

Managerial trust and work values within the context of international joint ventures in China

Karen Yuan Wang^{a,*}, Liz Fulop^{b,1}

^a School of Management, University of Technology, Sydney, City Campus, Haymarket,
PO Box 123 Broadway, NSW 2007, Australia

^b Department of Management, Griffith University, Gold Coast Campus, PMB 50 Gold Coast Mail Centre,
Bundall, Queensland 9726, Australia

Received 14 November 2005; received in revised form 6 November 2006; accepted 7 November 2006

Available online 2 May 2007

Abstract

The paper reports on a study of International Joint Ventures (IJVs) in China and provides empirical evidence on how Chinese managers in IJVs, compared with their State-Owned Enterprise (SOE) counterparts, are responding to their new work environments. Changing work practices, in particular human resource management (HRM), are altering the trust dynamics between managers and their subordinates. Changed trust relations pose problems for many Chinese managers originally from SOEs but now working in IJVs. The study examines how Chinese managers' perceptions of trust in subordinates are being influenced by the work values in IJVs. Key findings of our study suggest that for these managers, trust in subordinates is related to certain beliefs surrounding work values of centralization, formalization and group orientation.

© 2007 Elsevier Inc. All rights reserved.

Keywords: Chinese managers; IJVs; Trust; Subordinates; Work values

1. Introduction

It has been reported that China's joining of the World Trade Organization (WTO) has encouraged Multi-National Enterprises (MNEs) to increasingly opt for wholly owned subsidiaries in response to growing frustrations with joint ventures. Nonetheless, IJVs are still a major form of

* Corresponding author. Tel.: +61 2 9514 3577; fax: +61 2 9553 6219.

E-mail addresses: karen.yuan.wang@uts.edu.au (K.Y. Wang), l.fulop@griffith.edu.au (L. Fulop).

¹ Tel.: +61 7 5552 8544; fax: +61 7 5552 8469.

MNE operation in China (Teng, 2004), and improvements to their overall performance remains a challenge for international partners. Research on IJVs in other transitional economies, such as Russia and Poland, has also noted similar performance related issues (Ayios, 2003). One suggested avenue for performance improvement has focused on how trust can be developed between parties of the host and foreign countries within IJV relationships (Boersma et al., 2003; Mohr and Puck, 2005).

In this paper we shift the focus to a relatively new area of study in IJVs that examines how managers of the host side develop trust in their subordinates in the context of changing work values that are integral to managing performance in IJVs in China. There have been limited studies on both manager and subordinate trust in China and especially in the context of IJVs. Furthermore, previous research on trust has predominantly focused on subordinate trust in managers or leaders (Costigan et al., 2004; Mayer and Gavin, 2005) but not on managers' trust in subordinates.

IJVs provide a unique empirical field in which to study how management attitudes to trust are either reinforced or weakened by certain work values that might be different to those found in SOEs. The nature of managerial problems in many IJVs is shifting from a focus on compliance with external institutional rules to one of managing interpersonal relations to achieve high levels of company performance. HRM practices are coming to the fore, and in response to their new work environments, Chinese managers in IJVs are having to move away from deeply entrenched SOE practices and work values.

In IJVs in China there are usually a limited number of expatriates who take on senior managerial positions, thereby constraining the implementation of the foreign-owned company's managerial policies and practices. Most often it is Chinese managers who handle routine work and have to manage subordinates on a daily basis. These managers are in a unique position because they have to deal with managerial issues reflecting the foreign partner's requirements as well as accommodating concerns of subordinates. In IJVs expatriates work alongside their Chinese counterparts, many of whom are ex-employees of SOEs, which are owned and run by the Chinese Government. Working conditions for SOE managers are largely determined by government and even by the Chinese Communist Party's demands though even these are undergoing change. Over the past 50 years, SOEs have developed their own traditional ways of managing subordinates and welfare benefits and unionism are still prevalent (Chiu, 2006). Compared to their SOE counterparts, IJV managers find themselves in organizations in which work values are driven by performance demands that put strains on them in terms of manager–subordinate relations. It is not surprising that Chinese managers in IJVs are experiencing difficulties adapting to such hybrid work value systems (Hoon-Halbauer, 1999) in which such things as merit-based rewards systems and employee mobility are altering perceptions of trust on all sides.

What is of interest to us is to examine how *Chinese managers, who are predominantly ex-SOE employees and now working in IJVs, perceive trust in subordinates and, which specific work values are most likely to play a part in influencing beliefs about trust.* Therefore, the present study investigates how Chinese managers at different levels within IJVs perceive trust in their subordinates in terms of dependability, predictability and good faith, and the extent to which these beliefs might differ from managers in SOEs. It also focuses on how beliefs about trust are influenced by work values of centralization, formalization and group orientation.

By focusing on managerial trust in subordinates, we contribute to theory building in a growing area of international studies. Although previous studies suggest that particular work values facilitate or inhibit the development of trust (Williams et al., 1966; Whitener et al., 1998; McKnight et al., 1998; Sallee and Flaherty, 2003), many alternative frameworks remain untested

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات