

Trust in relational leadership: reciprocity or renqing--- a study on the flow of gift-giving in China's private and foreign firms

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Abstract

In this literature review we explore emotional and cultural aspect of interpersonal trust through a study on the flow of gifts between leaders and subordinates in China's private and foreign firms. To do this, we compare the moderate mechanism of gift-giving----reciprocity and renqing and narrow down renqing as the norm of social interactions/favor in Chinese organization. Under such principle, we extend affective expression from western working domain to Chinese personal welfare through a review on benevolence. We state benevolence will mediate the relationship between gift-giving and interpersonal trust in Chinese context.

Keywords: interpersonal trust; renqing; reciprocity; benevolence; leadership; China

Introduction

Since the early work on interpersonal trust (e.g. Mayer, Davis, & Schoorman 1995 ; Rousseau et al. 1998), a body of studies have been conducted to examine trust in various fields during the past decade. However, few empirical studies have research

on emotional and cultural dimensions of trust (Schoorman, Mayer & Davis 2007). This article attempts to address the gap through a study on the flow of gifts between leaders and subordinates in China's private and foreign firms.

First, the reason why we are conducting this study in this way is due to different understandings on relational trust. Rousseau et al. (1998) define relational trust as "informal closer relationship.... under repeated interactions over time between trustors and trustees (399)". They emphasize the tendency from institutional trust to individual and network-based trust in terms of gradually smaller and multinational organizations (Rousseau et al. 1998; Walsh et. al. 2006). In contrast, Chinese interpersonal trust once depended heavily on the extended term of 'jia' (family) (Fukuyama 1996) and could be separated by various degrees of closeness in interpersonal relationship, from kinship, extended family, acquaintance to strangers Yang (1993, cited in Fu Tsui & Dess 2006). Therefore, Chinese firms have taken such an individual trust or closer Guanxi (interpersonal relationship) as a strong substitute for an underdeveloped legal system in the past two decades (Xin & Pearce 1996; Peng & Luo 2000; Child 2004; Li, Poppo & Zhou 2008). However, when China has gradually stepped into the market economy, there is a debate on whether the role of Guanxi has declined in business (Peng 2003; Guthrie 1998) or not (Boisot & Child 1996; Yang 2002; Ledeneva 2008). The difference is attributed to overestimated instrumental cognition on relationships while ignoring its emotional aspect.

To do this, the research will explore diversified forms of benevolent expressions between leaders and subordinates through gift-giving under the comparative mechanisms of *renqing* (human obligation) and reciprocity. We choose the behaviors of gift-giving because it is a specific sign to manifest social interactions in China (Xin & Pearce 1996; Hwang 1987) and has never been regarded as an independent theme in management research. Our basic premise is that various moderating mechanisms of gift will delineate various types of benevolence and finally cause different forms of interpersonal trust. Further, the study on benevolence will investigate both leaders and

subordinates within organizations and therefore extend previous higher-positions' perspectives on working relations (Leadership theories, e.g. LMX, Paternalistic Leadership). In summary, the research will regard benevolence as a breakthrough not only to clarify theoretical ambiguity of relational trust in various cultures, but also to give a comprehensive guide on employment-relationship practices.

Following this integrative approach, the current paper will focus on literature review and theoretical foundations, including gifts, reciprocity/ *renqing* and trust in relational leadership. Second, the essay will present its research strategy and delineate a simple research framework. Case study through interviews is the main means of conducting qualitative research. Furthermore, we point out some concerns regarding questionnaire survey because it depends on the qualitative results. Some research risks and resolving methods will be delineated as well. In addition, we will point out the expected results, further research and its risks. Finally, it will give a brief conclusion.

Section 1 Literature Review

1.1 gift study

Gift is an essential theme in anthropology. Malinowski (1926) expresses the principle of reciprocity as the basis of social structure in primitive society through the gift study. Further, he states that the mechanism of reciprocity consist the rules of civil law, which are elastic and combine rational appreciations with “social and personal sentiments (1926:58)”. Mauss (1966) proposes hau---“the spirit of gift” in primitive society as an implicit obligation which compels recipients to return gifts. Two anthropologists (Yang 1989 ,2002; Yan 1996 ,2001) respectively did fieldwork on the flow of gifts in contemporary China in 1980s. While the former emphasizes the instrumental aspects of gift in the urban arena, the latter concerns rationality and sentiment in the country. In short, all of the previous anthropological studies are based on the dichotomous functions of rationality and sentiment in the process of gift exchange. Such a typology manifests the possibility of mutual transformation between

instrument and affection: Instrumental gifts could transform into quasi-commodities for the purpose of similar instrumental return rather than gifts; similarly, instrumental gifts would promote personal relationship and mutual trust in the long term (Yan 2001). However, the conjunction will cause a difficulty to distinguish gifts in terms of intentions and roles.

Although business gifts could foster informal relations within or between organizations (Bruhn 1996), researches on this have been limited to the field of consumer behavior (e.g. Sherry 1983; Belk & Coon 1993; Joy 2001; Liao & Huang 2006) and has never been treated as an independent objective in management research. This is unusual in Chinese management research given that personal relationship is very important in China where presenting a gift or holding a feast are two of the most frequently used tactics for seeking, building and enhancing personal interactions (Yang 1982 cited in Hwang 1987).

Personal relationship (or Guanxi) is one of key Chinese characteristics (Huang 1987; Yang 1989, 2002; Yan 1996, 2001; Ledeneva 2008). Scholars define or classify Guanxi as similar as they synthesize the dichotomous functions on gifts (e.g. “Particularistic ties” in Bruce Jacobs (1979); “Particular instrumental ties” in Walder 1996; expressive, instrumental and mixed ties in Hwang 1987). However, the majority of current management researches emphasize its instrumental aspect rather than its affective function from cultural perspective (e.g. Xin & Pearce 1996; Yang 1989, 2002; Ledeneva 2008) and social capital theories (e.g. Nahapiet & Ghoshal 1998; Leana & Van Buren 1999). On the one hand, anthropological descriptions could delineate the context of Guanxi, which has transferred from “the acquisition of consumer goods and provision of everyday needs” (Yang 2002:463) in state redistributive or primitive commodity economy (Yang 1994; Yan 1996; Ledeneva 2008) during 1980s and the early of 1990s, to current “realm of business and the urban-industrial sphere” (Yang 2002: 463) in growing market economy since the

middle of 1990s. Therefore, contemporary Guanxi emphasize on dealing with uncertainty to overcome the defects of the markets in business (Lendenda 2008). As a means of promoting informal relationship, instrumental other than ritual gifts dominate the society and their concerns concentrate on obtaining “administrative resources and decision-makers” (Lendenda 2008:137). On the other hand, social capital theories provide operational constructs to measure similar Guanxi (e.g. Nahapiet & Ghoshal 1998; Leana & Van Buren 1999). Empirical studies in recent years have confirmed the opinion through the comparative studies on POEs (Private Owned Enterprises) and FIEs (Foreign Invested Enterprises): Whereas POEs rely heavily via social networks, FIEs focus on market mechanisms (Li 2005; Zhou, Cai & Li 2006; Li, Poppo & Zhou. 2008). In summary, the assumption is still a constraint on the instrumental function of informal relations. Therefore, it is necessary to return to the broader definition on “gift” as something you give someone on a specially occasion for the purpose of exploring neglected emotional aspect of Chinese relations in diversified organizations.

1.2 the mechanism of gift-giving: reciprocity vs. renqing

Social exchange theory (SET) is an interdisciplinary theory and could be simply regarded as the exchange of goods and services between two parties (Coyle-Shapiro & Conway 2004 , cited in Wu et. al. 2006). While economic exchange focuses on impersonal and rational choice, social exchange cares about economic as well as affective function of exchange (Blau 1964). Cropanzano & Mitchell (2005) delineate the essence of SET: “social exchange comprises actions contingent on the rewarding reactions of others, which over time provide for mutually and rewarding transactions and relationships (890)”.

The norm of reciprocity is the major applied mechanism of SET in management studies. It means “the imbedded obligations created by exchanges of benefits or favors among individuals (Uhl-Bien 2003:512)”. This article regards reciprocity as a

rule to influence the behavior of gift-giving in organization because it is especially suitable for a better work relationship (Molm, Takahashi, & Peterson, 2000, cited in Cropanzano & Mitchell 2005). Sahlins (1972) develops a classic typology of reciprocity—general reciprocity, balanced reciprocity and negative reciprocity, based on “immediacy of returns, equivalence of returns, and like material and mechanical dimensions of exchange (191)”. Many scholars use the term of balanced reciprocity (Sahlins 1972) as a mutual investment in management studies (e.g. Sparrowe & Liden 1997; Wu et. al. 2006).

However, the degree to which people and cultures apply reciprocity principles varies (Cropanzano & Mitchell 2005). In China, *renqing* is a similar term to describe the norm of reciprocity (King 1991). Scholars borrow various western terms to define *renqing*, such as favor (Zhai 2004), or human obligation/ reciprocity (King 1991; Luo 1997; Luo & Chen; Tsui et. al. 2004) , human feeling (Yan 1996), Chinese reciprocity (Chen & Chen 2004). Some psychologists have constructed scales on *renqing*, which is involved in CPAI (Chinese Personality Assessment Inventory) (the first article on Chinese personality scale is Cheung, Leung, Fan, et al., 1996, cited in Cheung et. al. 2001; Cheung et. al. 2003). Zhai (2004) gives a comprehensive distinction on *renqing*: ① ‘恩’(En) which means to obtain assistance from others when confronting emergencies. Therefore, their relations are similar with family members. ② it represents ‘送人情’(do someone a favor). It is close to a kind of economic investments, which lead to a sense of indebtedness and forces receivers to return when the former favor-givers request. Hence, this form is generally called as ‘人情债’(favor debt). ③ is a general social interaction in order to enhance mutual relations, including presenting banquets or giving gifts.

In summary, we discover that the typology of *renqing* is similar with that of reciprocity. However, according to Sahlins (1972), Zhai (2004) and Chen & Chen

(2004), *renqing* has its own characteristics: first, it is not *equivalent*. *Renqing* partly belongs to an emotional investment rather than pure economic one. Hence, the return is expected but could not be guaranteed. In addition, the return will not be fulfilled at the same value because the asymmetry may render obligation or indebtedness and then promote the development of personal relationship. Correspondingly, *renqing* requires a *long-term* rather than immediate return. Third, its interest could not be simply separated into three forms: self-interest, mutual-interest, and other-interest. It is a combination of self-interest and other interests through social and economic interaction (Chen & Chen 2004). However, the distinction is presented in theories and hasn't been empirical studied. Even the principle of reciprocity is important, previous measurements are still primitive on a long term of calculation and rely on the context (Wu & Leung 2005; Rao, Pearce & Xin 2005; Ruyter & Wetzels 2000), supervisor-subordinate *guanxi* (Law et. al. 2000; Chen & Tjosvold 2006).

In this study, we narrow down *renqing* (or reciprocity in Chinese employment relationships) as the norm of social interactions in China (Zhai 2004) and compare it with balanced reciprocity (Sahlins 1972) because there is a mixture of formal contract and informal relationships within organizations. Beside the three aspects of theoretical differences above, this research makes an extra supplement: ① the difference is based on the starting points of social interaction. Zhai (2004) states that *renqing* start from particularity and ends at universality while balanced reciprocity takes the opposite sequence. ② balanced reciprocity is based on mutual rational resources exchange (e.g. Tsui et. al 1997; Uhl-Bien & Maslyn 2003; Wu et. al 2006) while *renqing* may be concerned more on the emotional aspect of social exchange---indebtedness or obligation and is difficult to calculate (Zhai 2004; Westwood; Chen & Linstead 2004). The second one is a concrete expression of the third distinction on *renqing* and reciprocity and therefore involves the nature of interest. In short, we summarize four variances to distinguish diversified cognitions and outcomes of gift-giving in POEs and FIEs.

Table 1 *renqing* versus balanced reciprocity

	Immediacy of returns	Equivalence of returns	Nature of exchange	Starting points
Renqing	Longer period	Not equivalent	Combination of self- and others interest	Particularity
Balanced reciprocity	Within limited time	Equivalent	Mutual interest	Universality

1.3 the outcome of gift-giving: trust in relational leadership

Trust in organization studies reflects a kind of dynamic relationship (Mayer et. al. 1995; Rousseau et. al. 1998; Schoorman et. al. 2007): ①the relationship emerges in various entities, such as individuals, dyads, groups, networks, within- and between firms (Rousseau et. al. 1998:397; Schoorman et. al 2007) and nations (Fukuyama 1996).②relational trust is an ongoing process and contains several stages--generating, maintaining, destroying and repairing mechanisms (Rousseau et. al. 1998; Schoorman et. al. 2007). ③it involves psychological expectation (Mayer et. al. 1995; Rousseau et. al. 1998; Serve, Fuller & Mayer 2005) and outcomes (McAllister 1995; Ng & Chua 2006; Chua, Ingram & Morris 2008).④it is tied to specific context, such as between supervisors and subordinates or peers (Mayer et. al. 1995; Schoorman et al 2007). However, there is ambiguity on the emotional and cultural dimension of trust and could be illustrated by diverse understandings on the nature of reciprocity in trust

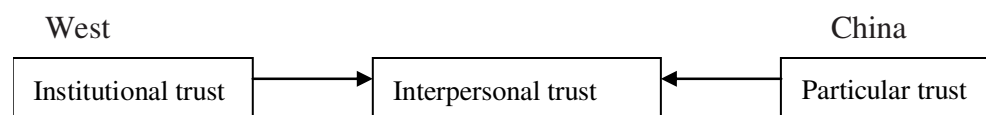
(Serve, Fuller & Mayer 2005; Schoorman et. al 2007). We consider such a relational trust as a social recognition (symmetric or asymmetric) based on mutual interactions. This kind of relation is a “bandwidth” involving a resilient mixture of emotion and calculation over time (Rousseau et.al.1998).

This article will concentrate on interpersonal trust as the consequence of gift-giving because: ①there only exists relatively few individuals contact with each other across the boundaries of organizations and teams (Child 2004). ② individual and network-based relational trust is the direction of organization development due to the smaller scale of and transnational organization (Rousseau et.al.1998; Walsh et. al. 2006). Mayer et. al. (1995) considers individual trust as a psychological expectation of “the willingness to be vulnerable (712)”. McAllister (1995) distinguishes two forms of interpersonal trust in terms of behaviors: cognition-based trust depends on members’ in-role performance, while the affective expression originates from or extra-role “altruistic behavior” (1995: 29). This is similar to the distinction between institutional and relational trust (Rousseau et.al.1998). Accordingly, we could conclude that such a western interpersonal trust is based on generality, institution, which may develop affective commitment to the organization. The mechanism is in accordance with the norm of balanced reciprocity (Sahlins 1972).

However, trust in China depends on various degrees of relations, which are extended from the family (Fukuyama 1996). Generally, trust in contemporary China is lower in both internal trust (climate of trust within the organizations) and external trust (trust in outside partners like suppliers, customers, or joint venture partners) (Huff &Kelley 2003, cited in Zhang et. al. 2008). It reflects a tension between traditional interpersonal trust developed from particularistic relations, and impersonal contract systems originating from the market economy (Zhang et. al. 2008). Some scholars state that trust is the outcome of personal relationships in China and even regards trust as “closer guanxi” (e.g. Wong, Ngo & Wong 2003; Xin & Pearce 1996). This kind of

cognition on personal interaction is different from western assumption on institutions. For example, some scholars have already set trust as a dimension of social capital (e.g. Ring & Van De Ven 1994; Nahapiet & Ghoshal 1998; Leana & Van Buren 1999). In all, the western perspective starts from generalized institution and formal working relations (e.g. self-interest or good faith in Rousseau et. al 1998; cognition- and affect-based trust in McAllister 1995), while the Chinese perspective originates from personal relations (developing from particular trust to general trust in Luo 2005). It clearly reflects that the initial motive could form various types of emotional expression and yield different forms of interpersonal trust in various cultures. It is consistent with how we distinguish *renqing* and balanced reciprocity above.

Figure 1 interpersonal trust



In detail, the differences of interpersonal trust could be shown through the study on expressive aspect---the term of benevolence in various cultures. We take it as a breakthrough in research because it not only represents the trend of generalized Paternalistic Leadership (PL) researches (Pellegrini. & Scandura 2008), but also manifests the trend of cross-cultural trust study (Schoorman et. al. 2007).

Benevolence in trust is a contextual and emotional dimension and still controversial (Mayer et. al. 1995, Schoorman et. al 2007). One of the most cited definitions is “the extent to which a party is believed to want to do good for the trusting party, aside from an egocentric profit motive (Mayer et. al.1995:718)”. The related scale (e.g. Mayer & Davis 1999; Mayer & Gavin 2005; Serva, Fuller & Mayer 2005; Dirks & Skarlicki 2009) clearly reflect that western benevolence in organizations derives from the impersonal institution. In addition, behavior descriptions could confirm this conclusion as well: affect-based trust is built upon cognition-based trust (e. g McAllister 1995). Yet, empirical study shows that building high levels of affect-based

trust could also lead to high levels of cognition-based trust in Chinese context (Ng & Chua 2006).

This could be further delineated through trust in relationship because supervisor-subordinate relationship is the main theme on the context of interpersonal trust (Schoorman et. al. 2007). A broader thought is: how could one party (leaders, managers, or supervisors, subordinates) trust the other party in an organization beyond a contract? This thought is similar to the so-called relational leadership, which concerns “both relationships (interpersonal relationships as outcomes of or as contexts for interactions) and relational dynamics (social interactions, social constructions) of leadership (Uhl-Bien 2006:667)”. Leader–member exchange (LMX) , the most influenced relational leadership theory, represents a means of developing the high quality of the relationship (partnership) between leader and followers in order to gain many benefits (e.g. Schriesheim et. al 1999; Uhl-Bien 2006). The norm of reciprocity is still the mechanism of LMX (e.g. Uhl-Bien & Maslyn 2003). In addition, many constructs of trust in LMX is still based on Mayer et. al. (1995)’s most cited model and emphasizes two directions--leader trust in subordinate and subordinate trust in leader (Brower et. al. 2000). Under such circumstance, benevolent leaders are perceived to care about members and subordinates will reciprocate this by working harder and even taking extra-role behaviors (Burke et. al. 2007).

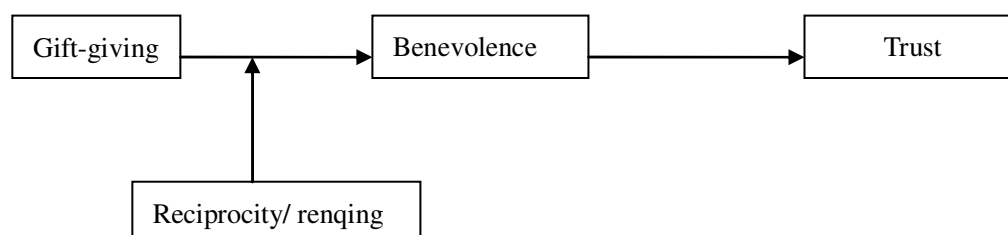
However, relational leadership in the Chinese context is differently constructed under some Confucian values (Tsui et. al. 2004; Cheng et al. 2004). PL, a new form of relational leadership from Chinese context, means that the leaders show their kindness in the personal life of subordinates while still continuing to control them. Farh & Cheng define it as “a style that combines strong discipline and authority with fatherly benevolence (2000: 91, cited in Pellegrini & Scandura 2008)”. In PL theory, benevolence means that “Leaders’ behaviors care about subordinates’ personal and family well-being. In return, subordinates feel grateful and obliged to-repay when the situation allows (Pellegrini & Scandura 2008)”. It is clear that the definition extends

the content of care in Western working domain (in-role or extra role) to personal welfare in Chinese culture (a review of scale measurements in Pellegrini & Scandura 2008). In brief, various definitions on benevolence in West (e.g. Mayer et. al. 1995, Burke et. al. 2007) and China (Pellegrini & Scandura 2008) reflect various affective expressions. This is compatible with what we previously identify that various initial motives on interpersonal trust.

Section 2 Research design

In general, this article will explore interpersonal trust between leaders and subordinates. It will compare various constructs of benevolent expressions through informal social interactions---gift-giving within different forms of companies in Chinese context in order to further explain “the tension between institutional mechanisms creating impersonal forms of trust and less standardized (but more flexible) interpersonal trust (Rousseau et. al 1998: 400)”. The study proposes that the initiative motive of benevolence could be investigated under the comparison on the necessary (but not sufficient) mechanism of SET--- *renqing* versus reciprocity. In addition, we will not only examine higher positions’ trustworthiness (e.g. Mayer et. al 1995; Whitener 1998) or behaviors (e.g. McAllister 1995; Ng & Chua 2006; Chua et. al. 2008), but also examine subordinates’ trustworthiness or behaviors. In brief, the primitive research framework is presented below:

Figure 2 research framework



2.1 Research Strategies

According to the research framework, the article attempts to use a so-called sequential mixed-methods design, which contains both quantitative and qualitative approach (Creswell 2003). Qualitative research is the first part and its result will be used in the next quantitative part. The reason for this is attributed to the research question and some ambiguous concepts. By and large, the project is conducted to explore the relationship between the behaviors of gift-giving and interpersonal trust in China's POEs and FIEs. ① gift-giving is higher-contextual social behavior under the temporal and spatial constraints. The focus is on the content and occasions of gifts in current Chinese firms. ② the Chinese term of *renqing* needs to be further empirically distinguished with reciprocity although the paper has made a conceptual distinction. ③ we need to integrate the definition of benevolence because it has different measurements in terms of various cultures and theories. All of these are exploratory questions and require qualitative research. These qualitative results need to be clarified in the quantitative part. On the other side, many scholars use surveys and experiments to study trust. Some scales and items have already been widely used and therefore provide us with an opportunity to test and refine them through quantitative research.

In detail, the first phase attempts to answer these questions:

Question 1.1: What are the details and occasions of gifts in Chinese POEs and FIEs?

Question 1.2: What are the principles of gifts-giving in Chinese firms (e.g. *renqing* or reciprocity)?

Question 1.3: How do various gifts influence leaders-subordinates relationships in diversified forms of Chinese organizations (e.g. benevolence)?

The second phase will test hypotheses based on the result of stage 1:

Hypothesis 1: Gift-giving is positively associated with benevolence in Chinese

firms.

Hypothesis 2(a): In Chinese FIEs, the norm of balanced reciprocity more strongly moderates the relationship between gift-giving and benevolence than the norm of *renqing*.

Hypothesis 2(b): In Chinese POEs, the norm of *renqing* more strongly moderates the relationship between gift-giving and benevolence than the norm of balanced reciprocity.

Hypothesis 3 : Benevolence in Chinese FIEs and POEs is positively related to interpersonal trust.

Hypothesis 4(a): benevolence is more strongly related to subordinates' trust than in leaders' trust.

Hypothesis 4(b): benevolence is less strongly related to leaders' trust in FIEs than in POEs.

Hypothesis 4(c): benevolence is more strongly related to subordinates' trust in FIEs than in POEs.

2.2 research design:

The research will be conducted in the researchers' hometown, a Chinese costal city which is the capital of a province and its population is close to seven million in 2007. The aim is to overcome the problem that managers and employees are reluctant to talk openly about their gift-giving behaviors.

2.2.1Qualitative case study

The main purpose of qualitative part is to deeply explore some key concepts, including the contents and occasions of gift-giving, *renqing*/ reciprocity and benevolence. We use case study method because it is "an empirical inquiry that investigates a contemporary phenomenon within the real-life context especially when the boundaries between phenomenon and context are not clearly evident (Yin 2003:13)."

Case selection

The general qualitative theme involves the flow of gift-giving between subordinates and their direct leaders in Chinese POEs and FIEs. It is a multiple case studies research and the unit of analysis is based on firms, which are divided into two categories---Chinese POEs and FIEs, for the purpose of comparing various details, occasions and principles of gift-giving. The principle of case selection is theoretical sampling because it is “particularly suitable for illuminating and extending relationships and logic among constructs (Eisenhardt 2007: 27)”. Each case is mutual independent and uses replication procedures in order to enhance generalization (Eisenhardt 1989 2007; Yin 2003). The sample population includes managers and subordinates in selected POEs and FIEs. The sample framework is based on employee lists from the HR departments. The sample size depends on the degree to which the related data can be collected. In addition, it is the key and most difficult step for researchers to gain access to a Chinese social setting to talk about gift-giving in public. Consequently, the process of sampling selection will depend on informants, who are familiar with and could help researchers have access to organizations or relevant groups. Especially, these informants are the researchers’ personal relationships, including former colleagues in one of Chinese commercial banks, classmates who now serve for local tax bureau, and former supervisors in a local university.

Data collection

Yin (2003) suggests three principles of data collection when conducting case studies: using multiple sources of evidence, creating a case description database and maintain a chain of evidence. ①According to these principles, the study collects diversified forms of information, such as internal and external document (e.g. record lists on gift-giving, organizational and personal information), observations (e.g. attending some events which appear the behavior of gift-giving) and individual interviews. We narrow the scope of the relationship between managers and their direct subordinates.

② The researcher emphasizes the distinctions between unit of data collection and unit of analysis. The unit of data collection is the individual in organization (especially through personal interviews), whereas the unit of analysis is organization (POEs and FIEs). Second, each data will be organized as a database in terms of unit of analysis (FIEs or POEs) and formal positions (leaders and subordinates). The main form of data is face-to-face interview. The content includes descriptive information (e.g. the general information of the companies, departments or respondents' age, tenure and education) and open questions (related to the content and occasion of gift-giving). ③The chain of evidence is constructed under the examination of the process of case studies by external observer (Yin 2003).

Data analysis

Analyzing data is the least developed and most difficult part of doing case studies (Eisenhardt 1989; Yin 2003). In general, the research will conduct data analysis under the guidance of qualitative research questions. The qualitative data analysis will be inductive and follow the guidelines suggested by Glaser and Strauss (1967) and Miles and Huberman (1994) because the aim of case study is to develop new theories on the leader-subordinate relationships between gift-giving and emotional aspect of interpersonal trust. The analysis unit is in accordance with data collection according to two criteria: company ownerships (POEs or FIEs) and gift-giver (leaders or subordinates). The intention is to explore the similarities and differences of details and occasions on the subject of gift-giving in each group and then refine related data for the quantitative research.

Credibility

The qualitative case study will be concerned about some issues in the research process to examine the credibility (Yin 2003; Rubin & Rubin 1995). In regard to transparency, the study will first make an operational outline on the process of collecting data. Transcripts need to be written after each interview and will be organized by

ownership (POEs or FIEs) and gift-givers (leaders or subordinates). From the perspective of coherence, a pilot study will be perceived to minimize the errors or biases. The form could be one or two class discussions about the project in a university and the participants could be MBA or EMBA students. Deeper and more detailed data, multiple data sources and establishing a chain of evidence under the guide of research questions could enhance the case-level of coherence and communicability. Multiple investigators, who haven't participated in the research, will be used to examine original data and possibly provide fresh perspectives. In order to intensify interviewees' consistency, the researcher will focus on the contradiction of the data and sometimes repeat a number of questions during each individual interview. Besides these, the generalization of theory on case studies is important as well (Yin 2003). It's similar with the principle of "theories saturation", which means to keep collecting data until no new material is emerging (Glaser & Strauss, cited in Rubin & Rubin 1995).

Research ethics

At the beginning of the interviews, the researcher will explain the research purpose. The research will keep anonymity and confidentiality through various ways, such as keeping no tape records and using the interview transcripts after interviewees' scrutiny. Considering its sensitivity in the process of developing relationships, the study replaces the values of gift-giving with its contents (e.g. patterns, frequencies, intensities) when conducting interviews. The researcher plays the role of an observer other than participants in organizations. The interview site is outside offices. Consciously, the researchers will let interviewees talk about the contents and occasions on gifts by themselves rather than tell them your opinions in advance. In addition, the researcher may offer something in return in order to build trust with respondents in order to increase communicability, such as playing roles of voluntary consultants in the referent companies.

2.2.2 Qualitative Interview outline

Why interview?

In qualitative research, there are three main types of data collections methods: observations, interviews and documents (Yin 2003; Creswell 2003; Patton 2002). Interview is the major part of this case study in terms of several practical concerns:

①Interviews are available to gain information about gift-giving in organizations. In China, it is impractical to have opportunities to observe the process of gift-giving in organizations because of temporal and financial constraints when considering its occasional appearance. Likewise, gift documents in companies (e.g. gift lists) are not as available to obtain as those in countryside. In contrast, interviews could help

researchers gain “historical information (Creswell 2003:187)” on gift-giving. ②

Interviews have the appropriate interaction with the data. On the one hand, the study could control the theme on gift-giving from the perspective of leaders and subordinates in various types of firms. On the other hand, the occasions and contents could be accessible as well through depth and detailed interview answers.

Interview quality control

The quality of qualitative interviewing mainly depends on interviewers, who design and analyze the content of questions (Patton 2002). Therefore, qualitative interview design is very important and has its own characteristics---flexible, iterative, and continuous (Rubin & Rubin 1995). We prepare to adjust the design because of some practical issues in interviews. ①The most possible problem in this study is that interviewees are reluctant to answer the questions on gift-giving in China since gift-giving is a sensitive theme in business arena and sometimes easy to be connected with bribery. Therefore, informants are pivotal to gain first-hand data. We will start from the events on giving gifts and then on receiving gifts when interviewing leaders and take the opposite order when interviewing subordinates. This specific order is due to a stereotype that Chinese gifts have a tendency to flow to the higher positions (Yan 2002). It is possible to change some questions because some initial thoughts may be

incorrect and some new ideas may emerge during the process. ②The interview will pay attention to theoretical saturation (Rubin & Rubin 1995). This means that the interview design will continue until no more new ideas or themes emerge. Informants are accordingly crucial to introduce other persons, who could provide relevant data.

Qualitative interview outlines

At the beginning of the interviews, the researcher will present a brief introduction, “We are interested in how managers build interpersonal trust with their subordinates. In particular, this study focuses on the behaviors of gift-giving.....You and your organization will be completely anonymous. We are interested in general trends of gift-giving in contemporary China and will never release any information that could be used to identify you and your organizations. Please be honest about the following questions. Your information will be used solely in research.” Then, I will get descriptive information about managers and their companies (e. g. industry, enterprise age, size, revenues, manager’s age, positions and tenures in the organization). After that, the researcher starts the main part of interview. The interview outlines are listed below:

- 1) How would you define gift-giving in China?
- 2) What are the occasions of gifts in Chinese firms?
- 3) What are the details of gifts on these occasions?
- 4) Could you describe general details and occasions of gift-giving in your company?
- 5) As a member, you may be a receiver and giver of the flow of gifts from your leaders or subordinates. Think about events in which you once gave and received gifts in this job. Please fill the business card.....

Then, the researchers will give the interviewees several cards. They will be asked to write some items, nickname of the persons, relative positions towards interviewees (leaders or subordinates), details and occasions. In addition, I ask the respondents to give a brief description on specific events of gift-giving on various occasions.

- 6) What are the principles of gift-giving in China? Could you give each of them a

definition? In business companies, which one is the dominant? Why?

- 7) How could these principles influence you when the gifts flow between your leaders (or subordinates) and you?
- 8) What are the roles of gift-giving in China? In business companies, which is more dominant? Why? Does the flow of gifts change the previous relationship or trust between you and your leaders or subordinates? Could you give some cases to demonstrate such a change?

(Some affective and cognition based-trust behaviors, such as caring about personal welfares, decreased monitoring or increased delegating, will be asked in this question).

2.2.3 Questionnaire Survey issues

Based on information gathered through qualitative case study, we construct quantitative measurement instruments. According to the primitive research framework, we still need to clarify some issues when conducting scale developments: ①We need to choose the psychological perspective on trust (e.g. Mayer, Davis & Schoorman 1995) or trust behaviors (e.g. McAllister 1995). The previous one is connected with its outcome--risk taking behavior and therefore consistent with the latter construct. Do we merge them to some extent when conducting measurements? Second, we need to integrate the items of benevolence. We purpose to extend the previous its domain on working relations to personal welfare beyond working. Therefore, it is necessary to recheck its construct validity especially when combining with other existing dimensions, such as integrity and ability constructed by Mayer, Davis & Schoorman (1995). Third, trust is connected with other factors, such as HR policy, firm size and working tenures. Accordingly, we should pay attention to controlling these and other possible confounding variables.

In addition, we still need to be concerned on the research procedures: We will conduct the survey using questionnaires in the same city in collaboration with local researchers in order to obtain reliable and valid data. To enhance content and face

validity, local researchers will conduct four in-depth interviews with senior managers (two from PIEs and two from FIEs) and ask them to check whether the items accurately present the meanings. The final survey will be randomly distributed to MBA and EMBA students in several universities. MBA students could represent subordinates and middle managers, while EMBA students could delineate the behaviors of leaders. The researchers will explain procedures, confidentiality, and the purpose of the survey. The survey includes descriptive information (e.g. firm ownership, tenure, positions) and survey content (e.g. gift-giving, benevolence, trust). Respondents will be compared with non-respondents in order to examine whether there are any significant differences in terms of firm ownership and formal positions.

Conclusion

In summary, the paper has already reviewed a body of literatures and provided a research framework on study. We hope that the research will make a contribution on the emotional aspect of trust in leadership through the integrity of benevolence and comparison between reciprocity and *renqing* in the study of gift-giving. Next, we need to design quantitative part of study, especially solving some problems presented above. Case study design, including qualitative interviews need to be refined during the process as well. In the future, we could still pay attention to two questions: First, the term of benevolence is still necessarily explored. For example, some scholars just regard it as Chinese indigenous concept---仁(Ren). It means that a similar study on comparison between local and western concepts will continue. Second, we just narrowly consider the nature of balanced reciprocity and common social interaction of *renqing*. However, as we introduced in the literature review, the nature of interest will mutually transform under some circumstance. We could further explore the dynamic of transformation by doing a longitudinal study.

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Appendix 1 a summary table of the most important literature

theme	Book or article
Gift-giving	Yang, M. M-H (1994) <i>Gifts, favors and banquets: The art of social relationships in China</i> . Ithaca, NY: Cornell University Press. Yan, Y-X (2001) <i>The Flow of Gifts: Reciprocity and Social Networks in a Chinese Village (Chinese)</i> , Shanghai: Shanghai People's Publishing House
Reciprocity or renqing	Sahlins, M. (1972) <i>Stone Age Economics</i> . New York: Aldine de Gruyter Zhai, X.W. (2004) 'Face, Favor and the reproduction of power: the pattern of social exchange in qingli (reasonableness) society (Chinese version)', <i>The Sociology Study</i> , 5 Hwang, K.K. (1987) 'Face and Favor: The Chinese Power Game', <i>American Journal of Sociology</i> , 92(4):944-974 King, A.Y. (1991) 'Kuan-hsi and Network Building: A Sociological Interpretation', <i>Daedalus</i> , 120(2): 63-84
Employment relationship	Tsui, A.S., Pearce, J. L., Porter, L. W. & Tripoli, A. M. (1997) 'Alternative Approaches to the Employee-Organization Relationship: Does Investment in Employees Pay off', <i>Academy of Management Journal</i> , 40(5):1089-1121 Uhl-Bien, M. & Maslyn, J. M. (2003) 'Reciprocity in Manager-Subordinate Relationships: Components, Configurations, and Outcomes', <i>Journal of Management</i> , 29(4) 511-532

Relational Leadership	Pellegrini, E. K. & Scandura, T.A. (2008) 'Paternalistic Leadership: A Review and Agenda for Future Research', <i>Journal of Management</i> , 34(3):566-593
Interpersonal Trust	<p>Mayer, R.C. , Davis, J. H.& Schoorman, F. D. (1995) 'An Integrative Model of Organizational Trust', <i>Academy of Management Review</i>, 20(3):709-734</p> <p>McAllister, D.J. (1995) 'Affect- and Cognition-Based Trust as Foundations for Interpersonal Cooperation in Organizations', <i>Academy of Management Journal</i>, 38(1): 24-59</p> <p>Rousseau, D.M., Sitkin, S.B., Burt, R. S., Camerer, C. (1998) 'Not so Different after All: A Cross-Discipline View of Trust', <i>Academy of Management Review</i>, 23(3):393-404</p> <p>Schoorman, F. D., Mayer, R.C. & Davis, J. H. (2007) 'An integrative model of organizational trust: past, present, and future', <i>Academy of Management Review</i>, 32(2):344–354</p>

Appendix 2 reciprocity and *renqing*

Table 1 various types of reciprocity

Type(reciprocity)	immediacy of returns	equivalence of returns	Nature of exchange
Generalized reciprocity	Long period	One way flow “pure gift”	Solidary extreme: Altruistic
Balanced reciprocity	Within limited time	Direct exchange, equivalence leeways	Midpoint: Social relations and materials
Negative reciprocity	Immediate ly	One way flow	Unsociable extreme: self-interest

Sources: Sahlin (1972: 191-196,199)

Table 2 various expressions of *renqing*

relations <i>renqing</i> Rules	Impersonal: Sheng ren (stranger)	Less personal: Shu ren (Acquaintance or friend)	Closest: Jia ren (quasi) family member)
rules (Hwang 1987)	Equity rules	<i>Renqing</i> rules	Need rules
Norm (zhang & Yang 1998 cited in zhang 2006)	Li (fairness)	He qing he li (reasonableness)	Qing (affection)
Forms of <i>renqing</i> (zhai 2004)	Favor debt	Social interaction	En

Summary of *renqing* rules in various levels of relations

Table 3 *renqing* in Chinese Personality Assessment Inventory (CPAI)

Ren Qing

1. When dealing with institutions, things can work out more smoothly through the connections of friends working inside.
2. I find it very hard to say “no” when others make requests or give me assignments.
3. Returning money is easier than returning favors, so the best thing to do is not become indebted to people’s favors.
4. Do not do unto others what you do not wish others to do to you. In society one should be considerate to others and avoid causing harm to others.

Sources: adopted from Cheung et. al. (2001)

Appendix 3 benevolence

Table 4 items of benevolence in trust

1. Top management is very concerned about my welfare.
2. My needs and desires are very important to top management.
3. Top management would not knowingly do anything to hurt me.
4. Top management really looks out for what is important to me.
5. Top management will go out of its way to help me.

Sources: Adopted from Mayer and Davis (1999)

Table 5 items of benevolence in PL

1. My supervisor is like a family member when he/she gets along with us.
2. My supervisor devotes all his/her energy to taking care of me.
3. Beyond work relations, my supervisor expresses concern about my daily life.
4. My supervisor ordinarily shows a kind concern for my comfort.
5. My supervisor will help me when I'm in an emergency.
6. My supervisor takes very thoughtful care of subordinates who have spent a long time with him/her.
7. My supervisor meets my needs according to my personal requests.

8. My supervisor encourages me when I encounter arduous problems.
9. My supervisor takes good care of my family members as well.
10. My supervisor tries to understand what the cause is when I don't perform well.
11. My supervisor handles what is difficult to do or manage in everyday life for me.

Sources: Adopted from Cheng, Chou, and Farh (2000), cited in Pellegrini & Scandura 2008

Table 6 items of affective-based trust

1. We have a sharing relationship. We can both freely share our ideas, feelings, and hopes
2. I can talk freely to this individual about difficulties I am having at work and know that (s)he will want to listen.
3. We would both feel a sense of loss if one of us was transferred and we could no longer work together
4. If I shared my problems with this person, I know (s)he would respond constructively and caringly.
5. I would have to say that we have both made considerable emotional investments in our working relationship

Sources: McALLister (1995)