Study on the Influence of Power Distance on Leadership Behavior

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Abstract. With the development of social politics, economy and culture, great changes have taken place in China's cultural tradition, social system, market economy, education and information dissemination. Subsequently, it has led to a decrease in the power distance of Chinese society. However, there is no corresponding change in the leadership behavior of the enterprise, so the inconsistency of power understanding leads to an increase in the turnover rate of the core employees in the enterprise. In view of this, in order to cope with changes in the decrease of power distance, the leadership style should be changed from the autocratic leadership to the transformational leadership under the guidance of the contingency theory.

Introduction

Power is the basis of the normal operation of the organization, the guarantee of effective management, and the basis for the managers to influence employees and guide them to achieve the organizational goals together. The individual's acceptability and expectation of the unequal distribution of power largely determine the behavior and performance of the individual in the relationship of power. The managers in the organization cannot decide their own management style at random, and they must consider the employee's choice of the value of power - the power distance.

According to the study of Hofstede (1980), China is a country with high power distance index. However, from 1980 to 2017, with the development of globalization, the enhancement of comprehensive national strength, the change of labor structure and the improvement of people's education level, the distance of power has correspondingly changed, and people's value system and behavior have been changed quietly. People no longer admire and respect power too much. They tend to be more equal and independent in their hearts. Moreover, people dare to challenge authority and despise authority in behavior, which results in a decreasing trend of power distance in Chinese society. China is experiencing significant changes in values, and the difference in power distance is particularly evident among employees, that is, the core employees in the enterprise are eager for a more equitable distribution of power, a more autonomous working environment and a wider participation in decision making. However,
there is no corresponding change in the leadership behavior of the enterprise, and the mismatch between this kind of leadership and the power distance makes our country pay a heavy price at the enterprise level: First, the cognitive bias of power distance increases the loss rate of the employees, especially the top core employees. The loss of senior executives is a very common phenomenon in Chinese enterprises (especially in private enterprises). In addition to the reasons for salary, a very important reason is the identification of power. Leaders adopt a high power distance model, all things are decided by themselves, and the lower level uses a low power distance model, which requires authorized management and participation in decision-making. When the deviation between the two is too large and the way of decision-making still does not change, the resignation of the subordinates is the only choice. Therefore, an urgent problem to be solved is how to guide the managers to change from the autocratic leadership to the transformational leadership and reduce the turnover rate of the core employees.

Literature Review

The Concept of the Power Distance

In 1980, Hofstede investigated the work value of 117,000 employees from 66 countries in IBM, and wrote the book "Culture's Consequences" based on this. In the book, Hofstede put forward the concept of Culture Dimension. Based on the empirical data, he summarized the culture into five different dimensions: power distance, uncertainty avoidance, long-term/short-term orientation, individualism / collectivism and masculism/feminism. This theory is widely cited by scholars in cross-cultural research. In this study, Hofstede investigated the IBM employees in 50 countries and 3 transnational regions in the same position, and used the statistical analysis to get the power distance index to measure the cultural differences of different countries. According to the size of the power distance, Hofstede divided it into high power distance (HPD) and low power distance (LPD).

Hofstede's theory soon became the main document of cultural research. His works were also translated into many languages and had a great influence in the world. Hofstede defined "power distance" from the perspective of a person with lower power in the organization. In his view, "power distance" refers to the acceptability and expectation of the distribution of power in a country's social groups or organizations (such as a family) with less power. It can reflect the values of the weak members and the strong members of the society. The society of high power distance is considered that power is the foundation of society; the owner of power is privileged, and he should be as powerful as possible. The change of social system can be achieved through the recall of powerful people. Strong members and disadvantaged members are essentially conflicting, and the disadvantaged members are not trusted and hard to cooperate with each other. The society of low power distance is believed that all people are independent and have the same power. The difference in grade is only the difference in function, and the lower rank regards the superior as the person who is the same as himself. The change of social system can be realized by redistributing power; people at different levels seldom feel threatened and try to believe others; strong members and disadvantaged members are basically harmonious, and the cooperation among disadvantaged members is stable. According to HOFSTEDE's research, India and Singapore and other East Asian cultures belong to the high power distance culture, while the European, American, British and Danish cultures belong to the low power distance culture. In a high power distance culture, the
members of the organization are easily accepted and tolerated for the unfair distribution of dictatorship, power and wealth, so it is easy to form a hierarchical and centralized organizational structure. In the low power distance culture, the members of the organization advocate fairness and democracy and attach importance to experts or legitimate power, so their organizational structure is generally flat.

Table 1. The power distance of some countries and regions in the world.

<table>
<thead>
<tr>
<th>Country or Region</th>
<th>Power distance</th>
<th>Country or Region</th>
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<tbody>
<tr>
<td>China</td>
<td>80</td>
<td>Bangladesh</td>
<td>80</td>
</tr>
<tr>
<td>U.S.A</td>
<td>40</td>
<td>Hong Kong, China</td>
<td>68</td>
</tr>
<tr>
<td>Japan</td>
<td>54</td>
<td>Taiwan, China</td>
<td>58</td>
</tr>
<tr>
<td>Switzerland</td>
<td>34</td>
<td>Britain</td>
<td>35</td>
</tr>
<tr>
<td>Russia</td>
<td>93</td>
<td>Finland</td>
<td>33</td>
</tr>
<tr>
<td>India</td>
<td>77</td>
<td>Western Africa</td>
<td>77</td>
</tr>
<tr>
<td>Brazil</td>
<td>69</td>
<td>Indonesia</td>
<td>78</td>
</tr>
</tbody>
</table>

Factors Affecting the Power Distance

Social Factors. Most of the previous studies on the distance of power are mainly discussed from the macro social factors. Hofstede (2011) found that countries with high power distance often allow only one party to govern, even if there are many political parties, it is always the same party to gain power. The governments of countries with low power distance are often pluralistic, and the power of power is transferred from one political party or a political alliance to another party or alliance. In addition, Hofstede pointed out that population size is the influencing factor of power distance. In a large population country, people have to accept a more distant and unapproachable political power. According to Hofstede (1984), power distance is deeply rooted in the social culture, so individualism and collectivism culture have a significant impact on power distance. The developed countries generally belong to the low power distance culture, while the developing countries belong to the high power distance culture. Therefore, the degree of economic development may have an important impact on the distance of power. The more developed the economy is, the more frequent the exchange of resources and information, the society will gradually move from closed to open, and the power distance will decrease. Furthermore, the degree of educational development has an important influence on the distance of power. The higher the level of educational development in a country, the more equal people's ideas are, the more democratic the politics is, the more convenient and smooth the circulation of resources and information is, and the lower the sense of power.
distance. However, in a country with a lower education level, information communication is relatively closed. The people in the location of the information flow nodes are in a dominant position, which will widen the sense of power distance in the society (Liao Jianqiao et al. 2010).

**Individual Factors.** The individual influence factors of the power distance include the individual's position, educational background and salary level, which will affect the individual's power distance guidance. According to Hofstede (2001), the employees with the lowest position and academic qualifications (such as unskilled workers and semi skilled workers) have the highest sense of power distance, while employees with the highest positions and academic qualifications (such as engineers and managers) have the lowest sense of power distance. Employees with lower position and academic qualifications may be unconfident of their abilities and they are more likely to obey the power, so they have a higher sense of power distance.

**The Influence of the Power Distance on Leadership Behavior**

**The Influence of Leadership on the Exercise of Rights**

The power distance involves the understanding of the unequal power of society and individuals (mainly subordinates), especially the degree of acceptance by subordinates to the exercise of power. One of the representative figures of the classical theory of organizational theory, Barnard, once pointed out that power is an identity from the lower level to a large extent. The power distance actually describes the degree of approval of the lower level to the exercise of the superior power. Naturally, in countries and organizations with greater power, leaders are more interested in exercising formal and autocratic power.

**Influence on Decision Making**

In high power distance organizations, subordinates rarely seek advice from superiors when they make decisions, and their subordinates rarely publish their views to challenge the authority of their superior. Managers with high power distance feel that employees are very one-sided about organizational problems and employees are not worthy of trust, while subordinates with high power distance prefer to make decisions by their superiors. They expect their superiors to tell themselves what they want to do directly so that they do not have to take responsibility for the job afterwards (Erez, 1994). The consistency between managers and employees' ideas ensures that top managers make organizational decisions very quickly. Besides, in organizations with high power distance, the subordinates' emphasis on the execution of orders is beneficial to the decision-making of the organization, while in organizations with low power distance, subordinates may be opposed to decision making because their superiors do not ask for their opinions. In organizations with high power distance, managers are not willing to fully absorb the pluralistic views of their subordinates, so the effectiveness of decision-making is not high (Khatri, 2009).

**The Influence of the Leadership on the Way of Conflict**

In any enterprise, conflict is inevitable. The methods of resolving conflicts can be summed up in 5 categories: coercion, concession, avoidance, negotiation and finding a win-win solution. Among them, negotiation and finding a win-win solution are constructive and recommendable methods.
According to the research, the greater the organizational power is, the smaller the possibility of a leader's use of constructive methods to solve the conflict. That is to say, the possibility of using coercive methods to solve conflicts is greater.

The Influence on the Operation of the Organization

The Influence on the Way of Communication in the Organization. Power distance will influence the way of communication. Kim (1999) found that the communication between higher and lower levels follows a strict vertical model in organizations with high power distance, formal communication is conveyed from high-level to grass-roots level in accordance with established communication channels, and there are few communication feedback from the grass-roots employees. In organizations with low power distance, the grass-roots employees have more feedback on the communication of senior managers. Hofstede (2001) pointed out that there is a lack of cross level informal communication in organizations with high power distance.

The Influence on Organizational Performance. Power distance has a clear and direct influence on organizational performance. High power distance can produce high organizational performance or low organizational performance. In the same way, low power distance may produce high organizational performance or low organizational performance. The key problem is not the size of the power distance, but the matching of the leader's way of leadership and the distance of power. If the leadership behavior is matched with the power distance, the organizational performance is high; if the leadership behavior is not matched with the power distance, the organizational performance is low. According the research, the power distance plays a moderating role between employees' sense of injustice and organizational performance, that is, if employees feel unfair, but they accept the fact that they are not equal in power, the impact of this sense of inequality on organizational performance will be smaller.

Contingency Theories of Leadership

The Basic Point of View of the Contingency Theory

Contingency theories of leadership are a branch of the contingency theory. Its direct theoretical model and analytical means are derived from the system-management school and the experience-management school. The main points of view are: The enterprise is a subsystem of the society, and the society is in the constant change movement. Enterprise leaders must take different management methods according to the changes and specific activities of the various elements of the organization. Frankly speaking, this theory holds that leadership effectiveness is a specific management effect based on the functional relationship between leaders, followers and environment. Leaders of enterprises should choose appropriate leadership method and leadership style according to different management environment, so as to achieve the best leadership effectiveness. In order to achieve the ideal leadership effectiveness, a certain way of leadership must be matched with the specific leadership situation.

Application and Development of Contingency Theory in Practical Management

The practical application of the theory of change in management began in 1960s, when the theoretical system of contingency was initially established. Its emergence and development reflect
the needs of actual management activities under certain times. It is not difficult to find that in the process of the development of the contingency theory, its theoretical origin comes from two schools, that is, the system-management school and the experience-management school. The system-management school provides direct theoretical tools and analytical tools for it, while the experience-management school pays attention to the study of different management experience under specific circumstances and conditions. In any case, the two schools fundamentally negate the existence of "universal proper management methods", because the ideological connotation of the view of contingency is "change by time and change with change". The core of contingency theory is that there is no invariable best management mode in the world. A brilliant leader should be a person who is good at dealing with change, that is, to change his style of leadership in a timely manner according to the different environment. Contingency theory tells managers that they should constantly adjust their mindset and behavior to adapt themselves to environmental changes, or to put them in a favorable environment. Up to now, more and more leaders have applied contingency theory to the daily operation and management activities so as to continuously improve the efficiency and leadership influence of enterprises.

**Fred Fiedler Model**

The first person to make a theoretical evaluation of the contingency theory is the psychologist F. Fiedler. In 1962, he proposed the "contingency model of leadership effeteness", that is the Fred Fiedler Model. According to this model, effective group performance depends on the rational matching of the following two factors: First, the style of a leader interacting with the followers; second, the degree of control and influence of the situation on the leader. In his opinion, a person's basic leadership style is the key factor in the success of the leadership.

Fred Fiedler Model evaluates the situation based on these three variables: leaders--- good or bad member relationship; high or low task structures; strong or weak position power.
The Current Situation of Core Employee Turnover under the Influence of Power Distance

Core employees are not only the soul and backbone of enterprises, but also the main contention objects in the talent market, so they have more opportunities and more possibilities for "job-hopping". At present, due to the different definitions of the core employees of each enterprise, it is difficult to investigate the turnover of the core employees. However, according to a survey of top executives by BiMBA and an American company in 2004, 53% of respondents said they would probably leave the company in the next two years, of which 66% of the company's department managers or directors at the district level may leave the company. Among the subjects, the chairman accounted for 9%, the president accounted for 19%, the vice president accounted for 21%, and the department managers accounted for 42%. According to the results of the above survey, it is not difficult to see that the loss of core employees is becoming more and more with the increasingly fierce competition among enterprises.

The loss of core employees often causes inestimable losses to enterprises. However, in fact, it's more serious than that. In addition to their own departure, core employees also often take away other core forces. In the survey of 5,000 employees who at least one job-hopping experience in foreign companies, China International Intellectech Corporation found that more than 10% of them were the collective job hopping.

Since the general manager years start computer companies led collective 30 key employees away due to the internal conflict of leadership, the collective job-hopping of the core employees in our country is constantly on the stage. In 1999, 4 vice-general managers of sales and part of employees of Beijing Modern City Real Estate Company were "dug out" by other people with a one-time cost of 180,000 Yuan to 250,000 Yuan. The incident was rated as one of the ten major news reports of Chinese business circles in 1999, and its impact was very large. Beijing Modern City Real Estate Company nearly collapsed because of this. In 2000, Lu Qianghua, Marketing General Manager of SKYWORTH made a job-hopping with other employees to “Gaoluhua”, which triggered a public relations crisis and the internal "personnel earthquake” in SKYWORTH.

The collective "job-hopping" of the core employees of the enterprise emerge in an endless stream.

After the deputy general of Nanjiren Hong Yiqing served as the president and general manager of Shanghai Bosideng, he quickly gathered an elite management team of more than 20 senior employees in Nanjiren who took charge of products, production and sales.

Hao Yi, the sales manager of Tongfang, and the other regional managers with the sales performance of the top three made a job-hopping collectively to the Great wall Computer.

Xinnet’s general manager Wei Ting, the vice-general managers of sales Wang Geyan and the head of sales in North China region led the development department, the technology department, the operation and maintenance department and the marketing team to leave the original company and formally established a new company named "Topbiz".

When Jiang Xingzhou, the former general manager of Jianlibao, left the company, many of the sales managers he brought left the company together with him.
After Qin Gang, the marketing director of the Pacific Computer Network left the company, other employees such as Yan Feng all made a job-hopping to WWW.IT.com.cn.

Fundamentally, a large part of the internal cause of corporate core employees' turnover comes from the supervisor problem. "Supervisor problem" is a comprehensive appellation of employee turnover due to factors such as leadership, management style, personality characteristics, corporate responsibility and subordinate relationship. According to a US research report, if employees initially submitted their resignation to the company on the grounds of compensation, the leading reason for compensation would often give up in a month after employees leave the company, and the most frequent reason is the dissatisfaction with the supervisor. Marcus Buckingham, the senior vice president of Gallup, has investigated about 2 million employees in 700 companies in the world for years on the topic of "a working environment that can attract employees". He found that the biggest factor that determines employees' stay is their direct supervisor. He wrote in his article of First, Break All The Rules—What the World’s Greatest Managers Do Differently, "people leave managers, not companies."

The "supervisor problem" that affects employees' turnover is that the leadership style and management style of executives with high power distance cannot be accepted by some subordinates. Supervisors not only lack support and help to the work and difficulties of their subordinates, but also lack the necessary understanding of their subordinates. Supervisors lack a good foundation for lateral cooperation, which leads to the lack of support and help from colleagues in other departments. Supervisors blockade the subordinates with the necessary information, and take the information as their own authority to seek psychological averages, thus losing the trust of their subordinates.

Conclusions

To sum up, with the development of society, politics, economy and culture, great changes have taken place in China's cultural tradition, social system, market economy development, education level and information dissemination direction, resulting in a decreasing trend of social power distance. Therefore, this compels leadership behavior to shift from the autocratic leader with a high power distance to a transformational leader with a low power distance. In order to cope with the changes in the decrease of power distance, under the guidance of the contingency theory, all kinds of organizations in our country should follow the following strategies:

Democratic Decision-making

For employees with high power distance, managers should not only let them to participate in decision-making, but also pay attention to the opinions of the employees in the management decisions, especially in the decisions related to the employees. In daily work, managers do not need to give detailed guidance, but they can specify goals and directions, and the specific execution process allows employees to have more autonomy, because this is conducive to the autonomy of the employees. In particular, the level of staff education has been improved, and the knowledge level and decision-making ability of employees in the organization have been greatly improved. If
employees have more decision-making power, managers can make full use of their knowledge ability and the diversity and innovation of their views.

**Try to Avoid the Use of Mandatory Methods to Resolve Conflicts**

At present, China is in a period of violent social change, and various social contradictions and conflicts are constantly breaking out. In the past, we adopted a mandatory way to solve all kinds of conflicts in the transformation period with good effect. That's because the power distance in Chinese society is still large, and people's willingness to obey the power is strong. Now the social power distance has become smaller, and if we continue to take a mandatory approach, it may not be able to achieve the desired results and even cause unnecessary conflicts. In this case, it is necessary to find a win-win solution through negotiation and communication based on laws.

** Appropriately Delegate Powers to Lower Levels and Realize the Combination of Decentralization and Centralization**

Instead of asking follow their own opinions, modern managers should encourage employees to put forward constructive opinions and different opinions. At the same time, they should appropriately delegate powers to lower levels to let the employees have the opportunity to undertake more tasks and responsibilities. With the improvement of employees' knowledge and work ability, the realization of self value is accompanied. Therefore, employees in modern organizations are more likely to have the opportunity to accomplish more jobs and more challenging tasks. Moreover, they are willing to take responsibility for it.

It is a good way to change the leadership situation to suit the leaders of different styles in situations where leaders can't change. The Chinese society is now in a period of intense change of power understanding and power transfer. Power is the foundation of leadership. We should use our power rationally for leaders. We also believe that we can create a leadership situation suitable for leadership style through the above three changes.

**References**


