Developing a Truly Global Leadership Team:
How to Leverage Similarities and Differences of Chinese and European Leaders

Over the last two decades, double-digit growth primarily fuelled by the manufacturing sector enabled China to enjoy success even with moderate levels of leadership capability. However, the shift to a knowledge-based economy has changed the face of leadership in China and significantly raised the bar for both Chinese and European leaders to achieve success.

Human capital challenges, along with the Chinese economic slowdown, are seen as the biggest pressures that SMEs and larger European companies currently face in China according to this year’s EU Chamber Business Confidence Survey. Attracting and retaining a very different generation of young employees now requires higher levels of integrity and a clearly articulated and compelling vision and values.

In this research, we analyse the leadership profiles of 20,184 mid-level and senior leaders across 18 industries, and compare Chinese senior leaders within foreign companies in China with senior leaders in a number of European countries. We also identify the most essential leadership practices for highly effective leaders in China.

Rather than purely identifying gaps of Chinese leaders, the research aims to focus on and leverage both similarities and differences between Chinese and European leadership practices [attributes]. As European SMEs operating in China continue the shift to rely more on Chinese leaders, they will benefit from better leveraging their strengths and more carefully considering how to form a cohesive and effective top leadership team made up of both European and Chinese leaders. Looking across all the countries included in this research, there are significant similarities between European and Chinese senior leaders in a few of the leadership practices most important for effectiveness, including: being strategic, persuasive and having management focus. Once these common strengths are recognised there are a number of ways that they can be further leveraged.

Compared to European leaders, Chinese leaders exhibit strength in the area of empathy, which is essential in creating a culture that will attract generation Y and Z and is also instrumental for developing a global mind-set. Compared to Chinese leaders, European leaders exhibit strength in being innovative, now a requirement for SMEs in China to differentiate themselves and continue to grow. There are also some common areas for development across both Chinese and European senior leadership, most notably in the area of communication and cooperation, which will require letting go of higher levels of control.

The research provides more specific and detailed comparisons between Chinese leaders and leaders in 5 European countries, including: Germany, France, UK, Spain and Poland. Based on the findings,

---

1 2014 European Business in China Business Confidence Survey
specific recommendations are provided for SMEs to empower their Chinese leaders and recognise and leverage the strengths of both Chinese and European leaders. SMEs can use these insights to form more cohesive and effective leadership teams, and begin developing toward the leadership profile that will be required for future success across both China and Europe.
# Table of Content

1. Background and Introduction ......................................................................................... 1
2. Research Methodology ..................................................................................................... 8
   2.1 Methodology for Identifying Highly Effective and High Potential Leaders .................. 10
3. Key Findings ..................................................................................................................... 11
   3.1 What Distinguishes Highly Effective and High Potential Chinese Leaders .................. 11
   3.2 What Differenitates Chinese Managers and Senior Leaders ....................................... 11
   3.3 Leveraging the Similarities and Differences of Chinese and European Leaders .............. 13
      3.3.1 Comparing Chinese and German Leaders ......................................................... 14
      3.3.2 Comparing Chinese and French Leaders ............................................................. 15
      3.3.3 Comparing Chinese Leaders and Leaders in the UK .............................................. 17
      3.3.4 Comparing Chinese and Spanish Leaders ............................................................ 18
      3.3.5 Comparing Chinese and Polish Senior Leaders .................................................... 20
4. Recommendations ............................................................................................................ 22
   4.1 Being Strategic ............................................................................................................ 22
   4.2 Unlocking Innovation .................................................................................................. 24
   4.3 Impactful Communication and Cooperation ............................................................... 25
   4.4 Developing a Global Mind-set ..................................................................................... 25
5. Conclusion ......................................................................................................................... 28
Annex: Leadership Effectiveness Analysis™ (LEA) 22 Leadership Practices - Definitions ........ 29

© 2014 EU SME Centre
1 Background and Introduction

What leadership style will enable success and what will it take to equip future leaders in China to be successful in a higher stakes and more volatile environment are two very important questions that business leaders in China continue to grapple with.

The latest results from the European Chamber in China’s business confidence survey indicate a challenging new reality for European companies operating in China. The trend now clearly shows that pressures on both top-line and bottom-line growth have led to a continued decline in the overall financial performance of European companies in China and that both SMEs and larger businesses are starting to feel that the ‘golden age’ in China is over.

Do you believe that the "Golden Age" for multinational companies in China is over? (Q29A- 2014 crossing with company size and time in China)

<table>
<thead>
<tr>
<th># of employees:</th>
<th>Time in China:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>2014</td>
</tr>
<tr>
<td>N=982</td>
<td>N=102</td>
</tr>
<tr>
<td>N=250</td>
<td>N=84</td>
</tr>
<tr>
<td>N=120</td>
<td>N=100</td>
</tr>
<tr>
<td>46%</td>
<td>37%</td>
</tr>
<tr>
<td>54%</td>
<td>63%</td>
</tr>
<tr>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

However, compared to the large multi-nationals, SMEs are more optimistic in their business outlook in terms of competitive pressures and seem to be weathering the challenges of a slowing Chinese economy in China better, e.g. they find it easier to do business in China compared to the larger organisations. SMEs face fewer regulatory challenges and are more quickly able to adapt to changes imposed by the Chinese government.
Human Capital continues to be one of the biggest challenges for European businesses in China overall. Although rising labour costs is not seen as the overall top challenge this year, as it was in the 2012 survey, it is perceived as the second most significant challenge, following the Chinese economic slowdown. And the third most significant challenge this year is attracting and retaining talent. For several years we have seen human capital challenges at the very top of the list across sectors and businesses, not only European businesses, but businesses in China overall. For example, in 2011, human capital came up as the number one challenge for CEOs in China for the first time [Conference Board CEO Study].

The biggest Human Capital challenges this year include rising labour costs, talent shortages and high staff turnover.

[Note: The SME classification in the business confidence survey is based on less than 250 employees in China, which in many cases may still be a larger multi-national with an operation in China that includes less than 250 employees].

As SMEs continue to grow their operations, add higher level services to what they offer in China or begin to use China as more of an innovation hub these human capital challenges will only intensify, especially when it comes to leadership. There are a couple shifting dynamics related to senior leadership (i.e. the Directors / VPs and top leadership of the company) that are important to consider:

Leadership Style, Integrity and Vision are far more important than ever before in China for attracting and retaining employees.

In the 2014 [MRI China Talent Report\(^\text{3}\)] ‘meeting with senior leadership’ emerged as the single, most important factor in analysing a new company as a possible employer. Previously ‘company brand image’ held the top position. When rating a ‘good’ employer: ‘high integrity leadership’ and ‘culture of trust and respect for employees’ and ‘clear vision and business direction’ come up across sectors as most important, however especially in terms of ‘clear vision and business direction’ current employers receive relatively low ratings. While compensation continues to rank #1 in terms of why talent change jobs, what keeps them in a job has become all about the leadership and how much credibility, confidence and inspiration they are able to provide. The priorities of Chinese employees have changed.

Actually this is not extremely surprising when we consider the attributes of generation Y in China, who make up a larger proportion of the working age population at this stage. They are the first generation of only children in the history of the world. They hold many traditional values, and at the same time are more often challenging hierarchy and authority. While their IQ is very high, some aspects of leadership related to creating a vision like creativity and strategic thinking are still lacking.

\(^{3}\) MRIC Talent Report, 2014: www.mric.asia
At the same time they are more creative and assertive than the previous generation and they no longer want to be told what to do [Succeeding with Generation Y in China⁴].

So money alone no longer motivates these employees. Instead younger Chinese employees now seek financial rewards along with meaning and purpose. Without a clear purpose communicated by leadership that employees can buy into, they are not really on board. Because they are dramatically more connected and informed than the generation of employees just 5 or 10 years their senior, they are more readily communicating their level of satisfaction with leadership out to the world. When it comes to social media and what employees post about their employers, this year’s study from Webber Shandwick [Employees Rising⁵] highlights that once again leadership is the most important factor for influencing if and what they will post on external social media channels.

Compared to multi-nationals, SMEs have several advantages when it comes to [attracting, retaining, engaging] generation Y because of their ability to offer more flexibility, their ability to change and adapt more quickly and the smaller size of their operations, taking away the many layers and communication barriers that exist in larger companies. Of course without the right leadership in place these advantages mean nothing.

Most European companies, including SMEs, are accelerating the shift to rely less on expats to fill key leadership roles.

Practical factors such as high cost of expat packages, language barrier and the increased difficulty to convince expats to move to China have led many European companies to rely less on expats to fill key leadership roles. The latest EU Business Confidence Survey identified increased pollution level as another key factors for expats not wanting to relocate to China. There are also less tangible factors why European companies prefer to have Chinese leaders at the helm, like the ability to relate and build trust more easily with Chinese employees and the ability to build a network within the local market. At the same time there is a growing pool of young, high potential foreigners available in the Chinese market who are fluent in Chinese. However, they still make up an extremely small percentage of the overall available talent pool, especially at more senior levels.

The expectation and aspiration of most SMEs are to have more Chinese leaders driving their China operations. And going a step further, the aspiration will also be to also have those Chinese leaders play a bigger role on their overall company leadership team.

There is often an unstated assumption when considering Chinese leaders that is important to address: A Western Leadership style is better and more effective than a Chinese Leadership style. In fact almost all leadership models have been developed in the Western World, including the one being used for this research study. So we must admit that globally there is an overall bias toward a Western leadership style.

---

⁵ Employees Rising: Seizing the Opportunities in Employee Activism, KRC Research and Webber Shandwick, 2014: thoughtleadership@webershandwick.com
The assumption also relates to some current realities: Despite being number 2 in terms of GDP, China’s ranking on the World Economic Forum’s global competitiveness index has failed to increase over the last year, and China remains 29th overall, still in the category of ‘efficiency driven’ rather than ‘innovation driven’. There are many factors which contribute to the overall efficiency index.

World Economic Forum 2013 Global Competitiveness Report – China Ranking

The general assumption that most people have is that the most competitive countries have the best or most effective ‘leadership styles.’ While leadership style does of course play some role in competitiveness, it is also not necessarily accurate to assume the two are very closely correlated. For China, several studies do show less innovative behaviour being exhibited by leaders. The competitiveness index clearly indicates that innovation is an area with much room for improvement and we will further examine that in the key findings and recommendations of this research.

While some gaps in terms of leadership capability may exist, focusing too much on the differences in terms of ‘leadership style’ does not help to bridge them and instead often implies that European Leaders are better. Too often a Western view of leadership implies deficiencies in Chinese leadership. As we will see, while there is evidence that European leaders are stronger in certain important leadership areas, there is also evidence that Chinese leaders are stronger in other important leadership areas. So this underlying assumption, that a Western leadership style is better, is in fact a significant road block that holds organisations operating in China back from empowering their Chinese leaders.

When we consider practical skills required for higher-value and higher-level jobs in China it is important to consider that the average mid-level manager is on average 10 years younger in China
than their European counterparts; so we must be aware of and differentiate between capability gaps and gaps in terms of experience and maturity.  [Korn Ferry Institute\(^6\)]

Rather than focusing so much on leadership gaps, European organisations operating in China will benefit from first focusing on similarities and how to leverage them as well as how the differences can be leveraged.

The overall aim of foreign companies in China should not only be to raise the productivity and effectiveness of Chinese Directors and VPs, but to raise the overall effectiveness of a diverse management and leadership team. In order to enable a shift to ‘Energiser’ and ‘Integrator’ leadership profiles in China and strengthen the use of soft power, it will be important to move away from unconsciously imposing typical Western leadership styles on Chinese managers and executives. As more and more global leadership teams will consider what it really takes to succeed, it will no doubt be necessary to truly embrace the unique strengths and gifts of both Western and Eastern leadership styles and do a much better job of bringing them together.

Another current reality is that some of the stereotypical differences in China are diminishing. When we consider [Hofestead’s model\(^7\)] one of the most widely used models for cross-cultural understanding, Chinese people have typically been high on ‘power distance’ and low on ‘independence’. "Power distance is the extent to which the less powerful members of organisations and institutions (like the family) accept and expect that power is distributed unequally.” In individualistic societies, the stress is put on personal achievements and individual rights. However, if you look at students at top Chinese Universities today, the results show that ‘power distance’ and ‘independence’ are coming closer to the middle, which indicates a very significant change between the previous generation and the generation who are currently 15 to 25 years old.

In this report we will mainly be looking at Chinese leaders who are in their 30s, 40s and 50s. So we can expect that some of the similarities and differences we observe will look quite different within the next decade. While recognising and appreciating cultural difference is important and should not be overlooked, it is also important to be aware of how the tendency to focus on perceived ‘stereotypical’ differences can be acting as a barrier to leadership effectiveness.

First we will focus on which leadership practices are most important for Chinese leaders of foreign and European companies to be successful in China today. This research will provide some insights in that area and will also seek to answer the following important questions:

- What distinguishes highly effective and high potential Chinese leaders?
- What differentiates Chinese middle management from highly effective Chinese senior management?
- In what ways are Chinese leaders and European leaders similar and different in their approaches to leadership?

\(^6\) Asia 2.0: The Next Wave of Growth in Asia. Korn Ferry Institute, 2010: [www.kornferryinstitute.com](http://www.kornferryinstitute.com)

\(^7\) Cultural dimensions theory: [http://www.geerthofstede.nl/](http://www.geerthofstede.nl/)
• What behaviours can Chinese and European leaders develop earlier to help them have a greater impact on their leadership role and form more effective leadership teams?
• What do we know about perceptions of Chinese leaders that may limit their opportunities to reach their full potential? And, what can we do about these perceptions?
2 Research Methodology

In collaboration with Management Research Group [MRG www.mrg.com], we compared Chinese and European leaders and investigated the leadership and management practices of 20,283 mid-level and senior leaders, including 919 in China and 20,184 leaders in 5 European countries, over 1150 organisations, and 18 industries over a 11-year period.

Each participant completed the Leadership Effectiveness Analysis™ (LEA) as part of an ongoing organisational development activity within their organisation. The LEA is a broadly descriptive assessment, explaining fundamental management and leadership practices and behaviours that are commonly found in a wide-range of managerial settings and cultures. In particular, the LEA measures twenty-two leadership practices in six functional areas: Creating a Vision, Developing Followership, Implementing the Vision, Following Through, Achieving Results, and Team Playing.

Leadership Effectiveness Analysis™ (LEA) Model – 6 functional areas and 22 Leadership Practices

<table>
<thead>
<tr>
<th>Functional Area</th>
<th>Leadership Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creating a Vision</td>
<td>Traditional, Innovative, Technical, Self, Strategic</td>
</tr>
<tr>
<td>Developing Followers</td>
<td>Persuasive, Outgoing, Excitement, Restraint</td>
</tr>
<tr>
<td>Implementing the Vision</td>
<td>Structuring, Tactical, Communication, Delegation</td>
</tr>
<tr>
<td>Following Through</td>
<td>Control, Feedback</td>
</tr>
<tr>
<td>Achieving Results</td>
<td>Management Focus, Dominant, Production</td>
</tr>
<tr>
<td>Team Playing</td>
<td>Cooperation, Consensual, Authority, Empathy</td>
</tr>
</tbody>
</table>

Source: Management Research Group www.mrg.com

For the purpose of this research China only includes Mainland China and not Hong Kong. Senior leaders include CEOs, Senior VPs, and VPs and mid-level leaders include department heads and supervisors. Separate comparisons are made for senior and mid-level leaders and the country
comparisons will focus on senior leaders. There is a fairly even split of senior and mid-level leaders included in the research.

In terms of type of companies in the Chinese leader sample, the data represents foreign companies operating in China. So private Chinese companies and SOEs are not represented in this research.

Both the Chinese and European participants span a number of industries:

**Breakdown of industries included in the research across all countries:**

![Graph showing industries across countries]

We will compare Chinese leaders to the European norm for all 22 leadership practices. Median profiles are (can we use the word bench mark to ensure understanding) bench marked against general Europe, which includes all European countries.

In addition we compare Chinese senior leaders to senior leaders in the following countries: Germany, United Kingdom, Spain, France and Poland.

**Breakdown of participants from each of the comparison countries**
Although the sample size is not the same for each country, the sample size for each country is large enough to ensure validity. As we have larger sample sizes for some of the countries, e.g. Germany, the validity for that particular comparison becomes even higher.

2.1 Methodology for Identifying Highly Effective and High Potential Leaders

In this research we will look at what distinguishes highly effective Chinese leaders as well as high potential leaders. In addition to the questions asked to determine where the leader is on the 22 leadership practices, the LEA also asks another 26 questions which are used only for research purposes. The questions ask others to rate the effectiveness of that leader based on a likard scale (1-7). The part of the LEA uses a semi-ipsatative format, which is less evaluative and makes it difficult for the observer (i.e. the rater) to give the leader any ‘good’ or ‘bad’ scores. Highly effective leaders are defined as leaders who achieve a median score of 5.5 out of 7 or above on the additional 26 questions related to effectiveness.

To determine which leaders are considered ‘high potential’ we look at the response to just one of the additional questions included in the LEA for research purposes. When the leader's boss rates the leader ‘7’ on the question related to future potential, they are considered high potential.

LEA Future Potential Question used to identify High Potential Leaders
3 Key Findings

In this section of the report we will review the key findings. We will look at which of the 22 leadership practices highly effective leaders are more likely to exhibit and also consider what differentiates senior leaders including CEOs, Senior VPs, and VPs and mid-level leaders include department heads and supervisors. We will also examine what distinguishes highly effective senior leaders in China. And we will consider the differences according to the 22 leadership practices, comparing high potential Chinese leaders with those who are not considered high potential.

The research will also identify the similarities and differences between Chinese and European senior leaders. Specifically we will analyse the similarities and differences on the LEA’s 22 leadership of Chinese senior leaders compared to senior leaders in Germany, UK, Spain, France and Poland with the aim of understanding what adjustments both European and Chinese leaders may need to make to form a more effective leadership team.

3.1 What Distinguishes Highly Effective and High Potential Chinese Leaders

When reviewing the LEA results it is important not to assume that ‘higher is better’. In fact, depending on the role, sometimes it is better to be lower on certain leadership practices. For example, we know that for senior leaders in general there is a lot of evidence that it is better to be high on strategic and lower on tactical.

3.2 What Differentiates Chinese Managers and Senior Leaders

Leadership Effectiveness Analysis

© 2014 EU SME Centre
As we review the above chart we can see some of the leadership practices which enable leaders to move from mid-level leadership to senior leadership positions. Clearly it is important for the senior leaders to demonstrate higher levels on innovative, strategic, management focus, production and delegation. At the same time they also demonstrate less of the following leadership practices: conservative, dominant, technical, structuring, tactical and deference to authority, which means that they more frequently challenge other leaders and those more senior.

We also can consider what practices the senior leaders who are most effective, the ‘super stars’ exhibit. These leadership practices are predictive of overall leadership effectiveness for the Chinese senior leaders in the sample.

**Relative Importance of Leadership Practices for Effectiveness – Chinese Senior Leaders**

At the top of the list we can see persuasive, communication and strategic, which is aligned with what we see globally. However, technical, tactical and deference to authority usually do not come up as high when we look at effective senior leaders globally. We can also see that innovative and management focus are further down the list, whereas they usually feature within the top 5 or 6 for highly effective senior leaders globally.

One more way to consider which leadership practices are most important for success as a Chinese leader within a foreign company in China is to look at what differentiates those who are identified as high potential by their boss.
Leadership Practices for Hi Potentials: In the above Chart we can see significant differences in all of the leadership practices related to ‘creating a vision’. Interestingly ‘traditional’ also referred to as ‘conservative’ is the same for the high potential and non-high potentials. Usually a significantly higher innovation scores comes with a lower score on traditional. So we can see that for these Chinese high potentials they are more innovative, while also being traditional and conservative. High potential Chinese leaders are also clearly higher on excitement, communication, control, management focus, feedback and production.

3.3 Leveraging the Similarities and Differences of Chinese and European Leaders

In order to properly interpret the results of the comparison we need to understand which leadership practices are most important for success. We have already had a look at that from several angles in the previous section for the most highly effective Chinese leaders. Based on that review and what we see for senior leaders globally we can say that in a broad sense, the most important leadership practices to differentiate highly effective leaders in China and across Europe are similar and include: persuasive, strategic, innovative, management focus, communication and excitement.

At the same time, we must acknowledge that there are significant cultural differences among European countries in order to make the comparison more specific, we will now look at Chinese senior leaders in comparison to senior leaders from a number of European companies.
3.3.1 Comparing Chinese and German Leader

**Leadership Effectiveness Analysis**

![Leadership Effectiveness Analysis Diagram]

**Focus first on similarities:** It is evident that both Chinese and German senior leaders share strengths in the important senior leadership practices of being strategic, persuasive and having a management focus. As previously mentioned these are among the top five practices that determine highly effective leaders of foreign companies in both Europe and China. The foundation of a leadership team made up of Chinese and German leaders should be very solid, if it is leveraged correctly. Some of the important activities these leadership teams should engage in include: Focusing on and ensuring equal contribution by German and Chinese leaders in defining and shaping the business strategy, leveraging the ability to persuade clients and external stakeholders in local and global markets with a shared and collaborative responsibility in taking charge, leading and directing the overall workforce.

**Chinese Senior Leader strengths to leverage:** Compared to German leaders, Chinese leaders are higher on empathy. Based on the latest data we reviewed in the introduction related to generation Y and Z, attracting and retaining the best people will require higher levels of empathy from leaders, especially in China as well as in Europe. In addition, compared to German leaders, Chinese leaders are significantly less tactical and slightly higher on delegation, which likely frees them up to focus on higher priority leadership tasks.

**German Senior Leader strengths to leverage:** One of the biggest differences we see among Chinese and German senior leaders is in the area of being innovative. If we look at mid-level leaders (department heads and supervisors) the difference is even more significant. In conjunction with that
we see that Chinese leaders are much higher on conservative, or traditional (which is about understanding problems from the perspective of past practices). Leadership teams will benefit from investing in ways to unlock innovation in their Chinese senior leaders and help them to let go of more traditional ways of doing things.

Another significant difference is that Chinese leaders are very high on control. Once again for the attraction and retention of generation Y and Z, an approach that is less about ‘telling people what to do’, and including higher levels of excitement and communication, will be something Chinese leaders can learn from their German counter-parts or bring in German members of their leadership team to contribute more of.

**Collective Areas for Improvement:** Both Chinese and German leaders can benefit from being lower on dominant and higher on cooperation, which will enable a shift to a leadership style that energises, rather than a leadership style that predominantly uses power to command and control. While production is important, once again for senior leaders it is not even among the top 10 most important leadership practices, so both Chinese and German leaders can benefit from putting a little less emphasis on production and exercising more soft power to inspire, energise and empower their people.

### 3.3.2 Comparing Chinese and French Leaders

**Leadership Effectiveness Analysis**

![Graph comparing Chinese and French leadership effectiveness](image)
**Focus first on similarities:** We can see that both Chinese and French senior leaders share strengths in the important senior leadership practices of being strategic and persuasive, two of the most essential leadership practices for success. Some of the important activities these leadership teams should engage in include: focusing on and ensuring equal contribution by French and Chinese leaders in defining and shaping the business strategy, and leveraging the ability to persuade clients and external stakeholders in local and global markets.

They also share very close similarities in some areas that may not be as constructive for a top team, including being high on control and low on communication and cooperation.

**Chinese Senior Leader strengths to leverage:** Compared to French leaders, Chinese leaders are higher on empathy. Based on the latest data we reviewed in the introduction related to generation Y and Z, attracting and retaining the best people will require higher levels of empathy from leaders, especially in China as well as in Europe. In addition, compared to French leaders, Chinese leaders are higher on Management Focus, another one of the very important leadership practices for highly effective leaders. French leaders should fully leverage their ability to take charge, lead and direct the workforce.

Another difference to note is that French leaders are quite a bit higher on dominant, which likely does not allow for equal distribution of power among the leadership team.

**French Senior Leader strengths to leverage:** One of the significant differences we see among Chinese and French senior leaders is in the area of excitement. Once again for the attraction and retention of generation Y and Z, an approach that includes higher levels of excitement will be something Chinese leaders can learn from their French counter-parts or bring in French members of their leadership team to contribute more of.

**Collective Areas for Improvement:** When it comes to leading a younger generation of employees, there is significant room for improvement in the areas of creating a vision, communication and control. Both Chinese and French leaders can benefit from being lower on control, which will enable a shift to an ‘Energiser’ and ‘Integrator’ leadership style, rather than a ‘Controller’ leadership style. A clearer vision that is communicated to employees and more soft power to inspire, energise and empower their people will be required from both Chinese and French leaders.

Both Chinese and French leaders are somewhat low on innovation, one of the most important leadership practices for success. They will benefit from investing in ways to unlock innovation in the leadership team as a whole.
3.3.3 Comparing Chinese Leaders and Leaders in the UK

The overall picture of similarities and differences between leaders in China and the UK has many things in common with the German and Chinese leader comparison.

**Focus first on similarities:** We see senior leaders in both the UK and in China share strengths in the important senior leadership practices of being strategic, persuasive and having a management focus. So the foundation of a leadership team made up of Chinese and British leaders should be very solid, if it is leveraged correctly. Again, some of the important activities these leadership teams should engage in include: focusing on and ensuring equal contribution by British and Chinese leaders in defining and shaping the business strategy, leveraging the ability to persuade clients and external stakeholders in local and global markets and a shared and collaborative responsibility in taking charge, leading and directing the overall workforce.

**Chinese Senior Leader strengths to leverage:** Compared to UK leaders, Chinese leaders are higher on empathy, which will be useful in attracting and retaining the best people in China as well as in the UK.

**British Senior Leader strengths to leverage:** Once again, there is a big difference among Chinese and British senior leaders in the area of being innovative. From this we see that Chinese leaders are
much higher on conservative, or traditional, which is about seeing problems in the light of past practices. Leadership teams will benefit from investing in ways to unlock innovation in their Chinese senior leaders and help them to let go of more traditional ways of doing things.

Another significant difference is that Chinese leaders are much higher on control. Once again for the attraction and retention of generation Y and Z, an approach that is less about ‘telling people what to do’, and at the same time does include more delegation of tasks, will be something Chinese leaders can learn from their British counter-parts or bring in British members of their leadership team to role model.

**Collective Areas for Improvement:** Both Chinese and British leaders can benefit from being higher on cooperation, communication and excitement, which will enable a shift to and ‘Energiser’ and leadership style, rather than an ‘Executor’ leadership style. Both British and Chinese leaders can benefit from exercising more soft power to inspire, energise and engage their people.

### 3.3.4 Comparing Chinese and Spanish Leaders

**Leadership Effectiveness Analysis**

![Diagram showing leadership effectiveness analysis between China and Spain](image)

**Focus first on similarities:** we can see that both Chinese and Spanish senior leaders share strengths in the important senior leadership practices of being persuasive, one of the most essential leadership practices for success. However, without high enough levels of strategic, innovative and management
focus leadership practices, it is likely that leadership teams including Spanish and Chinese leaders need to work together to collectively develop in these areas.

**Chinese Senior Leader strengths to leverage:** Compared to Spanish leaders, Chinese leaders are somewhat higher on strategic and markedly higher on management focus. Spanish leaders should fully leverage their Chinese counterparts' ability to take charge, lead, and direct their workforce. They should also put more emphasis on strategic planning and make sure to include Chinese leaders in the entire process, as they are stronger in this area.

Compared to Spanish leaders, Chinese leaders are also higher on empathy, which will be useful in attracting and retaining the best people in China as well as in Spain.

**Spanish Senior Leader strengths to leverage:** Compared to Chinese leaders, Spanish leaders are slightly higher on communication and cooperation, which will be important for engaging the workforce and in finding more ways to work together more effectively as a diverse leadership team. Chinese leaders can leverage Spanish leaders to improve communication overall.

**Collective Areas for Improvement:** When it comes to leading a younger generation of employees, there is significant room for improvement in the areas of creating a vision and control. Both Chinese and Spanish leaders can benefit from being lower on control, which will enable a shift to a leadership style that is more energising and inspiring, rather than a leadership style that relies primarily on the use of power to command and control. A clearer vision that is communicated to employees and more soft power to inspire, energise and empower their people will be required from both Chinese and Spanish leaders.

Both Chinese and Spanish leaders are somewhat low on innovation, one of the most important leadership practices for success. They will benefit from investing in ways to unlock innovation in the leadership team as a whole.
3.3.5 Comparing Chinese and Polish Senior Leaders

Considering the other comparisons we’ve made so far, senior leaders in Poland and China seem to share fewer similarities overall.

**Focus first on similarities:** we can see that both Chinese and Polish senior leaders share strengths in the important senior leadership practices of being strategic and persuasive, two of the most essential leadership practices for success. Once again of the important activities these leadership teams should engage in include: focusing on and ensuring equal contribution by Polish and Chinese leaders in defining and shaping the business strategy, and leveraging the ability to persuade with clients and external stakeholders in local and global markets.

Interestingly Polish senior leaders seem to be particularly strong in all the practices related to Creating a Vision, something we have not seen in any of the individual countries we have looked at so far. At the same time when it comes to achieving results and team playing, there are some evident areas where they can learn from and leverage their Chinese counterparts.

**Chinese Senior Leader strengths to leverage:** Compared to Polish leaders, Chinese leaders are significantly higher on management focus. Polish leaders should fully leverage their ability to take charge, lead and direct the workforce. Although Chinese leaders are not very high on consensual, they are certainly closer to a good balance compared to Polish leaders and should be seen as essential members of consultative leadership team discussions.
Compared to Polish leaders, Chinese leaders are also significantly higher on empathy, which will be useful in attracting and retaining the best people in China as well as in Poland.

**Polish Senior Leader strengths to leverage:** One of the interesting and unique strengths we can see in Polish senior leaders is that they are both high on conservative and high on innovative. Being high on conservative often acts as an obstacle for Chinese leaders in being more innovative. There may exist synergies in leadership teams made up of Polish and Chinese senior leaders which can help Chinese senior leaders become more innovative without necessarily having to make a dramatic change in how conservative and traditional they are. Once again for the attraction and retention of generation Y and Z, an approach that includes higher levels of excitement will be something Chinese leaders can learn from their Polish counter-parts or bring in Polish members of their leadership team to contribute more of.

**Collective Areas for Improvement:** When it comes to leading a younger generation of employees, there is significant room for improvement in the areas of tactical, dominant and control. Although Polish leaders are not as high on control as Chinese leaders, overall they can benefit from being lower on control, which will enable a shift to an ‘Energiser’ and ‘Integrator’ leadership style, rather than and ‘Controller’ leadership style. Rather than relying on tactical and dominant behaviour, more communication of the vision and more soft power to inspire, energise and empower their people will be required from both Chinese and Polish leaders.
4 Recommendations

Overall we have identified and considered many similarities and differences in leadership practices that can be leveraged. The idea is not to make the leadership profiles of senior leaders from different countries look exactly the same, but rather to become aware of and identify ways to better leverage the similarities and differences as well as to make changes in areas that are visibly holding diverse leadership teams back. The following section of the report will consider the highest priority leadership practices for European SMEs to focus on and provide specific recommendations for how they can strengthen these leadership practices to empower Chinese and European leaders and be more effective as a diverse leadership team.

In order to support SMEs the recommendations are fairly straightforward and simple, and for the most part do not require huge amounts of time and resources to implement.

4.1 Being Strategic

How important is being strategic to business success overall, not just in China, but globally? Study after study show that being strategic is seen as the most highly effective leadership practice. In 2009, Management Research Group (MRG) completed a large scale global study addressing this question, evaluating the leadership practices and effectiveness of 40,000 managers and executives in 144 countries and 27 industries. The study found that a strategic approach to leadership was between two and 46 times more important to the perception of effectiveness than any of the other behaviours studied. In fact, leaders that were high on “strategic” were five times more likely to be seen as effective as the leaders that were low on strategic, independent of any of their other behaviours. A follow-up study investigated leadership profiles produced by 7,000 senior executives charged with setting the leadership development goals for their respective organisations. When asked to select the leadership behaviours most critical to their organisations’ future success, executives chose strategic 94% of the time.

The good news is that becoming more strategic is something that can be learned and while it is not an easy task, it is usually also not as difficult as most people think. Many times the idea of being strategic seems very nebulous and complex and is often combined with the idea of being innovative. According to the LEA definition strategic leaders are defined as those who focus long range objectives and who have a process to achieve those objectives.

From the results we have reviewed we can see that Chinese Senior Leaders are strong when it comes to strategic thinking. Often there is a perception that they are not, which is likely related to the fact that strategic is often conceptually coupled with innovative. As mentioned, according to the LEA definition, there is a clear distinction between strategic and innovative. While Chinese senior leaders are not particularly high on innovative they are high on strategic. However when we look at mid-level Chinese leaders the picture is not the same. There is room for improvement in the area of being strategic which is one of the biggest requirements in their capability to move to more senior levels of leadership.

Over the past 30 years Chinese leaders have grown up in an environment that encouraged execution and immediate results, rather than long range planning and strategic thinking. So if European SMEs want to empower their Chinese mid-level leaders to be more strategic, they first need to simply encourage them to take the time to be strategic.
Because execution is a strength for Chinese managers, they are often heavily relied on to take care of all the day to day details. We have numerous leadership and coaching programmes where we identify Chinese managers who show a strength in the area of being strategic according to their personality assessments. However, that strength is often unnoticed within the organisation. The reason is almost always the same: they are so overloaded with day to day execution and have such a high focus on control and structuring that there is no time to do any strategic thinking! A strategic approach takes time.

If European and Chinese leaders want the Chinese mid-level leaders in their organisation to be more strategic they must first support them to find the time to be more strategic. Listed below are some recommendations for European SMEs to foster strategic thinking as part of their management approach:

**Recommendations for Developing Strategic Leaders**

<table>
<thead>
<tr>
<th>Overall Recommendation</th>
<th>Focus for European SME Leaders</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Involvement:</strong> Include Chinese senior leaders when defining the Strategic Direction of the organisation. Conduct Strategy sessions that involve your senior Chinese leaders.</td>
<td>Too often all of the strategic plans for SMEs are made outside of China and then implemented in China. Including your Chinese leaders will increase their ‘buy in’ and at the same time leverage their strength in being Strategic (and in some cases more strategic than their European counter-parts).</td>
</tr>
<tr>
<td><strong>Schedule Strategic Planning:</strong> Make strategic planning a regular part of the job for mid-level leaders. Set a specific expectation and encourage managers to set a regular time aside for strategic planning (individually and with others).</td>
<td>Become aware of the tendency to rely very heavily on Chinese Managers and Leaders for all execution related tasks and evaluate whether some of those tasks can be re-allocated or even eliminated.</td>
</tr>
<tr>
<td><strong>Mentors:</strong> Identify mentors who are highly strategic within the organisation (those widely known for their ability to keep people focused on strategic objectives) and connect them with mid-level leaders.</td>
<td>Smaller size organisations usually can be more effective at setting up informal mentoring relationships. Setting up these relationships across locations also has the added benefit of forming useful networks across the organisation.</td>
</tr>
<tr>
<td><strong>Clear Vision:</strong> Communicate a clear vision, mission and goal statements throughout the organisation. Individuals and groups need to understand the broader organisational strategy in order to stay focused and incorporate it into their own plans and strategies.</td>
<td>Notice tendencies to under communicate strategic plans to mid-level leaders (especially in China) due to distance, time difference or the expectation that day to day tasks will make these plans seem like a low priority to them.</td>
</tr>
<tr>
<td><strong>Education:</strong> Promote a future perspective for employees by incorporating it into training and</td>
<td>When a manager suggests course of action, their boss can always ask them to consider 2 questions:</td>
</tr>
</tbody>
</table>
development programs; teach people what strategic thinking is and encourage them to ask “why” and “when” questions.

- what underlying strategic goal this action serves
- what will the impact be on internal and external stakeholders

4.2 Unlocking Innovation

As highlighted at the European Chamber’s Human Capital Conference in 2013 on the topic of ‘Unlocking Innovation’, as China shifts from a manufacturing economy to a knowledge economy, a key leadership requirement is the ability to innovate. The 2012 [OECD report\(^8\)] for China highlights that by 2010 China’s expenditure on research and development (R&D) more than doubled over the period 2005–2010 to USD 162 billion. This placed it only second to the United States and accounted for 1.8 per cent of GDP — slightly exceeding the OECD median. China’s expenditure on R&D is forecast to be at 2.2 per cent of GDP by 2020.

China also has the world’s largest pool of researchers, and rapid progress has been made in terms of education levels, especially among those who are 25 to 29 years old. So we should not underestimate the potential to innovate in China. However, the above metrics are all inputs to innovation and when we consider outputs we see that progress is uneven: with triadic patents quite low, industry and science relationships are underdeveloped, and innovative entrepreneurial activities remain constrained by restrictive regulations and administrative burdens.

As we’ve seen from the data in the key findings, overall Chinese leaders are lower on innovative than their European counterparts. However, historically there is a great deal evidence to suggest Chinese people can be very innovative and there is a new generation of Chinese leaders who are getting ready to demonstrate more of their capability to be innovative.

<table>
<thead>
<tr>
<th>Overall Recommendation</th>
<th>Focus for European SME Leaders</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brainstorming:</strong> Include diverse leaders in brainstorming sessions to address business opportunities and challenges. Often top leadership teams made up of a similar set of people, lack a range of perspective that is essential to innovator potential.</td>
<td>SMEs today often have a fairly homogenous set of leaders at the top. Increasing involvement of leaders across geographies, as well as gender, functional area, age, etc., will increase the innovator potential of the leadership team.</td>
</tr>
<tr>
<td><strong>Flexible Culture:</strong> Provide a more flexible culture, an environment that will appeal to Generation Y and Z, and at the same time will encourage more creativity and ‘out of the box’ thinking. Encourage Chinese generation X leaders to better understand and relate to Chinese SMEs inherently have more of a capacity to be flexible and adaptable. They can leverage that capacity to engage a younger generation of Chinese employees who are more creative and assertive and no longer want to be ‘told what to do.’</td>
<td></td>
</tr>
</tbody>
</table>

generation Y and Z employees.

**Recognition:** Reward people for evidence of thinking, not just reacting; wherever possible, organisational culture should encourage anticipating opportunities and avoiding problems, and discourage crisis management. In smaller organisations it can be easier to reward managers and senior managers for being able to quickly generate several solutions to a given problem and identifying the solution with the greatest long term benefit for the organisation.

**Expand Network:** Encourage interaction outside of the organisation to build networks and gather latest market trends and breakthroughs (physically and through social media). As brand recognition and attraction can be particularly challenging for SMEs, having managers and employees act as social media ‘advocates’ can have a significant impact in attracting talented and creative people.

### 4.3 Impactful Communication and Cooperation

We have seen that overall being persuasive is generally a strength for both Chinese and European leaders. Second only to being strategic, persuasiveness is the most important leadership practice for effectiveness. As a common strength it should be recognised and further cultivated, especially across geographies for mid-level leaders. While many of these Chinese and European senior leaders are very persuasive in their own market, there is usually quite a bit of room for improvement when convincing senior stakeholders and clients in other markets. As they do have a visible strength in this area, they could be leveraging that strength to learn more from each other on how to best persuade in different settings and geographies.

Impactful communication with senior stakeholders across boundaries often acts as a barrier for many mid-level Chinese leaders in their career progression. Both Chinese and European senior leaders should take more time to act as role models to support mid-level leaders become more persuasive. They should also use their strength in being persuasive more visibly inside the organisation to paint a clear vision and direction for their people.

When it comes to communication, with a couple of exceptions we see that both Chinese and European leaders have significant room for improvement. Of the senior leaders we have looked at, German senior leaders are the highest on communication, closely followed by British and Spanish senior leaders. The rest of the countries we’ve considered fall below the norm on communication. So senior leaders may be persuasive with clients and senior stakeholders, however they may not be utilizing the skill much within the organisation across all levels of employees.

Another common theme that we saw across the different countries we compared is the need for higher levels of cooperation. So in addition to being persuasive in their interactions, going forward senior leaders may benefit from taking time to listen and get a better understanding of different perspectives, which will increase levels of cooperation and form more cohesive and unified leadership teams.

### 4.4 Developing a Global Mind-set

Today developing a global mind-set has become increasingly important early on in many careers and is actually a challenge for both Chinese and Western Leaders. When looking at ‘great global leaders’ and identifying the global and regional leaders who have a truly global mind-set, there is significant
room for improvement across all geographies according to various studies. Especially for multi-
national companies and foreign SMEs operating in multiple geographies, a global mind-set has now
become a leadership requirement. While many leaders believe that they have a global mind-set,
studies show that most of the time their mind-set is not as global as they think.

Developing a global mind-set has also become far more essential for China’s continued growth. In
fact, two of the three most important skills for Chinese managers in the future related to global
operating skills: ability to manage diverse employees and understanding of international markets.

Global Talent 2021: Most Important Future Skills for BRICs

Developing a global mind-set involves a number of leadership practices. Empathy, which Chinese
senior leaders are higher in compared to their European counter-parts, is one essential component of a
global mind-set (i.e. stepping into other people’s shoes, demonstrating an active concern for people
and their needs). Of course the requirement when it comes to a global mind-set is to be able to
demonstrate similar levels of empathy to people from diverse backgrounds and nationalities.

When we look at one of the essential skills that great global leader share, it is their ability to influence
people across a wide range of backgrounds. And that is an area of development both for Chinese and
European senior leaders. While the senior leaders we have looked at are persuasive, the question is
how persuasive are they outside of their own market.

<table>
<thead>
<tr>
<th>Overall Recommendation</th>
<th>Focus for European SME Leaders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Select which expats to send on assignment in China and which Chinese employees to send on assignment outside China based on more than past performance. Also consider future potential</td>
<td>Use an assessment, like the Global Mind-set Inventory (GMI), as one criteria to decide which European and Chinese leaders are best suited to regional and global roles as well as which leaders</td>
</tr>
</tbody>
</table>

© 2014 EU SME Centre
as a global leader.

<table>
<thead>
<tr>
<th>Provide stretch experiences, rather than relying mainly on international postings. Stretch experiences, e.g. leading virtual teams, working in different functions, and managing a variety of internal and external stakeholders (who are sometimes more senior) are the best way to develop the ability to influence across a diverse set of people.</th>
<th>can better contribute on the top leadership team. For SMEs international postings can be costly, while there is usually greater opportunity for employees to work across multiple functions. Also increase the opportunities for mid-level leaders to lead projects involving employees in multiple locations, leveraging improved virtual teaming and meeting technologies.</th>
</tr>
</thead>
</table>
| Foster a culture of similarities rather than a culture which focuses on differences. Create programs and celebrations in the organisation which put the focus on similarities across countries, rather than making diversity programs all about focusing on differences. | Often SMEs may not have a large and complex inclusion and diversity program. Instead launch a simple sharing similarities program, which helps raise awareness and put employees focus on:
- Common passions, interests and ways of doing things
- Cultural practices which have common themes and meaning |
| Keep people informed. Effective strategy requires information shared across boundaries; cross-functional teams can work on strategic organisational issues, and the results of their thinking and efforts should be published and shared throughout the organisation. | Without big communications platforms, SMEs can often end up operating in silos across offices. Leverage the latest social media and low cost virtual teaming technologies to constantly share information and ideas across the organisation and even externally. |
5 Conclusion

As we review the key findings, one clear insight is that overall the differences between Chinese and European leaders are not as significant as we tend to think they are. Especially as we move up to senior levels of leadership the profiles across industries and geographies looking surprisingly similar. That is likely to be a trend that continues in the future in a globalized world. That realization should be leveraged to lift the predisposition that leaders often have to believe that there are significant barriers to working together because their leadership styles are ‘so different’ and they are as people are ‘so different’. Reaching higher levels of cooperation will be essential in global leadership teams, as they tackle opportunities and challenges in more and more complex and ambiguous business environments.

At the same time it is important to remain aware of the tendency for the leadership profile of all senior leaders to end up looking the same. A certain level of diversity will be essential for innovation and healthy collaboration. So balancing a focus on similarities and ways to leverage differences will be essential for the growth of foreign SMEs.

In this research we have looked at what leadership practices work well today. However, it is also very important to consider what leadership practices will work in the future as the world makes dramatic technological, economic and social advances in the coming decades. Just a few of these advances will include [Zero Margin Cost Society9]:

- 3 billion more people will come online through the use of mobile technologies in the 15 years, making their voice heard across continents
- 3D printing will change the competitive landscape for many of today’s products and for manufacturing as a whole
- Dramatic improvements in the use of alternative energy sources

Looking toward the future we can expect that a more open, transparent, trust based and global leadership style will help businesses succeed. And that is what is required for the world to successfully leverage the advances described above to alleviate some of the significant environmental, economic and societal dangers which threaten our survival. Making the shift to a new style of leadership, based mostly on integrity, inspiration, collaboration and will among other things require letting go of the higher levels of control and dominant leadership practices that have been common across all the senior leaders we have looked at in this research.

Integrity and inspiration are also now significantly more important factors that influence and motivate the younger generation of employees, who will be the driving force toward that new leadership style we can hopefully expect to see in the future. The organisations who can adopt the new leadership style sooner rather than latter, will be ahead of the game.

---

Annex: Leadership Effectiveness Analysis™ (LEA) 22 Leadership Practices - Definitions

**Creating a Vision**

**Traditional**
Studying problems in light of past practices to ensure predictability, reinforce the status quo and minimise risk.

**Innovative**
Feeling comfortable in fast-changing environments; being willing to take risks and to consider new and untested approaches.

**Technical**
Acquiring and maintaining in-depth knowledge in your field or area of focus; using your expertise and specialized knowledge to study issues in depth and to draw conclusions.

**Self**
Emphasising the importance of making decisions independently; looking to yourself as the prime vehicle for decision making.

**Strategic**
Taking a long-range, broad approach to problem solving and decision making through objective analysis, thinking ahead and planning.

**Developing Followers**

**Persuasive**
Building commitment by convincing others and winning them over to your point of view.

**Outgoing**
Acting in an extroverted, friendly and informal manner; showing a capacity to quickly establish free and easy interpersonal relationships.

**Excitement**
Operating with a good deal of energy, intensity and emotional expression; having a capacity for keeping others enthusiastic and involved.

**Restraint**
Maintaining a low-key, understated and quiet interpersonal demeanour by working to control your emotional expression.

**Implementing the Vision**

**Structuring**
Adopting a systematic and organised approach; preferring to work in a precise, methodical manner; developing and utilising guidelines and procedures.

**Tactical**
Emphasising the production of immediate results by focusing on short-range, hands-on, practical strategies.
Communication
Stating clearly what you want and expect from others; clearly expressing your thoughts and ideas; maintaining a precise and constant flow of information.

Delegation
Enlisting the talents of others to help meet objectives by giving them important activities and sufficient autonomy to exercise their own judgement.

Following Through
Control
Adopting an approach in which you take nothing for granted, set deadlines for certain actions and are persistent in monitoring the progress of activities to ensure that they are completed on schedule.

Feedback
Letting others know in a straightforward manner what you think of them, how well they have performed and if they have met your needs and expectations.

Achieving Results
Management Focus
Seeking to exert influence by being in positions of authority, taking charge and leading and directing the efforts of others.

Dominant
Pushing vigorously to achieve results through an approach which is forceful, assertive and competitive.

Production
Adopting a strong orientation toward achievement; holding high expectations for yourself and others; pushing yourself and others to achieve at high levels.

Team Playing
Cooperation
Accommodating the needs and interests of others by being willing to defer performance on your own objectives in order to assist colleagues with theirs.

Consensual
Valuing the ideas and opinions of others and collecting their input as part of your decision-making process.

Authority
Showing loyalty to the organisation; respecting the ideas and opinions of people in authority, and using them as resources for information, direction and decisions.

Empathy
Demonstrating an active concern for people and their needs by forming close and supportive relationships with others.
The EU SME Centre assists European SMEs to export to China by providing a comprehensive range of free, hands-on support services including the provision of information, confidential advice, networking events and training. The Centre also acts as a platform facilitating coordination amongst Member State and European public and private sector service providers to SMEs.

The Centre’s range of free services cover:

- Business Development – provision of market information, business and marketing advice
- Legal – legal information, ‘ask the expert’ initial consultations and practical manuals
- Standards – standards and conformity requirements when exporting to China
- HR and Training – industry and horizontal training programmes
- Access to a service providers directory and information databases
- Hot-desking – free, temporary office space in the EU SME Centre to explore local business opportunities
- Any other practical support services to EU SMEs wishing to export to or invest in China.

This report was written by: Elisa Mallis

Contact the Centre at:
Room 910, Sunflower Tower
37 Maizidian West Street
Chaoyang District
Beijing, 100125

T: +86 10 8527 5300
F: +86 10 8527 5093
www.eusmecentre.org.cn
info@eusmecentre.org.cn

Disclaimer
This document is provided for general information purposes only and does not constitute legal, investment or other professional advice on any subject matter. Whereas every effort has been made to ensure that the information given in this document is accurate, the EU SME Centre accepts no liability for any errors, omissions or misleading statements, and no warranty is given or responsibility accepted as to the standing of any individual, firm, company or other organisation mentioned. Publication as well as commercial and non-commercial transmission to a third party is prohibited unless prior permission is obtained from the EU SME Centre. The views expressed in this publication do not necessarily reflect the views of the European Commission.

Date: July, 2014

The EU SME Centre is a project funded by the European Union.