

The influence of guanxi and trust on delegation and work attitudes in Singapore.

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Declaration

“This work contains no material which has been accepted for the award of any other degree or diploma in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text.

I hereby certify that the work embodied in this Thesis is the result of original research, the greater part of which was completed subsequent to admission to candidature for the degree.”

Signed: _____

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Date: 10th April 2013

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Table of contents

Declaration	i
Acknowledgments	ii
Table of contents.....	iii
List of figures	vii
List of tables	vii
Abstract	viii
1 Research overview	9
1.1 Introduction	9
1.2 Research background and problem statement	10
1.2.1 Guanxi	10
1.2.2 Trust	11
1.2.3 Why are guanxi and trust important in Singapore?.....	12
1.2.4 Delegation.....	14
1.3 Research objectives.....	15
1.4 Theoretical and practical implications	15
1.5 Outline of the research	16
2 Literature review.....	18
2.1 Guanxi.....	18
2.1.1 Background to guanxi	18
2.1.2 Definition and characteristics of guanxi.....	19
2.1.3 Review of existing literature on guanxi	22
2.2 Trust in followers' integrity and work competencies	26
2.2.1 Background of trust.....	26
2.2.2 Definitions of trust	27
2.2.3 Review of existing literature on trust	29
2.3 Delegation	31
2.3.1 Review of existing literature on delegation	31
2.4 Job satisfaction	34
2.4.1 Review of existing literature on job satisfaction	34
2.5 Work commitment	36
2.5.1 Review of existing literature on work commitment.....	36

2.6	Chapter conclusion	37
3	Conceptual model and hypotheses.....	38
3.1	Conceptual model overview	38
3.2	Hypotheses development	40
3.2.1	Guanxi and delegation.....	40
3.2.2	Trust and delegation.....	42
3.2.3	Delegation influences job satisfaction and work commitment.....	45
3.2.4	The mediating effect of delegation on guanxi and trust and changes in followers' work attitudes.....	46
3.2.5	Relationship between guanxi and trust, induced delegation, job satisfaction and work commitment	48
3.3	Chapter conclusion	50
4	Research methodology and design.....	51
4.1	Introduction	51
4.2	Research design	51
4.3	Methodology	51
4.4	Sample.....	52
4.5	Procedure.....	53
4.6	Data storage and security	54
4.7	Survey instruments	55
4.8	Measurement of variables	56
4.8.1	Instruments adopted to measure the independent variables of guanxi and trust	56
4.8.2	Instruments adopted to measure the mediating variable of delegation ...	58
4.8.3	Instruments adopted to measure the resulting outcomes of work commitment	58
4.8.4	Instruments adopted to measure the resulting outcomes of job satisfaction	59
4.8.5	Instrument adopted to measure the control variable of leader and follower population or size in the company	60
4.9	Data analysis.....	60
4.9.1	Preparation of data collected for analysis.....	61
4.9.2	Descriptive statistics.....	61
4.9.3	Validity and reliability.....	61

4.10	Hypotheses testing	63
4.11	Ethical implications	65
4.12	Chapter conclusion	66
5	Data analyses and findings	67
5.1	Data collection.....	67
5.2	Descriptive statistics	67
5.2.1	Descriptive statistics of the respondents	67
5.2.2	Descriptive statistics of independent variables	69
5.2.3	Descriptive statistics of mediator and dependent variables.....	69
5.3	Validity and reliability analysis of data	70
5.3.1	Validity of the data.....	70
5.4	Exploratory factor analysis results.....	72
5.4.1	Guanxi	72
5.4.2	Leader's trust in followers' work competencies and integrity	73
5.4.3	Leader's delegation.....	74
5.4.4	Work commitment	76
5.4.5	Job satisfaction.....	77
5.4.6	Internal reliability of the measures.....	78
5.5	Inferential statistical analysis	79
5.5.1	Linearity relationship between all variables	79
5.5.2	Correlations of study variables	80
5.5.3	Antecedents of delegation	83
5.5.4	Outcomes of delegation.....	86
5.5.5	Mediating effects of delegation	88
5.6	Summary	92
5.7	Chapter conclusion	92
6	Discussion and recommendations.....	93
6.1	Introduction	93
6.2	Direct influence of guanxi and trust on delegation.....	94
6.3	Direct influence of delegation on job satisfaction and work commitment	95
6.4	Influence of delegation as the mediator that connects guanxi and trust to changes in work attitudes	95
6.5	Implications for theory.....	97

6.5.1	Guanxi and trust as antecedents of leadership	97
6.5.2	Delegation as a mediator of guanxi and trust	98
6.5.3	Guanxi and trust induced delegation improves followers' work attitudes.....	99
6.5.4	Application of findings to other multi-cultural contexts	99
6.6	Managerial Implications	99
6.6.1	Guanxi and trust enhance effective delegation	99
6.6.2	Complementary eastern and western management styles	100
6.6.3	Awareness of followers' expectations.....	100
6.7	Practical significance	101
6.7.1	Importance of delegation	101
6.7.2	Improved understanding on what influences the degree of delegation .	101
6.7.3	Fostering quality guanxi and trust at the work place	102
6.7.4	Key staff retention.....	102
6.8	Limitations and suggestions for future research.....	102
6.9	Conclusion.....	105
7	References	105
8	Appendices	128
8.1	Survey Questionnaires	128
8.1.1	Questionnaire 1	129
8.1.2	Questionnaire 2	131
8.2	Letter from Omega Recycling Limited.....	135
8.3	Participant Information Statement	136

List of figures

Figure 1: Guanxi net of Mr X (the leader)	23
Figure 2: Summary model of hypothesized relationships	38
Figure 3: Scatter plots of mediating and dependent variables against independent variables	81

List of tables

Table 1: A process model of guanxi development	20
Table 2: Frequency distribution and descriptive statistics of the respondents	68
Table 3: Descriptive statistics of independent variables.....	69
Table 4: Descriptive statistics of mediator and dependent variables.....	70
Table 5: Exploratory factor analysis on guanxi	72
Table 6: KMO and Bartlett's Test on guanxi	73
Table 7: Exploratory factor analysis on leader's trust in followers' work competencies and integrity.....	73
Table 8: KMO and Bartlett's Test on leader's trust in followers' work competencies	74
Table 9: Exploratory factor analysis on leader's delegation	75
Table 10: KMO and Bartlett's Test on leader's delegation	75
Table 11: Exploratory factor analysis on work commitment	76
Table 12: KMO and Bartlett's Test on work commitment	77
Table 13: Exploratory factor analysis on job satisfaction.....	77
Table 14: KMO and Bartlett's Test on job satisfaction.....	78
Table 15: Cronbach's coefficient alphas of measured variables	79
Table 16: Means, standard deviations, reliabilities, and correlations among variables.....	82
Table 17: Hierarchical regression analysis for the direct effect of guanxi on leader's delegation.....	84
Table 18: Hierarchical regression analysis for the direct effect of leader's trust in followers' work competencies and integrity on leader's delegation	85
Table 19: Hierarchical regression analysis for the direct effect of leader's delegation on job satisfaction and work commitment	87
Table 20: Hierarchical regression analysis for leader's delegation as mediator of guanxi effects on job satisfaction and work commitment	90
Table 21: Hierarchical regression analysis for leader's delegation as mediator of the effect of leader's trust on job satisfaction and work commitment	91

Abstract

This thesis aims to investigate the relationship between guanxi, trust, job satisfaction and work commitment in Singapore organisations. We adopted a model which shows how decisions are shaped by human background, self-perception, interpersonal relationships, needs beliefs and trust. The model identifies guanxi and trust as the independent variables influencing delegation (the mediator), which indirectly affects job satisfaction and work commitment (outcomes). We tested this model with data collected from a sample size of 380 participants, comprising 103 sets or pairs of matched team leaders (senior engineers-mentors) to junior engineers (followers), from a major water recycling research and development (R&D) company based in Singapore. Regression results showed that there is a positive relationship between guanxi and trust on the degree of delegation exercised by leaders. In addition, the predictive influence of guanxi and trust on job satisfaction and work commitment was fully mediated by delegation (the mediator). This finding runs parallel to the research findings conducted by Yang (2001), who suggests that the higher the quality or level of guanxi and trust in a leader to follower relationship, the higher the level of delegation exercised by a leader to his follower, which in turn produces higher level of follower's job satisfaction and work commitment.

In this thesis, Singaporean leaders are seen to categorise followers into 'inner' and 'outer' circles based on the quality of guanxi and trust in a leader-to-follower relationship. Better connected and 'inner circle' followers are delegated with more power and responsibilities and this in turn encourages or motivates them to exhibit more initiative and commitment towards achieving corporate goals. This is because they feel empowered, being able to make decisions that can make a difference to the company. In addition, it provides followers with a higher sense of job satisfaction and work commitment knowing the importance of their assigned tasks and the close relationship they share with their leader. The predominately ethnic Chinese Singaporean workforce has provided the cultural foundation for the influence of guanxi and trust on delegation, which in turn influences changes in work attitudes in the Singapore corporate environment.

1 Research overview

1.1 Introduction

In this thesis, the researcher investigated how guanxi and trust influence delegation between leaders and followers. Delegation is widely accepted as one of the key components for effective management. However, most of the research to date seems to be largely conducted based on western organisations (Yukl, 1998) which may not be applicable to a predominately Chinese population like Singapore. The researcher argues that for effective delegation to occur in Singapore, where the management style is characterised by a more paternalistic approach with leaders providing instructions and followers taking orders (Hui, Law and Chen, 1999), the conventional western theories on what influence delegation may not be sufficient.

The importance of guanxi and trust in the Chinese corporate context can be attributed to factors that emphasise social exchanges between the leader and the follower (King, 1991) in a leader-to-follower relationship. Examples of these relationships could be family ties, common ancestral background, university fraternity or alumni, or shared social interests such as golf. Previous research by Wakabayashi, Graen, Graen and Graen (1988), Bhal and Ansari (1996), Pillai, Scandura and Williams (1999), Janssen and Van Yperen (2004), Varma, Srinivas and Stroh (2005) show positive correlations between interpersonal relationship and trust on delegation to changes in work attitudes in a leader-to-follower relationship.

In this thesis, the researcher will combine the concepts of guanxi, trust and delegation by suggesting that effective delegation is influenced by guanxi and trust especially in the context of Singapore. In addition, the researcher argues that the quality of the leader-to-follower guanxi and level of trust are the main drivers that influence the varying degree of delegation entrusted on different followers by leaders and this in turn influences changes in followers' work attitudes. In line with this point, the researcher has devised a path-analytic model where delegation mediates the relationship between guanxi and trust on changes in followers' work attitudes which is measured in terms of job satisfaction and work commitment.

1.2 Research background and problem statement

As early as the 1970s, there are some researchers who highlighted the irrelevance or inapplicability of some western management theories and models to eastern or Chinese companies (Steele, 1976). Drawing reference from this research, Hofstede's (1980) cross-cultural research findings substantiate the argument that management theories derived mainly from western-based organisations may not always be relevant or applicable to all companies. Riding on this important trend of increasing influence by the Chinese in the past ten years, this thesis aims to shed more light into how Chinese cultural attributes such as *guanxi* and trust (independent variables) in a leader-follower relationship influence delegation (mediator) and changes in work attitudes (eventual outcomes) in Singapore.

Similar to the ethnic Chinese leaders, absolute management control and high power distance culture are the main characteristics of Singapore leadership style given that more than 64 per cent of the entire workforce in Singapore is predominately Chinese. Research findings from Silin (1976) suggest that Chinese leaders tend to centralise control and power to themselves and a few trusted aides exclusively. This was substantiated by the findings of Redding (1990) who also reported that Chinese leaders from Singapore, Malaysia, Hong Kong and Taiwan placed high importance to personal power and followers' trust, integrity and loyalty

Research findings from Gao (1996) on *guanxi* and trust suggest that leaders divide followers into 'inner circle' and 'outer circle' members. 'Inner circle' members are regarded as proxies to the leader and are delegated with more power and authority as opposed to 'outer circle' members or followers (Cheng, 1995). Based on the findings of Redding (1990) and Westwood and Chan (1992), the quality of *guanxi* and the level of trust in a leader-to-follower relationship are more important than formal work rules and structures, with heavy emphasis on personal favouritism, connections, trust and reciprocity.

1.2.1 Guanxi

According to Yeung and Tung (1996), *guanxi* is best described as 'who you know and not what you know'. Bian (2006) suggests that *guanxi* consists of a number of meanings: it shows the relationship of people or members of the same group, the status

or relationship to a common person of influence, and the frequency of interactions between people. Guanxi, in a nutshell, reflects the interpersonal relationships between people that facilitate the exchange of benefits or favours between people such as that of a leader-to-followers' relationship and vice versa (Chen and Peng, 2008). There are generally two types of guanxi in the leader-to-followers' relationship in the context of Singapore. Firstly, there are relationships that are inherited such as those by birth, blood relations and kin relations (Chen and Tjosvold, 2006). Secondly, there is personal guanxi which can be developed and nurtured through social interactions, either at the work or office environment (Wong, Tinsley, Law and Mobley, 2003). Based on the works of Hui and Graen (1997), leaders develop different levels of interpersonal relationship or guanxi with different followers. Due to a lack of resources, energy and time only a few followers may be able to share a close and personal relationship with the leader. The leader regulates his guanxi in varying degrees with the employees, ranging from those who belong to the 'inner circle' to those who are in the 'outer circle'. To date, there seems to be limited research to show the relationship between guanxi and effective delegation (Xin and Pearce, 1996) particularly on a non-western and non-China context like Singapore, which has a multi-racial society with the ethnic Chinese making up more than half the workforce. One of the main objectives of this study is to provide more findings to fill this gap.

1.2.2 Trust

Past studies on trust (Blau, 1964; Butler and Cantrell, 1984; Deutsch, 1958; Cummings and Bromiley, 1996) tend to be focus on the trust relationship between a leader and a follower from the viewpoint of a follower. Limited research has been conducted to examine trust from the viewpoint of the leader in such a relationship. One of the objectives in this study is to explore the relationship between trust and delegation from the perspective of the leader as he varies his degree of delegation to different followers based on his level of trust on the specific follower's integrity and work competencies. According to Ferrin, Dirks and Shah (2003), trust is the foundation for good relationships and a vital ingredient for effective delegation especially in the eastern context like Singapore, where paternalistic management method is still widely acceptable. A leader who trusts in the integrity and work competencies of his or her followers will tend to exercise a higher degree of delegation as opposed to one with lower trust level. Trust is related to attitudes, behaviours, and importantly, the degree of

information that is shared. It is the willingness to depend (or to rely) on another person with the expectation that the other will act in the best interest of the leader and thus enhance the leader-to-follower relationship. In the corporate world, mutual trust, social exchanges and interpersonal relationship evolve and are strengthened over time through day-to-day shared experiences (Jones and George, 1998). As trust increases, so does the frequency of communication, the amount of information, and the richness of information that is shared. The Singapore workforce is heavily influenced by western cultures and education, therefore is trust-induced delegation still relevant and applicable in this context?

1.2.3 Why are guanxi and trust important in Singapore?

In the Singapore context where the Chinese forms more than 64 per cent of the population, control of major aspects of the country from government to commerce are held by the Chinese. The initialisation and maintenance of guanxi in a Chinese-dominated Singapore society are key ingredients for one to climb the corporate ladder, stay ahead of office politics and create opportunities for career advancement (Yeung and Tung, 1996). Guanxi, trust and social connections play a pivotal role in the society. However, relying on such interpersonal relationship or guanxi to 'get ahead' must not be construed as evident and applicable only in multi-racial societies and cultures like Singapore. According to Zhang and Zhang (2006), the common occurrence of such vital interpersonal relationship or 'old school' network is equally prevalent in the western culture. In short, leaders prefer to delegate responsibilities and authority to followers they trust and feel 'connected with' as opposed to an 'outsider'. Works by Zhang and Zhang (2006) suggest that the 'old schoolboy' network in western countries like the United Kingdom points to a strong relationship between the schools or universities one attends to getting the priority in recruitment and promotion. Hence, there exists a strong bond, affiliation and trust in this western network which is very similar to the Chinese culture.

The Singapore multi-racial population composition gives a rare opportunity to study how Chinese Singaporeans operating in such diversity harness guanxi to stay ahead of the competition in a corporate environment. From the leaders' perspective, a good level of guanxi and trust shared with followers will reap the benefits of a more centralised control of power and authority, as well as a highly motivated and loyal following.

According to Hofstede's (1980), the concept of guanxi and trust distinguishes one group of work members from another group based on interpersonal relationship, trust and connections. Works by Hofstede (1980, 1991, 2001) suggest that in countries like Singapore and Hong Kong where there is a strong sense of collectivism and high power distance culture, the acceptance of unequal power distribution and the influence of guanxi on different aspects of organisation, such as delegation and followers' work attitudes, are very significant. This is noteworthy because despite the fact that Singapore has been exposed to western ideas and management theories for the past 45 years, the (Schriesheim, Neider, & Scandura, 1998) 'firm grip' of the Chinese collectivism culture and the heavy emphasis on respect for seniority within an organisation is still very prevalent in a vast majority of Singapore organisations. For example, in Singapore it is uncommon for a follower to disagree openly with the boss or even a senior staff member of the same rank due to their acceptance and respect for hierarchy and seniority (Child and Warner, 2003). This finding was substantiated by Sree, Sharon and Yuwa (2005) who reported that Singaporean followers generally accept their leader's command and authority. In his findings (Cheng, 1995), Singaporean and Malaysian Chinese leaders tend to categorize followers based on the following: firstly, closeness of relationship and connections or guanxi with the leader; secondly, there is heavy emphasis on trust and reciprocity. Based on these findings, the researcher argues that the Singapore corporate environment provides the ideal conditions for the influence of guanxi and trust to play a significant role in delegation and changes in followers' work attitudes. To date, there seems to be a lack of research conducted to investigate these relationships (guanxi, trust, delegation and changes in followers' work attitudes) based on the Singapore context. One of the aims of this thesis will be to add more insights into this field of research. Based on the above discussion, the researcher identified two research problems:

Research problem 1: Does guanxi influence the level of delegation exercised by leaders in Singapore?

Research problem 2: Does trust in followers' work competencies and integrity influence the level of delegation exercised by leaders in Singapore?

1.2.4 Delegation

Research findings based on a western corporate work setting refer delegation as a way of getting followers involved in decision making and involve the assignment of new responsibilities and the transfer of additional authority or power to followers in order for them to accomplish assigned tasks (Yukl, 1998). Works by Ford (1983) and McConkey (1974) argue that delegation is pivotal for leadership effectiveness and laid out the foundation and guidelines on why and how to delegate effectively. Past research has shown a consistent positive relationship between delegation and changes in work attitudes such as job satisfaction and work commitment (Gerstner and Day, 1997; Liden, Sparrowe and Wayne, 1997; Pillai, Scandura and William, 1999; Scandura, 1999; Hackett, Farh, Song and Lapierre, 2003; Wang, Saw, Hackett, Wang and Chen, 2005). The large volume of research work done to date on delegation in the west has given us clear insights and understanding on why leaders delegate and the outcomes of delegation such as changes in work attitudes. However, limited research findings have been conducted to investigate if such western theories and outcomes on delegation can be completely replicated and applied to a multi-racial workforce dominated mainly by ethnic Chinese, such as the case of Singapore, with the same outcomes. This thesis aims to provide more information to add to the existing literature in this field of study. In addition, it aims to show how delegation is the underlying mechanism or psychological process that explains why guanxi and trust influence changes in followers' work attitudes in Singapore.

Research problem 3: To examine the relationship between delegation, job satisfaction and work commitment in Singapore.

1.2.4.1 Changes in followers' work attitudes

Leaders are agents and spokespersons of an organisation that connect work staff to the company. The researcher argues that from the perspective of a leader, the act of delegation reflects the quality of his guanxi and trust with a specific follower. Delegation acts as a mediator where a leader can vary his degree of delegation to different followers to influence work attitudes. This line of reasoning is substantiated by the findings of Wang, Saw, Hackett, Wang and Chen (2005) where followers that are highly regarded, well-connected and trusted by their leaders are entrusted with higher levels of delegation. Such actions by the leader are reciprocated with enhanced levels of

work commitment, dedication and job satisfaction from his followers. From this perspective, work commitment and job satisfaction from followers act as a form of currency in the social exchange to satisfy obligation reciprocity (Wang, Saw, Hackett, Wang and Chen, 2005). However, to date there are limited research conducted in a Singapore context to investigate such relationship.

Research problem 4: To examine delegation as a mediator of the relationship between guanxi and trust on the eventual changes in followers' work attitudes.

1.3 Research objectives

The first goal of this research aims to show the influence of guanxi and the leaders' level of trust on followers' integrity and work competencies on delegation. There is little research conducted in this area based on a multi-cultural background, as in the case of Singapore. This research aims to address this gap.

The second goal aims to show the net impact of guanxi and trust on eventual changes in work attitudes mediated through the indirect influence of delegation. The changes in work attitudes are expressed through the level of job satisfaction and work commitment.

1.4 Theoretical and practical implications

Firstly, from a theoretical standpoint this thesis aims to shed more light on the topic of delegation by looking from the social and psychological perspective represented by guanxi and trust in an Asian multi-racial context like in the case of Singapore.

Secondly, it aims to provide a platform for further research on delegation by examining other factors such as political, economic and gender differences in influencing leaders' degree of delegation being exercised.

Thirdly, this research will provide more insights into how delegation mediates guanxi and trust to influence changes in job satisfaction and work commitment. This research aims to show how the concept of guanxi, interpersonal relationships, followers' emotions and sense of identification and trust can be used by leaders to motivate their followers towards achieving work goals and positive work attitudes.

Fourthly, what differentiates this thesis from other research done in this field is the multi-racial setting and cultural environment where the data were collected and analysed. From a practical standpoint, this thesis will probably be one of the very few

researches done on delegation based on a Singapore context. It will provide insights into how guanxi and trust influence Singaporean leaders to delegate and the resulting changes in followers' work attitudes measured in terms of job satisfaction and work commitment.

In addition, it is noteworthy to highlight that in a resource-scarce and multi-racial country like Singapore, leaders must not only be able to lead but to attract and retain the best human resources in the organisation in order to stay ahead competitively (Sree, Sharon and Yuwa, 2005). By studying the changes in work attitudes derived from guanxi or trust-induced delegation, we will gain more insights into how guanxi and trust may influence effective delegation.

1.5 Outline of the research

This thesis consists of six chapters based on the suggestion of Perry (2002).

Chapter 1 presents an overview of the research. It gives a broad understanding on the concept of guanxi, trust, delegation and discusses the importance and relevance of the research problem within the context of corporate Singapore. The net impact of delegation which is measured by followers' work commitment and job satisfaction are also examined briefly in this section.

Chapter 2 presents a comprehensive literature review on the key variables such as guanxi, trust, delegation, job satisfaction and work commitment.

Chapter 3 discusses the conceptual model and hypotheses. An overview of the proposed model and the key variables of the model will be examined and reviewed.

Chapter 4 discusses the research methodology, research design and details the development of various questionnaires, sampling methods, the process of capturing and analyzing the data.

Chapters 5 discusses the data collected and provides an in-depth analysis of the information collated using various statistical methods.

Chapter 6 discusses the vital information and data derived from Chapter 5. The chapter details the research findings, presents the summaries and adds more detailed insight to the initial analysis. Contributions to business theory and practice are also identified. This chapter also presents the limitations and gives recommendations for future research in this field.

2 Literature review

In this chapter, the researcher will give an overview of the literature surrounding the five variables that are studied in this paper. These five psychological variables which are measured at an individual level are guanxi, trust, delegation, job satisfaction and work commitment. In this chapter, the researcher will give an overview of the definition, underlying theories and review the existing literature on the five variables. In Chapter 3, the researcher will then go on to explain the hypotheses development in relation to each of the variables discussed in the model.

2.1 Guanxi

2.1.1 Background to guanxi

Based on the findings of Tsang (1998), guanxi refers to the interpersonal relationship between human beings and is one of the key pillars of a predominately Chinese society like Singapore where more than 64 per cent of the population is Chinese. The Chinese culture relies heavily on interpersonal relationships to organise, maintain and regulate social order dating from the 6th century B.C. Works from well-known Chinese scholars such as Confucius underline the importance of relationships and respect as a key step for a country to progress.

Based on the works of Child (1981), Redding (1980) and Triandis (1994), the cultural foundation of a country influences the human perception and behaviour. In Asian societies like in Singapore, authoritarianism and connections or guanxi in a leader-to-follower relationship are major cultural attributes that are deeply embedded in most organisations (Ho, 1998; Kipnis, 1997; Redding, 1990; Lasserre and Schutte, 2005; Yang, 1994). It is noteworthy to highlight that autocratic and patriarchal management style in Chinese society like Singapore were never eroded despite the influence of western education and influence. There are two basic approaches to guanxi, categorical and dynamic (Chen and Chen, 2004). The categorical guanxi refers to patriarchal power where it is the obligation of lower ranked members or followers to respect and adhere to the instructions and authority of the leader under all circumstances (Yang, 1995; Farh and Cheng, 2000). Dynamic guanxi refers to the quality of guanxi or personal relationship between a leader and his follower (Chen and Chen, 2004).

2.1.2 Definition and characteristics of guanxi

Guanxi refers to perceived insider status and reflects a work member's relationships or connections with fellow colleagues and superiors (Stamper and Masterson, 2002). Guanxi is characterised by leaders exercising different degrees of delegation to different followers based his level of interpersonal relationship or guanxi (Dansereau, Graen and Haga, 1975) with them. This theory was derived from the Vertical Dyad Linkage (VDL) findings, which suggests that leaders tend to treat, interact and connect with different staff members differently because as humans we are all very different in terms of personality, attitudes, perception and needs (Dansereau, 1995). This finding was substantiated by the relationalism theory findings by Yang (1995) who reported that interpersonal relationships or the quality of guanxi in a leader-to-follower relationship has a huge impact on the way work members perceive themselves and others. Fei (1992) compares guanxi to the concentric circles created when a stone sinks into a pool of water, with the individual or leader at the centre and concentric circles made up of work members surrounding the centre or leader. The closer the concentric circle is to the centre where the leader is located, the closer the guanxi or relationship. This is regarded as the 'inner circle' group, while those furthest from the centre or leader are the 'outer circle' group as shown in Figure 1.

Guanxi when applied to a corporate environment assumes that it will not be possible for a leader to consistently develop a high level of interpersonal relationship with every follower or member in an organisation due to the constraints of time, energy and resources. As such, the leader may develop close guanxi or relationship with only a few followers which will form the 'inner circle' group or his 'trusted lieutenants'. Such relationships between the leader and followers have significant implications and influences for both parties.

A high quality guanxi is demonstrated by a high quality leader-follower relationship and is characterised by mutual respect, loyalty and a call of duty beyond the norms expected of a follower or employee. Those that belonged to the 'inner circle' will be rewarded with higher level of delegation which can be in the form of more power and responsibilities at work. Guanxi-induced delegation reinforces and gives a clear signal to the fact that this special group of followers are the leader most 'trusted lieutenants or aides'.

2.1.2.1 A process model of 'guanxi development'

According to Wang (2012), guanxi can be developed and nurtured through a series of mutual interactions and exchanges which often involve the fulfilment of 'promises' and 'trust'. Research conducted by Chen and Chen (2004), suggest three steps to building guanxi namely *initiating*, *building*, and *using* of guanxi as shown in the table below (Table 1).

Table 1: A process model of guanxi development

Guanxi' stages	Guanxi' objectives	Interactive activities	Operating principles
1. Initiating	Setting up bases	Familiarizing	Mutual self-disclosure
2. Building	Enhancing quality	Expressive and instrumental transactions	Dynamic reciprocity
3. Using	Getting benefits, re-evaluating guanxi quality	Exchanging favours	Long-term equity

Source: Chen and Chen (2004)

The definition of 'guanxi' pertains to how an individual, regardless whether he is a leader of a follower, interact, identify and share certain aspects of his personal identification that are important such as family background, place of birth, school attended and work experience with another party (Lee, Pae and Wong, 2001; Fan, 2002). Guanxi can be further divided into four categories: family guanxi, social guanxi outside of work and business guanxi, working relationship guanxi or business guanxi and government guanxi.

In the context of this thesis, the researcher will focus mainly on family guanxi, social guanxi and working relationship guanxi due to their high relevance in the Singapore corporate environment.

Family guanxi refers to the family network and connections. In Singapore, it is not uncommon for one to be employed based on his family connections or referrals. Social network guanxi refers to social connections that may include those who graduated from the same university, former schoolmates or military schools. This form of guanxi is especially prevalent in Singapore especially for those who have served in the same unit

or platoon in the army. In Singapore it is compulsory for all men to serve at least two years in the army regardless of race, religion and social status. Social bonding and networks formed during the military stint tend to last for a long period of time in the Singapore society. Working relationship *guanxi* pertains to how one interacts and connects with his leaders, followers and other colleagues at work. Finally, government-linked *guanxi* which is highly popular in China but frowned upon in Singapore due to the zero tolerance to corruption practices includes personal connections with government officers (Chen and Chen, 2004; So and Walker, 2006). According to Jacobs (1982), the different bases where *guanxi* are initiated and developed have a huge influence on the different types of relationships that may evolve from such interactions which in turn produce different results, perceptions, behaviour and outcomes at the work place.

There are some researchers who classify *guanxi* based on the nature and objective of the interactions as opposed to bases. According to Chen and Chen (2004), *guanxi* can be divided into socio-affective, instrumental and mixed. In a socio-affective scenario, it involves family related interactions and connections. The purpose of such an exchange is to satisfy the need for love, affection and sense of belonging for clan members. Instrumental *guanxi* refers to business motive-generated interactions, exchanges and connections aimed at facilitating trade. Finally, mixed *guanxi* refers to the exchanges and interactions for the purpose of meeting business and personal objectives, for example, colleagues from the same department with the same goals and interests.

For *guanxi* to be effective, starting from the initial stage, it will be ideal if there is an intermediary who has already earned his place in the ‘inner circle’ of the organisation. In the eyes of the leader, the introducer that inducts a member into the ‘inner circle’ will probably have more or less the same traits, values and background as the introducer (Chen and Chen, 2004). This concept is substantiated by the findings of Lin (2002) and Tsui and Farh (1997) which showed that for a newcomer hoping to gain access to the ‘inner group’ of the leader and stand a higher chance of success, he should be introduced into the group and to the leader by someone who has already gained the goodwill and trust of the leader.

In this thesis, *guanxi* refers to the social interaction and personal relations one develops at the work place with his leader and peers (Buckley, Clegg and Tan, 2006). Works by

Alston (1989) reported that personal relationships act as a sort of ‘glue’ that connects two persons that may come from different ranks in a company in such a manner that it tends to be more beneficial to the weaker party. For example, in a working relationship guanxi or leader-to-follower relationship, the weaker party tends to be the follower and stands to reap more benefits and goodwill by being closely connected to the leader.

2.1.3 Review of existing literature on guanxi

Over the past 40 years there have been large volumes of research conducted on guanxi and its influence on the organisation. They can be classified into three sections.

The first explores the quality of guanxi. According to Dansereau, Graen and Haga (1975), leaders exercise different levels of delegation or ‘treatment’ to different followers which range from high to low based on their level relationship, connection and ‘closeness’ to the followers. Findings by Stamper and Masterson (2002) suggest that guanxi is the main determinate that differentiate one work member from another. The one with better guanxi or ‘connection’ will be preferred by his leader when it comes to delegation, job promotions and other benefits. Such ‘job benefits’ like higher degree of delegation when entrusted to the follower by the leader based on guanxi acts like an affirmation of his ‘insider status’ and positive relationship with his superiors (Stamper and Masterson, 2002).

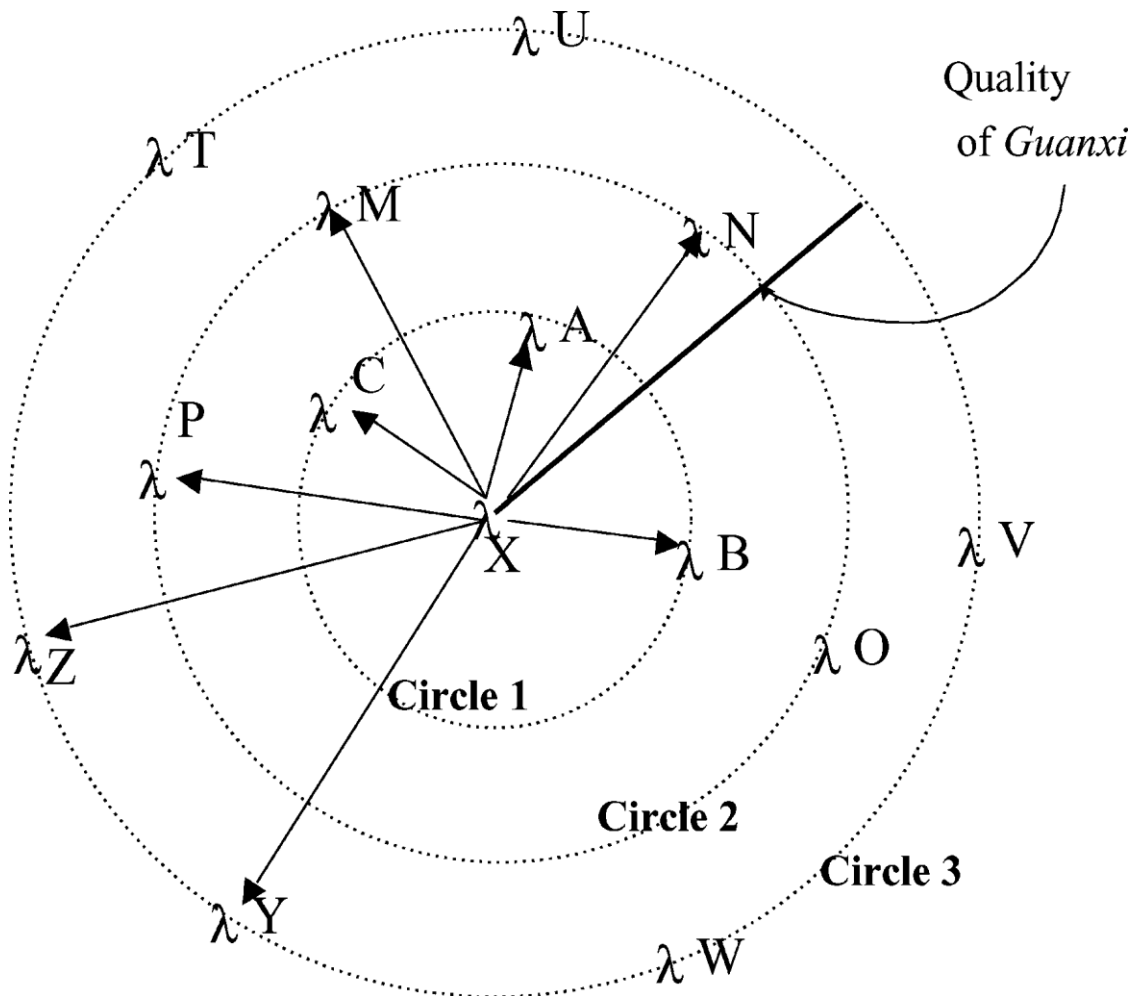
A follower when delegated with power and responsibilities by his leader to accomplish certain tasks not only shows a clear indication of his good guanxi with his leader but also his work standing in terms of respect and prestige among his colleagues.

Social researcher such as Brass (1995) suggests that the frequency of interactions cultivate closeness among leader and follower. The higher the frequency of such positive interactions, the deeper is the guanxi between the two parties. Social psychologists such as Bejou, Wray and Ingram (1996) are of the opinion that social elements such as trust, comfort level and commitment between leader and follower are major determinate of guanxi quality.

According to Fei (1992), the quality and strength of guanxi between a leader and follower are based on the distance between where one party is located on the psychological guanxi net compared to the self which is located at the centre of the net as shown in Figure 1 below. In Figure 1, Mr X (the leader) has a guanxi net which shows

his level relationship with different parties (followers) which lies in three circles. Circle 1 shows his ‘inner circle’ group of members. The radii of the circles hence show the guanxi or closeness between two parties, the smaller the distance the better the guanxi. Those in the ‘inner circle’ such as Mr A, B and C will be delegated with more power and authority than those in the outer circle such as Mr T, U, V. Guanxi has a direct influence on delegation which in turn influences followers’ work attitudes.

Figure 1: Guanxi net of Mr X (the leader)



Source: Chen and Chen (2004)

The second area of research is centred on identifying the consequences of guanxi. Due to the shortage of time, resources and energy, a leader tends to exercise varying degrees of delegation based on his level of guanxi with different followers. Such leader behaviour has a significant influence on delegation, followers’ job satisfaction, morale, perceptions and work commitment (Bejou, Wray and Ingram, 1996; Berscheid, Snyder and Omoto, 1986; Crosby, Evans and Cowles, 1990 and Smith, 1998). According to

Yang (2001), high level of interpersonal relationship between a leader and a follower is exemplified by a high quality leader-follower relationship resulting in a higher degree of delegation exercised by the leader to the follower, which in turn produce higher follower's job satisfaction and work commitment. This is because a leader who forms close ties and bonds with his selected group of 'inner circle' followers tends to delegate them with more power and authority. The influence of such delegation due to the high level of guanxi between the leader and follower will result in a higher level of job satisfaction and work commitment among the followers. On the other side of the coin, a low level or poor quality working relationship guanxi between the leader and follower tends to be characterised by a low degree of delegation, bleak promotional and training prospects (Yi, 2002). In such a relationship, the leader tends to rely on formal working contracts and terms to allocate work assignments and reporting structures. Such differing levels of guanxi between a leader and his followers give rise to varying degrees of delegation exercised on different followers which in turn influence the work attitudes among different employees (Yi, 2002). This finding runs parallel to the findings of Cheng (1995), who reported that leaders will devote more time to nurture their 'inner circle' members by delegating more power and responsibilities to them so as to enable them to be more effective aides and also to centralise control. It should also be noted that in his research, the selection of 'inner circle' work members are based on guanxi, trust and competence.

The above findings are similar to the findings by Gecas (1982), who reported that how an individual sees or perceives himself within the organisation is based on his 'guanxi' or acceptance and relationship with his colleagues and superiors, and this in turn has a significant influence on his work attitudes. As such, guanxi-induced delegation where a follower is entrusted with more autonomy and power to enable him to make a difference to his work contribution reinforces his 'standing' in the company as a 'inner circle' member. As a result, the follower will derive more job satisfaction and increase his commitment to work so as to achieve the desired work goals and enhanced his guanxi with the leader. According to Pierce and Gardner (2004), leaders can make use of guanxi-driven delegation as a communication and affirmative tool to send positive signals and direct the followers' mind set towards better work attitudes, measured in terms of higher levels of job satisfaction and work commitment.

The third area of guanxi research focuses on the relationship between guanxi and other independent or dependent variables when applied to different situations and processes in a work setup. According to Yang (1994), guanxi plays a pivotal role in determining the closeness and mutual respect between a leader and his followers in a corporate environment. This is further substantiated by the works of Jacobs (1982) which showed that positive interactions between a leader and his followers will in turn generate familiarity and closeness. This provides a good base for a high level of interpersonal relationship to be developed at the work place. Research by Xin, Katherine and Pearce (1996) uses guanxi as an independent variable that influences staff turnover and eventual work contributions by different followers. Other works by Skarmas, Constantine and Bodo (2002) deploy guanxi as an independent variable that influences work commitment and the attainment of work goals and objectives. In other research works, guanxi has been incorporated as a mediating variable that regulates the relationship between leadership styles and work commitment, as seen in the research work by Park and Luo (2001). Finally works by Tsang (1998) use guanxi as a mediating variable that mediates the relationship between leadership effectiveness, followers' work performance and job satisfaction.

In this thesis, guanxi is deployed as an independent variable to test the direct influence of varying quality of guanxi between a leader and follower on delegation. In addition, the researcher aims to establish how such guanxi-driven delegation in turn influences eventual changes in work attitudes in terms of job satisfaction and work commitment in a Singapore context, which is unique given the multi-racial nature of the workforce.

Works by Yang (2001) reported there are a few weaknesses in the predominately Asian-influenced concept of guanxi to date. The first weakness pertains to the pragmatic utility of guanxi like a universal rule or 'pill' that is applicable in most situations where human relationships are involved. The second weakness is related to the way guanxi bases are classified based on types and bases of guanxi. Brass (1995) is of the opinion that guanxi and exchanges should be measured and tailored to suit the different goals and objectives one wish to achieve. The final weakness pertains to the static nature of most guanxi theory which does not provide variation to include how guanxi can be initiated, evolved and changed through time.

2.2 Trust in followers' integrity and work competencies

2.2.1 Background of trust

It is essential to recognise the risk inherent in delegation. This is because when delegation of power and control are accorded to the follower by the leader, the decisions and actions of the follower can have a significant influence on his overall ability to achieve certain set work goals and his personal reputation and credibility in the organisation especially in the eyes of the leader. Hence, it is expected that the leader must have a certain level of trust on the followers' integrity and work competencies including their work behaviour and attitude before delegation can occur. According to Rosenberg (1979), the concept of guanxi and trust illustrates an individual's emotional and comfort zone with another person, the interpersonal relationships with fellow workers and leaders, and the perceptions of an individual with reference to the individual as an object. In this thesis, an individual identity is reflected by whether he or she belongs to the 'inner circle' of the organisation based on the individual level of guanxi and trust in a leader-to-follower relationship, which in turn induces changes in followers' work attitudes. According to Masterson and Stamper (2003), when a follower is regarded as an 'insider' or 'trusted' member of an organisation, it shows that an individual has earned the mantle of someone who is widely accepted, liked, trusted and mostly likely to receive favours and higher levels of delegation from his leader.

It is important to note that guanxi as discussed earlier is closely related to trust. According to Yeung and Tung (1996) and Tsang (1998), trust and integrity are key ingredients of guanxi, so much so that in its absence, quality and fruitful guanxi are impossible to develop. The higher the level of trust evident in a leader-to-follower relationship, the more conducive is the condition for effective delegation. Research works by Dirks and Ferrins (2002) refer trust as to the confidence one party (for example the leader) has on his follower to execute the work delegated to him properly as planned. High trust relationship entails mutual respect and satisfaction. Trust involves personal relationship that go beyond contractual or mere social relationship. Trust or 'xin' in guanxi pertains to 'giving face' or how the 'face' of a person is represented by his integrity, dignity and credibility (Earley, 1986; Deluga, 1995; Arias, 1998). For quality guanxi to happen, interpersonal trust must be in the equation. A leader or a follower is regarded as trustworthy when he is sincere, credible, consistent,

reliable, capable, and reciprocal (Flores and Solomon, 1998, 2006; Cardona and Elola, 2003). There are generally two types of trust namely; sincerity or integrity-based trust and ability or work competencies based trust.

Sincerity or integrity-based trust refers to trust in benevolence. It pertains to an individual's sincerity and wholeheartedness in looking after the interest and wellbeing of another person's (for example his leader or boss) affairs or work assignments delegated as number one priority, putting aside financial considerations and other personal gains (Chen and Chen, 2004).

Ability or work competencies-based trust refers to one's (for example a follower or employee) work competencies and abilities (McAllister, 1995). It focuses on a person's expert knowledge, skills, experience and specialisation in a particular field of work which enables him to garner and establish work-related trust and credibility (Gansesan, 1994). Such ability or competency-derived trust is initiated and establish when a follower successfully executes his assigned tasks that meets or exceeds the expectations of his leader (Ellison and Firestone, 1974). The concept of trustworthiness relates to the sincerity of a person and not his ability. According to Chen and Chen (2004), in building quality guanxi at work, sincerity-based trust is more important than ability-based trust. This is because loyalty from followers is a precious commodity that is difficult to be acquired or replicated. On the other hand, competencies and abilities can be hired and replicated.

In this thesis, the level of trust (which includes both sincerity and ability trust) in a leader-to-follower relationship forms one of the independent variable that influences delegation directly. In addition, trust-driven delegation will be used as a mediating factor to influence changes in job satisfaction and work commitment.

2.2.2 Definitions of trust

According to Moye and Henkin (2006), trust refers to one person's willingness to be 'vulnerable' to the actions of another based on the assumption that the other will deliver the expected outcome. There is risk to the leader as delegation involves power sharing, hence trust alone is not sufficient to influence the decision.

Browner et al. (2000) came up with a model on relational leadership which suggests that a leader's perception of the followers' level of trustworthiness is positively co-related to the level of delegation exercised by the leader.

Based on the works of Costa, McCrae and Dye (1991), a leader's trust level and relationship with in his core or inner circle group of followers and the organisation determines his outlook to work and is the key ingredient for effective leadership. Following this flow of thought, it is logical to assume that leaders who share a higher level of trust with his followers will tend to exert a higher degree of delegation to achieve optimal work performance. Research by Mayer, Davis and Schoorman (1995), refer trust to the willingness of a party to be influenced or affected by the action of another party based on the expectation that the other will be carrying out an activity that is important to the trustor. Two of the key components of trust are integrity and performance (Mayer, Davis and Schoorman, 1995). Butler and Cantrell (1984) regard these two attributes as the most important determinants to trust. This runs parallel to the findings of Ammeter, Douglas, Ferris and Goka (2004), who suggest that followers' trustworthiness and competencies are the key to influencing a leader's decision to delegate. This is because, when leaders entrust their followers with information, power and authority with the expectation that they will accomplish the assigned goals, they are in fact putting their position and career at risk if their followers fail to deliver the desired results (Dirks and Ferrin, 2002).

Works by Pierce, Gardner, Cummings and Dunham (1989) suggest that followers view their own image linked to their level of work competencies within the organisation. This in turn forms a positive relationship between followers' work competencies and integrity to their level of job satisfaction and work commitment based on the level of delegation or authority entrusted to them by their leader. Leaders will more likely to exercise higher degrees of delegations to followers who demonstrate higher levels of loyalty, work competencies and integrity so as to encourage a higher degree of self-direction, leadership and career development in the followers. As a result, followers will be more driven and motivated to achieve work goals knowing that their leaders have trust in their abilities and achievements. With trust come higher degrees of delegation exercised by the leader to his 'inner-circle' followers. Such leader behaviour through delegation reinforces and acts as a confirmation to the 'trusted' followers that they are

key aides to the leader. This runs parallel to the findings of Butler (1991), Gabarro (1978) and Butler and Cantrell (1984) who all reported that leaders' trust in followers are reflected in the degree of delegation exercised.

2.2.3 Review of existing literature on trust

Past research in the theory of trust are concentrated mainly in four areas.

The first area of focus tends to be on the indicators of trust. According to Mayer, Davis and Schoorman (1995) trust in a work setup refers to the willingness of one person to be vulnerable to the performance of another person based on faith or expectation that he or she will perform and deliver the expected result as planned from the onset. Various research works conducted on this topic consistently identify two types of indicators that are pivotal and essential for trust to occur. There are namely competence indicators which are based on the work competencies of the person being delegated with work and responsibilities. The next indicator pertains to values and moral ethics of the follower or integrity indicator (Ammeter, Douglas, Ferris and Goka, 2004). Research conducted by Butler and Cantrell (1984), suggest that ability and integrity are the main determinates leader deployed to assess if a follower can be trusted. This is further substantiated by the works of Brower, Schoorman and Tan (2000), which was based on the theories of leadership and trust. His findings showed a positive relationship between managers' perception of their staff trustworthiness and the level of delegation exercised. Leader tends to delegate more work assignments to staff members that are perceived to have higher level of trustworthiness.

The second area of research aims to identify the attributes or type of person that exemplify trust in a follower. There are a few attributes that are closely related to trust placed on the follower, the most consistent factors being integrity and performance (Mayer, Davis and Schoorman., 1995). According to Butler and Cantrell (1984), these are the key ingredients in determining whether to trust a follower with delegated power and control. Brower, Schoorman and Tan (2000) came up with model of relational leadership which shows leader's perception of their follower's trustworthiness and work competencies as being directly related to the level of risk such as delegation that they are willing to undertake.

Most leaders' understand that their abilities in achieving organisation are a key determinant of their job security and corporate advancement. Research by Forrester (2000), suggests that delegation is hampered by leaders' fear of losing their job or the next promotion if they delegate wrongly. Hence, it is pivotal that followers' show consistent acceptable work outcome based on their work competency to convince their leader that they are ready for the extra power and control to be transferred to them.

The third area in the trust theory research surrounds the relationship between trust and integrity. This is determined by the leader's perception that his follower will abide or follow certain principles that are acceptable to the leader (Brower, Schoorman and Tan, 2000; Mayer, Davis and Schoorman, 1995). This concept of acceptability by the leader does not simply involve following certain values expected of the follower but a consistent approach in adhering to these values and practises. As the old saying goes, the end does not always justify the means. Hence, if a follower achieve his delegated task by sabotaging the work of fellow colleagues, such behaviour will not go down well with the leader and diminish the follower's level of trust by the leader.

In short, a follower with high work competencies but low integrity may not equate to high level of delegation exercised by the leader and vice versa. Hence, a leader must consider the follower's work competencies and integrity in determining the level of delegation to be exercised. Failing of which the leader runs a high risk of failing to achieve his set goals plus having to deal with all the negative consequences of his decision to delegate power to the 'wrong' follower. This reasoning runs parallel to the findings of Forrester (2000) who is of the opinion that when managers share ideas and delegate work assignments to followers it entails potential risk to their job security and career prospects since their performance are linked to achieving set organisational goals. As such, it is paramount that managers assess their followers work competencies and integrity as a basis for delegation.

The fourth area of research investigate the how under different situation and work processes, trust is deployed as a variable to explain the relationship between trust and other dependent or independent variables under study. Dreu, Koole and Steinel (2000) research suggest that work culture when used as an independent variable has a direct influence on the level of trust and goodwill in an organisation. Research by Dren, Koole and Steinel (2000) showed that the relationship between staff turnover and trust is

moderated by work cultures. Other research by Kruglanski and Freund (1983) showed that trust has no relationship to staff turnover but is related to work culture. Besides being used as an dependent variable as discussed above, trust has been used as an mediating variable to moderate the relationship between delegation and work outcomes (Simonson and Staw, 1992). The leader member exchange literature highlight the trust relationship between leader and follower, but it failed to explain how the process worked and the factors that influence such actions (Northhouse, 1997; Yukl, 2002). In this thesis, the researcher aims to investigate how a leader's level of trust in his followers' work competencies and integrity can directly influence delegation, which in turn acts as a mediator to bring about changes in followers' work attitudes.

2.3 Delegation

2.3.1 Review of existing literature on delegation

The concept of delegation has been studied by many researchers like Thomas and Velthouse (1990) and Hartline and Ferrell (1996) in the 90s to the turn of the century by Leach, Wall and Jackson (2003) and Konczak, Stelly and Trusty (2000). Delegation was first introduced by Conger and Kanungo (1988) as a form of psychological empowerment almost similar to the motivation of self-efficacy. Building on their findings, Thomas and Velthouse (1990) came up with a theory suggesting that delegation is a multi-faceted concept which cannot be fully explained by only one definition. Using his research work as a theoretical framework or foundation, Spreitzer (1995) devised a scale model which is widely used in the study of delegation theories to evaluate the four components of delegation which are: competence, self-determination, impact and work value or work goals. Yukl and Fu (1999) define delegation as the process where work assignments and authority are entrusted to followers, which in turn empower them to make decisions that can make a difference in their work. This in turn will lead to higher job satisfaction and work commitment. Leanna (1986) suggests that delegation differs from other decision making processes in two areas: firstly, delegation entails decision making only by the follower entrusted with the new power or authority and do not involve group decision making; secondly, the autonomy entrusted in delegation applies to the follower specifically and not to a group (Locke and Schweiger 1979; Leanna, 1986).

Konczak, Stelly and Trusty (2000) define delegation as involving the transfer of power and authority, independent decision making, knowledge sharing, skill development and training for better performance. Research conducted by Conger (1989) reported that effective leaders must be able to motivate and inspire employees toward a common set of goals and objectives without exerting full control over all decisions taken by the employees. The leader must master the 'art of management' through delegation. Bass (1990) is of the opinion that for effective delegation to occur, a follower must be empowered by his leader to make decisions and take responsibility for the assigned work task. However, he noted in his research that different leaders may delegate due to different factors. Firstly, an autocrat leader which is common among Chinese organisations may delegate only to his close aides so as to centralise power and control. A laissez-faire leader on the hand may delegate to shift blame and responsibilities.

From the discussion above, it is evident that to understand effective delegation one must understand not only the conditions where delegation promotes followers' job satisfaction and work commitment, but also factors that motivate or demotivate a leader from delegation.

According to Matthews (1980), whether leaders delegate to followers is influenced by how much risk leaders are willing to take and wait for followers to succeed. In addition, they must feel confident about the followers' work competencies and integrity (Hollingsworth and Al-Jafary, 1983). Research done by Leana (1986) suggests that leaders are more willing to delegate when they encounter heavy or high workloads, hence incremental help is needed from their followers. Her study also shows that trust in followers' work abilities, integrity, trustworthiness and readiness to take on more responsibilities are all positively related to delegation. In earlier research studies on delegation, Blankenship and Miles (1968), Campbell (1956), Kenan (1948) and Stogdill and Shartle (1955), all reported higher levels of delegation entrusted on more senior and experienced followers relative to more junior followers. Stogdill and Scott (1957) research findings added the fact that companies that have fewer interpersonal conflicts and lower staff turnover tend to practise delegation more frequently when compared to one with high conflict and high turnover.

Research conducted on delegation based on an eastern work setup like China, Hong Kong and Singapore which are characterised by more authoritarian and patriarchal

management style, offers new factors on what motivate leaders to delegate, unlike western organisations where the challenge of managing work growth can be resolved by effective delegation and allocation of resources. In the Chinese context, the loss of power and control through delegation contradicts the Chinese leadership style, where retaining and controlling personal power and authority are the number one priority for most leaders (Farh and Cheng, 2000; Redding, 1990; Yang, 2006; Westwood, 1997). To resolve this issue, Chinese leaders first identify and groom trustworthy and loyal followers to form the 'inner circle' group as discussed earlier. The 'inner circle' followers will be entrusted with higher level of delegation and responsibilities relative those from the 'outer circle'. This method of delegation enables the Chinese leader to consolidate his control on both the 'inner' and 'outer circle' followers while maintaining absolute control on the organisation without sacrificing growth.

From the above literature findings, it implies that delegation is more likely to happen if the leader regards his followers as trustworthy and possess the required work competencies to execute the assigned tasks. In addition, the need to maintain central control especially among Chinese leaders and to cut down on excessive workloads are also linked to higher level of delegation. These findings suggest clearly that the quality of guanxi and level of trust in a leader-to-follower relationship should influence delegation significantly.

Research conducted by Graen (1989) define good quality guanxi in a leader-to-follower relationship as one which involves assigning the required and appropriate authority to followers to accomplish the assigned tasks, training followers to take on more challenging tasks and providing special knowledge or information that will assist followers in completing their tasks. Graen and Uhl-bien (1991) suggest that the lack of time and resources available to the leader requires the leader to develop trusted aides or followers so as to assist him in fulfilling his tasks and meet work goals. In short, followers that enjoy or share high quality guanxi and trust with their leaders are most likely to be given access to the appropriate power and authority, information and positional resources, training courses and most importantly trust from his leader, all the prerequisites for delegation.

Recent studies in delegation have linked how followers perceive their leader's actions such as delegation to a number of work outcomes. According to Mulki, Jaramillo, and

Locander (2006), the degree of delegation exercised by a leader to his followers is positively related to follower attitudes and behaviours, such as role perceptions, job anxiety, job satisfaction, work commitment, and turnover. Kelty (2005) identifies job satisfaction and work commitment as the intervening variables influencing work attitudes. Firth, Mellor, Moore and Loquet (2004) add that delegation not only enhances leader-follower relationships but produce long term benefits of reducing stress and enhancing followers' job satisfaction and commitment. Previous research findings in this field show that effective delegation is indirectly related to employee attitudes (Bertelli, 2007; Dewettinck and van Ameijde, 2007). In a work setting, the relationship between the leader and his followers or specifically the level of guanxi and trust are pivotal to understanding changes in followers' attitudes and behaviours at work (Lee, 2000).

2.4 Job satisfaction

2.4.1 Review of existing literature on job satisfaction

According to Muchinsky (2003), job satisfaction refers to the amount of enjoyment or delights one derived from work. Research works by Lee (2000) define job satisfaction based on the emotional state of the follower due to the outcome of his work experiences. Balzer et al. (1997) refer job satisfaction as an individual's feeling of gratifications when the task assigned to him was executed successfully. Hackman and Oldham (1980) are of the opinion that a follower's on-the-job experiences, such as work purpose, work responsibilities, recognition and most importantly interpersonal relationship and support from his leader, have a significant influence on his job satisfaction. Research works by Naudé, Desai and Murphy (2003) reported that there is a positive relationship between satisfied followers and work commitment. Hence, the more satisfied a follower is at his job, the higher the level of work commitment. Research by Ladebo and Schutte (2005), suggests that job satisfaction can be regarded as the positive influence a follower shows towards certain parts of his work contribution. According to Tett and Meyer (1993), job satisfaction is best view based on one's attachment to his or her work either regarded in its entirety or based just on certain aspects of the work. Works by Buitendach and Rothmann (2009) and Oshagbemi (1999) define job satisfaction as an follower's positive emotional responses to work. It is only through the affective reaction to work that enables a follower to compare his actual work contributions to what is expected or

desired. This point was further substantiated by Igbaria and Guimaraes (1999) who are of the opinion that job satisfaction is the main affective response from employees to different aspects of their work experience. This view was further supported by Martin (2008) who defines job satisfaction as the net positive affection one derives based on the worker's relationship with the organisation and peers within the company.

Job satisfaction can be derived from various sources such as autonomy, additional job responsibilities, more work, higher pay, relationship with co-workers, promotional opportunities, working environment, challenges, bonuses and rewards, training and the actual work itself (Ladebo and Schutte, 2005). According to Donovan, Drasgow and Munson (1998), Gunther and Furnham (1996), Rodgers-Jenkinson and Chapman (1990) and Kleinman (1997), followers are satisfied with work when it is enjoyed, given good opportunity for promotion and better remuneration, good interpersonal relationship with leader and fellow workers and believed they are treated fairly by the organisation generally.

Works by Saal and Knight (1995) suggest that personal characteristics such as age, academic qualifications, marital age, one interpersonal relationship at work and gender are the key factors that influence job satisfaction. Job satisfaction is associated with different types of work outcomes and behaviours. According to Connolly and Viswesvaran (2000), job satisfaction is positively related to both work commitment and staff turnover. Job dissatisfaction is the most common reason for followers to resign and leave an organisation.

Findings by Bertelli (2007) and Ting (1997) acknowledge that undesirable aspects of a job such as disruptive office politics and poor relationship or *guanxi* with fellow workers and bosses are among the factors that lead to low job satisfaction. Loke (2001) suggests that the characteristics of a leader that influence followers' job satisfaction positively include provision of recognition and appreciation, meeting followers' personal needs, helping or guiding the followers to achieve personal and organisational goal. Conversely, job dissatisfaction was found to be due to leaders not giving due recognition and support, not being able to follow through on problems and inability to navigate through a crisis. According to Tepper (2000), some studies suggest that the number one reason why staffs leave their jobs are due to low job satisfaction and poor treatment by their leaders. Those who remain in their jobs and continue to work for poor

leaders have lower job and life satisfaction, lower work commitment, higher conflict between work and family, and psychological distress. Followers' job satisfaction and commitment are directly affected by leadership behaviour (Firth et al., 2004; Loke, 2001).

2.5 Work commitment

2.5.1 Review of existing literature on work commitment

Work commitment refers to a follower's level of identification and involvement to the company he works for (Steers, 1977). According to Cuskelly and Boag (2001), understanding such attitudes is pivotal as they influence many important aspects of work behaviour. A follower's work commitment has both attitudinal and behavioural consequences (Kalleberg & Reeve, 1992). Clayton and Hutchinson (2002) are of the opinion that a follower's attitude towards the organisation is demonstrated by his loyalty to the organisation and identification with its goals and values, whereas the behavioural aspects of commitment show an individual's willingness to invest his time and effort in the organisation and intention to continue working in the company.

According to Solinger, Van Olffen, & Roe (2008), work commitment is all about an individual's attitude towards work and the company he works for. Other researchers like Allen & Meyer (1990) view work commitment as a psychological state connecting a follower to the company he works for. The focus is on the degree or extent a follower identifies with the company that hires him and his willingness to be involved with the company. His findings runs parallel to the research findings of Lee (2000) who reported that work commitment refers to how employees identify with and are involved with an organisation. Works by Porter, Steers, Mowday, and Boulian (1974) define work commitment as the different levels of involvement a follower is willing to engage and identify with the organisation that hires him. To substantiate this point, works by Dee, Henkin, and Singleton (2006), Clayton and Hutchinson (2002), and Cuskelly and Boag (2001) also define work commitment as the "relative strength of identification with and involvement in an organisation, acceptance of work goals, and willingness to exert effort to remain in that organisation".

Research findings by Meyer (1997) and Muchinsky (2003) suggest that work commitment shows a follower's connection with his leader and company. This in turn

influences his intention to stay committed or leave the company. Works by Slattery and Selvarajan (2005), Simmons (2005), and Mathieu and Zajac (1990) add credence to this finding by reporting that work commitment is a good indicator of the relationship between a leader and his followers or more specifically their level of guanxi and trust. This finding was further substantiated by Meyer et al. (2002) who suggest that work commitment is the psychological attachment an individual has for the company he works for, and it reflects the level of guanxi and trust that he has been developed with his leader and his fellow colleagues. Allen and Meyer's (1990) findings run parallel to their theory and suggest work commitment act like a psychological 'glue' that connects work members to the organisation.

Over the past decade there is an increasing number of research that view work commitment as a complex psychological state making up of several ingredients, each with distinct relations to behaviours of vital interest to the organisations (Gade, 2003; Maynard, Joseph and Maynard, 2006). Work commitment shows a follower's perception of the company he belongs to and consists of three dimensions: (a) a strong belief in and acceptance of the organisation's goals and values; (b) willingness to exert considerable effort on behalf of the organisation; and (c) a strong desire to maintain membership in the organisation (Benson and Brown, 2007; Igbaria and Guimaraes, 1999; Porter, Crampon & Smith, 1976; Porter, Steers, Mowday and Boulian, 1974).

2.6 Chapter conclusion

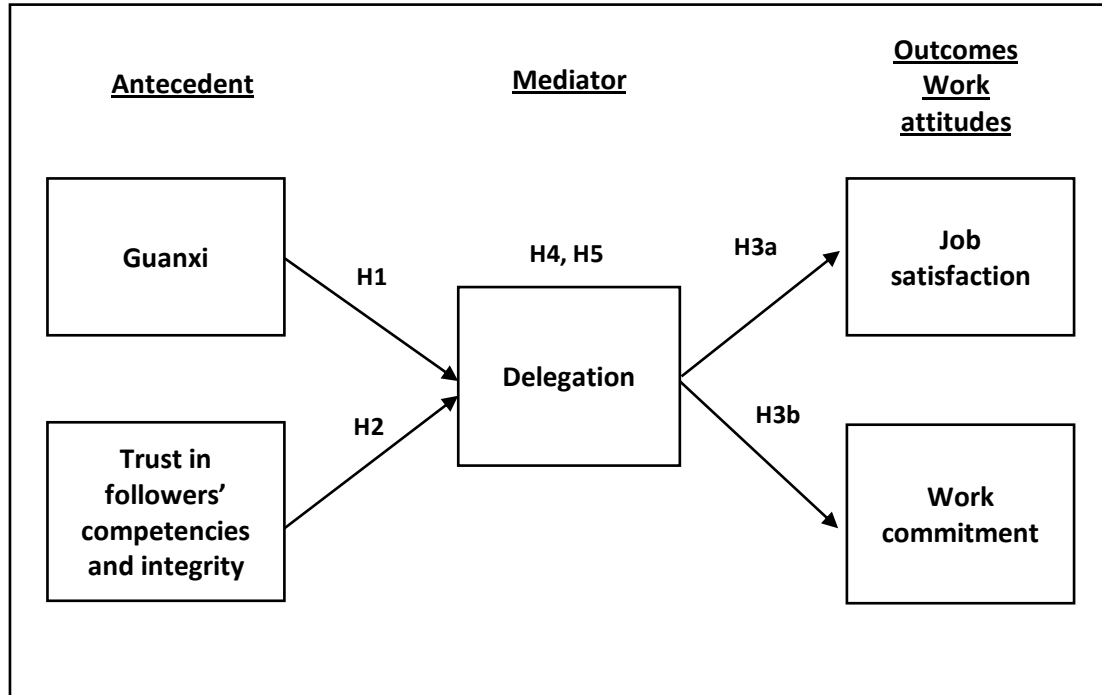
In this chapter, the researcher has introduced the five variables that are relevant for this thesis. In addition, definitions and review of existing literature on all the variables shown in the model are included. All the variables highlighted in this chapter are further discussed in the next chapter, where the researcher will develop hypotheses relating to each of the relationships between the variables, based on the literature and research discussed in this thesis. In the Singapore context, there seem to be limited research conducted on how guanxi and trust influence delegation which in turn influences job satisfaction and work commitment. The researcher hopes this paper will shed more light into this area of leadership studies in Singapore.

3 Conceptual model and hypotheses

3.1 Conceptual model overview

Figure 2 shows the processes of how guanxi and trust influence delegation which in turn influences changes in employees work attitudes.

Figure 2: Summary model of hypothesized relationships



Legend: H = Hypothesis

The model shows how decisions are shaped by human background, self-perception, interpersonal relationships, needs beliefs and trust. As such, leaders' action like delegation will signal or motivate the followers to change their work attitudes of job satisfaction and work commitment.

The model identifies guanxi and trust as the independent variables influencing delegation (the mediator), which indirectly affects job satisfaction and work commitment (outcomes). From the perspective of the leader, different levels of delegation entrusted to different followers range from high to low, and are determined by the quality of the interpersonal relationships, connections, levels of trust and 'closeness' in a leader-to-follower relationship (Stamper and Masterson, 2002). 'Inner circle' work members who are regarded like 'proxy' to the leader as discussed earlier,

will be delegated with more power, authority and the most important work assignments as opposed to 'outer circle' work members (Redding, 1990). Hence, the researcher argues that guanxi has a direct influence on delegation which in turn influences changes in followers' work attitudes as shown in Figure 2.

From the perspective of the followers, the different levels of delegation (the mediator) entrusted to them reflect the quality of guanxi and trust with their leaders which in turn influence their work attitudes. It also acts as a confirmation or affirmation of their 'inner' or 'outer' circle membership status (Farh and Cheng, 2000; Redding, 1990; Yang, 2006; Westwood, 1997). The researcher argues that delegation mediates the relationship between guanxi, trust, job satisfaction and work commitment as shown in Figure 2. Similarly, the leader's level of trust on the follower's abilities and integrity has a direct influence on delegation which in turn leads to changes in followers' work attitudes. Followers that demonstrate a higher level of work competencies and integrity backed by a good trust relationship with their leaders will be entrusted with a higher level of delegation as opposed to those who have lower work competencies and poor trust relationship with their leaders (Yang, 2006). Followers that are delegated with higher level of power and authority will feel more committed and satisfied to their job as they feel empowered to make a difference to their work based on their own decisions and judgement (Solinger, Van Olffen and Roe, 2008). In addition, followers will tend to outperform in their delegated work so as 'reciprocate' their leader's trust and faith in them. Such positive exchanges and reciprocity in a leader-to-follower relationship will nurture and enhance the quality of guanxi and trust further resulting in higher levels of delegation and further improvements in followers' work attitudes (Bejou, Wray and Ingram, 1996; Berscheid, Snyder and Omoto, 1986; Crosby, Evans and Cowles, 1990; Smith, 1998). The researcher argues that similar to guanxi, trust influences delegation which in turn influences changes in followers' work attitudes as shown in Figure 2. The arguments supporting each of the hypotheses will be discussed below.

3.2 Hypotheses development

3.2.1 Guanxi and delegation

Based on the proposed model as shown in Figure 2 under H1, a follower who has good or positive guanxi or interpersonal relationship with the leader will be regarded as an 'insider' or member of the 'inner circle' within the organisation. According to Stamper and Masterson (2002), a follower who is a perceived insider is deemed to have gained acceptance into a personal space and circle of trust inside the work arena especially with his leader. The research findings of Cheng (2005) and Hu, Hsu and Cheng (2004) give credence to this theory by suggesting that most leaders in Chinese organisations tend to differentiate their followers between those from the 'inner circle' and 'outer circle'. In addition, 'inner circle' followers are treated as proxy to the leader and delegated with more power and work assignments to nurture them as work leaders and more importantly to enable leaders to consolidate their power and control. The researcher argues that through good quality guanxi or interpersonal relationship, a follower tends to be delegated with more power and responsibilities as he gains acceptance in the 'inner circle' and enhanced employee position. Research done by Chen, Chen and Xin (2004) provides a theoretical framework to show how the quality of relationship between a leader and his followers can create and communicate shared values, goals and mutual respect through frequent interactions and exchanges. Such exchange processes from the leader can come in the form of delegation where those that belong to his 'inner circle' group are assigned with the more tasks and greater autonomy.

On a theoretical basis, the researcher argues that given limited time and resources, it is only natural for a leader to delegate more power and work to those who share a close relationship with him. Followers that share a close relationship with the leader will do their best to accomplish the assignments delegated to them in exchange for the leader's confidence in them. Research findings of Cheng (2005) suggest that followers who are identified as close aides to the leader or 'insiders' are groomed and nurtured to take on more work responsibilities and authority via delegation. More importantly they share their leader's successes and failures at work, as they are regarded as close proxy to the leader. When a leader has developed a competent team of 'insiders' it is equivalent to the leader having duplicates of 'self' and pave the way for higher level delegation to these insiders to strengthen the leader's firm grip of the organisation or department. For

clarity, the researcher would like to highlight that leader-to-followers' guanxi or relationship refers to two or more members who regard themselves as interdependent and share common goals or interests. This is substantiated by the works of Crosby, Evans and Cowles (1990) where similarities between a leader's and followers' value systems, work goals, educational background and personalities are positively related to a high level of guanxi between leader and followers. Other researchers such as Smith (1998) suggest that similarities in races, religion and gender are positively correlated to high levels of guanxi between leader and followers.

Early evidence to support this hypothesis was conducted by Hammond and Glenn (2004), who conducted a study to investigate the influence of interpersonal relationship and social connections on delegation. The results infer that there is a positive relationship between guanxi and delegation. Followers with better interpersonal relationship, connections and higher frequency of interaction with their leaders tend to be delegated with more tasks and power. In another study by Cheng and Lin (1998), they collected data from 33 teams with a total of 206 team members to investigate the influence of guanxi and trust networks on followers' work effectiveness in Taiwan. Results showed that guanxi networks have a direct influence on followers' work effectiveness, and that different levels of guanxi between the leader and followers produce different levels of work effectiveness. The results were similar on trust networks where the higher the level of guanxi and trust between a leader and his follower, the higher is the work contribution. This finding implicates that guanxi not only influence the level of delegation but induces better followers' work contribution. This finding is consistent with the work of Law, Wong, Wang and Wang (2000), who conducted a research study to investigate the influence of leader-follower relationship on delegation in China. Findings derived from a sample of 189 leaders and followers highlight the importance of developing and sustaining quality guanxi or interpersonal connection as a criteria for effective delegation to occur and induce positive followers' work commitment. Results also reported better promotional and remuneration prospects for followers that develop a good quality guanxi with their leaders.

Based on the above discussion and empirical evidence, the researcher proposes the following hypothesis:

Hypothesis 1: Guanxi is positively correlated to delegation.

3.2.2 Trust and delegation

Trust is a subset of guanxi, for without trust guanxi will not be possible or developed in any relationship (Cheng, 2006). This is because in the guanxi exchange theory, future performance or obligations are not formal or clearly stipulated over a certain time line. Trust in a leader-to-follower relationship refers to followers' trustworthiness, integrity and loyalty to his leader and the organisation (Cheng, 1985; Hsu, Cheng and Huang, 2003). Chinese leaders place high emphasis to personal or one-to-one guanxi, trust and loyalty because in many cases the organisation is regarded like their own or part of their lives (Huang, 1988; Redding, 1990). Chinese leaders use trust as a form of currency to form social exchange or reciprocity, where trusted and loyal followers are rewarded through higher level of delegated power and authority. In exchange for their leader's trust in them, followers are expected to outperform in their work. Work competence is defined as a follower's work knowledge, skills, experience, ability to fulfil assigned work tasks and the drive to achieve company's goals (Chen, 1997). When a leader delegates power and responsibilities to a follower, it entails sharing of important and confidential information. By so doing, the leader is effectively passing the control to the follower and become more dependent on his work contribution which will in turn influence the leader's overall job performance. It is noteworthy to point out that most leader-managers or leaders' job security and job advancement are highly dependent on them attaining the set work objectives and goals, hence delegation put their career advancement and track record at risk (Forrester, 2000). As such, the higher the level of trust on their followers' work competencies, the higher is the degree of delegation exercised by the leaders (Cheng, Farh, Chang and Hsu, 2002).

Gabarro (1987) conducted a research to investigate how leaders initiate and build working relationships with followers. Interviews were conducted with newly hired managers with particular focus on the bases of trust such as work competencies or ability-based trust, benevolence or character-based trust and integrity-based trust. Ability-based trust entails work knowledge, skills and interpersonal relationship in order for followers to execute assigned tasks and responsibilities successfully. It is closely connected to followers' trustworthiness (Barber, 1983; Butler, 1991; Butler and Cantrell, 1984). Results from Gabarro's research (1987) showed that past results and track record of followers' play a huge role in leaders' assessment of their

abilities. In addition, the leader must also make sure that his or her follower is a fair and consistent person. His research shows a positive relationship between followers' trustworthiness and the leader's final decision to delegate. Findings from his research also highlight how the relationship between guanxi and trust stems from the interpersonal relationship between leader and follower. This runs parallel to the findings of Brower, Schoorman and Tan (2000) which suggest that interpersonal relationship influences the leader's perception of his followers which determines the leader's level of trust on his followers (Brower, Schoorman and Tan, 2000). In another research by Mayer, Davis and Schoorman (1995), findings suggest that a follower who is highly effective at his work but is only fully committed to maximise profits at all cost does not necessarily equate to a high level of trustworthiness or integrity. This is because a follower who does not possess a good quality guanxi or interpersonal relationship with his leader falls short on the consistency or predictability scale. In short, the researcher argues that results from these findings imply that performance and trustworthiness are both pivotal to trust assessment. A follower with low trustworthiness or integrity but high in performance may not be delegated with more tasks than one who is high in trustworthiness but low in performance. The leader, of course, runs the risk of trusting the follower who fails to deliver the required results which in turn affects his job advancement. In line with this reasoning, the researcher defines trust as the leader's relationship and belief in his followers in this thesis. Works by Ergeneli, Saglam and Metin (2007) claim that trust is pivotal for effective delegation and efficacy of followers. This is supported by Yukl (2002) whose finding showed a positive relationship between a high level of mutual trust and effective delegation in a leader-to-follower relationship. Other research findings by Ferrin and Dirks (2003), Kramer (1999), Jung and Avolio (2000), Smith (1997) also reported positive relationship between trust and delegation.

Research works conducted in the area of trust have shortlisted several attributes and behaviours that are closely and consistently connected to trust in followers and delegation. The main drivers for trust-induced delegation are followers' work competencies or abilities and integrity based on the findings of Ammeter, Douglas, Ferris and Goka (2004) and Mayer, Davis and Schoorman (1995). Butler and Cantrell (1984) conducted a research to identify and test the ten conditions of trust. In this research, a total of 84 interviews were carried out on managers based on a

questionnaire derived from two previous research works conducted in this field. Based on the pointers from the interview, various trust conditions and scales were derived to measure trust. Findings from the research reported key variables such as the reciprocity of trust, emotions and favours between a leader and his followers, followers' work competencies and integrity as significant in influencing the leader's trust in his followers which in turn influences the level of delegation exercised. This finding is also supported by Brower, Schoorman and Tan (2000) who suggest that a leader's perception of followers' trustworthiness has a positive relationship to the level of delegation exercised by the leader. In addition, followers who feel trusted by their leader, as demonstrated by the higher degree of delegation and power entrusted to them, will tend to work harder and be more committed to the leader and the organisation (Gomez and Rosen, 2001).

Further evidence to support this argument has been found in the works of Sullivan and Peterson (1982) who conducted a study on the influence of trust and integrity on delegation, staff motivation and turnover, in a Japanese-American joint venture company. Part of the results shows that leaders tend to delegate the most important work or assignments to followers that they trust. In the study, followers who were selected and sent to manage a new market or to resolve a problem in a regional office tend to be those whom the leader felt are trustworthy, have high integrity and competencies at work. The findings also highlighted that this group of trusted followers likewise felt closely connected to the company and their managers. Hence, the researcher concludes that there is a positive relationship between trust in followers' integrity and work competencies and delegation. The researcher argues that the higher the level of trust in a leader-to-follower relationship, the higher is the degree of delegation exercised by a leader to a follower.

Based on the above discussion and empirical evidence, the researcher proposes the following hypothesis.

Hypothesis 2: Leaders' level of trust on followers' work competencies and integrity are positively related to delegation.

3.2.3 Delegation influences job satisfaction and work commitment

Two research studies conducted by Leana (1986, 1987) investigated the impact of delegation in organisations. In her findings, delegation registered a significant influence on followers' work performance. In addition, delegation was positively related to followers' work competencies and work commitment (Leana, 1986; 1987). However, the results did not show any positive relationships between delegation and followers' job satisfaction and satisfaction with supervision. This finding runs contrary to the research conducted by Farrow, Valenzi and Bass (1980) where the relationship between leaders' delegation and followers' job satisfaction registered a score of 0.32 and 0.46 for work commitment based on the regression statistical model.

Ergun and Onaran (1981) and Wilcox (1982) research findings obtained similar positive correlation between delegation and job satisfaction. Likewise findings from Bass, Valenzi and Farrow (1977) indicated a positive relationship between leaders' delegation and work commitment. The positive relationship between delegation and job satisfaction has also been reported in the findings of Bogler and Somech (2004). These finding were consistent with the research results of Dewettinck and van Ameijde (2007) who conducted a study on the relationship between delegation and followers' work commitment, job satisfaction and intention to stay working in the same organisation. A sample of 380 frontline customer services data was collected. Findings from their research showed a positive relationship between delegation, job satisfaction and work commitment.

In another research by Joiner, Bakalis and Choy (2010), they investigated the influence of Chinese cultures induced delegation on job satisfaction and work commitment. A sample of 186 Chinese employees working in a large logistic company in Hong Kong was collected. Findings reported a positive relationship delegation, followers' job satisfaction and work performance. In addition, it highlighted the significant influence of interpersonal relationship and trust in a leader-to-follower relationship on delegation and eventual changes in followers' job satisfaction work contribution especially in an ethnic Chinese work setup like Singapore.

Recent research evidence to support the above hypotheses has been found in the empirical research study of 162 employees working in an administrative department of a youth care faculty at the University of Assiut by Hazem and Shaimaa (2010), to

investigate the influence of delegation on job satisfaction. The study identified the dimensions of delegation in a leader-to-follower relationship, the extent of job satisfaction and the relationship between the delegation and job satisfaction. The results show a statistically significant or positive relationship between delegation and job satisfaction. Hence, the higher the degree of delegation exercised by a leader, the higher is the level of job satisfaction enjoyed by the followers.

In another research, a study was conducted on 437 Chinese employees of five multinational companies operating in the Chinese service industry by Newman, Thanacoody and Hui (2011). The study investigated the influence of delegation and employee perception of training on work commitment. The results show a statistically significant relationship between delegation and work commitment. This finding was substantiated further by the research conducted by Chiang and Hsieh (2012) who collected data from 405 nurses to investigate the relationship between social networks (between leader-to-follower and among fellow colleagues), job satisfaction and work commitment. Results from their findings reported a positive relationship between social exchanges, job satisfaction and professional or work contribution among the nurses surveyed. In fact, it even showed a positive relationship between high quality social exchanges and friendship to high work load. In other words, the nurses are more than happy to take on heavy workload if the social exchanges and working environment are characterised by friendship, co-operation and support among fellow colleagues, and between leaders and followers.

Based on the above discussion and empirical evidence, the researcher propose the following hypothesis:

Hypothesis 3a: Delegation is positively related to job satisfaction.

Hypothesis 3b: Delegation is positively related to work commitment.

3.2.4 The mediating effect of delegation on guanxi and trust and changes in followers' work attitudes

According to Yukl (1994), for effective delegation to occur, followers need to be entrusted with sufficient power and authority at work, to make a difference and enable them to execute their assigned tasks effectively. In addition, Leana (1986; 1987) devised

a delegation model which consists of three moderators to delegation. These moderators include followers' work competencies, followers' trustworthiness and integrity and finally followers' sense of responsibilities.

Implications from the research findings by Yukl (1994) and Leana (1986; 1987) on the three moderators of delegation highlight the importance of high quality guanxi or interpersonal relationship, trust, work competencies and integrity in a leader-to-follower relationship. As discussed earlier, a good quality guanxi and trust relationship develops when a leader views a follower as trustworthy, with high integrity and loyalty to him and the company. Consequently, the leader will nurture and train his 'inner circle' followers to take on more responsibilities, authority and work assignments through exercising higher levels of delegation to his 'preferred' followers as opposed to followers who belong to the 'outer circle'.

This finding is consistent with research conducted by Thomas (1990) who reported that the level of delegation exercised in a leader-to-follower relationship determines the way one perceives his position in an organisation and status among his peers and leader. Followers who are well connected and trusted by their leaders were entrusted with higher degrees of delegation due to their better interpersonal relationship and high levels of trust shared with the leader or 'perceived insider status' (Hsu, Cheng and Huang, 2003).

Liden, Erdogan, Wayne and Sparrowe (2006) suggest that leaders are agents who linked the followers to the company. Hence, the researcher argues that the action by a leader to vary his degree of delegation to different followers based on the quality of their guanxi and level of trust will mediate the relationship between guanxi, trust, job satisfaction and work commitment. The role of delegation as a mediating factor was used in Dewettinck and van Ameijde (2011) research work where a study was conducted on 318 military personnel in a non-western research setting to investigate the relationship between the influence of leader behaviour on delegation, job satisfaction, staff turnover and work commitment. Delegation was used as a mediating factor to show the influence of leadership behaviour on job satisfaction and work commitment. Regression results show that delegation fully mediates leadership behaviour on job satisfaction and work commitment. This finding runs parallel with the research conducted by Dewettinck and van Ameijde (2011) which reported that delegation partially mediated the relationship

between perceived delegation behaviour and followers' job satisfaction and work commitment.

The question pertaining to whether leaders should differentiate their relationship between followers based on relationship or guanxi and trust via different levels of delegation has long been discussed. Research by Sparrowe and Liden (1997) suggests that this differentiation of followers by leaders is not a question of 'to be' or 'not to be' but one necessitated by practical considerations. In their research, they highlighted the dilemma of a leader who treats all his followers based on equal relationship and exercises equal delegation to all followers. Findings from their research showed a leader expending all his time and resources at work just to maintain and balance such relationships at the expense of organisational effectiveness. If this principle was applied in the Singapore context, it implies that the leader power will be weakened if equal delegation is offered by the leader to all followers regardless of their quality of guanxi and trust with him. Given the heavy emphasis on full control and power among ethnic Chinese Singaporean leaders, this option will not be widely acceptable. Cheng and Lin (1998) research suggests that the positive or negative effects of an unequal distribution of power and authority due to guanxi and trust in a leader-to-follower relationship depends largely on the manner it is deployed and executed. If it is deployed as a tool in 'office politics' and 'power struggle' in an organisation then the negative effects of injustice, bitterness and low morale will permeate the whole organisation. However, when deployed properly it can enhance delegation, improve work attitudes and work effectiveness.

Based on the findings from the discussion above, the researcher has used guanxi and trust-induced delegation as a mediating variable that connects guanxi and trust to changes in followers' job satisfaction and work commitment.

3.2.5 Relationship between guanxi and trust, induced delegation, job satisfaction and work commitment

The influence of guanxi and trust induced delegation in changing followers' job satisfaction and work commitment can be explained by inferring to the concept of impression management (Han and Altman, 2008). Works by Han and Altman (2008) refer impression management to the way leaders or followers try to behave or act in a manner that other people expect or perceive of them. For the Singaporean Chinese

followers who are characterised by the acceptance of high power distance, high emphasis on interpersonal relationship and reciprocity (Zhang and Zhang, 2006), their impression management are more likely to entail loyalty, selflessness, respect for seniority and people in power, strong work ethic and commitment (Jones and Pittman, 1982). This line of reasoning is consistent with the findings of Walder (1986) who suggests that followers' loyalty to their leaders and work commitment are an on-going process involving the development of relationship and exchange of favours for future benefits such as higher level of delegation entrusted by the leader. Other researchers like Bolino, Varela, Bande and Turnley (2006), Bolino (1999), Ferris, Judge, Rowland and Fitzgibbons (1994), Hui, Lam and Law (2000), Rioux and Penner (2001) are all of the opinion that in order to foster and develop high quality rapport and guanxi in a leader-to-follower relationship, followers tend to demonstrate it through strong work commitment and job satisfaction as a form of impression management so that their leader will interpret their action positively and delegate more power and authority to them.

Based the above discussion, the researcher argues that guanxi and trust-induced delegation are based on mutual benefits of reciprocity and trust. Specifically, such delegation is likely to motivate followers to integrate their personal goals to that of the company which in turn results in higher work commitment (Obeid, 2003). Similarly, the process of transferring power, authority and responsibility to 'inner' followers so as to enable them to have greater control and autonomy over their delegated task in order to make a difference in their work contributions will enhance job satisfaction (Kim, 2002). This argument runs parallel to the findings of Mahmoud (2002), who reported that followers who are entrusted with higher level of delegation due to the higher quality of interpersonal relationship and trust they share with their leaders, result in higher level of job satisfaction and work commitment. In addition, findings from his research also suggest that when a follower is performing well in their delegated tasks, it equates to 'doing well' in their job and career. This success permeates into his family and social life giving him and his family a sense of 'satisfaction and fulfilment' and security both at home and at the work place. His leader in turn benefits from his positive work contribution, giving him more time to focus on other areas and most importantly, reap the rewards for placing his trust and confidence on the follower.

In another research, conducted by Carless (2004), a sample of 174 customer service staff was surveyed to collect data to investigate the relationship between psychological experience-induced delegation (the mediator) and job satisfaction. Psychological experience refers to how the working environment, such as the relationship between leader and followers, relationship among colleagues and followers, perceived well-being are regarded and interpreted by followers (James and James, 1989; James, James and Ashe, 1990). Findings from the data analysis showed that delegation fully mediates the relationship between psychological experience and job satisfaction. The results implicate the influence of interpersonal relationship or guanxi on different levels of delegation entrusted to different followers which in turn influences their job satisfaction and work commitment.

Based on the above discussion and empirical evidence, the researcher proposes the following hypotheses:

Hypothesis 4a: Delegation mediates the guanxi-job satisfaction relationship.

Hypothesis 4b: Delegation mediates the guanxi-work commitment relationship.

Hypothesis 5a: Delegation mediates the trust-job satisfaction relationship.

Hypothesis 5b: Delegation mediates the trust-work commitment relationship.

3.3 Chapter conclusion

There are two hypotheses proposed to test if guanxi (H1) and trust (H2) influence delegation. In addition, two further hypotheses are conducted to test the influence of delegation on job satisfaction (H3a) and work commitment (H3b). Finally, to test delegation as a mediator to guanxi and trust on eventual changes in followers' work attitudes which are measured in terms of job satisfaction (H4a and H4b) and work commitment (H5a and H5b), four further hypotheses are conducted.

4 Research methodology and design

4.1 Introduction

In this chapter the researcher will discuss the overall plan, methods and processes involved in collecting the required data and information to address the research questions and test the five hypotheses discussed in the earlier chapter. These steps are consistent with the research methodology adopted by Chen, Friedman, Yu and Sun (2008) who investigated the influence of leader-follower guanxi on delegation, work commitment and staff turnover. In this chapter, the research design, methodology and data analysis will be discussed.

A positivism and quantitative research methodology will be used in this thesis to test the five hypotheses. There are two parts in this process: first, a comprehensive description of the research design comprising of the methodology deployed, sample selection, procedure to follow and the tools used in collecting the measures of all the variables will be discussed. In the final part of this section, both descriptive and inferential statistical methods will be used to analyze the data using the statistical package for social science (SPSS). This must be done systematically and diligently to prepare information for data analysis, descriptive statistical study, reliability and validity verifications for the information collected. An inferential statistical analysis will be applied to examine the five hypotheses.

4.2 Research design

In this thesis, the researcher intend to replicate the steps used in a previous research work conducted on the concept and influence of guanxi by Chen, Friedman, Yu and Sun (2008). The research was however conducted in the Republic of China based entirely on Chinese participants' sample. In this thesis, the researcher will be repeating and applying the research design and methodology to a Singapore-based company to test its generalizability and replicability.

4.3 Methodology

In this thesis, a positivism approach was adopted to provide precision and objectivity to the measures with the aim of unraveling theories or models that can be applied to predict potential human reactions and responses to certain activities or actions. The

main focus was on the validity and reliability of the data extracted from this research. According to Cavana et al. (2001), the main disadvantage of this method when compared to that of the interpretational method stems from the lack of in-depth understanding of the various variables presented and their implications.

To test the five hypotheses, deductive reasoning and quantitative methodology were adopted. The objective in this study was to study the relationship between guanxi and trust being the independent variable and the mediating factor of delegation. In addition, it aims to establish the relationship between guanxi and trust to job satisfaction and work commitment through the indirect influence of delegation being the mediator. The participants' responses were collected via an anonymous questionnaire which was entirely voluntarily and assured of confidentiality. Hence, the personal opinions and perceptions of the researcher were not influence the responses of the participants in anyway, so as to ensure objectivity of the data collected (Bryman, 2008).

4.4 Sample

The main sample used consist of employees from one of Singapore's largest water recycling research and development (R&D) company known as Omega Recycling Limited. The company was founded in 1988 and has a workforce of 580 staff based in Singapore which consists mainly of highly trained engineers. The main competitive advantage of this company lies in its ability to consistently produce innovative and cost effective water recycling solutions. As such, the company organization structure was very flat, with heavy emphasis placed on knowledge sharing, continuous learning and nurturing an innovative and flexible work environment. There was no formal leader-to-followers' reporting structure commonly associated with conventional companies in other industries. Instead senior engineers with more than six years of relevant research and development (R&D) work experience in their particular field of current specialization were regarded as 'mentors' or team leaders, who were tasked with the responsibilities to train, impart knowledge and delegate work assignments to the junior engineers or followers. Each senior engineer or team leader was allocated between a minimum of 1 to a maximum of 4 junior engineers or followers to mentor or manage. A junior engineer was regarded as one that has less than 6 years of relevant R&D work experience in his particular field of current specialization. Hence, an engineer may have more than 5 or even 10 years of work experience, but if he did not possess the relevant

R&D work experience in his field of current specialization, he was to be regarded as a junior engineer.

Sample size will determine the accuracy of the data and confidence level. According to Sekaran and Bougie (2001), a sample size of between 30 and 500 was considered sufficient for most research. Based on a review of past studies such as the research conducted by Chen, Friedman, Lu and Sun (2008), a sample size of 550 participants consisting of senior engineers-mentors or team leaders and junior engineers or followers used in this study seem to be a good representation of sample size for testing the proposed five hypotheses. Each team leader or mentor was matched to his followers and vice versa to form pairs of match sample so as to facilitates statistical models to be applied later to examine the relationships. In all, there were 550 participants in this survey making up 90% of the entire working population of this company.

In summary, for the purpose of this thesis, ‘leaders’ refer to senior engineers or mentors (with more than 6 years of relevant R&D work experience related to their particular field of current specialization) who act as mentors and team leaders to between one and a maximum of four junior engineers. Followers refer to junior engineers who were mentored by their respective senior engineer or team leader. Each pair of leader-to-followers relationship was to form a pair or team in this thesis so as to facilitate statistical model to be applied later to examine the relationship.

4.5 Procedure

After obtaining the approval from the CEO of Omega Recycling Limited and with the help of the human resource manager of the company, the researcher decided to administer the anonymous questionnaires to all 550 full time engineers of the company. The researcher has excluded the 28 project-based part-time scientists based at the company, the human resource manager and the Chief Executive Officer from the sample. This is because project-based scientists are not full-time employees of the company. There are two sets of questionnaires that will be distributed to collect data for this research.

The first questionnaire is for the team leader or mentor and will be distributed based on the team they are leading. There will be an assigned number representing the team they

are currently supervising. This is because one of the objectives of this thesis is to investigate the effects of guanxi and trust of leaders on their direct followers' work attitudes via delegation. Hence, data must be collected from the pairs of leader and followers in order to facilitate statistical modeling to be applied later to examine the relationship. It will require them to provide responses to the questions posed and include information on their age, educational level and years of service in the company. Please refer to Appendix 8.1.1 Questionnaire 1 for team leaders which consist of 2 sections.

The second questionnaire will be for the junior engineers or followers in the company and the set of questions are different from those of the leader questionnaire except for section 1 which requires general information on the participant such as nationality, gender, educational level and tenure in the organisation. Please refer to Appendix 8.1.2 Questionnaire 2 for followers which consist of 3 sections. The followers' questionnaires will be distributed based on the team they are working in. There will be an assigned number representing the team they belonged to.

The researcher will personally administer and distribute the questionnaires to the participants. Those interested in taking part in the survey will be given up to ten working days to answer all the questions in the questionnaire and on completion will simply need to drop the completed forms back to the designated box placed at the office reception. This is done to ensure the confidentiality of the information and prevent the staff from being pressured to participate or forced to give only 'politically correct' answer if the questionnaire is administered on the spot. The anonymous group administered questionnaire will be conducted after the company's monthly meeting involving the whole company. The title and objective of the research will be articulated clearly for all the participants before distribution of the questionnaires and they will be informed that their participation is voluntary and will be assured confidentiality in their responses. (Please refer to Appendix 8.2 for the approval letter from the Group CEO of Omega Recycling Limited and Appendix 8.3 for the 'Participant Information Statement' for this research project addressed to all potential participants).

4.6 Data storage and security

All hard and soft copies of the data collected will be entered into a password-protected computer file, analysed and stored securely at the researcher's office in a locked safe.

The data will be kept for a minimum of 5 years after which all the hardcopies of data will be shredded. A verified electronic copy of the study data used for the thesis will be stored securely for a minimum of five years at the University within the academic discipline. All information collected will be confidential. At no time will any individual be identified in any reports resulting from this study

4.7 Survey instruments

The survey instrument used is an anonymous questionnaire to be administered and handled solely by the researcher. According to Sekaran and Bougie (2010) such an instrument provides confidentiality and anonymity. Hence, this feature will protect the privacy of all the participants.

Choice of measure: In this study an itemised rating scale measure will be used. For instance a single-item scale measuring leader's trust in followers' work competencies (for example, "I believe in the work competencies of my employees"). The answers were ranked from number 1 to 5 with 1 referring to "totally disagree" to 5 referring to "totally agree". According to Sekaran and Bougie (2010), such itemised scale has been used effectively in past research works to measure the participant response to specific questions. This interval rating scale of measure is used because it allows for the measure of distance between two points on the scale for comparison. Expressed in numbers this method provides measures of dispersion such as standard deviation, variance, coefficient of variation and even test of significance to ensure goodness of measure (Sekaran and Bougie, 2010).

Rationale for proposed choice of measure are as follows:

- Such a scale allows the researcher to determine that position 5 on the scale is above position 3 and also the distance from 4 to 5 is similar to the distance from 2 to 3. Such a scale however does not permit the conclusion that position 2 is twice as strong as position 4 because no zero position has been established. The data obtained from the Interval Scale can be used to calculate the Mean scores of each attribute over all respondents. The Standard Deviation (a measure of dispersion) can also be calculated (Sekaran and Bougie, 2010).
- To ensure validity, this method will be able to measure the correct concept in addressing the thesis question or hypothesis calculated (Sekaran and Bougie, 2010).

- Reliability. As this research covers different levels of guanxi and different levels of leader's trust in followers, the researcher believes that the itemized rating scale used will encourage the respondent to be unbiased in responding to the questionnaire and allow for consistent measurement across different time and provide internal consistency (Sekaran and Bougie, 2010).
- Through internal consistency reliability checks, the participants' answers to the questionnaire can be tested for consistency.
- Stability of this method means that whenever this research is done, the measure can be kept the same despite uncontrollable testing conditions (Sekaran and Bougie, 2010).

4.8 Measurement of variables

There are three types of variables in this thesis: independent, dependent and control variables. The details will be discussed below.

4.8.1 Instruments adopted to measure the independent variables of guanxi and trust

• Guanxi:

Under the section of guanxi, a five-item scale is developed based on the research done by Tsang (1998) who researched into the influence of guanxi on China companies. Five questions will be posed in this section. Samples items or questions used by Tsang (1998) in his questionnaire are as follows:

1. I matter around here because of my connections and network with senior management of the company.
2. I tend to listen more to the views and opinions of followers that have better interpersonal relationship with me.
3. I tend to show preference to those I regard as my inner circle in the company when it comes to delegation.
4. Without the support and approval of my leader I will never be promoted to my current leadership position.

5. I feel that delegation based on interpersonal relationship reduce the risk of my followers trying to overtake my position.

The scale's reliability was 0.9 for this questionnaire used by Tsang (1998).

Please see Questionnaire 1 section 2 part A for the researcher's questionnaire.

• **Trust in followers' work competencies and integrity:**

Under the section leader's level of trust on followers' work competencies and integrity, a five-item scale is developed based on the research of Forrester (2000) which conducted a study on delegation and trust in a manufacturing company based in the United States. The five questions will be posed in this section. Sample items or questions used in Forrester (2000) research are as follows:

1. I believe my work competencies and integrity are paramount for career advancement and getting me to my leadership position currently.
2. My staff must gain my faith and confidence in their work performance and integrity in order to benefit from higher level of work empowerment.
3. I believe that with no or limited trust in followers' competencies and integrity, effective delegation will be daunting.
4. The probability of effective delegation is higher if delegated power and responsibilities are entrusted to competent employees with high integrity.
5. Effective delegation enable me (as a leader) to produce better overall work results.

The scale's reliability was 0.89 for this questionnaire used by Forrester (2000).

Please see Questionnaire 1 section 2 part B for the researcher's questionnaire.

4.8.2 Instruments adopted to measure the mediating variable of delegation

Under this section, the researcher used a nine-item scale developed by Schrieshelm, Neider and Scandura (1998), as shown in Questionnaire 2 (for followers) section 2 part A, to measure perceived delegation. Examples of the questions used in his questionnaire are as follows:

1. My leader does not need me to get his approval before making a decision.
2. If I am well connected to the leader I will get more power and work delegated to me.
3. My work abilities and integrity determine how much delegation is entrusted to me.
4. Delegation motivates me to work harder for the company

A scale reliability was 0.835 for this questionnaire used by Schrieshelm and Neider (1998).

Please see Questionnaire 2 section 2 part A for the researcher's questionnaire.

4.8.3 Instruments adopted to measure the resulting outcomes of work commitment

Under Questionnaire 2 (for followers) section 3 part B, the researcher used a ten-item scale developed by Pierce, Gardner, Cummings and Dunham (1989) and Meyer, Allen and Smith (1993) to measure the resulting outcomes of work commitment. Pierce, Gardner, Cummings and Dunham (1989) conducted a study on staff loyalty and commitment to the company. The sample used in their study was based on 800 employees who were not shareholder or non-owner of a company based in the United States. In Meyer, Allen and Smith (1993) study, scales were deployed in past research work based on a mainland Chinese company sample (Chen and Francesco, 2003).

Examples of the questions used in their questionnaire for the study are as follows:

1. I can see myself working in my company until my golden age.

2. I regard the company as part of my family.
3. I am not driven solely by my pay to stay loyal and committed to my company.
4. I put my the goals and objectives my company has set for me to achieve as priority number one in all my dealings,
5. I feel strong sense of belonging and affiliation to my company.
6. I cannot imagine working in another company.
7. I will stick with my company through thick and thin.

A reliability score of 0.895 was achieved in the questionnaire used by Pierce, Gardner, Cummings and Dunham (1989) and 0.82 for the questionnaire proposed by Meyer, Allen and Smith (1993).

Please see Questionnaire 2 section 3 part B for the researcher's questionnaire.

4.8.4 Instruments adopted to measure the resulting outcomes of job satisfaction

Under the section job satisfaction, a ten-item scale is developed based on the research of Erez and Earley (1993) and Hackman and Oldham (1980) who conducted a research examining the factors that enhanced self-worth and well-being within a company. Some of the questions used in their questionnaire are as follows:

1. I feel positive and look forward to going to work.
2. I feel recognised for my work contribution and it makes me feel good.
3. I believe that my work contribute to the company's objectives and goals.
4. I look forward to work and responsibilities delegated to me by my leader.

5. I enjoy receiving feedback on my work from my leader so that I can further improve my work performance.

A reliability score of 0.91 was attained in the questionnaire posed by Erez and Earley (1993) and 0.85 for the questionnaire proposed by Hackman and Oldham (1980).

Please see Questionnaire 2 section 3 part C for the researcher's questionnaire.

4.8.5 Instrument adopted to measure the control variable of leader and follower population or size in the company

As discussed earlier under procedure, the number of leaders and followers working in the company was provided by the human resource manager of the company. Information pertaining to the participant such as citizenship, age, gender, educational level and years of size will be provided by the participant if they choose to take part in the survey and submit the fully completed questionnaire to the designated location where all the forms were collected on or before the stipulated time frame as discussed earlier under procedure.

4.9 Data analysis

This study makes use of both descriptive and inferential statistical methods to analyse the data using the statistical package for social science (SPSS) version 19. Data analysis consists of four sections: data preparation for analysis, descriptive statistical analysis of the various variables discussed, reliability and validity analysis method for all the information and data collected and the inferential statistical analysis for testing the five hypotheses highlighted in this thesis.

The statistical method of Pearson Correlation was used to establish the relationship between the independent variables and dependent variable. Reliability test was used to test the appropriateness of questionnaire to measure the variables. Cronbach's alphas and factor loadings techniques are used to analyse the reliability and validity of the variables. Finally hierarchical regression model will be used to test the hypothesis.

4.9.1 Preparation of data collected for analysis

On expiry of the dateline given to the participants to submit their questionnaire if they wish to participate in this anonymous survey, the next thing to do is to prepare and extract the data submitted for analysis. According to Cavana et al. (2001), there are two steps to adhere to. First step involves physically going through each submitted questionnaire to filter out those that are incomplete, unreadable, damaged and contain missing answers. Such data will not be included in the data analysis. The second step is to exclude those who submitted a blank questionnaire.

4.9.2 Descriptive statistics

The first step in data analysis commences with descriptive statistics to get an overview of the information and data collected from the questionnaires (Cavana et al., 2001). The mean and standard deviation based on inputs from the questionnaires will be calculated and presented. Mean refers to the arithmetic average showing the centre point of the data collected. Standard deviation measures the spread and distribution of such data collected (Cooper and Emory, 1995).

4.9.3 Validity and reliability

According to Thorndike and Hagen (1969), validity refers to the extent the test actually measures what it was designed to do originally. Reliability refers to the precision and accuracy of the instrument used to measure the procedure. Hence, it is pivotal to make sure of the validity and reliability of the data extracted from the questionnaire or instrument before proceeding with inferential statistical method to ensure data integrity and relevance.

4.9.3.1 Validity

According to Cavana et al. (2001), validity can be divided into three types. These are face validity, content validity and construct validity.

In face validity, the most important point is to make sure that the instrument, in this case an anonymous questionnaire, is clear and easily understood by the participants. The content validity checks the relevance and applicability of the content to the research in question. The researcher has adopted the key concept and methodology used in the questionnaire conducted by Chen, Friedman, Yu and Sun (2008) to study the independent variables of guanxi and trust respectively. To provide validation to the

dependent variables of work attitudes which are represented by work commitment and job satisfaction, the researcher adopted the key concepts and methodology used by Pierce, Gardner, Cummings and Dunham (1989) and Erez and Earley (1993) respectively.

The pros of replicating the key components and concepts of the questionnaires used by prior researchers as indicated in the earlier paragraph and chapters lie in the credibility and integrity of such information extracted since it has been previously substantiated. As such, such information will be deemed to have fulfilled the requirements of validity and reliability since it has been tested and results conformed (Maher Jr. and Kur, 1983). Similarly the relevance and importance of such information are pivotal in confirming face and content validity (Cavana et al., 2001).

The final type of confirmation aims to show how the data and information extracted from the questionnaires that were collated fit the concept or model adopted. To confirm the validity of the instruments used to measure guanxi, trust, job satisfaction and work commitment, the researcher has used the exploratory factor analysis (EFA) to test and confirm that the items used in the instruments are sufficiently clustered to make up a factor. In this thesis, the researcher will be using the statistical methods of principal axis factoring and varimax rotation for analysing all data collected and extracted. All items with eigenvalues which equates to sum of the variances of the factor value greater than 1 will be highlighted for analysis (Zaltman and Burger, 1975). In cases where the Bartlett test shows a value of less than 0.5 and the KMO (Kaiser-Meyer-Olkin) value greater than 0.8, such data will be subjected to further analysis (Kaiser, 1974).

4.9.3.2 To test internal reliability

Cronbach's alpha and factor loadings methods will be used to analyse the variables. Correlation matrix is used to test the relationship between the dependent and independent variables. According to Cavana et al. (2001), this method is ideal to test the consistency and relationship of multi-items used in a cluster. The higher the value of the coefficients, the closer is the relationship between the items or variables used in the research.

4.9.3.3 Inferential statistical analysis

According to Cavana et al. (2001), Pearson correlation coefficient method is ideal for analysing interval scaled variables as it shows the bivariate relationship of direction,

strength and significance of the various variables used in a research. In this study, the Pearson correlational matrix will be applied to the variables to assess how each variable are correlated to one and another.

4.10 Hypotheses testing

In this thesis, the independent variables of guanxi and trust which are interpersonal and empowering are measured by intervals, which affect the changes in work attitudes, which are the dependable variables measured by job satisfaction and work commitment, through the mediating variable, which is delegation. Using a multi-regression statistical analysis method to study the variables in this research provides two key advantages. One, it provides a predictor for the variables based on their relative importance. Two, it shows the best linear relationship between the independent variables and the dependent variable. The coefficient of determination given by the symbol R^2 and the statistical significance will enable one to calibrate the accuracy of the predictive score or relationship. In addition, the results from the coefficients' scores given by the standardized regression model and the t-score can be applied to study the relative significance and relationship of the independent variables (Mason and Perreault, 1991).

In hypothesis 1, which aims to show the positive relationship or influence of guanxi on delegation, such that the better or greater the quality of guanxi between a leader and follower, the higher the degree of delegation will be exercised by the leader to the follower. In this instance, the regression coefficient (β) and the level of significance (p) will be used to show the amount of variance due to the influence of guanxi on the level of delegation exercised. If the level of significance is larger than .05, it will show a non-significant relationship between the influence of guanxi and delegation. On the other hand, if the level of significance is smaller than .05 or .01, it will show a very significant, positive relationship between guanxi and delegation (Cavana et al., 2001). The change of R^2 of regression will be checked to evaluate the influence of guanxi on delegation, job satisfaction and work commitment.

Similarly for hypothesis 2, the researcher aims to show the influence of trust on delegation, such that the higher the level of trust a leader place on his followers' integrity, work abilities and competencies, the higher is the degree of delegation exercised by the leader to the follower. The same method used in obtaining the

coefficient value and R^2 scores will be carried out to establish the relationship between the variables. The significant standardized regression coefficients for trust will be checked to evaluate their influence on delegation, job satisfaction and work commitment.

In hypothesis 3, the researcher aims to show the influence of delegation on job satisfaction and work commitment, such that the higher level of delegation entrusted to a follower, the higher the level of job satisfaction and work commitment. In this case, the coefficient and R^2 scores will be used to show the amount of variance due to the influence of delegation on changes in job satisfaction and work commitment. If the level of significance is larger than .05, it will show a non-significant relationship between delegation, job satisfaction and work commitment. On the other hand, if the level of significance is smaller than .05 or .01, it will show a very significant, positive relationship between delegation, job satisfaction and work commitment. The significant standardised regression coefficients for delegation will be checked to evaluate their influence on job satisfaction and work commitment.

To test the mediating effects for Hypothesis 4 to 5, the researcher used the recommended procedures proposed by Baron and Kenny (1986), where three regression equations are examined to establish the relationships in the mediation model. First, the independent variable (i.e., guanxi and leader's trust) must affect the mediator (i.e., leader's delegation) in the first equation. Then, the mediator (i.e., leader's delegation) must be shown to affect the dependent variable (i.e., work commitment and job satisfaction) in the second equation. Finally, the independent variable (i.e., guanxi and leader's trust) must be shown to affect the dependent variable (i.e., work commitment and job satisfaction) in the third equation. Perfect mediation holds if the independent variable has no effect once the mediator is entered into the third equation.

In hypothesis 4, the researcher aims to test if guanxi-induced delegation will influence changes in job satisfaction and work commitment. In the case of guanxi induced delegation, the regression coefficient (β) and the level of significance (p) will be used to show the amount of variance due to the influence of guanxi-induced delegation on job satisfaction and work commitment respectively. If the level of significance is larger than .05, it will show a non-significant relationship between the influences of guanxi-induced delegation on job satisfaction and work commitment respectively. On the other hand, if

the level of significance is smaller than .05 or .01, it represents a significant or very significant, positive relationship between the research variables (Cavana et al., 2001), which are guanxi-induced delegation, job satisfaction and work commitment in this study.

In hypothesis 5, the researcher aims to test if trust-induced delegation will influence changes in job satisfaction and work commitment. The same method used in hypothesis 4 will be repeated to investigate the relationship between trust-induced delegation, job satisfaction and work commitment. Hence, the regression coefficient (β) and the level of significance (p) will be used to show the amount of variance due to the influence of trust induced delegation on job satisfaction and work commitment respectively. If the level of significance is larger than .05, it will show a non-significant relationship between the influences of trust induced delegation on job satisfaction and work commitment respectively. On the other hand, if the level of significance is smaller than .05 or .01, it represents a significant or very significant, positive relationship between the research variables (Cavana et al., 2001), which are trust-induced delegation, job satisfaction and work commitment in this study.

4.11 Ethical implications

This research has been approved by the Faculty of Business and Law ethics committee of the University of Newcastle under the national guideline for research involving humans since anonymous questionnaire survey requires human contact. The issues of voluntarism, privacy, potential conflict of interest and anonymity must be addressed. The participants are informed that it is solely voluntary and they have the freedom to decide whether to take part in the survey or otherwise. They are also given the choice to withdraw from the survey anytime by simply ignoring the distributed survey form and do nothing. In fact a rubbish bin will be provided at the exit for those that do not wish to participate to dispose their received forms. Privacy is ensured though the anonymity of the survey. The questionnaire will not enquire about the personal nor corporate details of the participants apart from gender. In addition, the final results from each participant are kept strictly confidential and the net output from all the data collected will be expressed in aggregate terms or percentage terms. The data generated from the questionnaire will be stored in a thumb drive and questionnaires received from the survey kept in the researcher's safe under lock and key. Only the researcher will have

access to the data for the purpose of this research. All hard copy of the research will be shredded and soft copies deleted five years after the report is submitted to UON.

4.12 Chapter conclusion

A summary of the research methodology that will be used in this thesis is presented here. A statistical quantitative research method will be adopted to test all the hypotheses proposed. All the data are obtained from a voluntary participated anonymous questionnaire from the staffs of one particular Singaporean-based company. There will be one set of questionnaire for leaders and another for followers. A clear explanation on all the statistical tools that will be used to analysis the data in this thesis are highlighted in this chapter. For the purpose of this thesis, ‘leaders’ refer to senior engineers (with at least 6 years of relevant R&D work experience which are related to their particular field of current specialization) who act as mentors and team leader to between one to a maximum of four junior engineers. Followers refer to junior engineers who are mentored by their respective senior engineers. Each pair of leader-to-followers relationship will form a pair or team in this thesis so as to facilitate statistical model to be applied later to examine the relationship.

5 Data analyses and findings

This chapter will highlight the information and data collected from the anonymous questionnaires which will be used to test the hypotheses. An overview of all the data collected will be shown followed by quantitative analysis using descriptive statistical methods will be deployed. The validity and reliability of the data collected, their inter-relationship or correlation between the variables and testing of the hypotheses highlighted earlier will be carried out as well.

5.1 Data collection

In this research, a total of 550 questionnaires were distributed based on the respective teams, with leader and followers, which belong in the company. The researcher received 103 sets of matched or paired samples of leader-follower questionnaires. Each set consists of 1 leader to a minimum of 1 to a maximum of 4 followers. The response rate was around 69.1% in total representing 68.6% for leaders' response rate and 69.2% for followers' response rate.

5.2 Descriptive statistics

5.2.1 Descriptive statistics of the respondents

The frequency distribution and descriptive statistics for the resultant 103 sets or teams of leader-to-followers are listed in Table 2. There were a total of 380 participants who answered all the questions in the anonymous questionnaires completely. All the leaders and followers are grouped according to the team they belonged to, with a team identification code written on the questionnaires they received. This way the researcher could link each team leader to the followers under his or her charge and vice versa. This is important as the objectives of this thesis is to investigate the influence of guanxi and trust on leaders' decision to exercise different levels of delegation to different followers which in turn influences changes in followers' work attitudes. Therefore, the researcher needs to collect data from the pairs of leader and followers. Using statistical computation or SPSS, the researcher will examine the proposed model in each pair to see if the relationships tested are significant or not. Demographic variables of manager (leader) and employee (follower) are dichotomous variable. For nationality, 0 represents "foreigner" and 1 represents "Singaporean"; for gender, 0 represents "male" and 1

represents “female”; for education level, 0 represents “below tertiary” and 1 represents “tertiary”; for tenure, 0 represents “less than 5 years” and 1 represents “more than 5 years”.

Among the responding managers (leaders), 96% are Singaporean and 4% are foreigner, while 60% are male and 40% are female. In addition, 88% of them received tertiary education, and 12% did not. Regarding the tenure, 76% have worked more than 5 years in their companies, while 24% have worked less than 5 years.

Among the responding employees (followers), 98.1% are Singaporean and 1.9% is foreigner, while 55.3% are male and 44.7% are female. In addition, 78.6% of them received tertiary education, and 21.4% did not. Regarding the tenure, 31.1% have worked more than 5 years in their companies, while 58.9% have worked less than 5 years.

Table 2: Frequency distribution and descriptive statistics of the respondents

	<u>Frequency (%)</u>		<u>Mean</u>	<u>Standard Deviation</u>
	0	1		
Managers (leaders)				
Nationality ^a	1 (4%)	24 (96%)	.96	.20
Gender ^b	15 (60%)	10 (40%)	.40	.50
Education Level ^c	3 (12%)	22 (88%)	.88	.33
Tenure ^d	6 (24%)	19 (76%)	.76	.43
Employees (followers)				
Nationality ^a	2 (1.9%)	101 (98.1%)	.82	.39
Gender ^b	57 (55.3%)	46 (44.7%)	.45	.50

	<u>Frequency (%)</u>		<u>Mean</u>	<u>Standard Deviation</u>
	0	1		
Education Level ^c	22 (21.4%)	81 (78.6%)	.79	.41
Tenure ^d	71 (58.9%)	32 (31.1%)	.31	.47

Note. ^a Dichotomous variable (0 = Foreigner, 1 = Singaporean).

^b Dichotomous variable (0 = Male, 1 = Female).

^c Dichotomous variable (0 = Below Tertiary, 1 = Tertiary).

^d Dichotomous variable (0 = Less Than 5 Years, 1 = More Than 5 Years).

5.2.2 Descriptive statistics of independent variables

Guanxi and leader's trust in followers' work competencies were rated by managers (leaders). For the ratings of guanxi and leader's trust in followers' work competencies and integrity (Table 3), the mean values are 3.57 and 3.25 and the standard deviations are 1.15 and 1.16. The highest mean values of guanxi and leader's trust are 4.83 and 4.80, while the lowest mean values are 1.17 and 1.40.

Table 3: Descriptive statistics of independent variables

	<u>Minimum</u>	<u>Maximum</u>	<u>Mean</u>	<u>Standard Deviation</u>
Guanxi	1.17	4.83	3.57	1.15
Leader's trust in followers' work competencies and integrity	1.40	4.80	3.25	1.16

5.2.3 Descriptive statistics of mediator and dependent variables

Leader's delegation, work commitment and job satisfaction were rated by employees (followers) and their descriptive statistics were showed in Table 4. Ratings on leader's

delegation are between 1.11 and 4.78 with 3.05 and 1.09 for the mean value and standard deviation respectively. Ratings on work commitment are between 1.30 and 4.70 with 2.99 and .98 for the mean value and standard deviation respectively. Ratings on job satisfaction are between 1.50 and 4.60 with 3.06 and 1.07 for the mean value and standard deviation respectively.

Table 4: Descriptive statistics of mediator and dependent variables

	<u>Minimum</u>	<u>Maximum</u>	<u>Mean</u>	<u>Standard Deviation</u>
Leader's Delegation	1.11	4.78	3.05	1.09
Work Commitment	1.30	4.70	2.99	.98
Job Satisfaction	1.50	4.60	3.06	1.07

5.3 Validity and reliability analysis of data

5.3.1 Validity of the data

In quantitative analysis, the quality or soundness of the measuring instrument can be divided into three sections, namely, face validity, content validity, and construct validity (Cavana et al., 2001).

Face validity refers to the extent the questionnaires can be easily understood and comprehended by the participants. Content validity refers to whether the measures possess the appropriate items that can correctly highlight the concept. In terms of validity, the measures adopted to measure the independent variables of guanxi and trust are inferred from previous research works with high psychometric values by Tsang (1998) and Forrester (2000) respectively. To measure the mediating influence of delegation, the measure selected is based on the previous research work conducted by Pierce, Gardner, Cummings and Dunham (1989) and Meyer, Allen and Smith (1993). The main benefit of deploying standardized measures and questionnaires is that validity and reliability can be more credible or reliable and established (Maher Jr. and Kur, 1983), particularly pertaining to face and content validity (Cavana et al., 2001).

Finally, the last type of validity is construct validity, which aims to show how relevant or co-related the results derived from the data collected matches or fit the hypotheses proposed. In this thesis, exploratory factor analysis (EFA) deemed to be more relevant and appropriate as a measure to show the validity of the instruments used to measure guanxi, trust, delegation, work commitment and job satisfaction (Cavana et al., 2001). In this thesis, the principal axis factoring and varimax rotation methods (Costello and Osborne, 2005) are used for data analysis and extraction. Those items with eigenvalues, which is the sum of the variances of the factor value, higher than 1 are being extracted (Zaltman and Burger, 1975). In addition, the significance level of the Bartlett test of sphericity should be below 0.05 and the Kaiser-Meyer-Olkin (KMO) measure of adequacy should be greater than 0.8 (Kaiser, 1974).

The reasons why EFA is deemed to be more relevant and appropriate for this research are as follows:

Firstly, the scales proposed have not been widely used previously in a Singapore context specifically.

Secondly, the unique nature of the Singapore multi-racial workforce or sample may not fit well with the CFA results established from previous research works which are predominately based on either a western or mainland Chinese corporate settings. Hence, the researcher wishes to focus on the results derived from the data analysis of this 'uniquely' Singapore sample as opposed to some predetermined concepts or measures, to determine the result of this study.

Finally, after giving due considerations to the above two points, the researcher is of the opinion that the construct validity measure should be more conservative and yet robust so as to enable better analysis of the data based on a Singapore context. This approach runs parallel to the works by Sree, Sharon and Yuwa (2005) that explored the most effective ways for Singaporean business leaders and organisations to integrate and adopt to China business culture and practises.

5.4 Exploratory factor analysis results

5.4.1 Guanxi

Exploratory factor analysis (EFA) showed that only 1 factor was extracted for the items in measuring guanxi. Only this factor has an eigenvalue higher than 1 and it alone can explain 78.89% of the variance. Table 5 shows the loading and communality of the items with this factor. Loading means the correlation coefficient between the factor and the item (Cooper and Emory, 1995). Communality is the estimate of variance in each item that is explained by the factor (Cooper and Emory, 1995). The loadings and communalities are very high among these 6 items, ranging from .87 to .90. This supports that all the items in this measure tap into one construct, the guanxi.

The result of Barlett's test of sphericity is significant and the KMO value is .89, much greater than 0.8 (Table 6). Therefore the data collected for this measure were considered to be significant and appropriate for further data analysis.

Table 5: Exploratory factor analysis on guanxi

Construct	Item	Factor Loading	Communality
Guanxi	GX1	.89	.78
	GX2	.90	.81
	GX3	.90	.81
	GX4	.87	.76
	GX5	.88	.78
	GX6	.89	.77
Eigenvalue = 4.73			
% of Variance = 78.89%			

Table 6: KMO and Bartlett's Test on guanxi

Test		Result
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.89
Bartlett's Test of Sphericity	Approx. Chi-Square	560.95
	Df	15
	Sig.	6.93

5.4.2 Leader's trust in followers' work competencies and integrity

The result of EFA showed that only 1 factor was extracted for the items in measuring leader's trust in followers' work competencies and integrity. Only this factor has an eigenvalue higher than 1 and it alone can explain 80.73% of the variance. Table 7 shows the loading and communality of the items with this factor. The loadings and communalities are very high among these 5 items, range from .88 to .92. This supports that all the items in this measure tap into one construct, the leader's trust.

The result of Bartlett's test of sphericity is significant and the KMO value is .84, much greater than 0.8 (Table 8). Therefore the data collected for this measure were considered to be significant and appropriate for further data analysis.

Table 7: Exploratory factor analysis on leader's trust in followers' work competencies and integrity

Construct	Item	Factor Loading	Communality
Leader's trust in followers' work competencies	T1	.88	.77
	T2	.89	.79
	T3	.91	.83
	T4	.90	.81
	T5	.92	.85
Eigenvalue = 4.04			

Construct	Item	Factor Loading	Communality
% of Variance = 80.73%			

Table 8: KMO and Bartlett's Test on leader's trust in followers' work competencies

Test		Result
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.84
Bartlett's Test of Sphericity	Approx. Chi-Square	461.96
	Df	10
	Sig.	.00

5.4.3 Leader's delegation

The result of EFA showed that only 1 factor was extracted for the items in measuring leader's delegation. Only this factor has an eigenvalue higher than 1 and it alone can explain 77.12% of the variance. Table 9 shows the loading and communality of the items with this factor. The loadings and communalities are very high among these 9 items, range from .71 to .82. This supports that all the items in this measure tap into one construct, the leader's delegation.

The result of Bartlett's test of sphericity is significant and the KMO value is .96, much greater than 0.8 (Table 10). Therefore the data collected for this measure were considered to be significant and appropriate for further data analysis.

Table 9: Exploratory factor analysis on leader's delegation

Construct	Item	Factor Loading	Communality
Leader's delegation	LD1	.89	.78
	LD2	.90	.82
	LD3	.89	.80
	LD4	.88	.78
	LD5	.86	.75
	LD6	.89	.79
	LD7	.87	.76
	LD8	.87	.75
	LD9	.84	.71
Eigenvalue = 6.94			
% of Variance = 77.12%			

Table 10: KMO and Bartlett's Test on leader's delegation

Test		Result
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.96
Bartlett's Test of Sphericity	Approx. Chi-Square	917.45
	Df	36
	Sig.	.00

5.4.4 Work commitment

The result of EFA showed that only 1 factor was extracted for the items in measuring work commitment. Only this factor has an eigenvalue higher than 1 and it alone can explain 72.99% of the variance. Table 11 shows the loading and communality of the items with this factor. The loadings and communalities are very high among these 10 items, range from .81 to .87. This supports that all the items in this measure tap into one construct, the work commitment.

The result of Barlett's test of sphericity is significant and the KMO value is .94, much greater than 0.8 (Table 12). Therefore the data collected for this measure were considered to be significant and appropriate for further data analysis.

Table 11: Exploratory factor analysis on work commitment

Construct	Item	Factor Loading	Communality
Work commitment	OC1	.87	.76
	OC2	.87	.76
	OC3	.83	.70
	OC4	.86	.74
	OC5	.83	.69
	OC6	.86	.75
	OC7	.86	.74
	OC8	.87	.76
	OC9	.86	.75
	OC10	.81	.65
Eigenvalue = 7.30			
% of Variance = 72.99%			

Table 12: KMO and Bartlett's Test on work commitment

Test		Result
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.94
Bartlett's Test of Sphericity	Approx. Chi-Square	936.79
	Df	45
	Sig.	.00

5.4.5 Job satisfaction

The result of EFA showed that only 1 factor was extracted for the items in measuring job satisfaction. Only this factor has an eigenvalue higher than 1 and it alone can explain 67.64% of the variance. Table 13 shows the loading and communality of the items with this factor. The loadings and communalities are very high among these 10 items, range from .79 to .88. This supports that all the items in this measure tap into one construct, the job satisfaction.

The result of Bartlett's test of sphericity is significant and the KMO value is .95, much greater than 0.8 (Table 14). Therefore the data collected for this measure were considered to be significant and appropriate for further data analysis.

Table 13: Exploratory factor analysis on job satisfaction

Construct	Item	Factor Loading	Communality
Job satisfaction	JS1	.88	.77
	JS2	.88	.78
	JS3	.79	.15
	JS4	.81	.66
	JS5	.85	.72

Construct	Item	Factor Loading	Communality
	JS6	.86	.74
	JS7	.84	.71
	JS8	.86	.74
	JS9	.86	.74
	JS10	.87	.75
Eigenvalue = 6.76			
% of Variance = 67.64%			

Table 14: KMO and Bartlett's Test on job satisfaction

Test		Result
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.95
Bartlett's Test of Sphericity	Approx. Chi-Square	828.96
	Df	45
	Sig.	.00

5.4.6 Internal reliability of the measures

The degree of internal reliabilities of the measures test was tested by the Cronbach's coefficient alpha, which assesses the inter-item consistency of each measure, including the independent variables, mediator and the dependent variables. The results are shown in Table 15.

The reliability scores for all independent variables, mediator and the dependent variables range from .88 to .92. All the Cronbach's coefficient alpha values were above

0.8 (Cavana et al., 2001; Bryman, 2008), hence the measures used in this research are reliable.

Table 15: Cronbach's coefficient alphas of measured variables

Variables	Cronbach's coefficient alpha
Guanxi	.91
Leader's Trust in Followers' work competencies and Integrity	.90
Leader's Delegation	.88
Work Commitment	.92
Job Satisfaction	.89

5.5 Inferential statistical analysis

To test the hypotheses of this research, multiple regression analysis was used. Before applying the collected data to examine the hypotheses, the linearity relationships between the independent variables, mediating variable and dependent variable were examined and the correlations among all variables were calculated (De Dreu et al., 2000).

5.5.1 Linearity relationship between all variables

In regression analysis, an equation, usually a linear model, is developed to relate a dependent variable to one or more independent variables, either predictor or explanatory (Cavana et al., 2001). Therefore it is important to check whether the relationship between the dependent variables and all the independent variables are linear, or at least not bent (De Dreu et al., 2000). The scatter plots of the dependent variables, work commitment and job satisfaction, were plotted against all independent variables, guanxi and leader's trust in followers' work competencies, and the mediating variable, leader's delegation, as shown in Figure 3. All the relationships are close to being linear, with no

obvious bends observed. Thus, the linearity assumption of fitting a linear model of regression to the hypotheses has been met.

5.5.2 Correlations of study variables

Table 16 displays the descriptive statistics and correlations among the study variables. Among the 8 control variables, three of them, including nationality and education level of manager and gender of followers, had significant correlations with the mediating and outcome variables.

Figure 3: Scatter plots of mediating and dependent variables against independent variables

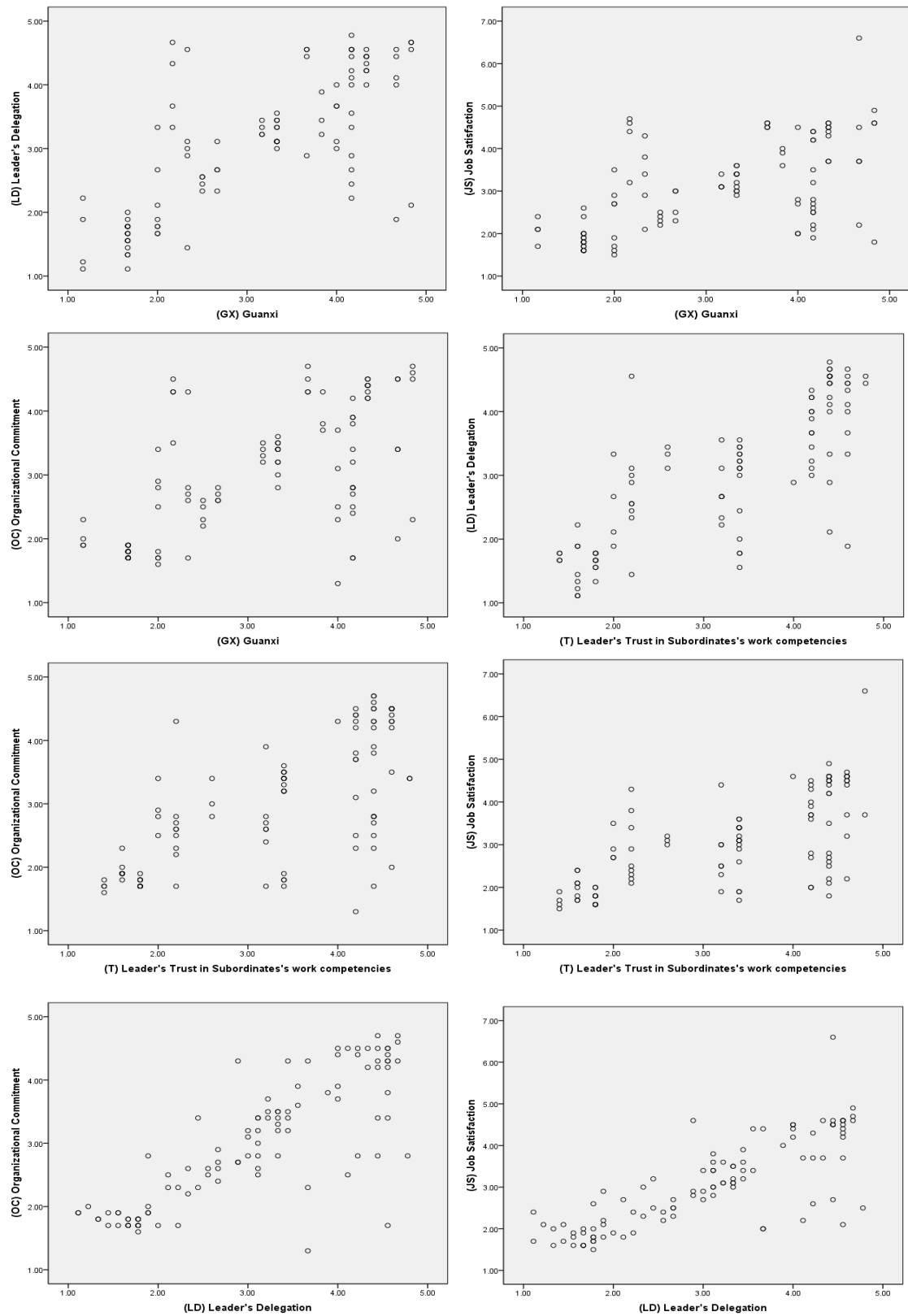


Table 16: Means, standard deviations, reliabilities, and correlations among variables

Variables	<i>M</i>	<i>SD</i>	1	2	3	4	5	6	7	8	9	10	11	12	13
1. Guanxi	3.5 7	1.15	(.91)												
2. Leader's trust in Followers' work competencies and integrity	3.2 5	1.16	.23*	(.90)											
3. (Manager) Nationality ^a	.96	.20	.19	.32**	--										
4. (Manager) Gender ^b	.40	.50	.01	-.08	.17	--									
5. (Manager) Education Level ^c	.88	.33	-.23*	-.26**	-.08	.03	--								
6. (Manager) Tenure ^d	.76	.43	-.07	-.13	.22*	.26**	-.18	--							
7. (Employee) Nationality ^a	.82	.39	.03	.04	.24**	-.02	-.05	.11	--						
8. (Employee) Gender ^b	.45	.50	-.10	-.06	-.02	-.18	.11	-.08	.13	--					
9. (Employee) Education Level ^c	.79	.41	.00	-.06	-.10	.07	.02	-.00	.10	-.01	--				
10. (Employee) Tenure ^d	.31	.47	-.12	-.08	.13	.06	-.12	.10	-.06	-.01	.04	--			
11. Leader's Delegation	3.0 5	1.09	.27**	.26**	.15	.08	-.17	-.10	.00	-.13	-.03	-.01	(.88)		
12. Work Commitment	2.9 9	.98	.17**	.19**	.16	.09	-.19	-.13	-.03	-.25*	-.02	.05	.33**	(.92)	
13. Job Satisfaction	3.0 6	1.07	.19**	.20**	.16	.08	-.20*	-.16	-.02	-.16	.02	.03	.34**	.24**	(.89)

Note. *n* = 103 (list wise)

^a Dichotomous variable (0 = Foreigner, 1 = Singaporean).

^b Dichotomous variable (0 = Male, 1 = Female).

^c Dichotomous variable (0 = Below Tertiary, 1 = Tertiary).

^d Dichotomous variable (0 = Less Than 5 Years, 1 = More Than 5 Years).

* *p* < .05, ** *p* < .01, two tailed.

5.5.3 Antecedents of delegation

Hypothesis 1: The decision to guanxi is positively related to delegation.

Hypothesis 2: Leaders' level of trust on followers' work competencies and integrity are positively related to delegation.

To test Hypothesis 1, multiple regression analysis was used. In step 1, leaders' and followers' demographic information (i.e., nationality, gender, education level, tenure) were entered in the regression model as showed in Table 17 (Model 1). Then, the independent variable, guanxi, was entered in step 2 (Model 2). Similar procedure was conducted again in testing hypothesis 2 as presented in Table 18.

H1 predicted that guanxi is positively related to delegation. When the demographic variables of leaders and employees were controlled, the multiple regression analysis showed that guanxi resulted in higher levels of delegation ($\beta = .22, p < .01$). Therefore, H1 was supported.

Meanwhile H2 predicted that leaders' level of trust on followers' integrity and work competencies are positively related to delegation. When the demographic variables of leaders and followers were controlled, the multiple regression analysis showed that leaders' level of trust resulted in higher levels of delegation ($\beta = .25, p < .01$). Therefore, H2 was supported. The results of the regression analyses are shown in Tables 17 and 18.

Table 17: Hierarchical regression analysis for the direct effect of guanxi on leader's delegation

Step and variable	Work Commitment	
	Model 1	Model 2
Step 1		
(Manager) Nationality ^a	.22	.72
(Manager) Gender ^b	.18	.11
(Manager) Education Level ^c	-.68	.61*
(Manager) Tenure ^d	-.87**	-.25
(Employee) Nationality ^a	-.78	-.24
(Employee) Gender ^b	-.20	-.12
(Employee) Education Level ^c	.06	-.07
(Employee) Tenure ^d	-.15	.25
Step 2		
Guanxi		.22**
<i>F</i>	2.58*	17.64**
<i>R</i> ²	.18*	.63**
ΔR^2		.45**

Note. ^a Dichotomous variable (0 = Foreigner, 1 = Singaporean).

^b Dichotomous variable (0 = Male, 1 = Female).

^c Dichotomous variable (0 = Below Tertiary, 1 = Tertiary).

^d Dichotomous variable (0 = Less Than 5 Years, 1 = More Than 5 Years).

* $p < .05$. ** $p < .01$

Table 18: Hierarchical regression analysis for the direct effect of leader's trust in followers' work competencies and integrity on leader's delegation

Step and variable	Work Commitment	
	Model 1	Model 2
Step 1		
(Manager) Nationality ^a	.22	-.29
(Manager) Gender ^b	.18	.30*
(Manager) Education Level ^c	-.68	.17
(Manager) Tenure ^d	-.87**	-.01
(Employee) Nationality ^a	-.78	-.02
(Employee) Gender ^b	-.20	-.12
(Employee) Education Level ^c	.06	.02
(Employee) Tenure ^d	-.15	.18
Step 2		
Leader's Trust in Followers' work competencies and integrity		.25**
<i>F</i>	2.58*	20.77**
<i>R</i> ²	.18*	.67**
ΔR^2		.49**

Note. ^a Dichotomous variable (0 = Foreigner, 1 = Singaporean).

^b Dichotomous variable (0 = Male, 1 = Female).

^c Dichotomous variable (0 = Below Tertiary, 1 = Tertiary).

^d Dichotomous variable (0 = Less Than 5 Years, 1 = More Than 5 Years).

* $p < .05$. ** $p < .01$

5.5.4 Outcomes of delegation

Hypothesis 3a: Delegation is positively related to job satisfaction

Hypothesis 3b: Delegation is positively related to work commitment

To test Hypothesis 3a and 3b, multiple regression analysis was also used. In step 1, leaders' and followers' demographic information (i.e., nationality, gender, education level, tenure) were entered in the regression model as showed in Table 19 (Model 1 on both column). Then, the leader's delegation was entered in step 2 in Model 2 for different dependent variables, work commitment and job satisfaction.

H3a predicted that delegation is positively related to job satisfaction, while H3b predicted that delegation is positively related to work commitment. When the demographic variables of leaders and followers were controlled, the multiple regression analysis showed that delegation resulted in higher levels of job satisfaction ($\beta = .27, p < .01$) and work commitment ($\beta = .25, p < .01$). Therefore, for the direct effect of delegation on the relevant outcomes, H3a and H3b were supported.

Table 19: Hierarchical regression analysis for the direct effect of leader's delegation on job satisfaction and work commitment

Step and variable	Job Satisfaction		Work Commitment	
	Model 1	Model 2	Model 1	Model 2
Step 1				
(Manager) Nationality ^a	.22	.13	.52	.39
(Manager) Gender ^b	.16	.05	.18	.06
(Manager) Education Level ^c	-.64	-.19	-.77**	-.30
(Manager) Tenure ^d	-.98**	-.39*	-1.13**	-.53**
(Employee) Nationality ^a	-.84	-.32	-.10	-.45
(Employee) Gender ^b	-.44*	-.30*	-.27	-.13
(Employee) Education Level ^c	.07	.03	.19	.15
(Employee) Tenure ^d	-.02	.08	-.09	.01
Step 2				
Leader's Delegation		.27**		.25**
<i>F</i>	4.32**	26.09**	4.23**	22.07**
<i>R</i> ²	.27**	.72**	.27**	.68**
ΔR^2		.45**		.42**

Note. ^a Dichotomous variable (0 = Foreigner, 1 = Singaporean).

^b Dichotomous variable (0 = Male, 1 = Female).

^c Dichotomous variable (0 = Below Tertiary, 1 = Tertiary).

^d Dichotomous variable (0 = Less Than 5 Years, 1 = More Than 5 Years).

* $p < .05$. ** $p < .01$

5.5.5 Mediating effects of delegation

Hypothesis 4a: Delegation mediates the Guanxi-job satisfaction relationship.

Hypothesis 4b: Delegation mediates the Guanxi-work commitment relationship.

Hypothesis 5a: Delegation mediates the trust-job satisfaction relationship.

Hypothesis 5b: Delegation mediates the trust-work commitment relationship.

To test the mediating effect for Hypothesis 4 to 5, the researcher used the recommended procedures proposed by Baron and Kenny (1986), in which three regression equations are examined to establish the relationships in the mediation model. First, the independent variables (i.e., guanxi and leader's trust) must affect the mediator (i.e., leader's delegation) in the first equation. Then, the mediator (i.e., leader's delegation) must be shown to affect the dependent variables (i.e., work commitment and job satisfaction) in the second equation. Finally, the independent variables (i.e., guanxi and leader's trust) must be shown to affect the dependent variables (i.e., work commitment and job satisfaction) in the third equation. Perfect mediation holds if the independent variable has no effect once the mediator is entered into the third equation.

H4 predicted that delegation mediates the effect of guanxi on job satisfaction (H4a) and work commitment (H4b). The results of the multiple regression analyses of the two mediation model are shown in Table 20 ("Model 3" column, job satisfaction and work commitment).

For H4a, in model 2 column on job satisfaction, guanxi related positively to job satisfaction ($\beta = .14, p < .01$). With delegation controlled ($\beta = .21, p < .05$), the direct effect of guanxi on job satisfaction was not significant ($\beta = .07, ns$). For H4b, in model 2 column on work commitment, guanxi related positively to work commitment ($\beta = .16, p < .01$). With delegation controlled ($\beta = .19, p < .05$), the direct effect of guanxi on work commitment was not significant ($\beta = .05, ns$). Thus, H4a and H4b were supported and the effect was full mediation (see Table 20).

Similar to H4, the researcher also used the Baron and Kenny's (1986) recommended procedures to test the mediation effect of H5. H5 predicted that delegation mediates the effect of leaders' level of trust on job satisfaction (H5a) and work commitment (H5b). The results of the multiple regression analyses of the two mediation model are shown in Table 20 ("Model 3" column, job satisfaction and work commitment).

For H5a, in model 2 column on job satisfaction, leaders' level of trust related positively to job satisfaction ($\beta = .16, p < .05$). With delegation controlled ($\beta = .19, p < .05$), the direct effect of leaders' level of trust on job satisfaction was not significant ($\beta = .07, ns$). For H5b, in model 2 column on work commitment, leaders' level of trust related positively to work commitment ($\beta = .13, p < .05$). With delegation controlled ($\beta = .17, p < .05$), the direct effect of leaders' level of trust on work commitment was not significant ($\beta = .01, ns$). Thus, H5a and H5b were supported and the effect was full mediation (see Table 21).

Table 20: Hierarchical regression analysis for leader's delegation as mediator of guanxi effects on job satisfaction and work commitment

Step and variable	Job Satisfaction			Work Commitment		
	Model 1	Model 2	Model 3	Model 1	Model 2	Model 3
Step 1						
(Manager) Nationality ^a	.22	.16	.13	.21	.21	.17
(Manager) Gender ^b	.18	.14	.05	.16**	.12	.04
(Manager) Education Level ^c	-.77**	.03	-.45	-.64	.19	-.24
(Manager) Tenure ^d	-1.13**	-.74**	-.55**	-.98**	-.57*	-.40*
(Employee) Nationality ^a	-.99	-.66	-.47	-.84	-.49	-.32
(Employee) Gender ^b	-.24	-.22	-.13	-.44*	-.38*	-.30*
(Employee) Education Level ^c	.19	.12	.17	.07	-.01	.04
(Employee) Tenure ^d	-.09	.16	-.04	-.02	.24	.06
Step 2						
Guanxi		.14**	.07		.16**	.05
Step 3						
Leader's Delegation			.21*			.19*
<i>F</i>	4.23**	8.35**	20.19**	4.32**	10.13**	23.33**
<i>R</i> ²	.27**	.45**	.69**	.21**	.45**	.69**
ΔR^2		.18**	.24**		.23**	.22**

Note. ^a Dichotomous variable (0 = Foreigner, 1 = Singaporean).

^b Dichotomous variable (0 = Male, 1 = Female).

^c Dichotomous variable (0 = Below Tertiary, 1 = Tertiary).

^d Dichotomous variable (0 = Less Than 5 Years, 1 = More Than 5 Years).

* $p < .05$. ** $p < .01$

Table 21: Hierarchical regression analysis for leader's delegation as mediator of the effect of leader's trust on job satisfaction and work commitment

Step and variable	Job Satisfaction			Work Commitment		
	Model 1	Model 2	Model 3	Model 1	Model 2	Model 3
Step 1						
(Manager) Nationality ^a	.22	.16	.13	.21	.21	.17
(Manager) Gender ^b	.18	.14	.05	.16**	.12	.04
(Manager) Education Level ^c	-.77**	.03	-.45	-.64	.19	-.24
(Manager) Tenure ^d	-1.13**	-.74**	-.55**	-.98**	-.57*	-.40*
(Employee) Nationality ^a	-.99	-.66	-.47	-.84	-.49	-.32
(Employee) Gender ^b	-.24	-.22	-.13	-.44*	-.38*	-.30*
(Employee) Education Level ^c	.19	.12	.17	.07	-.01	.04
(Employee) Tenure ^d	-.09	.16	-.04	-.02	.24	.06
Step 2						
Leader's Trust in Followers' work		.16*	.07		.13*	.01
Step 3						
Leader's Delegation			.19*			.17*
<i>F</i>	4.23**	9.86**	19.79**	4.32**	11.76**	23.23**
<i>R</i> ²	.27**	.49**	.68**	.27**	.53**	.72**
ΔR^2		.22**	.19**		.26**	.18**

Note. ^a Dichotomous variable (0 = Foreigner, 1 = Singaporean).

^b Dichotomous variable (0 = Male, 1 = Female).

^c Dichotomous variable (0 = Below Tertiary, 1 = Tertiary).

^d Dichotomous variable (0 = Less Than 5 Years, 1 = More Than 5 Years).

* $p < .05$. ** $p < .01$

5.6 Summary

In summary, all hypotheses were supported. In hypotheses 1 and 2, guanxi and leaders' level of trust on followers' work competencies and integrity explain significant amounts of the variance of delegation, while, in hypotheses 3a and 3b, leader's delegation explains significant amounts of the variance of job satisfaction and work commitment. For hypotheses 4a, 4b, 5a and 5b, the results showed delegation is an important mediator within the relationships between guanxi, trust in followers' work competencies and integrity, job satisfaction and work commitment since significant mediating effects were showed.

5.7 Chapter conclusion

This chapter began with a description of the data collected and the descriptive statistics, followed by the reliability of the data. The data also showed that all the measures had high construct validity and inter-item consistency. Finally the chapter described the results of testing the hypotheses using multiple regression analysis and all hypotheses were fully supported. A detailed discussion and recommendations will be shared in the next chapter.

6 Discussion and recommendations

In this final chapter, key findings from Chapter 5 will be discussed and their contributions to academic findings and the practitioner. Limitations to this thesis will also be highlighted followed by the researcher's recommendations for potential future research done in this field of study.

6.1 Introduction

The results from Chapter 5 clearly showed that guanxi and trust directly influence delegation which in turn influences changes in work attitudes in a leader-to-followers relationship. Findings from this thesis reinforce the importance of environmental variables' impact on delegation, intrinsic job and work motivation as suggested by previous works conducted by Conger and Kanungo (1988) and Thomas and Velthouse (1990). In addition, it highlights the importance of leaders' and followers' perception on work-based psychological environment, such as the level of interpersonal relationship, quality of guanxi and trust, as major determinates to the varying degree of delegation exercised by leaders which in turn influences changes in followers' changes in work attitudes.

Previous research on delegation, leader and follower relationship, have been centred on the leader member exchange (LMX) theory where the focus seems to be on how followers' react to leaders' behaviour. In this thesis, the researcher aims to provide more insights into how leaders' quality of guanxi and trust with followers influence the process of delegation.

Before we start looking at the results from the previous chapter, the researcher will like to repeat the main objective and scope of this thesis. This research was done to investigate the influence of guanxi and trust on the final degree of delegation exercised by leaders and how delegation in turn influences the change in work attitudes among followers. There were four research questions posed as illustrated in Chapter 1.

Research question 1: Does guanxi influence the level of delegation exercised by leaders in Singapore?

Research question 2: Does trust in followers' work competencies and integrity influence the level of delegation exercised by leaders in Singapore?

Research question 3: To examine the relationship between delegation, job satisfaction and work commitment in Singapore.

Research question 4: To examine delegation as a mediator of the relationship between guanxi and trust on the eventual changes in followers' work attitudes.

To answer all the above questions, this thesis came up with 5 hypotheses and used statistical models to analyse data derived from a total of 380 participants via anonymous questionnaires. All the participants, which consist of both leaders and followers, are grouped according to the team they belonged to, with a team identification code written on the questionnaire they received. This way a follower can be linked to his team leader while the team leader can be linked to the followers under his or her charge. This is important as the objectives of this thesis is to investigate the influence of guanxi and trust on leaders' decision to exercise different levels of delegation to different followers which in turn influences changes in followers' work attitudes. Therefore, the researcher has to collect data from paired leader and followers. There were 103 pairs of related leader-to-followers derived from the sample in this thesis.

The researcher will first interpret the findings of Chapter 5. This will be followed by the theoretical and practical implications of this research. Finally, the strengths and limitations of this thesis will be highlighted.

6.2 Direct influence of guanxi and trust on delegation

The results derived from the H1 ($\beta = 0.22, p < .01$) and H2 ($\beta = 0.25, p < .01$) support the hypotheses that both guanxi and trust play a significant role in influencing delegation. These findings are in line with previous research conducted on delegation, leader and followers relationship. For example, findings from research conducted by Liden, Wayne and Sparrowe (2000) and Stamper and Masterson (2002) suggest that good quality guanxi and trust relationships signal that the leader will most likely exercise a higher degree of delegation to followers who belonged to the 'inner-circle'.

Results from the data analysis are also supported to some extent by the leader member exchange (LMX) theory, where leaders develop different levels of interpersonal relationship and trust levels with different followers (Dansereau, Graen and Haga, 1975; Liden and Graen, 1980). Similar to the guanxi and trust concept, the LMX theory assumes that given the scarcity of time and resources, a leader tend to develop closer relationships with followers who are better connected and trusted. There are two areas that the LMX theory, guanxi and trust have in common. First, all three involves the leader categorising their followers into 'inner circle' and 'outer circle' based on the quality of their interpersonal relationship and level of trust. Secondly, all three concepts placed high emphasis on trust building and reciprocity between leaders and followers. Research works conducted by Bauer and Green (1996) and Cheng (1995) suggest that such similarities stem from the concept cognitive categorisation, mutual exchanges and role definitions commonly associated with human interactions and interpersonal relationship. As shown in H1 and H2, guanxi and trust are both positively related to delegation, where followers who are better connected and trusted by their leaders are delegated with more power and authority.

6.3 Direct influence of delegation on job satisfaction and work commitment

The findings from H3a ($\beta = 0.27, p < .01$) and H3b ($\beta = 0.25, p < .01$) showed that delegation positively influenced job satisfaction and work commitment respectively. This finding is in line with previous research conducted by Spreitzer et al., (1997) and Mathieu and Zajac (1990), which suggest that delegation when done effectively will enhance followers' work satisfaction and work commitment. Likewise, findings from Ashforth and Mael's (1989) reported higher work improvement and job satisfaction due to higher levels of delegation among followers knowing that their work contribution can make a difference to the company.

6.4 Influence of delegation as the mediator that connects guanxi and trust to changes in work attitudes

The findings from H4a, in model 2 column on job satisfaction, guanxi related positively to job satisfaction ($\beta = .14, p < .01$). With delegation controlled ($\beta = .21, p < .05$), the direct effect of guanxi on job satisfaction was not significant ($\beta = .07, ns$). For H4b, in

model 2 column on work commitment, guanxi related positively to work commitment ($\beta = .16, p < .01$). With delegation controlled ($\beta = .19, p < .05$), the direct effect of guanxi on work commitment was not significant ($\beta = .05, ns$). Thus, H4a and H4b showed that delegation fully mediates the influence of guanxi on followers' job satisfaction and work commitment (see Table 20)).

Similar to H4, the researcher also used Baron and Kenny's (1986) recommended procedures to test the mediation effect of H5. H5 predicted that delegation mediates the effect of leaders' level of trust on followers' work competencies and integrity on job satisfaction (H5a) and work commitment (H5b). The results of the multiple regression analyses of the two mediation model are shown in Table 20 ("Model 3" column, job satisfaction and work commitment).

The findings from H5a, in model 2 column on job satisfaction, leaders' level of trust related positively to job satisfaction ($\beta = .16, p < .05$). With delegation controlled ($\beta = .19, p < .05$), the direct effect of leaders' level of trust on job satisfaction was not significant ($\beta = .07, ns$). For H5b, in model 2 column on work commitment, leaders' level of trust related positively to work commitment ($\beta = .13, p < .05$). With delegation controlled ($\beta = .17, p < .05$), the direct effect of leaders' level of trust on work commitment was not significant ($\beta = .01, ns$). Thus, H5a and H5b showed that delegation fully mediates the influence of leaders' trust in followers' work competencies and integrity on followers' job satisfaction and work commitment (See Table 21).

The results from H4a, H4b and H5a, H5b are in line with past research which showed that a positive or strong leader-follower relationship which is characterised by good interpersonal relationship or guanxi and mutual trust will result in a positive change in followers' work attitudes through the indirect influence of delegation (Erez and Earley, 1993). Drawing reference from the works of Hui, Au and Fock (2004), findings from this thesis are consistent with their research results which suggest that a leader has different levels of relationship with his followers based on their level of guanxi or interpersonal relationship. Hence, those who belonged to the 'inner circle' are delegated with more power and authority to signal their importance to the leader and the company. In addition, it enhances their social and peer position in the company. Leaders are often

regarded as agents who connect the company to the followers or staff. Hence, for followers who belonged to the ‘inner circle’, it is natural for them to pledge their loyalty and commitment to their leader and the organizations.

However, how does this change in work attitudes occur?

Results from this research showed that delegation by the leader to a follower is based on interpersonal relationship or *guanxi* and trust in a leader-to-follower relationship. Such *guanxi* and trust induced delegation on turn influences changes in followers’ work attitudes. This is because when followers are delegated with more power and authority, it not only proves their acceptance into the ‘inner circle’ but it psychologically empowers them to make decisions at work that can make a difference to the company or their division. With recognition and psychological empowerment, it is natural for followers to show more initiatives and commitment at work. This finding is supported by the research conducted by Locke (1976) who reported that better connected followers who are delegated with more power and autonomy at work achieve personal fulfilment resulting in higher job satisfaction and work commitment. Similarly, works by Thomas and Tymon (1994) also showed that increased delegation of power and authority in a leader-to-follower relationship has resulted in improved work attitudes due to followers’ improved perception of their influence and control over their work performance.

6.5 Implications for theory

6.5.1 Guanxi and trust as antecedents of leadership

Findings from this research highlight the importance and significant influence of *guanxi* and trust as independent variables on delegation. Past research in this field by Davis, Schoorman, Mayer and Tan (2000), Ergeneli, Saglam and Metin (2007) and Moye and Henkin (2006) tend to focus on follower interpersonal relationship and trust with their leaders. In this thesis however, the researcher emphasises *guanxi* and trust as antecedents of leadership behaviour as opposed to a consequential one. The findings showed that besides followers’ response to leaders’ behaviour, it is equally important for leaders to develop good quality *guanxi* and trust with their followers for effective delegation to occur. More specifically, it highlights the importance of fostering a healthy ‘*guanxi*’ exchange system where leaders’ trust which is demonstrated through

greater delegation is ‘reciprocated’ by followers’ enhanced level of work performance, job satisfaction and work commitment. This thesis aims to further improve the understanding of the relationship between leader and follower from the perspective of the leader.

The findings support our hypotheses that guanxi and trust have a direct influence on delegation which in turn brings about changes in followers work attitudes as shown in H1 and H2. Further results of the study reported the mediating influence of delegation on the relationship between guanxi, trust, job satisfaction and work commitment as shown in H4 and H5. In other words, guanxi and trust in a leader-to-follower relationship make use of delegation as an ‘agent’ to influence changes in work attitudes indirectly. The findings of this thesis are similar to the findings reported by Chen, Friedman, Yu and Sun (2008). This suggests that employees and managers in Mainland China and Singapore shared similar perceptions of key variables such as guanxi, trust and delegation in collectivist countries (Hofstede, 2001).

6.5.2 Delegation as a mediator of guanxi and trust

The mediating influence of delegation underscores the resultant outcomes of guanxi and trust on changes in work attitudes. It provided a guide for the researcher to form the opinion that past research works conducted on the influence of guanxi and trust on eventual work outcomes (Farrow et al., 1980; Schriesheim et al., 1998) based on an eastern cultural setting is indirect and need to be mediated through an ‘managing agent’ such as delegation. Based on the research findings of Schriesheim (1998), delegation influences followers’ work contributions via the job characteristics theory (Hackman and Oldham, 1980). In view of this result, future research conducted in this field should investigate the relative utility of the concepts of delegation and the job characteristics theory as ‘agent’ through which guanxi and trust influence changes in work attitudes. Findings from this thesis also support the transformational leadership theory proposed by Lee and Wei (2011) that use delegation as a mediator of the relationship between management emotions such as guanxi and changes in work attitudes such as job satisfaction and work commitment. In another study by Law, Wong, Wang and Wang (2000), using delegation as a mediator the researcher suggests that changes in work attitudes may not necessarily be goal driven and may simply be just an expression of

good guanxi or reciprocity of guanxi where a leader delegates to selected followers to validate their 'inner-circle' status and reward them for their loyalty and work commitment.

6.5.3 Guanxi and trust induced delegation improves followers' work attitudes

Previous research in the field of guanxi tends to demonstrate that a high power distance work environment like in China does not provide a conducive environment for effective delegation and participative management (Hofstede, 1991). Findings from this thesis has reported that delegation induced by guanxi and trust can improved followers' work attitudes significantly despite operating under a centrally controlled and paternalist management style in the context of Singapore.

6.5.4 Application of findings to other multi-cultural contexts

While this research is focused mainly in the Singapore and ethnic Chinese context, findings from this research will also be applicable in other cultures that place high emphasis and importance on authoritarianism and high power distance, such as in Malaysia, India, Indonesia, Thailand, Philippines, Japan and Korea (Hofstede, 2001). Companies in non-Chinese environments may draw inspiration from our findings on guanxi and trust to improve their delegation process by exercising different levels of delegation to different followers. Past research conducted on leaders' differentiated levels of delegation to different followers was based on the LMX theory (Schriesheim, Cogliser and Neider, 1995). However, the criteria for differentiation differ in many aspects. LMX theory differentiates followers based on followers' loyalty and affect (Dienesch and Liden, 1986). Differentiation in the guanxi and trust case are driven by quality of interpersonal relationship between leader and follower, trustworthiness, work competencies and integrity of followers as discussed in the literature earlier.

6.6 Managerial Implications

6.6.1 Guanxi and trust enhance effective delegation

The findings from this thesis have several managerial implications. Firstly, the mediating role of delegation based on the different levels of guanxi and trust in a leader-to-followers relationship have implications for enhancing effectiveness in delegation. One of the main criteria for effective delegation according to McConkey (1974) is the

willingness of followers to accept the additional work assignments, responsibilities and power entrusted to him. Thus, leaders who wish to reap the benefits of effective delegation must identify followers who share his goals and vision for the organisation. In addition, leaders should make use of the guanxi and trust he has established with different followers to get a 'feel' of their willingness to be entrusted with more work and power before actual delegation. A manager may, for example, share his goals with his 'inner circle' group of followers first to garner their support and commitment before exercising delegation (Luthans and Youseff, 2004). Such practises will influence the levels of delegation to different followers and eventual changes in work attitudes from different followers.

6.6.2 Complementary eastern and western management styles

This thesis has highlighted and combined the processes of guanxi, trust, delegation and job satisfaction and work commitment into 'inner' and 'outer' circle concepts in a leader-to-followers relationship. This differentiates from past research conducted in this field, which view differentiated leadership as a form of descriptive phenomenal (Cheng, 1995; Luo, 2007). As a result, the researcher has demonstrated that eastern management practises do not necessarily have to contradict western management theories and formal company structure. Instead, results from the findings in this thesis have highlighted that guanxi and trust can co-exist with formal organisation structures as a form of support system. As a management tool, it enables a leader to consolidate his power while widening his span of control and influence in the company.

6.6.3 Awareness of followers' expectations

Singapore-based leaders should be aware that close relationship with followers formed through social interaction that occur after office hours and non-work related activities may influence the work attitudes of followers. This is because such close relationships formed outside of work in a leader-to-followers relationship will create a perception of good quality guanxi and commonly associated benefits such as delegation and job promotion. However, when such benefits are not exchanged by the leader, the feeling of unfairness and bitterness will set in to influence the followers' work attitudes. This is consistent with the finding of Cheng and Lin (1998) who reported that guanxi when applied to work related decisions such as higher delegation entrusted to 'inner circle'

organisational members is acceptable to most followers despite the unfairness. However in a non-work related situation, where good quality guanxi is formed outside of work and office hours between a leader and follower, the absence of expected benefits from quality guanxi relationship such as higher level of delegation influences the followers' work attitudes negatively. Hence, Singapore leaders must be extra cautious and be mindful when socialising with followers after working hours and outside of the office.

6.7 Practical significance

6.7.1 Importance of delegation

This study highlights the importance of delegation in changing work attitudes. If executed properly, it will fire up the enthusiasm of followers which will enhance their commitment to their job and the organisation. As shown in the findings, it is highly effective in translating good guanxi and trust between leader and follower into work commitment.

Findings from the study show that the act of delegation from a leader to a follower provides followers with the freedom and flexibility to make decisions. The spinoff from such actions or psychological empowerment are demonstrated by higher degree of job satisfaction and work commitment as followers are given more control that will determine their work performance or competency. Consistent with the findings from this research, research works conducted by Janssen (2003) suggest that psychological empowerment is positively correlated to job satisfaction and work commitment. Research done by Allen and Meyer (1990) and Liden, Erdogan, Wayne and Sparrowe (2006) find that followers who enjoy a higher degree of delegation tend to be more committed to their work and organisation as they feel in control of their work contributions and that their leader values and recognises their work performance. In short, a high quality leader-follower relationship involves a higher degree of delegation exercised by the leader and this signal significantly influences the followers' emotional attachment to their leader.

6.7.2 Improved understanding on what influences the degree of delegation

Business practitioners will be able to better understand what influences leaders to delegate or psychologically empower their followers. Singapore corporations in

particular will have better insights on what actually influences a leader's decision to delegate in a Singapore context. There is limited research done in this area of leadership management in Singapore to date.

This research proposal provides the first step into a relatively unexplored research area by exploring the factors that influence a leader's decision to delegate. It is also a stepping stone for future research in this area that could provide better understanding in the study of leadership theories in the Singapore context.

6.7.3 Fostering quality guanxi and trust at the work place

The results from this thesis highlight the benefits of guanxi and trust as shown in the positive relationships recorded between guanxi and trust on delegation and enhanced work attitudes. The results on guanxi indicate that leaders must devote more time and resources to fostering trust and quality interpersonal relationship with followers. In addition, results on enhanced working attitudes through guanxi and trust induced delegation highlight the importance of delegation as a motivating tool to encourage followers to outperform in their work contributions.

6.7.4 Key staff retention

This study shows the importance of delegation as a management tool to retain key staff in Singapore. As demonstrated from the results, a high level of guanxi and trust will lead to a higher degree of delegation which in turn enhances work commitment and job satisfaction. Hence, organisations in Singapore must devote time and resources to cultivate good relationships with their key staff members. This is because good leader-follower relationships will enhance followers' loyalty to their leader which can be translated to work commitment. Leaders being agents of the company must behave in ways that reinforce followers' loyalty to the organisation. As illustrated in the findings earlier, delegation is one of the most effective tools for a leader to give recognition of his trust and confidence in a follower.

6.8 Limitations and suggestions for future research

6.8.1 This research has deployed only anonymous questionnaires administered to a group of 277 participants which consist of both leaders and followers in Singapore. Although it enables us to examine the casual relationship it does not provide

information on how much of such data generated can be generalised to be applied on an actual corporation. It will be necessary for future studies in this area to replicate the results generated in this paper on a field setting.

6.8.2 Future studies must try to unravel the effects of identification in influencing the process of delegation for effective leadership. For example, relational demography may be a moderating factor in affecting leader's trust of their followers' competencies and integrity. Social studies have shown that human beings of the same gender tend to support each other better when compared to those belonging to the same group. As such, a female boss may show more support and be biased in their decision to delegate power to female followers.

6.8.3 This research examines only personality factors such leader's guanxi or interpersonal relationship, followers' trustworthiness and competencies in motivating or de-motivating the degree of delegation exercised. Situational factors such as a crisis situation or leader mental fatigue situation in an organisation may however produce a new set of factors that influence leader's delegation decision process. In addition, the sample consists only of engineers from one industry, the water recycling industry. Hence, generalising the results and application to other industries must be used with caution.

6.8.4 This study does not provide sufficient information to assess if effective delegations of power result in better leadership effectiveness and corporate performance. For instance, findings in this paper may show that a leader tends to place high emphasis on the guanxi of his employee as a determinate to his degree of delegation. However, it does not provide data on the actual performance of the followers based on the delegation of power given to them. As such, the final outcome of delegation cannot be analysis or studied.

6.8.5 While the researcher has highlighted the function and effectiveness of guanxi and trust in influencing delegation, there are other areas that need to be addressed in future research in this field. Firstly, do guanxi and trust induced 'inner' and 'outer' circles exist in every single level of management? Findings by Chen and Lin (1998) suggest that differentiated leadership is confined mainly to senior and middle management in an organisation. On the contrary, other researchers like Hsu, Cheng and

Hu (2006) are of the opinion that it can occur even at lower levels of management. Findings in this thesis has showed that classifications of 'inner' and 'outer' circle work members based on guanxi and trust occur throughout the entire organisation. However, it did not take into consideration the extent of the leaders' authority and legitimacy. In practise, leaders who belong to lower management hierarchy or rank may not have sufficient power and influence to differentiate between followers. Hence leaders who hold lower management positions may need to improve their quality of guanxi with their respective bosses so as to gain credibility and legitimacy before exercising differential leadership on their respective followers.

6.8.6 Unlike the LMX theory which measures the quality of exchange (Scandura and Graen, 1984) in a leader-to-followers relationship, guanxi and trust do not have metric to show how a leader differentiates followers into 'inner' or 'outer' circles based on these two variables. Future research should perhaps devise some sort of measurement to reflect the level of guanxi and trust in a leader-to-followers relationship.

6.8.7 In this thesis, the researcher examined the concept of guanxi and trust based on the assumption of a collective culture where developing quality interpersonal relationship, loyalty and trust with leaders are key criteria for a follower to gain admission into the 'inner circle'. Future research should investigate the influence of self theory (Markus and Kitayama, 1991) which places higher emphasis on autonomy than relationship such as guanxi and trust on eventual changes in work attitudes.

6.8.8 Given the relatively short period of time given to complete this assignment, more samples from more industries to enhance the data accuracy and reliability is not possible. Similarly, the researcher was not able to explore further using a multi-methods data collection process so as to provide a more precise definition and operationalization of our findings.

6.8.9 Given the current findings have highlighted an important aspect of guanxi and delegation in a collectivistic country (i.e., Singapore), future research should consider extending this study by adopting qualitative research methods such as interviews to further explore underlying issues or contextual factors that can further increase our understanding of how and why Singaporean managers like or dislike excising delegation in their workforce. The findings of the interview studies with management

executives will provide insights into the conceptions of guanxi, trust and delegation in collective countries

6.9 Conclusion

The findings from this thesis suggest that the influence of guanxi and leaders' trust in followers' work competencies and integrity are direct. In addition, delegation has a direct influence on followers' job satisfaction and work commitment. However, the influence of guanxi and trust on job satisfaction and work commitment are indirect and mediated through the influence of delegation.

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8 Appendices

8.1 Survey Questionnaires

UNIVERSITY OF NEWCASTLE

SURVEY QUESTIONNAIRE

Dear Respondent,

My name is Anthony Lye. I am conducting a study to examine the influence of guanxi and trust on delegation and changes in work attitudes in Singapore. This research is undertaken to fulfil the requirement of Doctorate in Business Administration degree at the University of Newcastle.

I would greatly appreciate it if you would please spend approximately 15 minutes of your time to respond to this multiple choice questionnaire.

Please complete the questionnaire based on your honest and frank opinion. I promise to keep your responses and all information concerning your establishment confidential as the research is exclusively for academic purpose.

Thank you very much for your assistance with this research. I look forward to sharing the results with you in July 2012.

Sincerely,

Anthony Lye

Leader: Dr. Herman Tse

DBA student,

Hand Phone No. +6597399466

Email: lyeanthony@hotmail.com

8.1.1 Questionnaire 1

QUESTIONNAIRE 1: For Team leaders only. Team no.:

SECTION 1: DEMOGRAPHIC ANALYSIS

Please check the box which answer is best describing you.

- | | | | |
|-------------------------|--------------------|---------------------|----------------------|
| 1. Nationality : | 2. Gender : | 3. Education | 4. Tenure |
| a. Singaporean | a. Male | a. Tertiary | a. Less than 5 years |
| b. Foreigner | b. Female | b. Below tertiary | b. More than 5 years |

SECTION 2: THE INFLUENCE OF GUANXI AND TRUST ON DELEGATION AND RESULTING OUTCOME.

Please answer all items on this answer sheet by ticking on the rating scale. If an item is irrelevant, or if you are unsure or do not know the answer, leave the answer blank. (Use the following rating scale)

(Strongly Disagree)	(Disagree)	(Not Sure)	(Agree)	(Strongly Agree)
1	2	3	4	5

PART A. Guanxi

		1	2	3	4	5
A1	The background of my followers such as family ties and social connections plays an important role in determining my relationship with him.					
A2	I tend to be more lenient and relaxed with followers that are well connected.					
A3	I tend to trust and delegates more work responsibilities to better connected followers.					

		1	2	3	4	5
A4	I feel that effective delegation based on guanxi to followers help me to be more innovative in my work and becoming an innovative leader.					
A5	I feel that effective delegation based on guanxi to followers improve my work performance as a whole.					

PART B. Leaders' level of trust in followers' work competencies and integrity

		1	2	3	4	5
B1	I value trust in all my followers.					
B2	I have a good understanding of all my followers work competencies and their weaknesses.					
B3	I tend to delegate work to my followers based on my level of trust on their work competencies.					
B4	I will feel irresponsible if I delegate work to my followers knowing that they are not competent enough to complete the assigned task.					
B5	I feel that effective delegation based on trust will enable me to produce better work performance and improve the organisation as a whole collectively.					

8.1.2 Questionnaire 2

QUESTIONNAIRE 2: For followers only.

Team no.:

SECTION 1: DEMOGRAPHIC ANALYSIS

Please circle the box which answer is best describing you.

1. Nationality :

- a. Singaporean
- b. Foreigner

2. Gender :

- a. Male
- b. Female

3. Education

- a. Tertiary
- b. Below tertiary

4. Tenure

- a. Less than 5 years
- b. More than 5 years

SECTION 2: YOUR LEADER AND DELEGATION

Please answer all items on this answer sheet by ticking on the rating scale. If an item is irrelevant, or if you are unsure or do not know the answer, leave the answer blank. (Use the following rating scale)

(Strongly Disagree)	(Disagree)	(Not Sure)	(Agree)	(Strongly Agree)
1	2	3	4	5

PART A:

		1	2	3	4	5
A1	I believe that if I am regarded as an 'insider' or 'connected' to my leader I will be delegated with more power and responsibilities. This in turn will pave the way for faster promotion in the organisation.					
A2	The higher my leader's sense of accountability the lower the degree of delegation exercised.					
A3	My leader tends to delegate me with more responsibilities and work whenever my leader workload is increased.					
A4	My leader tends to delegate me with more work and					

		1	2	3	4	5
	responsibilities as my level of work competencies increases.					
A5	I follow my leader instructions based on his position and seniority.					
A6	I do not dare to question my leader decisions because it will embarrass him and make him lose face.					
A7	I will be frowned upon by everyone in the company if I challenge my leader's instructions openly.					
A8	I will rather knowingly perform a task as instructed that is not efficient than to challenge my leader's instructions.					
A9	My future in the company will be doomed if I challenged my leader's opinions or instructions openly and do things differently from what is instructed.					

SECTION 3: WORK ATTITUDES

Please indicate your commitment and satisfaction toward your organization on the statements. Please tick on the boxes which best suits your choice.

(Use the following rating scale)

(Strongly Disagree)	(Disagree)	(Not Sure)	(Agree)	(Strongly Agree)
1	2	3	4	5

PART B: Work commitment

		1	2	3	4	5
B1	I am more than happy to work in this company until retirement					
B2	I regard work problems and issues as my own problems and issues					
B3	Pay is not the main consideration for me to work in this company					
B4	I regard the work put into this organization as my own work and company.					
B5	The organization I worked in deserves my loyalty					
B6	I always put in additional work to try to achieve extraordinary performance so as to enhance the company's success					
B7	I cannot imagine working in another company					
B8	I regard this organization as part of my family					
B9	I do not feel a sense of belonging in the company					
B10	I would feel irresponsible if I leave the my work in this organisation now					

PART C: Job Satisfaction

		1	2	3	4	5
C1	I feel energized and positive while working in the company					
C2	I am happy with the works assigned to me by my manager					
C3	I feel that what I am doing is worthwhile and appreciated by my company					
C4	I look forward to job rotation or job enhancement					
C5	I am happy with the recognition and appreciation accorded to me by my manager for job well done					
C6	I understand how my work contribution is aligned with the organization's goals					
C7	I am always on the lookout for other job prospects in another company					
C8	I am satisfied with my working environment					
C9	I look forward to feedback by my manager pertaining on my work performance					
C10	I am happy with my current remuneration					

8.2 Letter from Omega Recycling Limited



OMEGAE RECYCLING LIMITED

Date: 25th February 2012

To Whom It May Concern

This is to certify that OMEGA RECYCLING LIMITED SINGAPORE has gladly approved Mr Anthony Lye's request to conduct a survey via questionnaires needed for his study. The company will make the necessary arrangement for the survey to be administered at the company premise whenever Mr Anthony Lye is ready. We wish Mr Anthony Lye all the success in his DBA program.

GROUP CEO
OMEGA RECYCLING LIMITED

8.3 Participant Information Statement



Anthony Lye, MBA

47 Merryn Road, Singapore 298497

Phone: International +6597399466

Email: anthonylye@tshcorp.com.sg

Information Statement for Research Project:

“The influence of guanxi and trust on delegation and work attitudes in Singapore”

Document version 1 dated 3 Jul 2012

You are invited to participate in the research project identified above which is being conducted by Mr Anthony Lye from the Faculty of Business and Law at the University of Newcastle, NSW, Australia. The research is part of Mr Anthony Lye’s Doctor of Business Administration programme supervised by Dr. Herman Tse from the Department of Employment Relations and Human Resources, Griffith Business School, Griffith University, Brisbane, QLD Australia.

The purpose of the research is to explore the influence of guanxi and trust on delegation and work attitudes in Singapore.

With the approval from your company’s Group CEO, all employees and managers in the company are being invited to participate in this research but whether you want to participate is entirely your choice. Whatever decision you make will not disadvantage you. If you do decide to participate, you still can withdraw from the project at any time prior to submitting your completed survey without giving a reason. The anonymity of your responses is guaranteed because you are not required to provide your name nor any other information that can be used to identify you.

If you agree to participate, you will be asked to fill in the following questionnaire. The estimated time to complete the questionnaire is approximately 15- 20 minutes. You will be given up to ten working days to answer all the questions in the questionnaires and on

completion will simply need to drop the completed forms back to the designated box placed at the office reception.

The collected data will be used in a thesis to be submitted for Mr Anthony Lye Doctor of Business Administration degree. A summary of the results will be sent to your organization when the research has been completed. Participants can request for this summary via their company. However, individual participants and teams will not be identified in any reports arising from the project. All the collected data will be stored in a safe place with password protected for a period of five years. Only the researchers have the password.

If you would like further information, please contact Mr Anthony Lye at anthonylye@tshcorp.com.sg.

Complaints about this research

This project has been approved by the University's Human Research Ethics Committee, Approval No. XXXXX.

Should you have concerns about your rights as a participant in this research, or you have a complaint about the manner in which the research is conducted, it may be given to the researcher, or, if an independent person is preferred, to the Human Research Ethics Officer, Research Office, The Chancellery, The University of Newcastle, University Drive, Callaghan NSW 2308, Australia, telephone (02) 49216333, email Human-Ethics@newcastle.edu.au, or the local independent contact, the Local DBA Secretariat, The Hong Kong Management Association, 16/F Tower B, Southmark, 11 Yip Hing Street, Wong Chuk Hang, Hong Kong, telephone (852) 27663303, email unc.dba@hkma.org.hk

[END]