

The Global
Management Challenge

CHINA VS THE WORLD



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Foreword

The Institute of Leadership & Management (ILM) is the UK's premier management organisation. We believe that good leadership and management hold the key to organisational effectiveness and social and economic prosperity.

Reflecting our own international reach and in recognition of increasing economic and social globalisation, a major area of interest for ILM is the extent to which leaders and managers in different countries working in different cultural contexts perform, and the standards by which they judge that performance.

The US is still seen as the pinnacle of best management practice where most modern management thinking currently resides. But will this remain the case as the centre of economic power shifts? China is the world's most populous country and currently exports more IT products and services than the US. We recognise that the Chinese approach to economic success may well require us to revisit some of the American universals in management practice and accept that there is no 'best way'. What is needed is a sea-change in employers' awareness of the challenges facing them and the importance of improving managers' knowledge and skills to meet these increasingly global challenges. The more we understand how these issues will impact, the more successful we will all be in creating value in our own organisations and globally.

ILM accepts its responsibility in helping to make this happen. We will continue to contribute to improving and developing business' understanding of leadership and management practice, working with individuals and organisations to achieve their full potential.



Penny de Valk, Chief Executive
Institute of Leadership & Management
June 2008

Executive summary

The global balance of economic power is shifting. Chinese managers are setting the management agenda for China and are poised to do so for the rest of the world, and managers in Europe and North America would do well to pay attention. Although there was general support from all sample countries for a top ten list of ‘good management characteristics’ (see opposite), this research has identified some significant differences starting to emerge between Chinese and Western managers, and provides some important lessons for us all to learn.

What Western managers need to learn, and learn quickly:

1 Know the competition

Our perception of Chinese managers remains rooted in the past. China is still seen by most managers as a society whose economic strength relies on low costs, long hours and tough management. In fact our research suggests that China is starting to develop a distinctive and highly effective management culture – sophisticated, very commercial, innovative and ambitious. Western economies risk losing out in the same way they did to Japan in the 1970s if we do not take the Chinese management challenge seriously, and react accordingly.

2 Get your priorities right

It is apparent from our research that Western managers do not necessarily practice what they preach. Overwhelmingly they subscribe to a management paradigm that emphasises positive features, such as getting things done, customer focus, good working relationships and communication. However, and very worryingly, the areas the British, French and US managers identified as the most important are not the areas in which they felt they performed most strongly. It seems that we do the less important things well, and the most important things less well.

3 Invest in development

However, despite scoring our management practices the same or lower than the Chinese, we do not identify any clear management weaknesses or development needs. Whereas, despite scoring themselves highly, the Chinese stand out as being modest about their performance, identifying several weaknesses and areas for improvement. The Chinese managers we surveyed came across as well educated and far more ambitious than those in the West – although we seem happy with mediocrity, they are not, and they are doing something about it. In contrast with the Chinese, the UK management population appears under-qualified, under-developed and less interested in improving its knowledge and performance.

4 Get ready for a new style of Chinese management

Chinese management doesn't appear to conform to simple cultural models, and clearly draws from Western – especially US – management theory and practice. However, there are some subtle but significant differences of emphasis and we need to be alert to an emerging Chinese way of managing (just as we had to learn about the Japanese way). We will need to learn from their different perspective and also to understand the potential impact this will have on future economic relationships.

The global top ten characteristics of good managers:

- 1 Determination to get things done, and done right
- 2 Good communication skills
- 3 General knowledge, ability to learn and wisdom
- 4 Takes responsibility for making things happen
- 5 Has a positive and supportive relationship with people
- 6 Management skills, leadership and control
- 7 Customer-focussed
- 8 Knows the business and its products
- 9 Team-working skills
- 10 Good at organising own and others' workloads

Executive summary

Key findings

China

- According to managers from the UK, US and France, managers in China are: hierarchical and authoritarian in style, motivating their employees to work hard, performing tasks on time and on budget.
- They are not: very innovative, caring or concerned with following rules.
- According to managers from China, Chinese managers are: very concerned about following rules and procedures, good at motivating people and focussed on getting the job done.
- They are not: very authoritarian in the way that they manage people.
- According to Chinese managers the top three characteristics of good managers are: knowledge, wisdom and the ability to learn; taking responsibility, team working skills.
- The strengths of Chinese managers include: being customer-focussed; ensuring workplace safety; being honest, ethical, and having strong personal values.
- Chinese managers were far more willing than their Western counterparts to acknowledge management weaknesses; holding back development, communication and teamwork.
- Chinese managers are better educated at first degree level and benefit from significantly more in-house training than their Western peers.

A global perspective

- Taking the responses of the UK, US, France and China together the top three most important managerial attributes or characteristics are: a determination to get things done; good communication skills; general knowledge, and ability to learn and wisdom.
- The least important (in the top ten) are: business knowledge; team working skills; the ability to organise workload.
- French managers give significantly lower scores to their own managers, and managers from the UK, US and China.
- Taking the responses of the UK, US, France and China together the top four attributes the managers actually possess are: very customer-focussed; take decisions; ensure a safe workplace; are good team players. (Note the mismatch with desired attributes.)

An individual country perspective

- Asked what makes a good manager, the UK managers favoured relationships, the French managers action, but neither the UK, US nor French rated knowledge and wisdom very highly.
- UK managers are decisive, fair-minded, relationship and safety conscious individuals, with a focus on customers and teams.
- UK managers are less good at managing relationships, and in particular: helping with people's problems; dealing fairly but firmly with poor performance; and managing individuals well.
- French managers are tough minded team players, good at decision making and communication.
- French managers, like their UK counterparts, are less good at managing relationships, and in particular: helping with people's problems; dealing fairly but firmly with poor performance; and managing individuals well.
- American managers are authoritative, innovative entrepreneurial problem solvers and decision makers.
- American managers are less good at delegating and assigning tasks and motivating people and teams.
- UK, US and French managers are not good at taking advantage of new production and operational systems to gain competitive advantage.
- UK and French managers are not good at ensuring minimal impact on the environment.

Section one: Introduction

Historically, great management practice has been associated with economic success and prosperity. At the heart of America's business boom in the early 1900s were management innovators, like Henry Ford, who pioneered mass production, and Frederick Winslow Taylor, the father of scientific management.

In the 1970s and 1980s the managers of the world looked to the Japanese manufacturing miracle for inspiration. They adopted and adapted the methods of the Toyota Production System and lean manufacturing, for example, developed by Taiichi Ohno, Shigeo Shingo and Eiji Toyoda. Western managers also implemented the Japanese managers' approach to quality which the Japanese in turn had taken from Americans working in Japan, such as W. Edwards Deming, and also Joseph Juran.

However, by the time Western managers had acknowledged the effectiveness of Japanese management techniques, and their own management deficiencies, it was too late to prevent Japanese companies taking a significant market share from businesses in the West.

Today, at the beginning of the 21st century, there is another economic revolution underway. China, once one of the greatest trading nations in the world, has awoken from its slumber and is now the fastest growing economy in the world.

While global growth will slow to 1.8% in 2008, its weakest rate since 2002, according to the Organization for Economic Cooperation and Development, in China the economic growth rate will slow only marginally, from 11.9% in 2007, to 10%.

China is fast improving its competitiveness too. According to the World Economic Forum's Global Competitiveness Report for 2007–2008, China is ranked at #34, up from #54 in the previous year.

At the centre of the Chinese economic miracle are its managers, millions of executives, applying their management skills and knowledge to improve the performance of Chinese businesses.

The ILM research featured in this report explored some fundamentally important questions about management across the globe. It put a range of key questions to managers in four of the world's leading economies – the UK, US, France and China. What makes a great manager? What are managers good and bad at? How well do you understand managers in other countries? How good are your fellow managers? What improvements would make you a better manager?

Unsurprisingly, the research revealed a range of responses, and some interesting insights into the management characteristics and attributes that managers consider essential, and what they are good or bad at. These insights are explored in this report.

However, while it is important to gather the thoughts on management from executives in leading Western economies, and consider the implications of their responses, if history has taught us anything it is this – the responses that managers should pay particular attention to are not those of the Western managers, but instead, those of the Chinese managers soon to be running the world's largest economic superpower.

Section two: What can we learn from China's managers?

There is no question that China is undergoing a remarkable period of economic and social transformation and success. It would be reasonable to speculate that part of China's economic success is related to the characteristics and attributes of its managers. If that is the case, what can the world learn from China's managers? Are managers in China any different to those in Europe or North America, in terms of their knowledge, expertise, management style, or in any other ways?

Published research on Chinese managers is fairly limited. However, part of our research asked practising managers to rate other managers in their own and other countries on six attributes. In doing so the research revealed how managers in China are perceived by managers from the UK, US and France, and whether these perceptions matched the Chinese managers' views of their fellow managers.

These are important findings. If there are disparities between what the West thinks that Chinese managers are good at, what they value, how they operate, and how the Chinese themselves view their managers, it may indicate a fundamental misunderstanding on the part of the West of what is happening in China – of what underpins China's economic miracle. If the West does not “get China”, if it does not understand what drives and motivates China's management, how can it compete with this emerging economic and industrial superpower?

Worse, if these research findings reflect a poor understanding of China's managers on the part of Western management, it is possible that the strategies devised by Western economies to compete with China in the new global economy may be misplaced.

1 How does the world view China's managers?

Despite China's meteoric economic rise over the last decade, despite its rapid transformation from economic backwater to economic powerhouse, the West's perception of Chinese managers seems remarkably rooted in the past (see Table 1 opposite).

According to managers from the UK, US and France, managers in China are hierarchical and authoritarian in style, driving their employees hard to get work done on time and on budget. These findings seem to reflect a view of business in China coloured by the country's communist centralised command and control background; a view of China as a country relying mainly on low costs, long hours, and tough management to create economic value.

Note that China scores less well on characteristics such as innovation, paternalism, and regard for rules and procedures. By placing ethics and governance at the bottom of the list, Western managers surveyed are presumably passing comment on the wider standards of ethics and governance of Chinese business, or at least of China's managers. (Interestingly, “Following procedures or rules” came top or near the top of the responses of France, UK, and the US when assessing their own managers.)

It is also interesting that Western managers do not rate their Chinese counterparts very highly when it comes to innovation. Many Western economies have a competitive strategy that relies on out-innovating China and India. The US and UK, for example, are supposed to excel at innovation, whereas there is a view, reflected in the survey findings, that China and India's economic success is largely founded on low-cost manufacturing rather than innovative practices in management or otherwise.

Table 1: Chinese managers: What the world thinks

Mean of the combined French, UK and US managers' ratings:

where 4=Very typical, 3=Quite typical, 2=Not very typical and 1=Not at all typical

Characteristic	Mean rating
Very authoritarian in the way that they manage people	3.26
Very focussed on getting the job done successfully, on time and on budget	3.11
Very good at motivating people to work hard and perform effectively	2.97
Very innovative, keen to encourage people to try new ways of working	2.76
Very paternalistic towards the people they manage	2.55
Very concerned with following procedures or rules	2.53

Table 2: Chinese managers: What China thinks

Mean of the Chinese ratings

Characteristic	Mean rating
Very concerned with following procedures or rules	3.44
Very good at motivating people to work hard and perform effectively	3.30
Very focussed on getting the job done successfully, on time and on budget	3.25
Very paternalistic towards the people they manage	3.19
Very authoritarian in the way that they manage people	3.16
Very innovative, keen to encourage people to try new ways of working	3.06

2 How do China's managers see themselves?

The managers in China, however, had a markedly different opinion of the relative importance of the six attributes listed (see Table 2 above).

Even if the Chinese were once the managers their counterparts in the West still imagine them to be, it should not be that surprising to find that, like China itself, they have changed.

As far as China's managers are concerned "following rules and procedures" is the most typical attribute among their colleagues, and not the least typical, as Western managers predicted, possibly indicating a different attitude towards ethics and governance than that perceived externally.

An authoritarian approach to management is, however, not something that China's managers rate that highly, placing it towards the bottom of typical attributes, and once again confounding perceptions in the West.

Possibly the two most interesting findings from this section of the research were the views on paternalism and innovation expressed by Chinese managers.

"Paternalistic towards the people they manage", was bottom of the list in every country other than China, where it was third from bottom, and with a higher score than in the other countries. Does this suggest that Chinese managers care more about their employees than Western managers? Given that China's managers scored "authoritarian in the way that they manage people", below "paternalistic", this might be a reasonable interpretation.

Regarding innovation, although Chinese managers placed "Very innovative, keen to encourage people to try new ways of working", as the least typical attribute, they still scored innovation above the UK, France or the US, suggesting that competing with China on innovation may be tougher than Western economies and companies imagine.

Section two: What can we learn from China's managers?

3 China: what makes a good manager?

If managers in the UK, US and France appear to have a poor understanding of what the Chinese believe makes a good manager, then other findings from the research should help understand Chinese managers better.

China's managers have helpfully identified what they consider to be "the most important attributes or characteristics that make a good manager in your type of business".

And to make matters even clearer the Chinese managers have then identified those characteristics of effective management that their national managers perform well, from a choice of 25.

So what are the top five characteristics of good managers according to the Chinese? As it is clear from Figure 1 opposite, knowledge, wisdom and learning, and taking responsibility are of primary importance to Chinese managers.

Wisdom has particular significance for Chinese culture, and society. In the World Expo 2010 held in Shanghai, for example, the theme for China's showcase Pavilion is "Chinese Wisdom during the Process of Urban Development", with wisdom associated with ideas such as "make unremitting efforts for self-improvement", "a gentle man must constantly cultivate virtue in himself to shoulder the world", and "harmony combined with divergence". Interestingly, these concepts of wisdom are reflected elsewhere in the research findings. In the West, however, concepts of wisdom tend to be more focussed on content rather than process.

The third most important characteristic for Chinese managers is the possession of team-working skills. The prominence of team-working may not surprise those aware of China's historical emphasis on community and the collective. What is perhaps surprising, however, in an age where cooperation and collaboration is supposed to provide competitive advantage, not one of the Western nations placed team-working skills in its top five characteristics.

If the top five characteristics offer few surprises to those with some knowledge of Chinese culture and society, casting an eye over the thoughts of Chinese managers on the 25 characteristics of effective management is likely to raise a few eyebrows.

In a country that has been a Communist single party state since 1949 you might not expect managers to give much regard to qualities considered fundamental in a market economy. Yet managers in China list "Very customer-focussed/customer centred" as the characteristic of effective management that Chinese managers were best at (see Figure 2 opposite). Yet another warning for Western business.

Being safety conscious is not something that many people would rate uppermost in the minds of Chinese managers. The research tells a different story, however, as "ensuring a safe workplace" was ranked in second place by the Chinese.

The remainder of the top five ranked characteristics of effective management may also cause some reappraisal in boardrooms across the US and Europe.

China is widely perceived in the West to be a country where sweatshops, the exploitation of workers, counterfeiting of brands, and abuse of human rights are commonplace. But, while it is possible that Chinese managers interpret the meaning of "ethical" differently from managers in the West, they certainly rate it highly as a managerial characteristic. Also, Chinese managers appear to work well with their line managers, not a characteristic that accords well with the notion of a culture widely supposed to embrace hierarchical authoritarian systems.

Finally, and perhaps most surprisingly, the Chinese managers count "Ensures that any impact on the environment is minimal" as something they do well – this in a country where the environmental record is frequently described with adjectives like "terrible" or "disastrous". Maybe the survey findings reflect that Chinese managers are more in tune with concepts of corporate social responsibility than many believe.

The Chinese managers believe that they are less effective at managing people and monitoring processes, but as we will see, because they are very willing to admit and address their shortcomings, these weaknesses may soon become strengths.

4 The thirst for knowledge

Despite China's quick sprint towards economic prosperity Western managers appear complacent in the face of the Chinese onslaught, and less interested in learning about different or new styles of management than their Eastern counterparts.

When the research turned to the subject of managerial weaknesses, for example, there was little sign of the West showing any concern about the state of its own managerial acumen.

Asked about their weaknesses, the managers in the UK, US and France, were hard pressed to find any (see Figure 3 below right). In each nation, over 65% of respondents replied that there were no management weaknesses in the business that they felt could be holding back development. It appears a remarkable, and possibly misplaced, confidence in current managerial capabilities.

Pressed further on the matter, and asked to select a single improvement that they thought would make them a better manager, there was no consensus among UK, US and French managers, with answers fairly evenly spread across a range of choices.

Contrast this with the responses from the Chinese managers. Worryingly for the rest of the world, Chinese managers are modest about how much they already know and have a hunger for learning. It is very likely that they will transform from a nation that follows the trends of other management styles to developing styles and practices that others in turn will follow.

Showing a far greater degree of humility, it seems, a significant proportion of China's managers were willing to acknowledge management weaknesses that were holding them back. Communication and teamwork were identified as problem areas.

Note that it is not an overall confidence problem in managerial abilities that China's managers are expressing. When asked about the abilities of managers in their country, and across a range of characteristics, Chinese managers displayed the same levels of confidence in the competence of their own managers, as the managers in the UK, US and France did (see discussion in Section three).

Figure 1: China: What the Chinese see as the top five characteristics of good managers

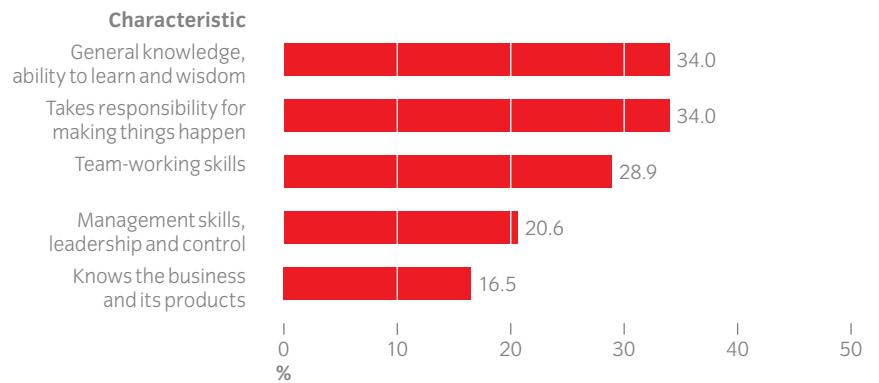


Figure 2: China: What the Chinese identify as their top five and bottom five characteristics of effective management (from a list of 25)

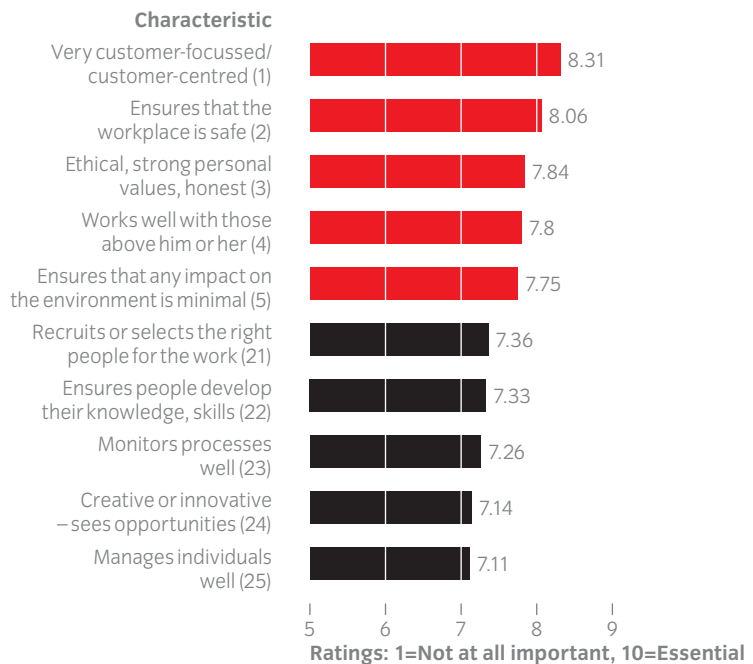
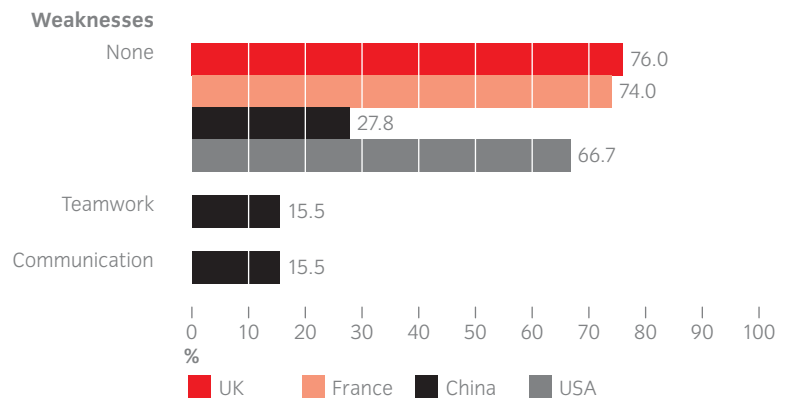


Figure 3: Top five management weaknesses holding back development



Section two: What can we learn from China's managers?

The desire to improve managerial abilities in specific areas was again confirmed when the Chinese managers were asked to select a single improvement that they thought would make them a better manager. A significant proportion of Chinese managers identified better management skills and communication abilities as areas in need of improvement.

And if the West was looking for some comfort in West versus China comparisons on the level of training managers receive, the research shows that they would be disappointed. Not only are Chinese managers better educated to begin with, they then receive more in-house training than their Western counterparts.

The research paints an impressive picture of China's managers as hungry for knowledge and experience, prepared to acknowledge weaknesses and keen to improve in those areas. Even though China's economy is already the fastest-growing in the world and China is well on its way to becoming the leading economic power, China's managers are still searching for ways to become better managers. It is in line with the traditional emphasis on wisdom. Remember those phrases: "make unremitting efforts for self-improvement" and "a gentle man must constantly cultivate virtue in himself to shoulder the world".

In sharp contrast, managers from the UK, the US and France appear arrogant in their unwillingness to acknowledge managerial weaknesses. Managers in the West should know better, because they have already been down this path once before. In the 1950s, in the aftermath of World War II, Japanese managers, with the help of William Edwards Deming and Joseph Juran, began a revolution in quality control. The pioneering management techniques made Japan the greatest manufacturing nation in the world, producing superior products to those in the US and the UK.

But, instead of learning lessons from the Japanese early on, admitting weaknesses and adopting their techniques and competing on level ground, it took an economic crisis and a dramatic slump in the fortunes of US car manufacturers to make managers in the West take notice. While Japan's economy may since have suffered its own problems, the US car companies never regained the dominance they had previously enjoyed.

Faced with a resurgent China and a new generation of powerful, ambitious, driven managers, can the West afford to make the same mistakes all over again?

Section three: A global perspective

1 What makes a good manager?

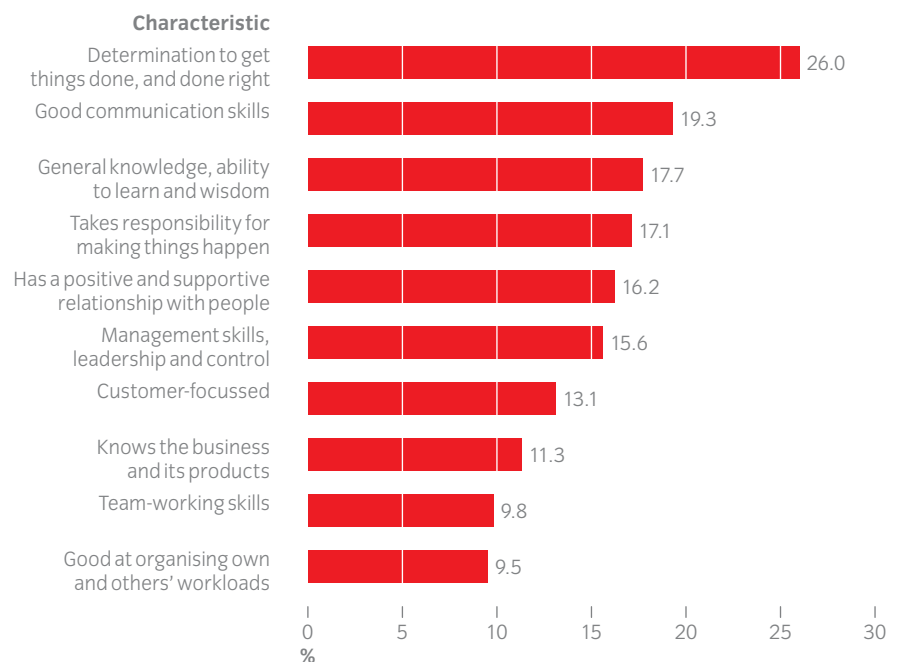
While the responses of the Chinese managers were some of the most eye-catching findings of the survey, as well as revealing how China's approach to management is markedly different from that of the West, the research also collated the responses from managers across the world to determine what attributes or characteristics make "a good manager".

The most interesting aspect of the results may be the differences in approach and values of the countries covered in the survey. It is, however, worth mentioning the collated results highlighted in Figure 4 (which largely reflect the position of Western managers).

The clear winner in terms of what makes a good manager is the "Determination to get things done, and done right". This emphasis on action and practice reflects ILM's own philosophy on management development, a focus on translating theory, knowledge and learning into practice. It is not what you know, after all, but how you use that knowledge, that makes a difference in organisational performance.

The results mirror earlier research findings from a study by AQR and ILM in 2007 in which some 1600 practising managers in the UK were sampled. This research underpinned the ILM72 leadership profile tool and the finding that one of the most significant characteristics of effective leaders, as seen from the perspective of those being led, was the "Determination to deliver". This characteristic was easily the most significant dimension. As the AQR researchers commented, "Delivering what is promised is an over-riding requirement which leads to success and the feeling of success".

Figure 4: Global perspective: the top ten characteristics of good managers



At the same time the emphasis on getting things done also reflects an approach to performance management that rewards action. Unfortunately a lot of action does not necessarily translate into excellent performance, a problem that British managers have been identified as struggling to address.

Also high up on the list of good managerial traits are good communication skills, general knowledge, the ability to learn and wisdom, and also taking responsibility for making things happen.

The high regard for general knowledge, the ability to learn and wisdom, is something that needs to be appreciated. This is all about managers having more than just job skills; there is an expectation that they should be aware of wider issues and able to put what happens at work into a broader context.

Section three: A global perspective

The second most highly rated trait (among Western managers – it was not in China’s top 5) was good communication skills. This is in line with the emphasis on good relationships at work but less so with communicating with customers, as customer-focus comes a lowly seventh out of ten on the list.

2 How do your fellow managers shape up?

As well as asking managers what they thought the most important managerial attributes and characteristics were, they were also asked how they thought their peers shaped up, both in their own country and elsewhere (see Section Four).

The managers were asked about their general impressions of management performance assessed against those characteristics and attributes that they had already identified in the survey as being indicative of good management.

In addition, the managers surveyed were asked to judge the performance of their peers against a set of 25 characteristics of effective management, derived from a range of best practice indicators, which were in turn developed from sources that included the National Occupational Standards, the Council for Excellence in Management, ILM centres and employer organisations.

a How good are the managers in your company or country?

Overall the managers who took part in the research were reasonably satisfied with the standard of managers in their own countries. The differences between the US, UK and China were not statistically significant, with all three countries scoring their own managers at seven out of ten, suggesting they are “OK, but could probably do better”. Notably, however, the acknowledgement by the UK and the US that there was room for improvement was not matched by a willingness to acknowledge either a weakness in any particular area of management, or a desire to improve management performance through learning.

Only the managers in France were more reticent about acknowledging the talents of their fellow managers. The overall score for French managers by French managers was only six out of ten, one whole point lower than their international counterparts – a statistically significant difference.

There are a number of possible explanations for this deviation from the average on the part of the French. It could be, of course, that the French just do not rate their own managers, a judgement which could be well founded or misplaced, although you might imagine that the French would be well placed to make such a judgement. Or the French may be more pessimistic and cynical than the managers in the other countries, and consequently less sanguine about the standard of French management. Or they may be just harder to please.

Either way the French may be being too tough on their compatriots. In the annual Global Competitiveness Index, published by the World Economic Forum, France ranked #18 in both the 2006–7 and 2007–8 rankings. For sophistication of business performance and strategy in the most recent 2007–8 rankings, France ranked #12, one place behind the UK, and well ahead of China.

An alternative explanation might be that French managers are more modest than their US, UK and Chinese counterparts, and less inclined to trumpet the performance and qualities of French managers.

Should the reasons for the marked difference in results be down to the French being more demanding or critical, this may have wider implications. Might this more critical and demanding stance be translated into other aspects of their behaviour, for example? Might French managers demand more of the people they manage, or be more critical of their performance than managers in other countries?

Other research supports this hypothesis, suggesting that French managers (along with those from some other European countries) are more likely to address the poor performance of the people they manage. In contrast, UK managers have been criticised for a tendency to place good relationships with the people they manage above being critical of substandard performance.

In the 2007 LSE/McKinsey & Company report, *Management Practice & Productivity: Why they matter*, the authors note: “While UK firms are among the best in their approaches to attracting and retaining talented people, they do not rank highly in aspects of individual performance management such as the establishment of effective, well structured targets”.*

This might suggest a need for UK managers, at least, to adopt a more self-critical approach, and be prepared to address under-performance in others, something that can be achieved through training and practice.

*Nick Bloom, Stephen Dorgan, John Dowdy and John Van Reenen *Management Practice & Productivity: Why they matter* LSE Centre for Economic Performance and McKinsey & Company July, 2007

Table 3: Global perspective: the top ten areas of management performance amongst peers

Mean of combined Chinese, French, UK and US managers' ratings where 1=Not at all important, 10=Essential

Characteristic	Mean rating
Very customer-focussed/customer-centred	7.89
Takes decisions	7.72
Ensures that the workplace is safe	7.66
Good team player	7.66
Ethical, strong personal values, honest	7.6
Tough-minded, mentally strong	7.58
Good communicator	7.56
Works well with those above him or her	7.47
Good problem-solving skills	7.38
Intellectually rigorous, intelligent	7.38

b The 25 characteristics of effective management

When managers were asked to judge the performance of their peers against a set of 25 characteristics of effective management (see Table 3 above), the results produced a ranking of the top ten characteristics that the managers collectively felt they were strongest in. Theoretically then, this list represents the state of management performance in the world today in four of the world's leading economies, as judged by the managers themselves.

Perhaps the most revealing aspect of this ranking is the disparity between the things that managers are good at, and the attributes and characteristics that managers believe are required to be a good manager.

According to the managers surveyed, managers across the world excel at being customer-focussed (it comes top of the list of things that managers are good at), and yet, according to those same managers, being customer-focussed was only seventh out of ten in terms of desirable traits. Conversely, communication is second on the list of must-have attributes, yet only seventh on the list of things that managers are good at.

Indeed, managers appear to be quite good at performing in areas that they do not, when asked, consider very important in terms of the attributes of a good manager. Managers are, they say, good team players, although this rates second from bottom in terms of what makes a good manager. But managers are not, apparently, so good at problem-solving or especially intellectually rigorous, or intelligent. That is a disappointing finding, when managers cite general knowledge, the ability to learn and wisdom as the third most desirable characteristic of a good manager.

The research findings here give some cause for alarm. First, given the disparity between the managers in China and the West in terms of what is a valuable attribute for a manager, and the disparity in economic performance, the West may be misplaced in their beliefs about what makes a good manager.

Even if managers in the West are right about what makes a good manager, they are falling short in their performance on those very characteristics and attributes. This suggests there is a fundamental need for education and training to close the performance gap, although getting managers in the West to acknowledge this gap may prove challenging.

Section four: At a country level

The global findings provide some interesting insights into what managers in four major economies believe are the defining characteristics of good managers, as well as indicating the progress towards achieving that ideal.

Drill down to the individual country level, however, and some interesting differences emerge (besides those already highlighted with respect to China, in Section two).

At an individual level there are three areas where the research reveals some important insights

- which attributes or characteristics make each country's top five attributes list, and which do not;
- which five characteristics managers think they perform best or worst at; and
- how managers see themselves, and other managers.

1 What makes a good manager?

As discussed in Section two, Chinese managers have significantly different ideas about what constitutes a good manager from managers in the UK, US and France. But there also some differences among the UK, US and France (see Figures 5–8 opposite).

Managers in the UK place almost equal significance on their top five management attributes, and share four of those with the US (see Figures 6 and 8). There appears to be an emphasis on relationships, with communication skills, customer focus, and positive and supportive relationships with people all figuring highly. Knowledge appears less important, as both business and product knowledge, and general knowledge, the ability to learn and wisdom, failed to make it into the UK's top five (they barely featured on the French or American lists either).

French managers placed significant emphasis on having the determination to get things done, and done right, with 43% of French managers selecting this attribute (see Figure 7). The remaining four attributes were fairly evenly weighted, although the French also valued management skills, leadership and control, unlike the UK and US.

Managers in the US also showed fairly equal weighting for their preferences, which reflected those of the UK, although positive and supportive relationships were sacrificed for product knowledge (see Figure 8).

Figure 5: China top five characteristics of good managers

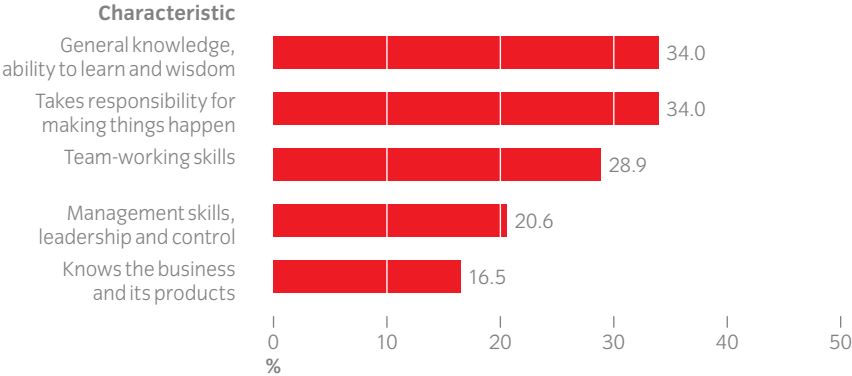


Figure 6: UK top five characteristics of good managers

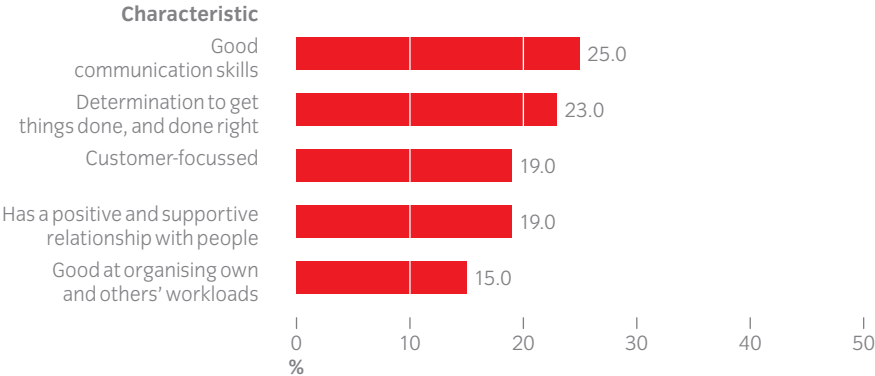


Figure 7: France top five characteristics of good managers

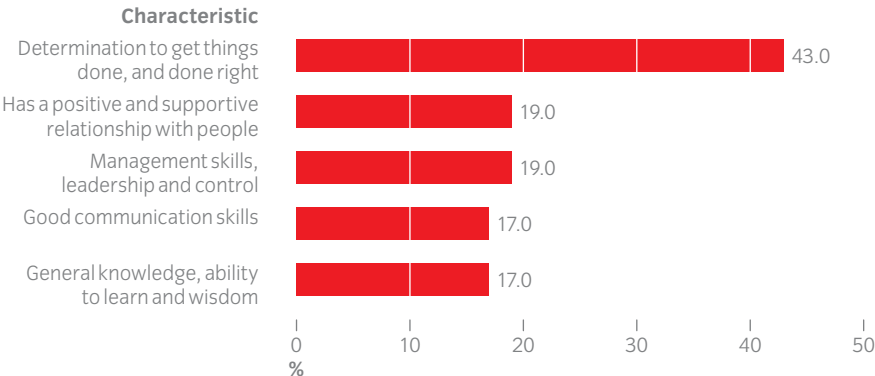
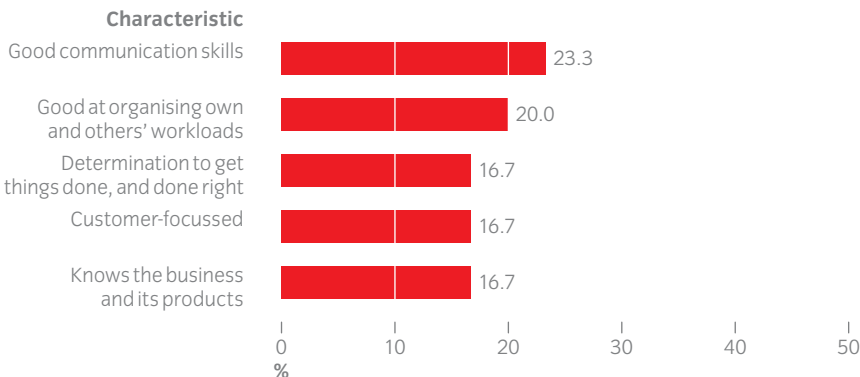


Figure 8: US top five characteristics of good managers



Section four: At a country level

2 Managerial performance: national strengths and weaknesses

By asking managers to judge the performance of their peers against a set of 25 characteristics of effective management, it was possible to determine the top five strengths and weaknesses of each country, according to that country's managers (see Figures 9–11 opposite). (Note that managers were not explicitly being asked to identify their weaknesses here.)

a The UK manager: good at relationships

On the plus side, UK managers are decisive, fair-minded, relationship and safety conscious individuals. A focus on customers is encouraging in a world moving increasingly toward the fulfilment of customers' wants and needs, and even the need to collaborate with customers to co-create and improve products and services. Having managers who are strong team players also emphasises the UK's strength in relationship building.

Ironically, the strengths of UK managers also contribute to their greatest weaknesses. They place considerable importance on their relationships with others, yet find managing those relationships a challenge. Performance management of individuals usually involves highlighting and rewarding good performance, but also identifying and dealing with poor performance.

Three of the bottom five characteristics that UK managers identify are involved with managing relationships, and, in particular: helping with people's problems; dealing fairly but firmly with poor performance; and managing individuals well. These aspects are highly inter-connected. If individuals are to be managed well, then they need support when they are having problems and to be dealt with firmly if they are under-performing.

The weakness of UK managers in using leading edge production or operations, suggests that UK organisations will struggle to compete internationally. We have already witnessed the large-scale movement of manufacturing from the UK to China and other developing countries – this is likely to continue if managers cannot take advantage of new production and operational systems to gain competitive advantage.

With the UK government campaigning for greater environmental responsibility on the part of its citizens, UK managers would also do well to reflect that a company's approach to corporate and social responsibility, including consideration for the environment, is likely to have a greater impact on its competitiveness and profitability in the future.

b French managers: customer-focussed decision-makers

French managers see their strengths as similar to those of UK managers, also identifying customer focus, being a team player, and decision making ability, as positives. Communication and tough mindedness are the remaining two areas where French managers believe that they perform well.

As we have seen already, the French managers have a marked tendency to score themselves and others on the low side. This may tie in with the perception of French managers as tough minded, with a greater willingness to be realistic about the strengths and weaknesses of managers. Although when the French managers were asked to list a single improvement that would make them better managers they proved less responsive than the UK managers.

In terms of top five weaknesses the French managers reported identical attributes to managers in the UK, demonstrating the difficulties inherent in managing people and in particular their poor performance, a skill which can definitely be improved through training.

Worryingly, French managers see themselves as worst at ensuring minimal impact on the environment. As with the UK, this may reflect a lack of knowledge or education about the subject, a lack of concern – or both.

c US managers: entrepreneurial team players

Many of the strengths and weaknesses identified by US managers among their peers will not cause much surprise.

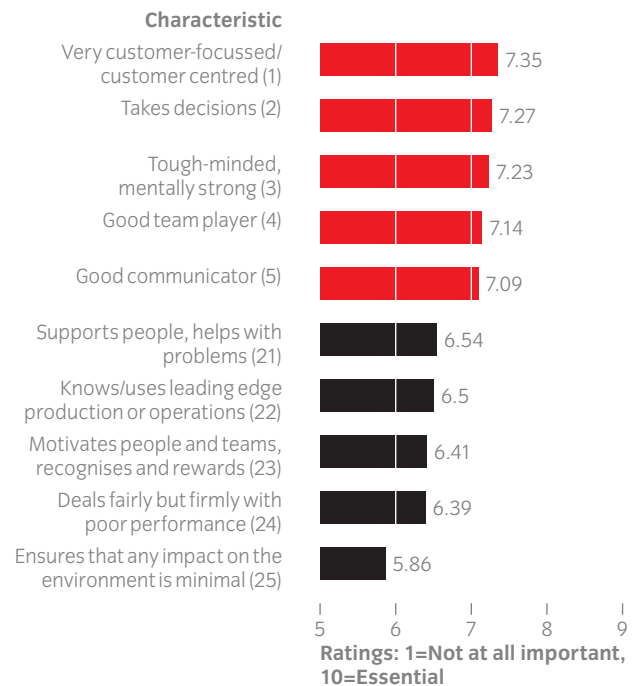
American managers are often associated with a more controlling, authoritative style of management, and this is reflected both in their decision-making strengths and their weaknesses in delegating and assigning tasks and motivating people and teams.

Also, as a nation proud of its entrepreneurial traditions, it is no surprise that US managers see themselves as good at spotting opportunities, and as creative, innovative, problem solvers.

Figure 9: Top and bottom five attributes of UK managers



Figure 10: Top and bottom five attributes of French managers

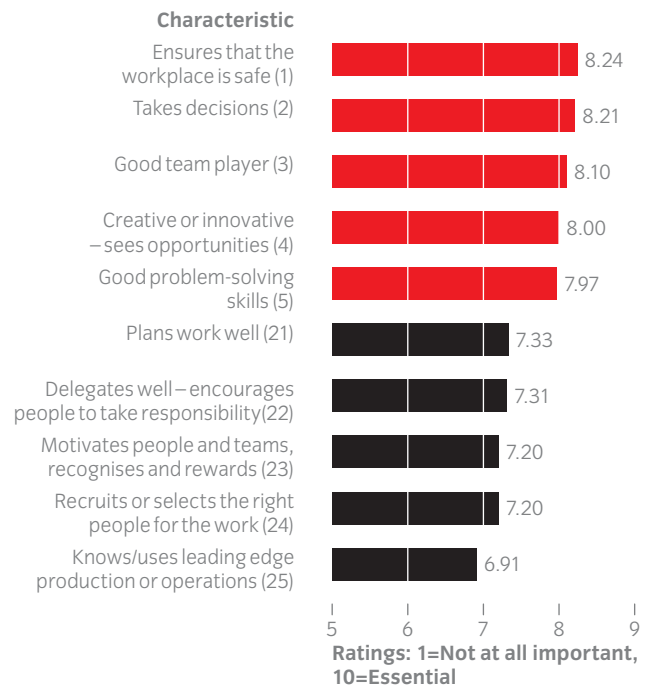


What is a surprise is that ensuring a safe workplace comes at the very top of the list of things that US managers consider themselves good at. Possibly this can be explained by the litigious society that US businesses operate in, but it is doubtful that excelling in this area is likely to improve the competitiveness of US business with respect to India or China.

Looking at the US, UK and France together, one striking common weakness, not shared with China, is the lack of knowledge of, or use of, leading edge production or operations. The knowledge and use of best practice is essential for managers in the West if they are to drive Western based business forward to compete with those businesses in China, India and other nations that are currently making rapid economic progress.

This suggests that a stronger connection is required with the management educators and academics that disseminate cutting edge management thinking.

Figure 11: Top and bottom five attributes of US managers



Section four: At a country level

3 How managers see themselves, and other managers.

Finally, managers rated managers in their own countries and other countries on six attributes, with diverging results, as we have seen in Section two in the case of China.

Whereas everyone else seemed to have an opinion about China's managers, the Chinese managers were not so keen on expressing their views about the managers of the other countries. In fact, fewer than 10% were willing to comment. This may be because they are too polite, or because they do not feel they know enough to volunteer an opinion.

Managers in the US, UK and France were forthcoming with their opinions about their peers in other countries, particularly the French, where between 80 and 90% were willing to volunteer their thoughts.

So, how well do the managers in the UK, US and France understand each other? It is an important question as it may be indicative of how well international managers are able to work together, and equally of how insightful they are about the strengths and weaknesses of others in terms of competing or collaborating with other managers.

Stereotypes can also encourage complacency, mistrust, and even dislike when dealing with other managers, whether within the same organisation or elsewhere, and so needlessly obstruct business performance.

a The UK manager: good at getting the job done, but not very caring?

Managers in the US and France have a good understanding of their UK counterparts, correctly identifying the top three attributes as scored by the UK managers (see Table 4). There was an interesting difference of opinion over innovation, however, with France, China, and the US not rating UK managers' innovative qualities as highly as the UK managers did. For a nation that has identified its competitive advantage as its capacity for innovation, this is a worrying finding, if it is reflection on the innovative capacity of UK business.

b The French manager: caring, but not very innovative?

While the French may not see themselves as authoritarian and paternalistic, the managers from the UK, US and China do (see Table 5). Whether this benevolent paternalism is viewed as a positive or negative attribute it is difficult to tell. The UK and US managers do agree on the French managers' self assessment of being not very strong on innovation (although the Chinese rate them as very innovative).

c The US manager: like the UK manager?

Although managers in France, China, and the UK accurately predicted the US managers' desire to get things done, if not the strength of the importance of this attribute, they appear to have a poor understanding of the other attributes that US managers believe that they are good at (see Table 6).

Table 4: How the rest of the world sees UK managers Vs how UK managers see themselves

Characteristic	UK	Mean ¹
Very concerned with following procedures or rules	3.24	2.86 (2)
Very focussed on getting the job done successfully, on time and on budget	3.15	2.94 (1)
Very good at motivating people to work hard and perform effectively	3.06	2.86 (2)
Very innovative, keen to encourage people to try new ways of working	2.95	2.59 (5)
Very authoritarian in the way that they manage people	2.94	2.71 (4)
Very paternalistic towards the people they manage	2.84	2.45 (6)

¹Mean ratings of Chinese, French and US managers

Table 5: How the rest of the world sees French managers Vs how they see themselves

Characteristic	France	Mean ²
Very focussed on getting the job done successfully, on time and on budget	2.93	3.07 (2)
Very concerned with following procedures or rules	2.78	2.90 (4)
Very good at motivating people to work hard and perform effectively	2.73	2.83 (5)
Very authoritarian in the way that they manage people	2.69	2.97 (3)
Very innovative, keen to encourage people to try new ways of working	2.47	2.79 (6)
Very paternalistic towards the people they manage	2.47	3.10 (1)

²Mean ratings of Chinese, UK and US managers

Table 6: How the rest of the world sees US managers Vs how they see themselves

Characteristic	USA	Mean ³
Very focussed on getting the job done successfully, on time and on budget	3.45	3.06 (1)
Very concerned with following procedures or rules	3.44	2.80 (4)
Very good at motivating people to work hard and perform effectively	3.18	3.02 (2)
Very authoritarian in the way that they manage people	3.17	2.75 (5)
Very innovative, keen to encourage people to try new ways of working	2.93	3.01 (3)
Very paternalistic towards the people they manage	2.82	2.63 (6)

³Mean ratings of Chinese, UK and French managers

Ratings: 4=Very typical, 3=Quite typical, 2=Not very typical, 1=Not at all typical

Numbers in brackets (1) indicate the ranking of that attribute by that country

Section five: Conclusion

The research reveals a number of important findings that will inform the global management debate and could guide the focus of research and investment in management development.

In particular, it highlights some of the challenges that Western managers face in understanding their increasingly successful counterparts in China, who sit squarely at the heart of China's economic revolution.

The messages we receive in the media about business in China often portray China as an authoritarian, sweat shop economy, fond of bending rules, such as those on intellectual property rights, and with scant regard for the environment or concepts such as corporate social responsibility.

The research paints a different and far more sophisticated picture of Chinese managers. China's managers see themselves as having a high regard for rules, customer-focused, and concerned about safety and their impact on the environment. They are ethical, principled, and value team working. Above all they value wisdom and knowledge, and while willing to acknowledge weaknesses, are also determined to correct them.

In short, China's managers are a formidable cadre of executives who are driving China's economy forward, but are deeply misunderstood by managers in the West.

To compete with your competitors, first you have to know your competitors. So one important lesson from this research is that managers in the West need to pay more attention to how and where China's managers excel, and seek to improve their own performance in those areas.

The research also reveals important insights about the qualities that managers regard as important in a good manager, the qualities that managers in different countries actually possess, and the mismatch between the two.

The archetypal ideal manager revealed by the research is, above all, determined to get things done; in addition the perfect manager has good communication skills, good general knowledge, wisdom and the ability to learn, takes responsibility, and enjoys good relationships with others. Less important are business knowledge, customer-focus, or team-working skills.

Unfortunately, by their own admission, few managers live up to this ideal. What managers are good at is teamwork and being customer-focused. What managers are not particularly good at are the more difficult aspects of managing people, such as motivation and managing poor performance, or keeping up with cutting edge thinking and practice, which is a poor reflection of their general knowledge and ability to learn.

This mismatch between ideal and reality is something that managers across the globe must work on. However, they must also regularly re-evaluate and profoundly question the relative importance of those characteristics and attributes that they associate with good management, both in light of changes in the world of work, and with regard to how other successful nations manage, and adapt accordingly.

It is notable, for example, that China, with its emphasis on wisdom, knowledge and learning, has the one group of managers that are confident about their knowledge of, and use of, leading edge production and operations.

This leads neatly to a third insight, namely that there are warning signs that Western managers may be growing complacent in both critical self-appraisal of their competencies, and their approach to management education.

The business world is in a state of constant motion. Management practices change and improve, as do the best managers. Those businesses and managers that are unable or unwilling to change and progress fall by the wayside.

Success breeds complacency, and there are signs in the research that decades of economic success and prosperity have made managers in the West complacent.

Reflection and self-awareness are essential ingredients for managers who want to get better at what they do. Worryingly, over 65% of the managers questioned in the UK, US and France, were unable to identify management weaknesses in the business that they felt could be holding back development. The Chinese, however, were clear about the areas in which they needed to improve.

Add to this the fact that some 60% of Chinese managers surveyed had a degree, compared to no more than 40% in the US (36.7%), UK (21%) or France (25%), and around 70% of Chinese managers get in-house training programmes, compared to less than 55% in the US (53.3%), UK (45%) and France (21%), and the scale of the challenge becomes apparent.

The global balance of economic power is shifting. Chinese managers are setting the management agenda for both China and the rest of the world, and managers in the UK, US and France would do well to pay attention.

For UK managers, it is essential that they acknowledge their own weaknesses and improve upon them, as well as understanding the strengths and weaknesses of managers from other countries.

Perhaps the most important message to draw from this research is how highly Chinese managers value general knowledge, the ability to learn, and wisdom, or as the Chinese managers might say: “make unremitting efforts for self-improvement.”

Methodology

The survey was undertaken on ILM's behalf by MSS Research during May 2008, using telephone interviews conducted by native language speakers in each of the four countries. French and Chinese responses were then translated into English for analysis.

Table 7: Country cluster sample

China		France		UK		USA	
City	Sample	City	Sample	City	Sample	City	Sample
Beijing	19	Lyon	20	London	23	Boston	6
Nanchang	44	Marseille	26	Edinburgh	27	Miami	7
Shanghai	17	Nantes	28	Cardiff	26	New York	12
Hong Kong	17	Toulouse	26	Belfast	24	Philadelphia	5
Total	97	Total	100	Total	100	Total	30

Table 8: Respondents' employer profile

	Domestically owned	Under 25 employees	Only operates domestically
China	73%	34%	90%
France	100%	88%	77%
UK	95%	89%	66%
USA	97%	63%	77%

A two-stage sampling method was used, the first stage being a cluster sample drawn from four major cities in each country (see Table 7), with the goal of drawing approximately 25% of the country sample from each city. The final split was driven by the response rate in each area.

A purposive sample of respondents was then identified using purchased lists of operational managers working in private sector organisations; managers in public sector organisations were specifically excluded from the sample. Operational managers were defined as first line managers or above, but below board or senior executive level, with general managerial or supervisory responsibility (as opposed to having specific functional responsibilities in areas like HR or training).

Because there was no intention of analysing sub-sets of the national sample, no formal quotas were set for other characteristics, but the sample was drawn to try to ensure that the employing organisations were mainly domestically owned, contained a mix of large and small organisations, and of organisations operating primarily in domestic markets and those with a more international focus (see Table 8). Data on the industrial sector in which the organisations operated were collected but only to ensure that the respondent fitted the sample frame. In practice, the Chinese sample contained the largest proportion of foreign-owned and domestically-focused organisations, and also contained more larger organisations than in the other three countries.

The interviews took approximately 20 minutes to complete; all respondents were told that the research was being undertaken on behalf of ILM and that the results would be available publicly on the ILM website, but that no information about individual respondents or their organisations would be made available to ILM.

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