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The resilience of traditional Chinese values: case studies of the Chinese and Singaporean construction sectors

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The Resilience of Traditional Chinese Values: Case Studies of the Chinese and Singaporean Construction Sectors

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Abstract

This thesis examines the traditional Chinese and Western values. The presence of PRC is increasingly felt and this cannot be in denial. The dominance of Western values and the resilience of traditional Chinese values have been hotly debated topic, most of the work which have been done focused on either sets of values. For this reason, in order to build on the existing body of knowledge and to contribute to it, four hypotheses have been critically developed after the literature review has been done. Given the nature of this research, the interpretive paradigm was deemed more ideal with interview technique applied. Data collection was done by interview with 20 managers from PRC and Singapore SMEs Construction industry.

The data gathered was then analysed in a case study format for simpler comparison between both countries. PRC represented a country with strong existence of traditional Chinese values while commanding low presence of Western values, with Singapore being influenced by both sets of values for extensive period of time. The case study has been enormously successful in assisting to identify what the differences and similarities might be. The four hypotheses have been successfully verified.

This study has made several contributions to the body of knowledge in the field of traditional Chinese and Western values, with particular focus on the PRC and Singaporean construction industries. The scope of the research is unique in its own sense as the research looks at the existence of traditional Chinese values, the dominance of Western values and whether the two sets of values might be compatible. The role of Guan Xi has also been defined here and changes that are taking place within traditional Chinese and Western values have also been explored.

Key Words

People’s Republic of China (PRC)

Singapore

Guan Xi

Traditional Chinese Values

Western Values
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Abbreviations

BCI- Building and Construction Industry
CCP- Chinese Communist Party
CIA- Central Intelligence Agency
CIRC- Construction Industry Review Committee
CSR- Corporate Social Responsibility
DPP- Democratic Progressive Party
FDI- Foreign Direct Investment
HKSAR- Hong Kong Special Administrative Region
ICAC- Independent Council Against Corruption
OECD- Organization for Economic Co-Operation and Development
PRC- People Republic of China
SME- Small Medium Enterprise
WTO- World Trade Organisation
Statement of Original Authorship

I certify that the work presented in this thesis is, to the best of my knowledge and belief original, other than as acknowledged in the text and that this material has not been submitted, either in whole or in part, for a degree at this or any other university.

I also certify that to the best of my knowledge any help received in preparing this thesis and all sources used have been acknowledged in this thesis.

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February 2012
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Yours Sincerely,

Andrew Tan

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1. Introduction

As a result of the forces of globalisation, Western values have increasingly become the ‘standard’ business value system throughout much of the world (Chen 2001). Since globalisation by its very nature, involves more frequent and ongoing interaction between different cultural groups, there is potential for value conflict to become problematic for business negotiations throughout the world. Chote (1998) asserts that this will particularly be the case in the East where there has been pressure, mainly as a result of problematic governance issues, especially in the aftermath of the East Asian Financial Crisis, to forgo traditional value systems and more fully integrate with Western ways of doing business. Since the People’s Republic of China (PRC), often regarded as the crucible of Eastern value systems (Baskin 2007; Chen 2001; Essen 2010), has emerged in the last two decades as a vital trading partner to many Western nations, it has become clear that there is a marked potential for conflict between Eastern and Western value systems to emerge. China is also taking its place on the world stage not just as a producer of lower-end goods as was once the case, but also as a substantial market for Western goods and services, thereby making the nation an increasingly attractive place to do business. China today is the home to a multi-faceted and indeed ancient system of values that have often been viewed as antithetical to some of those values practised in the Western world, especially with respect to business.

1.1 Preface

Today, the PRC government plays an active role in facilitating and encouraging traditional Chinese firms to seek a global presence and to become multinationals. McKibbin (2003) states that the outward rate of Chinese Foreign Direct Investment (FDI) has been more impressive than at any other time in history, triggering both an inflow of Western values and the exportation of Chinese values through business transactions such as construction projects. It is therefore of importance to develop a more in-depth understanding of the potential dissonance between Eastern and Western ways of doing business. It is important not only for those managers undertaking business in China itself, but for those doing business in other parts of Asia. This is because as a result of the Chinese Diaspora, people of Chinese descent have immigrated to various parts of the world, and particularly the South-East Asian region. As an end result, traditional Chinese ways of doing business which have been heavily influenced by the amalgam of traditional Chinese value systems practised for centuries, such as Confucianism, Taoism and Buddhism have become very much commonplace throughout Asia (Chen 2001). The issue that is of significance here is to
what extent Western values are having an impact on these traditional Chinese value systems, especially given that it is often thought that Western values as they pertain to business will eventually supplant traditional Eastern values (Park & Shin 2009), the more so since the latter have been regarded as inadequate for modern, globalised business with all its emphasis on transparency and accountability (Park & Shin 2009). Though it is clear that Asian managers in the face of globalisation, have had to adopt Western business practices to some extent, it is also evident that the more traditional ways of doing business are still an everyday reality for managers in the region (Ralston et al. 2010). This state of affairs therefore raises the issue of disconnection between the ostensible value systems of Eastern managers as reported in company statements and similar promotional literature, and what actually occurs behind the scenes.

While a great deal of attention has been paid to the performance of large and therefore highly visible Eastern organisations and their adoption of Western ways of doing business (Chen 2008; O’Merea 2003; Yen 1996; Yung & Yip 2009), it is also important to understand what is occurring within small to medium enterprises (SMEs) in the region. This is particularly important given that Western firms are likely to want to enter into partnership arrangements with these smaller organisations on the account of growing opportunities and indeed political encouragement to bring Western expertise, including management and technical skills to bear on projects within China. The construction industry therefore represents a suitable lens through which to analyse the penetration or otherwise of Western value systems in Chinese organisations. In particular, given that China is developing rapidly and becoming increasingly liberalised from a commercial perspective, there are considerable opportunities for Western firms, especially in partnership with their more entrenched and well-connected Chinese counterparts. Indeed, Singapore appears to be moving fast towards convergence, partly due to robust foreign investment and a larger population of expatriate as in comparison with PRC. This research therefore seeks to gain a more informed understanding of these issues by comparing the experiences of ethnic Chinese managers in the Chinese and Singaporean construction sectors.

1.2 Background to Research

One of the most common problems that public administrators face today is ethical concerns (Eichengreen 2006). There is no clear conclusive definition as to what is ethical and what is not. Act of compliance is not what ethics is about; ethics is about living up to the public trust, and as such often includes preventing, perceiving, resolving and avoiding accusations or unethical behaviour which may include appearances of inapt behaviour (Zhuang 2007).
Today, countries around the world are attempting to promote traditional Chinese values to impart and pass on to future generations. Simply said, traditional Chinese values include teachings from Buddhism, Taoism and Confucianism. Values help to form an individual’s ethical standards and the actions that he or she performs (Essen 2010).

Chinese society today is plagued with many serious problems and The China Post (2008) of Republic of China (Taiwan) reported that the root cause of these problems is the Democratic Progressive Party (DPP) which is running the government, and the reason for this is the DPP’s contempt for traditional Chinese teachings. The China Post in 2008 further suggested that the dynasties in China that have valued traditional Chinese teachings have experienced economic prosperity and social stability, and the Han dynasty was a classic example of this. Eichengreen and Tong (2006) have also reported findings that the Chinese Communist Party (CCP) of PRC have come to accept that Chinese traditional teachings are invaluable after waging an ideological war against them (in particular the Confucian teachings) for over half a century.

Eichengreen and Tong (2006) further affirm that the traditional Chinese teachings have deeply influenced not only the Chinese but also the Koreans and Japanese, and today people worldwide are attempting to learn more about them. One of the main purposes of this thesis is therefore to look at whether these influences are still ‘valid’ and if Chinese people today are still deeply influenced by these teachings.

On the other hand, Western teachings and values have existed in many parts of the world for a long time, given the extensive influence that Western countries have had upon the world. A number of the Asian countries in the world have been colonies of the bigger Western countries: these include countries like South Africa, Singapore, Malaysia, Indonesia and Vietnam.

Since the post-colonial days have gone by, traditional Chinese and non-western values have been observed in Europe and from there a clash of cultures materialised. One side embodies Western values, which are derived from the Greco-Roman and enlightenment ideals. The other adheres to Buddhist and other Eastern value systems (Winchester 2008). On 9th of October 2007, a conference was held at the Royal Geographical Society in Western London, United Kingdom. During the conference, some participants maintained and claimed that Western values were superior to Eastern values (the main component of Eastern Values is Chinese Traditional Values). The audience which consisting mainly of Westerners, voted 465 to 264 votes in favour of the motion (Nigel & Samistha 2008).

On the other hand, Kang-kook and James (2004) have suggested that societies that are primarily based on the teaching of traditional Chinese values (e.g. Japan, Singapore, Hong Kong, Taiwan, South Korea and countries with dominant overseas Chinese populations) have undergone
industrialisation, urbanisation, modernisation and organisational development at a faster pace than most Western countries at comparable points.

With the above in mind, the thesis examines the possible clashes between Western and traditional Chinese values. It also studies the influences that traditional Chinese values have on modern Chinese society and their relevance in the society in contrast to those teachings of the West. The Chinese construction industry will be used as a case (given its poor track record in business ethics and more recent 1980s western values influences) along with the Singaporean construction industry (a Chinese society with a long and extensive influence of Western values).

1.2.1 Ethics & Values

Ethics today have become so much a standard part of our daily life. Universities today all include ethics in some form as part of their courses, and this may be found in a direct (where it is incorporated as a module in the degree they studying) or indirect context (where it is given as a guide which students are expected to read).

Some researchers have argued that there is a relationship between ethics and values and attempted to define it (Essen 2010). According to Bosworth and Chodorow-Reich (2007) ethics are the application and systematisation of one’s values. It is however important that one should not overlook the importance of the commonly understood definitions of ‘ethics’ and ‘values’. Today there is a vast range of information and materials available in this field; one of the earliest researchers in this field was Arthur L. Caplan (1979).

Before identifying the different values, it is important that the meaning of ‘values’ be clearly understood. Values are the codes of conduct that are guided promoted by a particular society (Wong & Adams 2002), and the society would also endorse these values as either acceptable or unacceptable (Wong & Adams 2002). The cultural dynamics of a society would probably promote values such as integrity, trust and friendship (Robertson 2000).

An individual’s values are discussed in relation to any issue that arises. An ideal example would be the case of abortion: some people may not find abortion acceptable according to their standards and values but others may feel that it is perfectly fine. In short it would be not wrong to conclude that values are our primary commitments (Chan 2002). These values are in turn backed by certain perceptions or images that we have formed in our daily life, especially in our early childhood (Child & Rodrigues 2005). As values are inter-related and connected, they eventually determine one’s ethical standards (Essen 2010).

As everyone encounters and responds to different experiences in life, it is normal that every individual has different values and ethics. However there may be individuals who have very
similar values but due to the way they ‘organise’ their values, they may end up with different ethics.

In addition to the above, it is important to understand the difference between ‘something having value’ and ‘a value’. It means that an individual may value something very much not because of the actual value of the thing but because the individual values it. Therefore there may be a discrepancy in the understanding of the term value. For this research, the main emphasis is on the values that an individual manager may have.

Many of our values and ethical standards are derived from people around us, education by teachers, great sages and philosophers (Confucius, Jesus, etc…), religious preaching, parental actions - the list goes on. It is therefore of importance to understand the ‘motivation’ factor behind ethics (Brand & Slater 2003; Zhuang 2007). Very often, ethical foundations are often built based on an individual’s understanding, following an appreciation of their religious teachings.

Given the above, it is vital that we understand the relation or importance of values and ethics in the business world. The values and ethics that an individual holds would ultimately determine a person’s failure or success (Essen 2010). There is often a fine line between what is considered to be ethical and non-ethical, depending on individual’s perception or mindset.

Having said the above, it is important for business managers and all individuals to learn about ethics and to obtain a ‘positive’ ethical outlook in life, as experts have found that ethics are important in business and life and only through ethics will business succeed. Strong and good ethics also promote a substantially improved society (Ehsan, Anwar & Talha 2009).

1.2.2 Current ethical Issues in Construction Industry

Values and ethical concerns in the construction industry has been one of the most debated industries in the world given the nature of the industry. Despite the rules and regulations in position in many countries, ethical issues within the construction industry still pose one of the major problems.

According to Skitmore (2003), one of the most critical ethical issues that are currently active in the construction industry is the bias in tendering or unethical tendering practices. Other major issues would include the misrepresentation of completed work, poor quality control, quality of work done, poor work value or technical incompetence (DeLisle 2004) and all these contribute to problematic social issues (robbery, deaths, depression and etc…), which could have been prevented in the first place. Obviously, corruption the bigger picture of bias in tendering and other unethical practices, still poses the biggest threat to any industry and any country in the world.
East Asia, as a region, has long been regarded as an environment where practices that would be deemed ‘corrupt’ from a Western business perspective are rife. This corruption has also been heavily associated with practices in the East Asian construction industry. In Hong Kong, the Salagane case (Open tender project by Hong Kong government) was characterised by unqualified suppliers becoming approved contractors of the Hong Kong Special Administrative Region (HKSAR) government as a result of bribing local government officials (ICAC 2003). The Hong Kong Independent Council Against Corruption (ICAC 2003) released a report stating that the case involved HK$16.8 million worth of counterfeit (inferior quality) locks, without taking into consideration matters that may have involved even larger sums of money.

China was certainly not spared from such misconduct and had far more noticeable corruption and bribery issues than other countries (Lee & Wong 2001; OECD 2008), given that economic reforms only started in the late 1970s, and there were previous market-driven systems to guide the economic flow and how the market would operate in general (Chan 2002). Business entities were previously state-owned in any case, leading to a high level of bureaucracy, and even today the government controls many of the economy's important business entities (Chan 2002). It is fair to argue that China is not the only country with such dire situation given that countries like Nigeria were certainly not spared calamities due to unethical conduct, given that building collapses occur frequently in the Lagos metropolis (Driffield et al 2008)

The couple of cases mentioned here are just small samples of the unethical practices currently occurring within the construction industry around the world. The later chapters of this research will provide more documentation on the issues currently faced, in order to better understand what is happening and what needs to be done.

1.3 Research Problems, Propositions/ Research Issues and Contribution

Values in general can be classified into two broad categories: traditional Chinese and Western values (Ralston et al. 2010; Lee and Wong 2001; Baskin 2007). Traditional Chinese values are teachings which originated from Buddhism, Taoism and Confucianism. Buddhism has the most extensive influence given that it has the longest history of existence among the three. Guanxi, filial piety, harmony and loyalty are values that one would expect to see in traditional Chinese values. Western values, on the other hand, originated from various philosophers and it would be pertinent to note that they did not all originate from one single entity. Values typical of the West include honesty, empowerment, equality and innovation (Davis 1988; Pheng & Leong 2001).

It should be understood that a fine line exists between ethics and values and that both should be approached with caution, lest a mistake occur. Ethics would generally exist as norms of
professional practices which are considered acceptable but would not generally fall into the category of what is required or prohibited by law (Lee and Wong 2001).

In short, the research aims to look at the resilience of traditional Chinese values using Singapore and PRC’s construction industries as case studies and to also further understand the the ‘dominance’ of Western values.

1.3.1 Objectives of this study/ Contributions

It is evident from the literature review that various authors have individual opinions on whether traditional Chinese or Western values are a better option. In addition to addressing the following issues stated below, this research also aims to establish the validity of their statements through the conduct of the interview:

1. To establish whether traditional Chinese values are still prevalent in today's society, in particular Chinese society.
2. To confirm whether Western values are becoming standard business values throughout the world.
3. To establish whether conflicts between traditional Chinese and Western values do exist.
4. To understand the current situation of ethical conduct in Eastern countries, in particular PRC and Singapore.
5. To identify gaps in previous literature researches conducted and establish the scope of further research.

1.3.2 Summary of Research Hypotheses/ Issues

The literature leads to four specific hypotheses that warrant empirical verification via the collection of data through Interview. These hypotheses are as follows:

a) Ethnic Chinese in Singapore and China are still characterised by adherence to traditional Chinese value systems to some extent. Therefore it is consistent to expect to see these traits in Singaporean and Chinese managers.

b) Western values are increasingly becoming the ‘standard’ business values throughout the world as a result of globalisation. As a result, there is likely to be pressure on Chinese managers to understand, work with or even adopt Western management values in their own business conduct.

c) Western values, in general, are in conflict with traditional Chinese value systems, thereby leading to the potential for dysfunction to occur when Chinese and Western managers are doing business.
d) The construction industry, from a global perspective, is characterised by high levels of unethical conduct, thereby leading, \textit{inter alia}, to adversarial behaviour, unacceptable safety levels, and a lack of corporate social responsibility. Given that East Asia has been traditionally characterised as corruption-prone, it is likely that these unethical practices will be prevalent in the construction industry, which does not have a particularly good standing in the West in this regard. The lack of unethical standing results in the poor corporate social responsibility in place (Ofori 2001; Petrovic- Lazarevic 2005).

\section*{1.4 Justification for Research}

The study of business values is a very broad topic and therefore needs to be carefully defined. In this case, the research will look at comparing the values of traditional Chinese and Western values using the construction industries in Singapore and PRC as case studies.

The aim of the research is to establish whether traditional Chinese values are still prevalent and what the future holds for them. Within the current literature available, there has been significant emphasis on the importance and impact of Western values; it is however unclear if the same applies for traditional Chinese values.

Globalisation is taking place at such a rapid speed that one has to fully comprehend the values of both traditional Chinese and Western in order to understand the ‘current’ trend within the market. The research is limited to Singapore and PRC for the simple reason that both countries consist mainly of ethnic Chinese groups, with Singapore being exposed to Western values for an extensive period of time. PRC represents a developing country while Singapore presents a view from a developed-country perspective.

The construction industry alone accounts for about 6-10 per cent of an individual country's GDP (Walker 2005; Jung 1999) and SMEs alone account for about ninety percent of enterprises worldwide (European Commission of Enterprise and Industry 2009). The contribution is therefore significant given that the most of the companies worldwide are classified as SMEs. Most countries of the world have seen tremendous increases in the construction industry's contribution to their GDP, especially in the case of developing countries such as PRC, India and Malaysia (Zwarun 2004).

According to the Central Intelligence Agency (2009), PRC has the world's largest foreign resources fund, standing at 2,422 billion US dollars, while Singapore holds the tenth position in the world (Chow 2003). This paper conducts important research on two countries that have a significant role in today's globalised world.
1.5 Methodology

1.5.1 Interpretive Paradigm/Qualitative/Interview & Case Study

It has been decided that this study will apply a qualitative methodology derived from the interpretive paradigm as careful selection has suggested that this would be most appropriate method. It has been deemed that an interview technique would be appropriate for collecting the data; with a case study analysis being applied after data has been collected. According to Coyne (1997), the interpretive paradigm lays the foundations of qualitative research while the interview technique provides a strong ability to uncover unexpected results (Baxter & Eyles 1997) and a platform for contributing to knowledge by identifying new themes (Fossey et al 2002).

As mentioned earlier, the study aims to shed light on the resilience of traditional Chinese values using Singapore's and PRC's construction industries as case studies while at the same time understanding the ‘dominance’ of Western values. In other words, the two key concerns here would be traditional Chinese and Western values; such that ‘unexpected’ answers are a key aspect of this study in order to identify new themes/results pertaining to the current literature on traditional Chinese and Western values.

1.5.2 Sample Size

With respect to the sample, twenty managers were selected from construction firms in the PRC and Singapore. According to Scandura & Williams (2000), twenty would be an ideal number for interview to be carried out purposefully without compromising on the quality of the research. Interviewees were chosen because they had roles in and knowledge of their respective construction industries, and because they were of Chinese background, as per the notion of purposive sampling (Sheh 2001). From a practical perspective, choosing managers of samples with extremely comparable ethnic background from two distinct nations serves as a method of triangulation which will assist in drawing more robust conclusions (Scandura & Williams 2000) in line with the proposed hypotheses of this research.

In order to ensure problems associated with random sampling were avoided, purposive sampling was selected. To ensure the even representation of PRC and Singaporean managers, ten managers were chosen from the PRC, and ten from Singapore.

1.5.3 Profile of Interviewees

The profile of interviewees was carefully selected; otherwise the research would not achieve its fullest potential. For this, it was important to ensure that these managers belonged to SMEs since this was the size of business that was deemed most appropriate to this study, and given that
these managers would be likely to have greater influence over their business decisions on account of the smaller size of these firms.

The interviewees also needed to have a reasonable level of exposure to traditional Chinese values through their upbringing and professional development. The interviewees were selected according to advice provided by industry contacts within the PRC (Fujian province) and Singapore respectively. The interviewees were a good blend of managers who are considered novices in comparison with those who have been in the market for more than ten years.

The interview would be conducted in English and where necessary participants could provide feedback in Mandarin. All participants are able to comprehend English without any concerns. The major benefit of this approach is that the managers would be able to clearly articulate their thoughts, whereas this might not have been so easy if the interviews were entirely conducted in English. After the completion of the interview, the data that was spoken in Chinese would be translated/written into English so as to ease the reporting process. All of the interviewees did not wish to be named in this research, especially given the sensitive nature of the topic under investigation. Responses will therefore be presented in codified form for ease of reference.

There was however no requirement on the educational level of the managers as it was deemed that managers of construction firms in the Asian context are generally less educated in comparison with managers in other industries (Ralston et al. 2010).

To sum up, a pilot interview will take place in May 2010 with one of the Singaporean and Chinese managers and since very minimal changes were deemed necessary, the proposed questions in the interview schedule were deemed acceptable for the broader study. The remaining interviews therefore took place in June 2010. Given that that the interviews were being conducted with very busy senior managers, a minimum time of forty-five minutes and a maximum of appropriately one hour was allotted to the interview process, even though most qualitative interviews would be expected to run somewhat longer (Borland 2001). To speed up the process and ensure that all questions were covered, the interviews were conducted in English with feedback occasionally in Mandarin language, with the interviewer being a native speaker of the language. The next section outline of report will be provided.
1.6 Outline of Report

The report of the thesis is primarily based on the work done by Perry (1998) and Southern Cross University advocates this reporting structure.

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1.7 Definitions

The following are important terms that will be used throughout the study. In later chapters of this research, more thorough descriptions of the terms will follow.

**PRC** is the short form for the People’s Republic of China, the source of the traditional Chinese Values.

**Singapore** is a small country that has 77 percent Chinese as its main population. It was a British colony from 1819 to 1963. The Chinese residents are influenced by both traditional Chinese and Western values.

**Guan Xi** is an important term in the Chinese business world as it represents a network of relationships among various individual parties working towards a common, mutually beneficial goal (Yung & Yip 2009).

**Traditional Chinese Values** consist of teachings from Buddhism, Taoism and Confucianism. Buddhism has the longest history among the three, with Confucianism being the least ancient.

**Research Paradigm** along with the selection of a suitable topic/ area of interest or research problem is what would determine if a good research is about to be carried out. According to Yeung (2006) it can be understood to be a force of the influences which shape the researchers' thinking in how research should be conducted.
1.8 Delimitations of Scope and Key Assumptions

Every form of research has its limitations; this research is no exception and has the following limitations. Given that there are limited funds and time at disposal, it is deemed that a sample size of twenty participants would be optimal. However, if the sample size could have been larger the accuracy level would be much higher as a larger population would present a more accurate representation of the study given that the participants have been carefully selected.

The research is important for providing a platform for future research and understanding of the Chinese values and their future, given that PRC has been developing at a tremendous pace and is rapidly becoming an economic powerhouse. However, there are limitations with the selection of PRC as a case study country. Heavier emphasis are be placed on understanding traditional Chinese values, given that the respondents in question are Chinese and they would possibly have lesser knowledge of what Western values constitutes of, and this leaves a gap in our understanding of Western values for this part of the research. Therefore the understanding of Western values from the answers of the participants may not be really relevant or may be inaccurate to a certain extent given their limited exposure. The Singapore managers would make up for this given their extensive exposure to Western values.

This research also provides researchers with an understanding of the values in Singapore for future research in attempting to disclose the reason for Singapore's huge success, something that is acknowledged worldwide. Another limitation occurs here as Singaporean and PRC managers might possibly share very similar values and possibly similar views too, given that both categories of respondents are Chinese. Therefore the results of the research may not be entirely ‘pleasing’ in the sense that less useful data might be generated.

The limitation of the research technique is another concern here. As semi-structured interviews are often time-consuming, it is of concern that the interviews conducted may not be completed in time given the heavy schedule of the participants (Hermanns 2004). The plus point here is that there is only a low possibility of the interview getting off topic given that an interview session is a flow of the sharing of the participants' experiences.

Finally, it is deemed that an interview technique with the use of a case study would be appropriate given the complexity of the research.
1.9 Conclusion

This chapter is the foundation chapter for the thesis as it essentially covers the important details of this study. Preface and background to the research were first presented along with the concerns about ethics and values. Research problems, hypotheses and contributions were next in line before justification for the research was done. Next, methodology and outline of report were provided before looking at the various important definitions of the study. Finally, the limitations and justifications were covered. The next chapter would look at gathering and reviewing the various literature documents/journals deemed to be important to this research.
2. Literature Review

To assess the impact of Western managerial values on traditional Chinese ways of doing business, it is important to develop a clear understanding of the various contextual issues that are impacting on this study. As such, in order to obtain a better and deeper understanding the various contextual issues, it is identified that research for literature materials on four main areas will be undertaken. These include:

1. The existence of Traditional Chinese Values
2. Globalisation and Dominance of Western Values
3. Traditional Chinese Values vs. Western Values
4. Values in Construction Industry
5. Chinese construction companies in the age of globalisation

The existence of traditional Chinese values would cover the various definitions of traditional Chinese values presented by various authors and their thoughts on the origins of these values. Development of traditional Chinese values is another important section of the literature review, given that it is important to understand the ‘ups’ and ‘downs’ that Buddhism, Taoism and Confucianism have gone through. The concept of Guan Xi will looked into, given that much focus has been placed on this aspect in recent years with regard to doing business in PRC (Chen & Easterby-Smith 2008; Lee & Wong 2001, Luo 1997; Su & Littefield 2001; Su & Littefield 2003). The differences and similarities between the values in PRC and Singapore will also be looked at to understand the cultural differences between two typically Chinese-dominated countries to give readers an understanding that potential differences do occur despite both countries being potentially Chinese-cultured. The end of the first section will then finally look at the current Chinese practices in the market in order to make a comparison between the current Chinese and Western practices and identify which ones are better suited to the current market situation.

The second section of the literature review will first look at the ‘past’ Western values that Chinese managers have been practising in comparison with the ‘current’ Western values that Chinese managers practise today in order to understand the gap between the both. It is believed that the serious influx of the studies of Western values since the late 1980s has brought about dramatic changes that one would not have seen prior to that decade (Tai 1988). The importance of Western values will also be looked at in relation to the globalisation and dominance of these values to better understand why they are important and relevant in today’s business world. Finally, second section will also look at why traditional Chinese values would continue to exist.
despite the dominance of Western values before concluding with a summary of what has been covered in the section.

The third section will start off by looking at the many differences that exist between traditional Chinese and Western values, to understand the extent of the differences and identify whether a balancing point could be found between the two. Obviously, there are certain commonalities which could be found between both sets of values and these will also be discussed in this section. According to authors (Pheng & Leong 2001), it could prove to be useful to have a combination of both sets of values or at bare minimum an understanding of both. Finally, a table of the differences and commonalities that exist between the two will be drawn up for the readers’ easy reference.

The fourth section of the literature will first look at the current value issues in the construction industry before analysing why these values occur and considering whether a trend could possibly be observed. The current values will also be explored intensely in order for recommendations on improvements to be made.

The fifth section explores the current situation of the construction companies in the age of globalisation. The style of conducting business and operation has changed significantly over the years and it is expected that more changes would be seen. Therefore, within this section the various authors’ documentation of the ‘progression’ of the construction companies shall be noted.

Finally, based on the literature review, the hypotheses will be identified along with the gaps that have been found in the existing literature in order to understand the contribution of knowledge.

2.1 Existence of Traditional Chinese values

Traditional Chinese values have existed for over 5,000 years, ever since history was documented up until the existence of the PRC (Xiao & Smith 2006). It would therefore not be wrong to say that traditional Chinese values were in existence far much earlier than Western values given that the history of the West was not documented as extensively and as far back as the Chinese history. As many Chinese-owned MNC’s are rapidly merging with, taking over Western-based firms and becoming more active in Western markets, the requirement for more cultural understanding between Western and Chinese Managers, in the business sense, becomes increasingly important (Chen & Easterby-Smith 2008) so that business managers may come to a deeper awareness of the prevalence of traditional practices amongst PRC managers as well as those from other countries (such as Singapore) which has a strong ethnic Chinese presence and where traditional practices may abound.
The prevalence and perseverance of traditional Chinese values in Singapore have also received much governmental encouragement. Chen (2001, p.20) quotes Singapore’s Senior Minister and former Prime Minister, Lee Kuan Yew, as stating (in a Newsweek article) that “Powerful forces of new technology . . . [are] sweeping the world . . . [but] there is no reason to abandon our values . . . The basic human relationships, those between husband and wife, children and parents, extended family members and friends, and between a citizen and his government—these do not change.” Certainly, the former prime minster Mr. Lee was referring the traditional values back to traditional Chinese values. The statements made by Mr. Lee also signify the importance of the existence of the traditional Chinese values.

The PRC government have also in the recent years been attempting to use value teachings from Confucius in order to ‘socially reorganise’ the much disordered society (Chen 2001).

2.1.1 Definition of Traditional Chinese Values

The definition of traditional Chinese values is necessary so that the study becomes clear about what is being measured here. Therefore, the section below presents comments from various authors on their thoughts about what traditional Chinese values are all about. According to some commentators (Soon 2003; Yau 1988), the definition of traditional Chinese values is more than often referred to a number of terms which include Buddhism, Taoism and Confucianism. Of the three, Confucianism revival appears to be strongly in place given that top PRC government’ officials actively promoting and touting the significant of its value, they believe it provides China with the much desirable moral order (Rarick 2008). Buddhism and Taoism have been around for a far longer period of time and probably would not need ‘advertising’, and the fact that Confucianism itself has been used by the PRC government as a tool to ‘educate’ the general public (Soon 2003) would indicate that all three are the founding principles of the traditional Chinese values.

Other authors (Kaempfer 2006; Su et al., 2003) have also debated on which school was the most influential in advocating traditional Chinese values. According to Chen & Easterby-Smith (2008) Confucianism was the main influence and this could be further supported by the fact that the PRC government has been actively using Confucianism as a guiding principle for the modern Chinese PRC society. However, according to Chia (2010) if traditional Chinese values were present in China in the first place, using Confucianism as a tool to educate the public would not be necessary. Chow (2003) in his research further mentions the concept of Guan Xi, which indicates that this value had an important role in history of traditional Chinese values.
The teachings of Buddhism, founded by the Buddha some two thousand five hundred years ago, advocate the value of self-cultivation. The main values taught by Buddha include compassion, generosity, wisdom, honesty and integrity (Bian & Ang 1997). The teaching remains highly relevant to today’s modern society and some authors (Chen, 2001; MacInnis 1989; Rarick, 2008) have claimed that Buddhism promotes many of the values needed in today’s society.

Taoism focuses on the relationship between the heaven and earth. It is said that the founder was an enlightened man named Lao Zi (Kipnis & Andrew 2001; Lee, 1996). The three ‘treasures’ of Taoism include compassion, humanity and moderation; other values inspired by Taoism include harmony, conflict avoidance and peace (De Ruyter & Scholl 1998; Merriam, 1995).

Confucianism, the most highly debated among the three, was founded by Confucius, a supposed disciple of Lao Zi. Confucius’s teaching promotes the harmonious relationship between individuals. According to Kaempfer (2006), Confucianism provides the society, families and royal power stability and moral legitimacy through its teaching of hierarchism, authoritarianism and paternalism.

Other authors such as (Lee, 1996; Sheh, 2001) have questioned whether these sorts of values would still be relevant, given that the monarchic period is over.

In conclusion, among the numerous traditional Chinese values, patriotism, honesty, harmony, loyalty, filial piety, industriousness, hierarchy, integrity, conflict avoidance and adaptation are identified as the major themes (Lee, 1996; Reisman 1990; Zapalska & Edwards, 2001), while some (Sheh, 2001; Reisman 1990; Habermas 1970) have identified orderly relationships, remaining disinterested, saving face, purity and obedience as ‘important’ traditional Chinese values in the workplace. Having discussed the above, the following literature review will attempt to shed some light on this important issue (the values promoted by traditional Chinese values).

2.1.2 Political development in PRC during the last 150 years and its influence on the traditional Chinese values

Bowen et al (2007) state their belief that in order for one to understand the values of traditional Chinese people, one would have to investigate Chinese history, given that it is thousands of years of philosophy upon which one can draw. Therefore given that traditional Chinese values originated from PRC and the fact that one of the countries that the study will look at is PRC, it is essential that a clear understanding of the development of traditional Chinese values for the past one hundred and fifty years be established.

PRC experienced big changes in the late 19th century and early 20th century. The country as a whole had not seen much development, compared to the Western countries, before the late 19th
century given that it was ‘self-contained’ and did not have much communication with the outside world (Kaempfer 2006).

In 1898, Chinese scholar Kang Youwei proposed to the then Chinese emperor to close down all Chinese temples (which were mainly dominated by Buddhism and Taoism) and convert to the Confucian school of thought (Benson et al. 1989). The purpose of the proposal was to install Confucianism as the ‘state religion’ and the only existing school of thought which would inevitably have a huge influence on the society during the later stages of PRC's development. This reform was then carried out by the then emperor but was abandoned few years later by the Empress Cixi (Benson et al. 1989). In 1904, the idea of installing Confucianism as the state school of thought was back in the picture and during the same period of time the Boxer Rebellion occurred and many Christian missionaries were destroyed, depriving the Chinese of access to Western schools of thought and values.

Finally, in 1911 China became a republic and this according to Thompson & Laurence (1996) changed the whole traditional Chinese value system in the PRC. However, it could be noted that monasteries and other sites promoting Buddhism and Taoism were also being heavily attacked with many properties being destroyed, with the exception of foreign missions such as Christianity (Goosaert 2003). Peng & Tan (1998) commented that there was much pressure on local religious groups (the religious groups were the core of the traditional Chinese values) while less could be noted on foreign religions. The statement below made by Gooseart (2003) shows the author's firm belief that the local government was keen on destroying long-standing local Chinese traditions.

―Local cults, on the contrary were considered as the incarnation of the old society and therefore had to be destroyed‖ (Gooseart 2003, p. 436). Noting the author's tone in using the word 'cult' to describe the traditional Chinese religions, it could be said that the republican government at that time had done a lot to damage the traditional Chinese values system, and this is proved elsewhere in this literature review, where authors mention that much of Taiwanese society's problems are because of the government's poor policies. The Kuo Ming Tang Party today was the founders of the modern Republic of China then. However, it could be noted that the republican government during that period of time did at certain stages attempt to revive the teachings and values of Confucius in a bid to counter Communism. This was however in vain and Confucianism as a whole suffered heavy casualties (Thompson & Laurence 1996).

In 1949, the republic collapsed with the communist government (the government is still currently in place) taking over and bringing along with them the value system of Marxism, a value system from the West (Kampfer 2006). It is therefore not wrong to say that more significant western value system exposure started from late 1940s. Marxism does not necessarily advocate
that all religions need to be suppressed but on the other hand it does not support any religion (Kampfer 2006). This again was damaging to the traditional Chinese values as they were predominately formed from the three main sources – Buddhism, Taoism and Confucianism – which some might consider to be religions. Therefore in line with what Marxism advocates, the government was vigorously attempting to promote the ‘natural course of the various religions’ disappearance’ (Pas 1995).

The Cultural Revolution (1966 to 1977) which took place under Mao Ze Dong’s orders did serious damage to all religious groups as many religious groups were been banned to be practiced, including Buddhism, Taoism and Confucianism. Mao advocated that the ‘Olds’ be removed and these included old customs, old habits, old culture and old ideas, and in essence all these had links back to traditional Chinese values and practices (Thompson 1996). Thompson (1996) and Kipnis & Andrew (2001) further assert that Mao’s personality cult was being promoted as the ‘state’ religion and school of thought which would dictate values. Following the death of Mao in 1976, the value teachings of Communism (Marxism) and Maoism died off and the previous value systems of Buddhism, Taoism and Confucianism were slowly building up once again (Pas 1995, Peng & Tan 1998).

“While the storm lasted, religious life seemed to have expired. But the Chinese people are resilient; as soon as a storm was over, they started to rebuild,” (Peng & Tan 1998, p. 319).

Numerous authors (Chan & Hunter 1994, Ching 1993, MacInnis 1989, Peng & Tan 1998) have described the revival of Buddhism, Taoism and Confucianism as being at its peak in the 1980s, when Deng Xiao Ping took over. It was the period where people started to show faith in those teachings and preaching them. Religion and its teaching cannot be ignored as their social impact is real and must be acknowledged as the PRC government understands that the promotion of any ‘wrong’ values would result in a challenge to the government's authority (Chan & Hunter 1994). Western values such as democracy are something that the PRC government would not like to see in the country as they would represent a challenge to their authority and therefore they would rather be active in promoting traditional Chinese values, which predominately do not contain values similar to those of Western culture (Peng & Tan 1998).

Heading toward 1990s and 2000s, the PRC government took the unusual approach of actively promoting Confucianism, which they had vigorously banned in the past. Lee (2001) entitled his article “Confucianism-Fever” in response to what the PRC government have been actively promoting. Other Authors such as Alder (2002) and Choy (1987) thought the revival of Confucianism was ‘useful’ for the PRC society on a whole given that the Confucian ideas were well adaptable and practical for modern-day usage and would contribute to human understanding
of how the world operates. Overmeyer & Daniel (2003) state that Confucianism today is inclined to be an ethical philosophy that teaches and promotes good values rather than being a religion, with Choy (1987) stating that Buddhism and Taoism were similarly being revived more as ethical philosophies than as religions. The PRC government today have found comfort and reassurance in Confucianism, in that it’s teaching is primarily concerned with values and cultures and not with politics (Choy 1987) and therefore a revival of Confucianism is strongly on the cards.

It could be noted from the literature review that the traditional Chinese values would be mainly concerned with the teachings of Buddhism, Taoism and Confucianism, with Confucianism being the most significant in recent years.

During the first half of the twentieth century, extreme poverty can be noted and it was during this period of time that Mainland Chinese migrated overseas to avoid harsh conditions in the local market. Therefore, the traditional Chinese values that were ‘carried’ by the ancestors had varying value systems depending on the period of time when they left the country and the sort of exposure that they experienced.

It cannot be denied that traditional Chinese values have undergone many changes in the last one hundred and fifty years and that their revival would be considered a modern thing (Choy 1987), given that a serious revival only started in the 1980s and that more work is probably needed in order for these values to be relevant to global business.

2.1.3 ‘Guan Xi’- the important Chinese value

For a very long time, Guan Xi stood as an important term in Chinese business world, as it represented a network of relationships among various individual parties working towards a common and mutually beneficial goal (Yau 1988). Western literature has not specifically documented Guan Xi as a value (Stake 2000; Seidel & Clark 1984; Rowley 2002), but various Chinese authors, such as Yeung (1995) and Yau (1988) have argued otherwise, and indeed contend that Guan Xi is at the very core of the traditional Chinese value system. The definition of Guan Xi is very much ‘You scratch my back, I will scratch yours’ (Yau 1988) and this is in line with what the available literature has suggested about the prevailing Chinese business mentality (Pheng & Leong 2001; Xiao & Smith 2006). The significance of the existence of Guan Xi within China is evident, especially given the fact that Guan Xi is demanding in respect to monetary resources and time. Collingridge & Gantt (2008) have confirmed the validity of this based on the research performed by them.
Wiersma (1986) found that typical traditional Chinese leadership style which includes nepotism; paternalism, centralisation management and authoritarianism are still commonly found in overseas Chinese societies. In addition to that, conflict-avoidance is also a typical value that is found in these societies. Most of the values here are in contradiction with what Western values advocate and this shall be discussed in later sections. Research work done showed that in many Asian countries today Chinese families are still typically closely guided by the father; and that lineage or clan associations provided mutual support and formed an integral role in the Chinese societies locally in PRC and overseas, in particular Singapore and China (Morrow 1994; Niglas 2004).

It is observed that a major foundation of ethics and business strategy still prevalent in the Chinese (relationship-based) value system of business personnel is that of ‘Guan Xi’, a reflection of Confucian teachings, in which loyalty with the application of personal favours is required for the maintenance of a trustworthy reputation (Alston 1989; Chen & Easterby-Smith, 2008; Luo, 1997, Yau, 1988) and the longevity of business relationships and their continuity (Kwan & Ofori, 2001). This also serves as a business coalition whereby businesses can pool and share business resources and obtain assistance by connecting with the right people (Su & Littlefield, 2001); this loyalty is not firm-specific, but is rather to a network of family enterprises (Hamilton & Biggart, 1988).

Ultimately, such practices serve to establish harmony; however, Soon (2003) argues that individuals do have the tendency to employ various techniques of moral reasoning in ethical situations and furthermore, Suddaby (2006) and Su & Littlefield (2001) argue that Guan Xi has little to do with ethical reasoning. Contrary to this, Li & Madsen (2010) state that Guan Xi is a good framework within which is useful to examine workplace relationships.

In further pursue to the above, it is of importance that Westerners come to the realisation and awareness of traditional Chinese practices that exist within PRC, due to the dearth of legislation governing workplace practices. Su & Littlefield (2001) state that writers have debated that Guan Xi has to be existence in a country that lacks of proper government control and adequate business law, a good example of which is China. Because of the lack of such business laws, Guan-Xi is applied in business dealings in the PRC implying the favoured contact to restricted resources and the simplification of transactions (Lee 2001).

In short, the law is secondary to guidance of virtue and ethics as traditional Chinese culture has strong emphasis on loyalty and harmony. Many of the problems that the PRC society is facing today are a result of this aspect of Chinese culture, according to Cohen et al (2000).
2.1.4 Values differences/ similarities between PRC Chinese and Overseas Chinese

There are much dissimilarity among overseas Chinese and PRC Chinese societies and these differences may potentially be important cause for concern. According Koroluk (1998), Singaporean managers have often failed in the PRC market given their poor appreciation of their PRC counterpart practices of conducting businesses, negotiating tactics and the poor consideration of the operating environment. These misunderstandings, in many of the cases reviewed (e.g., Ofori, 2001; Yung and Yip, 2009), resulted in poor investment outcomes for the Singaporean businesses in question.

Whilst traditional Chinese values abound in countries with sizeable ethnic Chinese populations, such as Singapore, there is some fusion of such practices with western influences. The presence of Chinese values still stands evident (Baskin 2007). The establishment of Singapore as a City-State in 1965 was under the influence of many western-educated local Chinese, who applied western management principles in newly created enterprises (Dahles, 2008). This is partly due to the fact that Singapore had been a colony of the British for an extensive period of time and that parents who could afford to send their children overseas would send them to Western countries in bid to learn more about the West.

Choy (1987) further states that though Singapore-based businesses employ traditional Chinese practices in their business conduct (especially paternalistic management); they have also changed over time using more modern practices as foreign firms establish presences in Singapore. Later works by Chen (2001) have showed that Choy’s statements in 1987 were right and Singapore has indeed undergone much change and adapted much modern practices. This is in contrast with what the PRC is practising, as the modern reforms for the PRC society only started seriously in 1990s even though exposure to Western values started in early 1900s.

However, with an ethnic Chinese composition of 77% of the population, the country (Singapore) is still characterised by adherence to traditional Chinese practices in order to save on costly Western-style labour-hiring practices (Bian & Ang 1997). This includes the tall and bureaucratic hierarchies and their centralised decision-making (Pearson & Entrekin 1998). All the features mentioned above bear much resemblance to the PRC.

Chen (2001) also states that due to cultural fluidity (the ethnic mix of Singaporeans), it can be difficult for a society to adjust and that the application and therefore the usage of western management practices is only prevalent amongst larger Singaporean businesses. In this respect Singapore resembles PRC society, given that the larger firms in PRC are attempting to bring in foreign investors, unlike the smaller SMCs which are not so concerned about partnering/dealing with the West.
Many differences can however be noted between the business practices of both countries. The PRC business society today still practises the ‘mouth-agreement policy’ whereby a business would be able to agree on the terms and conditions purely on an oral communication basis without the need for a legally binding document; this is largely based on the traditional Chinese values of trust “Xin” and honesty “Cheng” (Chen 2001). This sort of practice is virtually unheard of in modern Singaporean society, where business agreements have to be ‘confirmed’ by legally binding documents.

In Singapore, hybrid combinations of western management and family rules have been applied. Western ideas were added to improve business structures but Chinese traditions still form the bases of business practices (Tsui-Auch, 2004). The values determine an individual conduct of business practices. This is in contrast with what the PRC companies have attempted to do in recent years: the larger firms in PRC have been attempting to use western business practices as a base while modifying them for the local context with the usage of traditional Chinese values (Tsui-Auch, 2004). A difference is noted between the both.

The value of innovation, a primary Western value, is also largely recognised in PRC society, where business organisations encourage employees to think creatively and to raise any opinion that they might have. This is contrast with the Singapore style of business, as the Singapore government has developed a ‘teacher-student’ approach wherein the leaders/government educate individuals and they are expected to follow them without any doubt, so much so that ‘blindly’ following is the best policy rather than to ‘act smart’ and attempt to come up with something new (Dahles 2008). The PRC society could be said to be more westernised than Singapore with regards to this aspect.

In conclusion, Singapore would probably be said to embody a fusion of both traditional Chinese and Western values while retaining the ‘root’ values of the traditional Chinese values with PRC being the homeland of traditional Chinese values. However, it is debatable whether Singapore is really adopting many of the Western management practices/values or if Singaporean managers are still practising more traditional Chinese values than their PRC counterparts, as certain authors have argued that the PRC society would possibly have adopted more of the Western values than their Singaporean Chinese counterparts (Tsui-Auch 2004; Vee 2003). As Johnson & Harris (2002) claim, values differences do occur even among similar ethic groups and thus managers working on international scale should have fundamental understanding of the ethical and behavioural issues that may arise. They should also understand or attempt to understand what these differences might be and the solution for them.
2.1.5 Chinese Practices in current market

As recently as 2009, the current PRC president Mr. Hu Jing Tao visited Singapore, meeting with Singapore’s Minister Mentor Mr. Lee Kuan Yew, the father of Singapore's current Prime Minister (Lindlof & Taylor 2002). A simple rationale can be derived here: if traditional Chinese values were not in the minds of both Mr. Hu and Mr. Lee, why would they have met each other when Mr. Hu should supposedly have met with the current Singaporean prime minister?

Western values, while being practiced at different levels in the PRC and Singapore, are considered to be only ‘skin deep’, as Luo (1997) points out that traditional Chinese values still remain ‘bone deep’ in the Chinese; that is, they remain deeply rooted in, and evident in many aspects of, modern-day Chinese societies. It is therefore important to understand the current Chinese practices in the market. Conflict, from a Western perspective, is often seen as a way of promoting understanding and reverence for each other, but this is not the case with traditional Chinese values, wherein conflict is seen to be something undesirable and to be avoided at all costs (Alon 2003). It can be noted that the Chinese in PRC and Singapore therefore prefer harmony and believe that harmony (a traditional Chinese value) is the best principle to handle things and business (Alon 2003).

The use of Western style contracts is also virtually non-existent in the PRC and smaller businesses in Singapore, as such contracts are deemed to be too precise for Chinese practices, which rely on relationships to execute business dealings (Tai 1998). Tai (1998) also discusses the ill-defined obligations and duties of people in business dealings in the PRC.

SMEs or smaller businesses controlled by Chinese (regardless of whether it is in PRC or other countries) are generally family-owned and this is a legacy which will probably not undergo any sort of change in the foreseeable future (Tsai et al. 2006; Zapalska & Edward 2001). The influence of the family members would therefore be of significance, with this typically being a traditional Chinese value- family orientated (Zwarun 2004). In relation to the above, hierarchy which is linked to the concept of family orientated is also practiced in most circumstances in Chinese-owned businesses. Positions in business are given according to the seniority of the family member (Zapalska & Edwards, 2001; Sheh, 2001) and this has often leaded to potential abuse of power (Hellriegel et al., 2001), something that is a norm in the Chinese society.

Chinese defined ‘face value’ is something of major significance in Chinese businesses. According to Tai (1998), Chinese defined face value can be understood as respect and honour for others. It is a business value that one must fully grasp hold of the essence and implications of it. A business could be done solely based on face value and also collapse solely due to face value; this indicates the importance of this value. Studies in 2006 by (Tsai et al. 2006) have indicated
that face value often forms the basis for the majority of the important criteria that Chinese business people set out.

Guan Xi is another theme that one should not be negligent of as this is a ‘value’ that has been practised for an extensive period of time within the PRC society and the Chinese community. This value practice is still very relevant in today's Chinese business world.

Relationship building, which has a connection to family bonds and Guan Xi, is another critical value for doing business in PRC and Singapore. Especially in the cases of SMEs, a certain level of interaction at a personal level is much required and desirable as most of the traditional Chinese business people refuse to conduct business at a purely professional level, as they find the latter too formal (Brusati 2007). Obviously, this is in contrast with Western business values, which advocate maintaining business relations only at professional/corporate level.

Confrontation or direct refusal of an individual request/statement is highly undesirable in the PRC business context (Bian 1997). Traditional Chinese values advocate a ‘different’ style of resolving conflict in comparison with Western values, which see arguments as a way of understanding each other and resolving conflict. According to Zapalska & Edwards (2001), the best way to handle conflicts with Chinese is to remain silent and attempt to speak at a later stage.

In conclusion, the main Chinese practices that one would expect to see within a Chinese firm would be as follows (Jay 2002; Habermas 1997; Gerring 2004; Davis & Rasool 1988): Small scale businesses (SMEs) focus on one product mainly with the strategy of growth by opportunistic diversification. This is predominately a Chinese business practice, which has existed throughout documented history (Gerring 2004). Business decisions are also be made by an individual (someone respected in the hierarchy) with the organisation having a paternalistic organisational climate.

The next chapter will look at the globalisation and dominance of Western values, given that these values are currently widely practiced in business everywhere (Gao 2007).
2.2 Globalisation and the dominance of Western Values

Western style management has been increasingly recognised in China since the economic reforms of the 1980s, as a management approach with potentially broad application (Bradshaw, et al. 1991). In a review of the recent history of the Chinese construction industry, it could be noted that the industry has achieved significant progress in adopting a global commercial enterprise approach despite the poor legacy of performance on the international stage (Funke 1995), and according to Funke (1995) much of the success comes from the adopting Western management practices.

Even back in 1990s, Shenkar & Glinow (1994, p. 56 to 71) concluded that large companies in Singapore owned and run by ethnic Chinese ‘stand... at the confluence of Western and Traditional Chinese values. Their size, mode of operation, international exposure and ... modernisation make it unlikely that they can continue to operate within the parameters of the traditional culture’. It is right to say that Western values have since early days played a pivotal role for Chinese managers in Singapore (Shenkar & Glinow 1994). Yung & Yip (2009) made similar statements that large Chinese firms in PRC have put things in a more systematic fashion and apply a managing style that is a combination of Chinese-Western practices. This indicates that Western values are indeed becoming standard business values as a result of globalisation and that managers are indeed ‘forced’ to adopt and practise Western values (OECD 2008).

In view of the above, it is important that this section of the review looks at the Western values in place to lay a solid foundation for understanding the importance of Western values and their contribution to Chinese management practices. In this section, it is also of importance to understand why traditional Chinese values should continue to exist, possibly co-exist with Western values. Conflict between both set of values is certainly not the best solution (Ralston et al. 2010).

2.2.1 Definition of Western values

Western values are usually associated with the term ‘Western culture’, the roots of which can possibly be traced back to Greek traditions (Chen 2001); other authors stated their belief that Western values were derived from the Christian religion (Kleiber 2004). To move into the topic of Western values understanding the definition of it is important. For this, Iyer (2001) asserts that Western values are about self-criticism, rationalism, the disinterested search for truth, equality in the eyes of the law, freedom of thought and speech, regardless and applicable to any race or religion and for individuals to achieve full potential. His statements have been strongly supported by Bowen et al. (2007). It is important to note that authors had varying arguments on the originality...
and practicality of Western Values. Authors like Glaser & Strauss (1968) and Dash (1993) have asserted that Western values are not as ‘fantastic’ as has been claimed, while Dash (1993) even challenges the originality of Western values, claiming that they could have possibly originated from “backward” cultures, that is they may be of Eastern origin. This presents an interesting view which warrants more research exploration in field of Western values.

Walker (2005) says that the origins of values are in culture and that values that would typically be found in Western culture are innovation, equality, empowerment, non-hierarchy, modernisation and creativity. Other authors (Babbie 1993; Funke, 1995) have suggested that being ethical is one of the major themes of Western values.

It can be noted from the above that the thoughts of various authors on Western values were similar in a certain sense, as the identical themes of equality, empowerment and ethics were noted. The less mentioned values include non-hierarchy, innovation and modernisation.

2.2.2 Western values on Chinese Managers

Luo (1997) claims that many Chinese managers are being trained by Western institutions before they go back to work in China or that the Chinese managers would actually take their first job in Western-influenced countries before returning to their country to work. This in essence acts as a point where the two approaches converge and further underlines the increasing importance of Western values throughout the world as globalisation occurs (Luo 1997).

Further research conducted on the organisational culture integration involved in the merger of Lenovo and American IT giant IBM which occurred in 2005. Peng & Tan (1998) indicates that the traditional Chinese values are being influenced by Western values rather than the other way round. He concludes the report by stating that whenever the two approaches converge, Western values appear to emerge as the dominant influence but the other authors (Lee 1996; O’Meara 2003) thought otherwise. There is room for debate as to whether the influence of Western values is extensive on Chinese mangers in general.

However, Peng & Tan (1998) felt that the trend become even more pronounced given that Chinese firms are entering the global market to ‘market’ and ‘sell’ their products. They conclude that business globalisation has made Western values dominant, although cultural integration is still seen to have an Asian context. The dominance of Western values can be noted as recently as the early 2000s, when there was a push on PRC firms to become compliant with the international SA8000 standard (Peng & Tan 1998). The PRC from there worked with the Council of the European Union in formulating a China Social Compliance (CSC9000T) for the local textile industry (European Commission Enterprise and Industry 2005).
PRC companies in the recent years have also come to terms with the fact that in order to grab new market share around the world, they would have to ‘show’ understanding of what Corporate Social Responsibility (CSR) is all about, something that has long been practised and held in high regard by the West. The values and ethics standards that the management have are guiding principles of an organisation CSR standard. Major PRC firms have sought assistance from the United Nations Global Impact and the Global Report Initiative to set up guidelines, creating various positions which include CSR directors and managers (OECD 2008). Good examples of such would be Hong Kong based Hotel Chain Shangri-La unveiling new positions such as sustainability manager and Shanghai Pudong Development Bank specially setting up a team to work towards enhancing the bank’s CSR functions (OECD 2008). All these are strong indication of the dominance of Western values and the fact that PRC firms understand that adapting to Western values is a necessity in order to survive the globalisation age. For CSR to work, it is important that these managers are exposed to positive values and ethical behaviours.

As Chinese firms take over Western firms, the application of Guan Xi may become less relevant (Chen & Easterby-Smith 2008) as Chinese managers begin to understand the Guan Xi is not something that would be socially desirable in today’s market and Luo (1997) suggests that Chinese firms should couple traditional principles with Western management philosophies. Luo (1997) further suggests that the exclusive application of a single set of values would not be as useful as applying both sets.

Chen (2004) also points out that during a crisis; the PRC government has implemented a set of stringent laws that make competition more active to ensure a more competent capital market is in place (Lesser focus on businesses conducted by Guanxi), an indication of the adoption of Western business values even by the PRC government itself. Chen (2004) further suggests that a business relationship can no longer be based on trust alone and that the traditional practice of friends, contractual relationships and golden hand-shakes will eventually cease to exist. The above values/practices originated from the Confucian school of thought. The author further cites that with the advance of the internet and other technology, Confucianism or traditional Chinese schools of value systems/thought will eventually be non-existent. Other authors have argued their case and this will be looked at later.

Furthermore, finding the prevalence of Western business morals and mentality in Singapore-Chinese SME’s, Kopnina (2005) found that though there are still traditional practices in aspects such as employment, the use of Guan Xi is gradually reducing, due to business success. Additionally, it was found that many Singaporeans are increasingly reluctant to take over family business (Pearson 1998), referring to Western ideas and complaining about family disagreements,
in their answers in interviews. Such openness to Western management practices has been influenced by ‘… Singapore’s desire to learn from developed countries, to enter into new areas of business, to be internationally competitive …’ (Choy 1987; p 133). However, quoting Henderson (2009) and Shenkar & Glinow (1994), Li & Madsen (2010) find that the PRC has been through multiple social transformations in respect to values and people have attempted to accustom to shifts in political, economical and social circumstances. Such values are used in the workplace context. However, Bruhn (2001) stresses that culture is not easily forgotten and changes with difficulty. He claims that it would take many years before a major shift to Western values could be seen, assuming that any such change did occur in the first place. It is also noted that when PRC underwent a financial crisis in 1997, many of the SMEs reverted to the traditional Chinese style of management instead of attempting to implement Western management ideas (Bishop 2005).

2.2.3 Importance of Western Values

Today, Western values/culture can be found in nearly all countries around the world. Their presence is felt worldwide regardless of whether it was strongly in existence in a particular country or region. According to Reisman (1992), Western values are not particularly focused on any religion or race, but are rather based on objective reality, and are therefore suitable for everyone. Therefore, it would not be wrong to say that Western values would in fact be suitable for Chinese managers and are universal, unlike traditional Chinese values which are very culture-oriented (Reisman 1992).

Jung (1999) argues that the family-oriented structures of Asian SME’s (including Singaporean businesses) are hindrances to modernization, due mainly to centralized family decision-making. Such decision-making practices also present hurdles for Western expatriate Managers in South-East Asia, including Singapore (McKenna, 1995).

Western values are widely known to have had an extensive impact on the world, so much so that the Iranian government has limited the speed of internet access in a bid to curb the influence of the West, but members of parliament, and the business community are lobbying for the removal of this limit, as they believe it will hinder Iran’s development as a country (Tabachnik & Fidel 2001). The case of Iran not only signifies the dominance of Western values but shows the importance of Western values in today’s world.

Lowenthal & Leech (2009) assert that Western philosophies were the principles that changed the world twenty years ago. Today, PRC is coming to terms with learning to adopt many of those universal values that work worldwide. Even the PRC top executives like Mr. Qin, ex-chairman of
China Merchant Bank, have acknowledged that Western values are the ‘main value’ in what are known as universal values (Travis 1999).

This was further evident when PRC was preparing to host the Olympics in August 2008 with the slogan of “one world, one dream” but the politicians in PRC were concerned that this was a silent acknowledgement of the dominance and superiority of the West. Soon a huge influx of media in PRC could be seen confronting the idea of adopting the slogan and shunning Western values (Boggs 2001). This was indeed a silent acknowledgement or understanding that Western influence was in the ascendancy.

In view of the above literature, it is easy to identify that Western values holds a dominant role in today’s society.

2.2.4 Why Traditional Chinese values should continue to exist

There would be a dozen reasons why traditional Chinese values/management practices should continue to exist even in today globalised world. Simple reasons include the fact that traditional Chinese values have existed for over 2500 years and there must be a reason for their long existence. This statement has been supported by Rarick (2008) who states his belief that while traditional Chinese values could possibly present difficulties for westerners, the Chinese Ancients’ advice is still relevant and useful in modern Chinese society and businesses, and will continue to play a major role for the foreseeable future.

The value of personal relationships will first be discussed, though according to some authors (Anderson et al. 2002) even if the role of personal relationships were to become less significant, it would not necessary mean that this practice would disappear and according to Luo (1997) the value of personal relationships would still have a significant impact on SMEs where Chinese culture is dominant.

Traditional Chinese values will continue to exist in the long term as the PRC and Singapore government attempt to revive their teaching, with particular focus on Confucianism. Chen (2001) encourages Western business people not only to learn about Chinese culture in preparation for business dealings but to also blend Chinese styles into their own behaviour. Narayan et al. (2001) further assert that the “wisdom” from the teaching of Buddhism, Taoism and Confucianism (the three primary sources of traditional Chinese values) would still have much application in different areas of organisational behaviour, not limited to eastern organisations.

2.2.5 Conclusion

To sum up McGregor and Meredyth (2003) have confirmed that there is adequate evidence of the influence of Western values on modern PRC construction firms, especially those with a global
perspective in their operations. They have noted that PRC firms are now competing with Western organisations in what had hitherto been Western-dominated markets; however to date the results have not been very impressive. However, McHugh (2002) believes that the globalisation of PRC firms will have a significant impact on most predominantly Chinese culture-bred institutions, especially when it comes to professionalism and ethical operations.

The next section will look at comparing traditional Chinese values with Western values, to understand the differences between the two.
2.3 Traditional Chinese values vs. Western Values

The different culture and upbringing has resulted in the principles of traditional Chinese and Western values to be different. According to Child and Rodrigues (2005, pp. 381-410) the West has sped ahead in scientific culture and civilisation over the past two millennia while on the other hand, the Chinese have produced little of what scientists would regard as modern technical science. This has led to China's lagging behind in methods of science, including usage of science in the field of ethics (Child and Rodrigues 2005).

Lakomski (1999) while comparing the Eastern and Western cultures have complied the following differences between the both. Eastern individuals are often less formal logic reliance as they attempt to achieve comprise between two extreme points. On the other hand the Westerners are seen as more logic focused as they are habitual to categorizing things in systematic order. Pretty (2001) notes that independence and individuality are what one would associated with the thoughts of Western style while harmonious social relationship is the core of Eastern school of thought. More discussion will be provided on the divergent approaches of Western and Eastern in the future.

2.3.1 Differences between Traditional Chinese values vs. Western Values

Studies conducted by various authors (Collingridge & Gant 2008; Chen 2004; Groden 1991; George & Benett 2005; Hancock 2002; Jones & Noble 2007; Patton 1990; Scott 1996) have identified many differences in the way traditional Chinese and Western values to work. The above authors have uniformly proposed that individuals with the background of only Western values attempting to do business in PRC face many difficulties, as an understanding of traditional Chinese values is essential if one is to succeed in a typically Chinese-dominant market.

A study by Price (2002) concludes that Chinese are concerned with face to face communications, relationships and harmony has limited the influence of Western values within China. Burns (1994) reminds individual the reason for the limited adoption of Western values in PRC and other Chinese-dominant countries is the fact that the traditional Chinese values have over thousands years of philosophy and history for the Chinese to draw on. On the other hand, Heap & Roth (1973) further affirm the differences in approaches of traditional Chinese and Western Values as they point out that the Eastern style approach is concerned with ‘low assertive and high responsive’ while the Western style approach is concerned with ‘high assertive and low responsive’. It would mean that Eastern style approach values more self-confidence lesser and would appreciate employees who are responsive to their employer’s demand while the Western style approach is relatively different. A further study made in 1998 by Grootaert (2001) draws a
similar conclusion in which he put forwards the ‘C theory': in general Western values are in conflict with traditional Chinese values. Several authors (see e.g., Guenther et al. 1999; Grimble & Chan 1995; Hofferth et al. 1999) have also highlighted the importance of knowing that differences in values exist between the East and West because of their cultural differences.

Inkeles (2000) further identifies the gap between traditional Chinese values and Western values by pointing out that the Chinese has the preference of dealing with people whom they know and have confidence in and this is contradiction with what Western managers practise as they would be ready and willing to do business with anyone. Secondly, Western managers are more willing to deal with other companies at a business company level but for the Chinese the relationship is not limited to the business company level but also functions on a personal level. Western firms have to understand this if they are to conduct business within China and possibility other Asian countries.

Huntoon (2001) outlined the fundamental dissimilarities between the business values that Chinese and Western managers apply. The management structure of Chinese and Western are very much different given that Chinese firms are often family owned (Weiten 2001) with several family-related members in top management positions of the business while Western firms have top management positions filled with individuals who are not from within the family where the capable would lead (Lee 1996).

There are more differences cited by Isham et al. (2002); in his research he points out that the way in which Western and Eastern thinkers have dealt with diplomacy reflects the importance of how the two difficult cultures understand human actions in the world. Lund (2005) has made statements about this, in which he observes that the West puts greater emphasis on the existence of every individual being while the East has placed greater emphasis on the relationships within the family tree.

Equally East and West must learn from each other according to arguments made by Brehm et al (1997) and Adler et al (2002). As such, the different understanding of human actions and emphasis has resulted in different values being shaped.

More recent studies by Bankston et Al. (2002) have indicated that Western minds traditionally tend to seek to be ‘logical’ and ‘rational’ and hence the outcome in irregularity is to be reproached of “contradicting oneself”. The Oriental (otherwise known as Eastern) mindset emphasises centrality more than rationality and this again poses the potential for conflict between the two.

In Chinese society, relationship (Li) holds higher standing than law (Fa), which is concerned with laws and their enforcement in courts. As Denzin & Lincoln (2000) succinctly summarises,
“over time the concept of Li and Fa has become confused and the concept of it is no longer clear and gradually evolved to become part of the PRC legal system”. Litigation would act as a final resort for Chinese managers and this practice are not normally practiced as Chinese managers prefer a ‘softer’ approach, in contrast with what the West practises, where Law is always strictly abided by and any course of dispute would be taken through the courts (Denzin & Lincoln 2000).

Elizur et al. (1991) found considerable variations in workplace values (which can be seen as normative standards for workplace behaviour) between Chinese and Western respondents and Shenkar & Glinow (1994) find that Western business/management theories are unable to explain Chinese attitudes/behaviours, stating that serious challenges for Western-developed paradigms arise because of the differences in variables such as culture, society, economics & politics.

Su & Littlefield (2001) state that Western firms doing business in the PRC are unlikely to succeed with the Guan Xi-influenced practice of favour-seeking. A further concern for Western managers is the prevalence of institutional dependence on the part of PRC businesses as well as the maintenance of administrative approval, both practices which may impose constraints on strategic actions (Child & Rodrigues 2005).

2.3.2 Commonalities between Traditional Chinese values vs. Western Values

Having discussed the differences, it is also important to look at the commonalities that may exist between traditional Chinese and Western values. This section aims to prove that there are indeed areas of commonality which two different managers from different cultures could use to ensure that the scope of conflict would be minimised, a chart underlying commonalities and differences would be provided subsequently.

According to Lee et al. (2001), both traditional Chinese and Western values have a high degree of intention to ensure the establishment of long-term business relationships. Both traditional Chinese and Western are far-sighted in this sense that long-term business is the key to success (Lee et al. 2001).

Furthermore, the harmonious resolution of disputes through the application of integrity and honesty is something that both set of values appreciate very much (Kwan & Ofori, 2001) and integrity and honesty are two values which are highly esteemed. Though both cultures have different approaches to ensuring a harmonious relationship, the final objective is similar in the sense that a harmonious relationship is desired.

Long-term strategic thinking (links to value of creativity and possibly others) is another common theme that could be found in the two sets of values as identified by Pheng & Leong
Both sets of values aim at planning on a long-term basis in order to ensure that businesses would be able to survive in today’s ‘only the fittest survive’ market.

While entrepreneurship is a norm in Western culture/value system, it is relatively unheard of in relation to traditional Chinese values. However, some authors (Levy 2007; Zhuang 2003; Zapalska & Edwards, 2001) have suggested that Chinese family businesses have high level of entrepreneurial characteristics. This indicates that this is another area of commonality between both sets of values.

In conclusion, Weber et al. (1996) stress those senior managers who regard themselves as the champions of the cultures they represent may promote clashes between managers of varying cultural backgrounds if they show differential attitudes. Such behaviour may lead to further dysfunction, in addition to the dysfunction naturally created as a result of cultural differences. A study of the comparisons between Asian and Western style management systems in Singapore-based construction companies showed that the causes for dysfunction were not the result of management styles alone (Pheng & Leong 2001).

Therefore, because of the differences between Western and Chinese values, several writers stress the importance of preparation before entering into business. Baskin (2007), Iyer (2001) Luo (1997), Pearson & Entrekin (1998) and Pheng & Yuquan (2002) discuss the importance of Chinese and Western managers learning about each other’s’ practices and cultures with the aim of achieving business success, in order to reduce the effects of possible dysfunction. Further to this, Bruhn (2001) stresses the importance of pre-merger cultural assessments due to the failures of mergers as a result of cultural differences.

Below is a table of the numerous commonalities and differences between both sets of values to allow readers to obtain an easy overview.
2.3.3 Table Indicating Differences and Commonalities

There are numerous commonalities and differences between Chinese and Western Business practices. Some of these include (but are not limited to):

<table>
<thead>
<tr>
<th>Differences</th>
<th>Commonalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>• reciprocity in Western practices means economic and impersonal exchanges (organisation to organisation) whereas in Chinese practices reciprocity is much more inter-personal and favour-gaining (Lee et al. 1999; Luo 1997)</td>
<td>• exchange partners bear intention of long-term business relationships (Lee et al. 1999)</td>
</tr>
<tr>
<td>• slow decision-making on the part of Chinese (Alston 1989)</td>
<td>• the harmonious resolution of disputes through the application of integrity and honesty (Kwan &amp; Ofiri 2001)</td>
</tr>
<tr>
<td>• the importance of face-to-face dealings as opposed to the Western practices if using media such as faxes, phones, e-mails (Alston 1989)</td>
<td>• long term strategic thinking (Pheng &amp; Leong 2001)</td>
</tr>
<tr>
<td>• opportunistic tendencies of Westerners when dealing with Chinese can lead to the violation of social norms of guan-xi and jeopardise business relationships (Lee et al. 1999)</td>
<td>• Entrepreneurship (Li 2006; Ward et al. 2002; Zapalska &amp; Edwards 2001)</td>
</tr>
<tr>
<td>• Chinese Managers tend to give “socially desirable” answers (Gauber &amp; Fischer 2009)</td>
<td></td>
</tr>
<tr>
<td>• high uncertainty avoidance in Chinese business practices (Pheng &amp; Yuquan 2002; Shenkar &amp; Glinow 1994)</td>
<td></td>
</tr>
<tr>
<td>• Western priority in contract execution and organisational commitment as opposed to Chinese guanxi principles (Luo 1997; Tai 1989)</td>
<td></td>
</tr>
<tr>
<td>• Western practices of ‘wining &amp; dining’ may be perceived as bribery in Chinese culture</td>
<td></td>
</tr>
</tbody>
</table>

Figure 2.3 Source: Self-Created, dated 1-10-2010
2.3.4 Conclusion

In essence and relation to the above, the Western style of thought is characterised as symbolizing the value of “individual distinctiveness” or “independence” while the Eastern style of thought represents the value of “harmonious social relations” (Adam et al. 2003). This coheres with what the above literature has indicated and shows that the potential for conflicts does occur because of the differences between the Western and Eastern values.

A major challenge for Western organisations wishing to enter other markets is the requirement to integrate diverse work values, some of which are deeply rooted in Chinese and Western cultures (Baskin 2007), though some Asian organisations have successfully implemented Western management principles in their practices (Pearson & Entrekin, 1998). The challenge now is for all organisations to learn about both sets of values.

It is observed that there are more noteworthy dissimilarities than commonalities amid the two sets of values. Nonetheless, the literature review has indicated the possibly of room for convergence and a number of authors (Gao & Kotev, 2007; Aldridge et al. 2002; Anheier et al. 2002) have supported this.

With the knowledge of the differences and commonalities between both sets of values, the next section looks at understanding the current values in the construction industry, in particular the PRC and Singapore markets.
2.4. Values in the construction industry

The nature of many business activities has been changed by the world's globalisation. The 'globalisation wave' has not spared any aspects of business activities, including the construction industry. The so-called 'wave' is the result of massive contributions from many international development and trade contracts such as: European Union of Trade agreements, World Trade Organisation agreements and the Asia Pacific Economic Forum. As a result of the above, the construction industry has been presented with both challenges and opportunities, in particular for PRC; where the country is developing quickly and has become a major player in the global market. This section of the literature will focus more on the values and how they may impact on the outcome as this is main objective of the research. Therefore, the literature review will not place much emphasis on laws, enforcement, industry guidelines, standards, etc... as the main focus is values.

According to Chan (1994), major projects are no longer awarded only to local companies, as many international parties now have come in to perform the various required jobs. As a result of globalisation, countries should be wary of the 'values' that are in place as they may tarnish the country's image. Chan (1994) also stated that the development of Hong Kong International Airport is a good example to be used in this context and PRC firms should acknowledge and address this issue promptly, and should not insist on continuing their own ways of doing conducting business activities as various parties are involved and international agreements have been made. Each individual may understand ethical behaviour differently. As stated by Ofori (1998), it is important for each participant in the industry to accept and abide by the fundamental values of ethical behaviour of construction contracting base on mutual understanding. Should such agreements not be developed and implemented effectively with consideration of different cultures, potentially it could create conflicts that may result in more unethical behaviors such as: corruption, overcharging, non-disclosure of facts, etc (Danieire et al. 2002).

In the next section, the current issues in the construction industry particularly in PRC and Singapore markets will be covered, before trying to understanding why these values exist - the motivation behind these values.

2.4.1 Current Values Issues

Koroluk (1998), Petrovic-Lazarevic (2004), Dekker & Eric (2001) and Zwarun (2004) have noted that business ethics in the building and construction industry (BCI) are generally under scrutiny. The numerous reports in newspapers on an almost daily basis have shown the current
worrying situation, and it is not just the developing countries that are affected by these current issues.

According to some authors (Easterly 2000; Vee and Skitmore 2003; Evans 1992; Falk et al. 1999), one of the most critical ethical issues that is currently problematic in the construction industry is the bias in tendering or unethical tendering practices. This is theme common to both developing and developed countries.

Other major issues also include the falsification of finished work, inferior quality control, quality of work performed, poor work value or technical incompetence (Favell 1993; Fevre 2000; Hean et al. 2003; Weiten 2009) and all these contribute to problematic social issues which could have been prevented in the first place if more effort had been put into preventing them. Apparently, not much effort has been put into the area of deterrence and education. Snashall (2005) further comments that construction worldwide, in both industrialised and developing economies, has a poor occupational health record. In fact as noted by Heller (1996), many of the government projects had often been ‘pre-agreed’ with contractors who were able to undertake such projects. Even for many of the government projects where pre-bid qualification was performed, there was often insider news for the outside companies to ‘advise’ them of the rates that the government was looking at (Ingleheart 1997; Israel et al. 2001). This is very much similar to the PRC where contractors do not place much focus on ethics and have pre-agreed arrangements (Rarick 2008).

The construction industry is highly fragmented given that it mainly comprises specialised companies working on temporary projects that execute their services, in the main, through short-term contract and temporary partnerships (Kavanaugh & Patterson 2001). Henderson (2009) has suggested that, due to the nature of the construction industry as a product (the location specificity and bulkiness of mechanisms); the construction industry social base is decentralised and local by nature. In turn, this potentially leads to the family-like relationships between main and sub-contractors, which will have adversarial effects on productivity and quality (Henderson 2009). Given the nature of the industry, companies are often concerned with short-term goals and consequently they depend heavily on non-permanent workers, which provides them with flexibility but undesirably disturb productivity and quality (Ofori 2001). Corruption, negative social image of the industry, adversarial, confrontational relationship and many other underlying problems arise as a result of the above (Koka & Prescott 2002).

Often, the project owners want a project to be completed in the shortest possible time and at minimal cost. This has led to contractors using the economy, immediate resolution for a facility that will need to last for a extensive period. This focus on completing in the fastest time at the
lowest cost is something many of the PRC contractors are guilty of in order to get business. Travis (1999) and Leana & Buren (1999) in their reports further cite cases where there are many ‘loopholes’ in the industry, like the prevalence of casualness, communal-like networks, personal relationships and the reception of oral decisions, this eventually leads to many ethical concerns. These they claim are found mostly in developing countries, and they provide examples of PRC, Nigeria and Malaysia. Podolefsky (1987) believes that the ethical standards in construction professionals’ normal working life vary depending on the individuals.

East Asia, as a region, has long been regarded as an environment where practices that would be deemed ‘corrupt’ from a Western business perspective are rife. However, corruption does not exist only in East Asia, there are also many cases of corruption issues that occurred in Western countries such as Australia, USA and United Kingdom (Podolefsky, 987). This corruption has also been heavily associated with practices in the East Asian construction industry. For example, in Hong Kong, the Salagane case was characterised by unqualified suppliers becoming approved contractors of the Hong Kong Special Administrative Region (HKSAR) government as a result of bribing local government officials (ICAC, 2003). The Hong Kong Independent Council Against Corruption (ICAC 2003) released a report stating that the case involved HK$16.8 million worth of counterfeit (low quality or unusable) locks, and did not take into consideration matters that may have involved even larger sums of money.

Li et al. (2003) further suggest that Hong Kong was concerned about the rising number of corruption cases in relation to the construction sector, which alone accounted for 11% of the total private sector complaints. Mr. Henry Tang, the chairman of the Construction Industry Review Committee (CIRC) for the Hong Kong SAR, submitted a report to PRC government with respect to the recommendations in improving the construction industry’s professional standards and within the report several cases of bribery were cited (CIRC 2001).

The corruption and bribery issues in China were far more noticeable than in other countries given that he economic reforms started only in late 1970s, and there were no previous market-driven systems to guide the economic flow and how the market would operate in general (Folch & Trost 1981). Business entities were state-owned in any case, previously leading to high level of bureaucracy and even today the government controls many of the economy's important business entities (Folch & Trost 1981).

Lin et al. (2001) claimed that the chaotic transition of the economy was due to the lacking of strong modern market instruments. In addition, the environment, business and government was a suitable arena for unethical conduct given its absence of independent judiciary coupled with poor transparency in legal system and nonexistence of free and independent media to report the truth.
As early as 2001, in response to a string of scandals and crises, a law was passed by the PRC government to monitor the market economy (Jaye 2002). From there awareness in business ethics started to arise but unethical business behaviour continued to be rampant (Jung 1999).

Managing ethically is an indispensable part of construction project management and requires a well-planned program for its development and implementation; this is extremely important for a developing country like PRC, which is attempting to raise its profile in the international market. One may refer to the work of Sofaer (1999) to get a better understanding of monitoring ethical behaviours.

Although not much information on ethics within the Singapore construction industry was found, Singapore is certainly not spared from the poor ‘values’ that are being practised by individuals involved in the construction industry. Based on the above authors’ (Jaye 2002; Leana & Buren 1999; Sofaer 1999) research, it is easy to understand the fact there are indeed a lot of problems in today’s construction society, with a huge chunk of them being preventable. These problems are not limited to developing countries as developed countries are experiencing them too.

<table>
<thead>
<tr>
<th>Current issues in the Construction Industry</th>
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<tbody>
<tr>
<td>- Poor quality control-</td>
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<tr>
<td>- Poor quality of work done</td>
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<tr>
<td>- Poor work value</td>
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<tr>
<td>- Technique incompetence</td>
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<tr>
<td>- Bribery</td>
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<tr>
<td>- Cutting corners</td>
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<td>- Poor company management/ structure</td>
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<td>- Pre-agreed contracts</td>
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<tr>
<td>- Government involved</td>
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<tr>
<td>- Short term orientated</td>
</tr>
<tr>
<td>- Building at cheapest cost, rather quality</td>
</tr>
<tr>
<td>- Personal relations (Similar to Guan Xi)</td>
</tr>
<tr>
<td>- Community-like networks</td>
</tr>
<tr>
<td>- Lack of transparency in government</td>
</tr>
</tbody>
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Figure 2.4 Source: Self-created, dated: 30-9-2010

2.4.2 Why these ‘issues’ exist

In order to establish the appropriate ethics and proper professional conduct in the construction industry we need to understand why these issues would have possibly existed (Mingers 1997).

Schram et al (2006) argue that close relations in business may potentially lead to corruption, ascertaining that cultural practices such as Guan Xi may result in unethical behavior. They further attack the notion of ‘collusive tendering’; which they state may hinder free competition in an
industry (construction) in which there is a ‘moral vacuum’. For certain, the motivation of money or more businesses is another major factor that ‘encourages’ individuals to engage in these undesirable acts. As Loury (1977) reports, construction companies in Queensland (Australia) have said that they are on the verge of collapsing due to their inability to pay bribes, and must cut wages and corners to ‘get’ business deals done.

MacGillivray & Walker (2000) claim that one of the major reasons for the poor ethical behaviour in the construction industry is because the industry is subjected to historical, industrial and market forces that perpetuate the existing culture and management style, which in turn inhibits the industry's ability to change as a whole. This is especially the case where the family owned firms are still in existence and under the management of the senior members of the family; these firms often present strong resistance to change or are incapable of change in the first place. Family-like relationships are also another area of major concern that commonly occurs within the construction industry and the reason for their existence is because the industry is fragmented and decentralised (Henderson 2009). Many of the construction firms are family-owned and do not have a proper system of management, and the management (which is controlled by the family members) often make decisions at their own discretion (Henderson 2009): this is especially evident in countries in the East Asia region such as PRC, Singapore, Vietnam and others (Maloney et al. 2000).

The governments of different countries are also the main culprits for much of the unethical behaviour in the current market. Very often government projects are tendered to private sectors with hopes of unrealistic profit margins or at times when the government wants to build structures at ridiculously low prices. All these have motivated private firms to seek ways to cut costs, bribe officials, employ cheap unqualified labour and resort to other unethical practices (Toor & Ofori 2008). It is therefore important that governments should first take the lead and ‘demonstrate’ that such behaviours are undesirable and work towards curbing them.

Many of the companies also do not give much consideration to what the future holds for them, given that the industry is very much a project-based one, where the companies are often dependant on new projects for survival and a new company may be established in order to undertake a new project, which potentially leads to undesirable behaviour with owners or senior management believing that they do not have to be responsible for the previous mistakes, given that the company was established only for short-term gains and is not going to operate over the long run.

2.4.3 Developing a Code of Ethics for the Construction Industry
Having looked at many of the issue problems in the construction industry, we can identify ethics as the current main theme within the industry given that issues such as poor quality control, cutting corners, bribery, pre-agreed contracts is a reflection of one ethical standards. Minkoff (1997) noted that an organisational ethical value can be reinforced by developing codes of ethics. The developed set of codes must be communicated and implemented in orderly fashion across all employees and the management should be of no exception in order the codes of ethics to be meaningful. The communication and implementation is not always that simple given the number of employees involved in an international project as these often have thousands of project members working on it spread across few countries (Sohail & Cavill 2008).

One of the biggest of communication barrier across employees is the language barrier that exists between different countries’ employees. Broster (2002) points out that due to language barrier no forms of communications are able to take place across management and employees and this result in poor understanding of each other cultural difference. Therefore while developing a set of codes of ethics due consideration should be given to the cultural aspects and other important factors. Say for example Chinese are more concerned Li (informal set of rules guiding good ethical behaviours) than Fa (Law itself) and this should be given due consideration, the same applies for other members of the project whole have different cultural backgrounds. The concept of Li and Fa has over time become unclear and confused resulting in the gradual merger to become part of the PRC legal system (Denzin & Lincoln 2000). When this occurs, litigation often arise as part of ‘easy’ approaches to resolving it and this is not the shared belief among Chinese managers, where they preach that harmony is the priority and that they should take care of each members of the party rather than hurting them.

Since that this becomes of another concern and it is easy to understand the many complications, the development of the codes should consider the content of the code based on the environment which includes all stakeholders participating and the consideration of the personalities and environmental concern (Price 2002). It is should also be executed realistically and properly with lesser focus on financial issues. Given the specificity of the codes, it is especially ideal for MNCs to development their own set which would enable more personalized understanding and dealing of certain ethical situations which would be unique to individual companies. In Short, the codes should be in line with the management ethical guidelines (Price 2002).

The construction industry being the one of the biggest industry in the world has many benefits for all of its stakeholders if the management of the industry (in particular ethics) is dramatically
improved. All these can be achieved by having selective collaboration which assists in productivity improving, lower cost incurred and completion in shorter time frame with quality facility. The outcome would be that lesser complaints would be filed against contractors by owners as they are likely to be less disgruntled, lesser confusion and time spent as three parties (such as architect and engineers) do not need come in all the time.

Ritchie (2000) in his research on the ethics within the construction industry has proposed the usage of value-based leadership with particular focus on refining the relationships of contractual partnerships. Ultimately, higher degree of professional ethics emerges after a consistent ‘maintenance’ of such conduct. The value-based relationship stresses on the importance of ethics which include the mutual understanding of professional practice, partnerships with each party interest in mind, proper tendering process and extended term of credulous relationships (Rodrik 1998; Rothsein 2003).

2.4.4 Recommendations for improvement

Kwan & Ofori (2001) suggest that Chinese construction entrepreneurs should formulate their partnership and business practices based on their positive fundamentals of their culture. Toor & Ofori (2008) suggest that leaders with the skill to implement ethics and morality are required for the construction industry overall. They further argue that the education of
construction managers fails to equip graduates with leadership skills in an industry with a poor social image. Bispop (2005) notes that the construction industry requires higher levels of professional conduct as the current market situation has high level of unethical conduct and this view has been backed by Groden (1991). Groden (1991) argues that the ethical standards of the industry require extensive review and Schmid (2002) who argues that the overall performance of the construction can be directly affected by (amongst other aspects) poor training, lack of planning and lack of environmental concerns. Bowen et al. (2007) argue that negligence, collusive tendering, bribery, unfair conduct, conflict of interest and fraud are the commonly found unethical behaviour within the construction industry. These are the recommendations done by previous authors and in chapter five more recommendations will be discussed.

2.5 Chinese Construction Companies in the age of Globalisation

Having looked at the values in the construction industry in earlier times, it is now of importance to also understand how Chinese-owned construction companies have been performing in recent years. This would set the case of argument of whether Western values are indeed superior over traditional Chinese values and if they should be practiced by Chinese managers.
2.5.1 Chinese Construction Companies

Schuller et al. (2000) notes that the rate of Chinese outward FDI in recent years has been very impressive. The Chinese government has played an active role in facilitating and encouraging traditional Chinese companies to seek a global presence and to become multinationals. The age of globalisation has brought about a higher rate of China's outward direct investment than at any other time in history, triggering an inflow of Western values and the exportation of Chinese values in business transactions. As Schuller et al. (2000) note, Chinese construction companies were awarded 74% of all roads and heavy industry construction contracts in East Africa in the 2007-2008 period, which indicates the ability and the important presence of Chinese firms in today's world market.

The business activities had their ‘faces’ changed due to globalization in World’s economy. The globalization waves have not spared the vulnerable construction industry worldwide. The major contributors of the waves are the international trade agreements which include the Asia-Pacific Cooperation Forum, World Trade Organization and European Union trade treaties. This creates an unhealthy situation where constructions firms regardless of their size and nationality are being ‘forced’ to go onto the global scale to take new market share in bid to expand their business portfolio. According to Schuller et al. (2000), Chinese construction firms appear to be the most active in the market. The globalized market has made firms of all sizes to realize that the potential that the firm can tap on is endless and presents to be a golden opportunity as communication and project management techniques become more sophisticated. The development of Olympic Stadium in Beijing, Beijing International Airport and Hong Kong International Airport are good examples of projects which require multiple parties to engage themselves together to work towards achieving a common goal (Chen 2001; Ofori 2001). Today, mega projects are impossible to work without assistance or involvement of third parties (which often include international partners), the period where firms perform solo contract are gone. A single project today possibly requires the expertise of individual from countries like United States, Australia, United Kingdom, Italy, Germany and France, each of which have their own unique ability.

2.5.2 Issues to note

It is important to keep in mind and to note the various issues which may be found to be relevant for construction firms in today's global market. According to Slangen et al. (2003), international projects are also found in countries undergoing development which includes South Africa, Vietnam and China. The number of international projects handled by Chinese
construction companies has dramatically increased due to the wave of globalization. This calls for mutual understanding of proper ethical behaviour to the various stages in construction contracting and compliance to international agreements (Ofori 2001). The various facets of international projects such as advantages and characteristics are research studies done by previous authors (Travis 1999). Travis (1999) have further note that complex and large international projects should only be undertaken by experienced contractors as they would have better exposure in carrying out similar duties.

The improvement of better usage of materials, human resources, institutions, project documentation and procedures and technology are key aspects of which the construction industry should place greater emphasis on in the light of globalization (Ofori 2001). This according to Snijders (1999) can be improved by the collaboration of international projects through which local firms of developing countries work with international firms of developed countries either through sub-contracting or join ventures. Stone & Hughes (2002) further notes that through sub-contracting and join venture construction firms can obtain more relevant up-to-date knowledge and expertise in a relatively low cost method. This is however not achievable without the cooperation and the common set of ethics and values shared among the various stakeholders (Antras & Helpman 2004).

This knowledge sharing is not without its delimitations. There are major concerns given the different procedures and setting of individual countries, several obstacles arises in course of knowledge sharing. The first the time required for understanding the local law and regulations, practices and ethics, the second is the non-standardized knowledge, understanding and experience of ethics and management by individual firms (Antras & Helpman 2004). Thirdly, given the unique personality, background and exposure each party would have it provides potential arena for conflict and common goal/ objectives are possibly not achieved (Antras & Helpman 2004). This situation is made worse by the fact that the construction industry is fragmented, impermanent and decentralized in nature and many people who do not have a common background (language barriers issue, different ethical standards and brought up) working towards achieving a common objective. As a resultant of the above, unethical behaviors (overcharging, corruption, bribery and etc…) and conflicts occurs if due care is not given (Walker 2005).

2.6 Hypotheses

This analysis of the literature leads to four specific hypotheses that warrant empirical verification via the collection of data. These hypotheses are as follows:
A. Ethnic Chinese in Singapore and China are still characterised by adhering to traditional Chinese value system to some extent. Therefore it is consistent to expect to see these traits in Singaporean and Chinese managers.

B. Western values are increasingly becoming the ‘standard’ business values throughout the world as a result of globalisation. As a result, there is likely to be pressure on Chinese managers to understand, work with or even adopt Western management values in their own business conduct.

C. Western values, in general, are in conflict with traditional Chinese value systems, thereby leading to the potential for dysfunction to occur when Chinese and Western managers are doing business.

D. The construction industry, from a global perspective, is characterised by high levels of unethical conduct, thereby leading, inter alia, to adversarial behaviour, unacceptable safety levels, and a lack of corporate social responsibility. Given that East Asia has been traditionally characterised as corruption-prone, it is likely that these unethical practices will be prevalent in the construction industry, which does not have a particularly good standing in the West in this regard.

The next section will look at the gaps identified from the current available literature documents.

2.7 Gaps in Literature Review

Following the literature review, the following gaps are identified in response to the previous authors’ work. This research aims at filling in the gaps that previous research has not covered.
There is still room for debate as to whether traditional Chinese values are in existence but most authors have asserted that traditional Chinese values are indeed still in place and these authors have provided views on the current values that are being practised by managers at the time of their research. One of the aims of the research is to confirm the validity of the research work done previously into whether traditional Chinese values are still in existence. However, they have failed to acknowledge what sort of changes have taken place over the last 5-10 years and therefore a clearer understanding of the ‘current’ values practised by the PRC and Singaporean managers is needed. The origins of the sources of the traditional Chinese values are also not identified in the works of the many authors and to what extent these values play an important role in their decision making. From the literature review conducted, it becomes clear that traditional Chinese values primarily originate from Buddhism, Confucian and Taoism.

Authors have also identified the Western values that are being practised by PRC and Singaporean managers. The lack of the PRC and Singaporean managers’ views on what they thought Western values is an area of concern which will be conducted in this research.

Ethical concerns have been extensively discussed; however much of the current available literature has not really identified what sort of contacts (in relation to Guan Xi) might be important to business managers in construction industry. The organisation that should be in charge of promoting ethical behaviour has also not been discussed by previous authors and this is something that will be looked at in this research. The current recommendations provided by authors on improving ethical behaviour in countries (e.g. South Africa, PRC and mainly other developing economies) have also been deemed to be inadequate and this will be further looked at in Chapter Four of this research.

Though much work has been done in the construction industry and SMEs, it is clear that the literature review has not provided much information on SMEs, which make up 90% of the construction firms in the market. Recent work done by Gao and Kotey (2007) was more focused on Western values and even the discussion on traditional Chinese values was not deemed to be of much relevance to the ‘current’ set of Chinese values, and work done by Brusati (2007) was more focused on just discussing Confucianism and other traditional Chinese values. Work by other authors often had a different focus (Delgado et al. 2002; Kaempfer 2006; Ralson et al. 2010; Rarick 2008; Tsui-Arch 2004) or otherwise the work lacked credibility in terms of referencing, being more the author’s self-perception without any proper research conducted (Li & Madsen 2007; Dom & Jensen 1998; Xin & Pierce 1996; Zhuang 2003) and therefore could not be trusted as credible sources. After discussing the gaps in the literature, the next section will sum up the chapter.
2.8 Conclusion

This chapter has reviewed various authors’ research in four main areas. This includes traditional Chinese values, Western values, the dominance of Western values and the current situation in the construction industry. It cannot be denied that Western values are dominant but traditional Chinese values are still strongly ‘rooted’ in today’s market and are still very much prevalent amongst Chinese managers. From the literature review a clear understanding is developed that in construction ethical issues are still a major concern despite much work having been done in an attempt to clear up the industry's bruised and tarnished image.

After reviewing the existing literature, four main hypotheses (as shown in previous section) have been developed and deemed appropriate to this research and the gaps in literature have also been successfully identified.

The next chapter will look at the various research methodologies available, giving the reader a clear understanding of the different techniques. A most suitable technique has been selected to test derived hypotheses and the reason for choosing it will be discussed in detail. The reasons for choosing PRC and Singapore as the case for this research will also be discussed in the next chapter.

<table>
<thead>
<tr>
<th>Current Research</th>
<th>Current Gaps</th>
</tr>
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<tbody>
<tr>
<td>Validity of Traditional Chinese Values are still in existence</td>
<td>To identify how much of these values are still in existence?</td>
</tr>
<tr>
<td>Changes that are taking place</td>
<td>What sort of changes has taken place? Current values practiced?</td>
</tr>
<tr>
<td>Ethical concerns have been discussed</td>
<td>It is unclear what sort of ethical concerns is particular to Guan Xi is important. Who is responsible for promoting these is another area to explore.</td>
</tr>
<tr>
<td>much work has been done in the construction industry and SMEs</td>
<td>it is clear that the literature review has not provided much information on SMEs</td>
</tr>
<tr>
<td>Current discussion work in the field of Traditional Chinese Values</td>
<td>Either not of relevance, lack of credibility, or had a different focus</td>
</tr>
</tbody>
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Figure 2.8 Source: Self-Created, dated: 20-2-2012

3. Research Methodology

The last chapter has looked at the relevant literature, in which four hypotheses have been developed. Before the research is carried out it is now critical to identify the best research
methodology to be employed, and therefore a thorough review of the various techniques available is necessary.

3.1 Research Paradigm Justification

According to Girma et al. (2002), the first step in a research design would be to look at the most suitable research paradigm. Therefore, the three main research paradigms will be critically reviewed, analysed and evaluated in order to identify which would be optimal for this research. Below is the overview of the selection process.

3.1.1 History/Importance of Paradigm Selection

The selection of a suitable topic/area of interest or research problem along with an ideal paradigm are what constitute a good research (Grossman et al. 2006). Before further exploration is made, it first important to understand the definition of what a paradigm is and what its origins are. According to Borland (2001), a paradigm could be understood as the rational and logical observation of how things or events take place in life, with the acceptance of the society/individuals as a primary ‘approval’. Other authors have said that a paradigm is understood as the general perspective for viewing the real world and breaking those complexities into simpler views (Patton 1990) while Hallward et al. (2002) feel that a paradigm is an interpretative structure with which to study the world and this would be directed by a certain set of values and outlooks. Having looked at the definitions, it is now pertinent to understand the origin of the term 'paradigm'. It is understood that this term was first used by the famous historian Thomas Kuhn (Born 1922 to 1996) in his book titled ‘The Structure of Scientific Revolutions’ (cited in Liu et al. 1999). However, the term can be traced back to Greek origins (named: paradigm) with the meaning ‘to show and to point out’ (Liu et al. 1999).

According to Dill and Romiszowski (1997), it is important that an ideal paradigm be chosen as it would assist in defining the sort of questions to look at and the appropriate methodology to ‘dissect’ the data collected. In addition to that, it has the ability to structure the world into academic required standards, making it thereby ‘usable’ to academic standard requirements. The way the world works, how knowledge could be gained and the way this knowledge is interpreted and discussed could be addressed by the paradigm. Finally, the paradigm plays an important role in assisting in the decision of what is relevant for publication and what is not (Borland 2001).

In addition to the above, according to Denzin and Lincoln (2000) there are three categories that need to be looked at before the appropriate paradigm is chosen, as those should be consistent with the research approach. The three beliefs are Ontology, Epistemology, and Methodology.
Therefore each of the above will be individually looked at in the next few sections. There are numerous definitions of a paradigm by various authors and the debate would be endless. However, the abovementioned have provided a brief idea of what a paradigm is and how important it is.

3.1.2 Ontology

The origins of Ontology (traditionally classified as part of the metaphysics branch of philosophy) can be dated back to the ancient Greek philosopher Parmenides, who was among the initial few that proposed that the elementary nature of reality should be characterised by Ontology (Mead 1982). His view of reality was that existence is eternal given that initial change is impossible; most of Western philosophy and science were then subsequently developed from this concept (Patton 1990). The two main concerns of Ontology are the attempts to address the classification of human beings under the category of being and what is real and what is not (Myers & Newman 2007).

Over time two main branches of Ontology were noted: these are now known as the objectivist and subjectivist (Melitz 2003). The objectivist is concerned with dealing with reality, i.e. something would physically exist and would not entertain anything that does not fit within the research ‘reality’ while the subjectivist is focused on examining and exploring the nature of human behaviour at both individual and social levels to understand how this would differ from the natural object’s behaviour (Melitz 2003). The literature review done in the earlier chapter has shown the difference in value systems and has identified that differences in values/culture even occur with the Singaporean and PRC Chinese. Therefore a subjectivist approach would be more appropriate given that an understanding of human behaviour at both personal and social levels is required.

3.1.3 Epistemology

Epistemology is the division of philosophy which examines the roots of knowledge and the procedure by which knowledge is attained and authenticated (Gall et al. 1996). It can be broadly classified into four divisions: Aetiology (the examination of the nature of reality), social epistemology, meta-epistemology and formal epistemology (Gall et al. 1996). Epistemology attempts to answer two main questions: what sort of connection exists between the inquirer and the identified, and what is true knowledge and what is false knowledge (Murakami 2005).

Both Western and Eastern epistemology have their own varying views on knowledge. According to Tomiura (2007) knowledge and opinions are often separated in the eyes of western
epistemologists and there is a difference between what is good reason what is not. In short, western epistemology would be capital, information, knowledge or resource that can be accumulated, communicated and distributed (Lester 1999). In comparison, eastern epistemology (teachings from Buddhism, Taoism and Confucianism) advocates that knowledge is never separated from oneself, the surrounding and the relation of heaven and earth (Grossman & Helpman 2002). It however identified that both Eastern and Western culture have attempted to substantiate that knowledge is developed from authority and revelation (Lester 1999).

Baxter and Eyles (1997) have noted that there are similarities and differences between both Eastern and Western epistemology, it would be very difficult to argue whether there are more similarities or more differences in between them as it would be dependent on the viewpoint of the author making the comparison (whether it is from a Western, Eastern or unbiased viewpoint). Therefore, the ideal situation would be to learn from both Eastern and Western epistemology as no single epistemology is certain to be better (Borland 2001).

3.1.4 Paradigms explained

Different theoretical questions have arisen as a result of the diverse elucidation and formation of social phenomena and this has made the evolution of different paradigms necessary to cater to the different needs and criteria of the problems.

Accordingly to Helpman (2006), research paradigm can be broadly classified into three main categories, which are otherwise known as the interpretive research, positivist research and critical theory. Among the three paradigms, interpretive and positivist research are two separate belief systems that have been seen to exist at two opposite ends of a continuum in business research (Hancock 2002).

One of the most important steps in the course of research is obviously data collection; in order for the data collection to be implemented successfully it is important that an ideal research paradigm be selected. Therefore a careful and clear understanding of the paradigm terms interpretive, positivist and critical theory is required. The interpretive research is often known as qualitative research, which includes techniques such as case study, interviews, focus groups, grounded theory research, phenomenology, historical and ethnography (Schram et al. 2006), while the positivist research advocates quantitative research, which includes methodologies such as descriptive, correlational, cause comparative, experimental, longitudinal and questionnaires (Onwuegbuzie & Leech 2004). This research would have to choose the most appropriate technique for application; it becomes important to establish the difference between the two methodologies and the paradigms underpinning them.
3.1.4.1 Positivist Paradigm

The French philosopher, Mr. August Comte, is the main ‘promoter’ for this theory. He emphasises that observation and reasoning are the best means for understanding human behaviour in the social reality (Nunn 2007). According to him, knowledge is obtained through observation and experiences based on the senses and therefore it would have to be comprehended within the barriers of science’s principles and assumptions (Kincheloe & McLaren 1994). The definitions of assumptions are thought to be generality, determinism and empiricism (Kincheloe & McLaren 1994).

It has been believed by the positivist researchers that there is a single reality which has the ability to be described by the measurable properties that have been seen to be independent of the person who seeks to inquire and the perspectives that are related to the research, as well as the instruments that have been used for the research.

Though the influence of positivist paradigm continued to be extensive in the second half of the twentieth century, it has received its fair share of criticism, as the paradigm has shown a lack of regard for the individual situation of different entities (Brannen 2005). It was in relation to the statements that promoted this paradigm, where it is believed that the external environment dominates and controls human behaviour and that human behaviour is passive in general (Brannen 2005). Objectivity was one of the main weaknesses of this paradigm and it was advocated that in the process of scientific inquiry subjectivity should take over. This criticism has thereby led to the rise of the interpretive paradigm.

3.1.4.2 Interpretive Paradigm

The interpretive research, otherwise known as anti-positivism, emphasises that social reality would be analyzed and understood by an individual ideological position. According to Nunn (2007), the history of this approach can be traced back to the German philosopher Wihem Dilthey and the sociologist Max Weber. Phenomenology, symbolic interactionism and ethno-methodology are the three schools of thought that have shaped what is known today as interpretive research.

The interpretive research approach advocates that realism is complicated and multifaceted with a possibility of a sole phenomenon having several elucidations (Cohen et al. 2000). Asiedu & Esfahani (2001) say that the interpretive research is the one that has been seen to be making assumptions in the case of the multiple and constructed realities and that in this case the knower
and the known are identified, not separated. Interpretive researchers believe that an inquiry is always associated with a value and in some cases it has been seen that causes and their effects are not to be separated. It has been seen in the case of the interpretive research that the predefinition has not been taken into account by the researcher and the values that are unable to be defined are the dependent and the independent values. Interpretive research has been seen to make sure that the complexity that has been associated with the human sense-making is the one that is used in all cases as the situation may arise. Induction has been the main method used by interpretive researchers and this is the process that has been seen to move from the specific to the general.

3.1.4.3 Critical Theory

Critical theory draws knowledge from humanities and social science to examine society and culture. Given that knowledge is drawn from different sources, it not usual to comprehend that this theory has two different origins and meanings to it (Smith 1999). The two different origins are in literary criticism and sociology with the ‘founders’ of this knowledge being Karl Marx and Sigmund Freud (Smith 1999). Critical theory, also known as the Frankfurt School of thought, aims to tackle prejudice in society and therefore critical researchers naturally take for granted that the knowledge gained through their research would be the critical initial step towards tackling such injustices (Chang and Rosenzweig 2001). Therefore, the political, economic, social, general values and ethnicity are what this paradigm focuses on changing and examining (Tse et al. 1997). According to Wei at al. (2005), critical theory has four main features.

The first feature is that critical theory is that real people’s experiences in life are important for understanding, and as such critical theory has common understandings with some interpretive theories’ thoughts and methodologies. Though similarities are shared between the two, there is one main difference. Critical theory is concerned with the interpretation of the symbols and acts of society so that an understanding of the way in which social groups are being opposed can be established; and this is the second main feature (Tse et al. 1997). Thirdly, the theory advocates that power comes from knowledge and therefore to know the way things work is the best way to overcome it. Lastly, critical theory is normative as a result of the above and therefore changes in life would be expected.

Despite the above ‘strong’ features, there are many charges against critical theory. According to Bernard & Jensen (2007), the tendency toward elitism is an area of major concern, as critical theory researchers often make the mistake of believing that no situation is tougher than they can handle and that they would be able to either come up with a better plan or resolve it convincingly. Therefore, the insights put forward by these researchers outside their scope of expertise may at
times become too naïve or unworkable. Secondly, given the mentality of the critical theory researchers that they are superior, they would not listen to the advice derived from life experience of other people who have been affected by certain policies in place. These researchers would rather seek the opinion of those people who are in positions of authority or power. As such, the critical theory researchers are often criticised for being out of touch with the world and the information derived from the life experience of individuals might be most important for the research.

In short, while critical theory cannot be said not to be useful, it has both advantages and disadvantages like other paradigms. It should be approached with caution. With the above mind, the next priority is to explore the qualitative and quantitative research methodologies.

3.1.3 Comparisons of the three Paradigms

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Figure 3.1 Source: Self-Created, dated: 1-9-2010

Though each paradigm has its corresponding research approaches, it is often up to individual researchers to ‘manipulate’ and adopt varying techniques across the paradigms according to the research questions he or she proposes to look at. In short, the positivist paradigm is the one that has been seen to be associated with the development of the quantitative research methodology, as compared to the interpretive research methodology that helps in conducting qualitative research.

The next section looks at the qualitative and quantitative research methodologies before comparing and contrasting them to understand advantages and weaknesses of each methodology.

3.2 Qualitative & Quantitative Research Methodology

The plethora of research designs can render the selection of an appropriate method a difficult task for the novice researcher (Groenewald 2004). Therefore before embarking on the method to be applied, consideration must be given to the ontological and epistemological approaches to the study, followed by an analysis of the various kinds of qualitative and quantitative research designs. Therefore obtaining an overview of the both sets of methodology is important for establishing which would be the ideal choice for this research.
It is important to first understand the two main methods into which research methodology can be classified. Broadly speaking, there are two approaches to research, qualitative and quantitative (Hancock 2002) and the choice of either qualitative or quantitative methods depend on the nature of the study to be conducted. Qualitative methods are generally concerned with investigating issues pertaining to human behaviour and the motivation behind those actions while quantitative research methods mainly focus on exploring issues in relation to social science such as psychology, political science, sociology and anthropology (Hancock 2002).

In the 1960’s to 1970’s, writers argued qualitative research was not adequately suited to the development of knowledge (Levy 2010). However in the past decade, there has been great shift towards qualitative research methods (Brand & Slater 2003; Collingridge & Gantt 2008; Darke et al. 1998; Levy 2010). Various research methods based on positivist (quantitative) or interpretivist (qualitative) paradigms are at the researcher’s disposal; however the choice of method and goals of the research must be compatible (Johnson & Harris 2002; Travis 1999).

In recent years, it is interesting to note that a third technique has been advocated by many authors (Brannen 2005; Flyvbjerg 2001; Lowenthal & Leech 2009), a method which stands between interpretive and positivist research, something classified as mixed research methodology by researchers. This third methodology is now often applied by researchers, and it is known as the mixed methods. Obviously as the name suggests the mixed research methodology implements one or more techniques from each of the interpretive (qualitative) and positivist (quantitative) arena.

At the opposite ends of the two methods, the quantitative and qualitative approaches represent objectivity (in which measurement may be repeated by later researchers) (Firestone 1987; Hancock 2002; Johnson & Harris 2002)) and subjectivity (what happens in the social world in a projection of individual consciousness) respectively (Morgan & Smircich 1980).

### 3.2.1 Qualitative Methodology

The qualitative method bears the closest resemblance to the interpretive or anti-positivist paradigm. This methodology proposes the attainment of advanced understanding and uncertainty reduction by placing the researcher himself/ herself in the context of being studied (Flyvbjerg 2006; Sofaer 1999). Yeung (1995) further comments that it is in qualitative research that the participant is able to gain a greater appreciation of the research as well as to develop a trust relationship with the researcher.
The aim of the qualitative method is simple: it is to obtain a complete and detailed description of what is going on. Further to that, it is known that the researcher will have a rough idea of what he or she is looking for out of the research; that is, the outcome of the research is half-known (Borland 2001). This technique is also often recommended in the earlier stages of the research given that the design will slowly become visible as the study goes down the path.

One of the most important factors here is that the researcher him/herself is the gathering instrument and therefore caution has to be exercised, to ensure that the researcher is adequately trained or competent to perform the task (Von & Young 2003). Therefore, data collected is often in words, pictures or objects rather than numbers (Sofaer 1999). Given that the tool for gathering information is the researcher him/herself, the results may sometimes be subjective as individuals probably take on certain biases or even have diverse interpretations of the different statements made or events occurring (Scott 1996). This is especially the case where interviews and observation work are being carried out.

As mentioned above, given that the data collected is in words, pictures or objects it will often be more ‘rich’ in its information, which would also otherwise imply that more time is required for analyzing the data; however the outcome is often a meaningful and non-generalised output obtained. The inability to meet generalizability is a limitation as discussed by (Borland 2002; Merriam 1995).

In short, Hancock (2002, p.2) states that qualitative research methodology in general aims at addressing why people behave in a certain manner, how attitudes and opinions are formed, why people are affected by events that occur around them, why and how cultures have developed in a certain fashion and finally the divergence between the various social groups. Notice the mentioning of culture in Hancock’s research as this is the main theme that this research looks at, exploring how culture has affected the individual's value system.

Having discussed the above, it is important to explore the various methods subsumed under qualitative research methodology. Greenway et al. (2008), quoted in Lee (1992, p.89) state that quantitative researchers view the social world ‘independently of the individual’s appreciation of it’ and that in contrast qualitative researchers assume the social world as ‘external to the individual’s cognition’. For this research the various research techniques will be discussed in later sections to provide a better understanding of which method would be best in the different situations. These include the case study, focus groups, grounded theory research, phenomenology, ethnography and historical research.

### 3.2.1.1 Case Study
The case study approach is often found in research concerning social science. In the case study approach, the researcher attempts to elucidate an understanding of the features of settings such as the broader population (Eisenhardt 1989; Gerring 2004) and it is most appropriate when the questions to be answered are of a broad and complex nature (Keen & Packwood 1995). The case can be an individual person, an event, a group, or an institution to which in-depth analyses are applied (Borland 2001; Hijzen et al. 2007). According to Castellani et al. (2008) a case study research can be defined as a research stratagem which applies the usage of qualitative data collection and analysis while using case studies as a platform. Yin (1994, quoted in De Weerd-Nederhof 2001, p.513) further elucidates his view that a ‘case study is an empirical enquiry that investigates a contemporary phenomenon within its’ real life context’.

Given that this approach may be explanatory or descriptive, it may therefore exist as either quantitative or qualitative; situations requiring detailed real-life understanding require a qualitative approach (Keen & Packwood 1995). The case study methodology can also be broadly classified into three categories, which are known as the intrinsic, instrumental and collective case studies (Borland 2002). The intrinsic and instrumental techniques are in contradiction with each other given that the intrinsic is concerned with the case itself while the instrumental is attempting to understand things other than the case. The collective technique is an extension of the instrumental technique with a broader focus on several cases.

According to Flyvbjerg (2006) and Keen & Packwood (1995), there are several advantages which case study methodology could be identified as having, with the contribution of practical knowledge being one of the most important. In addition, the research work done in case study methodology could potentially lead to scientific developments which are useful for future further research. Other advantages are that the possibility of bias in case study is also often found to be lower, along with the ease of summarizing and coming up with general propositions based on the work done. Often the case study methodology is able to extract the ‘richest’ and most relevant information given that objective sampling is applied when using this technique, giving this methodology an edge over the rest such that redundant data would not be collected. The ability to have multi-purpose functions to both generate hypotheses and perform hypothesis-testing is another major plus point. Finally, the last but major benefit of this technique is that it is able to argue against generalisations such ‘all Western managers hold similar Western Values’, an ‘ability’ known as falsification.

However Xiao & Smith (2006) argue against the use of case studies, whether for quantitative or qualitative research, stating that (especially in the social sciences) case studies have been over-used and claiming that learning from case studies is a result of the researchers’ values and
perspectives. Every technique is not without its limitations and the case study technique is no different. According to Girma et al. (2004) and Yin (1994), the following are some more of the limitations of the case study technique. One of the major flaws with this technique is the limited ability to put forward an assessment of a theory, especially in the case of single case study. Further to that, quantitative generalisations would not be possible for a small amount of case studies. The excessive concern with objective sampling, thereby leading to negligence of the ‘mass’ market, is another of its negative points. Last but not least, theoretical generalisation could occur and this is not acceptable at research level as it would provide misleading information.

3.2.1.2 Focus Groups

A focus group is generally understood to be a qualitative method conducted as a group interview, which may be used to gain richness of data and involve participants in a meeting or series of meetings (Folch-Lyon & Trost 1981; Freitas et al. 1998; Kitzinger 1995; Kleiber 2004) in which the participants are quizzed about their understandings, beliefs, feelings or perceptions towards a certain service, concept, product or idea. The participants communicate freely with direction given by the interviewer-in-charge.

Focus groups itself can be broadly divided into various categories, which include dual moderator focus group, two-way focus group, duelling moderator focus group, mini focus groups, teleconference focus group, client participant focus group and online focus group (Henderson 2009). The dual moderator focus group has two moderators: one to ensure that the topics of the sessions are objectively covered while the other ensures the smooth running of the session. The two-way focus group is concerned with one focus group observing another focus group in action before making their discussion and comments while the duelling moderator focus group applies the ‘contradicting’ technique where two moderators would each have their own viewpoint to engage participants to discuss. The mini focus group is focused on having only four or five participants rather than the traditional six to twelve for uncomplicated discussion, whereas the teleconference group uses technology to carry out the input and discussion of ideas virtually over the telephone. Similar to the teleconference group, the online focus group carries out the discussion virtually but this time by means of the internet. The remaining two types of focus groups are the respondent moderator focus group in which one participant becomes the moderator for the session, with the final one being the client participant focus group, where the clients themselves engage in the discussion.

Having identified the various categories above, it is now important to understand the benefits of using the focus group technique. Focus groups can be instrumental in exploring how and why
people think the way they do, beyond the question of just what they think and the clarification of
thoughts and views in a manner which may be less accessible than in a one-on-one interview
(Barbour 2005; Breen 2006; Kitzinger 1995). A common language may possibly be developed
from the interview, which would enable more in-depth capturing of the various themes identified
(Lindlof & Taylor 2002). The traditional focus groups in general are also more effective in
capturing major themes at lower cost when compared to other traditional forms of research (Von
Seggern & Young 2003).

Obviously there are also many disadvantages associated with the focus groups. The
researcher, for instance, would have much less control over what is being discussed in the group
because of the number of participants, and as such the moderator for the group would have to be
adequately and professionally trained, lest things go wrong. The results of the focus group may
also not necessarily be objective, given that the group would be directed by the moderator and
situations of bias do occur (Tjaco 2003). Further to that, the setting would have an impact on the
responses provided by participants, as if participants are not comfortable with the environment
they will be less likely to speak up, providing inaccurate results. Lastly, the cost may not be as
‗cheap‘ as mentioned earlier, given that if a product were to be introduced on a region-wide basis,
the opinions of participants from all over the region would be required and this involves much
cost in travelling and lodging.

3.2.1.3 Grounded Theory Research

This technique is one of the most unique techniques in the category of qualitative research,
given that the study commences with the data collection rather the analysis of the literature
review. Navaretti and Castellani (2004) state that grounded theory is the scientific discovery and
elucidation of social phenomenon. Concepts are conceptualized inductively from a body of
statistics acquired by observer- participants (Gerring 2004) and the processes of data collection
and analysis may occur concurrently (Shah & Corley 2006). The theory is thus developed as a
result of data-analysis (Martin & Turner 1986; Von Seggern & Young 2003) where no current
theory (or model) relative to the sample exists (Borland 2002).

This technique has several important advantages over other techniques. For a start, this
technique would exhibit a single, unified and orderly method of analysis resulting in simpler
application and interpretation, something which is not generally achievable by other methods.
The technique is also more concerned with providing ‘plentiful’ comments from the researcher,
unlike other methods where much literature review is presented along with modest commentaries
from the researchers (Scott 1996). Yasar and Rejesus (2005) further argue that grounded theory
research can help to alleviate the issues related with qualitative research, namely the large volumes of data which can be produced. Another major advantage of the grounded theory technique is that it presents conclusions from the efficient and orderly examination of a phenomenon, which possibly produces more reliable and real-life relevant conclusions as compared with other methods where the theories are generated from constant testing of the supposed hypothesis (Martin & Turner 1986). It can also be expected that by applying this technique, more contributions to knowledge would be observed.

There are certainly many critics of this technique, given that the technique employs a sort of ‘illogical’ step in the research by performing data collection before the literature review is done. Further to that, given the nature of the technique being so precise, it is required that the researcher be one of vast experience and expert acumen, something which is not often achievable. The possibility of bias is also in question, given that researchers have to input their insight into existence of those experiences (Burns 1994).

3.2.1.4 Phenomenology

Although phenomenology traces its roots back to early in the twentieth century, it was never really applied until the 1970’s (Groenewald 2004). Phenomenological research serves to describe phenomena accurately as they are without recourse to the personal biases or theories of the researcher (Groenewald 2004) by the use of qualitative methods (such as interviews). It is the study of lived human experience (Borland 2002; Van Manen 1984).

As with all research methodologies, each technique has its own unique advantages and this technique is no different. Branstetter et al. (2006) discusses the importance of phenomenological research in the researcher’s attempt to gain insights into participants’ motivations and actions, which (in multiple participant research such as this immediate dissertation) may serve to identify recurring factors (and lead to stronger inferences) as participants reveal similar results. A further point which Branstetter et al. (2006) raise and which is most important in this dissertation, is the importance of the researcher establishing and maintaining a strong level of rapport and empathy with the participants, as this is crucial to gaining rich in-depth information - most especially when the participant has a personal stake in the issue under investigation.

However, this technique suffers from the following disadvantages. The first drawback is that the technique is overly concerned with the study of life human experience; a research however would need to do much more than just offering understanding on that basis (Keller 2004). Further to that, Van Manen (1984) likens the analysis of phenomenological research to the analysis of poetry, whereby a research can’t separate the results from the content (the actual means of
acquisition of the results) as the latter are the results; this makes it confusing for one to understand. Accordingly, Branstetter et al. (2006) discuss the drawbacks of phenomenological research in the sense that it yields much in the way of results material (written records, audio recordings etc.) which are used for data analysis.

3.2.1.5 Ethnography

Ethnography is frequently adopted in the field of social science as a scientific research strategy with the focus on gaining data (e.g. socio-cultural phenomena) using very close field observation of an insider (Myers & Newman 2007). There is some confusion about ethnography and cultural anthropology where people often use the terms interchangeably; this should approached with caution as in reality ethnography would be considered to be a sub-division of cultural anthropology where more research techniques are involved (Harrington 2003). Usually, the ethnographer is more focused on a particular community in order to gain a rich understanding of what is going on before writing about their experiences. Observation is a key aspect of this research technique.

The primary advantage of this technique is that it is concerned with observation; it allows researchers to quickly record the behavioural pattern as it occurs preventing any loss of result. Furthermore, it would also be able to unveil and describe the experience with total precision. The main advantage is the fact that the findings would be much more ‘real’ than with other techniques, given that the results could not be manipulated and the process could not be ‘replayed’.

Having described the advantages, the limitations should be looked at next. First of all, in an ethnographic research where human participants are involved, the chances of participants acting in a certain way that would mislead researchers exists. Habermas (1970), quoted in Harrington (2003), stresses the importance of participant-researcher relationships in ethnography for the purpose of knowledge creation. The reliability of the findings of ethnography is questionable because of the fact that ethnographic research is often carried out in the natural setting and cannot be replicated (Burns 1995; Wiersma 1986). The need for multiple studies to be conducted before a ‘generalisation’ statement can be made is another concern here, given that more work and effort would have to put in (Sofaer 1999).

3.2.1.6 Historic

This technique is concerned with the analysis of the primary sources, which include work done by previous authors and other evidence sources; this method is often applied by historians.
The technique attempts to make an orderly gathering and unbiased assessment of statistics associated to historical incidences to elucidate current situations and predict future events by testing hypotheses concerning the trends, effects and cause of these situations (Gall et al. 1996). This technique has several advantages over other methods. The first is that the research does not require it to be physically carried out as information/data are generally gathered from the existing literature materials (Chuan and Lin 1999). Therefore there is virtually no danger in this process of the research (Chuan and Lin 1999). This method is also one of the most effective for identifying trends (Earley 1989). Finally the cost factor is another attraction as the technique is generally concerned only with content analysis, making it far more appealing than longitudinal designs when the budget is a concern.

The limitations of this technique are easy to identify. The commonly raised issues are where, when and who produced the materials/source. It is also noted that researchers may tend to show biases while interpreting the various sources and the time taken to complete a research with this technique will possibly be much longer than with others, given the vast amount of sources that have to be looked for, accounted for and analysed (Chesebro & Borisoff 2007). Beside the bias of the researchers, the biasness of the work done by previous authors is also in question here as the original authors may attempt to bring in their own understanding of the events that have occurred (Gall et al. 1996). Finally, though the cost of this technique in general is cheaper than that of other techniques, it may end up being more costly if computerised techniques are employed (Chesebro & Borisoff 2007).

3.2.2 Quantitative Methodology

The quantitative method is derived from the paradigm of positivism. Positivism is the philosophical paradigm which underpins quantitative research (Firestone 1987; Petrovic-Lazarevic 2005, quoted in Walker 2005), in which statistical methods are utilised to present data (Lund 2005). This method can be briefly understood as the orderly pragmatic examination of the relationship between phenomena and quantitative properties (Sofaer 1999). Mathematical models are the key tool of this method, and because of this the output from the research it often consists of very generalised statements, usually without a specific contribution to new knowledge (Burns
However this technique is highly effective in proving whether a hypothesis is true in the case that is being studied (Burns 1994).

Owing to the nature of this tool, the quantitative research methodology is often used in social science related subjects such as sociology, psychology, political science and anthropology (Hancock 2002). Therefore it is commonly noted that data are often in the forms of numbers and statistics instead of words or pictures.

The quantitative research aims to predict, describe and control (Borland 2001). Cause and effect connections among variables (Dependant and independent) can be utilised (and manipulated) as a basis for the explanation of causal relations and behaviours, with the application of experimental controls (Morgan & Smircich 1980; Funke 1995) in order to reduce error (Cory 1977, quoted in Firestone, p.17; Merriam 1995).

The aim of this research method is to generate models, theories and hypotheses and test if those might relevant or irrelevant, so that classification, calculation, or constructing a statistical model is often required (Funke 1995). As such, the researcher should be very aware of what he/she is after in the research. Objective goals would be what the researcher is after in this instance as precise measurements and analysis of different concepts are carried out. Therefore surveys and questionnaires are the most commonly used techniques for this methodology (Von & Young, 2003).

In addition to the above, given that surveys and questionnaires are the primary tools for the collection of data, one would expect that all the aspects of the study have to be carefully planned before being implemented (Flyvbjerg 2006). However, recommendations are often made in later stages of the research (Malterud 2001), this being a unique aspect of this methodology.

In conclusion, quantitative research retains its position as an important methodology given that it is still very popular. A comprehensive analysis has revealed that two-thirds of 1274 articles published between 1935 to 2005 in top two American sociology journals were quantitative research methodology based (Malterud 2001).

Having discussed the various quantitative research methods above, it is now important to understand the various quantitative research techniques available. According to Onwuegbuzie (2005), there are chief three areas of quantitative research: co-relational, causal and descriptive. For the benefit of this research the descriptive, co-relational and cause-comparative shall be discussed along aside with experimental, longitudinal and surveys to understand their validity in different situations.

3.2.2.1 Descriptive
This technique is also known as statistical research and its primary purpose is to provide an account of the characteristics (using words or numbers) of situations, individuals or groups (Gregory 2004) which possibly forms the early stage of multifaceted designs (Benson et al. 1989; Brand & Slater 2003). The ultimate intention is to sort information out, understanding the information would be mean, why it exists and determine the frequency rate of it (Burns, 1994 p.24).

There are many advantages to using this technique. One of the major advantages is that this technique is able to virtually deal with anything that can be studied or calculated, making it feasible for usage under virtually any situation. Also, the technique does not require the involvement of certain variables, which makes it easier to carry out, at the same time being able to provide more information than other techniques. In short, the descriptive research can be said to be highly accurate, factual and systematic.

Like all other techniques, the descriptive research has come in for a fair bit of criticism of its limitations. The internal validity is in question as the requirement for that is low. Furthermore, this technique often is not able to describe what the reason for a particular situation is and therefore researchers are probably only able to report their interpretation of what has happened (Myers & Newman 2007).

3.2.2.2 Correlational Research

The assumption that this technique works on is that everything has a relationship with another thing (Harrington 2003) and that reality would be best discussed as a network of interrelating, non-linear and mutually-causal connections (Harrington 2003). This technique is generally in conflict with the descriptive method as the relation between each part is more significant than causality. As such, it is noted that correlational research does not specify causality. However, causal statements do occur in correlational techniques such as cross-lagged panel and path analysis.

This technique has its impressive benefits in that researchers can use it for discovering real-life relations before carrying out further studies in the laboratory. Furthermore, this technique enables the prediction of results. The main advantage of this technique is that it enables precise conclusions to be derived from cause and effect relationships (Tabachnik & Fidel 2001).

There are however several noted limitations with the usage of this technique and these include the need for skilful control over procedures. The researchers in this case have therefore to be well trained and be able to construct a simple and artificial situation for the research to be carried out smoothly. As a result, ethical concerns and practical feasibility are yet another issue, as results
achieved under artificial situation may not be similar to results arising from natural conditions (Weiten 2001).

3.2.2.3 Cause-comparative

The cause-comparative technique attempts to determine the cause for existing conditions while at the same time exploring what pre-existing differences there have been (North Illinois University 2001). It is important to note that the alleged cause and effect would already have to have happened. There are two approaches to this technique: they are known as Retrospective and Prospective (Cohen et al. 2000). The retrospective is concerned with seeking the possible causes and would start off with an effect in place while the prospective is the opposite. The prospective would look at the effects on variables while starting off with the cause.

Similar to other techniques, the cause-comparative has its strengths. One of the main strengths is that the technique often draws on a large sample size, increasing the accuracy of the data collected (Habermas 1970). Furthermore, the technique contrasts practical significance with statistical (Hancock 2002), making the results more relevant and dependable. Comparisons are also being made around groups thereby leading to the potential discovery of more information. The last plus point is that the treatment effect of this technique can undergo multiple replication.

The focus on standardised test performance is one of the major flaws of this technique as the excessive concern with ‘standardisation’ often hinders the progress of research and possibly leads it nowhere. Secondly the lack of random assignment, which is similar to the above point, shows that this technique is over-concerned with the ‘proper’ system in place (Lakomski 1999).

3.2.2.4 Experimental

This technique is often applied to science-related subjects, which in general include psychology, physics, chemistry, sociology, medicine etc… (Lakomski 1999). One of the main features that differentiate this technique from others is its systematic and scientific collection of research designs, through which the researcher would be able to manipulate or control one or more variables to changes the deviations in other variables. In short, experimental research becomes an instrument in which deductive reasoning is applied by the researcher (as an active agent) so that hypotheses are proven or falsified (Babbie 1983). This technique is often used in cases in which time is a priority and where consistency can be noted in the relationship. With the above two, the final criterion needed here is that the magnitude of the correlation has to be huge.

The ability to control one or more variables is one of the major advantages of this technique as the researcher is able to increase the possibility of understanding the various variables and their
impacts; therefore determining the interaction between variables are also much more feasible. The major distinctive advantage is that it is able to best establish the cause and effect relationships among the different variables, given that the researcher is able to manipulate one or more variables.

One of the major flaws in this research technique is that the researcher’s personal bias may come into the picture and therefore affect the reliability of the outcome. The sample collected in this technique often is also not an accurate reflection of the general population due to the fact that the researcher has limited opportunity to ensure that a representative sample is being collected. The results may also not be replicable under normal circumstances given that the information is collected from experiments, an environment that has been possibly ‘protected’. Due to this concern, the results of this technique have at times been deemed to be not valid and unethical in certain instances (Wiersma 1986).

3.2.2.5 Longitudinal

The longitudinal technique is a correlational study that is concerned with repetitive observations of a certain item over a long period of time; this may often go beyond years and move in decades (Burns 1994). This methodology is often applied in order to explore attributes of people (or other units) at periods of more than one time. This method is known as the observational study and is often found in studies concerned with psychological development trends. There are three major types of longitudinal studies: retrospective study, panel study and cohort study (Burns 1994).

Similarly to other techniques, the longitudinal technique has its own unique advantages over other methods. This technique allows the researchers to look at changes closely over time and because of the nature of this technique it would be particularly useful when studying certain developments and lifespan issues. This is something that other techniques cannot offer. The accurate observations from the changes/ trend development would be indicative of many issues and therefore would have much relevance and be applicable in various other fields.

Given the nature of this technique, where extensive time needs to be spent monitoring the behaviour changes or trend development, it is both time-consuming and expensive. This is something that may not be desirable by researchers as they may have limited resources and time to complete a certain objective. Often these studies also only involve smaller groups of subjects, which may make the results irrelevant or not an accurate reflection of the larger picture. Finally the study may be terminated at certain times due to participants dropping out or the fact that the
trend or issue has stopped developing, resulting in no conclusive or beneficial output being collected.

3.2.2.6 Surveys

This technique is probably the most well-known and frequently used technique for performing research (Shah & Corley 2006; Seidel & Clark 1984). Given the ‘broadness’ of this terminology, the extension of the scope is so wide that it can be anything from a simple questionnaire to in-depth interview. The questionnaires, Delphi method, normative and interviews can all be considered to be branches of the survey. The survey technique is unique in that it can be either a quantitative or qualitative research method; with a tendency to steer towards quantitative side given that most of the techniques are quantitative based (Shah & Corley 2006).

An interview would typically be a qualitative research method given that it involves using the researcher as data gathering tool. The benefits of the interview include the ability to uncover unexpected results (Baxter & Eyles 2004) and possibly provide a platform for contributions to knowledge by identifying new themes (Flyvbjerg 2006). However, this method has often been criticised for its possible high expenditure (Flyvbjerg 2006) and long hours in gathering the data involved, e.g. one-hour interview per interviewee multiplied by twenty people. Also, it may be difficult at times to find the appropriate personnel for interview.

A questionnaire often revolves around setting up a series of questions before having them ‘massively’ sent out for responses (George & Bennett 2005). It has the typical characteristics of a quantitative methodology where the paper/online questionnaire are the data collection tool instead of the researcher him/herself. This technique is highly effective in attempting to prove the validity of the hypotheses in question (Emerson 1981) and it generally has low cost involved with less effort required on the part of the researcher, given that software would be able to assist the researcher in analysing the data gathered. However, the main criticism of this technique is the lack of contribution to knowledge in identifying new themes (Fossey et al. 2002) and the possible high cost involved in acquiring the required software for assistance.

Below is a simple table comparing the questionnaire and interview techniques.

<table>
<thead>
<tr>
<th>Issue</th>
<th>Questionnaire</th>
<th>Interview</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Group</td>
<td>Mail</td>
</tr>
<tr>
<td>Are Visual Presentations Possible?</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Are Long Response Categories Possible?</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

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3.3 Qualitative VS Quantitative Research Methodology

There are indeed many differences between the two approaches. It would be wrong to argue that either method is better than the other given that each method has its own unique features. The below aims to compare and contrast the two in a bid to look for the better option for this research.

In the qualitative method, the research does not provide measurement; it provides insight (De Ruyter & Scholl 1998). It is rather more of a situated activity which locates the observer in the world (Denzin & Lincoln 2000). In contrast, the quantitative is concerned with the measurement rather than the insight aspect and this can be seen in the frequent usage of statistics programs (Denzin & Lincoln 2000). Therefore the qualitative method is more suitable on this occasion, given that the insight aspect is a major ‘requirement’ of the research although the proving of the validity of the hypotheses is also equally important.

Secondly, because of the qualitative methodology’s ability to discover unanticipated findings (Britten & Fisher 1993; Foster & Ford 2003; Johnson & Harris 2002) which may potentially lead to ‘unexpected occurrences’, qualitative research may be deemed more fluid (De Ruyter & Scholl 1998).
1998; Glasser & Strauss 1968, quoted in Breen 2006), in stark contrast to quantitative research in which the researcher attempts to establish fixed hypotheses using fixed measurements (Breen 2006). Given the nature of the ‘abilities’ of the methods, the usage of the qualitative method would be deemed more appropriate as serendipitous occurrences may happen and help to lead to the solidification of the proposed hypotheses and the generation of new knowledge, and as the semi-structured interviews may assist in extracting the unknown factors (Guba & Lincoln 1994).

Unlike quantitative research, which focuses on an extended population and attempts (utilising statistical methods) to test theories which have already been proposed, qualitative research focuses on individuals’ perceptions as a *sin qua non* of a given topic (Britten & Fisher 1993; Hancock 2002). Thus for the purpose of understanding the application of Chinese traditional values amongst managers of SME’s (the phenomena to be studied), qualitative research becomes appropriate, as this kind of research seeks to extract information from specific groups or subgroups from a population (Hancock 2002). Accordingly, this dissertation can be termed as a type of *phenomenological* research.

Further to that, statistical methods (quantitative) can assist in detecting phenomena but are unable to establish an explanatory theory (Groenewald 2004) which makes them inappropriate for this research, given that the hypotheses set out in the previous chapter are to be tested for their validity and ability to generate a conclusive output. Apparently, the ability to explain theory is the ‘core skill’ of qualitative research.

A further strength of qualitative research methods is the ability of the researcher to apply reflexivity when evaluating the research, i.e. the researcher may reflect on his/her actions and relationship with the subject and such deliberations permit the researcher to interpret deeply (Baxter & Eyles 2004). This is something not applicable in the case of quantitative research, where there is a focus on systematic order and numeric figures and the simple fact that the data collecting instrument is not the researcher him/herself. This further consolidates the ‘position’ of qualitative methods in this research.

Whilst researchers can gain understanding of events from either quantitative or qualitative research, the latter aims to develop a rich meaning and understanding, usually in the form of words and observations as opposed to numbers (Johnson & Harris 2002), of the lived experiences of humans in which the researcher may come to a better understanding as to why the participants behave the way they do in the real world (Baxter & Eyles 2004; Emerson 1981; Flyvbjerg 2006; Fossey et al. 2002; George & Bennett 2005; Hancock 2002; Karami et al. 2006; Breen 2006, p.464; Weick 2007) which can lead to strong theory building (Jaye 2002). Again, this builds on the previous statements and affirms the decision to of use qualitative methods for this research.
For the purposes of this doctoral research, a qualitative approach was deemed to be most appropriate so as to generate insights and concepts, and to search for exceptions to stated rules, observe what is not usually on view, or indeed hypotheses (Berry 1999; Malterud 2001; Myers & Newman 2006; Podolefsky 1987; Robertson 2000; Shah & Corley 2006). As Brand & Slater (2003, p.169) point out, the qualitative approach focuses on ‘understanding the uniqueness and particularity of human experience rather than seeking to establish general regularities’. Accordingly, the requirement in this qualitative research is not to establish generalizability using statistical approaches but rather to gain an understanding of social processes through in-depth interviewing (Mays & Pope 1995).

The purpose of this research is not to establish a random or representative sample of Chinese people drawn from the PRC or Singapore populations in general, but rather to identify managers of SME’s in the two identified nations (as specific groups of people) who, being key to gaining understanding of research questions, may potentially possess the characteristics of practising traditional Chinese values (and to what degree), a major component relevant to the social phenomenon being studied. As the research attempts to establish the prevalence of traditional Chinese values amongst managers in the PRC and Singapore, the investigation of personal traits necessitates the application of qualitative approaches (Pongthanapisit & Saihassadee 2008).

The qualitative research methods therefore aligns more closely with the requirements of the research: that is to gain an understanding of the participants' behavior in words and not numbers in order to be able to build on the existing research work already done.

### 3.4 Table of Qualitative and Quantitative Approaches

The table below summarises the differences which have been discussed for easy reference.

<table>
<thead>
<tr>
<th></th>
<th>Quantitative</th>
<th>Qualitative</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ontological Assumption</strong></td>
<td>Objectivity</td>
<td>Subjectivity</td>
</tr>
<tr>
<td><strong>Epistemological Assumption</strong></td>
<td>Positivism</td>
<td>Phenomenology</td>
</tr>
<tr>
<td><strong>Aims of Inquiry</strong></td>
<td>Universality</td>
<td>Particularity</td>
</tr>
<tr>
<td><strong>Role of Researcher</strong></td>
<td>Outsider</td>
<td>Insider</td>
</tr>
<tr>
<td><strong>Researcher-Respondent Relationship</strong></td>
<td>Detachment</td>
<td>Involvement</td>
</tr>
<tr>
<td><strong>Research Method</strong></td>
<td>Statistics</td>
<td>Description</td>
</tr>
</tbody>
</table>

Figure 3.4, Source: Lee 1992
3.5 Chosen Paradigm and Methodology

Having covered the above, it is now clear that a variety of different techniques is at our disposal for conducting this research. However, picking the right technique is as important as identifying the hypothesis/theme of the research. Given that this research is primarily concerned with elucidating the differences between Western and traditional Chinese values and given the prevalence of such complexities, the usage of statistical methods is not appropriate in understanding human behavioural patterns (Lee 1992). Qualitative research naturally becomes a more appropriate choice in this instance (Gervais & Jovchelovitch 1998) in which PRC and Singaporean managers are able to express their reactions in their own words. In other words, the paradigm chosen will be the interpretive paradigm.

Additionally, Yeung (1995) in his international business research study concludes that qualitative research is a useful method for acquiring access to top executives and their mindsets, and management personnel happen to be the chief examination targets in this research. It is thought that management/managerial level personnel would probably have the best understanding of the company's operation and running, dealing with both internal and external factors.

The technique of interview would be ideal to utilise in this case, as managers would be able to express their thoughts and views on the questions that would be put forward. The interview technique serves to shed light on the thoughts, culture and values of the different individuals who play different roles in the organisations or communities (Sofaer 1999). Furthermore, the reliability of the data collected can be ensured in this instance given that interviewing is conducted with managerial level personnel who have the direct ability to make decisions on behalf of their organisations (Yeung 1995).

Having said that the interview technique would be the ideal one to employ, purposive sampling was further included as part of the requirement of the research conducted. This is to ensure that the specific purpose of the research would be met (Collingridge & Gantt 2008); in this case it was deemed that managers within the SME construction firms (from Singapore and PRC) were the most suitable.

In-depth interviews using a semi-structured approach will be conducted since this enabled an insight into the importance of traditional Chinese values among Chinese (from the People’s Republic of China–PRC) and Singaporean managers in the construction industry. It was deemed preferable to use a semi-structured approach so that the interview schedule could test the four hypotheses that had been developed (Guba & Lincoln 1994), yet would be sufficiently flexible as to allow the participants to provide additional information if they chose to do so.
In-depth analyses were then conducted so that any knowledge gained could be validated experientially (Lee 1992). In line with the phenomenological approach of restraining any personal influence on the participants (Groden 1991), the qualitative method (interview technique) was deemed most practical as it would allow the easy identification of any theme that may arise from the interview (Brand & Slater 2003).

In order to observe internal consistency, the same interview schedule was applied for both case study groups, so that the data derived from one case study may be compared on par with the other case study. After the interview was successfully conducted, the second phase of classifying the two countries’ interview results into two case studies was deemed necessary. The definition of a case study is often wide and varied and therefore it is important to define this term in order to ensure that no complications arise later on as result of this. According to Gerring (2004) a case study could be identified as the rigorous examination of an individual element to comprehend the larger group of elements of the same characteristic.

This is the approach that the research was to employ, using Singapore and the RPC as case studies. Because of the nature of enquiry with respect to interpersonal networks, case studies were deemed to be most appropriate (Xin & Pearce 1996). Singapore and PRC would be used as case studies as they have a history of Chinese influence. Further to that, Singapore has an exposure to both western and traditional Chinese values, having been a western colony and having a population dominated by Chinese. For these reasons, Singapore and China become logical choices for comparison and understanding. Additional discussion on why PRC and Singapore will be covered in the next section.

3.6 Reasons for choosing PRC and Singapore

Qualitative sampling itself is a complex issue and there is no prescribed method for sampling (Coyne 1997). Therefore there is a need to create an environment in which purposive sampling can be realised. Given that the research's main focus is on comparing traditional Chinese values and Western values and the fact it would be virtually impossible to look at a large scale given the time, effort and cost involved, it is beneficial to identify two countries in the picture to look at.

The PRC was an obvious choice given that it is the place where traditional Chinese values originated and furthermore it has had a relatively short exposure to Western values since the market only started opening up in the 1970s. PRC Managers may adhere to traditional values more closely than their Singapore-Chinese counterparts because of the belief that as the values originated in the PRC, they are best maintained there. It would present a country that has
supposedly maintained a strong focus on traditional Chinese values while having minimal exposure to Western values. At the other end of the scale is Singapore, a country which has been exposed to Western since 1819, when it became a colony of the United Kingdom; however traditional Chinese values would still possibly found within Singapore given that the population of the ethnic Chinese stands at a whopping 74 percentage of the total population (Darke et al. 1998). This is in line what Gervais & Jovchelvitch (1998) have suggested: that traditional values may strongly prevail amongst Chinese communities outside the PRC for up to two, three or even further generations.

Another reason why Singapore was chosen was because most Singaporean managers were descendants of PRC emigrants of the 20th Century but had a strong exposure to both Chinese and Western culture: Chinese culture for the reason that they were Chinese descendants and western since Singapore had been a colony of the British since the 1800s (Sheh 1995). Furthermore, the ethnic Chinese were important players in Singapore’s economy and that of many other Southeast Asian Countries (Ralston et al. 2010). The main purpose of this research is to understand if there is a shift in values and if traditional Chinese values were still indeed valid in today's society (especially in the Asian context) given western value dominance. For that, we would have to look at two participant groups, with one having much exposure to both and latter having exposure to traditional Chinese values mainly.

Confucianism has been a core focus of Chinese values for over 2000 years (Ralston et al. 2010), however societies are undergoing much transformation, including acceptance of practices of other societies and very few (societies) are immune to change (Gervais & Jovchelovitch 1998). By interviewing a number of SME Managers from each of the PRC and Singapore, one would expect to be able to search for any evidence to disprove any of the hypotheses that have been proposed previously regarding the level of prevalence of traditional values in relation to GDP, thus concrete steps to avoid intentional or unintentional bias (Patton 1990, quoted in Sofaer 1999) were materialised.

Furthermore, because of the lack of such business laws, traditional values are applied in business dealings in the PRC, implying the preferential access to limited resources and the simplification of transactions (Lee et al. 2001; Xin & Pearce 1996). However, Chow (2003) argues that since the PRC’s ascension to the WTO (World Trade Organisation) the increase in the PRC’s legal practitioners and legal institutions has meant more observance of statutes and less reliance on traditional values. Chow (2003) does however state that the observance of statutes requires much more improvement in the PRC and he also discusses the potent benefits to the
PRC’s population in accommodating more law-abiding practices, away from traditional Confucian-based values, as the living standards improve. Ralston et al. (2010) found that managers in the PRC today have developed tendencies to make individualistic decisions and take higher risks, even when such actions contravene traditional practices. Given the interesting debate between the various authors, it is therefore of much interest to take up the challenge of continuing to explore the validity of those statements.

In conclusion, both countries have a similar characteristic of having ethnic Chinese as the main percentage of the population but with hugely different level of exposure to Western values, thereby making it interesting to compare the two. PRC's rise as a power economy cannot be denied and Singapore's success as a ‘little’ island has been impressive for all. Using these two countries for research is consequently ideal and contributes strongly to the existing body of knowledge.

### 3.7 Sampling Design

Once the methods of the research and the kind of research to be conducted have been decided, the logical next step is to make the decisions on the sampling of the data.

#### 3.7.1 Sample Size

With respect to the sample, twenty managers were selected from construction firms in the PRC and Singapore. These were chosen because they had roles in and knowledge of their respective construction industries, and because they were of Chinese background, as per the notion of purposive sampling (Anderson et al. 2002). From a practical perspective, choosing managers of samples with extremely comparable ethnic background from two distinct nations
serves as a method of triangulation which will assist in drawing more robust conclusions (Scandura T & Williams 2000) in line with the proposed hypotheses of this research.

In order to ensure problems associated with random sampling were avoided, purposive sampling was selected. To ensure the even representation of PRC and Singaporean managers, ten managers were chosen from the PRC, and ten from Singapore.

3.7.2 Profile of Interviewees

The profile of interviewees had to be carefully selected in order for the research to achieve its fullest potential. For this to occur, it was important to ensure that these managers belonged to SMEs, since this was the size of business that was deemed one of the most important factors for this study, given that these managers would be likely to have greater influence over their business decisions on account of the smaller size of these firms.

The interviewees also needed to have a reasonable level of exposure to traditional Chinese values through their upbringing and professional development. The interviewees were selected according to advice provided by industry contacts within the PRC (Fujian province) and Singapore respectively. The interviewees comprised a good blend of managers who are considered novices in comparison with those who have been in the market for more than ten years.

While the interview would be conducted in English generally, participants were allowed to provide feedback in Mandarin should they deemed necessary. All participants are able to comprehend English without any concerns. The major benefit of this approach is that the managers would be able to clearly articulate their thoughts, whereas this might not have been so easy if the interviews were entirely conducted in English. After the completion of the interview, the data that was spoken in Chinese would be translated/ written into English so as to ease the reporting process. All of the interviewees did not wish to be named in this research, especially given the sensitive nature of the topic under investigation. Responses will therefore be presented in codified form for ease of reference.

There was however no requirement on the educational level of the managers, as it was deemed that managers of construction firms in Asian context are generally lesser educated in comparison with other industries managers (Ralson et al. 2010).

To sum up, a pilot interview will take place in May 2010 with one of the Singaporean and Chinese managers and, if very minimal changes were found to be necessary, the data collected from this interview would be deemed acceptable for the broader study. The remaining interviews would therefore take place in June 2010. Given that that the interviews were being conducted with
very busy senior managers, a minimum time of forty-five minutes and a maximum of appropriately one hour would be allotted to the interview process, even though most qualitative interviews would be expected to run for somewhat longer. To speed up the process and ensure that all questions were covered, the interviews were conducted in English with minimal usage of the Mandarin language where deemed necessary, with the interviewer being a native speaker of the language. In the next section, ethical considerations will be looked at.

3.8 Ethical Considerations

One of the important issues that need to be discussed before this chapter can be finalised is the ethical considerations. The importance of ethical considerations needs to be carefully looked at, given that there is no single conclusive definition of what ethics is about. It is still of the utmost importance that the ‘key’ principles of ethics are to be borne in mind; these obviously include honesty, openness of intent, fairness, true and complete disclosure of any proceedings and the guarantee of non-violation of individual privacy, ensuring that all documents pertaining to the research conducted are dealt with sensitively. Finally, the informed consent of the individual to contribute towards this research is also a key requirement of this research (Kavanaugh et al. 2001).

Obviously the intention of this study is to gather information purely for research purposes and none of the data is to be used for any other purposes. Researchers have to be fully aware of and respect the anonymity and confidentiality of the participants’ details and profiles. In a research, it is normal for three parties to be involved to ensure that all appropriate procedures followed (Zhuang 2007), but in this research only two parties would be directly involved: obviously the researcher and the respondents. Therefore the issue of being influenced by a third party or sponsoring client does not exist.

Lastly, as the research was conducted as part of a doctoral thesis, the prior approval of the university was absolutely necessary. Therefore, an ethics approval number was pre-obtained before any formal research could be conducted. The issuance of an ethics number ensures that the researcher has complied with Researcher’s responsibilities (section 5, 1983), Storage of data (section 9 and Informed consent (section 7, 1992). The next section will look at the limitations of this methodology before concluding the chapter.

3.9 Limitations of Research/ Conclusion

Every research without doubt has its limitations; this research is no exception and has the following limitations. Given that there are limited funds and time at our disposal, it is deemed that
a sample size of twenty participants would be optimal. However, if the sample could have been bigger the accuracy level would be much higher.

The research is important for providing a platform for future research in understanding the existence of traditional Chinese values and their future given that PRC has been developing at a rapid pace and is quickly becoming an economic powerhouse. However, there are limitations with the selection of PRC as a country. Heavier emphasis had to be placed on understanding traditional Chinese values, given that the respondents in subject are Chinese, and this leaves a gap in our understanding of Western values for this research. Therefore the understanding of Western values from the answers of the participants may not be really relevant or may be inaccurate to a certain extent given their limited exposure.

This research also provides researchers with an understanding of the values in Singapore for future research into attempting to disclose the reason for Singapore's extraordinary success, something that is acknowledged worldwide. Another limitation occurs here as Singaporean and PRC might possibly share very similar values and possibly similar views too, given that both categories of respondents are Chinese; therefore the results of the research may not be entirely ‘pleasing’ in the sense that less useful data might be generated.

The limitation of the research technique is of another concern. As semi-structured interviews are often time-consuming, it is of concern that the interviews conducted may not be completed in time given the heavy schedule of the participants. There is a low possibility of the interview getting off topic given that an interview session is an exchange of the participants' experiences.

In conclusion, this chapter has provided details for the selection of the technique to be employed along with all the various techniques available. It is deemed that the interview technique with the usage of case study would be appropriate given the complexity of the research. The next chapter will look at the findings of the interviews.

4. Findings

The previous chapter research methodology looks at the methodology that is being applied for this research. In this chapter, the information that has been collected through interview will be presented in order to understand the trends, citing the various quotations of the interviewees.

4.1 Participant Background and Firm Structure

All the interviewees were male, something which was not unexpected given that senior management positions in East Asian companies are predominantly held by males (Lindolf & Taylor 2002; Myers & Newman 2007). This could prove a limitation of the research given that it
is possible that more women will become involved in senior company positions in the future (Myers & Newman 2007). At this point of time, the interviewee group represents a sample of what one is likely to find among construction industry SMEs in East Asia. The table below presents the participant background information (see Figure 4.1).

![Participant background information](source)

**Figure 4.1: Participant background information, Source: Self-created, dated 1-7-2010**

* These are full-time employees working directly for the office; the figure does not include part-time or casual workers, or those employed on a temporary, project-specific basis. Managing director and director generally have similar job scopes.

### 4.1.1 Participants’ Educational Qualifications

Participants came from a diverse background, with one interviewee having no formal qualifications, while three had obtained a Masters degree. With regard to Singapore, seven interviewees had graduated from a local university, with participant E having obtained a Masters degree, while the remaining three graduated from overseas institutions, participant F graduated from the United Kingdom, and participants C and G from Australia. Participant F confided that
his reason for going overseas to the United Kingdom was to undergo a different experience and he claims it was indeed a different experience, which he said had broadened his horizons. With regard to China, seven held tertiary qualifications from local institutions, with participants Q and T holding qualifications from Australia, while one had no tertiary qualification. Participants Q and T explained that their reason for going overseas was that their parents wanted them to have exposure to the Western culture so as to understand how Westerns ‘do things’ in general. It is noted from the interviews that most of the participants graduated from relatively prestigious universities, which included: Singapore National University, National Technological University Singapore, Xiamen University, Tsinghua University, Zhongshan (Sun Yat-San) University, University of Technology Sydney, and Fudan University. Therefore it would be right to say that the interviewees in general came from good backgrounds and probably strong academic backgrounds. In total, twelve of the twenty participants came from a business degree background, three from engineering, one from human resource management, one from accounting, one from social science and two with a background in design.

4.1.2 Participants’ Position within Organisation

The positions described were various, with 8 describing themselves as “managing director”, 7 as “chairman”, and 5 simply as “director”, although all of the interviewees were, in reality, the chief decision-maker. All interviewees had a stake in the ownership of the firm, with 10 interviewees stating that they were in a partnership, these partnerships were either with friends, business associates or other family members. Four of these were from Singapore and were involved with fellow Singaporeans, while six were from China. Of these six, two were involved in a partnership with foreign interests, these being Singaporean and Malaysian. None of the firms was owned in any respect by Western interests. During the course of the interview, participant S confided that it was tough having a partnership as one individual cannot take control fully of the company affairs; ironically his company was itself a partnership and this has caused him much frustration. Participant E, who was also in a partnership, had a different view from participant S as he thought that a partnership might be a good idea at times when funds are limited. One of the participants who did not want to be identified at all, suggested that family business (where the business is shared among family members) were the most difficult to deal with as every family member seems to be the decision-maker and wants a say in the running of the company.

4.1.3 Participant Employment History
Although some respondents were unable to give a precise figure with regard to the length of their association with the company, the average figure, to use a conservative estimate (i.e., ignoring the “+” given by some respondents) are in the vicinity of 11 years. It is easy to identify from the table above that more than eighty percent of the interviewees had five years or more experience in their current position. Similarly, it was noted that eighty percent of participants had fifteen or more years of experience in the construction industry. All interviewees have worked in their own countries (the country the individual participants are native of), although seven respondents from Singapore stated that they had worked for other firms beforehand. Two respondents from China had also worked for other firms. Participants A, G and O thought the experience gained while working for others would be invaluable in giving an individual a better foothold to survive in the tight industry, where there are already massive amounts of construction SMEs located in China and Singapore (China Democratic National Construction Association 2008; Singapore Construction Contractors Limited 2009). While this result would be surprising for Western interviewees, a much lower level of job mobility is characteristic of workers in East Asia (Keller 2004), who do not tend to ‘job-hop’ around as many Westerners do.

4.1.4 Company Specialisation

Ideally, one would wish to understand the sort of projects the interviewees’ companies specialised in to understand the market that the companies work in. From Singapore, two companies identified that they were in the business of doing virtually any sort of projects that are available in the market. One said that they are specialised in government projects, three in subcontracting projects from big contractors, two undertook work in private housing sector and the last two companies from Singapore revealed that they were in the business of doing small-scale commercial offices. Participant E shed some light on the reason for working mainly on private housing projects when he stated that payment and flexibility issues are the main ‘plus point’. He said that their company have always been paid on time by clients as they would not commence work without payment and that overhead costs were not burdensome given that they would hire more or less staff depending on the number of projects on hand. As for the PRC counterparts, four said that they were doing ‘any’ sorts of projects while another three said that they specialised in doing government projects. Participants L and M added that the rationale behind undertaking government projects was that they would offer their companies a much needed reputation. Participant M went further, commenting that the government would be able to pay for their services unlike private projects, where the clients have defaulted on payment previously. Another two firms said that they were in the business of building private housing
while the remaining one said that they perform mainly commercial office projects. It was interesting to note that no companies fell into the category of subcontracting projects from big contractors, in contrast with their Singaporean counterparts and this could be due to the fact that China in general does not have a practice of subcontracting projects. Statistics have shown that in China most of the subcontracting projects go to the subsidiaries of the larger companies (Li et al. 2003).

4.1.5 Company Size

The firms in which the interviewees worked could all be fairly characterised as SMEs, with the largest number of full-time staff cited as “30+”. This aligns with the standard definition of SME, which is that the firm should have no more than 250 employees (European Commission Enterprise and Industry, 2005). A conservative estimate of the average number of full-time employees across the group stands at 13. With respect to Singapore, one of the firms stated that it specialised in government projects, three were involved in sub-contracting work, two working in the private housing sector, two were involved in building small-scale commercial offices and the remaining two stated that they were involved in a variety of projects. With regard to China, three firms also specialised in government projects, four were involved in a mixture of projects, two worked in the private housing sector, and one built commercial offices.

4.2 Traditional Chinese Values

Having looking at the participants' background information and the company profile, the logical next step is to look at traditional Chinese values.

4.2.1 Participants' Traditional Chinese Values

Singaporean interviewees in general have identified “honesty” (Lao Shi), “integrity” (Zheng Zhi), “uprightness” (Zheng Yi), “family bonds” (Jia Ting Guan), “friendship” (You Qing), “innovation” (Chuang Xin) and “wisdom” (Zhi Hui) as values that they regard as being especially
important to them. “Honesty” and “integrity” were the most frequently cited values among this cohort. Previous work done by Lee (2001) and Yasar & Rejesus (2005) has shown the relation to these values, as these were the main values promoted by Buddhism, Confucianism and Taoism. Their Chinese counterparts mentioned Guan Xi, “honesty” (Lao Shi), “integrity” (Zheng Zhi), “family bonds” (Jia Ting Guan), “empowerment” (Yu Shou Jun), “credibility” (Cheng Xin), “optimism” (Le Guan), “persistency” (Jian Chi) and “filial piety” (Xiao Dao) as their personal core values. Seven Chinese respondents mentioned “filial piety” as an important value, as one might expect (Wong & Adams 2002). The reference to “Guan Xi”, using this specific phrase, as a value is somewhat difficult to reconcile with the other values identified, but, in this context, can be regarded as the importance placed on forming and maintaining personal relationships with members of their broader networks. The majority of the values mentioned are easily reconcilable with what might be expected from those of a Chinese cultural heritage, with only “innovation”, “empowerment’ and, perhaps, “optimism” being somewhat unexpected. Most of other authors' works have mainly shown a relationship to the term ‘Guan Xi’ but not the few above-mentioned values (Alston 1989; Lee & Wong 2001; Luo 1997; Iyer 2001; Tjaco 2003). When the PRC managers were asked for their thoughts on the term ‘Guan Xi’, participant L responded that he felt that ‘Guan Xi’ referred to an established relationship that one party has with another while participant M thought of ‘Guan Xi’ has an exclusive bond between individuals. While the two had different definitions of ‘Guan Xi’, but in essence their meaning was similar.

4.2.2 Origins of Values

The respondents were then asked about the main origin of their values, something which resulted in a diversity of responses. Three Singaporean managers stated that they picked up their values from teachers in school, while two mentioned that it was from a respected senior individual, two from parents, one from a business mentor, and the last two Singaporean managers mentioned that it was from a mixture of sources. It was not surprising to see that Singaporean managers have chosen teachers as the main source of influences for their values given that in the earlier days, teachers were given much authority by schools and parents to educate the children as the parents were busy working outside. This was a norm in the past especially with the older Chinese generations. This could be understood from what participant C has revealed, when he said that he had the fondest memory of his primary school teacher as the teacher had taught him many things in life. Participant D had an interesting story in relation to where he got his values from: he related that they came from his father's friend and a gardener. When asked about why the gardener was on the list, he said that the gardener used to work for their family and once by
chance he had the opportunity to speak with the gardener. The gardener then told a story of how moulding a child’s future is similar to growing a pot plant and mentioned the hard work that participant D’s parents had to put into moulding him. D said that it was a wake-up call for him and he eventually became friends with the gardener despite the culture and age difference. The Chinese managers on the other hand identified culture (four), teachers (two), parents (three), and one could not cite any particular influence. Upon further probing, participant L shared that it was the ‘Great’ Cultural Revolution that helped to shape his values and he further said that it was probably one of the darkest periods in Chinese history given that so much ‘culture’ was destroyed. It was from that incident that he learnt that culture does play a massive role in shaping and forming proper and positive values; he claims that the younger PRC generation are the best ‘sample’ products of the Cultural Revolution while the generation today have many undesirable values. Participants M, N and S shared similar views with participant L. As can clearly be seen, the main difference between the two cohorts was the citing of “culture” as the main formative agent behind their values, but this is not necessarily unexpected given that Chinese culture, in general, has been heavily influenced by the Maoist school of thought, which emphasised collectivity as one of the core aspects of Chinese culture (Soon 2003).

4.2.3 Influence of Personal Values on Business

With regard to the values that influence the business decisions of the interviewees, Singaporeans generally agreed that their personal values played an important role, with three stating that they would be more likely to do business with a close friend, while another three stated that it is difficult to put a finger on precisely which personal values influenced their business conduct. One interviewee said he would only do business with those whom he perceived to share his value of honesty (Lao Shi). One cited a case where he decided to make a business decision in favour of a certain party mainly on account of his strong relationship with his own family. Another replied in a more pragmatic fashion and stated that he was mainly concerned about whether the other parties valued innovation. The final Singaporean interviewee stated that he was not particularly interested in whether the persons with whom he conducted business agreed closely with his personal values, though he favoured those who displayed analytical abilities. With respect to the Chinese interviewees, four stated that a mixed of values come into play when they are making business decisions. Three were mainly interested in the background of those with whom they conducted business, with an emphasis on whether their values aligned with their own. Another said more or less the same thing, but noted the importance of the person’s outlook in life (Ren Sheng Guan), while another mentioned persistency (Jian Chi) and the
person’s resilience (Hui Fu Li) in the face of adversity. One, in explanation of his preferred value of “empowerment” (Shou Quan) used the example of a case where he had to go overseas and left his second-in-command to deal with an important contract. Another participant R described an incident where he wanted to hire a new accountant. After speaking to the potential candidate, he deemed the candidate to be unsuitable on paper and in person based on his assessment criteria due to that fact the candidate ‘liked’ job-hopping. Another participant, O, shared an interesting story of when he once did business with a person who was in bankruptcy. The reason he gave for ‘giving’ the individual a chance to work with him was that the person was persistent in achieving what he wanted despite having gone through so many failures: this value he says is one that he values most.

4.2.4 Company Core Values/ Mission/ Vision Statements

The interviewees were also asked whether their firms had any stated core values. All ten participants from Singapore stated that their organisations did not have a list of core values, but the management values would be their values. Three of the interviewees stated that their company did have a mission statement, while another stated that they had both a mission and vision statement, while the remaining three had neither. Of these three, two stated that mission or vision statements were not necessary given the small size of their company, while the other felt that the most important thing was that all employees knew what they are doing. Participant B and I claimed that their company was working on a suitable vision statement for their respective organisations. All ten interviewees from China also stated that their firm did not have a publicly articulated statement regarding their core values. One company, however, did have a mission statement, while three had both a mission and a vision statement. Of those that had neither, three felt that there was simply no need; one felt that the only important thing was for staff to understand their job and perform it properly, and the remaining two admitted that they had not thought about mission or vision statement at all. Participant C claimed that he used Chinese painting as the guiding principle in business.

4.3 Thoughts on Western values

After understanding the traditional Chinese values, the logical next step is to look at their thoughts on Western values, so that a comparison can be made between the two in later stages.

4.3.1 Values change over the years
Interviewees were asked whether they felt that Western values had had an impact on how business was being conducted within their respective localities. All ten interviewees from Singapore stated that the values had changed considerably over the years, especially given that Singapore is well recognised as a “world city”. Of this group, nine firmly contended that, despite the influx of Western values to some extent, traditional Chinese values were still in everyday use, while one stated that these values had subsided to a considerable degree and that this was not really something to be too alarmed about since it is important to look to the future and embrace change. Participant H said that his company still practices certain operating procedures and styles relating to values and these have been brought down from his grandfather’s generation. He however did not reveal what sort of procedures and practice he was referring to, citing them as confidential. The interviewees from China responded in a similar fashion to their Singaporean counterparts. Five responded that traditional Chinese values were very much in existence, three stated that they were in existence but, because China is now increasingly playing a role on the world stage, it would take many years to observe if the traditional values would remain intact. The other two felt that traditional values were still extremely important and that they would remain so because “China is China”.

4.3.2 Resilience of Traditional Chinese Values

It was deemed particularly important to explore the specific ways in which traditional Chinese values had been affected in recent times, with specific reference to managerial practices in the local construction industry. From Singapore, three interviewees felt that whatever changes have taken place would have been minor because, in their own experience, they had not encountered any instance where business was being conducted in a fashion that did not conform with their expectations of traditional Singaporean practices. Three mentioned that changes have occurred gradually, as one might expect with a society that has been increasingly exposed to external influences; one of this group, in any case, did not feel it appropriate to classify these changes as being either positive or negative. Another interviewee, however, claimed that the changes have been dramatic, especially given that he has been working in the industry for over twenty years. That said, he was not particularly concerned with this state of affairs since everyone has their own style of doing business and, as a result, one must accommodate these differences. Another claimed that traditional values were virtually non-existent in the business world, but did not feel that this was much of a concern since it is better to look to the future than dwell on the past. Two of the Singaporean interviewees had no firm opinion on the matter. Collectively, all the interviewees were not greatly concerned about the issue raised. In contrast, the interviewees from
China maintained much stronger views about the status of traditional Chinese values. Seven respondents were quite unhappy with recent changes and explained that traditional Chinese values had fallen into abeyance as managers adopted western-style values. In particular, there was a great concern that the traditional value of “filial piety” (Xiao Dao) had been abandoned and that Western values were going to cause great problems in China, and indeed disrupt business. Participant L cites that it was in the 1980s that the shift towards western managerial values was first noted, as universities in PRC adopted and learnt from the West during that period and started implementing Western-related theories into their programs. On the other hand, two managers were relatively happy with recent changes and felt that these changes, in any case, were simply an indication of China opening up as an internationally-oriented trading nation. The final interviewee from China said that changes had occurred, but he had no particular comment about the situation.

4.3.3 Management Values VS Staff Values

To determine whether there is a growing disjuncture between the value systems of Chinese managers and their staff, given that age is often equivalent to seniority in East Asian businesses (Tse et al. 1997), it is deemed important to ascertain any differences. The differences in values of the management and staff values will increase chances for potential conflict. Of the Singaporean cohort, two interviewees stated that there are differences, and that they are indeed significant; however, these managers felt that this was not important provided that their employees performed their jobs effectively. Of these two, one claimed that he empowers his workers, but that they are too afraid to shoulder responsibility, while the other felt that his staff approached business matters differently compared to him. He regarded this difference as a result of the way in which the employees were brought up, and the different education that they went through. He further went on to say that though he was a diploma holder, he belonged to the older generation who were ‘trained’ to be able to ‘take’ risks, whereas most of the university graduates today are leading too protected a lifestyle, which in the end affects their capability to shoulder responsibility. The second participant, B, mentioned another of the differences in which he said that one of his staff likes to take ‘shortcuts’ a lot when performing job tasks (e.g. not following the proper procedure to provide quotations to clients), which he personally finds is against his own belief in doing things in an orderly fashion. However, so far the work has been done properly and therefore he has no complaints about it. Four Singaporeans felt that there were differences, but that they were not major. They pointed out that the differences were “attitudes towards life”, “insufficient respect for the elderly”, “different style of management”, and a “difference style of problem
solving”. Two Singaporean managers felt that there were many similarities between their values and those of their staff. Minor differences cited related to closing business deals, although they appreciated that the outcome of the transaction was the same, and how customers were handled. Another manager stated that he was not sure whether there were any differences, but conceded that this could simply be the result of him hiring employees with values similar to his own. The final Singaporean manager did not see any real difference. Of the PRC managers, eight held that their staff’s values aligned with their own, but mainly because they would not hire people with different values. Another of the cohort felt that it was inevitable that some staff members would hold different values, but thought it unreasonable to expect that everyone would have the same views. That said, he thought that the majority of his staff held more or less similar values, although dealing with customers was a major area of difference. He claimed that younger employees were not as client-focused as him, perhaps because they had no ownership stake in the business. Another participant, R, liked the way one of his staff members greeted and communicated with clients as it was the same way that he did and therefore he mentioned that he thought very highly of her. The final PRC manager stated that his company consisted of people holding a variety of values, but this was unlikely to result in conflict within the firm. He felt that “attitude towards life” was a particular difference and that this was possibility the result of “education” and “upbringing”. In no case did a manager state that the incursion of Western values was a cause of conflict between management and employees within his firm.

### 4.4 Value conflict between traditional and Western values

To gain a better insight into the way in which Chinese managers viewed their Western counterparts, a series of questions designed to tease out potential perceptions of difference were asked.

#### 4.4.1 Participants’ thoughts on Western Values

When asked about the values that they associated with Western managers, the Singaporean cohort suggested “honesty” (Lao Shi), “equality” (Ping Deng), “empowerment” (Shou Quan),
“quality service” (Pin Zhi Fu Wu), “individuality” (Ge Xin) and “teamwork” (Qun Dui Jing Sheng). Their PRC counterparts mentioned “empathy” (Tong Qing Xin), “honesty” (Lao Shi), “equality” (Ping Deng), “respect” (Zun Zhong), “discipline” (Ji lv) and “self-motivation” (Zi Wo Ji Li). One participant from PRC casually remarked that his perception of what western values are may not be entirely right given that he had limited exposure to western culture. He further said that the answers given may be different five years down the road. The above statement could indicate that the rest of the PRC managers are seeing Western managers through their own eyes and possibly making ‘Western’ values seem more Chinese than they really are, and yet it is a matter of fact that PRC has a relatively short history of contact with the West compared with Singaporean, therefore making the Singaporean managers' views possibly more valid than the PRC managers.

4.4.2 Participants' thoughts on Western Values pertaining to Business

The group provided further comment on Western values as they pertain to business. Six of the Singaporean interviewees thought that Western values were actually quite useful when blended with traditional Chinese values. Furthermore, they felt that Western values were somewhat specific to their own cultural origins, but could possibly apply, in some cases, outside a predominantly Western cultural context. Two of these managers thought that Chinese values were more suited to doing business than Westerns values, but did not really say on what basis Western values were deficient. Another Singaporean manager made the surprising statement that Western values were, in fact, adopted from “Chinese classics”. The final member of this cohort regarded Western values as useful, and, furthermore, felt that they were not really culturally specific, so that they could indeed have a place in East Asian business contexts. Of the PRC managers, five thought that Western values were in some way derived from Chinese values, a statement reflecting an observation made by one of the Singaporean managers. Two thought that Chinese and Western values would work well in business if blended together appropriately. One of the two cited himself as a case study given that he was brought up in a relatively traditional Chinese family, went to Australia to pursue his studies at the age of sixteen and was exposed to Western culture for approximately seven years. After seeing both sets of values in action, he arrived at the conclusion that a combination of both would work best and he felt that there were certain similarities between the two sets in any case. Another two PRC managers felt that the influence of Western values in their own business environment could not be denied given the increased presence of Western firms in their area. Instead, of regarding this as a problem, they felt that adopting or integrating some of these new values could be useful. The final respondent wondered
whether Western values would be appropriate in Chinese business settings, but added that Western values were probably better in a globalised setting compared to their traditional Chinese equivalents. Overall, all the PRC interviewees felt that Western values pertaining to business were not culturally specific.

4.4.3 Impact of Western Values on Participants Firm

After this higher-level discussion, the interviewees were asked about the potential impact of Western values on their own organisations. Of the Singaporean cohort, eight managers thought that Western values would blend relatively well with their own ways of doing business. They even stated that it was difficult to think of an instance where a Western-style value would be incompatible with their own values, although they recognised that a value would be ideal. One of the participants, C, further said that the values of honesty and integrity were similar concepts in both Western and Traditional Chinese Values. He thereby claimed this shows that two sets of values were compatible to a certain extent. The other two Singaporeans felt that they would prefer to stick mainly with traditional Chinese values as they currently practised them. Of the PRC cohort, five managers, given that they thought that Western values originated in Chinese ways of thinking, did not feel that there were any real issues here, and that they would be able to work comfortably with those purporting to hold Western values. Four of the group held the view that Western values would be generally compatible with their own, but they were concerned about the Western focus on “doing things ethically”. They feel that, if too much attention was placed on ethical conduct when doing business in China, it would be difficult to achieve anything. One of the participants, Q cited a case where a company (ABC) had already decided to award a certain project to a particular company (XYZ); the manager of company ABC however in return wanted some incentives from the manager of XYZ for giving the contract to them. The price was a night out at the restaurant and night club. If too many ethical concerns had been placed here on either or both of the managers, the deal would possibly have been called off. Participant Q concluded that this sort of scenario was the norm and it was therefore important that a balancing act be practised in China, especially in the construction industry. This matches with what the earlier literature review suggested: that the construction industry in general is plagued by many ethical problems/ issues. The final interviewee was concerned that Western values were not really in line with his own traditional Chinese values. He mentioned the simple case of “empowerment” because he would not dare to take the risk of giving his staff too much decision-making authority. This contrasts with the Western management value of giving employees a good deal of latitude.
4.5 Local construction industry and ethics

The research then turned to value constructs applied to the local business environment, and the construction industry in particular.

4.5.1 Value of Contacts

The notion of maintaining relationships is being brought to light here. Seven of the ten Singaporean managers stated that knowing people within the industry was important for many
reasons. They cited “finding out news”, “getting tips and advice”, “collaboration”, “getting updated information”, “easier to work things out”, and “obtaining cheaper resources” as important reasons for having contacts within the industry. The same group then nominated the contacts that they felt would be vital to have. This list included government officials, market players, industry regulators, subcontractors and customers. One of the participants, D, gave an example of where he was able to win a contract because he knew what the awarding company was after. The remaining three Singaporean managers felt that, while contacts were important, it was also necessary to perform their contracted work well. These three managers also suggested a list of contacts that were similar to those of the other Singaporean managers. With regard to the PRC managers, nine of the ten felt that it would extremely important to establish and maintain contacts, both within the industry and with government. They argued that Guan Xi itself is essentially maintaining relationships and that any business would be bound to fail in China without a Guan Xi network. One of the nine managers went on sharing a case where his friend’s company awarded him a project on the basis of trust, although there were possibly other companies offering better terms than his company was offering. He said that he won the contract on the grounds of a personal relationship and because trust has been established. These managers provided a diverse list of contacts that might be important, including customers, subcontractors, industry regulators, market players and government officials, which list was very similar to that made by their Singaporean counterparts. The final PRC participant, however, stated that knowing the ‘right’ person in industry was more important than merely having contacts. He continued by saying that one may know a lot of people from big firms but it would be pointless if one did not know the boss himself.

4.5.2 Local Construction Firms' Ethical Conduct

After sharing their thoughts on having contacts within the local construction industry, the managers went on sharing their thoughts on whether the local construction firms were conforming with what they presumed to be ethical conduct. Seven of the ten Singaporean managers felt that the firms in Singapore were generally ethical in their dealings while three remaining Singaporean managers had different views on this issue. They stated that while the firms on a whole were generally ethical there were some firms in their opinion that resorted to illegal or unethical means, which included buying meals and gifts. They further affirmed that they had either seen these themselves or personally experienced them. The PRC counterparts had more interesting views than the Singaporean managers in this instance. Five of PRC managers stated that they did not have any comments on the local practices but thought that they were all right,
which could mean that they were refusing to comment on this issue in this instance. Two PRC managers said that bribery among businesses was a major concern while another two commented that besides bribery among businesses and the local firms, there was corruption within the government. The last participant commented that local firms were not ethical and the end result of local firms not having ethical conduct boils down to the government policies, bureaucracy and corruption. He said that the situation would get worse if the government did not perform a major ‘overhaul’ of the current system and implement new policies.

4.5.3 Local Business Environment

After the participants had shared their interesting responses on local construction firms’ ethical conduct, they were quizzed on the core ethical issues confronting the local business environment. Seven Singaporean managers said that there was not much of an issue in the local context as Singapore had for a long time been known for its low corruption rate. The remaining three Singaporean managers thought that minor ethical issues did occur and these included buying meals and gifts. These they had experienced or seen themselves, they however pointed out that they had not seen ‘direct’ cash bribery. On the PRC side, eight people stated that government corruption itself was the core ethical issue, and participant N claimed that “it would take an idiot not to know about the importance of Guanxi, which as he claims is highly unethical”. He says that it was through experience that he learnt about the significance of Guanxi. The remaining two participants claimed that bribery among businesses was major core ethical issue. Participant S went on further to reveal that firms at times did ‘pre-agree’ on certain projects as to which firm would take which projects, but when asked how he knew about this, he refused to comment further.

4.5.4 Ethical Conflict in Career

To understand better whether the participants during their course of career had been confronted with any ethical conflicts, they were asked to share their thoughts. Seven of the participants from Singapore stated that they had not really encountered such issues. Participants E and G said that even that was it would be minor cases with E saying that he had received small gifts before and G stating that people had bought him meals before. The remaining three Singaporean managers said that they had previously experienced people attempting to give them
benefits which included monetary and sexual benefits. On the PRC side, three managers claimed that there were no such issues that they had personally encountered before while two had no comments in this instance. Another three participants said that it really depended on how individuals looked at things and to them buying meals and small gifts were appropriate. The remaining two participants commented that they had encountered such conflicts and they included money or presents.

4.5.5 Improvement of Ethical Conduct

In wrapping up the interview session, the participants were asked the last ‘official’ question pertaining to whether the ethical conduct in the local industry could be improved and whose responsibility that was. All Singaporean interviewees agreed that the industry could be improved but shared different views on who would be responsible. Two claimed that the government should bear the main responsibility, three Singaporean managers felt that industry guidelines were the most important while four thought individual companies and their training were the key to ‘success’ in improving the industry. The final Singaporean manager thought that the industry on the whole was the key to the solution. As for the PRC side, two felt that the industry was all right but could be improved and having said that they felt that government and rules and regulations were the key. Four said that they had no comments on the current situation but thought if there were any improvement needed at all it would be up to the government and the rules and regulations in place. Three PRC managers thought that the industry needed a lot of work to get the standards right and they all felt that the responsibility should lie with the government, while the final interviewee said that the current situation was bad and it would be impossible to improve unless the government took a strong stand in this instance.

5. Analysis

In continuation to the above, it is now crucial to understand the possible future implications of the results and to relate the findings of this research to the work that has been done by others in order to ensure a clear overview is presented. In order to accomplish this, an analysis will be performed.

5.1 Existence of traditional Chinese Values
Hypothesis One

A) Ethnic Chinese in Singapore and China are still characterised by adherence to traditional Chinese value systems to some extent. Therefore it is consistent to expect to see these traits in Singaporean and Chinese managers.

5.1.1 Similarities and Differences in traditional Chinese values of Singapore and PRC

From the above findings, one can not dispute that the existence of traditional Chinese values is still strong in Singapore and PRC. The managers of both countries are still in general broadly practising the traditional Chinese values, the most commonly noted among both countries managers being honesty (Lao Shi) and integrity (Zheng Zhi). Differences between the traditional Chinese value systems in both countries' managers were also noted as per the findings and the two main themes identified, with Singaporean managers mentioning innovation (Chuang Xin) and friendship (You Qing) as their traditional Chinese values while PRC managers identified filial piety (Xiao Dao) and empowerment (Yu Shou Quan) as their key values; this (empowerment) was something out of the box and was unexpected as traditional Chinese values advocate deference to the structure of hierarchy. It is apparent that while similarities do occur among typical Chinese managers (which include both countries), different cultures and exposures have lead them to have different traditional Chinese value systems.

It is clear from the above that traditional Chinese values are different even among PRC and Singaporean Chinese managers. This is in contrast with the research work done by other authors (Bian & Ang 1997; Pearson & Entrekin 1998) where they have described PRC and Singapore as having similar values.

5.1.2 Existence and future of traditional Chinese Values

The research confirms that traditional Chinese values are still in existence. It is however interesting to note that all Singaporean managers have stated that their values have changed over the years and the reason that they have given is that Singapore is a world city. This however should not be the case given that Singapore has been exposed to the Western values since 1819 when it was a colony of England.
These values may however change over time especially in the case of China where the market has just recently opened up and Western values are increasing becoming ‘standard’ business values worldwide. There is a good chance that future generations of PRC managers will eventually change if PRC becomes a first-world country. Five PRC managers have in their interviews suggested traditional Chinese values are becoming non-existent, which is an indication that globalisation is taking place at a rapid pace. Western values have come into the picture ‘strongly’ and this is coheres with Fevre (2000) and Evans (1992) work. Therefore, the possibility of Western values ‘overtaking’ traditional Chinese values within PRC is high and would match the suggestions of Fevre (2000) and Evans (1992).

5.1.3 Value of Guan Xi

Some light has also been shed upon the significance of Guan Xi in this research, as many participants have answered Guan Xi as a ‘value’ that is of significant to them, especially in the case of PRC managers. This is in line with the research findings of other authors (Xiao & Smith 2006; Morgan & Smircich 1980) who have mentioned the importance of Guan Xi. However, it is noted that more PRC managers identified Guan Xi as a value as compared to their Singaporean counterparts, a possible indication of Guan Xi being a more PRC-Chinese theme. Given that this research and previous work done have confirmed the importance of Guan Xi within Chinese communities especially in PRC, it is important for any parties interested in conducting business with Chinese partners, especially within PRC, to be aware of this critical factor which may determine the success or failure of their company.

5.1.4 Origins of Values

When participants were questioned on where they picked up their values from, some provided the surprising answer that they had learnt from teachers, whereas this has not usually been documented in previous research done. It could imply or suggest that previous research work may possibly have not been sufficiently thorough, and that there would be a future area for research in the field of values to better understand the business behaviours of managers. Culture was a main source of influence on values for PRC managers which was understandable given that most of the PRC participants were of the generation that went through the Cultural Revolution. This agrees with those authors (Reisman 1990; Jung 1999) who have listed culture as an important influence for the origin of personal values.
Culture is identified as something that shapes their values more by PRC managers than by Singaporeans. Singaporean managers have identified more individual influences such as teachers, respected individual and parents.

5.1.5 Values impacting on Core Business Values

It has been discovered that though individuals have personal values, these may or may not necessarily be reflected directly in the running of the organisation. This statement is made given that both countries' managers have stated that they generally do not have a set of core values that they follow or at least they did not realise that they were in fact influenced by their own personal values. However, when dealing with personnel, the managers often fall back on their values by judging people based on what is most significant to them. This is a contradiction of their values.

It is however pertinent to note that Western values may affect whether a company has a vision and mission statements given that most of the Singaporean managers have revealed that they have mission and/or vision statements or were working on a suitable one. It is observed that Western managed companies generally have a mission and vision statement. This is in contrast with PRC managers' answers, where the majority of the companies do not have a vision or mission statement and see no purpose for one in the first place given that their ‘shorter’ period of Western influence. Nevertheless, it would be necessary to conduct further research in this field to prove the validity of this statement; previous research has not provided much information in this area. The above indicates that values do indeed have a role to play in an individual's business decisions.

It is also apparent that based on the research conducted both countries' managers tend to blend their personal values into the company business values. The Chinese have an old saying, which goes “what you believe in is what your company believes in”, obviously this would only be applicable if the person was in a management or managerial position. There is in fact a clear difference between the two lots of personal and company business values, and that what you personally believe in should be not mixed up with what the company practises. Traditional Chinese managers would not do businesses with someone that goes against their personal values, while western managers would use profit and benefits as judgement criteria to do business. Therefore the Chinese maybe considered irrational. As traditional Chinese often separate their values they could be deemed as irrational managers.

5.1.6 Value of Contacts
Subsequently, interviewees were asked about the value of contacts. The value of contacts in general is very much a Chinese relationship management technique. This could be considered as a traditional Chinese value in its own right as Chinese values contacts as the key to success and the fact that contacts form a key aspect of Guan Xi. All interviewed managers answered in uniform fashion that contacts were absolutely necessary and personal relationships were often a deciding factor in businesses; this is in contrast with what Westerners preach and practise, where they would conduct with anyone keep in mind that the company interest is of top priority, and this statement could be backed up by previous research work done by Grossman et al. (2006). The uniform answers given by the managers indicate the strong presence of traditional Chinese values in both countries. Others authors like Xiao & Smith (2006) have suggested that Guan Xi is a personal relationship that an individual has with another individual; judging from this statement it would be not totally wrong to say that contacts are possibly part of the definition of Guan Xi.

The issue here is if the value of contacts would still be of such importance in China given that PRC is undergoing globalisation whether the value of contacts would spread to other countries of the world, including the West, where the Chinese are found doing business. Future research work could be conducted in this area.

5.1.7 Concept of Gift-giving

It could be further noted from the responses given by both countries’ managers that giving a small gift or present seems to be not unethical, and to them it would seem normal. This is traditionally a sort of Chinese practice and could possibly indicate that traditional Chinese values are still very much in existence. Chinese have typical habits of giving gifts as a kind gesture (Xiao & Smith 2006). Despite managers claiming that values are changing, this would be an ideal and strong reflection of the resilience of traditional Chinese values given that this practice is not something advocated by Western managers. It would be interesting to see how this ‘value’ or culture of giving gifts may change.

Though there is a boundary as to how expensive gifts/treats can be in accordance with different countries' regulations, it is often not followed in line with the required law. This could be an area that businesses, in particular the construction industry, are lacking control in, as research work done by Helpman (2006) and Toor & Ofori (2008) has indicated that this possibly constitutes bribery. Future research could be done in understanding whether it is indeed bribery and the various methods to improve the situation.
5.1.8 Summary of First Section

It is clear that traditional Chinese values are still much in existence given the practices in place, especially when the practices of having contacts and giving gifts are still strong. The research has revealed the interesting facts that teachers are a factor of influence on an individual's values and that values do influence business decisions to a certain extent. Similarities and differences do occur within Chinese managers of different national backgrounds.

According to the literature review, traditional Chinese values are indeed more prevalent in PRC than in Singapore. However, it is clear that the hypothesis that has been set out earlier on is proven to be valid and applicable in today's Chinese business world. The value of contacts and ethical conduct in the construction industry were identified to be areas for potential further research.

5.2 Dominance of Western Values

Hypothesis Two

B) Western values are increasingly becoming the ‘standard’ business values throughout the world as a result of globalisation. As a result, there is likely to be pressure on Chinese managers
to understand, work with or even adopt Western management values in their own business conduct.

5.2.1 Acknowledgement of dominance of Western values

Western values are becoming more and more of a norm as countries change from developing to developed countries. Both countries’ managers have directly or indirectly acknowledged this through the interviews; it could be observed that while some managers are aware of this they are in denial of it given their responses to the interview. It could also be a silent acknowledgement of western values becoming standard business values or the fact that there is this notion that there is not much difference between Western and traditional Chinese values, as the PRC managers thought western values originated from traditional Chinese ones. The documentation of previous research done (Funke 1995; Luo 1997; Weber et al. 1996) has tallied with this research result confirming the dominance of Western values; however there are still some authors (Lee 1996; O’Meara 2003; Peng & Leong 2001) that put forward the proposition that traditional Chinese values predominate over Western values. There are also mixed responses given by PRC managers as some argue that ‘China will remain China’ while others think that the changing values of the managers in their country reflect the fact that a shift towards Western values is taking place. It would therefore be interesting to conduct possible research in this area to affirm the dominance of Western values.

Before moving on, it also important to note that similarly to the generalisation about traditional Chinese values, there is a lot generalisation/ misunderstanding going on with previous authors’ work, where some would possibly consider the Western values in Australia and United States to be similar. This clearly might not be the case.

5.2.2 Resilience of traditional Chinese Values

One of the areas of concern here is whether Western managers would be able to ‘change’ the values in PRC (in particular) and other Asian countries from traditional Chinese to Western ones. However, the reverse might occur, where the Western managers have to learn to adopt traditional Chinese values to do business in PRC and other Asian countries. This is especially the case when Chinese managers today are heading overseas in pursuit of greener pastures elsewhere (especially in Western countries); whether they would learn to adopt western values or ‘enforce’ their own set of values overseas remains a major question to be tested.
Previous works were not credible or relevant enough to be used as reference sources (Chen 2004; Groenewald 2004; Branstetter et al. 2006) to confirm whether traditional Chinese values will possibly be ‘wiped out’ or continue to exist despite the dominance of Western values. Further research work in understanding the resilience of traditional Chinese values when faced with Western values should be looked into thoroughly with possible particular focus on PRC managers working/ doing business in Western countries.

5.2.3 Western Values - A better option?

It would also be interesting to observe if a switch from traditional Chinese values to Western values within PRC would make the country's ethical standards better, given that Western values for a long period of time have been known to promote a high ethical standard. The current situation in PRC as documented by various authors (Earley 1989; Lee 1996; Walker 2005) along with the participants’ comments have shown that there are indeed many problems in today's PRC construction industry. However, as one participant mentioned, implementing Western values, in particular ethical values, would not necessarily be beneficial for PRC given that China is China and that PRC is unique and distinct from Western countries. The validity of Western values for application within PRC comes into question here and this suggests that further research ought to be conducted to attempt to see if Western values are indeed ‘universal standard’ business values applicable and adaptable for all countries.

It is apparent that Western values are more prevalent in Singapore than in PRC based on the responses given by the participants. This could be a result of the longer history of exposure to the West since Singapore was a colony of England since 1819. The adoption of the Western values in Singapore today is often blended with traditional Chinese values, so it could be said that a balancing point has been found. Singapore generally has a low corruption rate with certain traditional Chinese practices still in place. This is possibly an ideal situation and therefore it raises the question of whether the absolute pursuit of Western values would be necessary or whether a ‘fusion’ of both sets of values would be preferable. Further studies should be conducted on countries where both sets of values may be widespread; the results would be very useful for understanding whether pursuing Western values alone is desirable.

5.2.4 Origins of Western values

The result of Western values dominance would be typically something expected and it has been previously documented in works (Child and Rodrigues 2005; Hermanns 2004; Castellani et
al. 2008), given that the West has for a long time had strong economic standing worldwide. It is refreshing to gathering comments from certain participants that their beliefs are that Western values could have possibly originated from traditional Chinese values. It is noted that none of the Singaporean managers thought that Western values originated from traditional Chinese values, which could possibly be due to their longer exposure to Western values, whereas the PRC had only had ‘serious’ exposure to them since the 1980s.

5.2.5 Rate of adoption of Western Values

Western values are still coming strongly and quickly into countries all over the world as globalisation continues to occur at a rapid rate. Based on the participants’ answers, it is noted that changes in values were noted to be ‘slow’ and less significant in Singapore while in PRC they were fast with some PRC managers complaining that the traditional values are becoming non-existent. The main reason could possibly be because Singapore has been an English colony for a long time while PRC economic reforms only started in the late 1980s, when the first opportunity of the exposure to Western values took place.

Previous research (Child and Rodrigues 2005; Hermanns 2004; Castellani et al. 2008) has mainly suggested the dominance of Western values and looked at traditional Chinese values but did not look at the rate at which Western values were ‘approaching’ PRC, Singapore and other countries. This research has shed some light on this area.

5.2.6 Western Values in Singapore and PRC

Traditional Chinese values are much concerned with harmony, which some authors (Chen and Hunter 1994; Guba & Lincoln 1994; Heap & Roth 1973) have highlighted, while Western values are concerned with a more ‘hard-nosed’ approach, to get things done. Based on the research conducted, it could be noted from their responses that the PRC managers in general are practising ‘harmony’ in their business dealings/employee relations while the Singaporean managers are more focused on dynamicism with personal values.

It could suggestion that it is an ideal reflection of the more developed nature of Singaporean society and probably extensive exposure to western values/education in comparison with PRC's recent short-term exposure to Western values/culture. The validity of this could be confirmed by conducting further research in particular into how PRC managers conduct business - understanding the whole business procedure from the start to the end.
5.2.7 Summary of Second Section

In short, there is no doubt that Western values are dominant worldwide today. The hypothesis that has been set out in accordance with previous research work done has once again been proven to be valid, based on the responses from this research. More research however should carried out in PRC regarding the rate of adoption of Western values to understand its impact on PRC and whether traditional Chinese values will have a ‘position/ stand’ worldwide in the future, given that traditional Chinese values are still predominant in Chinese ethnic groups and that the Chinese are still furiously migrating overseas.

5.3 Western Values VS Traditional Chinese Values

Hypothesis Three
C) Western values, in general, are in conflict with traditional Chinese value systems, thereby leading to the potential for dysfunction to occur when Chinese and Western managers are doing business.

5.3.1 Compatibility of Western and traditional Chinese values

In the interview, both countries' managers have stated that they do feel that Western and traditional Chinese values are generally compatible, while some PRC managers have even stated their belief that Western values have originated from traditional Chinese values. This is especially the case with PRC managers, where the lack of Western interaction has resulted in the dominance of traditional Chinese values, and combined with their deeply-rooted influence in that aspect has caused PRC managers to think that Western values originated from the East. This could indicate that the rest of the PRC managers were viewing Western managers through their own eyes, possibly making 'Western' values seem more Chinese than they really are. Given that PRC managers have had less contact with the West compared with their Singaporean counterparts, the views of the latter might be regarded as better informed. This reflects the fact that they could not have fully comprehended the differences between both sets of values, or otherwise it could really mean that previous research (Adler 2002; Chen 2001; Goosaert 2003; Ehsan 2009; Chang & Rosenzweig 2001; Israel et al. 2001; Lund 2005; Navaretti & Castellani 2004) depicting the conflicts between both sets of values might not have been accurate.

If it is indeed true that potential conflicts do occur, it is important for both Chinese and Western managers to understand what those differences or conflicts might be. The presence of PRC and Western values in today's market cannot be denied, with PRC undergoing 'more' liberation one would expect PRC to have a bigger role to play in the market. The conflicts do not occur at this stage given that PRC managers still have limited exposure to the West and it is possible that potential conflicts might occur at a later stage. This could be significant when the days come when PRC managers start to conduct business activities more extensively overseas (outside of PRC) or when more Western managers begin to realise the importance of PRC market and begin conducting business there. The ability for both parties to learn and adopt each other's values is a key concern here.

5.3.2 Differences between both set of Values
Buying gifts in accordance with traditional Chinese practices (Chinese value is that gift buying is a form of nice gesture) would often be considered as normal or at worst a minor unethical behaviour by general Chinese managers and including participants of this interview. This is highly undesirable in terms of the Western mindset. This is one of the simplest differences between both sets of values and yet could potentially lead to conflicts if either side's managers fail to appreciate each other's culture.

According to some authors (Lakomski 1999; McGregor and Merriam 1995), Western values could be said to value empowerment while traditional Chinese values look favourably upon hierarchical status. Obviously the two sets of values are in stark contrast with each other and therefore there is the potential for conflict to occur if the differences are not managed appropriately. A Western-value-influenced employee could be disheartened (or have job dissatisfaction) if he/she were to be under a traditional Chinese-influenced manager, as he/she could only ‘follow’ orders and not be entitled to make judgements/decisions on their own initiative. The same could be said for a traditional Chinese-influenced employee working under a Western-influenced manager: the employee would be afraid to take charge/responsibility when the manager empowers him/her given that in Chinese culture the employee would only have to follow the manager’s instructions. In another scenario, a traditional Chinese employee working under a young Western-influenced manager, where the Chinese employee believes that he or she is more knowledgeable than his young superior (highly possible given that western firms today are buying up Chinese firms in bid to compete in the PRC market). All three of these scenarios could potentially lead to the loss of a good employee.

In PRC and many Chinese communities, the main priority is often being able to get business done whether it is through ethical or unethical means. The opposite can be said for Western managers, for whom ethical concerns come first (Soon 2003; Su & Littefield 2001). In fact, some of the participants have expressed their concern over the Western focus on doing things ethically. They said that business in PRC would possibly not be very successful if too much emphasis was placed on respect for ethical behaviour.

5.3.3 Possible Misconception of Western Values

When managers were asked about what they thought Western values were, they provided a list of values [the Singaporean cohort suggested “honesty” (Lao Shi), “equality” (Ping Deng), “empowerment” (Shou Quan), “quality service” (Pin Zhi Fu Wu), “individuality” (Ge Xin) and “teamwork” (Qun Dui Jing Sheng)]. Their PRC counterparts mentioned “empathy” (Tong Qing
Xin), “honesty” (Lao Shi), “equality” (Ping Deng), “respect” (Zun Zhong), “discipline” (Ji lv) and “self-motivation” (Zi Wo Ji Li) which they thought were Western values. However, according to some authors (Kopnina 2005; Karami et al. 2006; Chesebro & Borisoff 2007), the list of values provided by the managers does not seem to fit exactly into the framework of Western values. This suggests that the managers interviewed did not fully understand what Western values were about and therefore they could potentially have neglected the serious consequences of conflict. This however provides room for debate and for further research to be carried out, given that current interview (research) does not tally with what previous research has shown, and therefore further verification is needed in this instance. It is however more likely that the current participants, especially the PRC managers that their limited history of exposure with the West, have formed a poor understanding of Western values. The values described by the interviewed managers as ‘Western’ do not match the literature review documentation (Gao & Kotey 2007; Pheng & Leong 2001), further confirming that there might indeed be incompatibility between the two sets of values.

5.3.4 Balancing act between traditional Chinese and Western values

A balance should be sought to ensure that conflicts between traditional Chinese and Western values do not occur because of the way managers carry out their ethical conduct. It has been mentioned previously that the Chinese in general do not find any ethical issues with giving small presents or gifts while this is not desirable according to Western managers. Therefore, caution needs to be exercised here if western managers are to do business in PRC. Western managers going to PRC might be faced with the problem of not giving gifts and offending people or giving gifts and feeling uneasiness. The same reservations could be expressed for PRC managers conducting business with Western managers.

With regard to the ‘fusion’ of traditional Chinese and Western values, managers have thought that it would be possible. Previous research (Adler 2002; Chen 2001; Goosaert 2003; Ehsan 2009; Chang & Rosenzweig 2001; Israel et al. 2001; Lund 2005; Navaretti & Castellani 2004) has shown the conflicts/potential conflicts but has not indicated the possibility of a ‘fusion’, which in reality might be feasible. It could be said that most of the work done by previous authors was only more concerned with identifying the ‘frictions’. However, given the limited knowledge in this area at this stage, more research could be carried out to determine the validity of this statement. Finding a balancing point between the two could prospectively bring about massive economic benefits and reduce the risk of conflicts.
5.3.5 Summary of Third Section

In conclusion, understanding and applying both traditional Chinese and Western values will possibly work in the favour of the future generations, given that they will be able to possibly have the best of the both worlds, understanding both traditional Chinese and Western values, which will give them a edge over the current generation in terms of being able to do business in PRC and in the West. In view of the conflicts/ potential conflicts (as from literature review) mentioned above, it is certainly desirable to have a thorough understanding of both set of values and to attempt to fuse them.

It is clear that in this instance, purely based on the feedback collected from the participants, the two set of values are generally compatible. This repudiates the work done by previous researchers (Adler 2002; Chen 2001; Goosaert 2003; Ehsan 2009; Chang & Rosenzweig 2001; Israel et al. 2001; Lund 2005; Navaretti & Castellani 2004) who have indicated that potential conflicts do occur. The hypothesis (potential conflict between traditional Chinese and Western values) set out previously could therefore be invalid. However, it is recommended that more research be done with managers that have adequate exposure to the West (e.g. study overseas, working overseas, living overseas in the west) to re-confirm the validity of this statement.

5.4 Values in Construction Industry

Hypothesis Four
D) The construction industry, from a global perspective, is characterised by high levels of unethical conduct, thereby leading, *inter alia*, to adversarial behaviour, unacceptable safety levels, and a lack of corporate social responsibility. Given that East Asia has traditionally been characterised as corruption-prone, it is likely that these unethical practices will be prevalent in the construction industry, which does not have a particularly good standing in the West in this regard.

5.4.1 Local Construction Industry’s Ethical Standard

Most of the Singaporean managers have confirmed that they felt that the local construction industry in general is in line with the required ethical standard. However, this is an area of major concern for PRC managers as five PRC managers have no comments on the current market situation while the rest have given negative feedback on it. With respect to the five PRC managers who stated that they do not have any comments on the local industry but thought that it was performing alright, from their statements it infers that they knew that the firms in general were not too ethical and they probably found it hard to disclose their true opinion in this instance, as many previous reports (Stone et al. 2002; Ralston *et al.* 2010; Su and Litttlefield 2001) have confirmed.

The construction industry in general has been classified as one of the most problematic industries worldwide (Stone et al. 2002; Ralston *et al.* 2010; Su and Littlefield 2001). A relatively low level of unethical conduct in the construction industry could possibly indicate that the other industries (in the same country) had reasonably high ethical standards, given that construction industry itself in general suffers from a notorious reputation in the field of ethics.

This research therefore could be a good indication that Singapore in general could be considered to be a country with a relatively low corruption rate and this is in agreement with what other researchers have found (Hellriegel et al. 2001; Toor & Ofori 2008) while China in general would probably be considered a country with a higher incidence of unethical behavior conduct, given that the participants themselves did not comment much on the industry. However, it is of concern that the picture painted of ethical standards in Singapore might not be such a rosy one, or even that the PRC construction industry might not necessarily be plagued with so many problems: it could be a case of misconception.

It is ideal if further research work is carried out by conducting interviews with government and social bodies (e.g. Youth Society, Chinese Chamber of Commerce, Hokkien Associations and etc…) to understand the current/potential problems and their incidence in the construction industry with respect to Singapore and PRC to obtain a better idea of the prevailing ethical
standards. In conclusion, it is not necessarily fair to say that it is only PRC construction industry that is faced with such ethical problems; other countries are likely to be facing similar problems to PRC but these have gone unremarked.

5.4.2 Problems within Local Construction Industry in PRC and Singapore

It is interesting to note that two PRC participants felt that the local firms were complicit in corruption with the local government, a practice that one would not be likely to see in developed countries such as Singapore. No such comments was observed in responses provided by Singaporean managers, an indication that confirms the findings of previous research (Hellriegel 2001; Toor & Ofori 2008) that developed countries are less likely to see corruption taking place between local firms and government. This could further indicate that China is still undergoing ‘development’ and will possibly require further changes to adapt to the international market.

It would be useful to note that even in developed countries like Singapore, corruption or unethical behavior still poses a problem, based on the responses provided by three Singaporean managers. This possibly indicates that corruption or unethical behavior is bound to occur in any country. It would not be wise to say that corruption does not occur in any country, it would more prudent to say that the corruption rate would be lower or less likely to be observed in developed countries and possibly more prevalent in developing nations.

Additional research work is recommended in countries (especially in developing countries) to understand the validity of the participants’ comments on local firms' involvement in corruption with government bodies. It would provide a platform for understanding if the corruption at government level is more prevalent in developed countries as well.

5.4.3 Responsibility for promotion of Ethical Conduct

Both countries' managers also provided their views on who should be responsible for promoting ethical conduct. They had similar opinions in this instance, where they thought the government or government-related bodies should be responsible for it. This suggests that in order for ethical conduct to ‘prosper’, government and its related agencies would possibly have the most significant impact and therefore the government should take a more proactive role in promoting it. In order to prove the validity of this statement, further research could be conducted in this area to understand the corruption rate of an individual country in relation to the government policies in place.
No participants thought that they (their own company) should be even partly responsible for the promotion of ethical behaviour. This could be an indication that no one was willing to take charge or bear the responsibility for ethics promotion and that it is human nature to avoid such things. The promotion of ethics would probably have limited success if no one was willing to take charge. Ethics promotion could possibly be more effective if it was carried out at grassroots level.

There is not much previous research covered in this aspect of who should be responsible for ethics promotion. It might be of interest to conduct research to understand the companies’ view on whether they (organisation management in particular) should be responsible for ethical promotion themselves, given that promotion at grassroots level would possibly be most effective.

5.4.4 What’s ethical? What’s not?

A lot of the practices regarded by the West as unethical are often found as mainstream practices within the Chinese construction firms, especially in PRC. Gift-giving and buying meals are good examples of the practices that are ‘vigorously’ practised by Chinese managers and these could be noted in responses given by both PRC and Singaporean managers. Most of these practices to them are normal or at worst slightly unethical. If Western managers do not appreciate these values and do not learn to conduct business in the ‘supposed’ way in PRC they will likely face failure. Conversely it could be said of traditional Chinese managers as they attempt to buy meals/ gifts for Western managers, that Western managers could possibly feel insulted or disgruntled by these actions. The term ‘common practices’ is possibly construed differently by traditional Chinese and Western managers.

It is similar in the case of contacts, where both traditional Chinese and Western managers would identify contacts as important; it is however important to note that there is a difference between the interpretation to the value of contacts (between traditional Chinese and western managers). The value of contacts would go further and deeper in a personal context in the case of traditional Chinese managers in comparison with their Western counterparts; the traditional Chinese believes that personal relationship is the key to a successful business relationship.

Therefore, it could be often observed that during Chinese businesses tenders, the best offer does not necessary win the contract; other factors such personal relationship and trust could possibly play a more critical role than monetary benefits. This may often be deemed to be irrational in the eyes of the West, as Western managers would prefer to award contracts to the best offer on the table.
The context of contacts, in the eyes of the West, should generally remain at the business level and not carry over into a personal level. When business relationships/contacts are transferred into a personal level, the Western managers would possibly consider that to be unethical, while it would be normal in the context of traditional Chinese values. The Westerner advocates the notion of rationality and is expected to make business decisions on the basis of purely objective criteria, such as cost, timeliness and overall quality. On the other hand, a practitioner of traditional Chinese values would factor in other criteria that might seem subjective or indeed irrational to his or her Western counterpart. For instance, a client might prefer to award a contract to a firm on the basis of existing personal relationships, even though the price offered by a competing firm might be lower. While this bid might be the one accepted by a manager practising Western business principle, it might imply too much risk for a Chinese manager (as documented in literature review).

5.4.5 Summary of Fourth Section

Analysis has been done on the values in the construction industry with particular concern for the ethics area. Most of the participants have thought that the responsibility for the promotion of ethical conduct should lie in the hands of government or government-related bodies and none of them were willing to take charge themselves. Previous researches have not revealed much with regard to this aspect. The perception of what is ethical and what is not is different in the eyes of traditional Chinese and Western managers. It is important to understand that unethical practices/behaviour are practised worldwide; it is the degree to which they are tolerated or accepted that varies.

The hypothesis which was drafted in accordance with the findings of the literature review has matched with the findings of this research. The concern now is to attempt to look how the ethical behaviour in the construction industry could be improved and by whom (with focus on grassroots level). Developing a clearer understanding of the different perceptions between both sets of values would also be essential for managers who wish to conduct businesses in either PRC or Western-influenced countries. Finally, conducting ethical conduct is ostensibly regarded as good conduct and is highly appreciated, but in reality this may not always be the case.

5.5 Major Themes

Having conducted the research and analysis, the following themes were identified:
1. There is often a lot of generalisation on the part of various authors and this can be noted in the above analysis section. The best value as determined by one individual may be different from another person’s perception.

2. Potential differences do occur even within traditional Chinese managers of different background: Singapore and PRC.

3. Dominance of Western values is proven to be true as per previous research and current interview results.

4. The resilience of traditional Chinese values is expected and will continue (confirms the validity of the hypothesis), with Guan Xi a deciding value/factor of it.

5. Traditional Chinese and Western values are compatible as per the findings of this research, refuting the findings of previous work that potential conflicts do exist between both sets of values. Convergence between both sets of values would probably be ideal.

6. The definition of what is ethical and what is not is unclear, as it is subjective and depends on individual judgment.

7. Ethical problems are prevalent in the construction industry, especially in the case of developing countries such as PRC and would be lower in developed like Singapore; this however does not mean that there are no ethical problems in developed countries.

5.6 Expectation and Results/ Learning
The results are not exactly what one had expected, given that there were astonishing responses such as the origins of Western values dating back to traditional Chinese values. It was equally surprising that participants provided a list of traditional Chinese values that one would have thought would be associated with the West. It was also interesting to note that a significant proportion of the PRC counterparts had a degree and higher qualification, something that one would not have expected. Finally, the managers' belief that there would not be potential conflict between both sets of values was something astonishing given that most previous authors (as shown above) have indicated the possibility for potential conflict.

However, it was to some extent expected from the results that one would see the existence of traditional Chinese values even without conducting the literature review and this research. It was somehow expected that core values, mission and vision statements were not found to be part of the organisation. Last but not the least, the poor track record of the construction industry was something expected, especially in the case of PRC which is a developing country and many of the laws and regulations are still in the refining stage; this being said, this has no relevance to Western or traditional Chinese values.

5.7 Implications for Future Research
The below are some of the implications for future research that could be looked at. They are as follows:

1. Though there is a boundary as to how expensive gifts/treats can be in accordance with different countries' regulations, it is often not followed in line with the required law. This could be an area in which businesses, in particular the construction industry, are lacking control; research work done by several authors (Tomiura 2007; Toor & Ofori 2008) has indicated that this possibly amounts to bribery. Future research in understanding the fine line between bribery and generosity, and the various methods to improve the situation, could be done.

2. The documentation of previous research (Bowen et al. 2007; Luo 1997; Weick 2007) has tallied with this research result, confirming the dominance of Western values; however there are still those (Lee 1996; Overmeyer 2003; Peng & Tan 1998) who put forward the view that traditional Chinese values prevail over Western values. It would therefore be interesting to conduct possible research in this area to affirm the dominance of Western values.

3. The validity of Western values for application within PRC comes into the picture here and this suggests that further research ought to be conducted to attempt to see if Western values are indeed ‘universal standard’ business values applicable and adaptable for all countries.

4. This is possibly an ideal situation and therefore it raises the question of whether the absolute pursuit of Western values would be necessary or whether a ‘fusion’ of both sets of values would be preferable. Further studies should be conducted on countries where both sets of values are widespread, and the results would be invaluable for understanding whether pursuing Western values alone would be advisable.

5. It is suggested that it is an ideal reflection of the more developed nature of Singaporean society and probably its extensive exposure to western values/education in comparison with PRC's recent short-term exposure to Western values/culture. The validity of this could be confirmed by conducting further research with a particular focus on how PRC managers conduct business - understanding the whole business procedure from start to finish.
6. The findings have further revealed that PRC managers are uncomfortable with the influx of the Western values and thus would mean that foreign managers aiming to do business in PRC should be wary of ‘traditional Chinese values’ involved and be sensitive to them. There is potential room for conflict and an area for research.

7. It would be instructive if further research work could be carried out by conducting interviews with government and social bodies to understand the current/potential problems and their incidence in the construction industry with respect to Singapore and PRC, to obtain a better idea of the prevailing ethical standards. Having said the above, it is not necessarily fair to say that it is only PRC construction industry that is faced with such ethical problems; other countries are likely to be facing similar problems to PRC but these have gone unremarked.

8. The hypothesis drafted in accordance with findings from literature review has matched with the findings of this research. The concern now is to attempt to look at how the ethical behaviour in the construction industry could be improved and by whom (with focus on grassroots level). Developing a clearer understanding of the different perception between both sets of values would also be invaluable for managers who wish to conduct businesses in either PRC or Western-influenced countries.

9. It is clear from the above analysis that traditional Chinese values are different even among PRC and Singaporean Chinese managers. This is in contrast with the research work done by most other authors (Bian & Ang 1997; Pearson & Entrekin 1998) who have considered PRC and Singapore to be having similar values. It should serve as a warning for other authors in future not to make such facile generalisations.
5.8 Conclusion for Chapter Five Analysis

Chapter five has built on the findings of the previous chapter and provided more valuable insight into what those data might have possibly indicated. Similarly to chapter four, participants were not identified by name but rather by code in order to protect their confidentiality. Major themes and expectations/ result learning were derived along with the four hypotheses which have been commented on. Chapter Five which is the next episode would be the concluding chapter of this research.
6. **Closure**

This is the final chapter of the thesis. This chapter shall cover four main sections: Summary of previous chapters, conclusion on hypotheses, implications for theories, policy and practices before ending with the closure.

6.1 **Summary of Previous Chapters**

It is important that to understand what has been covered in each of the chapters and therefore a summary has been given of each of the following chapters to give readers an overview of what has been covered earlier on.

6.1.1 Chapter One Introduction

Chapter one started by explaining the importance of this research and giving a brief on what it is looking at. The issues in today business world is being discussed in the same chapter with great care to ensure that the discussion is relevant and related to the countries under scrutiny: PRC and Singapore. Traditional Chinese and Western values are also looked into broadly, giving readers of an overview of what these values mean. The relation between ethics and values is also briefly discussed in this chapter, as the two have often been closely linked. The ethics standards of an individual are mainly influenced by the values that the individual holds. After the discussion of the relation between ethics and values, the ethical issues in today’s business world were looked at to develop an understanding of what is going on today. The objectives of the study along with the hypotheses were considered. This led to a deeper understanding of the importance and limitations of the research, which is vital to ensure that the research is conducted successfully and smoothly.

6.1.2 Chapter Two Literature Review

Chapter Two focused on gathering information with respect to traditional Chinese and Western values in the construction industry within PRC and Singapore. It sets a clear pathway for formulating the hypotheses and the research methodology.

The first section of the chapter looked at the existence of traditional Chinese values, with the discussion of what traditional Chinese values are all about coming first. The political development of the PRC and its influence on traditional Chinese values were then looked at to understand the impact of the political influence. Next Guan Xi was discussed thoroughly with the definitions and various authors’ comments given. Given that there would certainly be differences even between Singapore Chinese managers and PRC Chinese managers, the differences and
similarities in values were looked at to prevent improper generalisation. Finally, in order to understand the existence of traditional Chinese values, it was considered important to look at the current Chinese practices in the market.

In the next section, the dominance of the Western values was looked at. Before that could be done it was essential that the definition of Western values be correctly understood. This led to a discussion of the current Western value practices that can be found in Chinese managers, along with importance of the Western values being discussed. Although the dominance of Western values cannot be in doubt, this section also looked at why traditional Chinese values should continue to exist, with the conclusion summing up this section.

Traditional Chinese values VS Western values were the focus of chapter two. Having previously looked at the differences between the traditional Chinese values of PRC and Singapore managers, this section now looked at comparing and comparing the differences and commonalities of both set of values. A table has been drawn up for simple reading and understanding before the conclusion of this section.

Chapter two further looked at the values in the construction industry with the primary focus on the current value issues with particular relation to the construction industry. Next the reason why these values exist was discussed along with the development of the right code of ethics for the industry. It is essential for the code of ethics to be discussed/understood as mentioned in the literature review; otherwise the industry would continue to have a poor reputation in the market. At the end recommendations were made as to how the industry could be improved.

Chinese construction firms in the age of globalisation were the spotlight of this section. The contribution of Chinese construction firms have first been discussed to understand the impact that the firms have on the global scale. Obviously, as mentioned in the review, there are many issues that one would have to note, and these have been pointed out in the section.

Next with the conclusion of the five sections comes the documentation of all the relevant and important information. Four hypotheses have been developed with the gaps in the literature review being identified. The gaps in literature review have identified what is sufficient and what is insufficient in the works of previous authors. With that a conclusion has been given summarizing Chapter Two.
6.1.3 Chapter Three Research Methodology

This chapter sets out by identifying what qualitative and quantitative research methods are. A list of the various definitions by various authors is given along with the various techniques that could be employed within each methodology. Case studies, focus groups, grounded theory research, phenomenology, ethnography and historical methods have been included as part of qualitative research while the quantitative research have looked at descriptive methods (including Co-relational and Cause comparative), experimental, longitudinal and surveys in general. The methodology chosen was the interpretive paradigm with the usage of interview techniques, with logical reasons why this technique was employed given in the same chapter. No software was deemed necessary for the technique employed and this was discussed earlier in the chapter. Finally, the choice of Singapore and PRC as cases was explained.

6.1.4 Chapter Four Findings

This is one of the most extensive chapters in the research, along with Chapter Five- analysis. This chapter provides the direct documentation and citation of the various interview questions and answers. The first section of this chapter looks at understanding the background of the participants and their companies. The company ownership structure, participants' educational background (whether overseas or local), employment history and company’s project specialisation have all been considered here.

Next, some light was shed on the traditional values that would be deemed to be important to the PRC and Singaporean managers. They were also asked to comment on the origins of these values and this was documented in this section. The extent to which these values have influenced their business was then looked at before moving on to the firms' lists of core values, mission and vision statements, which it was noted that most of the PRC and Singaporean SMEs did not have.

The answers given in response to the questions on Western values were then discussed, and most managers have acknowledged that western values are indeed dominant, while some have maintained that traditional Chinese values continue to be found. They have also acknowledged the various changes among the local business managers in the field of construction, while commenting on the changes, with PRC managers claiming that they are not happy about them and Singaporeans not having much of an issue with that. Next, the similarities and differences between values of the management and the staff were noted, with managers generally claiming that there were not many differences between their own values and those of their staff.
Four hypotheses have been identified as set out in Chapter Two. Chapter Four presents readers with an extensive explanation of the key findings and analysis of the interview. Finally, in this chapter contributions to knowledge are identified along the recommendations for future research.

Value conflict between traditional Chinese and Western values is looked at next. The respondents first provided their thoughts on what sort of values Western managers would advocate and these were duly recorded. Discussion was then made on Western values with regard to management with culture being examined as well. Most of the Singaporean managers thought that Western values in general would blend well with their values while most of the managers thought that Western values originated from traditional Chinese values - an extraordinary answer that one would not have expected.

The last section of this chapter looked at the local construction industry and its ethics. The participants first shared their thoughts on the importance of contacts and it was documented that most of them thought contacts were important for getting information, tips and advice, collaboration, cheaper resources and working things out. Of the contacts discussed, the most commonly mentioned include government officials, market players, industry regulators, subcontractors, customers. Local firms' compliance with ethical conducts was discussed next, with most Singaporean managers explaining that most local firms are in compliance while most PRC managers had no comments or negative comments about this issue. Next, the core ethical issues were determined in relation to the previous question; again Singaporean managers thought there was not much of an issue while the PRC managers had poor comments on the industry, with Guan Xi identified as the main issue. The careers of the participants were also reviewed when they were asked to discuss the ethical issues that have challenged them during their careers, with most Singaporean and PRC managers claiming that there was no major ethical issue crossing their career path. Finally, the responsibility for improving the local construction industry was discussed, with most of the responses reflecting the view that government, industry guidelines, individual companies and training and the industry in general should be responsible for the improvement of ethical standards.
6.1.5 Chapter Five Analysis

This is the one of the most important chapters of the research with the essence of the research being captured for analysis. Each of the sections of this chapter is broken into the four hypotheses which were derived earlier on for easy discussion.

The first section looks at the existence of traditional Chinese values. It is clear from the analysis that there are similarities and differences among PRC and Singaporean managers. The existence of traditional Chinese values would possibly continue in the future. The importance of Guan Xi has also been confirmed in this section along with the origin of values being discussed. It is discovered that culture is something more identified by PRC managers than Singapore managers, who identified individual factors as influences for their values. The values and how they impact on the managers’ decisions have also been looked at with the conclusion that Chinese managers are possibly irrational managers. The value of contacts and the concept of gift-giving were also considered, with the scope of future research being discussed. From the analysis, the bottom line on what is ethical and what is not are found to be subjective, varying according to individual, country and culture. Finally, a summary of the analysis done in the section has been given.

The dominance of Western values is confirmed in the second section and a number of examples will be put forward support the case. The resilience of traditional Chinese values is questioned in the analysis where authors’ works have proven to be insufficient or not credible, and therefore further research in this area was recommended. After this the issue of whether Western values would be a better choice was elucidated, with the conclusion that a fusion of both set of values would be preferable. The origins and rate of adoption of Western values were next to be discussed in this section, and the key conclusion reached in the analysis was that adequate work had not been done in relation to the rate of adoption in the PRC, Singapore and many other countries. Further research work was therefore recommended. A summary was then provided to understand what was covered in the section.

The comparison between Western and traditional Chinese values was the next topic. It was concluded in this section that the hypothesis on the incompatibility of Western and traditional Chinese values seems to be in conflict with the interview results. As mentioned, it could be suggested that the interviewed managers had a poor understanding of the situation or that the previous research work was not that accurate. The many differences and misconceptions between both sets of values were also identified. The answers provided by the interviewed managers on what Western values are do not match the literature review documentation, further confirming
that there might be indeed incompatibility between both sets of values. Finally, there was a discussion as to how to achieve a possible balancing act between Western and traditional Chinese values, with reference to previous authors’ work.

Hypothesis Four was discussed in this section, and was proven to be valid hypothesis in accordance with the interview results and literature reviews collected. Given that there are indeed many ethical problems within the local construction industry (in both PRC and Singapore), this section was also dedicated to discussing the problems, and identified a need for future research to be conducted in this area. Responsibility for promotion of ethical conduct is seen to be denied at local company level by the managers, who thought that it should be lie with the industry bodies or governments. Discussion was then attempted in the grey-zone area of what is ethical and what is not, understanding that the perception of ethical or not ethical is very subjective. Finally, a conclusion was given to finalise the section. Major themes were next identified along with the expectations and results, before moving on to implications for future research.

6.2 Conclusion on Hypotheses

Hypothesis One

E) Ethnic Chinese in Singapore and China are still characterised by adherence to traditional Chinese value systems to some extent. Therefore it is consistent to expect to see these traits in Singaporean and Chinese managers.

It is clear that traditional Chinese values are still much in existence given the practices in place, especially when the practices of having contacts and giving gifts are still strongly in evidence. The research has revealed interesting facts that teachers are a factor of influence on an individual's values and these values do influence business decisions to a certain extent. Similarities and differences do occur among Chinese managers of different backgrounds (countries).

According to the literature review and common understanding, traditional Chinese values are indeed more prevalent in PRC than in Singapore. However, it is clear that the hypothesis that has been set out earlier is proven to be valid and applicable in today's Chinese business world. The value of contacts and ethical conduct in the construction industry were identified as areas for potential research.
Hypothesis Two

F) Western values are increasing becoming the ‘standard’ business values throughout the world as a result of globalisation. Therefore, there is likely to be pressure on Chinese managers to understand, work with or even adopt Western management values in their own business conduct.

There is no doubt that Western values are in the ascendent throughout the world today. The hypothesis that has been set out in accordance with previous research work done has been once again proven to be valid according to the responses from this research. More research however should carried out in PRC regarding the rate of adoption of Western values to understand its impact on PRC and whether traditional Chinese values would have a ‘position’ worldwide in the future given that traditional Chinese values are still predominant in Chinese ethnic groups and the fact Chinese are still migrating overseas.

Hypothesis Three

G) Western values, in general, are in conflict with traditional Chinese value systems, thereby leading to the potential for dysfunction to occur when Chinese and Western managers are doing business.

The idea of Chinese and Western managers doing business may work in the favor of future generations, given that they may be able to have the best of both worlds, understanding both traditional Chinese and Western values, giving them an edge over the current generation in being able to do business in PRC and in the West. In view of the conflicts/potential conflicts (as from literature review) mentioned, it is certainly best to have a thorough understanding of both set of values and to attempt to fuse them.

It is clear in this instance, purely based on the feedback collected from the participants, that the two set of values are generally compatible. This rejects the previous work done by a number of authors (Adler 2002; Chen 2001; Goosaert 2003; Ehsan 2009; Chang & Rosenzweig 2001;Israel et al. 2001; Lund 2005; Navarette & Castellani 2004) who have indicated that potential conflicts do occur. However, it is recommended that more research be done with managers that have adequate exposure to the West (e.g. study overseas, working overseas, living overseas in the west) to re-confirm the validity of this statement.

Hypothesis Four

H) The construction industry, from a global perspective, is characterised by high levels of unethical conduct, thereby leading, inter alia, to adversarial behaviour, unacceptable
safety levels, and a lack of corporate social responsibility. Given that East Asia has been traditionally characterised as corruption-prone, it is likely that these unethical practices will be prevalent in the construction industry, which does not have a particularly good standing in the West in this regard.

Analysis has been done on the values in the construction industry with particular concern for the ethics area. Most of the participants have thought that the responsibility of the promotion of ethical conduct should lie with government or government-related bodies and none of them were willing to take charge themselves. Previous research has not revealed much with regard to this aspect. The perception of what is ethical and what is not is different in the eyes of traditional Chinese and Western managers. It is important to understand that unethical practices/behavior are found worldwide; what varies is the degree to which they are tolerated or accepted.

Having said the above, the hypothesis which was drafted in accordance with the findings of the literature review has matched the findings of this research. The concern now is to attempt to look how the ethical behaviour in the construction industry could be improved and by whom (with focus on grassroots level). Developing a clearer understanding of the different perceptions found in the two sets of values would also be invaluable for managers who wish to conduct businesses in either PRC or Western-influenced countries. Finally, conducting ethical conduct is ostensibly regarded as desirable and to be appreciated, but in reality this may not always be the case.

6.3 Implications for Theories, Policy and Practices

This study has made several contributions to the body of knowledge in the field of traditional Chinese and Western values, with particular focus on the PRC and Singaporean construction industries. The scope of the research is unique in its own sense as the research looks at the existence of traditional Chinese values, the dominance of Western values and whether the two sets of values might be compatible.

While the existence of the traditional Chinese values has been clearly documented in the literature review, it is unclear to what degree these traditional Chinese values have influenced managers and to what role Guan Xi plays in that. The previous research done has also not revealed much about whether traditional Chinese managers advocate themes such as mission and
vision statement. By conducting this research, the above questions have been addressed, allowing more scope for future research in this area.

Next to be discussed was the dominance of Western values, where many previous authors (Fossey., et al. 2002; Luo 1997; Kwan & Ofori 2001) have confirmed the authority that Western values have stamped over the market today. It is however unclear to what extent these values or changes are taking place as most authors (Child and Rodrigues 2005; Wei & Liu 2005; Driffield & Pall 2008; Lowenthal & Leech 2009) have mainly confined themselves to suggesting the dominance of Western values and looking at traditional Chinese values, but have not looked at the rate at which Western values are ‘encroaching’ on PRC, Singapore and other countries. This research therefore addresses the above by attempting to understand how strongly Western values have come into Singapore and PRC, while providing a platform for later research.

There are indeed many potential possible conflicts between traditional Chinese and Western values according to some authors (Adler 2002; Chen 2001; Goosaert 2003; Ehsan 2009; Chang & Rosenzweig 2001; Israel et al. 2001; Lund 2005; Navaretti & Castellani 2004). This research has challenged the validity of the statements made by those previous authors, given the responses collected in the research; the participants in this instance may also however have a poor understanding of the value system. It would therefore be beneficial that further research be carried out to dispel these doubts and ensure that the contribution to knowledge made by this thesis is correct.

Previous research has also not identified what authors thought traditional Chinese values might be exactly, given that most of the previous research was mainly focused on elaborating the sources of traditional Chinese values, which were derived from Buddhism, Taoism and Confucianism. This research has addressed the above issue by gathering information on the various traditional Chinese values.

A considerable body of research work (Adler 2002; Chen 2001; Goosaert 2003; Levy 2007; Ehsan 2009; Chang & Rosenzweig 2001; Israel et al. 2001; Lund 2005; Navaretti & Castellani 2004, Eichegreen 2006; Daniere et al. 2002) has shown the conflicts/potential conflicts but has not indicated the possibility of a ‘fusion’, which in reality might be feasible. Therefore this research has put a similar question to the interviewees in the hope of understanding such a fusion, which they thought would be possible. It is desirable that further research in this area be conducted, as the participants might have a potential misunderstanding of the values.

There still authors (Mays & Pope 1995; Groenewald 2004; Elizur et al. 1991) who debate whether the traditional Chinese values would be better than Western values; they are however
deemed not credible or relevant enough for confirmation. This research has determined that the statement that Chinese values would be ideal might possibly be true, but the question is to what extent. Therefore, it is recommended to use this research as a basis on which to conduct further investigations to identify whether traditional Chinese or Western values might be better or whether a ‘fusion’ of both might be the best option.

This research has found possible links between the usage of Western values and the ethical standards within a community, as for a long time Western values have strongly promoted the value of ethics. The above statement may be supported by the case of Singapore having a lower corruption rate and a longer history of exposure to Western values, while PRC has a higher corruption rate and a shorter history of exposure to Western values. This is something which has not been previously compared by other authors.

An understanding of who is responsible for ethical promotion has also been established in this research, along with the understanding that ethical standards draw a fine line between what is ethical and what is not. Some practices that would be deemed as unethical in the eyes of Western business may be logical and normal in the Chinese business context. Understanding this is a priority, as one might end up offending individuals with inappropriate actions in inappropriate situations. This is another significance of this research.

Most of the authors (Bian & Ang 1997; Pearson & Entrekin 1998) have stated that PRC and Singaporean managers have similar values. However it is clear from the analysis above that traditional Chinese values are different even among PRC and Singaporean Chinese managers. This is in contrast with the research work done by most other authors, who have described PRC and Singapore as having similar values. This would have created awareness for other authors in future not to make such sweeping generalisations, making this one of the significant contribution of the research. This could also lead to research in other countries that are influenced strongly by Traditional Chinese values such as Vietnam, Myanmar, Indonesia, Thailand and even modern Laos.

6.4 Closure

Chapter Six has commenced with a summary of each of the previous chapter covered. Contributions along with key findings were then presented.
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Southern Cross University

Understanding the influence of traditional Chinese Values on the ethical behaviour of managers in construction organisations in China and Singapore

INTERVIEW SCHEDULE

DATE: 
Interviewee: 
Organisation: 

INTRODUCTION

This project aims at understanding the influence of Traditional Chinese Values in ethical behavior of managers in construction organisations in China and Singapore.

This project is for the partial fulfilment of the degree of Doctor of Business Administration at Southern Cross University. The researcher is from Southern Cross University.

I would be interviewing people from the China & Singapore Construction Industry, they would be generally management level personnel in order to obtain a more complete view.

Bases on what you and others say, this project will help to provide more understanding about the way and which Western Business Values & ethics have impacted on Traditional Chinese ways of doing business.

Each interview is confidential. Only members of the research team will have access to your interview transcript, the transcript will be kept secure, and you will not be personally identified in any project publications.

We are not particularly looking for particular responses, so please answer in any way that you want to. We are asking everyone the same questions but we realise that you may not be in a position to answer every question.

Also, please bear with me if I ask a question that you have already answered in a previous response. It is important that I do not omit any of the set questions.

Do you have any questions before we proceed?

You have our contact details in the Participant Information Sheet so you can get in touch later if you want to.
Interview Schedule

Background

1. Could you please provide some detail about the ownership structure of your firm?

2. What is your role in the firm and how long you have held this position?

3. Could you please provide some basic information about your education?

   *e.g., local, in other countries, etc.*

4. Could you please provide some basic detail about your previous employment history?

   *i.e., local, in other countries, etc.*

5. What sort of construction projects does your company specialise in?

   *What sort of stakeholders do you deal with?*
Traditional Chinese Values

6. What values would you say are personally important to you?

Which of these values would you say is the most important?

7. Where do feel these values come from?

i.e., culture, parents, teachers, business mentors, etc.

8. To what extent do these values influence your business decisions or dealings?

Can you please give an example of your values in action?

9. Does your firm have a list of core values?

What are these values and how are they articulated?

Does your company have a mission or vision statement?

If you don’t have such a list, can you see any value in having one?
Western Values

10. Do you feel that your personal values are still as prevalent in your local business context as they used to be?

   *Could you please elaborate on your response?*

11. In what way do you think the business values of managers in your area have changed over the years?

   *Are you happy with this state of affairs, or is this a cause for concern? Why?*

12. Do you see any differences between your values and those of your management staff?

   *If yes, what are the differences? And why do you think this is the case?*

13. To what extent do you feel that Western values pertaining to business are prevalent in your local context?

   *Is this situation a matter of concern for you?*
Value Conflict

14. From your knowledge and experience, what sorts of values are generally practised by Western managers?

\[ \text{Which of these values would you say is the most important to Western managers?} \]

15. What do you think about Western values as they pertain to management?

\[ \text{Are they culture specific to some extent?} \]

16. To what extent are Western values compatible with you and your business practices?

\[ \text{Can you provide an example of why, or provide an example where Western values might not be compatible with your own business practices?} \]

Local Construction Industry and Ethics

17. To what extent do you feel that having contacts within the local construction industry is important to success?

\[ \text{What other sort of contacts might be important?} \]
18. Do you feel that local construction firms cohere with what you regard as ethical conduct?

*Why do you think this is the case?*

19. What do you feel are the core ethical issues confronting the local business environment?

*Why do you think this is the case?*

20. Have you at any time in your construction career been confronted with an ethical conflict?

*If so, please provide more detail.*

21. How do you think ethical conduct in the local industry could be improved, and, if so, who should be responsible?

*e.g., training, workshops, industry guidelines, standards.*

22. That’s the end of the set questions. Is there anything you’d like to add?

Thank you very much for your participation in this interview. Your responses will be treated with the utmost confidentiality.
The Southern Cross University Human Research Ethics Committee has established, in accordance with the National Statement on Ethical Conduct in Human Research – Section 5/Processes of Research Governance and Ethical Review, a procedure for expedited review by a delegated authority.

Your ethics application was considered by the HRESC, Tweed/Gold Coast at the meeting on 12 May. Responses to the HRESC queries have been received and the application is now approved.

The approval is subject to the usual standard conditions of approval.

**Standard Conditions** in accordance with the National Statement on Ethical Conduct in Human Research (National Statement) (NS).

1. **Monitoring**
   
   *NS 5.5.1 – 5.5.10*
Responsibility for ensuring that research is reliably monitored lies with the institution under which the research is conducted. Mechanisms for monitoring can include:

(a) reports from researchers;
(b) reports from independent agencies (such as a data and safety monitoring board);
(c) review of adverse event reports;
(d) random inspections of research sites, data, or consent documentation; and
(e) interviews with research participants or other forms of feedback from them.

The following should be noted:

(a) All ethics approvals are valid for **12 months** unless specified otherwise. If research is continuing after 12 months, then the ethics approval MUST be renewed. Complete the Annual Report/Renewal form and send to the Secretary of the HREC.

(b) Generally, the researcher/s provide a report every 12 months on the progress to date or outcome in the case of completed research specifically including:
   - the maintenance and security of the records.
   - compliance with the approved proposal.
   - compliance with any conditions of approval.
   - any changes of protocol to the research.

   Note: Compliance to the reporting is **mandatory** to the approval of this research.

(c) Specifically, that the researchers report immediately and notify the HREC, in writing, for approval of any change in protocol. **NS 5.5.3**

(d) That a report is sent to HREC when the project has been completed.

(e) That the researchers report immediately any circumstance that might affect ethical acceptance of the research protocol. **NS 5.5.3**

(f) That the researchers report immediately any serious adverse events/effects on participants. **NS 5.5.3**
2. **Research conducted overseas**  
*NS 4.8.1 – 4.8.21*  
That, if research is conducted in a country other than Australia, all research protocols for that country are followed ethically and with appropriate cultural sensitivity.

3. **Complaints**  
*NS 5.6.1 – 5.6.7*  
Institutions may receive complaints about researchers or the conduct of research, or about the conduct of a Human Research Ethics Committee (HREC) or other review body.

Complaints may be made by participants, researchers, staff of institutions, or others. All complaints should be handled promptly and sensitively.

*Complaints about the ethical conduct of this research should be addressed in writing to the following:*

Ethics Complaints Officer  
HREC  
Southern Cross University  
PO Box 157  
Lismore, NSW, 2480  
Email: ethics.lismore@scu.edu.au

*All complaints are investigated fully and according to due process under the National Statement on Ethical Conduct in Human Research and this University. Any complaint you make will be treated in confidence and you will be informed of the outcome.*

*All participants* in research conducted by Southern Cross University should be advised of the above procedure and be given a copy of the contact details for the Complaints Officer. They should also be aware of the ethics approval number issued by the Human Research Ethics Committee.

Jacqueline Hudson  
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