Tentative SWOT Analysis on Business Leadership in China's Greater Bay Area

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ABSTRACT: *This paper serves as a wake-up call for business leaders in China's newly established Guangdong-Hong Kong-Macao Greater Bay Area to review their strengths, weaknesses, opportunities, and threats (SWOT) for them to survive and succeed in a volatile environment. The survey used in the study was intended to examine the impact of such factors as leadership traits and personal dispositions including the cultural heritage of Confucianism in business settings. In addition, it was devised to find out whether foreign language skills matter in this regard. Subsequently, companies and institutions are called upon to establish a mechanism to cultivate a talent pool and identify potential leaders in this area.*

KEY WORDS: leadership traits, personal dispositions, SWOT

INTRODUCTION

China plans to become a global leader in artificial intelligence, big data, cloud computing and other high-tech technology. At the same time, the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) has been assigned a leading role for this purpose. It is expected to be a counterpart of San Francisco Bay Area. Among Fortune 500 companies, 16 have their headquarters located in this area. The total valuation of unicorn companies in Shenzhen exceeds 40 billion US dollars, mainly in the fields of Internet finance, artificial intelligence, cloud services and intelligent hardware. Apple, Microsoft, ARM, Airbus, and other multinational companies have set up operation centers or laboratories in Shenzhen. The Greater Bay Area will become an important window and fulcrum for connecting with the global economy in the process of China's further deepening of opening up (KPMG, 2018)

Against this backdrop, business leaders in this area are facing demands in their management styles since they must handle multiplicity, diversity, and cultural differences across their workforce and markets. Undoubtedly, they have to work in extreme complexity and uncertainty, particularly at a time of frequent conflicts between the major players in the business world. Therefore, it is imperative for companies to identify what traits are essential for business leaders with the potential to navigate in a dire situation, so that they could build up a talent pool for future global C-suite leaders.

LITERATURE REVIEW

Cultivating leadership is recognized as one of the most imminent and challenging missions for almost all sorts of Chinese companies, regardless of state-owned, private local Chinese firms or multinational corporations. Paradoxically, it was long believed that East Asian people are constrained hugely by their cultural heritage (Confucianism in particular), which leads to the lack of critical or innovative thinking. When they are confronted with complex situations or uncertain environment, it is quite challenging for them to decide, let alone to lead. (Mahbubani, 1998; Bell, 2008; Chan, 2008)

What's worse, it looks like most Chinese companies still stick to certain criteria when selecting and identifying candidates as potential leaders. Among other things, seniority and education come first, which may not necessarily correlate with high potential in leadership talent. However, many industries have been going through rapid changes whereas many companies are failing at developing and promoting candidates leading them to success. Therefore, the gaps in China's leadership capacity have been further widened since only a small proportion of companies (11%) admitted that they picked the right one for their management matrix (Lynton & Beechler, 2012).

That's why programs on leadership are indispensable for businesses to cultivate those potential talents who might be promoted to higher positions in the future. At the same time, others would be disqualified if they are not able to demonstrate capacities to perform well in those leadership programs. This mechanism of screening is supposed to be effective and efficient with the focus on the best candidates only.

METHODOLOGY

To fulfil their strategies and growth plans, companies need a new generation of leaders with new management styles and leadership capabilities. They should work out how to improve their talent identification. They must better assess talent beyond the competencies their leaders already possess to determine the potential that will enable continuous growth and development of new skills.

Researchers have associated promotion decisions in business world with leadership traits as well as personal disposition based on their analysis of prominent CEOs in top companies in the world. They claim that the prevalence of Jewish and Indian business leaders in those companies could be attributed to their well-suited traits and particular cultural heritage (Bennis & Thomas, 2002; Inamdar & Alluri, 2021).

Such factors would be examined to investigate whether Chinese leaders have the potential to play a leading role against the backdrop of ever-changing situation due to political and economic uncertainties within and beyond China; whether they're equipped well to handle emergency and ambiguity; what might be Chinese leaders' strengths, weaknesses, opportunities, and threats?

For this purpose, a survey was conducted to find out what most hinders the potential business leaders from taking a leading role in the Greater Bay Area. The questionnaire was distributed to 128 managers based in the area at either state-owned or private companies, who were once enrolled in an MBA program at Shenzhen University.

The items on the questionnaire are generally involved in potential traits related to leadership (See Table 1). and personal disposition (See Table 2). The respondents were required to mark one of the 6 responses ranging from strongly agree to strongly disagree on a 6-point scale, followed by specific examples to specify their answers.

Table 1

1.	Is your company's leader prepared to address business challenges in the coming years?
2.	Is your company's leader motivated to develop leadership skills?
3.	Does your company's leader lack job experience in leadership role?
4.	Is your company's leader promoted based on competence?
5.	Does your company's leader enjoy the role of leading?
6.	Is your company's leader effective as a leader?
7.	Does your company's leader prefer to micro-manage?
8.	Does your company's leader delegate?

Table 2

1.	Is your company's leader thoughtful?
2.	Is your company's leader skillful at interpersonal relationship?
3.	Is your company's leader attentive to people's feelings?
4.	Is your company's leader flexible?
5.	Is your company's leader emotional?
6.	Is your company's leader resilient?
7.	Is your company's leader energetic?
8.	Is your company's leader proficient at English or any other foreign language?

Date Analysis
Questions related to competencies and experiences can demonstrate the skills of leadership, while others concerning individual attributes such as motivation and disposition are intended to scrutinize the potential of being a leader.

It goes without saying that leadership traits coming from competence or experience are definitely favourable conditions for an aspiring leader. Personal disposition formed by physical, educational, or cultural factors can be vital to their development as a leader. People with leadership potential are more likely to be enthusiastic about taking a leading role and usually highly motivated by working as a leader. Such interest and motivation may reinforce each other, and subsequently determine one's career planning, which, in turn, may facilitate the performance of a leader. Such people could be a natural at leading others.

To better understand what could be productive or counterproductive to being an effective leader, the analysis on the results from the survey is grouped into four categories: strengths, weaknesses, opportunities, and threats (SWOT).

Strengths

In terms of competence and job experience, there is high expectation that the leaders observed by the respondents can develop leadership skills from their previous work or education since 90% of the respondents indicate that their leaders are well suited when it comes to their qualifications. They possess at least a bachelor's degree. 30% of them got a higher certificate of either master's or doctor's degree, and 80% of them have relevant work experience prior to the current job. This is not surprising given that the Greater Bay Area has been a magnet for graduates from almost all corners of the country, ever since the reform and opening up policy of China in the 1980s. In recent years, people coming back in droves from institutions overseas started to look for a job in this area, complete with diverse education or work experience. A majority of them are fairly proficient in English and have no problem at all when dealing with foreign clients.

As for their disposition, the leaders in the Greater Bay Area are generally regarded as quite thoughtful and considerate as 80% of the respondents gave a high score to the questions related to such traits regardless of their company's corporate culture. They tend to consider issues with a holistic view and pay attention to people's feeling. This may be explained with Chinese cultural heritage of harmony between interpersonal relations, advocated by Confucianism (Bell, 2008). Such features have been absorbed as elements of meritocracy. Being sensitive and caring could be the fundamental features for a great leader, which makes them not only successful but also humanistic. This might be the ultimate decisive factor for the sustainable development of a great leader.

Weaknesses

According to the respondents in the survey, 65% of their leaders tend to focus on a given project deeply instead of multi-tasking simultaneously. They may be classified as specialists in contrast to generalists. Specialists usually put more efforts into improving their skills, aiming to become an expert in that field. They are accustomed to thinking professionally and precisely, motivated to give full play to their skills and work hard by themselves. This might be attributed to the osmosis of Confucianism in Chinese society. People are not assertive when thinking big or looking ambitious and try to align with the golden mean subconsciously. However, such mindset may turn out to be a downside compared with generalists who can tackle multiple projects at the same time thanks to their macro perspective (Cesare & Thornton, 1993).

On the other hand, in the eyes of the respondents, over half of their leaders are quite attentive to small details and always ready to show their expertise but may feel uncomfortable confronting bigger problems and issues. They are likely to micro-manage in their daily work and hesitate to delegate. Thus, most of their time is consumed to handle technical issues, such as planning, organizing, and executing. Such operational work can hone their skills, but as leaders are expected to deal with a complex and volatile business environment, they'd better equip themselves with vision and broad perspectives.

Opportunities

The good news is that most of the companies reported in the survey tend to assign a big portion of their budget to develop the talent pool for leadership. And they are fully aware of the implications of a global context complicated by the conflicts between China and the U.S., along

with the disruptive pandemic of Covid 19. They are eager to usher in development programs with the best practice in experiential learning to cultivate candidates as potential leaders, with orientation on innovation and inclusiveness, so as to adapt to a diverse and technology-driven world.

In the meantime, it looks like that the younger generation of Chinese business leaders have outgrown their seniors who were desperate to move ahead of others due to the scarcity of resource (Lynton & Beechler, 2012). This can be proved by the fact that they have comparatively less hunger for power or desire to climb up the social ladder as older generations did. Instead, they would like to explore and embrace possibilities of self-achievement driven by technology or innovation as 70% of the respondents in the survey described their leaders this way. This could be a promising tendency for Chinese business leaders in the years to come as more and more of them are scrutinizing conventional dogma and starting to think for themselves.

Threats
Chinese leaders in the previous decades are said to prefer short-term results to a long-term strategy, taking a short cut if possible. This is partly due to their sense of insecurity caused by uncertainties in political and economic situations. Therefore, they are generally risk-averse and lack tolerance for ambiguity (Zhang, 2014). Then, it's not surprising, though alarming, that less than 40% of the respondents believed their company's leaders are well prepared to address business challenges in the coming years, which requires high-level resilience and composure, especially at a time of volatility.

Facing a tough and stressful business environment, great leaders with flexibility and grit may stand a better chance to lead their company to survival at last. They know how to maintain their momentum in order to get through the darkest hours. They remain passionate and vigorous, full of faith and hope. However, this is exactly the dispositions the leaders in the Greater Bay Area are yet to acquire. They still have a long way to go until they are there with most of the qualities in this personality kit.

CONCLUSION

The global, national, and local business environments have been going through changes rapidly, which may entail not only risks but also opportunities. What the business leaders in China's Greater Bay Area are faced up with is no exception. In the context of trade war between China and the U.S., the non-stop and sporadic conflicts in the areas of geopolitical significance, situations may be more complex and dire. It is crystal clear that companies need to find and develop the right talent in a sustainable fashion.

For this reason, companies and institutions should establish a mechanism to identify and cultivate potential candidates for leading roles. The positive and productive skills in leadership and personality may be amplified and boosted whereas the detrimental factors should be mitigated or moderated if possible. Namely, they could capitalize on the leadership development program to continue their experiential learning. They could maintain their humanistic touch and attempt a macro perspective by learning to delegate. Then, hopefully the

Greater Bay Area may be provided with ideal candidates to lead the businesses in this area to rival their counterparts in the world.

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