009). As the economic relationships between China and the western world deepen, more Chinese managers are working in developed countries (Leung, 2014), which raises the question of whether Chinese managers are prepared for inter-cultural leadership. Because global capital flows have been dominated by early foreign direct investment flows from North American and Western European companies, much of the literature has concentrated on cultural differences as a critical challenge to the effectiveness of western expatriate managers working in emerging economies, especially in Asian emerging markets. However, less attention has been paid to expatriate managers from emerging economies who work in developed western countries (Wright *et al.*, 2005).

One may argue that in terms of Hofstede's notion, the emergence of leaders from the east in western companies is simply the reverse, which implies that the inter-cultural frictions may stay more or less the same. For example, the inter-cultural frictions between western leaders and Asian followers are well documented and often relate to perceptions of formal and informal relationships, communication, and culturally dominant leadership styles. Focusing on China, one widely documented phenomenon concerns western leaders failing to appreciate and manage the many informal relationships among their subordinates and with people outside the firm, known in China as *guanxi* (Liu *et al.*, 2010). With respect to communication, western managers often complain about Chinese workers' lack of input in formal meetings (Littrell, 2002). On the other hand, Chinese workers often complain that their western leaders do not respect hierarchy and often break the Chinese cultural norm of initial silence as respectful courtesy before answering a question (Huang *et al.*, 2005). With respect to leadership styles, it is argued that workers in east Asia prefer paternalistic management that stresses strong authority and obedience (Pellegrini and Scandura, 2008).

However, even if hierarchy is critical, the leader-follower relationship in different cultures is likely to play out in distinctive ways due to the diverse types of friction or conflict in the workplace. This emphasis on hierarchy that characterizes the Chinese style of leadership primarily originates from the Confucian tradition (Watson, 2007), which is one of the core traditional Chinese philosophies. Other foundations, including Taoism, Legalism (Cheung and Chan, 2005), and Buddhism (Luo and Zheng, 2016), certainly also have notable influences on modern Chinese leadership (Pan *et al.*, 2012). These complex philosophies shape the leadership of Chinese managers not only in China but also overseas. For example, Fang (1999) developed a model of Chinese business culture with Confucianism and Taoism as the core cultural forces shaping the Chinese business mindset. It is worth noting that the Taoist perspective of yin-yang balancing is highly relevant to an inter-cultural study in the sense that it can be framed as a paradox in terms of integrating two opposite elements (e.g. cultural differences) in a holistic and dynamic balance as partially conflicting and partially complementary to a duality in the sense that diverse cultures are not only conflicting but also complementary (Li, 2016; also see Fang, 2012).

Further, the traditional Chinese philosophies differ markedly from those of most western cultures (Hofstede, 1993). Western firms report difficulties negotiating with Chinese managers in terms of philosophical differences (Ghauri and Fang, 2011). Such traditional philosophies impact Chinese communication characteristics (Fang and Faure, 2001) and potentially challenge Chinese expatriate managers (Choo *et al.*, 2009). This challenge could in turn cause an expatriate assignment to a developed country to become a very frustrating experience for a Chinese manager. Inter-cultural training may facilitate leadership adjustment, but excessive reliance on training based on western-developed theories is not desirable. Traditional Chinese philosophies shape an individual's thought patterns and behaviors (Barkema *et al.*, 2015; Ma and Tsui, 2015), which may lead to a misinterpretation of western management theories (Barkema *et al.*, 2015). In an inter-cultural context, emphasis should be placed on how expatriate managers view aspects of the local culture from their traditional perspectives. Leadership adjustments and behaviors should reflect traditional Chinese philosophical doctrines and incorporate elements from local cultures when necessary.

Finally, there is a serious paucity of true cross-cultural research concerning inter-cultural interaction, especially regarding expatriates with overseas assignments, above and beyond the typical comparative studies that are the primary focus of mainstream inter-cultural research (see Gelfand *et al.*, 2007; Li, 2013; Taras *et al.*, 2009 for critical reviews). It is worth noting that international business urgently requires a new research stream on the behaviors of expatriate managers with regard to their inter-cultural interactions with local employees overseas. Despite the repeated calls to close this gap, "far less attention has been paid to the dynamics of culture in inter-cultural encounters, or what we would refer to as the 'cross-cultural interface'" (Gelfand *et al.*, 2007, p. 497). For that reason, we choose the term "inter-cultural" to differentiate our approach from the mainstream "cross-cultural" research (e.g. Li, 2013).

To close the research gaps described above, the purpose of this study is to explore inter-cultural interaction in the overseas experiences of Chinese expatriates by referring to traditional Chinese philosophies, namely, Confucianism, Taoism, and Legalism. This research contributes to theory and practice in the following ways. First, the study responds to the call to focus on inter-cultural interaction (Gelfand *et al.*, 2007; Li, 2013) to document how expatriates balance their global and local identities and how the activation of such identities affects organizational behaviors in the process of managing inter-cultural interaction. Expatriate leadership behaviors are likely to reflect a unique mix of diverse cultural identities (Jacob, 2005). The phenomenon of Chinese expatriates provides an opportunity to study how people from an Asian culture manage cultural differences and inter-cultural interaction in ways that increase positive outcomes for individuals and organizations overseas. Further, the study aspires to illustrate the usefulness of traditional Chinese philosophies in the achievement of effective leadership by Chinese expatriate managers. The findings can serve as a basis for sharing effective leadership behaviors internationally, thus facilitating cross-fertilization in international leadership research. Practically, the findings enhance the mutual understanding between Chinese (and more broadly, Asian) managers and western managers. This study is based on the Dutch context and primarily focuses on the Dutch culture, which is generally characterized by the notions of "tolerance," "freedom" (Fokkema and Grijzenhout, 2004), and "planning" (Faludi, 2005). This study can inform Chinese expatriate managers about inter-cultural interaction from the perspective of traditional Chinese philosophies in the western context. In so doing, managers can reflect on their own culture and proactively balance their traditional philosophies with modern leadership theories to develop a holistic and dynamic understanding of leadership in an inter-cultural context. For western readers, this study offers a novel perspective for understanding traditional Chinese philosophies in the special context of applying them in the west.

The paper is organized as follows. First, an overview is provided of the three traditional Chinese philosophies and their potential links with modern leadership theories, in addition to an examination of the Dutch cultural context. We expect that cultural differences lead to leadership conflicts in the Dutch-Chinese working context. Next, the research methodology, including data collection and analysis, is described. Drawing on the 30 interviews, participants' leadership experiences and behaviors are classified according to the core concepts of the three philosophical schools. Third, based on the extant literature and analyses of the interviews, the study outlines a set of propositions about the inter-cultural interaction between traditional Chinese philosophies and the Dutch cultural context. Such propositions constitute the basis for further theoretical development, with both theoretical and managerial implications. Finally, we conclude with both a short summary and a brief reflection.

Research background

Several pioneering studies of unique cultural idiosyncrasies (e.g. Ma and Tsui, 2015; Hackett and Wang, 2012) have invoked deep contemplation of the traditional Chinese philosophies embedded in Chinese expatriate leaders as well as how that embeddedness affects the leadership experience. Studies of Chinese philosophies in management have been limited to Confucian dynamism, preventing researchers from capturing a complete picture of the complex reality (Lin *et al.*, 2013). Taoist, Legalist, and Buddhist philosophies are also salient in contemporary Chinese leadership (Barkema *et al.*, 2015; Cheung and Chan, 2005; Pan *et al.*, 2012). The applications of Taoism are particularly salient in the modern business context to simultaneously and dynamically meet complex, and often competing, needs (Li, 2016; Fang, 2012). The central notion of Taoism, known as yin-yang, provides an insightful view of paradox management (Luo and Zheng, 2016). The yin-yang model manifests a pattern of contradictions within modern Chinese business culture (Faure and Fang, 2008). Buddhism also forms part of the Chinese tradition (Zürcher, 2007). Buddhism is found in diverse streams of tradition, including Mahayana and Tibetan Buddhism (China), Zen Buddhism (Japan), Theravada Buddhism (Thailand and other Southeast Asian countries), and Buddhist influences in India (known as Hinduism). However, an empirical study shows that Chinese citizens cognitively combine Taoism and Buddhism because of the high level of similarity between their basic tenets (Pan *et al.*, 2012). Further considering the originality of Taoism in Chinese history, we focus on Taoism, rather than Buddhism, as one of traditional Chinese philosophies in this study.

Legalism differs from Confucianism and Taoism in its assumption that all people are selfish by nature. It promotes the tactics of reward and severe punishment (Pan and Yu, 2001). Legalism lays the "intellectual and ideological foundations of the traditional Chinese bureaucratic empire" (Herrlee, 1974, p. 120) and remains influential in policy and business practice. Historians argue that China was the first highly centralized bureaucratic state because of its early application of Legalism (Hui, 2005). Furthermore, the influence of Confucianism and Legalism is Janus-faced: Confucian on the outside, Legalist within (Hucker, 1959; Ma and Tsui, 2015). In other words, leaders adopt Confucianism so that people will obey their authority. In reality, leaders enforce rules and regulations to maintain their power.

A brief overview of the traditional Chinese philosophies that are relevant to modern leadership models

Confucianism and modern leadership models. Confucianism advocates virtuous practices, including loyalty, benevolence, humility, respect, and learning (Liu *et al.*, 2010; Chan, 2008). These values emphasize the ideology of scholars, gentlemen, or ritual managers and are crucial for the successful management and governance of an organization. Gentlemen and scholars differentiate themselves from uncultivated people through learning (Cheung and Chan, 2005).

A leader can "[g]uide them [the people] with virtue and regulate them with ritual, and they will have a sense of shame and become upright" (Watson, 2007, p. 20). Thus, power should be exercised only by people who are in the appropriate positions and have been comprehensively educated to do so (Verburg *et al.*, 1999). To maintain authority, every person must have a proper name, title, or role that prescribes their behavior (Liu *et al.*, 2010). These principles imply an emphasis on hierarchy: "the higher ups govern, the lower ranks obey" (Beamer, 1998, p. 54).

In addition to authority power, Confucius emphasized the importance of relationalism (*guanxi*). A leader influenced by Confucianism "demonstrates individualized, holistic concern for subordinates' personal and familial well-being" in exchange for loyalty and compliance (Pellegrini and Scandura, 2008; Farh and Cheng, 2000). Underlying relationalism is the pursuit of harmony. Confucius believed that in a management situation, if leaders exhibit genuine care for their subordinates and support them in all areas, the subordinates' feelings of gratitude will ensure a continuous give-and-take in the relationship (Pellegrini and Scandura, 2008). Such relationships offer a feeling of socioemotional exchange that encourages people to go beyond the call of duty (Chen *et al.*, 2014).

The deep-rooted Confucian values of hierarchy and relationalism have led to the newly developed leadership model of paternalistic leadership (Cheng *et al.*, 2003). Theoretically, paternalistic leadership is defined as "a style that combines strong discipline and authority with fatherly benevolence" (Farh and Cheng, 2000, p. 91). The concept places special emphasis on hierarchical roles and order, suggesting that subordinates must obey senior authorities; in turn, leaders must exhibit kindness and tolerance toward employees and show concern for employees' personal and job-related activities. Empirically, a GLOBE study found that paternalism is strongly embedded in Confucian contexts (such as China, Hong Kong, and Japan). The concept of "face-saving" (an indirect manner of communicating to maintain harmony) captures the harmony principle of Confucian philosophy. Although studies in China suggest a positive relationship between paternalistic leadership and work outcomes (Cheng *et al.*, 2003), Chen and Kao (2009) showed that paternalistic leadership contributed negatively to psychological health among non-Chinese subordinates. Additionally, the Confucian values of educating, developing, and facilitating people to achieve perfection are consistent with modern-day mainstream theories of leadership, i.e., transformational leadership. Individuals' traditional values play an important role in how they react to transformational leadership. Kirkman *et al.* (2009) found that the positive relationship between transformational leadership and procedural justice is stronger among employees with a lower power distance orientation.

Taoism and modern leadership models. Taoism shares the Confucian premise that people are naturally good. However, the central tenet of Taoism is quite distinct from that of Confucianism. Chinese scholars (e.g. Cheung and Chan, 2005; Faure and Fang, 2008) argue that leaders with dominant Confucian values exhibit dramatically different leadership behavior from those with dominant Taoism values. Specifically, Taoism argues for the creation of a social equilibrium by ruling through "no action," i.e., a light hand (Ren and Zhu, 2015). Taoism contends that leaders should lead with simplicity (Xing and Sims, 2011) and that action-free leadership is more effective (Ma and Tsui, 2015). Taoism maintains that when leaders establish numerous rules to regulate behavior, people will always find ways to violate those rules. In a complex and ambiguous inter-cultural environment, Taoist leadership focuses on being attuned to the nuances of local circumstances (Prince, 2005). Taoism uses the water metaphor to describe a seemingly invisible or soft leadership that has the strength and power to influence its surroundings. Water is altruistic, helpful, and beneficial to all things. Taoism recognizes that the ultimate goal of leaders is to serve their people and not to obtain personal benefits. Water is adaptable and flexible and can be held in a container of any shape. The best option for a leader is to maintain flexibility and adapt

to the dynamics of change. Although water is soft, it is persistent and powerful. Similar to water, an effective leader should be transparent and honest. In addition, Taoism encourages leaders to be humble and modest, just as water always flows to the lowest level (Lee *et al.*, 2013). Based on its beliefs regarding humanity and nature, Taoism anticipates and advocates people's conformity to nature (Cheung and Chan, 2008).

Taoism opposes a hierarchical society (Xing and Sims, 2011), and a leader is not expected to interfere in society's natural functions. The core philosophy of Taoism emphasizes a holistic perspective that includes both macro and micro approaches to the dialectical explanation of one's surroundings (Bai and Morris, 2014). In practice, effective leaders are those who can maintain a balance between opposites, for example, by finding a balance between giving orders and not interfering with subordinates or achieving a balance between placing equal emphasis on different goals and empowering groups equally (Ma and Tsui, 2015). Despite the need for balance, a Taoist leader achieves desirable outcomes by convincing his followers to accept his vision.

Several current western leadership models echo Taoist leadership guidelines. Taoist leadership is usually understood primarily as "no action." This basic idea fits with laissez-faire leadership (Ma and Tsui, 2015). Laissez-faire leaders are characterized by frequent absences and a lack of involvement in critical circumstances (Eagly *et al.*, 2003). However, a lack of adequate leadership can create confusion and stress within a work group (Skogstad *et al.*, 2007). This type of leadership has been proven ineffective in contemporary western settings (Jung and Avolio, 2000). Taoist principles of encouraging employee autonomy, promoting equality, and giving to and serving others appear to be similar to many of the latest trends in the literature: collaboration, teamwork, empowerment leadership, and servant leadership (Chan, 2008). Empowerment leadership describes leaders who provide substantial decision-making autonomy to subordinates based on their confidence that subordinates will make the right decisions (Zhang and Bartol, 2010). Similarly, Taoism suggests that leaders abandon micro-management and instead leave decisions to employees. In their case study, Han *et al.* (2010) justified the close relationship between Taoist ideology and servant leadership.

Legalism and modern leadership models. In contrast to the Confucian and Taoist views on human nature, Legalism asserts that not all human beings are naturally good and that some people are born bad and greedy (Watson, 1964; Ren and Zhu, 2015). The concepts of control and political manipulation are highly valued in Legalism (Cheng *et al.*, 2003). To guard against problems caused by self-interest, leaders must be able to control themselves and monitor their employees effectively. Legalistic leadership involves the establishment and maintenance of law and order to create a self-governing system (Witzel, 2012) that functions under strict rules. Those in leadership positions must establish a regulated institution that clarifies rewards and punishments as a means to control employees. Once the self-governing institution is established, leaders cease playing active or interfering roles in organizational operations. In sharp contrast to a Confucian leader who seeks relationalism (harmony) by practicing benevolence, a Legalistic leader strives for complete adherence to rules.

According to the principle of control, prescribed rules and laws are considered essential for leaders to successfully exercise command. Under Legalism, leaders must effectively monitor their employees. Additionally, leaders must be fair in implementing laws and regulations. Legalism draws on the Confucian principle of identifying each person's duties with a title to avoid confusion. Notably, Legalism values hierarchy differently than Confucianism. Confucianism employs hierarchy to ensure that subordinates obey a leader's decisions. In Legalism, the natural order is not entirely sufficient. Rather, Legalism contends that a leader must exercise judgment in the choice of subordinates. The leader must evaluate

employees according to their worth, place them in the appropriate positions, and provide opportunities to exploit their talents. Legalism recognizes the importance of establishing clear boundaries to delineate responsibilities and appointing the most appropriate people to available positions (Ma and Tsui, 2015). Even those who have close relationships with the leaders are rewarded or punished in the same way as others. Seeking harmony is not part of the Legalist philosophy. The relationship between leaders and subordinates is presumed to be based solely on rules, and personal feelings must be ruthlessly eradicated (Witzel, 2012). To ensure that policies are fully implemented, leaders are expected to maintain professional work relationships with their employees.

Transactional leadership appeals to subordinates' self-interest and establishes exchange relationships between leaders and subordinates (Eagly *et al.*, 2003). Transactional leaders promote and capitalize on people's calculations and their dependence on the leader (Cheung and Chan, 2008). These leaders make no concerted effort to develop a deep sense of trust or to foster interpersonal relationships. Transactional leadership theory argues that rewards are contingent on employees' performance and effort. To manage expectations, the leader and subordinates must agree on what followers must do to obtain rewards or avoid punishment (Jung and Avolio, 2000). The core idea of contingent rewards and punishments is perfectly aligned with Legalist principles (Ma and Tsui, 2015).

The Netherlands was selected as the study site for several reasons. First, because of the constraints of the research period, it was necessary to choose a country that plays a key cultural and economic role in Europe. The Netherlands is considered a model of Western European managerial values and practices (Ozorovskaja *et al.*, 2007). From a cultural comparative perspective, the Netherlands is one of the countries that differs the most from China (House *et al.*, 2004). The cultural distance between the Netherlands and China is expected to be greater than that between India and China (House *et al.*, 2004), and therefore the Netherlands offers more avenues for inter-cultural research in the leadership domain.

Foreign context: freedom, tolerance, and planning in the Netherlands
Historians have long recognized 1568 as the beginning of Dutch history (Frijhoff and Spies, 2004), when the revolt against Spain succeeded. Seven northern provinces gained their independence and established a Protestant republic: the Dutch Republic. Since then, the Netherlands has evolved into a prosperous welfare state (Faludi, 2005). In the work of Max Weber (1965) and several other empirical papers (e.g. Blum and Dudley, 2001; Guiso *et al.*, 2003), the emergence of the spirit of capitalism in the Netherlands is related to its "Protestant ethic." At work, "[…] moral conduct of the average man was […] deprived of its planless and unsystematic character and subject to a consistent method for conduct as a whole" (Weber, 1965, p. 117). Blum and Dudley (2001) further refined Weber's thesis by arguing that Protestantism improves the level of mutual trust and cooperation. In an inter-cultural context, Gupta *et al.* (2004) argued that societies in Protestant clusters, which include the Netherlands, score higher in GLOBE on building common understanding and agreement than those from other cultural clusters. Notably, Protestantism fundamentally shapes people's attitudes toward politics, the market, and society. Since the establishment of the Dutch Republic, the political culture of the Netherlands has been characterized in terms of consultation, accommodation, and compromise, and seeking agreement is more highly valued than forcing decisions. The "polder model" accurately describes the Dutch culture, which is based on the desire to set aside individual differences in order to address common problems. Specifically, the "polder model" project is a successful example of an all-encompassing consultative culture (Fokkema and Grijzenhout, 2004, p. 41). Two-thirds of Dutch territory is below sea level; thus, flood control is an important issue for the Netherlands. The Dutch combine polders, which are wind-driven pumping stations, along

the dykes to protect the land from water disaster. The Netherlands spent centuries achieving consensus and sharing responsibilities among people from all regions to maintain the dykes and polders with the aim of protecting the below-sea-level country from flooding. Thus, pragmatic arguments for cooperation increased in relative importance. Dutch society is, therefore, characterized by a preference for cooperation and unflagging efforts to achieve consensus.

Scholars such as Erasmus of Rotterdam and Hugo Grotius have hailed "freedom" and "tolerance" as basic, centuries-old Dutch values. Consistent with the Protestant aim, tolerance is necessary for the coexistence of different opinions and religions (Guiso *et al.*, 2003; Van Der Burg, 1998). In the sixteenth and seventeenth centuries, the concept of tolerance focused mainly on freedom of religion. People learned to tolerate one another because they realized that the cost of violence and hostility was too high. Later, in the eighteenth and nineteenth centuries, the concept of tolerance was more generally associated with freedom of expression. Rather than fighting with weapons, people engage in open dialogues with those who hold conflicting views; they respect the opinions of others and endeavor to persuade others to change their perspective or to adopt a different way of life. Although Dutch society tolerates diverse opinions, the Netherlands is an organized and businesslike environment. As Goudsblom (1967, p. 151) commented, every society "[…] requires a balance between continuity and change, between unity and diversity. In the Netherlands, this balance is maintained in a markedly ordered way."

A standard argument for tolerance is associated with the ideology of freedom (Van Der Burg, 1998). The concept of freedom represents more than a nation's independence and sovereignty. In the Netherlands, freedom implies freedom of conscience. Individuals are free to choose their own conception of the good life, and society must tolerate their choices. Although freedom of conscience does not always entail the right to free worship, it recognizes the right to free discussion (Frijhoff and Spies, 2004, p. 220) and the benefits of diverse opinions. Dutch citizens favor a high degree of individual autonomy; thus, the notion of "directives from above" is not well aligned with their preference for autonomy. The Dutch prefer to follow rules that they consider to be worthwhile and "relevant" to their personal situation and to engage in discussion and deliberation to better negotiate personal and group interests (Chhokar *et al.*, 2013). At the day-to-day level in business, the degree to which employees are open to participatory concepts reflects the openness of their culture (Szabo *et al.*, 2002). The Dutch perceive themselves as employing bluntness and directness for a pragmatic purpose. Hollanders' lack of subtlety is noted as their most distinctive feature both by outsiders and by Hollanders themselves (Frijhoff and Spies, 2004, p. 37). An attitude of directness in workplace practices is evident in their particular recognition of freedom and tolerance. As noted in the book *Dutch Culture from a European Perspective*, one of the central elements of the freedom culture at the day-to-day level is frequent meetings. Holding meetings is a manifestation of a horizontal decision-making system based not on hierarchy and command but rather on negotiation and consensus. Participation in decision making is a typical aspect of such systems. Dutch citizens advocate leadership that is oriented toward the integration of different viewpoints (House *et al.*, 2004). The GLOBE Project's findings clearly demonstrate the general preference for participative leadership in the Netherlands. The principles of "tolerance" and "freedom" require that a leader respect the opinions of each team member and consider their opinions when making decisions. In the Netherlands, individuals in leadership positions are expected to reduce their authority power and to tolerate diverse voices. Within an organization, leaders who take time to consult with employees before implementing plans are preferred. When a team reaches consensus on rules and goals, leaders play a strong role in safeguarding and acting in accordance with those regulations (Faludi and Van der Valk, 2013).

The purpose of freely expressing one's opinions and tolerating others' opinions is to achieve consensus. What follows is a systematic plan before taking action. "In Dutch society, 'planning' is one of the central cultural institutions" (Shetter, 1986, p. 97). The planning culture is "the collective ethos and dominant attitudes […] among the citizens, the state, the market, and the community in the Netherlands" (Faludi, 2005, p. 286). The "Green Heart" is the most pronounced of the Dutch planning concepts (Van der Valk and Faludi, 1997). Referring back to Weber's theory, the endorsement of Protestant ethical values is associated with planning concepts in the Netherlands. The rationale is that a good plan helps create an effective working environment. Planning is especially noticeable during the decision-making process, which can be lengthy. Once people agree on the plan, the work can steadily progress. The Dutch preference for planning and orderliness led Faludi and van der Valk (2013) to write a book on the Dutch planning doctrine, "Rule and Order." The GLOBE Project also reported that Dutch society is "characterized by rules and orderliness, [and] planning ahead […]" (Chhokar *et al.*, 2013, p. 229). In practice, the power of authority is applied in a subdued manner. A leader's actions are typically oriented toward fairness, thus creating legitimate conditions for influencing group members (Chhokar *et al.*, 2013).

Methodology

Research design

The inter-cultural leadership experiences of Chinese managers in the Netherlands provide a particularly information-rich context for the specific purpose of the current study. We have adopted the case-study approach for theory-building (Eisenhardt, 1989), with each individual expatriate manager as a case. The data were obtained through in-depth interviews with 30 Chinese managers, with each interview lasting approximately one hour. Contact was made with the Chinese managers through the professional and personal relationships of the author and via LinkedIn invitations, and contacts were expanded using the snowball technique (Fink, 2003). The interviews (except for three Skype interviews) were conducted face-to-face in informal settings such as conference rooms and private offices. All interviews were conducted in Chinese. Our data collection spanned six months (from November 2014 to April 2015) because of the interviewees' various locations. The semi-structured, open-ended interview method (Bachiochi and Weiner, 2002) was chosen because it allows respondents to discuss selected topics without limiting their freedom to raise new issues. This method has been widely applied to collect data in inter-cultural studies (Xing *et al.*, 2016; Cramton and Hinds, 2014). The interviewees consented to have their interviews videotaped, transcribed, analyzed, and extracted in an anonymous manner for the study.

The open-ended interviews in informal settings allowed the respondents to reflect and provide their thoughts in full regarding the following areas: cultural differences in the working environment and effective leadership behaviors to address these differences. Instead of asking pointedly about perceived cultural differences or traditional philosophies, we used a set of open-ended questions that allowed opinions about the two areas to emerge. The outline of questions consists of three parts: warming-up questions, leadership experience questions, and consolidation questions. First, the participants were asked to briefly describe the nature of their company's business and the nature of their job responsibilities and teams. Sample questions included, "What are your job duties?" and "Who are the people you interact with in your daily work?" This information helped the respondents ease into the interview and helped the interviewer understand the nature of the leader's work.

The second set of questions concerned the respondents' leadership experience and practices. Importantly, the interviewers employed probing questions to solicit concrete examples to substantiate the respondents' answers. Sample questions included, "What struck

you the most when you took a management position in the Netherlands? How did you deal with it at the beginning and how do you deal with it now?" and "Which incident prompted you to think about effective leadership? How did you feel?" These questions provided insight into the focal areas of this research.

Finally, the researcher asked the interviewees to consolidate their opinions. Sample questions included, "What does cross-cultural leadership means to you in your experience" and "Which aspect of leadership experience in the Netherlands is most different from leadership in China?" The interviewees summarized and conceptualized the cultural differences and their leadership perceptions. This final set of questions gave the respondents an opportunity to strengthen or even expand upon their early opinions.

Sample
The interviewees ranged in age from 26 to 54 years old (average = 34.5 years, SD = 6.70). With respect to their educational backgrounds, nine expatriate managers had undergraduate college degrees and 21 had graduate degrees (masters or PhD). The sample in this study comprised three groups of informants: 12 managers working for a Dutch subsidiary of a Chinese MNC, 15 managers working for non-Chinese MNCs, and 3 managers working for Chinese entrepreneurial firms in the Netherlands. The participants worked in a wide variety of industries in the Netherlands, including telecommunications, banking, trading, and agriculture. The sample covered a variety of management levels, including senior-, middle-, and lower-level managers. The participants held professional positions, such as vice president, HR director, project manager, sales director, research manager, and team supervisor, among others. The study database is, therefore, uniquely valuable for illustrating Chinese management behaviors in the Netherlands. Details about the sample are presented in Table I, which provides a role matrix by manager position and nature of the firm. Key aspects about each interviewee are presented in Table III, including age, years in a management position in the Netherlands, managerial level, nature of the firm, and industry.

Data analysis
The analysis of the data involved a process of open and selective coding (Strauss and Corbin, 1998). Nvivo 11 software was used to support the coding of the data. One doctoral student and one master's student coded the interview transcripts independently. Both coders are Chinese and were studying in the Netherlands at the time of the study. In addition, the coders possess a deep understanding of the three philosophical schools. The first step in the open coding was to identify the key concepts in the interview transcripts. The comparative coding method of Strauss and Corbin (1998) was applied to analyze the narrative data. The coders extracted statements representing the two primary content areas: experience with cultural differences and opinions about effective leadership behaviors. The coders were told that it was possible that a leader might not mention experiences with cultural differences and might exhibit attitudes and behaviors that

	Participants from Chinese MNC	Participants from non-Chinese MNC	Participants from Chinese entrepreneurial firms in NL
Lower level[a]	0	2	0
Middle level[b]	3	8	1
High level[c]	9	5	2

Table I.
Sample of participants

Notes: [a]Includes project supervisor, first-line manager, office manager; [b]includes project manager, sales director, research manager; [c]includes GM, local chief representative, CEO

reflect none, one, two, or three of the philosophies. The first step also involved a series of discussions to finalize the codes in the codebook. The second step involved classifying the key concepts into core categories. The authors explained the concepts of the three traditional Chinese philosophies and the Dutch cultural context to the coders. Based on that knowledge, the coders classified the codes for cultural differences and leadership behaviors that reflected the three philosophical schools. The coders carefully reviewed the transcripts and identified expressions that represented any of the three philosophies. Table II presents the coding results for expatriates' effective leadership behaviors; Table III displays the respondents' positive or negative experiences with cultural differences that involve the traditional philosophies; and Table IV presents the background and detailed codes for each participant.

Results of the case analysis

Two focal issues were extracted from the 30 interviews. The first related to the Chinese expatriates' leadership behaviors that reflect the traditional philosophies. Most of the interview reports on leadership behaviors suggested more than one traditional philosophy. Only one leader emphasized leadership behaviors that were exclusively Confucian in nature. Specifically, 28 leaders (93 percent) revealed behaviors aligned with Confucianism, 21 leaders (70 percent) exhibited behaviors consistent with Taoism, and 28 leaders (93 percent) described leadership behaviors that were consistent with Legalism. The findings indicate that Chinese expatriates' leadership styles are simultaneously influenced by multiple traditional philosophies. This result is consistent with the theoretical argument that many Chinese, both historically and in modern times, tend to have a mix of multiple philosophical perspectives rather than being a believer in only a single philosophy. There are two key reasons for this mix of philosophical perspectives. First, over their long history, the traditional Chinese philosophies are distinctive yet complementary and are thus largely mutually inclusive rather than mutually exclusive (Li, 1998, 2012). Second, the Chinese are generally open-minded toward holistic, dynamic, and duality-based perspectives, including the traditional philosophies (Pan *et al.*, 2012).

The second issue involved aspects that were inconsistent with the three traditional philosophies. Specifically, 19 leaders discussed their initial cultural shock related to conflicts with Confucianism, including Dutch employees' direct opposition to authority, limited willingness to work beyond their job responsibilities and unwillingness to develop personal relationships in the workplace. Nine leaders perceived the local employees to be unsupportive of flexibility after a plan is selected. In addition, 19 leaders revealed positive opinions about aspects of the local culture, including the directness of Dutch employees and their attitude toward open discussion. None of the 30 leaders reported a negative experience stemming from contradictions with the Legalist philosophy.

Expatriate leadership behaviors reflecting the traditional philosophies

Confucianism-based leadership behaviors. As mentioned above, the value of hierarchy is emphasized less in the Netherlands than in China. To maintain a positive image of leadership authority, the Chinese expatriates resorted to another Confucian theme – acting as role models – to maintain a positive leadership image. They demonstrated the values of self-perfection through learning, self-discipline, and self-reflection. Notably, although the Chinese leaders suggested lower expectations for hard work among the Dutch employees, they praised the ethic of hard work for themselves. They believed that leaders must work hard, be selfless, and pursue collective well-being to set a good example for team members. Leaders with intense traditional Confucian values expressed their work values in terms of

Philosophy	Doctrine	Expatriates' leadership practice	Selected empirical evidence
Confucianism	Self-perfection	Be a role model Praise the ethic of hard work	A leader should set a good example for the company, such as his hard-working attitude. Other important details are to be a role model, for example, cleaning the coffee mug. (Leader 29) Leaders set an example by standing up and showing Asian employees how to work with the Dutch. (Leader 30)
		Learning orientation	A leader needs to walk out of his comfort zone and keep challenging himself and learning from the environment. (Leader 4) I learn not only what I need to know in my position but also try to know more about what other people are doing to get a complete picture. (Leader 14)
	Benevolence	Sympathy	Some employees may be frustrated by failure. As a leader, I help him/her to get past difficult times. I try to be a mentor for my employees. (Leader 1) You have to show your sympathy for their situation. For example, one employee's house got into trouble and he needs to fix it by himself. In China, this is a small and irrelevant issue at work. In the Netherlands, taking care of one's house is important. So, I allow him to take a leave for this small issue. (Leader 25)
		Put self in other's shoes	As a leader in a cross-cultural context, he needs to put himself in the Dutch employee's shoes. Assume that you are a Dutch, would you do the same thing? Then you will understand your Dutch employees and persuade them in a better way. (Leader 11)
		Encourage people to grow based on their merits Developing subordinates (coaching)	The Netherlands have a wage policy that diminishes opportunities for motivating employees with higher salaries. So, a leader needs to adopt other ways to encourage employees, such as involving them in important meetings, public exposure, the chance for personal development, etc. (Leader 25) I will help employees to grow based on their interests and abilities. I constantly have one-on-one conversations with employees to find their potential, based on which I can provide them with training opportunities. (Leader 10)
		Friendly work environment	We have team-building activities, such as dinners or buffets. I will create opportunities for both Dutch and Chinese employees to communicate. (Leader 20)
	Humility	Patience	You have to be patient to explain job details to Dutch employees. They need to know the reason behind a change so that the next time the same issue appears, they will know how to deal with it. (Leader 6) The Dutch like to express their opinions. Chinese managers sometimes lack patience for listening. Even if the manager doesn't agree with their solutions, he needs to sincerely listen to what they want to say. It matters for the Dutch to feel included on the team. (Leader 21)

Table II.
Coding results about expatriates' effective leadership behaviors

(*continued*)

Philosophy	Doctrine	Expatriates' leadership practice	Selected empirical evidence
		Trust and respect subordinates	Trust is the basis for business. You have no choice but to trust the local employees at the beginning because the information is limited. (Leader 8)
		Be modest	Compared to most Chinese, I'm not very modest. But compared to Dutch managers, I am modest and easier to approach. (Leader 26)
	Righteousness	Company has high ethical standards (social responsibility)	Other than personal goals, a leader is responsible for the organization as well as the society and for conveying ethical values to the employees. (Leader 21) As an entrepreneur, you have to make your employees feel proud working for you. (Leader 13)
Taoism	Flexibility	Contingency approach Flexibility to adjust organizational structures	We can't say which leadership style is better than the other. A successful leader should be flexible and able to adjust themselves based on different situations. (Leader 4)
	Balance	Coordinator	It's important to keep a balance when dealing with Dutch and Chinese employees. They have different communication behaviors. My major task is to be a coordinator between the two cultures, creating a positive team climate and encouraging mutual communication. (Leader 20)
		Balance headquarters and local	I act as a bridge between headquarters and the local office. I keep local employees informed about what is happening in Beijing headquarters so that they will feel like part of the bigger system. (Leader 8)
		Balance dominance and modesty	Chinese need to be more outspoken in the Netherlands. We were educated to think over and over before action. But when you figure all the things out, the meeting is over. However, speaking all the time can make people feel dominated. A leader needs to find a good communication balance between being modest and dominant. (Leader 13)
	Altruism	Be an observer	As a leader, you need to observe by yourself rather than listen to gossip. People are different in personalities and working abilities. (Leader 26)
		No action Do less but drive others to perform Empowering	I believe that all my colleagues are good people. After some time, team members learn how to deal with conflicts by themselves. It's useless for a boss to push things every day. (Leader 29) My job is to think and guide the team to a direction rather than trap myself into technical daily management. (Leader 30) Local employees favor a high degree of autonomy. the leader's job is to inspire employees instead of micro-managing every step. You need to leave the Dutch enough autonomy to work on their own. (Leader 18)
Legalism	Objective	Fair and ensure transparency	The Dutch like to do things based on a clear procedure. For example, they keep daily meetings in an archive. It's their way of thinking about fairness. They can't trust a manager who holds all information and resources. They worry about what may happen if the manager leaves. (Leader 21)

Table II.

Philosophy	Doctrine	Expatriates' leadership practice	Selected empirical evidence
	Severe	Universal application of organizational rules	Adopt different incentive system. (Leader 6) Establish rigorous rules and implement them. (Leader 8) Promote managers by their ability to develop people. (Leader 15) Put the right person in the right position. (Leader 19) Have accountable performance. (Leader 2)
		Encourage employees to work for their own benefit	The Netherlands is a mercantilism country. You have to provide them with clear benefits, including money, career, and work atmosphere. (Leader 25)
		Fire an unqualified person	It's a family business. My parents are Chinese; they are quite soft on local employees. I have to stand up once in a while and act tough; if the person is inappropriate for the position, I'll just fire him or her. (Leader 5)
		Control meeting	We have a lot of meetings in the Netherlands. As a leader, I am responsible for controlling the meeting and meeting the target. I have to be a bit pushy or even autocratic during the meetings, otherwise the meetings are endless. (Leader 10)
		Stick to core principles	The local employees like to express their opinions. It's important that a leader has his own evaluation system to judge what is right and what is wrong and that he explains it to employees clearly. (Leader 8)
	Professionalism	Professionalism in supervisor-employee relationship	Compared to Chinese employees, the Dutch have less emotional attachment to their work. They tend to set clear boundaries between work and life. It's more important to describe job duties clearly to them. (Leader 7)
		Professional guidance	The best way to earn local employees' respect is to make them feel that you are knowledgeable, especially for a young leader. With professional knowledge, I can confidently persuade my employees. (Leader 29)

Table II.

disciplining their own work behaviors. The CEO of a Chinese MNC (Leader 9) stated his understanding of being a role model as follows:

> Before asking employees to perform, leaders must discipline themselves. Setting a good example is a process of building trust with subordinates. For example, I have never disappeared without notifying my employees. In a cross-cultural situation, it is important to keep the working schedule transparent for employees. This provides my subordinates with a sense of security.

In addition, the interviewees described benevolent leadership behaviors that reflected the philosophy of Confucianism. These leaders demonstrated individualized and holistic concern for their employees' well-being through behaviors that included showing sympathy, putting themselves in the shoes of the local employees, providing coaching and mentoring, and cultivating a friendly work environment. For example, one leader (Leader 1) explicitly displayed a form of individualized care by describing himself as a mentor: "Some employees may be frustrated by failure. As a leader, I help him/her get past difficult times. I try to be a mentor for my employees." The Netherlands is known for its strongly regulated national wage policy, which reduces opportunities for performance-related pay (Verburg *et al.*, 1999). As noted by one leader (Leader 5), "In China, managers like to motivate employees with

Philosophy	Doctrine	Leadership experience in the Netherlands (Positive +/Negative −)	Selected empirical evidence
Confucianism	Authority/ hierarchy	Public objection to authority (−)	When I first joined the company, I could strongly feel their concern about my leadership ability. I believed it's normal because I'm not a local and they felt that they knew more. They would question my decisions in public. At the very moment, I hesitated and became less decisive. And they sensed my hesitation. It's a vicious circle. (Leader 22)
		Flat organizational structure (−)	I was invited to the Netherlands as a specialist. I thought I could start working the very first day. But the company didn't even prepare my entrance card well. I didn't feel cared for. After working, I learned that the biggest difference between the leader and the employees is the salary is different. As the old Dutch saying goes, only dogs need an owner. (Leader 25) Local employees will call you by your name without adding any title, it doesn't mean disrespect. (Leader 6)
		Execution efficiency (−)	We hold a lot of meetings with local employees. Everyone has the right to speak. It was frustrating at the beginning because in China, a meeting is held to inform employees about an order. But in the Netherlands, meetings are aimed at reaching an agreement. Sometimes after a month, we still don't have a settled solution to execute. (Leader 5)
	Relationalism	Simplified socialization (+/−)	I tended to avoided conflict, using indirect communication skills and hoping they would understand. However, if a leader can't argue with the employees, the employees will consider the leader to be a weak person. Conflicts are normal here. (Leader 26) A leader shouldn't take local employees' behaviors too personally. People are good by nature. There's no need to read between the lines when communicating with Dutch employees. (Leader 27)
	Loyalty	Unwilling to work beyond job responsibility (−)	You can't expect local employees to work overtime. If you sent them an e-mail after 5 p.m., never expect them to respond at 9 p.m. (Leader 2) They have an attitude of "it's not my business". (Leader 9) The company opens at 10 a.m. Chinese employees may come early to the office at 9:45 and help colleagues set up. Dutch employees, however, they only prepare materials for themselves. (Leader 21)
Taoism	Reversion	Recognize directness as a virtue (+)	Dutch employees are direct. If they disagree with you, they will say it immediately. Once they are persuaded, they will put all their effort into completing the task. This is good. (Leader 16) In a Dutch business context, open and direct communication is an effective way to get things done. (Leader 11)
	Flexibility	Adhere to planning (−)	Leaders in China tend to give an ambiguous goal rather than having a detailed plan. Dutch employees like to plan things ahead and implement them. In general, Chinese take action before considering the outcome, and Dutch consider outcomes before executing. (Leader 25)

Table III.
Expatriates'
experiences of cultural
differences that reflect
traditional
philosophies

| Leader age, overseas experience, firm type, managerial level, industry | Expatriates' leadership practices reflecting the Chinese philosophies | | | Negative experience attributing to the difference of Dutch and Chinese culture (−) | | Positive to Dutch culture (+) |
	Confucianism	Taoism	Legalism	Confucianism	Taoism	
1 34 4 Middle level Non-Chinese MNC Health Care	Be a role model Encourage people to grow based on their merits Sympathy Company has high ethical standard Developing subordinates (coaching) Manage different expectations	Be an observer Do less but drive others to perform	Control meeting direction Target-driven Have accountable performance Deliver on promises Encourage employees to work for their own benefit Professional guidance	Public objection to authority Execution efficiency	Inflexibility	✔
2 31 1 Middle level Chinese MNC Telecommunications	Trust and respect subordinates Put oneself in one's shoes	Forbearance Contingency approach	Deliver on promises Establish rules and responsibilities	Unwilling to work beyond job responsibility	Inflexibility	✔
3 37 2 High level Chinese MNC Telecommunications	Developing subordinates (coaching) Learning-orientation Encourage people to grow based on their merits Trust and respect subordinates	Respect business and people for their true nature Empowering Contingency approach Balance the headquarter and local	Have accountable performance	Unwilling to work beyond job responsibility	Inflexibility	✔
4 31 2 Middle level Chinese MNC Telecommunications	Be a role model Encourage employees to grow based on their merits Trust and respect Manage expectations Common goal and share the honor	Be an observer Empowering Flexibility	Encourage employees to work for their own benefits Put the right person in the right position Set targets before meeting Target-driven	Unwilling to work beyond job responsibility	Inflexibility	✔
5 39 8 High level Non-Chinese MNC Education	Be patient to explain details Company has high ethical standards Familiar work environment Encourage employees to grow based on their own merits	Empowering Flexibility	Establish rules and responsibilities Fair and ensure transparency Have accountable performance Set targets before meeting Establish structural process and document	Public objection to authority Execution efficiency	Inflexibility	✔

Table IV.
Detailed coding of each participant

| Leader age, overseas experience, firm type, managerial level, industry | Expatriates' leadership practices reflecting the Chinese philosophies | | | Negative experience attributing to the difference of Dutch and Chinese culture (−) | | Positive to Dutch culture (+) |
	Confucianism	Taoism	Legalism	Confucianism	Taoism	
6 49 2 Middle level Non-Chinese MNC Service	Friendliness Put oneself in one's shoes Be modest Be patient to explain details	Be an observer	Establish platform for open discussion Fair and ensure transparency Stick to core values Professionalism in guidance	Hierarchy Relationalism	Inflexibility	✔
7 34 6 High level Chinese MNC Electronic	Be patient to explain details	Flexible to adjust organizational structures	Establish different incentive system	Execution efficiency	Inflexibility	
8 40 14 High level Non-Chinese MNC Chemicals	Be a role model Encourage employees to grow based on their merits Manage expectations Self-improvement Learning orientation	Respect business and people for their true nature	Control meeting Fair and ensure transparency	Tend to avoid public conflicts (harmony) Less authority power		✔
9 47 9 High level Chinese MNC Biotechnology	Be a role model Put oneself in one's shoes Self-evaluation Be patient to listen	Be an observer Respect business and people for their true nature Forbearance	Have accountable performance	Unwilling to work beyond job responsibility		✔
10 33 3 High level Chinese MNC Hospitality	Be a role model Familiar work environment Face-savor Put oneself in one's shoes	No-action Coordinator	Establish platform for open discussion Have accountable performance Fair and ensure transparency	Unwilling to work beyond job responsibility		✔
11 33 2 Middle level Non-Chinese MNC Food	Be a role model Friendliness Be patient to listen Put oneself in one's shoes	Coordinator Respect people for their true nature	Encourage employees to work for their own benefits Establish platform for open discussion Professionalism in guidance	Hierarchy Relationalism (Indirect communication) Execution efficiency		✔
12 32 3 High level Chinese MNC Telecommunications	Sympathy Developing employees Manage expectations A leader should take more responsibilities for failure	Empowering Respect business and people for their true nature Coordinator	Deliver on promises Encourage employees to work for their own benefits	Hierarchy Relationalism Unwilling to work beyond job responsibility		✔

Table IV.

	Leader age, overseas experience, firm type, managerial level, industry	Expatriates' leadership practices reflecting the Chinese philosophies			Negative experience attributing to the difference of Dutch and Chinese culture (−)		Positive to Dutch culture (+)
		Confucianism	Taoism	Legalism	Confucianism	Taoism	
13	40 2 High level Chinese MNC Education	Trust and respect Common goal and share the honor Manage different expectations Encourage people to grow based on their merits	Be an observer Coordinator	Encourage employees to work for their own benefits Agree on common principles Establish rules and responsibilities Professionalism in supervisor-member		Inflexibility	✔
14	30 6 Middle level Chinese MNC Telecommunications	Be a role model Put oneself in one's shoes	Respect business and people for their true nature	Fire the unqualified person Stick to core principles Assertive		Inflexibility	✔
15	37 6 High level Chinese MNC Aviation	Be a role model Trust and respect subordinates	Be an observer Balance the headquarter and local	Establish rigorous rules and implement it Stick to core principles			✔
16	37 1 Lower level Non-Chinese MNC Consulting	Be patient to explain details Friendliness Common goal and share the honor Trust and respect Praise the ethics of hard work Take more responsibilities for failure	Respect business and people for their true nature	Encourage employees to work for their own benefits Establish rules and responsibilities Put the right person in the right position Have accountable performance			✔
17	28 2 Middle level Non-Chinese MNC Oil & Energy	Be a role model Common goal Praise the ethics of hard work	Empowering Flexibility	Establish platform for open discussion Put the right person in the right position Fair and ensure transparency			✔
18	29 2 Middle level Non-Chinese MNC Logistics		Coordinator Respect business and people for their true nature	Establish rigorous rules and implement it Set targets before meeting Establish and document			✔

Table IV.

	Leader age, overseas experience, firm type, managerial level, industry	Expatriates' leadership practices reflecting the Chinese philosophies			Negative experience attributing to the difference of Dutch and Chinese culture (−)		Positive to Dutch culture (+)
		Confucianism	Taoism	Legalism	Confucianism	Taoism	
19	53 18 High level Entrepreneur Service	Be a role model Common goal Encourage employees to grow based on their own merits	Non-action	structural process Encourage employees to work for their own benefits Establish structural process and document Put the right person in the right position Professional work environment			✔
20	54 25 High level Non-Chinese MNC Consulting	Be a role model Encourage employees to grow based on their own merits	Empowering Coordinator	Encourage employees to work for their own benefits Establish platform for open discussion Fair and ensure transparency Stick to core principles			✔
21	30 5 High level Chinese MNC Service	Sympathy Familial work environment Face-savor (harmony) Learning-orientation		Have accountable performance	Unwilling to work beyond job responsibility		
22	37 1 Lower level Non-Chinese MNC Consulting	Trust and respect subordinates Company has high ethical standard		Fair and ensure transparency Stick to core principles	Public objection to authority		
23	33 8 High level Entrepreneur Consulting	Be a role model Encourage employees to grow based on their merits Help to bypass difficulties Company has high ethical standards Familial environment Common goal	Balance dominance and modest		Public objection to authority Unwilling to work beyond job responsibility		
24	35 4 High level	Be a role model Encourage people to grow based on their			Relationalism		

Table IV.

Leader age, overseas experience, firm type, managerial level, industry	Expatriates' leadership practices reflecting the Chinese philosophies			Negative experience attributing to the difference of Dutch and Chinese culture (−)		Positive to Dutch culture (+)
	Confucianism	Taoism	Legalism	Confucianism	Taoism	
Non-Chinese MNC Aviation	merits Learning orientation Self-improvement Sympathy					
25 36 2 Middle level Non-Chinese MNC Chemical	Encourage employees to grow based on their merits Be patient to explain details		Deliver on promises Establish rules and responsibilities Target-driven Promote managers by their ability to develop people	Hierarchy		
26 31 2 Middle level Non-Chinese MNC Trading	Be patient to explain details Help to bypass difficulties Common goal		Set targets before meeting Assertive and confidence	Public objection to authority Unwilling to work beyond job responsibility Relationalism Relationalism		
27 32 3 Middle level Non-Chinese MNC Consulting	Be a role model Praise the ethics of hard work		Encourage employees to work for their own benefits Professionalism in guidance Professionalism in super-member relationship Stick to core value Agree on common principles			
28 29 3 Middle level Entrepreneur Consulting	Company has high ethical standard Encourage people to grow based on their merits Familiar environment		Fire the unqualified person Professionalism in supervisor-member relationship Assertiveness			
29 32 3 High level Chinese MNC Biotechnology	Common goal and share the honor Friendliness Be patient to explain details Encourage employees to grow based on their merits		Target-driven Put the right person in the right position Professionalism in guidance			
30 42 4 High level Non-Chinese MNC Consulting			Set targets before meeting Establish platform for open discussion			

Table IV.

better salaries, but in the Netherlands, people focus more on the opportunity for personal development." Accordingly, a number of interviewees (12/30) reported a strong commitment to employee development. Confucianism advocates the notion of encouraging people to grow based on their merits. The attitudes and behaviors described above reveal a benevolent concern rooted in Confucianism (Farh and Cheng, 2000), suggesting that Confucian philosophy is prevalent among Chinese expatriates. As one leader (Leader 8) explained:

> I help employees to grow based on their interests and abilities. I constantly have one-on-one conversations with employees to find their potential, based on which I can provide them with training opportunities. For example, one young employee was lost about his future. I had small talks with him during lunch time. He found himself better at analyzing than marketing. So, I asked him to analyze the purchasing data. He did well, so I recommended him to the supply department.

Taoism-based leadership behaviors. Leadership flexibility entails accurately diagnosing a situation and adjusting leadership behavior accordingly (Yukl and Mahsud, 2010; Kaiser and Overfield, 2010). As mentioned in the previous section, flexible leadership was considered a double-edged sword. Some leaders doubted the positive outcomes of flexible leadership, whereas others believed in its positive attributes. One regional leader (Leader 7) proudly stated his understanding of flexibility as follows: "Based on different situations in the local market, we adjust our organizational structure every year. We identified the weaknesses in our early structure and are constantly changing. One of the most effective leadership behaviors is adjustment." The ideal Taoist leader believes in the good nature of human beings and therefore maintains a low profile and allows followers to take ownership (Wang *et al*, 2012). Several leaders exhibited elements of Taoism in their tendency to delegate authority to employees. They respected the autonomy and freedom of Dutch society, recognizing the importance of work-related autonomy to the local employees. Leader 4, supply director of a large Chinese telecommunications company in the Netherlands, said:

> Local employees favor a high degree of autonomy. In the Netherlands, the leader's job is to inspire employees instead of micro-managing every step. You need to give the Dutch enough autonomy to work on their own. If you give guidance to Dutch employees in every small step, they will not feel grateful and will instead feel dissatisfaction with their self-development. He/she may be confused about who is the actual decision-maker in this job.

The concept of balance was also frequently mentioned by the interviewees. The Chinese expatriates recognized the absolute inevitability of various types of conflict: conflicts among employees with different cultural backgrounds; gaps between targets set by headquarters and the abilities of local offices; and the internal tension of leaders regarding self-consistency. In terms of balancing conflicts among employees with different backgrounds, several interviewees mentioned their leadership role as coordinators. As one leader (Leader 10) said, "It's important to keep a balance when dealing with Dutch and Chinese employees. They have different communication behaviors. My major task is to be a coordinator between the two cultures, creating a positive team climate and encouraging mutual communication." For expatriates who worked for Chinese MNCs, the role involved more than "simple" cultural translations. Taoism emphasizes the role of power and position in leadership when facilitating communication and relations. Specifically, those leaders found themselves continually serving as "bridge builders" between headquarters and the local offices. The important task for bridge builders in business is to bridge national differences to enable effective headquarters-to-local office communication. Leader 15 shared the following thought:

> Most of the time, the local employees respect the demands from headquarters. But sometimes, they have different opinions about the demands. I have my own evaluation system. If the headquarters

is correct, I will clearly explain it to the local employees. If the headquarters is indeed wrong, I will state so myself and speak up for my Dutch colleagues. Here, I act as a bridge between the headquarters and my local team.

Furthermore, Chinese leaders in the Netherlands experience internal conflicts regarding self-value. Specifically, Leader 23, a Chinese entrepreneur in the Netherlands, said:

The Chinese need to be more outspoken in the Netherlands. We were educated to think through everything before taking action. But by the time you figure everything out, the meeting is over. However, speaking all the time can make people feel dominated. A leader needs to find a good communication balance between modesty and dominance in the Netherlands.

Finally, a successful balancing of the contradictions requires dialectic thinking based on an accurate diagnosis of the inter-cultural situation (Luo and Zheng, 2016). Accordingly, these managers suggested that the ability of a leader to balance competing cultural values depends on his/her capacity for observation in a dynamic situation. The interviewed leaders (9/30) frequently mentioned that leaders should possess observational abilities to reach accurate conclusions. Specifically, one leader noted that "I need to observe whether their direct arguments are nonsense or make a valid point." The idea of decoding Dutch directness was reinforced by another leader (Leader 13, Director of an education institution):

We generally believe that the Chinese are indirect because as a Chinese person, I can decode my own communication behaviors. The Dutch are known for their directness. However, the Dutch have an indirectness behind their direct behaviors. The challenge for Chinese managers to work with Dutch colleagues is to decode the Dutch directness.

Legalism-based leadership behaviors. Many of the leaders had learned of evidence-based practices based on western management theories and attempted to promote a professional work climate (Ma and Tsui, 2015). In total, 28 of the leaders emphasized the establishment of policies with reasonable clarity and concreteness to document workflows and shape employee behavior. Although none of the leaders specifically presumed that human nature is evil, they led their employees by implementing universal organizational rules to regulate potential misbehavior. This statement by Leader 10 reflects an obvious Legalistic approach to the universal application of organizational policies:

The leader holds a critical position in establishing the team climate, regardless of the employees' nationality. The leader should establish a punishment and reward system and rigorously implement it. Those who perform their duties well should be rewarded. Those who break the rules should be punished. This is how a leader ensures transparency and justice.

Regarding the work-life attitude of the local employees, one leader described his experience as follows: "Compared to Chinese employees, the Dutch have less emotional attachment to their work. They tend to set clear boundaries between work and life. It's more important to describe their job duties clearly to them" (Leader 13). In general, Dutch employees do not welcome their leaders' intervention in their personal lives, which leads to an emphasis on leadership professionalism. One leader (Leader 20) shared his opinion: "People have different personalities, and we allow these differences. The point is to create a professional environment and to act professionally." The concept of professionalism also applies to the supervisor-employee relationship. For example, one leader (Leader 27) said, "A leader just needs to keep a polite and professional relationship with Dutch employees." Consequently, it is of the utmost importance for inter-cultural leaders to be cautious about the closeness of the supervisor-employee relationship.

Inter-cultural frictions
Confucianism frictions in the Dutch context. During the interviews, several Chinese leaders recalled the awkward feeling when a Dutch employee directly and publicly challenged their authority. Unlike Chinese employees, "who are to some extent afraid of the boss" (Leader 12), "the Dutch advocate freedom of expression" (Leader 26). As one leader (Leader 5) clarified:

> The Dutch value equality and freedom of expression. It is different from the hierarchical value in China. At the beginning, those endless meetings were frustrating. The point of endless meetings is to explain an order in detail and reach an agreement.

In addition, the interviewees complained that working in a society that respects and tolerates everyone's voice greatly affects execution efficiency when enforcing orders from above. Several leaders admitted that working with Dutch employees required patience. Leader 16, who manages a financial team at a non-Chinese MNC, shared her experience:

> My team is composed of different nationalities. Indians are like Chinese people, they are easier to lead. You just set the goal and in the meantime provide some guidance. But it takes more energy to deal with Dutch employees. They tend to argue a lot. I have to be patient when explaining things to them and discussing things with them.

In terms of relationalism, Confucianism encourages leaders to bond with their employees, to build a "family culture" in an organization and to support employees in all aspects of their lives, both at work and in life. However, it appears to be far more difficult to bond with Dutch employees outside of work. One leader from a Chinese MNC (Leader 12) explicitly described the different interpersonal relationships between leaders and their Dutch and Chinese employees:

> I tend to form family-like relationships and emotional bonds with my Chinese employees so that they view the company as their family business, whereas the relationship with Dutch employees is based on equality and respect rather than the creation of family ties.

In addition, Confucianism advises people to be polite and modest when communicating with others. Maintaining harmony is a critical value that is rooted in Chinese culture. Chinese leaders tend to avoid publicly embarrassing subordinates, and public criticism is often delicately disguised as suggestions for improvement. In practice, however, several expatriates suggested that the emphasis on harmony should be set aside in favor of more direct communications with Dutch employees. One leader at a Dutch MNC described his experience as follows: "I used to communicate in an indirect way, using hints in order to maintain a supervisor-employee relationship, but being indirect is inappropriate in this Dutch company. It is a big change for me" (Leader 11).

Moreover, several managers mentioned that during the period of their initial culture shock, they witnessed low commitment among their subordinates and perceived it as originating from a work ethic rooted in western culture. One leader (Leader 23) reported, "My Dutch employees rarely work overtime. They won't even check e-mail after work. I have to adjust myself to their general work routine. I have no right to ask my assistant to work on the weekends. They tend to enjoy life instead of tirelessly accumulating more wealth." Thus, Chinese managers should consider the relevance of Confucian philosophy, especially relationalism and hierarchical values, when working in a western environment.

Taoism frictions in the Dutch context. Dutch culture encourages individuals to freely, openly, and honestly express their opinions. Six leaders mentioned that in a multicultural environment, respecting the true nature of the business and of the people is the starting point for avoiding unnecessary conflicts. As one leader (Leader 8) stated, "Essentially, leadership is

about communications between humans. It is important not to judge based on your first impression." Furthermore, by interacting frequently with their Dutch employees, the Chinese managers recognized the positive outcomes of direct and open discussions. Several managers perceived Dutch employees' directness positively. Some leaders even encouraged their Chinese peers to join the discussions, with the aim of creating an environment of open communication. One leader (Leader 14) described his opinion as follows:

> Chinese bosses are used to lecturing their subordinates. In a meeting, the boss has the loudest voice. This is very unacceptable in the Netherlands. In the long term, fewer employees are willing to have open discussions with the boss. Directness is an advantage of Dutch employees. If the leader does not accept this characteristic, over the long term, Dutch employees may become as silent as the Chinese. Then, this advantage would be turned into a disadvantage for organizational development. Chinese leaders in the Netherlands should also encourage Chinese employees to join the discussion.

In addition, the investigation found negative opinions about one of the core themes of Taoism: flexibility. Flexibility largely entails a leader's ability to adapt to the dynamics of change. Relevant practices revolve around the notions of non-absolutism and opportunity, the use of game-playing strategies, and the availability of alternatives. The central premise of flexibility is that environments are complex and mutable; thus, leaders should vary their behaviors accordingly (Cheung and Chan, 2005). In the current study, however, 9 of the 30 Chinese managers specifically expressed concern about exercising flexibility in the Dutch workplace. For example, one leader (Leader 14) said, "The Dutch are not flexible about changing their opinions or plans." The following narrative illuminates this concern (Leader 13): "In the Netherlands, it's important to set a specific goal. Rather than a goal of 'aiming for a bigger market,' we have to be specific about which market to target. [For example,] if Beijing is the target market, they won't consider opportunities in Shanghai and Guangzhou. My Dutch team can't understand the idea of a 'moving target.'" In Taoism, the water metaphor describes an extreme case in which water immediately changes direction when it encounters an obstacle. In discussing international leadership, the Chinese leaders acknowledged that flexible leadership or practices in business might lead to a perception of unprofessionalism by employees. Leader 7, as a district director at a Chinese MNC, shared the following insight:

> In general, I agree that Chinese companies are sometimes aggressive and inpatient. In the beginning, we were a team of eight people. We worked like entrepreneurs. The headquarters did not even give us job descriptions. We grew to understand local market by going through constant trials and tests. Within four years, the team expanded to 120 employees. However, the leader must be aware that flexibility is both a strength and a weakness. On the one hand, a flexible leader responds quickly to the environment and makes adjustments. On the other hand, flexibility gives people an impression of unprofessionalism. The result of the constant adjustments was a high level of turnover at the beginning.

Legalism frictions in the Dutch context. Partially expected but also partially surprising, there was little evidence of possible frictions between Legalistic behaviors and the Dutch cultural context. The lack of inter-cultural friction in this domain reveals that distinctive cultures do share something in common, so friction or conflict does not provide the whole picture of inter-cultural interaction. This interesting finding reminds us of the unique Chinese perspective of yin-yang balancing as a duality in the sense that diverse cultures are not only conflicting in all aspects, but also complementary in some respects. In other words, distinctive cultures are not fully in conflict (nor fully complementary) but are only partially in conflict (and also only partially complementary). In the next section, we will explore the key reasons for inter-cultural interaction as a balance between diverse cultures as partially in conflict and partially complementary.

Discussion

Proposition development concerning inter-cultural balance

The balanced dimensions of Confucianism in the Dutch context. In China, managers expect their employees to follow orders without question or disagreement. The above analysis and early research indicate that the Confucius perspective of hierarchy contrasts with the Dutch principle of freedom of expression and the norm of questioning authority. The Dutch attach more importance to autonomy. Referring to Weber's (1965) thesis, the Protestant ethic emphasizes "the sinfulness of the belief in authority, which is only permissible in the form of an impersonal authority" (p. 224). A leader consults with the employees and ensures that the employees have the autonomy to adopt their own approach to a job (Hofstede, 1993). The findings of Den Hartog *et al.* (1999) confirm that there is a strong preference in the Netherlands for leaders who involve subordinates in decision making instead of relying on a hierarchical order. Similarly, De Waal *et al.* (2012) showed that managers who encourage their employees to take the initiative are highly valued. Rather than accepting an order without question, Dutch employees tend to express their views and opinions. Hence, Chinese leaders who strongly believe in exerting the power of their position may experience friction when attempting to enforce an order. In addition, the Confucian emphasis on developing interpersonal relationships beyond the work relationship (*guanxi*) contrasts with the Dutch culture. As shown above, the Dutch value superior-subordinate relationships that foster independence and that allow the subordinates to experience autonomy. Openness is generally accepted and preferred as a result of egalitarian norms (Hofstede, 1993; House *et al.*, 2004). Tolerance of individual autonomy is a basic principle (Van Der Burg, 1998), and individuals are free to choose their own lifestyle. Unlike Chinese employees, Dutch employees are unlikely to be grateful for a leader's intervention in their personal lives. In the business context, the Dutch may complain about a lack of professionalism among Chinese managers who tend to intervene in both work and personal settings. Hence, Chinese leaders who possess strong beliefs about maintaining close relationships outside of work are likely to experience friction when interacting with Dutch employees.

However, within the work domain, the Confucian values of personalized caring and holistic concern for employees are appreciated in the Dutch cultural context. Confucius advises leaders to undertake genuine actions at work that benefit the people around them for the common good (Farh and Cheng, 2000). It is the leader's obligation to act kindly and charitably toward all employees. The leader can also demonstrate a form of individualized care, including providing mentoring and coaching, showing concern for followers' career development, and allowing opportunities to correct mistakes (Wang and Cheng, 2010). These behaviors make the employees feel that the leader acts in their interests. Accordingly, employees react positively to the leader. Research in the Dutch context shows that Dutch employees perceive benevolent leaders as charismatic (van Dijke and De Cremer, 2010):

> *P1.* The more a Chinese expatriate is influenced by Confucianism, the more likely it is that he or she will experience greater friction with the Dutch cultural value of free expression due to the leader's diminished power and interpersonal ties with Dutch followers, although the Confucian values of personalized caring and holistic concern will be appreciated in the Dutch cultural context.

The balanced dimensions of Taoism in the Dutch context. Taoism advocates that instead of becoming actively involved in solving problems by forcing the situation or even going against the flow of nature, leaders should embrace the natural self and thereby gain a deeper capacity to obtain success without effort (Xing and Sims, 2011). In practice, Taoism suggests that effective leaders are those who can utilize the strengths of others. This way of thinking is consistent with Dutch employees' preference for managers who trust and

empower them to do a good job (De Waal *et al.*, 2012). Taoist leaders respect the nature of everyone in society and believe that harmony comes not from repression but from allowing expression by every member (Lin *et al.*, 2013). This particular idea of nature is consistent with the Dutch custom of free expression. We believe that Chinese expatriates following the Taoist doctrine will proactively embrace the natural characteristics of local cultures, such as Dutch employees' direct confrontation of authority and their preference for autonomy.

Taoism also emphasizes flexibility, which ideologically reflects flowing water. The central premise of flexibility is that conditions are protean, and thus the leader must be able to adapt to and cope with changing conditions. Taoism asserts that all things – including leaders and other people – are changing and unpredictable. There are such diverse alternatives and opportunities that things are never absolute (Cheung and Chan, 2005). In the Netherlands, the purpose of reaching consensus is to set aside differences and agree on detailed procedures to achieve a common goal. Diverse and changing opinions are encouraged and taken into consideration. A business plan requires a certain mindset and an openness to adventurous ideas, which also requires flexibility. In general, flexibility is needed during the decision-making process. Once an agreement is achieved, Dutch employees are unlikely to deviate from the goal and the agreed-upon procedures. A change in the agreement will cause ambiguity and require extra effort to discuss a new plan, and the development of the new plan can be as lengthy as the process for the old plan. Hence, the flexible idea of Taoist leadership contrasts with the Dutch planning culture, that is, the custom of adhering to an agreement:

> *P2.* The more a Chinese expatriate is influenced by Taoism, the more likely it will be that he or she will accept the Dutch cultural values of freedom and tolerance due to the core Taoist principles of embracing one's self-nature and maintaining dynamics, although the Chinese expatriate will also experience friction with the Dutch cultural value of inflexibility after reaching consensus.

The balanced dimensions of Legalism in the Dutch context. Similar to the transactional leadership model, Legalist leaders emphasize the leader's power to reinforce followers' goal attainment using "carrot and stick" instruments (Wang *et al.*, 2012). This philosophy assumes the self-interest of human nature and, thus, maintains that the best way to regulate behaviors is through contingent reward and punishment rather than moral values. Total obedience to the law and punishment are essential for establishing a self-governing system. However, heavy reliance on rewards and penalty policies is ineffective in the long term (Bass, 1990). Regarding the leadership role, Legalism does not regard leaders as active or interfering players in organizational activities but rather as establishers and maintainers of order. Dutch people have a custom of spending hours in meetings. Employees have preferences to be heard by their leader; therefore, decision-making processes are complex. However, once a compromise is reached and the entire team agrees, the work can progress without interruption. With all this planning and structure, little room is left for the unexpected (Faludi, 2005), and the flexibility to change an agreement is limited. After agreement is reached, employees expect their leaders to maintain "rule and order" (Faludi and Van der Valk, 2013), which is aligned with the core concepts of Legalism. In addition, the Dutch set clear boundaries between work and personal life, so they prefer to maintain a professional work relationship with their leader. Legalistic leaders initiate structures with clear rules, role specifications, and power limits. Hence, in this respect, the notions of Legalism are highly consistent with the Dutch preference for a rational model of leadership:

> *P3.* The more a Chinese expatriate is influenced by Legalism, the more likely it will be that he or she will embrace the Dutch cultural value of rational planning, although Legalist transactional values may encounter certain challenges in the Dutch cultural context.

Further elaboration
As Chen (2009, p. 402) argued, "most researchers blindly treat Chinese as being collectivistic and US Americans as being individualistic without considering the internal variations of a culture. This tendency is problematic and can be dangerous, because it may misinform the results of research." Since the 1980s, a group of researchers has endeavored to introduce the world to traditional Chinese philosophies in business applications (e.g. Fang, 1999). Although life in contemporary China has undergone significant cultural changes, China does not seem to have abandoned its historical philosophies (Faure and Fang, 2008). Our analysis of the interviews with 30 Chinese expatriate leaders in the Netherlands indicates the simultaneous influence of three traditional Chinese philosophies. These leaders recognized the dominant influence of Dutch culture in the workplace and adjusted their leadership attitudes and behaviors accordingly. Instead of fully accepting or rejecting Dutch culture, the interviewees exhibited leadership behaviors that were partially consistent with Confucianism, Taoism, and Legalism. Consistent with early findings (Cheung and Chan, 2008; Ma and Tsui, 2015), our results indicate that the Chinese people tend to practice a holistic mix of Confucianism, Taoism, and Legalism. They are simultaneously influenced by multiple distinctive philosophies, both traditionally and in modern times. Previous studies have examined the paradoxical nature of yin-yang values in influencing Chinese communication characteristics (e.g. Chan, 2008; Fang and Faure, 2011). In this study, the influence of traditional philosophies as the cultural roots and their special impact on inter-cultural differences, tensions, and conflicts are justified to the extent that we must pay more attention to the traditional roots at home rather than the effect of modern business contexts.

Most of the respondents displayed a leadership foundation that was deeply ingrained in Confucianism. The values of "relationalism" and "hierarchy" heavily influenced their cognitive experiences in inter-cultural circumstances. They were aware that Dutch culture does not share these two values. As noted, the Netherlands has been reported to favor leaders who support autonomy and give employees a voice in the decision-making process (Chhokar *et al.*, 2013). During their daily supervision of employees, the Chinese leaders noticed typical Dutch behaviors, such as expressing opinions freely and questioning an order in public. Rather than seeking harmony with the local employees, the Chinese expatriates attempted to adjust their behavior by communicating more directly. Cognitively, the managers understood their own adaptive behavior. However, underlying their direct style of communication was an internal cognitive conflict with the deeply rooted value of "relationalism." Notably, such internal contradictions can lead to negative leadership experiences for Chinese expatriates. In addition, the strong desire to develop a positive leadership image indicates the prevalence of Confucianism overseas. Most of the interviewees learned that position power matters less in the Netherlands than in China. By identifying themselves as role models, these leaders chose to set a personal example as a positive alternative strategy for maintaining leadership authority overseas.

Although Taoism has existed longer than Confucianism, its influence in China is less than that of Confucianism (Chan, 2008) because Taoism was adopted when the country lacked people and wealth. Taoism guided the emperor (400 BCE) to leave people alone so that they could produce more people to serve as soldiers and work in agriculture. Taoism addresses the key challenges of ambiguity, complexity, and uncertainty. It guides leaders to develop an audacious way of thinking to address paradoxes in highly complex and ambiguous environments (Luo and Zheng, 2016). In a complex inter-cultural context, the Chinese expatriate leaders in the current study moderately embraced the philosophy of Taoism. In their new environment, the Chinese expatriates encountered new challenges working with people of different backgrounds. Respecting the local employees for their true nature is the first step for integration into the local environment. Several interviewees even

recognized the benefits of Dutch employees' directness. In unfamiliar circumstances, a neutral attitude toward cultural differences may reduce negative leadership experiences. Importantly, the study's findings suggest a dual concern regarding the concept of flexibility. On the one hand, flexibility allows leaders to adapt quickly to the local environment. On the other hand, flexibility may convey a lack of professionalism. Further research is needed to gain additional insight into the construct of flexibility and the antecedents and consequences of flexible/contingent leadership.

Not surprisingly, the results indicate the prevalence of Legalism in inter-cultural assignments. Legalist principles are consistent with the universal leadership approach of establishing and implementing appropriate rules and policies. In an inter-cultural context, one way to set aside cultural differences is to promote a professional workplace environment.

Implications for theory and practice. Prior research in the area of international leadership indicates that there are contextual boundaries for cultural characteristics (Dickson *et al.*, 2003). Much of the literature focuses on intra-cultural comparisons. For example, the GLOBE Project observed and studied leadership preferences across cultural groups. However, far less attention has been paid to the dynamics of culture or philosophies in inter-cultural encounters (Gelfand *et al.*, 2007). This study sees cultural differences as opportunities for inter- and intra-organizational learning, "an area that has been rarely addressed" (Fang, 2012, p. 30). The present study is one of the first to offer a nuanced, contextualized understanding of managers from an emerging market (i.e. China) who manage local employees in a developed country (i.e. the Netherlands). By shifting the focus from indigenous leadership studies to inter-cultural interface dynamics, this study combines philosophy-based cultural aspects with western culture to explain Chinese expatriates' leadership behaviors. Several related studies have suggested that Confucianism, Taoism, and Legalism are the foundations for Chinese management philosophies and are exhibited in contemporary leadership behaviors in China (Ma and Tsui, 2015; Barkema *et al.*, 2015). Chinese expatriates can reflect on the traditional philosophies embedded in their own culture and infuse elements from other cultures to facilitate local acceptance of their leadership behaviors. For instance, Fang (2012) recognizes the applicability of Chinese yin-yang philosophy for cross-cultural research. The proposed yin-yang perspective frames culture as a paradoxical phenomenon. A culture is incomplete without two opposite elements ("+Vi" and "−Vi" representing two paradoxical values), and a local community can choose to evoke and focus on certain values ("+Vi"s) as their primary and dominant values, while treating the opposite values ("−Vi") as secondary and latent. Globalization, however, gives rise to intense and frequent interaction and penetration across diverse cultures, thus enabling the more balanced co-existence of opposite values in each culture as more mixed than before. Nevertheless, this mixed culture does not deny the fact that traditional or indigenous culture still lie deeply, such as the vast cultural distinction between the east and the West (Li, 2016). Hence, at the current stage, if scholars fail to recognize a society's traditional philosophies and also the particular aspects of foreign cultures, expatriate leadership cannot be fully understood, including Chinese expatriates working in the west. Further research is needed to investigate how different philosophy-based cultural identities are made salient in the cultural interface.

Additional inter-cultural research is warranted to describe, analyze, and document variations in expatriate leadership styles. For example, Xing *et al.* (2016) observed that cultural proximity between African "Ubuntu" and Chinese Confucianism significantly influenced the management of African employees by Chinese firms. The cultural proximity of Ubuntu and Confucianism acted as a converging force and facilitated the emergence of hybridization in practice. Such efforts represent a direct response to the call for hybridization research in multicultural contexts (Jacob, 2005; Xing *et al.*, 2016). In the literature, hybridization is a thinking manager's passport to engaging in leadership

behaviors that are considered to be both efficient and congruent with the local culture (Jacob, 2005). Hybridization blurs the existing distinctions between the culture of the leader and that of the local employees and thus disrupts universally adopted standard managerial categories. Rather than measuring leadership using dimensions, researchers are urged to categorize Asian expatriates' leadership behavior into patterns that reflect traditional philosophies and the local culture. In so doing, practitioners can integrate modern leadership techniques into their own versions of hybridization. There are ample and promising research opportunities to advance the study of cultural hybridization in different settings.

A thorough examination of traditional Chinese philosophies and their core principles is needed (Ma and Tsui, 2015), and researchers are encouraged to conduct component analyses to delineate the relevant core content. Lee *et al.* (2013) found that Taoist leadership includes five components, i.e., perseverance, modesty, altruism, flexibility, and honesty. The results obtained by those authors also revealed differences in endorsement as a function of nationality. From a modern leadership perspective, Lin *et al.* (2013) developed a Confucian and Taoist work value scale and applied the scale to examine the relationship between these philosophies and transformational leadership. It would be interesting to determine empirically how the philosophical components impact expatriate leadership emotions (George, 2000), work-life balance (Lyness and Judiesch, 2008), and leadership effectiveness (Ng *et al.*, 2009). Notably, the interviewees in the current study demonstrated benevolent behaviors toward their local employees, including sympathy, interest in employee development and the desire to cultivate a friendly work environment. Given that benevolent leadership is embedded in Confucianism, it is not surprising to observe Chinese expatriates demonstrating these behaviors. In the Chinese context, benevolent leadership causes subordinates to feel obligated to reciprocate and obey their leader (Farh and Cheng, 2000), which in turn produces a variety of favorable outcomes for subordinates (for a review, see Pellegrini and Scandura, 2008). However, the prior literature has also proposed that benevolent leadership is not expected to be consistent across all situations (Wang and Cheng, 2010). For example, Chen and Kao (2009) show that paternalistic leadership by Chinese expatriates negatively impacts the psychological health of subordinates in the local country. In an inter-cultural context, the extent to which Chinese expatriates can expect reciprocity from local employees is another open question. The proposed studies offer promising avenues for gaining a comprehensive understanding of the cultural interface.

This study reveals inconsistent views of leadership flexibility, which is a key component of Taoist philosophy. Consulting psychologists and researchers frequently mention the benefits of flexible leadership in an international environment (Kaiser and Overfield, 2010; Yukl and Mahsud, 2010). Although the Chinese managers in the present study perceived the Dutch to be inflexible in the face of new ideas and approaches, several authors have asserted that the Dutch tend to improvise more than the Germans (Thesing, 2016). According to Ernst (2007), "If things have to be changed during the process of realization, Germans see this as a sign of bad planning, whereas the Dutch are proud of their ability to improvise" (p. 56). Thus, flexibility is a subjective concept, and its definition depends largely on the conditions. In the current research, the Chinese expatriates believed that flexible leadership did not guarantee a positive leader image or leadership effectiveness. Researchers are urged to carefully define the concept of flexible leadership and its constructs, antecedents, and consequences. Future research should respect the inherent complexity of leadership behaviors in terms of cross-border effectiveness when developing a general assessment tool for flexible leadership.

In our case, the Chinese expatriate leaders frequently mentioned the "art of keeping a balance" (e.g. Leaders 8, 13 and 20) between Dutch and Chinese cultural values. Expatriate leaders are expected to comply with strict requirements from headquarters while

still considering the local market and local employees' demands; in addition, they must treat their followers equally and uniformly while accounting for their individual needs (Zhang *et al.*, 2015). The ability to respond to such contradictory or paradoxical challenges is crucial to inter-cultural management. To manage the opposing components, western scholars have developed several leadership approaches, including flexible leadership (Kaiser and Overfield, 2010) and behavioral complexity (Kaiser and Overfield, 2010; Yukl and Mahsud, 2010), while eastern scholars suggest approaching paradoxical values from the Taoist yin-yang philosophy (Fang, 2012). Embracing the connections and interdependence between opposites in a holistic and dynamic system instead of absolutely separating the opposites (Fang, 2012; Li, 2014), the Taoist perspective of yin-yang balancing is widely shared by all of the other traditional Chinese philosophies, including Confucianism and Legalism (see Li, 2016 for a recent review). If approached correctly, the perspective of yin-yang balancing can be applied in various domains of management research, such as cooperation-competition balancing, globalization-localization balancing, and exploration-exploitation balancing (Li, 2016). As richly illustrated by Li (2016), the frame of yin-yang balancing is highly relevant to our study in the sense that the inherent link between the traditional Chinese philosophies and the modern western theories (as well as the modern business contexts in both China and the west) can be best framed as a duality (sometimes also called a "paradox") in terms of having two opposite elements in a holistic and dynamic balance as partially conflicting and partially complementary, so the ideal-typical link between the east and the west is their geocentric balance as partially global and partially local (Li, 1998, 2016). We suggest that future research should expand our research on culture to the potential advantages and disadvantages of yin-yang balancing across culturally diverse contexts. Specifically, the three mechanisms of yin-yang balancing, i.e., asymmetrical, transitional, and curvilinear balancing, can be applied to the research on inter-cultural leadership. For instance, those expatriate leaders with strong yin-yang mindset may be more capable of balancing relational distance with relational closeness in people management; treating subordinates uniformly while allowing individualization, enforcing work requirements while encouraging flexibility, as well as balancing control with autonomy (Zhang *et al.*, 2015). For such paradoxical issues, the newly proposed scale to empirically measure curvilinear relationship is highly relevant, i.e., TLTM scale (Vergauwe *et al.*, 2017; also see Zhang *et al.*, 2016).

Regarding practical implications, the current study offers guidance for the selection of personnel for assignments in the Netherlands. Chinese expatriate leaders' tactical knowledge of Chinese philosophy may enhance their chances for success in such an assignment. For instance, the findings suggest that an expatriate's observational ability may indicate the potential for strong leadership. In other words, by listening to an employee's words and observing his or her behaviors, a leader can learn about that employee. Consequently, organizations should consider a candidate's observational ability when selecting and training new expatriates. As Confucius asserted, "not understanding a person's words, one has no way to know that person." Confucius also noted that one of the characteristics of an accomplished person is his ability to "examine the words and observe the countenances" of others (Xu, 2004). For Chinese expatriate managers in the Netherlands, our findings provide a unique frame for understanding the Dutch cultural context. Leaders' reflection of traditional Chinese philosophies in the Dutch cultural context reveals the possibility of blending Dutch cultural contexts with traditional Chinese philosophies. This frame is also useful for Chinese leadership activities outside the Netherlands. Instead of completely adapting to local practices and norms, aspects from one's own culture can help explain how to frame distinctive foreign cultural contexts from the perspectives of traditional Chinese philosophies.

Leadership training for Asian leaders abroad, particularly in developed countries, is excessively reliant on western-developed business school curricula. Such reliance may create internal tension for Chinese leaders. Instead, management behaviors should reflect expatriate leaders' cultural roots as well as western realities. Exposure to another culture may induce expatriates to simultaneously adopt several cultural identities (Kohonen, 2005; Jacob, 2005). By recognizing the strengths and weaknesses of both their own and the local culture, expatriate managers can integrate diverse cultural elements in a manner that both enables them to internally accept the local culture and helps them be accepted locally. Otherwise, expatriates could experience negative internal emotional anxiety. It would be worthwhile for expatriates to accurately decipher the deep-rooted philosophies they use as a basis for gauging local cultures. In this study, a dialectical philosophy (Taoism) was found to be deeply embedded in several Chinese expatriates. Such managers feel less compelled to rate Dutch directness and bluntness negatively. Instead, they tend to have a neutral view of Dutch culture. Taoist dialectic philosophies do not consider opposites to be contradictory (Li, 2014), and Taoist principles provide a positivist analytical approach for leaders to accommodate the rapid changes in multicultural situations. As proposed by Bai and Morris (2014), "Asian wisdom based, for example, on Taoism, is good at holistic observation, whereas western science is good at positivism and analysis. Combining the two provides a useful tool for exploring the realities of organizational behavior." Organizations should consider introducing Taoist principles into adaptive leadership training because this philosophy may contribute to greater understanding among leaders in a dynamic work environment.

Limitations
The limitations of this case analysis warrant attention. First, this study is exploratory in nature; thus, the findings cannot be generalized to a large population. Our findings should be applied with caution. We focus on manifesting Chinese expatriate managers' leadership behaviors in adapting to local Dutch employees and leading them from the Chinese managers' perspective. By comparing different leadership behaviors among Chinese expatriate managers in other countries, future research can draw a more comprehensive picture of inter-cultural leadership diversity. Second, the study involves a single data collection method. Invitations were sent to potential participants through LinkedIn, and the sample was expanded using the snowball sampling technique. The respondents who displayed an interest in participating in the study may be more open-minded and well adapted to the Dutch cultural context than those who were not interested in participating. Hence, the respondents may have experienced less friction from cultural differences than those who did not participate. The leaders who were unwilling to participate may or may not embody traditional philosophies in their leadership behaviors. In addition, individual philosophical values may change over time (Carpenter *et al*, 2001; Parry and Urwin, 2011). Future research should employ a longitudinal approach to test the propositions with a large sample. The third limitation is that the interviews were conducted in Chinese. An experimental study has indicated that bicultural individuals can be primed to switch from one culturally preferred manner of self-construal to another (Ng and Han, 2009). In that study, bicultural participants engaged different parts of the brain in processing information. Hence, it is possible that the Chinese managers might have provided different opinions if the interviews had been conducted in English. The fourth limitation lies in the fact that our findings are only indirectly (thus weakly) related to inter-cultural complementarity because our evidence is more concerned with the inter-cultural compatibility between similar elements across various cultures. Our evidence is not directly (thus not strongly) associated with the inter-cultural complementarity between different elements toward inter-cultural synergy.

Finally, our study cannot support a link between managers' age or overseas experience and their leadership performance in the Netherlands. In total, 6 (31.6 percent) out of 19 managers who reported friction rooted in Confucianism-Dutch differences had been in their leadership position in the Netherlands for over five years. Among the other 11 managers who reported no friction rooted in Confucianism-Dutch differences, four (36.4 percent) had been in their leadership position in the Netherlands for more than five years. Scholars suggest that age and overseas experience may have an effect on leadership performance because individual values change over time (Carpenter *et al.*, 2001). The richness of a leader's international experience also plays an important role in determining the quality of his or her next overseas assignment (Ng *et al.*, 2009). Managers who have been studying or working in the Netherlands for a longer time may experience fewer frictions before they take leadership positions. However, early empirical studies have shown mixed evidence for age differences in work values (see the review by Parry and Urwin, 2011). For example, Ralston *et al.* (1999) showed that younger Chinese had greater individualism than older people, but a later study found no generational differences for the same characteristics in China (Egri and Ralston, 2004). Our study shows no differentiation between the respondents in terms of demographic data. Additionally, the sample size of this study does not allow us to empirically test the relationship between age/overseas experience and philosophical friction. In our database, most of the managers who showed a positive attitude toward Dutch culture (13/20) work for tech companies. It is possible that the communication between these 13 Chinese managers and their Dutch employees focuses on technical issues rather than interpersonal misunderstandings. We predict that the industry background of an overseas manager is likely to affect his/her inter-cultural leadership experience. Other organizational factors, including HRM policies, the local market share, and company strategy, may also intervene in a leader's inter-cultural friction. Future research could conduct surveys using a larger pool by asking expatriate managers to fill in their demographic data, their organizational characteristics, and their evaluation of the traditional leadership philosophies and link these data to their leadership performance.

Conclusion

To close the gap in literature concerning the leadership challenges for expatriate managers in an inter-cultural context, this study seeks to elucidate the leadership styles of Chinese expatriate managers from the perspectives of three traditional Chinese philosophies (i.e. Confucianism, Taoism, and Legalism) in the inter-cultural context of managing in the Netherlands. This study is among the first to offer a more nuanced and highly contextualized understanding of leadership in the unique case of expatriate managers from an emerging market (e.g. China) in an advanced economy (i.e. the Netherlands).

The data for this qualitative study were collected via semi-structured, open-ended narrative interviews with 30 Chinese expatriate managers in the Netherlands. The results clearly show that the leadership style of Chinese expatriate managers is deeply rooted in the three traditional Chinese philosophies of Confucianism, Taoism, and Legalism, even in an inter-cultural context. Specifically, the study reveals how Chinese expatriate managers frame and interact with the foreign cultural context from the perspectives of the traditional Chinese philosophies in two salient respects. First, the Chinese expatriate managers reported an initial cultural shock related to the frictions between the foreign cultural context and Confucianism or Taoism, but less so in the case of Legalism. Second, the Chinese expatriate managers also reported that their interaction with the Dutch culture is best described as a balance between partial conflict and partial complementarity (thus, a duality). In this sense, the leadership style of Chinese expatriate managers is influenced jointly by the traditional Chinese philosophies and certain elements of the foreign cultural context. This result is consistent with the Chinese perspective of yin-yang balancing.

We call for more research to apply the unique perspective of yin-yang balancing in the inter-cultural context. We posit that this is the most salient implication of this study. For practical implications, we argue that expatriate leaders should carefully manage the interplay between their deep-rooted home-country philosophies and their salient host-country culture. A reflection on traditional philosophies in another culture can facilitate inter-cultural leadership training for Chinese expatriates.

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