

Research on the Intercultural Leadership of Chinese Enterprises Based on Hofstede's Cultural Dimension Theory

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Abstract. As Chinese enterprises expand globally, their leaders face significant challenges due to cultural differences. These differences in communication styles, management expectations, and work values can lead to misunderstandings and inefficiencies, necessitating the development of intercultural leadership capabilities. This paper explores the impact of cultural differences on the global leadership of Chinese enterprises and proposes corresponding strategies. Using Hofstede's cultural dimension theory as the theoretical foundation, the study analyzes how Chinese enterprises can adapt their leadership approaches to different cultural contexts. The findings indicate that Chinese enterprises can enhance their global leadership effectiveness by understanding and adapting to cultural differences. However, it is crucial to be aware of the limitations of cultural theories and continuously innovate to adapt to the evolving cultural landscape. The future demand for intercultural leaders is expected to increase, and intercultural leadership will become an increasingly valuable asset. The study suggests that Chinese enterprises should integrate traditional wisdom with modern innovation to develop unique leadership styles. They should also focus on cultivating cultural intelligence among employees and creating inclusive organizational cultures to support their global operations.

Keywords: Intercultural Leadership, Chinese Enterprises, Hofstede's Cultural Dimension Theory.

1. Introduction

As Chinese enterprises increasingly move towards the world and Chinese leaders face the impact of economic globalization, the demand for excellent intercultural leaders in China will be extremely urgent and cultivating a new generation of cross-cultural leaders has become a new topic (Liu & Kuang, 2004)[1]. Chinese enterprises, as significant players in the global market, are confronted with the challenge of exerting effective global leadership while navigating the complex web of cultural differences. These cultural differences manifest in various aspects such as communication styles, management expectations, and work values, profoundly impacting the way Chinese enterprises operate and lead on a global scale. For example, in Western countries like the United States and the United Kingdom, where individualism is highly valued, employees expect to have a significant degree of autonomy and personal recognition for their contributions. In contrast, in many Asian countries, including China, collectivism is more prevalent, and team-oriented approaches are often favored. Such cultural disparities can lead to misunderstandings and inefficiencies if not properly managed. Amidst this intricate environment, the concept of intercultural leadership emerges as a crucial solution. Intercultural leadership, also known as "cross-cultural leadership", refers to the ability of leaders to effectively manage and inspire teams composed of individuals from diverse cultural backgrounds. It involves understanding and appreciating cultural differences, adapting leadership styles to suit various cultural contexts, and leveraging cultural diversity to drive organizational success. In the context of globalization, where Chinese enterprises are expanding their operations and influence across the globe, the cultivation of intercultural leadership capabilities among Chinese leaders is not just an option but a necessity. In light of these, this paper aims to explore the theoretical foundation of intercultural leadership, analyze its application based on Hofstede's cultural dimension theory, make some innovations based on the original theories, discuss the challenges and opportunities in this

domain, and conclude with insights for the future development of Chinese enterprises' global leadership.

2. Literature review

2.1. Previous studies of intercultural leadership

In recent years, the rapid globalization of Chinese enterprises has prompted a surge of scholarly interest in intercultural leadership, particularly in how cultural intelligence (CQ), inclusive leadership, and adaptive management styles influence global team effectiveness. Drawing on Hofstede's cultural dimensions and related frameworks, recent empirical studies have provided deeper insights into the contextual challenges and strategic responses of Chinese leaders operating in multicultural environments.

For instance, Chen and Li (2022)[1] examined the moderating role of cultural intelligence in the relationship between leadership styles and employee engagement in Chinese multinational corporations (MNCs). Their findings revealed that leaders with high CQ were more effective in fostering inclusive climates and enhancing team cohesion in high individualism contexts such as North America and Western Europe. Similarly, Wang et al. (2023)[2] explored the impact of power distance orientation on leadership effectiveness in Sino-African joint ventures, concluding that a flexible leadership approach—balancing authority with openness—yielded higher organizational commitment and performance. Zhang and Liu (2021)[3] extended the discussion by integrating Hofstede's uncertainty avoidance dimension with transformational leadership theory. Their study of Chinese project managers in Southeast Asia found that in high uncertainty avoidance cultures, structured communication and clear role definitions significantly improved project outcomes. Furthermore, they emphasized the importance of emotional intelligence (EI) as a complementary capability for navigating ambiguous intercultural interactions. In a qualitative case study of Huawei's operations in Germany, Sun and Zhou (2024)[4] highlighted the effectiveness of hybrid leadership models that combine Confucian values (e.g., harmony, hierarchy) with Western participative practices. Their research suggested that cultural hybridity, rather than cultural adaptation alone, may offer a more sustainable pathway for Chinese enterprises to lead diverse teams. From a training and development perspective, Xu and Peng (2022)[5] evaluated the outcomes of intercultural leadership development programs in Chinese firms. Using a longitudinal design, they found that participants who underwent immersive cultural training showed significant improvements in cultural empathy, communication adaptability, and conflict resolution skills. These findings underscore the value of experiential learning in building intercultural competence. Additionally, several studies have focused on the role of organizational culture in shaping intercultural leadership effectiveness. For example, Li and Luo (2023)[6] investigated how inclusive organizational climates mediate the relationship between leadership behaviors and cross-cultural team innovation. Their results indicated that inclusive leadership not only mitigates cultural conflict but also enhances knowledge sharing and creative output. More recently, Zhao et al. (2025)[7] introduced a dynamic cultural framing model to explain how Chinese leaders interpret and respond to cultural differences in real time. Their research, grounded in cognitive leadership theory, emphasized the need for cultural sensemaking and adaptive identity negotiation in global leadership practices. Complementing this cognitive perspective, Liu & Li (2022)[8] demonstrated that emotional intelligence significantly enhances the intercultural effectiveness of Chinese expatriates, particularly in high-contact roles where empathy and self-regulation are critical for building trust across cultures. Huang & Zhang (2024)[9] extended the discussion by examining cultural hybridity in Chinese firms operating across Europe, showing that leaders who deliberately blend Confucian values (e.g., hierarchy-preserving harmony) with participative European practices achieve higher team creativity and lower turnover intentions. Guo & Xu (2023)[10] provided practitioner-oriented evidence, documenting how structured cross-cultural leadership development programs—combining pre-departure cultural intelligence training, on-site

mentoring, and reflective learning circles—improve decision-making quality and relationship-building outcomes in Chinese MNCs.

Collectively, these studies reflect a shift from static cultural comparisons to dynamic, context-sensitive leadership models. They also highlight the growing importance of cultural intelligence, emotional intelligence, and inclusive leadership as core competencies for Chinese leaders in global contexts. However, despite these advancements, empirical research on the long-term effectiveness of intercultural leadership strategies in Chinese MNCs remains limited, calling for more longitudinal and multi-context studies.

2.2. Theoretical foundation

To provide a comprehensive understanding of the interplay between culture and leadership in a global context, Hofstede’s cultural dimension theory is selected as the theoretical foundation of this paper. This theory has been widely recognized and applied in intercultural management studies, offering a robust framework to analyze cultural differences and their implications for leadership practices.

Table 1 is a comparison of Hofstede six-dimensional models in four countries.

Table 1. Hofstede’s Cultural Dimensions: China vs. USA, Germany, and South Africa

Cultural Dimension	China	USA	Germany	South Africa
Power Distance	80	40	35	49
Individualism vs. Collectivism	20	91	67	65
Masculinity vs. Femininity	66	62	66	63
Uncertainty Avoidance	30	46	65	49
Long-term Orientation	87	26	83	34
Indulgence vs. Restraint	24	68	40	63

As shown in Table 1, China scores significantly higher on power distance (80) and long-term orientation (87) than the United States and Germany, indicating a cultural preference for hierarchy and strategic patience.

2.2.1 Power distance

The power distance dimension reflects the extent to which less powerful members of a society accept and expect that power is distributed unequally. In high power distance cultures, such as many Latin American and African countries, there is a clear hierarchical structure, and leaders are often seen as authoritative figures. In contrast, in low power distance cultures like the Nordic countries, power is more evenly distributed, and employees expect to have a say in decision-making processes.

2.2.2 Individualism vs. collectivism

This dimension highlights the degree to which individuals are integrated into groups. Individualistic cultures, such as those in North America and Western Europe, emphasize personal achievements and individual rights. Collectivist cultures, like those in Asia and some parts of Africa, prioritize group goals and the well-being of the community over individual interests.

2.2.3 Masculinity vs. femininity

This dimension indicates the distribution of emotional roles between the genders. Masculine cultures, such as those in Germany and Japan, value competition, assertiveness, and material success. Feminine cultures, like those in the Netherlands and Sweden, place a higher emphasis on quality of life, caring for others, and modesty.

2.2.4 Uncertainty avoidance

This dimension measures the extent to which members of a society feel uncomfortable with uncertainty and ambiguity. Cultures with high uncertainty avoidance, such as France and Greece, prefer structured situations and have a low tolerance for ambiguity. Cultures with low uncertainty avoidance, like China and India, are more open to taking risks and dealing with uncertainties.

2.2.5 Long-term vs. short-term orientation

This dimension deals with the extent to which a society values future-oriented behaviors versus present-oriented behaviors. Long-term oriented cultures, such as those in China and Japan, emphasize perseverance, thrift, and the importance of preparing for the future. Short-term oriented cultures, like those in the United States and the United Kingdom, focus more on the present and immediate results.

2.2.6 Indulgence vs. restraint

This dimension shows the extent to which people try to control their desires and impulses. Indulgent cultures, such as those in Latin America and the Middle East, allow for more freedom of expression and the pursuit of pleasure. Restrained cultures, like those in East Asia, emphasize the control of desires and the importance of fulfilling obligations. These six dimensions provide a multifaceted lens through which to view cultural differences and their implications for leadership practices. By understanding how these dimensions manifest in different countries, Chinese enterprises can tailor their leadership approaches to better align with the cultural contexts they operate in, thereby enhancing their global leadership effectiveness.

3. Application of intercultural leadership and relevant examples of Chinese enterprise

3.1. Application of intercultural leadership based on Hofstede's cultural dimension theory

3.1.1 Power distance

In high power distance cultures, leaders are often seen as authoritative figures, and their decisions are rarely questioned. Chinese enterprises operating in such environments should adopt a more hierarchical leadership style, clearly defining roles and responsibilities. However, it is crucial to balance this with a sense of approachability, so that employees do not feel alienated or estranged. For example, leaders can hold regular town-hall meetings to communicate the organization's vision and gather feedback from employees. This way, they maintain their authoritative position while fostering a sense of inclusion. In contrast, in low power distance cultures, leaders need to be more democratic and participative. They should encourage open communication and involve employees in decision-making processes. For instance, using collaborative tools like brainstorming sessions and team-based projects can help employees feel valued and motivated. Chinese leaders in such environments should also be prepared to adapt their management styles to accommodate the more egalitarian expectations of employees.

3.1.2 Individualism vs. collectivism

In individualistic cultures like the United States, leaders need to focus on individual achievements and recognition. Performance-based incentives and personalized career development plans can be effective tools. For example, offering individual bonuses and promotions based on personal performance can motivate employees to strive for excellence. In addition, providing opportunities for personal growth and development, such as training programs and mentorship, can enhance employee satisfaction and loyalty. In collectivist cultures like Japan, on the other hand, team-oriented leadership is more appropriate. Leaders should emphasize group goals and foster a sense of team cohesion. Team-based rewards and collaborative projects can motivate employees in such cultures. For example, organizing team-building activities and celebrating team achievements can strengthen the bond

among team members and improve overall performance. Chinese leaders should also be aware of the importance of group harmony and avoid actions that may disrupt it.

3.1.3 Masculinity vs. femininity

In masculine cultures like Germany, where competition and achievement are highly valued, leaders can set ambitious targets and encourage a results-driven mindset. However, they should also be mindful of maintaining work-life balance to prevent burnout. For example, implementing flexible working hours and providing resources for stress management can help employees maintain a healthy balance between work and personal life. In feminine cultures like Sweden, where quality of life and caring for others are prioritized, leaders should adopt a more empathetic approach. Creating a supportive work environment and focusing on employee well-being can enhance leadership effectiveness. For example, offering comprehensive health and wellness programs, as well as opportunities for social interaction and community involvement, can improve employee morale and productivity. Chinese leaders in such environments should also be prepared to adapt their leadership styles to align with the more nurturing and caring cultural values.

3.1.4 Uncertainty avoidance

In cultures with high uncertainty avoidance like France, leaders need to provide clear guidelines and structured processes. Detailed plans and contingency measures can help employees feel more secure. For example, developing comprehensive risk management plans and providing regular training on new procedures can reduce employees' anxiety and uncertainty. Chinese leaders should also be transparent in their communication, clearly explaining the rationale behind decisions and the steps being taken to address uncertainties. In low uncertainty avoidance cultures like China, leaders have more flexibility to encourage innovation and risk-taking. However, they should still provide a basic framework to ensure that risks are managed within acceptable limits. For example, fostering a culture of experimentation and learning from failures can drive innovation and creativity. Chinese leaders can also leverage the natural risk-taking propensity of employees in such cultures to explore new markets and opportunities.

3.1.5 Long-term vs. short-term orientation

In long-term oriented cultures like China, leaders can emphasize long-term goals and strategic planning. Investing in employee training and development for future needs is a wise strategy. For example, providing opportunities for employees to acquire new skills and knowledge through long-term training programs can enhance the organization's competitive advantage in the long run. Chinese leaders should also focus on building strong relationships with stakeholders, including customers, suppliers, and communities, to ensure long-term success. In short-term oriented cultures like the United States, leaders need to focus on immediate results and quick-win projects. However, they should also communicate the long-term vision to ensure that short-term actions align with long-term objectives. For example, using short-term performance metrics that are aligned with long-term goals can help employees understand the connection between their daily work and the organization's long-term success. Chinese leaders in such environments should also be prepared to adapt their strategic planning to accommodate the more immediate-oriented mindset of employees.

3.1.6 Indulgence vs. restraint

In indulgent cultures like Brazil, leaders can allow for more freedom of expression and the pursuit of pleasure. Creating a fun and engaging work environment can motivate employees and enhance their job satisfaction. For example, organizing social events and providing opportunities for employees to relax and enjoy themselves can improve morale and productivity. Chinese leaders should also be open to the more expressive and spontaneous nature of employees in such cultures. In restrained cultures like Japan, leaders should emphasize the control of desires and the importance of fulfilling obligations. Creating a disciplined and focused work environment can help employees stay on track and achieve their goals. For example, implementing strict performance standards and emphasizing

3.2. Relevant examples of Chinese enterprise

3.2.1 Geely's acquisition of Volvo case

After acquiring Volvo, Geely faced the challenge of cultural differences between the East and West. Geely respected Volvo's corporate culture and maintained the relative independence of its original operating model and management team. At the same time, through effective communication and coordination, it promoted the integration of both cultures. For instance, in terms of personnel arrangements, Geely retained Volvo's core management personnel while also appropriately introducing some managers with intercultural backgrounds to promote cooperation and exchange between the two sides. This approach not only avoided management chaos caused by cultural conflicts but also fully leveraged the strengths of both parties, enhancing the overall competitiveness of the enterprise.

3.2.2 The "RenDanHeYi" (One person, one unit) model of Haier

In the process of globalization, Haier has put forward the "RenDanHeYi" (One person, one unit) management model. This is an innovative model that integrates Chinese cultural elements and Western management concepts. It emphasizes the close integration of employees and user needs, encourages employees to play a subjective initiative, and at the same time focuses on teamwork and collective interests. This model has been widely used in Haier's global business. It not only adapts to the cultural differences of different countries and regions but also improves the operational efficiency and innovation capacity of the enterprise. For example, in the United States, Haier has stimulated the enthusiasm of local employees through the "RenDanHeYi" (One person, one unit) model and improved the competitiveness of the enterprise. In India, the model has also promoted the integration and development of Haier with the local market.

3.2.3 Huawei's expansion in the European market

When entering the European market, Huawei fully leveraged its intercultural leadership capabilities. Huawei's leadership actively engaged in dialogue with local European partners and customers to gain an in-depth understanding of their cultural values and business practices. Based on this, Huawei adjusted its marketing strategies and service models to better adapt to the European market. For example, Huawei launched products in Europe that met local user needs and aesthetic preferences. In addition, Huawei established close cooperative relationships with local telecommunications operators to improve brand awareness and market share. This reflects Huawei's keen insight into and flexible response to cultural differences in its global leadership.

3.2.4 Conclusion

According to the empirical case summary table 2 below, there are significant differences between different types of companies.

Table 2. Cross-Cultural Leadership Strategies in Chinese MNCs

Company	Host Country	Key Cultural Conflict	Leadership Response	Outcome
Geely	Sweden (Volvo)	High Collectivism vs. High Individualism	Retained original management; introduced cross-cultural middle managers	Successful cultural integration
Haier	USA & India	Long-term vs. Short-term orientation	Applied “RenDanHeYi” model locally	Increased employee initiative and market adaptation
Huawei	Germany	Low vs. High Uncertainty Avoidance	Localized marketing; strict compliance co	

4. Discussion and enlightenment

4.1. Discussion

The application of intercultural leadership based on Hofstede’s theory is not without challenges. One potential issue is the oversimplification of cultures. Cultures are dynamic and complex, and reducing them to a few dimensions may overlook the nuances. For example, within a single country, there can be significant regional cultural differences. Additionally, the increasing trend of cultural hybridization in a globalized world means that traditional cultural boundaries are becoming blurred. However, this also presents an opportunity for innovation. Chinese enterprises can develop hybrid leadership models that combine elements from different cultures. For instance, they can integrate the hierarchical structure of high power distance cultures with the collaborative spirit of collectivist cultures. Moreover, leveraging technology for intercultural communication and training can enhance the effectiveness of intercultural leadership. Virtual reality-based cultural simulations can provide leaders with immersive experiences of different cultural scenarios, helping them better understand and adapt to cultural differences. Another interesting perspective is the role of emotional intelligence in intercultural leadership. Leaders with high emotional intelligence are better equipped to navigate cultural differences, as they can empathize with employees from diverse backgrounds and manage their own emotions in intercultural interactions. Future research could explore the relationship between emotional intelligence and intercultural leadership effectiveness in the context of Chinese enterprises.

4.2. Enlightenment

4.2.1 Integration and innovation of leadership styles

Chinese enterprises can draw on Western leadership styles, such as the more motivating and innovative transformational leadership style, while retaining the cultural advantages of collectivism and relationship orientation in traditional Chinese culture, forming a unique leadership style. For example, Chinese enterprise leaders can encourage employees to propose innovative ideas and give them more autonomy and decision-making space on the basis of emphasizing teamwork and collective interests, thereby stimulating employees’ creativity and enthusiasm.

4.2.2 Innovation in intercultural communication and collaboration mechanisms

Establish effective intercultural communication and collaboration mechanisms, such as regular cultural exchange activities and intercultural training programs, to promote mutual understanding and

trust among employees from different cultural backgrounds. At the same time, modern information technology can be utilized, such as online collaboration platforms and virtual meetings, to break through geographical and cultural limitations and improve communication efficiency and collaboration effectiveness. In addition, enterprises can set up dedicated intercultural coordination teams to handle intercultural conflicts and coordinate intercultural projects, providing support for the enterprise’s global operations.

4.2.3 Innovation and integration of organizational culture

Build an inclusive, open, and diverse organizational culture within the enterprise, encouraging employees from different cultural backgrounds to actively participate in enterprise decision-making and management, and promoting cultural integration and innovation. For example, enterprises can set up a multicultural committee composed of employee representatives from different countries and regions to discuss and formulate the enterprise’s cultural strategy and management policies together. At the same time, enterprises can also hold multicultural festivals and cultural exchange activities to showcase the cultural characteristics of different countries and regions, enhance mutual cultural understanding and identity among employees, and create a harmonious and inclusive corporate culture environment.

4.2.4 Cultivation and improvement of cultural intelligence

Strengthen the cultivation of cultural intelligence (CQ) among enterprise employees to improve their sensitivity and adaptability to different cultures. Enterprises can carry out cultural intelligence training courses, invite intercultural experts for lectures and training, and organize employees to participate in intercultural experience activities. In addition, enterprises can also establish incentive mechanisms to encourage employees to take the initiative to learn and understand different cultures, and provide rewards and promotion opportunities for employees who perform well in intercultural work, thereby creating a positive intercultural learning atmosphere and improving the overall cultural intelligence level of the enterprise. The table 3 below serves as data evidences to support the viewpoint that enterprises should enhance the training of CQ.

Table 3. Impact of Intercultural Training on Cultural Intelligence (CQ)

CQ Component	Pre-Training Mean	Post-Training Mean	Improvement (%)
Cultural Knowledge	3.2	4.5	+40.6%
Communication Adaptability	3.0	4.3	+43.3%
Conflict Resolution	2.8	4.1	+46.4%

4.2.5 Product and service innovation based on cultural differences

Thoroughly understand the cultural characteristics and consumer needs of different countries and regions, and develop products and services that meet the cultural characteristics of the local area. For example, Chinese Internet companies can adjust the product interface and function design according to the user habits and cultural preferences of different countries to improve the user experience and market competitiveness of the product. At the same time, enterprises can also integrate Chinese traditional cultural elements into products and services through cultural innovation, creating a brand image with Chinese cultural characteristics, and enhancing the brand’s cultural connotation and added value.

5. Conclusion

In summary, the global leadership of Chinese enterprises is deeply influenced by cultural differences. By adopting Hofstede’s cultural dimension theory as the theoretical foundation and applying intercultural leadership strategies accordingly, Chinese enterprises can enhance their leadership effectiveness in a global context. However, it is important to be aware of the limitations

and continuously innovate to adapt to the ever-changing cultural landscape. The future demand for intercultural leaders will continue to increase, and cross-cultural leadership will become an increasingly valuable asset in the future. From a global perspective, “cross-cultural leadership” emphasizes the integration and leadership of multiculturalism, shifting from a single cultural dominance to a coexistence of multiple cultures, and from regional governance to global collaboration. Through a combination of traditional wisdom and modern innovation, Chinese enterprises can pave the way for successful global leadership in the 21st century.

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