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A Study on Cultural Difference of Working Values of Chinese Managers and Filipino Managers: A Case of Philippine Company in China

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Abstract

In recent years, more and more multinational enterprises participate in the rapid development of China's economy. Among them, Philippine enterprises have also begun to accelerate the pace of investment and factory building in China. The investment area also extends from the coast to the mainland. With the expansion of enterprise scale and the improvement of employee diversity, the cultural differences between China and Philippines in Philippine enterprises began to highlight, resulting in a serious trend of cultural conflict. Human resource management based on cultural differences has gradually become the primary task that Philippine enterprises in China must deal with. Firstly, the study defines the basic concepts and reviews related literature. Secondly, the research starts to study the society formation, economic institution and history background of these two countries. Thirdly, the research discusses the internal cultural differences focusing on the working values and needs of employees from two different countries and suggests recommendations. Lastly, through the further research, the study determines the most important culture conflict issues occur in Philippine Company in China and suggests measures to resolve culture conflicts. From the perspective of cultural core, the research is aimed to compare and contrast characteristics and working values of Chinese managers and Filipino managers using Hofstede's cultural five-dimensional theory. Questionnaire and case analysis methods are adopted in the research.

Keywords

Working Values, Pinoy Managers, Chinese Managers, Hofstede's Cultural

1. Introduction

China and the Philippines, both of which belong to the Confucian cultural circle, have experienced centuries of long-term exchanges and barriers. Because of their different historical development directions, the two countries differ greatly in ideology, values, attitudes and behavior (Amante, 1994). At the same time, because they have received different education for a long time, they live in different political and economic systems, and have different life and work experience and different ways of thinking. Therefore, Philippine managers and Chinese managers have different attitudes towards work and achievement.

2. Literature Review

Peter Drucker, a famous American management scholar, first explicitly pointed out the relationship between management and culture in his book Management. He sees culture in the discipline of management and believes that management has its own values, beliefs and language, functions hidden in the traditions of values, customs and beliefs, and in the political system of government. Therefore, he concluded that management is restricted by culture.

Hofstede's "Onion Skin Theory" holds that the influence of culture on enterprise management can be divided into four levels from inside to outside, and each concept can be generalized by four nouns: symbol, hero, etiquette and values, each noun represents a level (Hofstede, 2001). The external factors are easy to observe, easy to express and grasp through practice; the internal values are difficult to observe, relatively stable. For multinational corporations, each layer is colorful, composed of elements from different cultures, implying the danger of cultural conflict. Management tries to understand culture, influence culture, avoid cultural differences and penetrate into the core level by going deep into the practice of the onion center.

3. The Study

According to the actual conditions, our research adopts the methods of behavior observation and measurement, case study and comparative study. Among them, the design of the questionnaire refers to the relevant research of Hofstede and others, and designs a questionnaire for the personnel of China and the Philippines. Philippine managers play a key role in the investment and development of Philippine enterprises in China, however, these Philippine managers are most likely to have cross-cultural conflicts with Chinese employees in different cultural backgrounds. For this reason, we applied Hofstede's theory of Five Dimensions of Culture to make a research questionnaire on the work values of employees (Luo, 2001). 125 copies of the questionnaire were sent to Chinese and

Philippine people respectively, 215 of which were recovered. 113 copies of the valid questionnaires were from China and 98 from the Philippines. The case study selects SM China, a typical representative of Philippine enterprises in China, to collect and analyze data.

4. Compare and Contrast of Characteristics and Working Values of Chinese Managers and Filipino Managers

1) *Characteristics and working values of Chinese managers*

Our team used Hofstede's cultural five-dimensional theory to make a questionnaire to compare and investigate the work values of Chinese managers and Philippine managers. According to the design of the questionnaire, the investigation was carried out among Chinese and Philippine managers. The results show that the working values of Chinese managers have several characteristics. First, the power distance index is high. As long as there is a possibility of fair mobility in the class system, the fact that Chinese managers have uneven power is based on respect and acceptance. Secondly, the high uncertainty avoidance index indicates that Chinese managers have psychological fears and a considerable lack of security, so it is desirable that the management norms of the organization be very clear. Third, the individualism index is lower than the world average and lower than the Philippines, indicating that Chinese managers still prefer collectivism. Fourthly, in terms of the masculinity index of values, Chinese managers show feminine tendencies, which shows that they attach more importance to interpersonal relationships, while dominance and dogmatism are lower. The statistics are showing in Table 1.

It can be seen that the main incentive for Chinese managers to work is to learn professional skills and management, followed by self-esteem and self-realization, which is reflected in the pursuit of a high degree of salary and rights requirements.

Statistical data showing in Table 2 show that Chinese employees accept the existence of greater power distance, which is mainly reflected in respect of the social reality of uneven power in reality, a high degree of obedience to command and control. Unlike the institutional power distance in the Philippines, this obedience is based on "people" and is particularly influenced by the charisma of leaders. Without violating the principles, leaders have the right of making decisions. So it is particularly important to establish good personal relations with leaders in China.

Table 1. Main working reasons of Chinese managers.

main reasons of working	Chinese managers
salaries	34.3%
working makes life more meaningful	50.0%
learning techniques and management	57.8%
establishing relationship	15.6%
preparation for future entrepreneurship	7.8%

Table 2. Reasons of following leadership in China.

reasons of following leadership	Chinese managers
respecting the noble character of leaders	64.0%
respecting professional knowledge of leaders	43.8%
leaders have the power to influence personal interests	39.0%
reverence for leadership	28.1%
good relationship with leaders	29.7%

2) *Characteristics and working values of Philippine managers*

To study the management of Filipino managers, first of all, we need to study and understand their work values, because values will affect the attitude and behavior of Filipino managers.

Compared with Chinese managers, Filipino managers' work values have several characteristics. First, the long-term orientation index is much lower than that of Chinese managers. Philippines has a large number of incomplete contracts with incomplete employment (Underemployment). Employee job hopping is more common, and they are not in favor of working in a company for a long time. Second, the tendency of individualism is slightly higher, which is close to Spain and the United States, and is not used to collectivism. Thirdly, the great disparity in power is mainly due to years of colonial rule and autocratic rule after independence in the Philippines. Fourth, uncertainty avoidance is relatively high, which is close to Fujian merchant culture. The statistics are showing in Table 3.

According to Maslow's demand theory, earning wages and meeting the basic three meals together constitute the lowest level of demand, a total of 24%, constituting one of the main job incentives for Filipino managers, which is the same for Chinese managers. On the future entrepreneurship issue, Chinese and Philippine management personnel show quite different discrepancy. It is obvious from the questionnaires that most Philippine managers' long-term development aims at accumulating funds for entrepreneurship. In conversations with Filipino managers, they often experience the entrepreneurial spirit of "preferring to be a chicken's head rather than a phoenix's tail", rather than the legacy of the state-owned enterprises in which Chinese employees seek stable income and stable housing.

Statistics showing in Table 4 show that Filipino employees, like China, accept greater power distances and respect the social reality of power inequality and obey command. However, influenced by the modern western commercial culture, they will distinguish the work from the life. While accepting leadership, they generally do not develop personal relationships with the leader. The main reason for obeying leadership is work. The noble style that has nothing to do with work does not add points to obeying the leader more at work. Chinese employees have a sense of attachment, they seek protection from their leaders in obedience, and thus have a high degree of loyalty. In Philippines degree of individualism is higher than that in China, for Pinoy managers, obedience is based

Table 3. Main working reasons of Filipino managers.

main reasons of working	Filipino managers
salaries	24.0%
working makes life more meaningful	30.0%
learning techniques and management	52.3%
establishing relationship	11.2%
preparation for future entrepreneurship	31.3%

Table 4. Reasons of following leadership in Philippines.

reasons of following leadership	Pinoy managers
respecting the noble character of leaders	23.2%
respecting professional knowledge of leaders	53.3%
leaders have the power to influence personal interests	8.7%
reverence for leadership	3.4%
good relationship with leaders	8.0%

on system as an independent person, they don't have the existence of inner compulsory.

5. Implications and Conclusions

1) Conventional comparisons of the Eastern and the Western countries have either implicitly or explicitly assumed that all Asian countries are similar and therefore can be culturally grouped and labeled the Eastern or Oriental culture (Zhang, Mathur, & Neelankavil, 2000). Contrary to this assumption, sufficient differences in managerial perceptions across Philippines and China prevent us from making such an assertion, particularly with regard to managerial practices. For example, we found that Filipino managers showed marked differences from Chinese managers with respect to planning/decision making, educational achievement, and past experience. Differences can be accounted for by the historical contexts within which these cultures have evolved (Yan, 2008). While the Chinese culture was isolated from outside influence for a very long time, Filipino cultures have had outside influence for a very long time. This study supports the view that cultural values, such as collectivism/individualism, impact managerial perceptions, attitudes, and behaviors. Therefore, anyone attempting to do business in a global setting should pay special attention to cultural factors.

2) For managers in the studied countries, the findings provide insight into the factors that lead to effective managerial practices and successful job performance. The managers should, on the one hand, develop sufficient self-knowledge to become an effective manager. He should ask himself what his own cultural values are and whether his subordinates share those values. If not, how to create an environment which is conducive to effective management. This is particularly important to companies in selecting, training, and motivating expatriate managers for assignments in Philippines and China. For example, by understanding the processes of how people are driven and motivated in a culture, we can gain important insights into why our subordinates work and react the way they do. We

can also determine the most effective way to manage employees who come from diverse cultural backgrounds.

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Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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Appendix

Survey Questionnaires.

Sir/Madam:

Good day:

Recently, Philippine companies start to extend their investments and gradually expand its capacity, and how to solve the cultural differences between these two countries is one of the vital and important issues in management. This research discusses cultural difference of working values of Chinese Managers and Filipino Managers from a case of Philippine Company in China. The framework of the survey is carefully designed to analyze the cultural differences of two countries being studied and do further research on how to better manage culture conflicts caused by these differences. We hope that you can kindly spare 20 minutes of your time to answer this survey.

Thank you for taking time answering these questions. This survey contains no private information and will remain confidential. This study is for research purposes only.

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Survey Target:

Name: _____ Age: _____ Company: _____

I) Basic Information (Please answer the following)

1) I am a_____

a) Pure Filipino   b) Pure Chinese   c) Filipino born in China

d) Chinese born in Philippines

2) I have worked for_____.

a) Less than 5 years   b) 5 - 10 years   c) 10 - 20 years

d) More than 20 years

3) I have worked in this company for_____

a) 1 - 2 year(s)   b) 2 - 5 years   c) 5 - 10 years

d) 10 - 20 years

e) More than 20 years

4) Where is your company located _____

a) Philippines   b) China

5) How influential do you think is your company in its line of industry_____

a) Not so influential   b) Very influential c) Medium-scale enterprise

d) At the top of the industry

6) The company you work in belong to_____

a) Agricultural production (including agriculture, livestock breeding, fishery, forestry etc.)

b) Mining

c) Manufacturing of light industrial goods (such as garment, toy, household electrical appliances, etc.)

d) Manufacturing of heavy industrial products (such as vehicle and boat

manufacturing, large-sized machinery and equipment manufacturing etc.)

e) Service Industry (such as commerce, transportation, catering, travel agency, education training, bank insurance securities, lawyer, doctor etc)

f) Others

II) Working Values

A) General questions: (You may choose more than one)

1) What do you think is the most important aspect that your job brings?_____

a) Provide basic needs (such as food and clothes)

b) Professional skills   c) Good working environment

d) Good interpersonal relationship   e) Career development

f) Personal interest   g) It allows me to get respect from others

2) Why do you submit to your superior?

a) Respect his(her) superiority   b) Respect his(her) professional expertise

c) He(she) can affect my career   d) have a good relationship with him(her)

e) be attracted to his/her charisma (or leadership or personality)

3) What's your long-term goal?

a) To have a stable salary   b) To save money to create own business

c) To maximize company benefits   d) To save up for a better future

e) To have personal and professional development

4) What will you do if you find some problems with work (*i.e.* waste of raw material, inefficiencies of the employees, unproductively etc.)?_____

a) Ignore them

b) Report to my superior if it is in relation with my work

c) Report to superior even if not related with my work

d) Report to superior and give some suggestions and advice

5) Who will you initially consult if you encountered some problems with work?_____

a) Solve with co-workers   b) Report to your direct superior

c) Consult with friends/family

B) True-False Question (Please put √ or ×)

1) An employee should follow the majority's decision_____

2) The benefit of the group is more important than individual benefit_____

3) The more detailed the rules and regulations are the better_____

4) Aside from work relationship, I build a personal relationship with my superior_____

5) Working hard is a good deed_____

6) Working is just an aspect of my life_____

7) If I quit my job, I will feel sorry for my company_____

8) Children can borrow money from parents and do not have to pay them back even after getting married_____

9) Most of my salary should be saved in the bank_____

10) Time is gold_____

11) I can work in the same position all my life, as long as the salary increases gradually._____

12) If my colleague breaks the rules, and it isn't related to my work, I will not report it to my superior_____

IV) Culture Conflicts

A) (Please put your answers on the line, can have more than one answer)

1) Which of these factors affects your relationship with your foreign colleagues?_____

a) Language   b) Lifestyle   c) Religion   d) Views and opinions

e) Other aspects of culture

2) Why would you make friends with foreign colleagues?_____

a) I am interested in his(her) culture

b) it is good for my job when working with him(her)

c) I am interested in his(her) personality

3) The rules, regulation and policies of your company follows_____

a) Origin country of company

b) Local Company in the Philippines

c) Mix of both the origin country of the company and the local company

4) as for the problem of cultural conflicts,_____

a) I don't experience that

b) It has some influence on company's operation but not serious

c) The company has a measure to deal with it

5) The right way to deal with the staff from different cultures is by _____

a) Treating them differently   b) Treating them equally

6) What's the culture of your company at present?_____

a) Based on parent company's culture, maintain the parent company's culture, rules and regulations.

b) Based on culture of company where it is located, rules are made according to local habits, infusing local culture

c) Based on international commercial culture, rules made according to international general rules.

7) About cross-cultural communication,_____

a) Our company arranges only one set of meeting for staffs, in a language where everyone can understand. (*i.e.*, using a secondary language such as English in the Philippines)

b) Our company arranges different sets of meetings for cross-cultural staffs in their primary language.

B) True-False Question (Please mark √ or × on the line of the questions)

1) I can feel some cultural conflicts between the employees of the company_____

2) Cultural conflicts affect the working performance of the employees___

3) The company arranges some meetings for staff with different cultural backgrounds to better communicate with them_____

C) Essay question (Please fulfill them by yourselves)

1) What preventive measures does the company have for the cultural conflicts? (such as to encourage the staff with different cultural backgrounds to

communicate with others)

2) How does the company solve the problem of cultural conflicts? (such as to revise rules and regulations of the company)