

Cultural dimensions in leadership development in joint ventures: the case of Vietnam

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ATTESTATION OF AUTHORSHIP

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.

Quy Cao (Jenny)

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ABSTRACT

Vietnam is an emerging economy that has received multi-billion dollar foreign investments from corporations within both developed and developing countries. For the last fifteen years, many companies have developed joint ventures in Vietnam to lower costs and participate in the Southeast Asian marketplace. The joint venture enterprises, along with Vietnamese companies, whether private or state-owned enterprises, all need effective leaders. In this context, developing leadership has been viewed as a strategic initiative in improving the individual skills and capabilities and achieving organizational goals.

The long term success of joint ventures which are formed by a foreign investor and a Vietnamese enterprise also needs an understanding of culture. While Asian management research has reviewed leadership development theories and practices, the understanding of cultural dimensions on leadership development in Vietnam is limited. Based on reviewing Hofstede (1980)'s dimensions of individualism or collectivism and power distance, this dissertation provides a literature review and case studies about the impact of dimensions of culture on the emerging leadership development in the selected country of Vietnam.

This dissertation focuses on key areas of leadership development theories and leadership development in the Vietnamese context. By analyzing leadership development activities from a perspective of a joint venture enterprise and a leadership development program provider, it is seen that leadership development activities in Vietnam are still in the early stages of development. Although there is a recent trend in researching human resource development in Vietnam, there has been a lack of attention to leadership development.

Additionally, the review of Vietnamese cultural dimensions indicates the impact of both dimensions of collectivism and power distance on the leadership perceptions and processes of developing leaders in Vietnam. Thus, this dissertation contributes to the Vietnamese management literature and it calls for human resource development scholars to push current research frontiers in the scholarship on leadership development in emerging economies.

Chapter One – INTRODUCTION

This chapter sets out the nature and scope of cultural dimensions in leadership development in joint venture: the case of Vietnam. First, the chapter begins with a brief overview on the emerging environment for leadership development in the Southeast Asian region. Second, there is a discussion on different contexts of Vietnam which includes history, society, economy and culture. Then the final section describes the research objectives and the organization of the dissertation.

1.1 The Southeast Asian context

Southeast Asia represents an area of sustained economic growth and exhibits potential for creating joint ventures as shown in its progress over the last two decades. The region is recognized as a fast economic growing area in the world as demonstrated by its recovery from the Asian financial crisis during the period of 1997 and 1998 (Rowley & Warner, 2010). Southeast Asia refers to the independent countries south of China, east of India and north of Australia. This includes Brunei, Cambodia, East Timor, Laos, Myanmar, Malaysia, Indonesia, Philippines, Singapore, Thailand and Vietnam (see Figure 1). With a total inflow foreign investment of US \$36 billion in 2009, the emerging industrial economies in Southeast Asia have become significant destinations for foreign direct investment (UNCTAD, 2010).

Figure 1 – Southeast Asian Map



Despite a growing interest in the Southeast Asia region's economy, its market still signifies a challenge for international organizations. The lack of transparency in the legislative system and a low level of technology and physical infrastructure in some Southeast Asian countries have become main obstacles for foreign firms risking their investments (Anh & Meyer, 1999). Moreover, the excessive procedures in starting a business, including time and cost for registering property, enforcing contracts, protecting investors and paying taxes have contributed to the major sources of investment failure (The World Bank, 2010).

More importantly, the limited understanding of each partner's national culture could create conflicts and affect the development of joint ventures (Quang, Swierczek, & Chi, 1998). Southeast Asian cultures have contextual features that have distinguished them from other emerging countries and they have affected the region's current business environment. The region's location brings its cultural influences from either China or India or both, with Vietnam considered as the most Chinese-influenced country (Hitchcock & Wesner, 2009). The most important code of conduct introduced by the Chinese, Confucianism, is still found in some Southeast Asian societies. Moreover, Asian countries have been recognized as sharing similarities in cultural values which are rated on a number of dimensions by a number of studies (Bhopal & Hitchcock, 2001; Hofstede, 1984, 2001; Hofstede, Neuijen, Ohayv, & Sanders, 1990).

In such a culturally complex business environment, managers are required to use their knowledge and leadership skills in coping with both local and global contexts. To succeed in a highly competitive global business, developing leaders at all levels is a critical and strategic initiative. However, the existing literature on training and management highlights a scarcity of research on leadership development in the Southeast Asian context (Bae, Chen, Wan, Lawler, & Walumbwa, 2003; Burton, Butler, & Mowday, 2003; Napier & Vu, 1998). Considering the growing economic importance of the region, it is important to conduct research that explores the crucial role of developing effective leadership in a complex cultural context, as for example in Vietnam.

In order to contribute to Southeast Asian's management literature, this dissertation draws attention to Vietnam because of its dynamic transitional environment. Leadership development has begun to be recognized as a strategic initiative in creating and managing successfully ventures for all organisations in Vietnam (Quang et al., 1998).

There is already a substantial body of Asian management research on theories and practices of leadership development (Chow, 2005; Gao, Arnulf, & Kristoffersen, 2011; Pheng & Lee, 1997; Toor & Ofori, 2008). However, the understanding of Vietnamese culture on developing leadership in the joint venture area is still limited.

Since this dissertation concentrates on the effects of culture in leadership development, an understanding about the business environment in Vietnam is crucial. Thus, the next section provides an insight into the country's contextual features that have played a significant role in shaping the country past, present and future.

1.2 Country context of the research: Vietnam

Within Southeast Asia, Vietnam is geographically located at a central position which has brought unprecedented opportunities for economic development. With gross domestic product (GDP) in excess of US \$ 97.2 billion in 2009 and a population of 86 million, Vietnam is considered as an attractive location for investment (The World Bank, n.d.) . In 2009, Vietnam maintained a growth of foreign investment by attracting US \$6.9 billion from 74 countries and territories (UNCTAD, 2010). Vietnam is predicted to be the second fastest growing of the emerging economies after China and it will become the world's 17th largest economy by 2025, with a potential growth rate of almost 10% per annum (PricewaterhouseCoopers, 2008).

In order to achieve the economic developments, Vietnam has experienced an important transition from a controlled economic philosophy to a free-market economy. The market reform depends not only on the economic context but also on the supporting environment of the society, history and people. It can be asserted that the current Vietnamese business environment has been shaped by many contextual features. These contexts contribute to define the position of Vietnam in the world economy and distinguish it from other countries. Consequently, the following discussion is aimed at describing the common contextual attributes and drawing implications for research questions and objectives.

1.2.1 Historical context

Vietnam was under the influences of non-Vietnamese sovereigns for much of its history. Between 111 B.C.E and A.D.938, Vietnam remained under the rule of China and this international relationship has become a significant fact in the history of Vietnam from every point of view (Thien, 2005). During those one thousand years, the

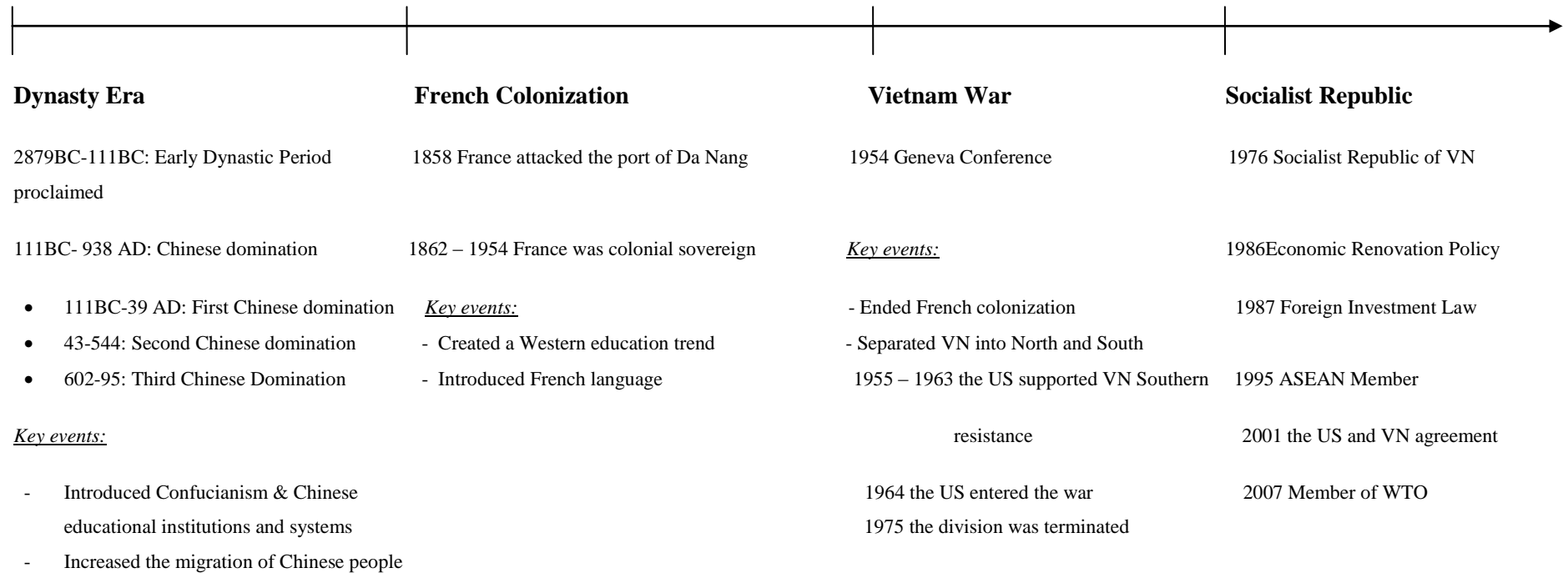
Chinese economically exploited Vietnam as a province of China. However, they also introduced Vietnamese people to techniques and knowledge in agriculture, as well as the Chinese institutional system, including an appreciation of education and training (Ralston, Terpstra-Tong, Maignan, Napier, & Nguyen, 2006).

Through ten centuries of domination, the Chinese created a powerful ruling system that affected the level of culture and civilization in Vietnam. More importantly, the moral values of Confucianism that the Chinese introduced to Vietnam have taken a strong hold in the country's society, ethics, government and culture (Thien, 2005). However, the impact of Confucianism on Vietnam has been weakened since the country had to face Western colonization, led by the French which began in the 1800s.

During the period of colonization, the French made changes in the administrative system and schooling system which created a Western-educated generation in Vietnamese society. In 1954, the Geneva conference put an end to French colonial administration in Vietnam and divided the country into two parts. From 1955, Vietnam was drawn into a civil war with the United States supporting the southern resistance (Kamoche, 2001). Although this geographical division was then terminated in 1975 by the rule of Communism, it addressed the potential regional differences in terms of resources, modes of business operation and work behaviour orientation (Ralston et al., 2006).

In brief, Vietnamese history was shaped by colonization and the struggles to achieve independence over eighteen centuries. Figure 2 summarizes the key events which occurred in Vietnamese history. These features of the historical context have made a significant impact on the current business environment and its human resource management. Vietnamese government and local organizations have faced fundamental problems in upgrading their operations to achieve economic growth goals and unlock the potential pool of human resources.

Figure 2 - Key Events in Vietnamese History



938 – 1945 Late Dynastic Period

Source: Thien (2005); Hoang & Dung (2009)

Note: ASEAN = the Association of Southeast Asian Nations

VN = Vietnam

WTO = World Trade Organization

1.2.2 Social context

Vietnam has accomplished great progress in providing basic education to a large proportion of its population. Vietnamese receive an average of nine years of schooling and more than 93 percent of Vietnamese youth older than 15 are literate (The World Bank, 2009). Moreover, the implementation of strategy on education development over the past ten years has brought a diversification of types of training institutions and tertiary education system. The number of training facilities increased from 101 universities and colleges in 1987 to 376 universities and colleges in 2009 (Vietnam Ministry of Education and Training, 2009).

The achievement of tertiary education reform in Vietnam includes structure of qualifications, types of careers and the forms of training. Importantly, educational cooperation with other foreign countries through 31 international treaties and agreements during the period of 2008 and 2009 has been seen as recognition of achievement in Vietnamese tertiary education and a comprehensive opportunity for a higher level of training capability (Vietnam Ministry of Education and Training, 2009). These accomplishments have put Vietnam in a better position of educational development than countries that have similar capita income.

Although the educational system has provided a competent and motivated workforce for socio-economic development, Vietnam has still faced significant challenges in educational access and improvements of training quality. The attainment of training and education for people varies by provinces or regions (Anh & Meyer, 1999). Difficulties to education access are concentrated in rural and mountainous areas in which a high level of poverty and a lack of resources tend to make education costly to deliver (The World Bank, 2009).

Furthermore, training institutions have been facing issues in controlling the quality of education. The universities and colleges are slow to change in developing disciplines that meet the growing demand for technical and managerial skills (Kamoche, 2001). The report of the Vietnam Ministry of Education and Training shows the fact that the educational system in Vietnam has not created standards for learner competence and for trainers and education investors (Vietnam Ministry of Education and Training, 2009). Indeed, the lack of evaluation on the training quality of institutions has brought a major challenge to achieve the increasing demand of quality human resources.

These social issues suggest the opportunity for research in human resource management that examines how the education and training activities can develop crucial skills for success in an international business environment. The emergent training and management development practices that reflect Vietnamese's social and cultural contextual factors may be particularly revealing. Similarly, human resource development institutions may explicitly consider the suitability and adequacy of training initiatives, especially given the increasing role of multinational firms in Vietnamese transition economy.

Another distinguishing feature of Vietnam is the level of religious homogeneity. The majority of Vietnamese adopt basic values of Confucianism, although Confucian social values have been weakened after the discarding of Confucian political institutions (Thien, 2005). Buddhism is the largest of the major religions in Vietnam with about 80 percent of the population practicing the religion while small minorities are Catholic, Confucian, Taoist and Cao Daist. Management development theory could be enhanced by exploring the impact of Buddhism and Confucianism on training and leadership development.

1.2.3 Economic context

Over the past 20 years of reform, Vietnam has set up the fundamentals of a market economy and has exposed the economy to international flows of capital and trade. Emphasis was placed on market reforms and the implementation of trade liberalization to attract foreign investment (Anh et al., 2011). In 1986, the nationwide market reform, known as Doi Moi (the Vietnamese term meaning "renovation") was taken and continued with the introduction of the Foreign Investment Law in 1987 to create a favorable business environment for joint-venture investment (Anh & Meyer, 1999; Kamoche, 2001).

Since 1992, Vietnam has substantially liberalized its trade regimes by signing trade agreements with the Europe Union and joining the ASEAN Free Trade Area in 1995 (Anh, Nhat, Chuc & Thang, 2011). By 1993, Vietnam also established relations with international institutions such as the World Bank and the International Monetary Fund which encouraged foreign companies to put investment into the country. Furthermore, the comprehensive trade agreement between the United States and Vietnam in 2001 brought a historic step in normalizing economic relations that had been disrupted by the

civil war (Sharpe, 2005). The entry into the World Trade Organisation in 2007 was a further step for Vietnam to gain stable access to the global trade in goods and services.

With the flexible and open regulations of laws, foreign investment in Vietnam through joint ventures has expanded rapidly. Table 1 presents foreign investment flows in Vietnam during the period 1986-2010. From 1986 to 2010, the Vietnamese government approved 13,812 foreign direct investment projects, with a total investment capital accounting to US \$ 214 billion (General Statistics Office of Vietnam, n.d.). Although foreign investment projects have operated in most sectors of the Vietnam economy, three industries that have been receiving the biggest investment are construction, services and agriculture (General Statistics Office of Vietnam, 2010). Foreign direct investments in Vietnam by sector are displayed in Table 2. Furthermore, current foreign projects have been concentrated in key economic regions of the whole country, including Ha Noi, Hue, Ho Chi Minh and Hai Phong (see Figure 3). These cities have accounted for approximately 70 percent of total joint venture investment (Anh & Meyer, 1999).

Table 1 - Foreign direct investment in Vietnam (1986- 2010)

	<i>1986</i>	<i>1991</i>	<i>1996</i>	<i>2001</i>	<i>2006</i>	<i>2010</i>
Population (million)	60	68	74	79	84	88
GDP (US million)	26	10	25	33	61	104
GDP per capita (US\$)	437	142	332	413	724	1,172
Foreign direct investment, net (BoP, US billion)			2	1	2	7,1
• Number of projects		152	372	555	987	1,237
• Registered capital (US\$ million)		1291,5	10164,1	3142,8	12004,0	19886,1
• Implementation capital (US\$ million)		328,8	2714,0	2450,5	4100,1	11000,0
Exports of goods and services (US\$ billions)	2	3	10	18	35	72
Imports of goods and services (US\$ billions)	4	3	13	18	48	79

Source: The World Bank; General Statistics Office of Vietnam (n.d.)

Table 2 - Foreign Direct Investment in Vietnam by Sectors (as of 31st December, 2010)

<i>Industry</i>	<i>Number of Projects</i>	<i>Registered Capital (US\$ million)</i>
Industry & Construction	8247	114,616
1. Processing Industry	7385	95148,3
2. Construction	707	11589,1
3. Mineral Exploitation	68	2943,4
4. Production and distribution of electricity, gas, hot water, steam and air conditioning	63	4870,4
5. Water supply, operation and management of waste disposal, waste water	24	64,8
Services	3633	76,214
1. Technology Development	991	707,6
2. Information & Telecommunication	656	4819,1
3. Wholesale & retail trade, Repairing	517	1649,1
4. Real estate	354	48043,2
5. Transportations, Storage	304	3181,5
6. Hotel & Restaurant	302	11390,9
7. Education & Training	136	342,4
8. Entertainments & Sports	124	3483,1
9. Consulting Service	99	182,8
10. Finance, Banking & Insurance	75	1093,2
11. Public Health	75	1093,2
Agriculture, forestry & fisheries	478	3095,8
Total	8,725	193,926

Source: General Statistics Office of Vietnam (2010)

Figure 3 – Map of Vietnam



In joint ventures, foreign companies tend to invest physical infrastructure, technical knowledge and physical investments while Vietnamese partners provide legal knowledge, business contacts and equity in term of land (Anh & Meyer, 1999). Despite the government institutes attractive laws for foreign direct investment, foreign firms have still found obstacles for doing business in Vietnam. Between 1997 and 1999, the total amount of foreign direct investment decreased 24 percent per year and continued to decline by 39 percent in 2002 (The World Bank, 2002). The effect of regional

economic crisis, cultural distance, the lack of transparency in the legal framework and managerial skills are the reasons for the recent slowdown in foreign investment.

The current crisis of foreign investment has raised strong concern for Vietnamese business to minimize obstacles and maintain long term relationships with foreign investors. The reforms of business management in a market-oriented economy could be an interesting topic to discuss; therefore, it can be an opportunity for research management to examine the crucial role of training programs for local managers to develop their managerial competency and leadership skills.

1.2.4 Cultural context

The ten centuries of Chinese domination had significant influences on Vietnam's culture and civilization. Although Vietnam resolutely avoided total absorption by China, the country adapted Chinese culture and Confucian philosophical beliefs. The ancestor veneration, respect for family and community values and the appreciation for education are considered to be the main characteristics of Vietnamese culture that were shaped by Confucianism (Le, 2005). In fact, the impact of Confucian ethics in the educational system and family relationships laid the foundation for the hierarchical structure in Vietnamese society. The family has played a crucial role in society in which the duty to family and community is ranked as more important than individual achievements (Kamoche, 2001; Le, 2005).

The hierarchical structure and cultural roots of Confucianism have also affected the contemporary business in Vietnam. With regard to Asian studies, the Vietnamese's business culture has been recognized as bureaucratic which emphasizes regulation and formal structure (King-Kauanui, Ngoc, & Ashley-Cotleur, 2006). Moreover, a study of management behavior indicates that Vietnamese workers embrace the principle of maintaining harmonious relationship, accepting formal management structure, avoiding conflicts, seeing problem solutions as a social process and accomplishing goals through interpersonal persuasion (Tuang & Stringer, 2008).

Indeed, the different aspects of cultural context suggest the opportunity for management research that determines an understanding of how the principles of Confucian ethics shape cultural values and the implications on the way of managing employees and the organization. Especially, the cultural context shows the importance for foreign firms to study their partner's national culture in order to avoid conflicts and failure of joint

ventures. Moreover, management development theories could explicitly consider the influences of cultural issues on the approaches and effectiveness of programs for training local managers and workers.

1.3 Purpose of the study

This dissertation aims at two contributions: the first is to review the current leadership development activities in Vietnamese joint ventures by exploring the leadership development theories and practices. This helps to illuminate the emerging practices of leadership development in the selected country. Considering the important role of understanding culture in the success of foreign joint venture, the research's second aim is to explore the effect of cultural dimensions on leadership development activities. By reviewing and analyzing Hofstede's dimensions of individualism/collectivism and power distance, the researcher hopes to provide an overview of the cultural values in the transitional economy of Vietnam. With the limited research on leadership development in Vietnam, the findings of this dissertation will not only inform current theories and practices that have been adapted in Vietnam but also add knowledge to the current Vietnamese management development literature.

1.4 Organization of the dissertation

The remainder of this dissertation is structured as follows: Chapter two provides a literature review on leadership development in organizations and discusses the terminology and outcomes of developing leaders. It continues with a summary of the most popular practices that have been used in leadership development. Then, it reviews the emerging leadership development within the context of Vietnam.

Chapter three begins with a description of the research methodology that is employed in this study. The approach of case study adopted in the research is then described. Then, chapter four describes an analytical framework for the subsequent case studies analyses. The first case will review the organizational structure and leadership development practices of Hue Brewery Company, Vietnam – a joint venture between Carlsberg and Vietnam. The second case will look at a leadership development provider in Vietnam by examining one of its leadership development programmes.

Chapter five discusses the findings of the case studies and concludes with the relevant issues that are related to leadership development in Vietnam. Chapter six presents the conclusions and pulls together the results of the two case studies in a manner which

aims to advance the theoretical contributions of this research. The strengths and primary limitations of the research are then presented, and avenues for potential further research are suggested.

Chapter Two – LITERATURE REVIEW

2.1 Introduction

This chapter focuses on a review of various studies and provides theoretical constructs for analyzing the impact of cultural dimensions on the emerging leadership development activities in Vietnam. The literature review begins with an overview of leadership development theories within the context of organizations and then within the context of Vietnam. After that, it reviews Hofstede's cultural dimensions of collectivism/individualism and power distance. Finally, the literature ends with a discussion about Vietnamese cultural dimensions and the effects of Confucian cultural roots.

2.2 Leadership development in the organization

Interest in leadership development appears strong among practitioners and theorists. One indicator of this interest is seen in the increased attention and resources that are given to leadership development by many organizations (*2010 Training Industry Report*, 2010). Another indicator is the substantial body of research and publications on the topic. To review the various aspects of leadership development, this literature will (a) define leadership and distinguish leader development and leadership development; (b) review the outcomes of leadership development at the individual and organizational level; and (c) summarize the most popular practices that are used to develop leadership in the organizational context.

2.2.1 Leadership development terminology

The growth of a global business environment has brought unprecedented opportunities and challenges to business organizations. Given the nature of competitive business, the significant impact of technology, the transition to knowledge-based organizations and the need for workforce diversity, there seems to be an increasing call for developing leadership in contemporary organizations.

According to Safferstone (2005), the need for leadership is “a perennial subject that traces its beginnings to the Old Testament, ancient China, and sixteenth-century Italy” (p. 959). Numerous theorists have determined the need of leadership in contemporary organizations and clarified the definitions of leadership (Ardichvili & Manderscheid, 2008; Bailey & Clarke, 2008; Boaden, 2006; Dalakoura, 2010; Day, 2000; Klagge,

1996; Mostovicz, Kakabadse, & Kakabadse, 2009). They have also asserted the positive impact of effective leadership on organizational performance and suggested leadership types and leadership development approaches for organizations to succeed in today's highly competitive business environment.

Leadership has been conceptualized in many different ways. Klagge (1996) defines the nature of leadership terminology through the metaphor of trailblazing in which individuals are out in front of others opening the way, creating new pathways and setting the pace. Applying the definition of leadership in organizations, Bennis and Thomas (2002) write that leaders tend to have the ability to establish a guiding vision, to engage the followers in shared meaning and a sense of integrity. Similarly, Northouse (2007) identifies leadership as a process that occurs in groups and involves influences to achieve common goals.

Given the importance of leadership in the success of contemporary organizations, a number of theorists and practitioners have agreed that the development of leaders at all levels is a critical and strategic initiative. Within the conceptual context of leadership development, the majority of leadership studies focus on distinguishing leader development and leadership development. McCauley, Velsor & Ruderman (1998) describe leader development as an expansion of an individual leader's capabilities, while Day (2000) explains leadership development as a process in which a leader's skills, abilities and behaviours are associated with their formal leadership roles. Furthermore, leadership development is defined as "a process of expanding an organisation's capability to generate leadership potentials within the organisation to achieve organisational goals" (Allen, Conklin and Hart, cited by Ardichvili and Manderscheid, 2008, p.620).

Leader development treats leadership as an individual phenomenon and a result of purposeful investment in human capital (Dalakoura, 2010; Murphy & Johnson, 2011). In contrast, leadership development involves a complex phenomenon that links to the social capital of the organization. Tsai and Ghoshal (1998) argue that the focus of human capital is on training and developing skills and abilities of the individual leader, whereas social capital emphasizes the interactions between the leader and the social-cultural and organizational environment in which they function.

It would seem that building an interpersonal relationship between leaders and individuals of the organization plays an important role in enhancing cooperation and

creating strong sets of organizational values (Browera, Schoormanb, & Tan, 2000). This relational model of leadership relies on commitment, trust and respect for all members of the organization (Browera et al., 2000). Therefore, the types of interpersonal competence associated with leadership development initiatives are social awareness (e.g., service orientation and empathy) and social skills (e.g., team orientation, conflict management and building bonds) (Day, 2000).

Although there is a conceptual distinction between leader development and leadership development, many researchers agree that it is important to have both of them in a systematic attempt to increase leadership effectiveness (Dalakoura, 2010; Day, 2000; Lord & Hall, 2005). By adopting this approach, the integration of leader and leadership development may be aligned with broader goals and strategies of the organizations. This combination will allow leadership to have a greater impact on organizational productivity and performance (Day, 2000).

Overall, the concept of leadership development embraces the development of a collective environment in which leadership is integrated in the organizational development strategies, missions and goals. Leadership development focuses not only on the individual but also the relationship between the leader and the group, team and organization. As such, the outcomes of leadership development should be evaluated at the individual and organizational level.

2.2.2 Outcomes of leadership development

The studies of Day (2000) and Boaden (2006) suggest that the process of leadership development focuses not only on developing the individual leader's capabilities but also building a networked relationship and engaging in a shared meaning among members of the organization. Leadership development provides activities that sustain the achievement of positive outcomes for organizations, communities, and countries by individuals (Black & Earnest, 2009). Thus, the outcomes of the leadership development process should be applied at the individual and organizational level.

2.2.2.1 Individual level

McCauley, Moxley and Velsor (1998, as cited in Day, 2000) articulate that leadership development encompasses the collective capacity of individuals to engage in the leadership role and process in the organization. As a social process, leadership development involves all members in the organization and emphasizes the development

of a networked relationship that will add strong values to the organization (Becker, Huselid, Pickus, & Spratt, 1997; Dalakoura, 2010; Larsson et al., 2003; Tsai & Ghoshal, 1998). Therefore, the outcomes of leadership development for the individual are developing essential skills and desirable competencies.

The study of Larsson et al. (2003) indicates that leadership development enables leaders to manage their tasks more successfully and cope better with stress. Task-related and management-related competencies are viewed as the foundation of leadership. The essential skills and knowledge of leaders enhance their ability to deal with tasks that they currently do and allow them to pursue higher leadership responsibilities (Dalakoura, 2010). Moreover, the competencies associated with management ability are the interpersonal skills which allow the individual to develop the organizational strategies, to control resources and to communicate and motivate other members of the organization to deliver the expected level of performance (McGurk, 2010).

Besides gaining the ability to manage tasks and developing skills, leadership development also provides the ability to manage work stress. As the leaders exist in a highly competitive environment and hold demanding jobs with many responsibilities, they can experience stress. Lovelace, Manz & Alves (2007) emphasize that the leaders' ability to manage stressful work plays an important role in maintaining their job performance and job satisfaction. Through the process learning of leadership development, the individual leader could gain abilities and skills to cope with problem-focused situations and emotion-focused conditions (Lovelace, Manz, & Alves, 2007). Additionally, leadership development practices would determine the ways in which the individual leader can foster an active work environment that supports healthy regeneration and an increase in engagement (Lovelace et al., 2007).

In brief, leadership development embraces a collective learning process and the outcomes of leadership development will be emergent and shaped by the collective framework in which leadership is developed and practiced. The most important competencies that the individual receives through leadership development experiences are the adaptive capabilities and skills to engage subordinates in a creation of shared meaning while at the same time retaining their own distinctive voice (Avolio, Avey, & Quisenberry, 2010).

2.2.2.2 Organisational level

Many organizations have seen that developing leadership is an increasingly strategic imperative for an organization to survive and succeed in a turbulent business environment. Because leadership is viewed as a source of competitive advantage, leadership development embraces the development of a systematic attempt to increase the effectiveness of leadership in order to achieve organizational goals (Houghton & DiLiello, 2010).

McGurk (2010) states that the organization should see outcomes of leadership development in terms of multi-level outputs. Through the process of collective learning and development approaches, leadership development is intended to provide the individual leader with both interpersonal and intrapersonal skills. The designated leader then contributes towards innovation and change initiatives in human resources and at the business level. This could result in enhancing group performance and contributing to a more effective implementation of changes in organizational strategies (McGurk, 2010).

Furthermore, the study of Black and Earnest (2009) finds the link between individual outcomes and organizational outcomes. For instance, the self-efficacy of the individual leader plays an important part in ensuring positive outcomes for the organizations. These authors also argue that organizational outcomes involve an improvement in understanding a big picture of the organization's objectives, achievements and changes in organizational directions (Black & Earnest, 2009).

To summarize, people who are participants of a leadership development program should gain skills and knowledge, develop new insights and be prepared to implement new projects or new strategies which will lead to improvements in the organization.

2.2.3 Leadership development practices

A variety of leadership development practices have been established and implemented in an organizational context. Most of these practices are developed to improve performance management, facilitate corporate socialization or enhance productivity (Ardichvili & Manderscheid, 2008; Cangemi et al., 2011). Among many different

practices, Storey (2011) classified training interventions of leadership development into four main types:

- ❖ Learning about leadership and organizations. This approach primarily defines what leadership may be and what it could be. Learning practices concentrate on experiences in learning and defining leadership in different contexts and providing guidelines for actions that could be taken.
- ❖ Self-analysis, team analysis and exploration of different leadership styles. This intervention focuses on psychometric evaluation to explore an individual's behavior.
- ❖ Experiential learning and simulation. This operates on the basis of action learning and is built around a series of outdoor activities.
- ❖ Executive strategy courses. This intervention offers top level strategy courses for the highest-level management of the organization.

In addition, a number of theorists and practitioners have discussed other approaches that have been widely practiced in the field of leadership development (Ardichvili & Manderscheid, 2008; Hezlett, 2008; Warech, Smither, Reilly, Millsap, & Reilly, 1998). These include 360-degree feedback, action learning, mentoring and networking, leadership coaching, online learning for leadership, accelerated development programmes and a combination of these approaches (Ardichvili & Manderscheid, 2008; Storey, 2011).

Among various approaches, 360-degree feedback, coaching, action learning and job assignments have made a strong mark in the development of leaders. A summary of selected practices in leadership development is displayed in Table 3. According to Day (2000), the use of 360-degree feedback and coaching are associated with the development of human capital in leader development. The approach of 360-degree feedback (also called multi-source feedback or multi-rater feedback) systematically collects ratings from an individual leader's peers, subordinates, direct reports and supervisors on their leadership role from the entire circle of relevant viewpoints (Warech et al., 1998). The leader also provides a self score against which the perceptions of other people are compared.

The practice of 360-degree feedback contributes to the development of an individual leader by providing information on learning directions and growth, and it also promotes organizational development by identifying types of leadership behavior that are

important for the organization (Atwater, Brett, & Charles, 2007). However, Hezlett (2008) argues that there is no guarantee that the feedback will lead to positive changes in the individual's performance and it could become a universally effective tool to foster development for all leaders. The reasons for this is that people may develop defense mechanisms that protect them from feedback which is perceived as threatening (Cangemi et al., 2011; Drew, 2009).

As it is difficult to bring about change by using 360-degree surveys, coaching is another popular leadership development tool that has been widely utilized. Kilburg (1996, cited in Day, 2000) states that coaching consists of practical, goal-focused forms of learning with regard to improving the individual performance, personal satisfaction and enhancing organizational effectiveness. The coaching approach is also comprehensive in working through organizational issues such as culture change to integrate tasks and challenges, especially when coaching is linked with 360-degree feedback (Abbott, Stening, Atkins, & Grant, 2006; Ely et al., 2010).

Coaching can be a short term activity which is mainly aimed at improving specific leadership skills or it can be a lengthy series of meetings over an extended period of time (Feldman & Lankau, 2005). The reason for various time frames is that coaching courses are provided by external consultant companies which affect the training and development budget of the organization. Ely et al. (2010) describe four general steps of a coaching model. The steps are setting the foundation, individual assessment which includes the process of 360-degree feedback, development planning based on the result of feedback, and implementation that concentrates on coaching around development experiences.

In addition to the feedback and coaching practices, a number of organisations have embraced the approach of action learning and job assignments. These approaches are aligned with leadership development because they involve more collective learning activities (McGurk, 2010). The approach of action learning is a continuous learning process which is supported by colleagues with the aim of accomplishing work-related initiatives (Conger & Toegel, 2003; Leonard & Lang, 2010). Because action learning experiences are built on real-time organizational issues, participants learn to apply critical tools and skills in order to overcome challenges and expand leadership roles. On the other hand, Conger and Toegel (2003) identify five common flaws in the action learning practice which can lead to the failure of leadership development. They include

a singular learning experience, weak connection between the learning process and leadership challenges, few real opportunities for reflection, limited emphasis on team learning and poor follow-up on learning outcomes.

Another approach that uses experience as a learning process for developing leadership is job assignments. McCauley and Brutus (1998) contend that development through job experiences help managers learn, undergo personal change and acquire leadership capacity as the result of responsibilities and tasks of their jobs. Job assignments also help managers learn how to build teams, gain valuable persuasion skills and influence their subordinates' skills development (Day & Harrison, 2007). Moreover, job assignments can be used effectively in the international working environment since challenging assignments and environments encourage the individual to try different leadership approaches as a part of their development role (McCauley & Brutus, 1998). However, there has been little theoretical guidance on how to conceptualize work experiences within the context of leadership development.

In fact, there are a variety of approaches for leadership development that have been recognized as beneficial for developing potential leaders. It would seem that every practice has advantage and disadvantages. Therefore, Day (2000) and Ardichvili and Manderscheid (2008) suggest that leadership development should be introduced throughout the organization rather than focused on specific levels.

Overall, the literature on leadership development provides an understanding of leader and leadership development. It also discusses the outcomes of developing leaders at both personal and organizational level and describes four popular leadership development practices. It can be seen that there is a connection between the concept, the outcomes and practices of leadership development initiatives. This connection is shown in Figure 4.

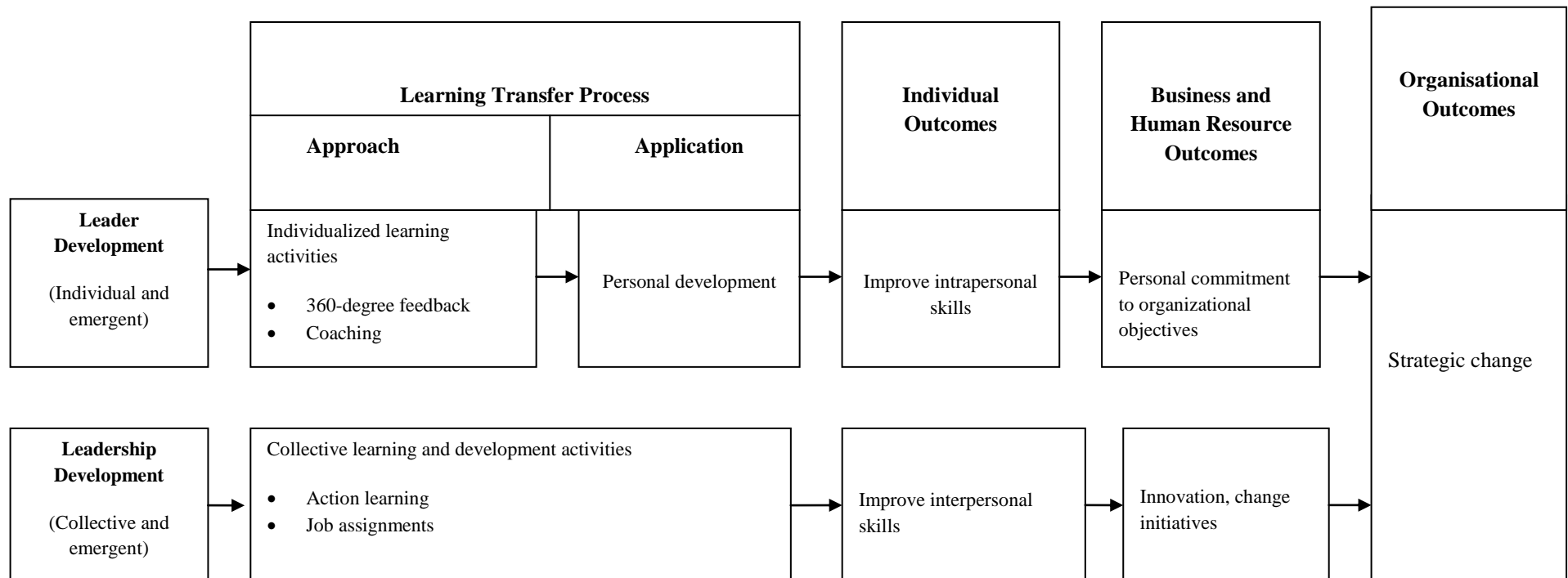
The literature on leadership development theories and practices will be the foundation for reviewing the development of leaders within a complex cultural business environment in this instance Vietnam. Hence, the next part of this literature review will discuss Vietnamese human resource development, discuss the need for leadership development and summarize strategies and practices for developing Vietnamese business leaders.

Table 3- Summary of selected practices in leadership development

<i>Practice</i>	<i>Description</i>	<i>Development Target</i>	<i>Strengths</i>	<i>Weaknesses</i>
360-degree feedback	Multi-source ratings of performance that are organized and presented to an individual	<ul style="list-style-type: none"> • Self-knowledge • Behavioural change 	<ul style="list-style-type: none"> • Comprehensive picture • Broad participation 	<ul style="list-style-type: none"> • Overwhelming amount of data • No guidance on how to change • Time consuming
Coaching	Practical, goal-focused form of one-on-one learning style	<ul style="list-style-type: none"> • Self-knowledge • Behavioral change • Career development 	<ul style="list-style-type: none"> • Personalized learning and development • Intensive 	<ul style="list-style-type: none"> • Expensive
Action Learning	Project-based learning that is directed at important problems of the business	<ul style="list-style-type: none"> • Socialization • Teamwork's strategy implementation 	<ul style="list-style-type: none"> • Related to business imperatives • Action-oriented 	<ul style="list-style-type: none"> • Time intensive • Leadership lessons are not always clear • Over-emphasis on results
Job Assignments	Developing job experiences through assignments in terms of role, function and geography	<ul style="list-style-type: none"> • Skills development 	<ul style="list-style-type: none"> • Job relevant: accelerates learning 	<ul style="list-style-type: none"> • No structure for learning

Source: Adapted from Day (2000), Ardichvili & Manderscheid (2008), Cangemi et al. (2011)

Figure 4 - Summary of the literature on leadership development in the organization



Sources: Adapted from Day (2001) and McGurk (2009)

2.3 Leadership development in Vietnam

Vietnam presents an emerging economy which has integrated a part of the world economy. After a long period of economic reform, Vietnam is now focusing on achieving quality of development which places more emphasis on human resource improvement. Leadership development is seen as a strategic initiative for Vietnamese managers to survive in the competitive business environment. In reviewing leadership development in Vietnam, this section will (a) summarise previous research in human resource development in Vietnam; (b) explain the need for developing Vietnamese managers to be leaders; and (c) describe the strategies and practices that are used in leadership development in Vietnam.

2.3.1 Human resource development in Vietnam

In the past 25 years, Vietnam has implemented comprehensive reforms to develop its economy. In 1986, the first reform known as the Doi Moi (doi moi means renovation) was undertaken after the failure of a centrally planned model. The reform policy aims to transform the Vietnamese economy into a market economy with socialist characteristics (Zhu, 2002). The renovation policy started with the rationalization of state-owned enterprises and the introduction of private enterprises. Then, a more radical market-oriented reform was introduced in 1989 which marked a significant change in Vietnam's economic development.

The gross domestic product (GDP) growth rate of Vietnam increased from 3.9 per cent each year on average in the period of 1986–1990 to 8.2 per cent during 1991–1995 (Thang & Quang, 2005a). The reform process slowed during the period of 1996–2000 due to the effect of the Asian financial crisis. However, since 2000, the Vietnamese government has renewed their commitment to the economic transformation and has focused on the development of private enterprises and trade liberalization. The annual GDP growth rate of Vietnam's economy started to recover and reached 8.4 percent in 2005; then, it dropped to 6.2 per cent in 2008 (The World Bank, n.d.). The recent rate of growth was estimated to increase to 6.3 per cent in 2011 (UNCTAD, 2010).

The country's reform has brought new opportunities for Vietnam to utilize its untapped natural resources and an abundant labour market. However, the shortage of a qualified workforce has brought pressure for change and innovation in educating, training and managing labour to meet the requirements of domestic and international demands. In

the face of competition, human resource development has assumed significance in Vietnam.

Among human resource management strategies, the need for developing leaders is seen as a critical and strategic initiative for Vietnamese managers. However, the nature of leadership has not been clearly identified in Vietnam. To understand the context of how leadership development is conducted, it is important to review the emerging trends in the field of training and development. A discussion about Vietnamese perceptions of leadership also helps to provide insights on practices and strategies for developing leaders in Vietnam. Therefore, the present review will (a) summarize the previous research in human resource development in Vietnam and (b) describe the leadership characteristics of Vietnamese business leaders.

Since the mid-1990s, with the implementation of economic reforms, research in human resource management in Vietnamese organizations has increased. Leading educational institutions have expanded their research focus in human resource management in response to the economic development. For instance, Hanoi National Economic University has provided new study areas in research and training programmes that concentrate mainly on corporate training and development, labour relations and human resource development policies (Thang & Quang, 2007).

Similarly, other research institutes have also paid attention to the field of training and development in enterprises and the effect of training on the Vietnamese economy. In particular, the National Institute for Education Strategy and Curriculum Development has carried out research on training methods while the Institute of Labor and Social Affairs Studies and General Department of Vocational Training have focused on vocational training, worker training and professional skills (Thang & Quang, 2007).

In addition, a number of researchers have also been interested in the transitional process of training and the development of human resources in Vietnam. Most of the research includes studies on human resource management and its relationship with the changing economy in Vietnam. Some of the relevant research on Vietnam have been done by Curry (1996), Kamoche (2001), Zhu (2002), Thang & Quang (2005a, 2005b), Thang, Rowley, Quang and Warner (2007), Thang & Quang (2007).

Curry (1996) and Kamoche (2001) examine the national business environment and their implications for conceptualizing human resource development in Vietnam. Kamoche

(2001) points out some human resource practices that are adapted in two state-owned enterprises and two multinational firms in Hanoi. This study shows that multinational enterprises found difficulties in introducing Western human resource management practices into a traditional management system, such as the system in Vietnam (Curry, 1996; Kamoche, 2001).

Similarly, Zhu (2002) takes a closer look at different human resource practices in different ownership systems in Ho Chi Minh City. This research establishes that joint ventures and multinational companies operate their organization based on more international standards of human resource management than local enterprises (Zhu, 2002). Furthermore, state-owned enterprises that have been reformed to become joint stock companies have also transformed their traditional management of labour into formalized practices. Zhu (2002) also points out that the application of human resource management in Vietnam is associated not only with the ownership systems but also with the industry, the size of enterprises and market orientation.

Based on these findings, Zhu (2005) has evaluated recent changes in Vietnamese labour flexibility strategies since the impact of the Asian financial crisis on the economy. The author utilizes flexibility as a managerial strategy to examine the adaptability of human resource management policies and practices. Vietnamese culture and the political environment are crucial factors in determining whether the organizations will adopt certain dimensions of human resource management (Zhu, 2005). Indeed, this author states that cultural traditions that focus on personal commitment and harmonious working environments in Vietnam often prevent the deployment of multi-tasked employees and multi-skilled training (Zhu, 2005).

In addition research on training and development in a transitional economy by Thang and Quang (2005a, 2005b) focus on different aspects of human resource management practices. They include the functions of the human resource management department, recruitment and selection, training and development, performance management and compensation (Thang & Quang, 2005a, 2005b). In brief, these studies conclude that foreign-invested firms have adapted more professional human resource practices than state-owned firms, which is consistent with the previous research of Kamoche (2001) and Zhu (2002, 2005).

Vietnam's local enterprises are less receptive to applying foreign practices, in particular, human resource management practices in their enterprises. Hence, the recent study of

Nha and Linh (2010) emphasizes the need to build centers of national human resource research and development to forecast the demand for human resources for each region and province in Vietnam. The quality of training of the whole workforce would be enhanced by the improvement of human resource companies, innovation of training systems and networks between training institutions and enterprises should be developed (Nha & Linh, 2010). These authors also mention that building individual training programs for key managers will promote the best conditions for creative and qualified people to hold important positions in firms.

It can be seen that there is an increasing interest for researching human resource development in Vietnam and some of this research emphasizes Vietnamese business leadership. For example, Quang, Swierczek and Chi (1998) conducted a study about the perceptions of both local and international managers on leadership characteristics and leadership behaviour in 35 joint ventures in two main cities of Vietnam. Based on the ASEAN Perspectives on Excellence in Leadership research project, these authors compared leadership characteristics of managers in Vietnam with other countries in ASEAN. The result showed that personal qualities (trustworthy, dependable, and honest) and managerial behaviours (strategic vision, logical problem solving and consistent decision making) are the most important leadership characteristics. In fact, Vietnamese managers tend to evaluate managerial behaviours rather than other ASEAN counterparts (Quang et al., 1998).

In addition, the study of Quang, Swierczek and Chi (1998) indicates similarities and differences between the Vietnamese expectations of leadership behaviour and professional expectations of international managers. Both groups of managers agree on the value of team work and people orientated approaches in managing subordinates. However, there is a major difference between international managers and Vietnamese manager about sharing power. International managers expect to take their role in decision making and delegation which involves sharing of power in regard to joint venture activities. However, the research shows that Vietnamese managers do not emphasize sharing power. Quang, Swierczek and Chi (1998) explain that Confucian values and the high power distance culture have influences on perceptions of Vietnamese managers about leadership.

As the study of Quang, Swierczek and Chi (1998) was conducted within joint venture organizations, the measures of leadership characteristics were based on Western points

of view. To provide a closer look into Vietnamese leadership, the recent studies of Nha (2010) and Long (2010) evaluate characteristics of business leaders within the country perspective. According to Nha (2010), the evaluation of Vietnamese business leaders is characterized by the combination of four main factors: Duc-Tri-The-Loi (Virtue- Mind-Physical-Benefits). The factor “Duc” (Virtue) is the moral or human mind which is measured by personal qualities while the factor “Tri” (Mind) mentions spirit, ability and business talent which are evaluated by managerial behavior. “The” (Physical) relates to natural fit with the business which includes having business interest, taking risks and having ability to forecast the business development. The last factor “Loi” (Benefit) is about benefits or profits that business leaders achieve for themselves and contribution to the community and society (Long, 2010; Nha, 2010).

In summary, the literature identifies some consensus about the evolution of human resource management in a transitional economy such as Vietnam. It has shown that many enterprises in Vietnam have transformed from a traditional authoritarian management into a new people oriented system in order to facilitate full integration into the regional and world economic mainstream. The growth of human resource development and the economic condition in Vietnam allow for excellent opportunities for leadership development initiatives.

To understand the extent of developing potential leaders in Vietnam, it is important to explain reasons and strategies for building leadership development. Hence, the following section will review the conditions required for the introduction of leadership development in Vietnam.

2.3.2 The need of leadership development in Vietnam

Since the Vietnamese government has implemented economic reform policies, there is an increasing flow of foreign investments. From negligible amounts in 1986, foreign direct investment into Vietnam accounted for US\$3.2 billion in 1997 (Thang & Quang, 2005a). Due to the effect of the 1997 Asian financial crisis, the amount of foreign investment dropped to US\$1.58 billion in 1999. But Vietnam has made a remarkable recovery with a total investment of US\$2.6 billion in 2001, US\$5.8 billion in 2005 and US\$9.3 billion in 2008 (Thang & Quang, 2005b). Indeed, foreign direct investment has become the most important capital source of investment in the Vietnamese economy. Foreign investments bring not only profits for the economy and industrialization but

also technology transfer and advanced managerial skills (Baughn, Neupert, Anh, & Hang, 2011).

Zhu (2002) expresses that human resource management systems have been introduced to Vietnam through the growth of foreign investment. This management system is different from what had been implied before the reforms, when every aspect of labour allocation, production, wage and employment relations were controlled by the government through a bureaucratic model of authoritarian management (Zhu, 2002). State-owned enterprises were the only sectors that produced goods and services for the nation. Consequently, the system for developing leadership in state-owned firms was followed by the central government.

Hoang (2002) summarizes the criteria for selecting leadership in state-owned enterprises which were based on family and political background. There were limited requirements on business-related experiences and a minimum level of education and training. Hoang (2002) continues to state that the old system of selecting and developing leaders appears to be inadequate when Vietnam decided to transform into a market economy. In fact, the traditional form of human resource management practices has been seen as one of the biggest obstacles for foreign investors. Since the mid 1990s, with the flow of joint ventures and multinational companies, the need for training managers and developing potential leaders has become apparent at all levels in Vietnam.

The experience of a market economy has shown that there are limited incentives for training and developing the individual leader in Vietnam. Thang and Quang (2005, 2007) explain that one of the main reasons for the shortage of competent management is the inefficiency of the educational system. Since the majority of jobs in a transitional economy relate to technical skills, education and training system in Vietnam has only placed emphasis on vocational training. Therefore, the quality of education fails to meet the needs of enterprises and the regional standards. In addition, the study of Duoc and Metzger (2007) evaluates business graduates in Vietnamese institutions and note that they lack the skills and competencies in problem-solving, leadership, teamwork and planning.

In order to close the gap between labour skills and the ability to adapt in an international working environment, the Vietnamese government has implemented more effective policies for human resource development. According to the report of the Vietnam Ministry of Education and Training (2009), Vietnam has developed a nine year strategy

on education development in terms of training facilities and forms of training. The number of universities and training institutions increased from 101 facilities in 1987 to 376 facilities in 2009 (Vietnam Ministry of Education and Training, 2009). As a result, Vietnamese enterprises and foreign-invested firms have witnessed an eruption of universities and colleges offering a wide range of business management and leadership development courses.

In brief, the transition from an old personnel management into a new human resource development system has become the main priority for both Vietnamese and foreign-invested enterprises. More importantly, firms that are operated as joint ventures have recognized the need for developing Vietnamese managers to be efficient leaders to survive the market competition. Therefore, the next section will review the practical context in which leadership development is conducted in Vietnam.

2.3.3 Leadership development in practices in Vietnam

With the dynamic transitional environments that are characterized by Vietnam's socioeconomic transformations, the need for managers who understand market-based and capitalist-oriented management techniques has become apparent at all levels. This need has led to both Vietnamese enterprises and foreign-invested firms developing strategies to attract the best talent, provide training and the development of skills and competencies. Leadership development may be seen as one of the important human resource strategies to unlock creative potential and enhance overall organisational effectiveness.

According to Long (2010), the lack of managerial competencies and leadership skills has become a barrier for business leaders to meet regional and international standards. The majority of Vietnamese business leaders have not undergone training courses for business administration (Vietnam Chamber of Commerce and Industry, 2011a) . Moreover, the recent survey of Vietnam Chamber of Commerce and Industry shows that 59 % of Vietnamese organizations are in need of training and development for their managers to become efficient leaders (Vietnam Chamber of Commerce and Industry, 2011a). To respond to this need, the Vietnamese government has cooperated with foreign institutions to provide leadership development programmes for business leaders.

In 2008, the Vietnam Chamber of Commerce and Industry joined with the Australian National University to organize a Leadership Skill Development course. This program

aimed to increase understanding and develop fundamental skills of leadership for Vietnamese managers. Cognitive and behavioral approaches were used to provide updated knowledge on leadership and build personal and interpersonal skills. Besides the programmes that are conducted by the government, many organizations seek collaboration with educational institutions or consultancy companies to organize courses for their potential leaders in Vietnam.

Since the educational system plays an important role in Vietnamese human resource development, universities and education institutions are increasingly providing special courses on business skills and leadership development. For example, the Business School of Hanoi National Economics University has developed and delivered several programmes that are designed to help develop a new generation of competent and competitive Vietnamese business leaders (Thang & Quang, 2007). Additionally, the Vietnamese government has implemented an open policy for foreign institutions to operate in the local education market. Thang and Quang (2007) comment that a sector that is growing fast in Vietnam is one that is providing foreign education programmes run either entirely by foreign universities or through cooperation between a foreign and a Vietnamese institution.

Although universities have provided a wide range of business and management courses, the quality of training is still low due to the lack of control of the educational system (Vietnam Ministry of Education and Training, 2009). A time constraint is another difficulty for Vietnamese managers to attend the leadership development programmes in the university. Therefore, both Vietnamese and joint venture enterprises organize short course with consultancy companies. These leadership development programmes are normally undertaken outside of Vietnam. For example, the Global Integration Business Consultants (GIBC) and the Leading Business Clun (LBC) in Ho Chi Minh City have organized the Advanced Leadership Executive Training Program in Los Angeles, USA every year (Hanh, 2011, January 15; Vien, 2011, April 13) . The main aim of these courses is to re-analyze the fundamentals for leaders and provide a practical tool to improve leadership.

In summary, the increase in the number of training institutions that provide leadership development programmes has reflected the need for the development of Vietnamese business leaders. All programmes are taken as short-courses in house training within the

organization or within a foreign institution. However, the recent leadership development programmes in Vietnam concentrate more on behavioural and professional skills.

Moreover, the approaches and techniques used in the programmes are drawn from programmes worldwide and have been adapted into operating environments of contemporary Vietnam. But the current Vietnamese business environment has been shaped by a complex cultural context which distinguishes Vietnam from other countries. To examine the emerging development of Vietnamese business leaders, understanding cultural dimensions of Vietnam is very important, in particular, for the joint ventures enterprises. Thus, the next section of this literature review will discuss cultural dimensions of Vietnam which are based on the Hofstede's study (1980, 2001).

2.4 Cultural dimensions and Joint ventures

Leadership development encompasses the development of a collective framework in which the leaders interact with their social-cultural and organizational environment (Clarke, Bailey, & Burr, 2008). It would seem that there is an interaction between culture and leadership in the organizations. In order to analyze how culture affects effective leadership development, this literature will (a) discuss the important role of understanding culture in managing joint ventures; (b) review the dimensions of individualism/ collectivism and power distance of Hofstede's study and (c) describe cultural characteristics of Vietnam.

2.4.1 The impact of culture on joint venture success

The growth of global business has led a dramatic rise in the operation of cross-national joint ventures. Reports on the global trends in venture capital investments indicate that more than half of Europe and America's venture capitals plan to invest internationally, particularly into China, India and Southeast Asia (Deloitte, 2009, 2010). Co-operative ventures have become an investment trend due to the economic benefits such ventures bring to foreign investors and local partners. However, joint venture firms have to face various risks and challenges often due to lack of knowledge and understanding of the local business environment.

Several studies show that national culture plays an important role in the successful management of cross-border co-operative business ventures (Hennart & Zeng, 2002; Jolly, 2003; Li, Lam, & Qian, 2001; Pothukuchi, Damanpour, Choi, Chen, & Park, 2002; Quang et al., 1998; Yan & Hunt, 2005). For instance, Quang et al. (1998) state

that the establishment of an international joint venture involves an interaction of each partner's behavioural and cultural issues. The limited understanding of cultural differences might influence investment preferences and joint venture performance (Li et al., 2001).

An international joint venture mixes different human resource activities from two or more companies that are located in different nations. Thus, cultural differences might have an impact on organizational performance factors which may include management systems, leadership behaviour and practices. Pothukuchi et al. (2002) emphasize that the bringing together of two established corporate cultures with different values, behavior, beliefs and norms is bound to create difficulties in communication, commitment and leadership styles. Cultural differences might also create challenges in interpreting and responding to co-operative strategies and managerial issues for joint venture enterprises (Hennart & Zeng, 2002).

Furthermore, some studies show that cultural background has significant influences on conflict resolution strategies (Barkema & Vermeulen, 1997; Hennart & Zeng, 2002; Lu, 2006; Pothukuchi et al., 2002). For instance, the study of Chen et al., conducted in 1998 (as cited in Pothukuchi et al., 2002) explains that integration and cooperation generating mechanisms might be different between individualist and collectivist cultures because of their expressive measurements. Similarly, Lu (2006) states that international joint venture managers from dissimilar national cultures tend to apply different strategies in resolving conflicts. For example, Asian managers have a high propensity to avoid conflicts since they aim to maintain harmony and face in business relationships. However, Western managers tend to use an integrating style in resolving conflicts by discussing problems openly (Dai, Jo, & Kassicieh, 2011).

It would seem that national culture has been seen as an influential factor in the entry mode decision and implementation of international joint ventures. Cultural differences may also create difficulties in negotiating and transferring business management practices between cross-national ventures. However, culture can be considered as a part of the organization's resources which can lead to competitive advantage. Li, Lam and Qian (2001) point out that joint venture enterprises may have advantages from an accumulation of resources, skills and commitment which might be based on cultural values in some countries. For instance, many collectivist cultures, such as China, Vietnam and Japan can offer joint ventures benefits from their labor-intensive approach,

while firms from individualistic cultures may have an advantage in technological resources and managerial skills (Li et al., 2001).

Recognizing the important role of culture in business management, a variety of theorists has established many dimensions to differentiate cultures (Hofstede, 1980, 1984, 1991, 2001; Schwartz, 1992; Trompenaars & Hampden-Turner, 1998). Specifically, the studies of Hofstede (1980, 1991, 2001) have been recognized as one of the most influential research in international business management since they assert that management is about people and the culture of society in which it takes place. In order to discuss the relationship between cultural values and leadership, the following section will focus on describing Hofstede's cultural dimensions. Next the review will discuss cultural dimensions that are reported for Vietnam and comment on the effect of Confucianism in the Vietnamese business environment.

2.4.2 Dimensions of culture – Hofstede's study

Cross-cultural competence has been recognized as a crucial factor in the cooperation of international business. The importance of culture in organizations has been shown by an increasing stream of literature. According to a review by Adler and Bartholomew (1992, cited in Jaw and Liu, 2004), there was less than 5% of management research that concentrated on discussing organizational behaviour issues from a cross-cultural view during the 1970s. Then, a later study shows that 70% of 28,707 articles that were published during 1985-1990 focused on conceptualizing culture (Adler & Bartholomew, 1992, cited in Jaw & Liu, 2004).

Culture is now treated as a multi-dimensional concept which can make differences in the management and success of an organization's operations (Yan & Hunt, 2005). Many researchers have tried to measure cultural values and identify behaviour, attitudes and skills that can contribute to the success of cross-cultural interaction. One of the most comprehensive series of studies on cultural differences has been conducted by Hofstede (1980, 1984, 1991, 2001). An early work of Hofstede (1980), *Culture's Consequences*, has had a considerable influence on the field of cross-cultural management in organizational disciplines (Yeganeh & Su, 2006).

Hofstede's research was one of the first of large quantitatively based research projects that attempted to identify specific dimensions of culture in order to show similarities and differences among nationalities (Hofstede et al., 1990). Based on data of 88,000

organisational members from 40 countries, Hofstede (1980) introduced four underlying dimensions that differentiate culture: individualism/collectivism, power distance, uncertainty avoidance and masculinity/femininity (Hofstede, 1980). Later, Hofstede and Bond (1988) developed a fifth dimension value which was called Confucian dynamism or long term orientation.

Since the publication of Hofstede's initial study, many researchers have used his framework as a model to explore an impact of cultural differences on the adaption of various management practices (Kirkman, Lowe, & Gibson, 2006; Tung & Verbeke, 2010; Waldman, Luque, Washburn, & House, 2006). Kirkman et al. (2006) remark that Hofstede's framework has gained a long-standing popularity in cross-cultural research because of its "clarity, parsimony and resonance with managers" (p. 286). According to Harzing's citation index, there were 54,000 citations of Hofstede's work as of June 2010 (Tung & Verbeke, 2010). This record shows the success of Hofstede in putting cross-cultural analysis in the field of international business management research.

Among Hofstede's five cultural dimensions, most empirical studies have shown a strong interest in the individualism/collectivism and power distance distinctions. Lu and Lee (2005) explain that these two dimensions of culture are particularly different among nations. Similarly, Rogers and Spitzmueller (2009) agree that individualism/collectivism and power distance have been found as the most empirically testable variants for identifying cultural differences. A recent review of Zhou and Shi (2011) of 85 studies published in 15 leading management journals from 1980 to 2009 also shows that half of the studies used these two dimensions as independent variables.

2.4.2.1 *Individualism versus collectivism*

Individualism and collectivism are two critical dimensions used to measure the extent to which individuals are integrated into groups. These dimensions are considered as one of the most used and tested cultural dimensions in cross-cultural management research and organisational studies (Tiessen, 1997; Yan & Hunt, 2005). To define the role of individual versus the role of the group, Hofstede (1980) describes individualism as characterized by a social framework in which people orient values and actions towards independence, competition and one self's interest (Hofstede, 1980). However, collectivism is the extent in which "people from birth onwards are integrated into strong, cohesive in-groups, which throughout people's lifetime continue to protect them in exchange for unquestioning loyalty" (Hofstede, 2001, p. 225).

In an individualistic culture, people evaluate their independent self-construal and the individual is considered as the basic unit of purpose and goals (Hofstede & McCrae, 2004). Individualists maintain a strong stability of self in terms of expressing their attitudes, personality or rights (Bhagat, Kedia, Harveston, & Triandis, 2002; Rogers & Spitzmueller, 2009). Thus, the relationship between leaders and followers is influenced by the assumption of mutual well-being. The leader's performance will be more likely to stimulate followers' devotion to achieve common organizational goals (Yan & Hunt, 2005).

On the other hand, collectivists see themselves as interdependent members of a group in which they share interests and responsibilities for achievement of group work (Hofstede, 1980, 1984; Triandis, 2004). A collectivist culture appraises group effort for success, therefore, the leader might be the most important role in accomplishing group task and the reward is often given to all group members (Yan & Hunt, 2005). Furthermore, collectivist culture values pro-social behaviours that conform to social norms, morality and traditions. Specifically, some collectivist cultures such as Confucian cultures see self-effacement as a virtue and a value that leaders should have.

2.4.2.2 Power distance

Power distance is another cultural dimension that is used to value cultural differences between nations. Leadership involves disproportionate influences and leadership role refers to power and status in the organization (Waldman et al., 2006). Thus, the way in which power is divided in society is associated with leadership. According to Hofstede (1980), the concept of power distance is "the extent to which the members of a society accept that power in institutions and organizations is distributed unequally" (p. 831). The dimension of power distance which varied from high to low refers to the way that societies accept the problem of inequality.

In a high power distance society, people tend to perceive inequality and the existence of high hierarchies in institutions to locate people in their rightful places (Hofstede, 1980). In contrast, low power distance societies value the extent to which hierarchies exist in the organizations only for administrative purposes (Hofstede, 1980, 2001). The acceptance of inequality in distribution of power has influences on leadership conceptualization and the subordinates' perceptions on leadership and leader behaviour. Dorfman et al. (1997) describe the leader-subordinates relationship in a high power distance society as paternalism. These authors also comment that leaders tend to rely on

force, manipulation and inheritance as sources of power and followers are likely to evaluate leaders by how the leaders treat them (Dorfman et al., 1997).

Since individuals in high power distance societies perceive differences between superiors and subordinates as natural, leadership is seen as empowered by the hierarchical position that the leader occupies (Yan & Hunt, 2005). Thus, the link between leadership and performance is often weakened in the perception of subordinates. On the other hand, individuals in low power distance societies tolerate distinctions and prefer participation. The relationship between leaders and followers tends to be more equal and roles in the organization rely on the leaders' ability and performance or job requirement. Subordinates are more likely to be given opportunities to share important information and to participate in decision-making. Additionally, leaders in low power distance tend to value quality and rely on capabilities, knowledge and respect as sources of power (Yan & Hunt, 2005).

In brief, understanding the individualism/collectivism and power distance characteristics of a cultural setting is important for developing leadership. Hofstede's cultural value framework has provided explicit constructs in recognizing the effect of cultural factors on leadership. However, several researchers have argued the applicability of Hofstede's cultural framework (Javidan, House, Dorfman, Hanges, & Luque, 2006; Kirkman et al., 2006; Sivakumar & Nakata, 2001; Tang & Koveos, 2008). Major criticisms for Hofstede's cultural values are reducing culture into five simplistic dimensions, limiting the sample to an individual multinational corporation and failing to capture change of culture over time (Sivakumar & Nakata, 2001). More importantly, the study of Hofstede reflects the US assumptions, values and belief which limit the generalizability of this theory to other cultures, especially Asian culture (Littrell, 2002). Hofstede's studies are also criticised by the fact that it ignores other institutional factors of national culture such as language, religion, social context and geography (Tang & Koveos, 2008).

For this dissertation, Hofstede's cultural dimensions provide explicit concepts in evaluating the relationship between culture and leadership development. Indeed, Vietnam appears to be grouped in the Southeast Asian region which shares a common root of Confucianism. The hierarchical structure, Confucian values, religions and family values have significant influences in shaping Vietnamese culture and its business environment. To provide an insight of cultural characteristics that shape Vietnamese

culture, the following section will not only review the findings of Hofstede's cultural dimensions for Vietnam but also explain the role of Confucianism in Vietnamese culture.

2.4.3 Vietnamese culture

This section discusses the values of individualism/collectivism and power distance based on Hofstede's (1980, 1991, 2001) cultural framework. Then, it draws attention to the cultural roots of Confucianism in Vietnamese business organizations. Additionally, Vietnamese culture will be generally described through the perspectives of religion, education, family and social relations. This section aims to provide an understanding about how Vietnamese people perceive the role of leadership which might be helpful in the process of leadership development.

2.4.3.1 Cultural dimensions for Vietnam

Hofstede's well-known cultural values have come to be regarded as one of the most influential studies in the field of international business and management. Hofstede (1980) defined culture as "the collective programming of the mind which distinguishes the members of one human group from another" (p. 25). His framework was developed by using data from a large multinational business corporation (IBM). The data consisted of 117,000 survey questionnaires from over 88,000 employees in 66 countries during the period of 1967 to 1973 (Hofstede, 1980, 2001).

Among 66 countries, South-Vietnam was selected for conducting a survey of Hofstede's research project. However, the number of respondents from South-Vietnam was insufficient to allow statistical use of the data. Initially, only 40 countries were selected for the analysis and Vietnam was not in this list. Hofstede (1984) explained that the time span for conducting data was from 1968 to 1972 which marked many specific historical events and affected the data collection. For instance, during 1968-1972, Vietnam was still at civil war and the country was divided into North-Vietnam and South-Vietnam.

In 1980, Hofstede's analysis revealed four underlying dimensions of culture. They are individualism/collectivism, power distance, masculinity/ femininity and uncertainty avoidance. Among the four dimensions, the individualism and power distance variants have been favored by many management studies (Zhou & Shi, 2011). Since this dissertation aims to value the effect of individualism/ collectivism and power distance

in developing leadership, it reviews the empirical studies on these two dimensions within the context of Vietnam.

Ralston, Thang and Napier (1999) used the construct of individualism and collectivism to examine managerial value and subsequent behaviour of Vietnamese managers against Chinese managers and U.S. managers. These authors measured both dimensions in North and South Vietnam because of potential regional differences due to a long division by war and different modes of operations and behaviour. Results indicated that both North and South Vietnamese managers perceive a significantly higher collectivism than Chinese and U.S. managers. Meanwhile, there was a difference in valuing individualistic dimension between the two regional managers of Vietnam. Managers from North Vietnam appeared to value more Western orientation toward individualism than their Southern counterparts (Ralston, Thang, & Napier, 1999). It would seem that Vietnamese managers value tradition, conformity and group efforts. However, both groups of managers in North and South Vietnam still value self-direction; specifically, the North managers have a greater desire in one self's achievement and power.

The findings of Ralston et al. (1999) on the dimension of collectivism were then supported by Hofstede's later study. Hofstede's work (2001) showed data from another 36 subsidiaries and Vietnam was one of the participant countries. The cross-cultural research of Hofstede (2001) presented that Vietnam and other Southeast Asian countries (Thailand, Malaysia, Singapore and Philippines) perceive relatively high collectivism and high power distance.

Since Hofstede (1980, 1984, 2001) introduced individualism and collectivism as two polar points on a single continuum, the country that scores high on the collectivism index appears to score low on individualism. However, other researchers have debated that individualism and collectivism are two unique constructs and they are contrasting points on a continuum (Ralston et al., 1999; Tiessen, 1997; Triandis, 2004). According to the study of Ralston et al. (1999), Vietnamese managers are starting to value the tendencies of individualism since the economic renovation policy has moved the country towards a market economy.

Similarly, a recent study that was conducted by Hoang (2008) demonstrates that Vietnamese culture displays high individualism characteristics. Relying on the Hofstede's (1980, 2001) cultural framework, Hoang (2008) examines dimensions of culture of Vietnamese business managers who live in the city of Houston, USA. The

study of Hoang (2008) shows the opposite results from Hofstede's study (2001) on the personal values of Vietnamese business managers. Vietnamese managers are found to have a high individualism value which presents the recognition of individual responsibility for achievement. However, this study was done on Vietnamese business managers who are living in the USA. Thus, Vietnamese are likely to have low power distance which illustrates the influence of being freedom and having equal rights (Hoang, 2008).

In brief, cross-cultural management studies have utilized Hofstede's cultural dimensions to explore Vietnamese culture. Research suggests that Vietnamese managers tend to perceive a high tendency of collectivism. This result can be explained by the influence of Chinese originated Confucianism which values family and hierarchical structures. Despite the different findings between studies about individualism and power distance, there is an assumption that Vietnamese culture is changing to more individualism and less power distance.

2.4.3.2 The cultural roots of Confucianism in Vietnamese culture

Located in the center of Southeast Asia, Vietnam is considered to be tied to Chinese cultural roots being under Chinese rule for over a thousand years. Through a strong economic and cultural dominance, the country had been steeped in Chinese-originated Confucianism until the French colonization in the 1800s. Despite the existence of a weakened Confucianism in Vietnam, after French colonization, Confucian values have still been persistent in the society's educational system, family, communities and business.

Confucianism is a Chinese philosophical system that concentrates on human morality and behaviour in a hierarchical society and its cultural values have been institutionalized in many East Asian countries (such as China, Japan, Korean and Vietnam) for more than 2,000 years (Kelley, 2006). Confucianism was introduced into Vietnam during the Chinese colonial periods under the Han Dynasty which was from 110 BC to 220 AD (Kelly, 2006). Through Chinese resident governors, Confucianism was introduced as a system for guiding moral and social values for setting up the structure of society and government (Hoang & Dung, 2009).

The Confucian values had a strong hold in the ranking of Vietnam society and determination of business entrepreneurs in the past centralized feudalist period.

Although the feudalist system was formally abolished in the early 20th century, Confucian values are still rooted in the mind of almost all Vietnamese people (Hoang & Dung, 2009). Specifically, the presence of a Confucian legacy still exists in Vietnamese contemporary business society through foundations of the society based on unequal relationships and emphasis on family and community (Hoang & Dung, 2009).

Hitchcock and Wesner (2009) also comment that the Vietnamese business community appears to keep core values associated with Confucianism. These values include persistence, ordering relationship by status, thrift and protecting face (Hofstede, 1991; Hofstede & Bond, 1998). It would seem that the well-known values of Confucianism that continue to serve as guiding values for a majority of Vietnamese people are generational orders, hierarchy, paternalism and loyalty (Hoang & Dung, 2009). In fact, the paternalistic management approach has still been used in various governmental, public and private organizations although there is a transformation in the country's social and economic context.

In addition, Confucianism strongly remains in different tiers of the educational system and learning practice of Vietnamese people. Confucianism proposed a comprehensive framework of education in which the primary goal of education is to develop leaders in areas of benevolence, morality, intelligence, knowledge and courage (Yang, Zheng, & Li, 2006). Vietnamese people value education and accord a high respect for intellectuals and talented people. This facet can be observed from one of the Vietnamese old social ranking, *Si – Nong – Cong – Thuong* (Intellectual official – Farmer – Craftsman – Businessman). This social ranking was inherited by the Chinese and it had a long standing place in an old feudalist value ranking of Vietnam society. Since the society was based on hierarchical system, the educated people had been long placed in the highest ranking of the society, only after the king (Hoang & Dung, 2009; Luong, 2006). Although this social ranking has no longer existed in today society, a majority of Vietnamese still perceive that getting education and knowledge will help to achieve a high social value.

In brief, the longest domination by the Chinese over Vietnam brought an adaption of Confucianism into Vietnamese culture and society. The traditional values are still seen as cultural facets in families, communities, government and firms in Vietnam. However, the development of the economy has brought a process of changes in the cultural values in Vietnamese society. The renovation policy in 1986 has opened up more opportunities

for attracting foreign investments and interacting with Western culture. An increasing population of newborn enterprises may replace the ancient Confucian values and encourage more individualism among a new generation of Vietnamese managers (Hitchcock & Wesner, 2009).

2.5 Chapter Summary

This chapter reviewed leadership development theories and practices within an organizational context and the selected country context of Vietnam. It summarized previous research that has implications for leadership development by differentiating leader development and leadership development, reviewing the outcomes of leadership development and leadership development practices. Moreover, the literature review covered the empirical studies in Vietnamese human resource development and its cultural dimensions. It would seem that there is limited research on leadership and the process of leadership development that are adapted to Vietnam's current economic and cultural context. Thus, there is a need to explore the relationship between Vietnamese culture and the practices of leadership development.

Chapter Three – METHODOLOGY

3.1 Introduction

This chapter describes the research methodology carried out in this dissertation. A literature review and case study approach is selected to investigate the relevant conceptual and empirical studies on leadership developments and cultural dimensions. This chapter is structured as follows: first it describes the research techniques with a set of review criteria and data sources that allow selecting the relevant studies for meeting the research aims. Next this chapter explains the approach of case studies that are adopted in this dissertation.

3.2 Data collection techniques

3.2.1 Literature collection criteria

This dissertation aims to explore the effect of cultural dimensions on leadership development and contributes to the cross-cultural management literature on emerging economies. In order to meet these objectives, the researcher set the following review criteria for searching relevant conceptual and empirical articles:

- ❖ The publications are from journals that can be found in AUT's library database. In addition, the researcher also conducted a search through scholarly publications in Vietnamese (the researcher is a native Vietnamese speaker and originates from Vietnam).
- ❖ The publications are published between January 1996 and January 2011. The focus on this time period is pertinent for the following reasons. Firstly, this dissertation aims to explore the impact of cultural dimensions on leadership development in Vietnam. The scope of the review reflects the emerging socioeconomic transformations that have occurred in the selected country of Vietnam. Secondly, a number of joint ventures in Vietnam have increased significantly over the past 15 years. The review also provides an overview on emerging trends and issues of leadership development that have occurred in Vietnam.
- ❖ Most of publications are published in English. Additionally, the relevant literature reviews on Vietnamese leadership development and cultural dimensions that are written in Vietnamese were translated and summarized into

English, as well as where relevant information on specific organizations in Vietnam.

Furthermore, the main objective of this research is reviewing the impact of cultural dimensions on leadership development in joint ventures in Vietnam. Therefore, the key works of “leadership development”, “cultural dimensions”, “joint ventures” and “Vietnam” in the review search were designed to retrieve relevant studies. For the identified journals (see the next section for a list of academic journals), the search terms used are the following:

- ❖ Cultural dimensions
- ❖ Developing leaders
- ❖ Joint ventures
- ❖ Leadership development
- ❖ Vietnam

The kind of search string was designed to locate studies from identified journals. “In any field” indicates a search engine locates articles that contain the key words anywhere in the article.

The review criteria for the search process are identified, thus, the next section describes the sources that searched to find the relevant articles that meet the research criteria.

3.2.2 Data sources

To ground the study of leadership development, the researcher adopted the literature-review-based approach as two phases. Firstly, the researcher concentrated on top academic journals as the basis for identifying the empirical studies on leadership development theory. The researcher selected the appropriate journals from the Financial Times list of the top 45 journals that were used in compiling the 2009 and 2010 annual business school rankings (Financial Times, 2010). Consistent with the recent reviews on cross-cultural leadership development in Asian management research, the researcher also concentrated on academic journals in business and management that were ranked by the Harzing journal quality list (Mingers & Harzing, 2007). The Harzing dataset was developed according to the journal ratings from top academic and practitioner publications such as Strategic Management Journal, WU Wien Journal Ratings, Business & Management RAE rankings and Hong Kong Baptist University School of Business. Moreover, the researcher also selected appropriate journals from Harris’s

ranking of journals in management area. Harris (2008) ranked 1566 management journals which were based on scores in categories of citations, faculty opinions and actual publication outlets (Harris, 2008). These selections resulted in total of 19 academic journals in the areas of training, development and international business:

- Academy of Management Perspectives
- Academy of Management Executive
- Advances in Developing Human Resources
- Asia Pacific Business Review
- Asia Pacific Journal of Human Resource
- Human Resource Management
- Human Resource Development Quarterly
- Human Resource Management Review
- International Journal of Cross-Cultural Management
- International Journal of Human Resource Management
- International Journal of Training and Development
- Leadership Quarterly
- Leadership & Organization Development Journal
- Journal of Business Venturing
- Journal of Management Development
- Journal of Management
- Journal of Management Studies
- Journal of International Business Studies
- Thunderbird International Business Review

In keeping with the objectives of this dissertation, the research used the following databases to search articles that are published in each of the 19 journals:

- ABI/INFORM Complete
- Business Source Complete (EBSCO)
- CAUL Wiley – Blackwell Full collection
- Emerald Journals
- Informaworld
- JSTOR
- SAGE Fulltext collection

- ScienceDirect

In order to explore the emerging leadership development in Vietnam, the researcher conducted a second phase of search to locate the literature on developing leadership in the selected country. In addition to a thorough search of the 19 academic journals that were identified, the researcher also selected journals that are from Asia Pacific, the Southeast Asian region and from Vietnamese journals in order to locate the literature on developing leadership in the selected country of Vietnam. Based on the Southeast Asian Journal Ranking (Parameswaran & Sebastian, 2006), the researcher selected 5 journals. Moreover, the researcher also searched thorough Vietnamese studies in order to ground this dissertation on Vietnamese context. Thus, there were 10 academic and business publications used for the second search:

- ASEAN Economic Bulletin
- Contemporary Southeast Asia
- Journal of VNU Science, Economics and Business (Vietnam National University, Hanoi, Vietnam)
- Journal of Southeast Asian studies
- SOJOURN
- South East Asia Research
- The Saigon Times Daily
- Vietnam Economic News
- Vietnam Business Forum
- Vietnam Economic Studies

The two phases of search identified a number of journals concerning leadership development literature. The title and abstract of each retrieved article was then read by the researcher to determine whether that article is relevant to the dissertation's topic and objectives. If the relevance of the paper could not be determined by its title or abstract, the full text of the paper was read to determine its relevancy.

In total, there were selected 192 articles: 94 articles that involved leadership development, 33 articles that related to Vietnam context and 65 mentioned cultural dimensions. For the literature of leadership development, there were 94 articles that involved leadership development and 18 articles that mentioned Vietnam. Since there were a small number of articles that concerned leadership development in Vietnam

context, the researcher conducted a second phase of search. This search created 15 articles that mentioned Vietnam. The reason of a limited result is that articles were published in discontinued journals such as Vietnam Economic News, Vietnam Business Forum and Vietnam Economic Studies.

After selecting and reading articles, the researcher created an article-centric matrix in order to present a summary of the relevant articles. Each article was summarized by the key features which include research questions, methodology, findings and discussion. According to Webster and Watson (2002), structuring the review by an article-centric matrix can help to develop a logical approach to grouping and presenting the keys concepts or themes of literature. Then, the researcher grouped all selected articles into categories of leadership development, leadership development in Vietnam and cultural dimensions in Vietnam.

In addition, the researcher also applied the exploratory case study approach which will be discussed in the next section.

3.3. The case study approach

This study focuses on reviewing the emerging theories and practices of leadership development that have been adopted in Vietnam. In order to build an in-depth understanding of the issues that the researcher intends to address, the case study approach is adopted in this research design. A case study is defined as “the method of choice when the phenomenon under the study is not distinguishable from its context” (Yin, 2009, p.1). A case can involve an individual, group, institution or other social unit (Creswell, 1998). This approach is mostly used in the research when (a) “how” and “why” questions are being posed, (b) the investigator has little control over events, and (c) the focus is on a contemporary phenomenon within a real-life context” (Yin, 2009, p.2). The objectives conducted in this dissertation research falls into these three categories.

For this dissertation, the main focus is to explore the leadership development practices within the context of Vietnam. The objective is to take the dimensions of individualism/collectivism and power distance of Hofstede and assess how these cultural dimensions might be reflected in the way that joint ventures develop their leaders. The researcher utilizes case studies in order to analyze the role of culture in leadership development activities.

There are two case studies that are adopted in this study. In the first case, leadership development in a joint venture organization is studied. The case describes how leadership development was adapted in the company since it has grown from a small unit to a large joint venture. The second case looks at a leadership development programme that is conducted by one of the leading leadership and management institutes in Vietnam.

3.4 Chapter summary

This chapter described the approaches that were taken to conduct this study. It included data collection criteria and data sources. The search process created a number of journals concerning literature of leadership development and cultural dimensions. The selection and review of the selected articles were confined to explore theories and practices that are relevant to cultural dimensions in leadership development in Vietnam context. In addition to the literature collection, this dissertation also adopted case study approach. Two case studies will be described and analyzed in the following section.

Chapter Four - CASE STUDIES

4.1 Case study One - HUE BREWERY LIMITED, Hue City, Vietnam

4.1.1 Company Overview

Hue Brewery Company was established in 1990 by Thua Thien Hue People's Committee to meet the local beer demand and replace the existing low quality machinery. It was a cooperation between state-owned and private enterprises in Hue City with an investment of USD \$2.4 million and a potential capacity of 3 million liters per year (Hue Brewery Ltd, n.d). During the mid-1990s, local beer companies in Vietnam faced difficulties due to a lack of technology, outdated equipment and low production capacity. To maintain the company's traditional brand and develop its market, Hue Brewery Company established a joint venture with Carlsberg International A/S and Industrialization Fund for Developing Countries (IFU, a Danish state-owned investment fund) in 1994 (Vietnam Chamber of Commerce and Industry, 2011b).

Recently, Thua Thien Hue People's Committee has sold its 50% stake to the Carlsberg Group. Hue Brewery has become a 100% foreign-invested company under Carlsberg's possession in November 2011 (Vietnam News, 2011). In fact, the joint venture marked a significant point in Hue Brewery's development history. The operation of the joint venture led the way for Hue Brewery to join the national and international beer market and became the leading beer company in the central region of Vietnam. Moreover, the co-operative venture created a major change in the organizational structure, leadership styles and human resource development. Thus, this case study will focus on the initiatives that were employed in raising the leadership capabilities of the firm during the period of the joint venture.

Carlsberg is the fourth largest brewery group in the world and the biggest group in Northern and Eastern Europe (Carlsberg Group, n.d). Its products are sold in more than 150 countries with the well-known international premium brands Carlsberg, Tuborg and Baltika. Recognizing the considerable prospects for growth, Carlsberg has been pursuing joint ventures in emerging markets in Asia. In 2010, the Asia market accounted for 16% of total volume and 9% of operating profit of the Carlsberg Group. The entry of Carlsberg into Vietnam is also a part of the company's competition strategy to maintain its position in the Asian region (Carlsberg Group, n.d).

The ownership of the joint venture was initially split 50/15/35 between Hue Brewery Company, the Industrialization Fund for Developing Countries (IFU) and Carlsberg Breweries. In 2003, Carlsberg acquired 15 per cent stake of IFU. A registered investment of this joint venture was US\$ 19 million and a planned production capacity of 30 million liters per year. Applying the most advanced technology of Danbrew Consult (Denmark) in production, Hue Brewery's local brand – Huda Beer has acclaimed a success in the brewing industry. The production capacity has been continually increasing from 3 million liters in 1991 to 100 million litres in 2007. Additionally, in 2006 and 2010, the company completed projects of expanding two beer factories in Phu Bai Industrial Park, Hue City with a total investment of US\$ 19.92 million (Vietnam Chamber of Commerce and Industry, 2011b). This expansion has raised total capacity of the company to 230 million litres a year to meet the local demands of beer and increase export to foreign markets.

From a company with only one product, Hue Brewery has developed more new and high quality beer products such as the Huda beer can, Festival beer, Hue beer and Huda Extra. With an annual production of more than 200 million litres a year, Hue Brewery has achieved 8% market share of the Vietnamese beer market. The company has also expanded its market to USA, Canada, France, Spain and other Asian countries (Malaysia, Indonesia, Laos, Japan and Cambodia). In 2009, regardless of the global economic crisis, the company still produced and sold 157 million liters of beer which generated revenue of Vietnam Dong 1, 668 billion (approximately 80 million USD) (Vietnam Chamber of Commerce and Industry, 2011b).

4.1.2 Organisational structure of the venture

The joint venture between Hue Brewery and Carlsberg was structured in a traditional way in which both partners contributed resources and shared control. The local partner in Vietnam contributed the land, production facilities including buildings, equipment, labour force, political support, local brand Huda, distribution networks and an understanding of the market (Nguyen, Nguyen, & Meyer, 2004). Carlsberg provided machinery, modern technology, technical and management training for the workforce and marketing know-how along with international brand prestige (Carlsberg Group, n.d).

With a shared ownership, foreign investors have to find effective methods of control that allows building trust with the local partner. Foreign investors may maintain

strategic control while they minimize interference in the daily operations which are managed by a local partner. With legal restrictions on equity ownership and local firms' control of key resources in the joint venture, foreign investors use various means to assert their control, including managerial appointments and contractual arrangements (Nguyen & Meyer, 2004).

The arrangement of top management positions is considered an important means of control by both joint venture partners. The organisational structure with a board of directors and a board of management was a new approach for many Vietnamese managers at the time of joint venture operation. The reason is that Vietnamese managers were accustomed to a hierarchical management structure in state-owned enterprises in which major strategic decisions were influenced by the local government.

The Board of Directors in Hue Brewery was appointed by both venture partners and they involved two foreigners and two Vietnamese members. The division of managerial control between Hue Brewery and Carlsberg aimed to take advantage of local resources and marketing knowledge. The General Director was appointed by the Board of Directors and the position would be rotated every three years. This managerial arrangement provided access to local business networks and balanced the managerial control between the two partners. However, a rotating management also created discontinuities in leadership styles and affected the leadership development (Nguyen & Meyer, 2004).

To manage day-to-day operations, Hue Brewery has four general managers who hold responsibilities in financial, human resource, marketing and technical departments. Since it was the joint venture's policy to localize management and senior technical staff, Carlsberg sent expatriates to work at the brewery to help the general managers acquire new knowledge of management techniques. The knowledge sharing between two partners was seen as an essential approach to manage Hue Brewery's operation in line with the global operation of Carlsberg Breweries.

In brief, the joint venture brought a major change in the organisational structure of Hue Brewery. It was the move from a hierarchical management approach to a more participatory structure. With a contributed expertise from Carlsberg, the management and staff of Hue Brewery have gained technological and managerial capabilities to maintain a successful operation.

4.1.3 Leadership development of the venture

Carlsberg has seen that developing the fastest growing global beer company requires qualified employees at all levels and highly professional managers with a strategic and international mindset. To develop and retain potential leaders, Carlsberg provides different initiatives to create attractive leadership and career opportunities at different levels of the organization. Carlsberg optimizes its human resource processes to establish a strategically aligned and integrated development approach. The process of strategic people management includes performance management, succession management, learning and development, competence management and compensation.

Additionally, Carlsberg provides an international talent programme for all senior managers in all Carlsberg's networks. The programme is a two year corporate development programme in business management and leadership which was launched in 2004. The main aim of this programme is to provide opportunities for potential leaders to learn and grow as role models in leading change. It also focuses to build an international pool of strong, competitive leaders in creating cross-functional networks for the business (Carlsberg Group, n.d).

The leadership academy is another strategic approach for developing leadership in the Carlsberg Group. The academy aims at increasing business insights and understanding of opportunities and challenges for the middle managers of Carlsberg. It focuses on providing a detailed insight into Carlsberg's way of doing business within the aspects of local and global business. Through in-depth training, the leadership academy also enhances the interest in sharing experiences and business results across the organization by giving managers an opportunity to interact with different networks in various countries and functions.

Indeed, learning and development initiatives of Carlsberg mainly focus on raising the capabilities of potential leaders through sharing and implementing managerial practices. These development approaches are also used to transfer technical, marketing and management knowledge between Carlsberg and its venture partner – Hue Brewery. Many Vietnamese managers have the ability to learn and master technology and techniques transferred by foreign partners but they often lack business education and management skills (Nguyen & Meyer, 2004). Therefore, training has played an important role in order to maintain the quality of products and the efficiency of joint venture operations.

Training took place in Vietnam, within the factory of Hue Brewery by on-the-job training and also overseas training. Managerial training on the job with foreign advisors was essential to support the joint venture's policy of localizing management and senior technical staff. Specifically, for senior technical staff, Hue Brewery was very careful in selecting and assigning teams of engineers and technicians to accompany experts from Carlsberg. The training on the job with expatriates helped Vietnamese technicians learn and acquire new skills and techniques. In the initial operation, there were three expatriates who worked at the brewery at a senior level. Then, a Vietnamese national successfully replaced the brew master from Carlsberg.

Furthermore, all senior technicians were selected and rotated in different tasks and on-the-job training in various positions and job places, from the brewing house to fermentation, bottling and canning. In this way, the candidates were given broader knowledge and skills for their jobs while they were being challenged to demonstrate their skills. In addition to on-the-job training, Hue Brewery also sent their key senior technical and managerial staff abroad to acquire knowledge of management techniques. For instance, the Vietnamese maintenance manager was sent to Carlsberg Breweries in Denmark to expand his knowledge and vision of how things can be done in a brewery.

The in-depth knowledge in technical and managerial aspects was also be upgraded via the leadership training workshops. These leadership development programmes were organized by Carlsberg's headquarters at the regional level. The joint venture's Vietnamese managers participated in the Asia Leadership Academy and training workshops in order to gain broader experiences and vision for the growth of the operation.

It would seem that the joint venture agreement provided opportunities for managers of Hue Brewery to acquire not only technical knowledge but also Western management knowledge and techniques. Since the brewery expanded from a small, independent unit to a large joint venture, developing potential leaders was necessary for the operation to survive in a competitive environment. In addition to the leadership development programmes that are organized by the foreign firms, local firms also send their managers to attend the domestic training courses. For instance, there was an in-house training programme for senior managers of financial department which was delivered by PEACE Institute of Directors in 2010.

To examine the emerging leadership development in Vietnam, the next case study will describe one of the leadership development programmes that are organized within the Vietnam context.

4.2 Case study Two: PACE Institute of Leadership & Management, Vietnam - Leadership Development Programme Provider

4.2.1 Company Overview

Established in 2001 and headquartered in Ho Chi Minh City, Vietnam, PACE Institute of Leadership and Management (PACE) was formerly known as PACE Education Groups and PACE Institute of Directors, is the premier education organization that is working to develop the next generation of business leaders in Vietnam.

After the Vietnamese government implemented economic reforms in the 1980s, Vietnam experienced social and economic changes. New laws such as the Enterprise Law issued in 2000 which encourages the operation of private enterprises, has opened new opportunities for the Vietnamese to enter into industries that were restricted to them. From this context, PACE was established as one of the first business training schools that help to provide business and management skills and knowledge to Vietnamese business leaders (PACE Institute of Leadership and Management, n.d.).

After Vietnam became a member of the World Trade Organisation in 2007, it became crucial for Vietnam to have business leaders with new capabilities to meet new international standards. Responding to this demand, PACE has subsequently become a pioneer for business education for the emerging generation of business leaders in Vietnam.

4.2.2 Leadership Development Program for Visionary Leaders

PACE Institute of Leadership and Management delivers four institutional activities that provide a wide range of resources and opportunities that expand the knowledge and skills of Vietnamese business leaders. PACE's public training programs include more than 110 courses that provide training to both executives and managers. The Leadership development program for visionary leader is aimed at helping to build the leadership capacity of executives and managers at different levels in Vietnam. The program was developed by the Australian National University in collaboration with PACE Institute of Leadership & Management and the global Development Learning Network Asia Pacific (PACE Institute of Leadership and Management, n.d.).

4.2.2.1 Program Objectives

The objectives of the programme are to:

- ❖ Understand the importance of leadership and key qualities of highly-effective managers and leaders.
- ❖ Acquire a global approach and local insights in leadership from international and local experts and apply an appropriate leadership style to a real situation.
- ❖ Understand the main components of emotional Intelligence and leadership style and their implications to practical working place context.
- ❖ Enhance people management capabilities in collaborating with others and leading teams to achieve the desired goals.
- ❖ Develop and articulate visions for organizational success.
- ❖ Distinguish the differences between management and leadership and choose an appropriate approach to different situations.
- ❖ Learn and reflect on leadership perceptions and best practices

4.2.2.2 Program content and Program duration

The Leadership develop program contains 11 sessions, 2 leadership development program talk seminars and the completion of the final assignment. The program is conducted within 7 weeks. The program content and program agenda are described in the following tables:

Table 4 – Leadership development program content – PACE Institute of Leadership & Management

Sessions	Topics
Leadership: The context for the next decade	<ul style="list-style-type: none"> • Globalization • Leadership and its culture aspect • The emerging regional economies of China, India and Russia • Implications of future contexts to organizations and businesses in Vietnam • Recognizing opportunities & challenges in your organization
Management versus Leadership: What is the difference?	<ul style="list-style-type: none"> • The roles of management and leadership • Their characteristics and differences • Learning to delegate
Vision, Mission and Social Cause	<ul style="list-style-type: none"> • Leadership drives an organization's purpose and directions • Organizational Vision Development • Key components of a successful vision • How to formulate a vision statement • Practice developing a vision statement
Working with people: Emotional Intelligence (EI)	<ul style="list-style-type: none"> • The four components of EI as defined by Goleman • Using EI in building leadership capacity • Self-assessing your EI skills and developing key components
Leadership Styles	<ul style="list-style-type: none"> • Different approaches of leadership styles • Organizational climate, and Goleman's six leadership styles • Relating leadership to the Vietnamese culture • Identifying your own leadership styles and developing plans for individual leadership development

Source: Adapted from PACE Institute of Leadership and Management (n.d)

Table 5- Leadership development program agenda – PACE Institute of Leadership & Management

<u>Week1</u>	<u>Week 2</u>	<u>Week 3</u>	<u>Week 4</u>	<u>Week 5</u>	<u>Week 6&7</u>
Leadership: The context for the next decade	Management vs. Leadership	Vision, Mission & Social Cause	Working with people: Emotional Intelligence	Leadership Styles	Final Assignment
<i>Australia National University lectures (9AM-12PM)</i>	<i>Local workshop (9AM-12PM)</i>	<i>Australia National University lectures (9AM-12PM)</i>	<i>Australia National University lectures (9AM-12PM)</i>	<i>Australia National University lectures (9AM-12PM)</i>	<i>Local workshop (9AM-12PM)</i>
Course opening & Learning expectations	Leader vs. Manager differences (Discussion & Quiz)	Reflecting on previous session	Reflecting on previous session	Reflecting on previous session	Course wrap-up
Globalization & Culture aspects (Presentation, Questions & Answers)	Case study: The "do it yourself" leader & Self-assessment on personal delegating skills	Leadership in Purpose & Direction	Four components of EI	Different approaches of leadership styles	Final assignment objective briefing;
Economic and climate aspect (Presentation, Questions & Answers)	Sharing viewpoints - Bennis' on becoming a Leader (Pair work)	Organisational vision Development (Presentation; Questions & Answers)	Building leadership capacity using EI (Presentation, Questions & Answers)	Organisational climate & leadership styles (Presentation, Questions Answers)	Final assignment writing instruction
<i>Local Workshop (1.30PM-5.30PM)</i>	<i>Australia National University lectures (1.30PM-5.30PM)</i>	<i>Local Workshop (1.30PM-5.30PM)</i>	<i>Local Workshop (1.30PM-5.30PM)</i>	<i>Local Workshop (1.30PM-5.30PM)</i>	
Analyzing implications of future contexts to Vietnam (Group discussion & Presentation)	Reflecting on previous session	Vision & mission as driving elements of organisation (Case analysis, Group discussion)	Emotional Intelligence, Leadership effectiveness & Team outcomes (Group discussion)	General discussion on leadership in relation to Vietnamese culture (Group discussion)	
Identifying opportunities & challenges of organization (Individual & Group Work)	Roles of management & leadership(Presentation, Questions & Answers)	Practicing writing your organisational vision statement (Individual & Group work)	Assessing your EI skills & practicing developing four components (Individual & Scenarios practice & Discussion)	Identifying leadership styles & developing individual leadership development plans (Individual work & Pair discussion)	
Self-assessment of individual leadership & management competencies (Pair discussion)	Learning to delegate (Presentation, Questions & Answers)	Sharing viewpoints -Collins' Good to Great (Pair work & Class discussion)	Session Wrap-up	Sharing viewpoints on Covey's 7 Habits (Group discussion & Presentation)	

4.2.2.3 Teaching and Learning Methodology

The learning and teaching process in the leadership development program for visionary leaders which is conducted by PACE Institute of Leadership and Management is based on case studies, role-play activities, group discussions, as well as group and individual assignments. The program is delivered through video-conferencing sessions and in-person workshops.

- ❖ One face-to-face session and four video-conferencing sessions delivered by Australian National University lecturers and facilitated by local facilitators.
- ❖ Six face-to-face workshops delivered by local facilitators.

4.3 Chapter Summary

This chapter described two case studies that were employed in this dissertation. The first case mentioned organizational changes and leadership development initiatives of a joint venture enterprise – Hue Brewery, Vietnam. This case identifies the resource transfer and leadership development activities between foreign partner (Carlsberg) and its local partner in Vietnam. The second case provided an example of a leadership development programme that has been conducted in Vietnam. This case described the programme's objectives, contents and learning methodology. These two case studies provided an overview of emerging leadership development practices within Vietnam context. Thus, the next section will analyze the key findings of the case studies in terms of the literature.

Chapter Five – DISCUSSION

5.1 Vietnam – Leader development or Leadership development?

As depicted in the literature review, the renovation policy of Doi Moi which was initiated in 1986 led to dramatic changes in the Vietnamese business landscape and labour markets. The renovation policy aimed to transform Vietnam from a centrally planned economy based on public property into a globally integrated market economy with socialist characteristics (Bae et al., 2003). With the first foreign direct investment law in 1987, the country has seen a major shift of the contemporary socioeconomic context which is characterized by flows of foreign investments and an increasing number of joint ventures.

After going through a long period of centrally planned management, Vietnamese local managers are found to be short of management knowledge and skills in dealing with labour related issues within the new context of a market economy (Baughn et al., 2011). In order to survive the competitive business environment, both state-owned and private entrepreneurs have to face the need of improving managerial competencies. Specifically, the need for human resource development is seen as a crucial factor in order to continue attracting and keeping joint venture operations. Thus, most Vietnamese studies that the researcher found mainly focus on how to transfer human resource policies and practices into a transitional business system. They emphasize different aspects of human resource management, including training practices, performance management and labour relations.

However, the researcher found that there are a few studies that concentrate on leadership and initiatives for leadership development within a Vietnamese business context. This can be explained by the fact that the nature of leadership has not been clarified in Vietnam. The terminology of leadership is described as individuals who have the ability to create vision, to create new pathways and engage followers in shared meaning and a sense of integrity (Boaden, 2006; Day, 2000). In a centrally planned economy, the traditional form of leadership in Vietnam was seen as a bureaucratic model of authoritarian control. Although a new human resource management system has been introduced into Vietnam by the flows of foreign investment, the hierarchy structure of management still affects the leader's ability to build relationships, create mutual understanding and shared values.

Moreover, the consequence of the persistent wars and the central model of economy have led to a lack of Vietnamese business leaders' managerial competencies and leadership skills. Recognizing the apparent need of developing potential leaders for a market economy, a variety of leadership development programmes have been introduced in Vietnam. However, the main focus of these programmes is to help, build and strengthen the leadership capacity and skills of business leaders at different levels. For instance, case study two in this dissertation illustrates a leadership development program that is organized by PACE Institute of Leadership & Management. The programme provides an overview of leadership through differentiating management and leadership, explaining key qualities of an effective leader and learning on leadership perceptions and best practices.

The main objective of the programme is attaining core concepts and tools which enable the participants to be an effective leader in an organization. The improvement of intrapersonal skills can be the participant outcomes after attending the programme. Although the programme also mentions the importance of interaction and relationships in leading teams to achieve the desired goals, personal development is still seen as the core component. In fact, the learning process that focuses on individual is considered as "leader development" rather than "leadership development".

According to Tsai and Ghosal (1998), leader development treats leadership as an individual phenomenon and the main focus is developing skills, abilities and behaviours that are associated with the leader role. On the other hand, leadership development holds a broader meaning than simply developing leadership skills of individual leaders. Leadership development should involve every employee in the organization and place attention on the development of relations between individuals that will add value to the organization (Dalakoura, 2010).

In the context of Vietnam, the existing leadership development programmes have responded to the emerging need of Vietnamese business leaders in developing their knowledge, skills and abilities. The programme helps to adapt the theory and practices of leadership development in the transitional context of Vietnamese business. This process might lead to a major change in the way that Vietnamese entrepreneurs view and conduct human resource development. Both leader development and leadership development are considered to be necessary in order to increase leadership effectiveness

in the organization. Thus, the emerging leadership development in Vietnam might be seen as a starting point for a new leadership perspective.

5.2 Leadership development in joint venture

The economic reform in Vietnam has created changes in both a market and firm's ownership structure. With an open policy for foreign direct investments, many foreign firms have formed joint ventures with Vietnamese enterprises. This has led to the adaption of different organizational strategies. For instance, joint ventures establish their organizations based on international standards, including creating a board of management, reducing mid-level management and decentralization of control (Zhu, Collins, Webber, & Benson, 2008).

For joint ventures in Vietnam, the foreign partner contributes advanced technology and managerial knowledge while local partner contributes market access, land, distribution network and political capital. Among these resources, managerial competencies are considered as one of the most crucial factor for the success of venture operation. Thus, joint venture enterprises adopt more human resource management approaches than local enterprises.

In general, case study one in this dissertation illustrates the changes of a joint venture (Hue Brewery) in terms of organizational structure, management localization and leadership development initiatives. In this case, the foreign partner – Carlsberg transferred technical, marketing and management knowledge by means of training. Both in-factory and overseas training are considered essential in order to provide an insight of how the business operates and to maintain the quality of the products.

In the case of Hue Brewery, the joint venture firm emphasized developing people on the job. The company used job assignment approaches such as on-the-job coaching and job rotation. On-the-job coaching was been identified as an effective approach in developing leaders since it helps managers learn how to build team relationship, influence the followers' skills and acquire leadership capacity (McCauley & Brutus, 1998). To maintain the consistent beer quality, Vietnamese senior managers in Hue Brewery were required to have not only technical knowledge but also an understanding of a variety of issues related to beer brewing. For instance, senior technical managers were rotated through tasks and on-the-job trainings in different positions and places in

the brewery. This approach helped to provide a broader knowledge and skill set for the managers' jobs.

Additionally, the middle managers of Hue Brewery participated in the Asia Leadership Academy, a leadership development programme in which managers from different Carlsberg companies in the Asian region are given an opportunity to gain experiences, vision and develop leadership skills. The understanding and information about markets and management were the most beneficial outcomes for Vietnamese managers at the joint ventures. It would seem that the design of leadership development programmes of Carlsberg for its joint venture involves both the individual-based skills, capabilities and the relations between the individual and their team.

However, there is a huge difference in culture between Vietnam and Denmark in terms of values, beliefs, behaviour, attitudes and language. Although the relationship between these two countries has been developing since the 1970s, cultural differences can lead to difficulties in applying and evaluating leadership development. Thus, the next section discusses the relation between Vietnamese cultural dimensions and leadership development.

5.3 Cultural factors contributing to the leadership development practices

The dynamic transitional environments that are characterized by Vietnam's socioeconomic transformations have led to changes in Vietnamese business leadership. When state-owned enterprises had a monopoly in goods and service production, there were limited requirements of both knowledge and experiences for leadership. The process of developing leadership did not take into consideration of the enterprise's specific needs and Vietnamese people perceived leadership as a bureaucratic model of authoritarian management (Nguyen, 2003). Thus, training and development of leadership was not seen as a priority for organisational performance.

Leadership development has not been seen as an achievement in one's career development by Vietnamese managers and this is related to the concept of achieving harmony in a collectivist society. As Hofstede (1980, 1984) described, in a collectivist culture, the interest of groups is over the interest of individual. It would seem that education and training are provided for Vietnamese people regardless of individual needs and achievements. With the traditional values that are influenced by Confucian teachings, Vietnamese use the concept of family-management in developing their

enterprises. In this type of management, individuals are required to adapt themselves to collective norms, control their emotions, and avoid any kind of competition or public confrontation.

Furthermore, the dimension of collectivism plays a significant role in the way that Vietnamese people perceive leadership. According to Nha (2010), the characteristics of Vietnamese business leaders include the combination of four main factors: Duc – Tri-The – Loi (Virtue – Mind – Physical – Benefits). Among these four factors, the factor of Loi is recognised as the most important factor to evaluate an effective business leader. “Loi” (Benefit) emphasizes not only the individual achievements but also the individual contribution into the community and society.

However, with an open policy for attracting foreign investment, Vietnam has recently seen a major shift in the contemporary socioeconomic context. The renovation policy (Doi Moi) which was implemented in 1986 has opened up more freedom for private enterprises and more opportunities to travel abroad and do business with the Western enterprises. This openness many have encouraged more individualism and less collectivism among the new generation of Vietnamese managers. Indeed, the younger generation of Vietnamese managers have received more opportunities to interact with a Western educational system. The business education in Vietnam also seeks to establish cooperative ties with foreign universities in order to improve the educational quality in Vietnam.

Although the value of collectivism and individualism appears to be changing, Vietnam still presents a society of high power distance. The study of Quang, Swierczek and Chi (1998) on leadership behaviour of Vietnamese managers in joint ventures indicates that Vietnamese managers did not emphasize sharing power. While foreign managers see their counterparts in decision making as a form of sharing of power, Vietnamese managers involve the use of authority to accomplish tasks. A high power distance and Confucian teaching which emphasizes hierarchy make leadership development in Vietnam as an apprenticeship system. The designated leader would follow their top leader, learn all the aspects of the business and start to build up responsibilities. Thus, coaching or mentoring approaches can be seen as effective leadership development initiatives to adopt into Vietnam context.

However, the dimension of collectivism and Confucian values on harmony and face can make it difficult for adopting the multisource feedback in developing leadership in

Vietnam. The practice of multisource feedback is recognised as a valuable way to provide information on learning directions and growth for an individual leader (Atwater et al., 2007). Although the feedback has been widely used in Western organizations, it may find difficulty for Vietnamese subordinates to give negative feedback and for supervisors to receive such feedbacks. Thus, it is important for Vietnamese organisations to emphasize that the feedback is for the development and the reports should be compiled by a neutral third party.

In summary, Vietnam has witnessed a major shift in the economic development and social change. With an increase in number of foreign investments and joint ventures, Vietnamese have an opportunity to interact with more Western educational system and development initiatives. However, the dimension of collectivism and power distance still play an influential role in Vietnamese organisational structure and perception of leadership. Thus, both leadership development program provider and the Vietnamese enterprises should adopt appropriate practices in order to develop effective leaders.

Chapter Six- CONCLUSION

The growth of the global business environment has brought unprecedented opportunities and challenges for businesses in Vietnam. The expansion into the global market is creating tremendous changes in how enterprises do business. Many organizations are entering new and foreign markets to create new products and services by forming joint ventures. Joint ventures are seen as ways to increase resources, learning opportunities and market share. In order to adapt to a changing global economy, many international joint ventures expect their managers to implement leadership to deal with different systems in both global and local context. Thus, developing leadership at all levels is a critical and strategic imperative for joint business ventures to manage complex international business activities.

Leadership development is about the process in which the individual leader takes up challenges brought on by changing circumstances, innovate and inspire ways to make the organization go forward. Leadership development involves not only the development of individual - level skills but also an interaction process between the designated leader and the social-cultural environment. Thus, culture can be seen as an important factor in the process of developing leadership. From a cross-cultural perspective, leading across cultures requires technical expertise and interpersonal skills along with specific attribute and knowledge on the national culture.

Culture and its relevant forces clearly have an influence on leadership and leadership development practices. There has been a growing research interest in how cultural values impacts on leadership practices in the organisational studies (Ardichvilo & Manderscheid, 2008; Barger, 2007; Bjerke, 1999; Ferraro, 2006; Xu & Jiang, 2010). One of the most influential studies on culture and organisational leadership was Hofstede's research on IBM employees in 1980. Based on data of 88,000 organisational members from 40 countries, Hofstede introduced the concept of individualism/collectivism, power distance, uncertainty avoidance and masculinity/femininity. The studies of Hofstede (1980, 1991, and 2001) have had an enduring legacy and they have contributed to the trend of using cultural dimensions as a framework for understanding cultural effects on organisational leadership.

It would seem that leadership in the West and in Asian countries has different social and cultural values which bring different leadership development practices (Chen & Lee, 2008). There is already a substantial body of literature that indicates difficulties when

Western leadership theories and practices adapt in Asian cultural business environment. However, there are limited studies on the effect of cultural dimensions on leadership development in the emerging economies, such as Vietnam. Therefore, the objective of this dissertation was to review the emerging leadership development and explore the effects of cultural dimensions on leadership development activities in Vietnam. The focus on Vietnam is pertinent for the following reasons. First, given the dynamic transitional environments that are characterized by Vietnam's socioeconomic transformations, this country has presented an excellent opportunity for major management development activities. Second, the increase in number of joint enterprises in Vietnam has risen an urgent need for developing Vietnamese managers to be efficient leaders to survive the highly competitive business environment. Third, Vietnam also presents a culturally complex business environment which emphasizes a high dimension of collectivism and power distance.

By conducting a search through 19 leading journals from Western database and 10 journals from Southeast Asian and Vietnamese studies, the researcher found a substantial literature on reviewing leadership development and cultural dimensions in Vietnam. The emerging practices of leadership development in Vietnam were also exemplified by the analysis of two case studies from Vietnam. The case of Hue Brewery Company, a joint venture between Carlsberg Group and Hue Beer was selected as the company illustrates the success in transferring human resource development and leadership development strategies and approaches between two venture partners. Additionally, the researcher explored a leadership development programme that has been conducted in Vietnam by PACE Institute of Leadership and Management. The aim was to reflect how leadership development programme has been delivering and to disclose whether Vietnamese cultural dimensions are anticipated in the process of leadership development in Vietnam.

From the findings of literature review and case studies, it would seem that there is a very recent trend in researching the transitional process of human resource management activities in Vietnam. The reason for this fact is that most Vietnamese enterprises have begun to recognize the importance of training and development since the workforce has been found lacking in managerial skills. Specifically, the joint venture enterprises in Vietnam require providing more human resource training and development in order to meet international standards. However, the lack of scholarly literature on leadership development in Vietnam is an indication that the need for leadership development has

just been realized in the practitioner community and the research agenda is behind the practice requirements. The increase in number of training institutions and leadership development courses in Vietnam illustrates this trend.

Another finding of this study is that the majority of leadership development programmes for Vietnamese business leaders are conducted overseas or conducted by Vietnamese institutions with collaboration of foreign institutes or consultant companies. For instance, the two case studies illustrated that there is a trend for Vietnam to adopt Western leadership development theories and approaches. However, there are cultural differences between Vietnamese and Western countries in perceiving how leadership development is valued.

One aspect is that Vietnamese people are a nation that values tradition and accords high respect for intellectuals and talented people. The value of education has traditionally been held in high regard by Vietnamese community. The emphasis on getting educated comes not only from a desire to achieve individual goals and maintain the family reputation but also from the Confucian value and belief that a person's level of education can reflect the person's social identity (Hoang & Dung, 2009). Thus, Vietnamese business leaders may see leadership development as a process of improving their personal values and reputation.

Moreover, the collective orientation, the concept of harmony and high power distance in Vietnam can make it difficult for implementing popular Western leadership development practices such as multisource feedback or networking. Vietnamese people perceive leadership as an apprenticeship process in which the designated leaders follow their top leaders, learn and build up responsibilities. This apprenticeship process requires the individual leader to be practical and learn by experience. Therefore, the approach of mentoring, coaching or job assignments can fit to the Vietnamese business context to develop effective leadership.

In addition to the concern of adapting Western leadership development approaches in Vietnam, both Vietnamese enterprises and leadership development providers should pay attention to the issue of the generation gap in Vietnamese business leaders. The young generation of Vietnamese leader are likely to pay less attention to traditional values and require more managerial development activities. In order to maintain young talented leaders for enterprises, Vietnamese businesses need to see leadership development as an

organisational investment and facilitate the leadership development at all organisational levels.

In brief, this dissertation presented interesting findings regarding the trend of developing business leaders for the transitional economy in Vietnam. However, there are some aspects that limit the generalizability of this study and they can be addressed in future research. The first limitation was the scope of the review. The researcher focused on 19 top academic journals as the basis for identifying literature on leadership development in the organisations and in Vietnam context. Since the research in training and development in Vietnamese organisations has just increased in the mid-1990s, many Vietnamese studies may not be available in the Western journals. To deal with this limitation, the researcher conducted a second phase of search through Southeast Asian and Vietnamese journals. However, the result was limited due to the fact that some articles were published in discontinued journals, including Journal of VNU Science, Economics and Business, Vietnam Economic News, Vietnam Business Forum and Vietnam Economic Studies.

Based on the time frame for a Master's dissertation, the researcher collected studies which were written in Vietnamese through websites and university libraries in Vietnam. However, as the researcher was unable to travel to Vietnam during this period and also due to the limited availability of Vietnamese studies, this dissertation has some limitations. However, the limitation can also be seen as an opportunity for future research and a gap in the literature on Vietnam which future research can fill. Furthermore, one of the major criticisms of case study research represents the generalizability of results based on single cases. The selection of one joint venture enterprise in the brewery industry as a case study may make it unrealistic to draw general conclusions for all joint ventures in Vietnam and may thus decrease the external validity of results. Another limitation is the lack of accessibility into the organisational insights to explore the process, content and evaluation of leadership development that has been delivered in Vietnamese joint ventures.

Findings of this study and the above limitations provide a basis for future research. For instance, there is an opportunity for future research to be conducted and to examine the process of leadership development that is adapted in a Vietnamese transitional economy and culture. A possible avenue for research can focus on more intensive case studies in order to evaluate leadership development programme from the perspectives of both

leadership development providers and learners. Moreover, the limited studies on Vietnamese cultural dimensions which are based on Hofstede's studies provide an opportunity for conducting a country level analysis. It can be seen that if the processes of leadership development to fit the Vietnamese social-cultural context are researched and their findings implemented, the resulting learning will contribute to leadership development globally.

In conclusion, this dissertation reviewed the emerging leadership development in Vietnam context. The leadership development might be seen as a strategic and competitive initiative for Vietnamese enterprises to grow in a global economy. With a better business education and a more attractive and challenging business environment, the younger generation of Vietnamese managers are likely increase. In order to develop the pool of talented managers to be potential leaders, Vietnamese organisations need to start treating human resource development as a long investment, like a traditional Vietnamese saying:

“Bach nien chi ke, mac nhu thu nhan”

The best century-long plan is to plant human resources.

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