

## **Cross-cultural Learning in Small International Enterprises for Management Development**

Lin Yang

*Qingdao University of Science and Technology, China.*

*Email:bingoyanglaoshi@126.com*

**Abstract:** This essay explores cross-cultural adjustment learning (CCAL) for managers in small international enterprises (SIE) in the context of Chinese small international enterprises based in the U.K in particular. It highlights the perceptions of SIE managers towards cultural differences in business behaviours between China and the UK. It also places an emphasis on exploring the possible barriers to learning for these SIE managers in relation to cross-cultural adjustment. A review of literature indicates that through taking cross-cultural adjustment learning SIE managers could develop their managerial skills and build the capacity for the development for the enterprises to meet their business needs in the UK environment. However, discussion of various scenarios also implies that learning to make cross-cultural adjustment may be specific to enterprises. To achieve effective learning result, external facilitation of cross-cultural adjustment learning needs to be in place in addition to individual active learning.

**Keywords:** managerial development, cross-cultural learning, learning and development

### **Introduction**

It is widely accepted that globalisation has had great impact on small enterprises as well as on big companies. Externally, there is an inflow of business from developing countries such as China, India and other parts of the world. Research shows that quite a lot of these businesses are small enterprises, or start with small enterprises. Internally the UK has become a multinational country. Of the 58.8 million U.K. populations, 8.3 percent are from ethnic minority groups (Home Office, 2007: p36). Immigrants have brought in home country business to the UK. SIEs are increasingly taking a big part of the total small businesses.

Management development in SIEs is of critical importance to the development of these minority-related companies. Cross-cultural adjustment to a certain degree determines whether

or not a foreigner-run company can survive and further develop (French, 2007). Cross-cultural adjustment learning is therefore of significant importance to management learning in SIEs. Much research has been carried out to promote management development in small firms (Storey, 1994; Walton, 1999; Gray & Mabey, 2005). Great numbers of researchers have also explored cross-cultural management in international organisations. However, management development in SIEs, is an area of study that receives relatively little attention, especially in terms of cross-cultural adjustment learning in the context of foreign enterprises. In the particular literature of China-related management cross-cultural development, most research (Li, 1999; Branine, 2005; Redding & Stening, 2003) has focused on the study of joint venture management in China mainland and Hongkong district from the non-Chinese cultural perspectives; few articles are about developing Chinese managers to operating outside China territories.

This article examines the current situation of cross-cultural training and development for the Chinese managers of the SIEs based in the UK. It explores the potential contents of cross-cultural learning in business behaviours adjustment to meet business needs. It also explores the approaches to facilitate learning for this group of managers in relation to cross-cultural adjustment, highlighting business behaviour adjustments.

The author explores an area of management learning in SIEs that may contribute to the business development of minority-owned enterprises. The article presents a wide-range comparison of business behaviours between China and the UK small enterprises, which enables probably a deepened understanding of cultural influence upon management development for enterprises operating in another culture. The paper may also have interesting implication for promoting SIE management learning and for supporting SIE business development to policy makers of the UK government.

### **Management development in small enterprises**

Research has revealed that small enterprises start-ups find it difficult to progress beyond the existence/survival stages of growth (Storey, 1994; Walton, 1999). Managers are so tied up with survival issues that little attention is given to the management training and

development issues. Gray and Mabey (2005: p469) claim that even with those larger SMEs who have “survived the crucial start-up years”, the owners perceive no need for further development.

Research also proves that training provision in SMEs under government projects could generate positive impact (Denvins and Johnson, 2003 cited in Bryan, 2006; Patton et al, 2000; Macdonald et al, 2007). Enabling small firms to survive the initial stages of growth is therefore of crucial importance in training and development initiatives. This, of course, depends very much on the perspectives of owners/managers, their drive for success and, the strategic capacity for further development, both for the enterprises that they work for and their career ladders. O’Dwyer and Ryan (2000: p345) propose that training and development programmes for small enterprises should “consider their specific needs” by focusing on issues relating to management and development. Such issues include ‘time management, marketing and alternative sources of finance’.

For businesses operating cross-culturally, the development of human resources involves an outstanding demand for cross-culture management issues, which suggested by Walton (1999: p507) have five areas of intervention:

- Generating ability to operate globally in local cultures
- Language support
- Development of local as opposed to expatriate staff
- Contribution to generating a shared global culture
- Proactive approach to developing strategic capability at local level

Management development as probably the most important human resources development strategic issue in SIEs (Gray and Mabey, 2005), therefore need to lead to the improvement of managerial skills in ‘global thinking’ (Walton, 1999); in effective cross-cultural communication; in the integration with local business environment, in shaping global culture and developing strategic capacity internationally.

### ***Significance of MD in small enterprises***

Many authors have stated that as well as large organisations, human capital in small firms also has an important impact on critical organizational outcome variables such as quality, customer service, and productivity ( Pennings et al, 1998; Edelman et al, 2002; Guest, 1987, Patton et al, 2000). Guest suggests that important effective measures of human resource management, e.g. commitment, satisfaction, are as achievable in large organizational systems as they are in small – perhaps even more so given the “inherent characteristics of SME”(Guest, 1987: p8).

Smallbone (1990) carried out an in-depth study of new firms and concluded that one of the main reasons for business failure was the small amount of business training that founders had received. The Annual Small Business Survey (Scottish Executive 2005) also reveals that more than a half of the surveyed businesses did not seek any professional advice before starting up. Skill gaps and lack of competences apparently are the shared obstacles for development with many small business owners.

Developing managers in small international enterprises therefore has significant importance. As with small international enterprises (SIE) managers have to take panorama responsibilities, it is rarely the case that there is such a post as HRD officer. Given the complex company composition of employees and of business connections, which always involves two or more cultural backgrounds, management development tends to be the only one channel to staff development. That is to say, train the managers to train their staff.

Although surveys (Scottish Executive 2003,2005) show that small companies are less likely to adopt a strategic management approach to their businesses, those who experiment with strategies such as cultural change, quality control and work-life balance, claimed positive outcome in productivity and quality. Management development can raise managers’ awareness of strategic management and can improve managerial skills for change management (Yan & Child, 2002). This undoubtedly could improve the overall business performance.

It is possible that due to the small number of employees, the flat structure and relatively more open internal communication, human resource development could be more flexible and efficient. Scase (2007, p59) comments that SMEs enjoy “tight and harmonious culture” by being “fit, fresh and fun”, because smaller enterprises can actively adjust self to face

competitors; they change constantly and can always come up with new ideas; and it is easier for SMEs to find harmony among diversities.

***What is management development, then?***

The Chartered Institute of Personnel Development (CIPD) defines management development as follows:

“the entire structured process by which managers learn and improve their skills for the benefit of their employing organisations and themselves.”(Cannell, CIPD online 2007)

It includes three forms of development:

- Work-based structured informal learning,
- Formal training courses and
- Education.

CIPD’s view of management development apparently has a focus on the managers maturation and shaping purpose. But formal training courses and education might be only good enough to develop manager’s technical and cognitive knowledge to achieve maturation and to shape managers competency (Burgonye, 1988).

Mumford (2004: p13) defines management development as “an attempt to improve managerial effectiveness through a learning process”. Mumford continues to argue that management development must be considered to include both “informal and accidental processes”, as well as “deliberate and planned”(Mumford, 2004: p114). Given the situation managers in small enterprises are generally too busy to engage in formal training programmes, a combination of work-based learning and self-directed flexible learning could be appropriate to develop the more intangible knowledge to be more emergent and adaptive.

For the purpose of this article, management development is defined as the combination of formal and informal process by which managers learn to enhance their managerial competencies to play a better managerial role for the benefit of their employing organisations and themselves.

### ***MD in Chinese SIEs***

Unlike the conventional MD practice that are widely used in the UK, management development in Chinese SIEs poses two big challenges. First, since the managers come from a culture – the Chinese culture – where human resource management is very weak, as Child(1994 cited in Sergeant & Frenkel, 1998: p20) noted it, “the concept of HRM was absent”, it is a challenge to get buy in for the MD practice in the Chinese SIEs. Second, Chinese SIEs managers are ‘minority’ group in the UK culture difference from that of home. Facilitating the learning for this group of managers need to take into consideration the specific learning needs which are determined Cross-culturally.

### ***Manager competence***

What makes for effective managers? Are there skills or competencies that managers can learn to perform more effectively? Researchers (Boyatzis, 1982; Burgonye and Reynolds, 1997; Mumford and Gold, 2004) have done much research from perspectives of several disciplines. Results reveal that some particular skills and competences do correlate with effectiveness. Boyatzis (1982) linked management functions with competency clusters and suggest a list of skills with which differentiate ‘effective’ managers from ‘less effective’ managers. He put much emphasis on self-managing to optimise results. Mumford and Gold (2004) developed a framework of 83 management and leadership abilities that build up excellence in management and leadership from three perspectives: thinking ability, people ability and task ability. The authors also attached much importance to personal attributes of self-controlling and self-development. However these lists of skills and competences are dazzling as one might get astound at the sight of the complexity.

Organisational theorists approach effective management from strategic capability (Senge, 2006; Walton, 1999) and leadership (Adair, 2002). Currently, most researchers working on managerial competencies would agree that there are cognitive, interpersonal, personal, motivational and strategic competencies, which, under certain conditions make a big difference between the more effective from the less effective managers regardless of the size of the organisation.

The general objective of management development in SIEs could therefore arguably to be developing managerial competencies to fulfil a better managerial role through development approaches.

### ***Learning as the best way to achieve development***

Training has been the conventional approach to develop people in workplace. Although recent years have seen the shift from training to learning (Sloman, 2003; Steward and Beaver, 2003; Harrison, 2005; Reynolds, 2006), training is still regarded as one of the most popular method of gaining knowledge and skills. However with limited resources, it is more practical for managers of SMEs to mainly take an alternative approach to development.

There are many theories offered by psychologists and educators of what effective learning could be. Kolb (1991) commented that the ability to keep learning from experience is of more importance in a learning process. Jarvis (1995) put a stress on the two-way transformation from experience to knowledge and vice versa. Argyris and Schon (1978: p22) promoted “double-loop” learning, which combines “goal-based learning” and “learning through questioning”. How to effectively learn from experience could be of critical meaning to managers of SIEs.

### ***Learning to learn and management learning***

Mumford (2001, in Mumford and Gold, 2004: p104) define ‘learn to learn’ as

“A process through which individual or groups understand the principles of effective learning, and acquire and continuously improve the disciplines and skills necessary to achieve learning.”

Mumford and Gold (2004) argue that learning to learn is to develop the capability to learning, which enables learners to adopt a continuous learning approach with self- motivation. For managers of small companies the concept of ‘learn to learn’ is of special importance. One reason is that these managers play key role in running the business of the organisation. Only when managers obtain the competitive competency themselves can the organisation achieve sustaining and development.

The second reason is that managers always ‘learn in a context’ (Mumford and Gold, 2004: p108) because the work of managers is full of “fragmentation, variety and brevity” (Mintzberg, 1973). Researchers (Stewart et al, 1980; Mintzberg, 1973) found that managers are constantly interrupted and are dealing with current, detailed, planned and non-routine activities. This has made it difficult for managers to learn. Therefore, they have to use flexible and effective learning methods.

Management learning in its broad sense, as Grey and Antonocopoulou (2004: p2) put it, is connected to the “the sweep of social, economic and political thought that characterize our time”. Management learning in small international business involves many cross-cultural issues, as human resources in international businesses share the same ‘three-party’ features: that of home country, of local country and of third country. Learning to learn for these managers means that they need to proactively and critically learn from training interventions as well as experiences with strategies to enhance personal competencies in order to meet cross-cultural business needs.

## **Cross-cultural adjustment learning in SIEs**

### ***Cross-cultural management***

Operating in a global environment requires managers to master cross-cultural knowledge (Bartlett & Ghoshal, 2000; Harvie & Lee, 2002; Redding & Stening, 2003). When operating international business in a foreign country, two or more cultures may conflict. Individuals usually experience various “culture shocks” (Hofstede, 1991) as consequences of these conflicts. In order to do so, Hofstede (1998) proposes to “think locally, act globally”. Marx (1999) asserts this proposal and suggests that managers who are working overseas need to “balance emotions, think differently, and behave differently” based on the understanding of business cultures.

French (2007: p5) identifies that cross-cultural management as a rapidly developing with an increasing focus on “the management of workforce diversity” as a means of “obtaining a competitive edge”. (French, 2007: p5) Walton (1999: p508) recommends to have learning

interventions that “increase intercultural awareness, strengthen the corporate glue, and enhance language sophistication”. In international enterprises cross-cultural issues are integrate into every walk of business management. This requires the managers to enhance their cross-cultural management skills through learning. For the purpose of this paper, cross-cultural learning is focused on learning to adjust difference of business behaviours between China and the UK.

French (2007) argues that cross-cultural management is centrally bound up with ethic considerations. Fontaine (2007) claims that much of cross-cultural management research remains within the boundary of attempting to describe the existing state of culture. He continues to point out that little exploration was done on how to modify existing cultural states. He summarizes that in cross-cultural management research there are two generic areas of focus: understanding the past and shaping the future.

A new approach was called for to determine what practical management actions can be taken to make cultural adjustment to change the organizational system and thereby shape future cross-cultural relations. Managers in SIEs arguably bear special responsibilities in balancing the need for global integration and local differentiation since they are probably the most stable and most informed individuals in the SIEs.

### ***Observing business behaviours***

In the realm of different cultural influences upon business behaviour, Gesteland (2002) offers to classify different cross-culture business behaviours into patterns according to four criteria: deal-focus vs. relationship-focus, informal vs. formal cultures, rigid-time vs. fluid-time cultures, and expressive vs. reserved cultures. Gesteland views deal focus vs. relation focus as the “Great Divide” between business cultures all over the world, by which he categorize people into “task-oriented” and “people-oriented” patterns. According to Gesteland, business practitioners from informal cultures may experience unhappy consequences by carelessly offending high-status people from formal cultures. Conflicts arise between people who “worship the clock” and people who are more “relaxed about time and scheduling”. And emotionally expressive people communicate differently from those who come from emotionally reserved cultures. (Gesteland, 2002: p16-17)

### ***Cultural differences reflected in business behaviours***

Are we living in a global village? Hofstede et al (2002: p5) comment that our world is not really a global village as it “has many disparate quarters”. The metaphor of village shows how intercultural encounters can generate misunderstandings or worse. Berger (in Redding 1994, p97) on the contrary, is more optimistic about inter-culture. He writes a lot about making use of “national cultural advantages”. Bartlett and Ghoshal (2002: p 216) express similar view that “differences in national values, culture, economic structures, institutions and histories all contribute to national competitive success”. While the business world is integrating into a global market, issues concerning cultural differences become prominent to business leaders and researchers as well.

Geert Hofstede conducted a comprehensive study of how values in the workplace are influenced by culture based on a mass of empirical data collected from 74 countries and regions since 1973 (Geert Hofstede Culture Dimensions online, 2007). Hofstede (1991; 2001) has developed a widely cited five dimensions of national cultural description and comparison. Because of the wealth of data, and deep theoretical interpretation, this work has received wide academic recognition. His framework of comparing international cultures is based on five dimensions:

***Power distance:*** the degree of inequality of power between a person at a higher level and a person at a lower level;

***Uncertainty avoidance:*** the extent to which future possibilities are defended against or accepted;

***Individualism and collectivism:*** the relative importance of individual goals compared with group or collective goals;

***Masculinity and femininity:*** the extent to which the goals of men dominate those of women;

***Long versus short-term orientation:*** the extent to which a culture programs its members to accept delayed gratification of their needs. (Hofstede, 2001: p xix)

Although much criticism was made by researchers on Hofstede’s one-company-basis study, and there are other writers who provide more dimensions to make cultural comparison,

Hofstede's five-dimension framework remains to be the most widely adopted method to study cultural differences.

However there are some areas that Hofstede's framework couldn't cover. For example, under national religious influence, people's motivation towards life is different. The European and American pursue individual success, while people from oriental culture believe one's life is doomed by fate. This motivation of life determines the way people behave, especially when politically dominated. Take China for example, it closed itself incredibly for more than a thousand years.

Moreover, Hofstede's five dimensions could not explain why some nations are more open to other culture than others. For example, it is likely for a capable African to work as government official in USA or in the UK, but it is highly unlikely for a 'foreigner' to do so in Asian countries.

In the specific case of China, since its 'opening up' policy was enforced at the end of the eighties of the last century, the government put much emphasis on the country's economic development. China has been booming for the last 25 years and is predicted to continue to grow at high speed within the next few decades (Sieren, 2007; Chee and West, 2004). Westernisation and globalisation has had great impact on the traditional way of thinking and behaving (Chee & West, 2004; Fan, 2004). The mixture of tradition and multiple orientation influence has resulted in a Chinese set of rules of functioning, titled as "China code" by Sieren (2007: p27). It could be expected that Chinese businessmen would take these codes with them in their business behaviours wherever they go.

It is therefore argued that business behaviour from a culture perspective could be analysed using Hofstede's dimensions as a basis, combined with the influence of traditional culture and current social trend impact.

### ***Culture influences on Business behaviours of Chinese businessman***

For Chinese managers trying to make cross-cultural adjustment in the UK, it could be of crucial importance to understand their own culture, and to have a clear idea of the business practices that they perceive could make a difference from that of their U.K. counterparts. Only

in this way, can they possibly learn to take advantage from the Chinese culture, at the same time avoid negative aspects of cultural influence in their unconscious behaviours that may bring disadvantages to their business in the UK settling.

The differences between Chinese and Western culture are well documented (Li, 1999; Redding, 1994; Chen, 1995; Goldenberg, 1988; Liu, 2002). Chinese culture is commented as being highly collective and uncertainty avoiding (Hofstede, 1991; Chen, 1995), and is under intense social and political context (Sergent & Frenkel, 1998; Sieren, 2007) compared with European culture, which is individualistic and of less complex context, and is popularly referred to as the West world by Chinese writers. Several areas are argued to have had significant impact on the Chinese managers' behaviour.

#### *Traditional social value: Guanxi, Renqing and Face phenomenon*

Guanxi, Renqing, and Face phenomenon seem exclusive to China. It has been the most important context in nearly all walks of life. Gesteland (2002: p172) notes that in China, "first you make a friend, then you make a deal". It is difficult to define 'Guanxi' to a comprehensive understanding. Wood et al (2002) define guanxi as

"A continual exchange of favours, a network of obligations that brings about privilege and advantage over competitors, and keeps personal relationships active and alive."

Connected with guanxi is the practice of 'renqing', which is a favour done to people who have the guanxi as an advantage, and 'face' concern. Under the admiration of collective reputation, Chinese managers pay special attention to maintaining a positive image both of self and of the group, known as 'face'. Gesteland (2002: p173) claims "face has to do with self-respect, dignity, reputation". When interact with others, Chinese managers will try to prevent losing faces both for themselves and for their business partners. Renqing and face are often addressed by sacrificing own benefit to maintain surface harmony.

#### *Influence of traditional religious beliefs on business behaviours*

**Fate belief** derives from Buddhism, which is recognised as one of the three dominant religions in China. Chinese businesspersons are well known for praying for 'blessing' and 'protection' from Buddhist Gods and Goddesses. The fate belief of Chinese businessmen has

been explored by many researchers (Fiske et al, 1999; Nispett et al, 2001; Qu & Zhang 2005) as the cause of Chinese character of being obedient to authorities and traditions. Under this social belief, many Chinese business practitioners perceive success of business as the result of good luck and good fate, instead that of systematic management or strategic development.

Similar to Buddhism, Daoism also preaches for fate. It even has a fortune-telling methodology forecasting or explaining incidents happened in daily life. Hence many Chinese business leaders go to fortune-tellers for prediction at critical times of their business life.

*Harmonious unity* derives from another dominant religion, Daoism. Its symbol of black and white swirls in a circle is often publicized as implication of Chinese culture. The Daoist concept is that human being should fit into the natural world by following natural principles (Xunzi, Translated by Knoblock, 1999). It is believed among many Chinese people that anything forced against the natural harmony and unity would be eventually punished and removed. Reflected in business is people's belief that following that 'accepted' principles could assure 'doomed' favourable results.

*The distinction of social classes* could be dated back since 2500 years ago when Confucianism began to rule over Chinese society. Confucian values and beliefs have been instilled into every walk of Chinese life (Chee & West, 2004). Confucius had classified the people into different classes according to their profession and social status. This classification was adopted and passed down by successor kings of the dynasties over the history of China. Strict regulations and rules were laid down to maintain the distinction between classes. Confucian influence on the behaviour of people is the obedience to authority and the respect to established rules. This also is reflected in business behaviours of the Chinese business leaders that is summarized by Gesteland (2002: p172) as "hierarchy, formality, status and respect".

### *The China Spirit*

There are similar sayings in Chinese language to the English ones:

'When there is a will there is a way' and

'Nothing is difficult with a willing heart.'

The spirit embedded in these sayings that motivate the Chinese to achieve the usually unachievable, is reported as the China spirit. Sieren (2007: p27) perceives the China spirit as a response to “national self-esteem, the strong sense of unity or belonging”. The China spirit could also be used as a good example of Chinese collectivism consequences. The outcome of this spirit is claimed as miracle, and incredible.

### ***The influence of Westernisation***

Westernisation refers to the phenomenon took place in China since the 80s of last century that for a considerable part of the population, especially of young people, some traditional values of society collapsed before European values. These include pursuing individualist advantage instead of collective benefit, pursuing individual freedom beyond the control of authority, and pursuing living a luxury life instead of being economical and hardworking.

China being a developing country differs from the UK both socially and economically. This is reflected in many areas, especially in terms of average living standard, education and social welfare and security. Unlike their U.K. competitors, neither do Chinese organisations provide much security beyond statutory point nor do employees expect social insurance from government. Therefore, Chinese managers in the UK might need to make special effort to adjust to meet the UK statutory requirement.

It could be observed that analysing Chinese business behaviours is a complex project. Influence of traditional ethics and beliefs are mixed with westernised and recently commercialised social beliefs. Moreover, sub-cultural impact is also significant as China is a country with vast geographical boundaries and as many minorities as 56 nations. It is potentially an interesting point for further research. For the purpose of this article, emphasis has been put on the perspectives of Chinese SIE managers on the difference of business behaviours between Chinese and the UK business practitioners and the approach to learn to make appropriate cross-cultural adjustment to meet business needs.

### ***Differences of business behaviours between Chinese and U.K. business leaders***

Abundance evidence shows that managers operating in cross-culture settings are faced with lots of problems (Sergeant & Frenkel, 1998). Chee and West (2004) have tried to compare the cultures of doing business in the West and in China from the following perspectives: Historical and political context, authority, individuality, family, friendship, conflict, character, business practice, time and governing principles. With business practice, the authors found from research the following differences as shown in Table 1.

**Table 1. Cultural differences in business practice between China and the West**

<i>China</i>	<i>The West</i>
Trust-based	Contract-based, deal-based
Relationship develops over time.	One-off deals fine.
Negotiations slow	Get to agreement as soon as you reasonably can
Formal. Informality seen as a threatening.	Informality seen as a sign of progress.
Deception acceptable, a part of strategic armory	Deception unacceptable, a sign that someone is fundamentally untrustworthy
Contracts as gestures of trust, which remain negotiable.	Contract as a fixed point of certainty.

Source: Chee and West (2004): pp. 142.

Chee and West's study apparently has gone to a considerable depth in the area of comparing business behaviors. However, as mentioned above, this complex area of research perhaps needs still further exploration.

### **Cross-cultural adjustment Learning for managers in Chinese SIEs**

#### ***Learning strategies***

Mumford (2004) argues that management develop must be considered to include "informal and accidental processes", as well as "deliberate and planned" processes.

O'Dwyer, and Ryan (2000) note that a new approach to the design and delivery of management development programmes for micro-entrepreneurs is needed. The authors suggest a model for the formulation of a management development training strategy for owners/managers of micro-enterprises. Based on the findings from the research, this framework outlines designing specifications for a management development programme for owners/managers, which links skills and competence to practice. For managers in small international enterprises who don't have chances to attend regular training programmes, it is probably more practical to use this model for a learning strategy that is self-directed under professional learning support.

Arguably it's worthwhile to develop a tailored learning strategy for manager learners. Managers can use the above techniques and online resources to test their own learning style, personality types, and multiple intelligences. They can then adopt the most effective approach to learning.

### ***Learning approaches***

Learning for managers in small international companies is challenging. Most of these international companies have connection with 'home' business, although the managers need to operate business under a different culture. CIPD annual learning and development reports (CIPD online, 2007) reveal that on-the-job training, coaching and in-house training are among the most popular learning and development approaches. However due to the small size and limited resources managers from these small enterprises are not likely to receive adequate formal management development training. Few can afford on-the-job coaching from a consultant service when survival of business is the biggest issue.

Numerous studies have been made to improve learning effectiveness. Kolb (1984) found that completing a learning cycle could enhance the effect of learning experience. Kolb's experiential learning cycle is composed of four stages of learning, namely, concrete experiencing, reflective observation, abstract conceptualisation and active experimentation. Kolb concluded that one could possibly achieve best result by completing learning cycle regardless of the entry point of the cycle.

It has also been widely accepted that personal learning styles have significant impact on the effectiveness of learning. Honey and Mumford's (1992) inventory for example, provides

a good model to examine personal learning styles and guidance on possibly appropriate learning approaches. Authors such as Fletcher and Bailey (2003) offer a systematic method to assess self-awareness of learners.

Learning strategies for SIE managers can be therefore personalized by using various techniques including online resources to determine an individual's learning preferences and personality characteristics, to best fit for individual skills development needs, and the enterprises business needs.

### ***Continuous professional development (CDP)***

CDP is a new form of learner-centred development approach. It is a tool to help learners systematically review their learning in relation to learning goals, learning process and learning contents. It also serves as a monitor and assessing tool for organizations to manage individual learning. Many professional bodies now use online CDP systems. For example, CIPD requires members to submit annually CDP report when they need to renew their membership. CDPs can greatly raise participants' awareness of learning, and help learners to manage their learning as well as their knowledge. It needs to be further developed to achieve these ideals, though.

### ***E-learning as a potential cost-effective resolution for management learning***

Fortunately the development of online resources and E-learning techniques provide the managers with an outbreak opportunity to learning. Managers of SIEs could potentially conduct formal 'deliberate, planned' learning in a flexible manner without having to leave their work behind. At the same time, they could also benefit from learning from experience effectively because they could have more opportunities to use the newly learnt theories into the business practice straight away.

One of the widely used e-learning techniques worldwide is Virtual Learning Environment (VLE), which is an online environment that can be used to support flexible and distant learning. VLE enjoys the metaphor of a virtual classroom or virtual teaching building. It is often the representative concept of e-learning. Consin(2005) points out that VLE are deliberately built to "perform the function of classroom, lecture hall, tutor's office and student's common room". Consin argues that VLE provides a cyberspace for learning rather

than just a classroom. Because as Garrison and Anderson (2003, p122) put it, e-learning technology has created a “totally new learning ecology”, it is “transforming our educational institutions” and the way we “feel about teaching and learning”.

Ideally, a virtual learning environment could be built to meet managers’ specific learning needs by structuring learning strategy and by providing online learning material and online support for learning. However it remains a big challenge to promote online management learning in SIEs. One challenge is that a sponsor is needed to initiate and maintain VLEs for this minority group of managers; the other challenge is that VLE designing needs to consider overcoming practical barriers to effective learning brings about by cross-cultural learning for the SIE managers.

### ***Learning support and facilities***

Considering the possible barriers to learning for the Chinese SIE managers, it might be unpractical to frequently organise series of formal in-house training programmes. However unsupported learning might lead to poor progress or even to give-up. Moreover, findings of the research show that managers of Chinese SIEs may need help to get access to or make good use of available public management development resources in relation to cross-cultural adjustment.

Developing tailored learning strategy and providing learning support therefore could be the key to successfully promoting CCAL among Chinese SIE managers. On the one hand, a tailored learning strategy could help managers to set their own learning objectives according to the situation of their companies. This strategy could also meet their learning styles, therefore combining informal and accidental process with planned, deliberate learning as proposed in literature. On the other hand, professional learning facilitators may help managers ‘learn to learn’, therefore enhance commitment to learning and increase effectiveness of learning through supporting.

However there remain many challenges to promote online management learning in SIEs. One challenge is to build a VLE that could generally meet the learning demand of Chinese SIEs, which involves not only academic and technical support, but also the allocation of resources and professional consultancy support.

A second challenge is to evaluate management learning in cross-cultural adjustment. It's difficult to evaluate managerial learning in relation to cross-cultural learning. Is it meaningful for self-evaluation? From the point of view of maximising the effectiveness of learning, an evaluation process could encourage reflection and conceptualisation; therefore help completing the learning cycle. Also from the point of training provision, an evaluation could help improve training quality. Debatably online CPD could be used to do the assessment, provided learning facilitator is available to read CPD reports.

A third challenge is to help Chinese SIE managers to learn to increase contact with local business communities, as the research shows that Chinese SIE managers may have much difficulty getting adequate business contact with local community, they may also need to overcome feeling of isolation from local business community. It remains an interesting area for exploration as what has caused such barriers to learning, but it might have much to do with the Chinese cultural character.

## **Conclusion**

Management learning and development literature generally reveals an agreement that management development in small enterprises plays a critical role in the survival and further development of these enterprises. Flexible Learning is probably the most practical approach to achieve development for the managers in small firms. For management learning in small international enterprises, cross-cultural adjustment is regarded as of strategic importance. Special effort needs to be made to learn to adjust business behaviours to meet business needs, with a comprehensive understanding of the differences of cultures in relation to cultural impact on business behaviours. However due to many barriers to cross-cultural adjustment learning, managers of Chinese SIEs may need to adopt a flexible and supported learning approach featured by tailored learning strategies, which raises challenges that need further research and exploration for best practice.

## REFERENCES:

- Adair, J. (2002). *Effective strategic leadership*. London: Macmillan.
- Argyris, C. and Schon, D. (1978). *Organisational learning: a theory of action perspective*. Reading: Addison-Wesley.
- Bartlett, C.A., Ghoshal, S. (2000).(3<sup>rd</sup> ed.)*Transnational management: text, cases, and readings in cross-border management*.Singapore:Mc Graw Hill, pp. 241.
- Boyatzis, R.E. (1982), *The Competent Manager*. New York: Wiley.
- Branine, M. (2005). Cross-cultural training for managers: an evaluation of a management training programme for Chinese managers. *Journal of management development* Vol. 24 No.5, pp.459-472
- Bryan, J. (2006). Training and performance in small firms. *International small business journal* Vol. 24(6), pp.635-660.
- Burgoyne, J. and Reynolds, M., (1997). *Management learning: integrating perspectives in theory and practice*. London: Sage, pp. 198-213.
- Cannell, M. (2006) *Management development*. Retrieved on 30 June 2007 <http://www.cipd.co.uk./subjects/lrnanddev/mmtdevelop/mngmntdevt.htm?IsSrchRes=1>
- Chee, H. and West, C. (2004). *Myths about doing business in China*. Wales: Creative Print & Design.
- Chen, M. (1995). *Asian Management Systems*. London: Routledge.
- CIPD(2007) *How do people learn? 2002 report*. Retrieved on 3 July 2007 <http://www.cipd.co.uk/NR/rdonlyres/EE171F3B-A2D1-4A6F-A4A3-2AFBBE164688/0/2438howpeoplrn.pdf>
- Consin, G. (2005). Learning from cyberspace. In *Education in cyberspace*. Land, R. and Bayne, S. (eds.) London: Routledge, pp. 177-129.
- Edelman, L.F., Brush, C.G. and Manolova, T.S. (2002). The impact of human and organizational resources on small firm strategy. *Journal of small business and enterprises development* Vol. 9 No.3: pp. 236-244.

- Fan, Y.(2004). The transfer of western management to China, in Grey, C. and Antonocopoulou, E. (2004). *Essential readings in management learning*. London: Sage.
- Fletcher, C. and Bailey, C. (2003). Assessing self-awareness: some issues and methods. *Journal of Managerial Psychology* Vol18 No.5, pp.395-404.
- Fiske, A.P., Kitayama, S., Markus, H.R. and Nispett, R.E.(1999). The cultural matrix of social psychology. In *The handbook of social psychology*. Gilbert D.I. and Fiske, S.T.( eds.) Vol. 2. New York: McGraw-Hill
- Fontaine, R. (2007). Cross-cultural management: six perspectives. *Cross cultural management: an international journal* Vol. 14 No.2, pp.125-135.
- French, R. (2007). *Cross-cultural management in work organisations*. London: CIPD
- Garrison, D.R. and Anderson, T. (2003). *E-learning in the 21<sup>st</sup> century*. London: Routledge.
- Gesteland,R.R.(2002).(3<sup>rd</sup>ed.)*Cross-cultural business behaviour: marketing, negotiating, sourcing and managing across cultures*. Denmark: Copenhagen business school press.
- Goldenberg, S. (1988). *Across the ocean: managing joint ventures with a spotlight on China and Japan*. Cambridge: Harvard University Press.
- Gray, C. and Mabey, C. (2005). Management development: key differences between small and large businesses in Europe. *International small business journal* Vol 23(5), pp. 467-485.
- Grey, C. and Antonacopoulou, E. (2004) *Essential readings in management learning*. London: Sage.
- Guest, D. (1987). Human resource management and industrial relations. *Journal of Management Studies* Vol. 24 No.4, pp.3-22.
- Harrison, R. (2005). (3<sup>rd</sup> ed.) Main themes and issues in learning and development. In *Learning and development*. London: CIPD
- Harvie, C. and Lee, B.C.(2002).(Eds.) *Globalisation and SMEs in East Asia*. Cheltenham: Edward Elgar
- Hofstede J. G. (2002). *Exploring culture: exercises, stories, and synthetic cultures*. London: Intercultural Press.

- Hofstede, G. (1998). Think locally, act globally: cultural constraints in personnel management. *Management International Review*. Vol. 98 No.2, pp.7-26.
- Hofstede, G. (2001).(2<sup>nd</sup> ed.) *Culture's consequences: comparing values, behaviors, institutions and organizations across nations*. Thousand Oaks CA: Sage.
- Hofstede, G. (2007). *Cultural Dimensions*. Retrieved: 14 June 2007. <http://www.geert-hofstede.com/>
- Home Office (2007). *Life in the united kingdom: a journey to citizenship*.(The Stationery Office)
- Honey, P. and Mumford, A. (1992). The manual of learning styles. Maidenhead: Peter Honey Publications.
- Jarvis, P. (1995) (2<sup>nd</sup> ed.) *Adult and continuing education: theory and practice*. London: Routledge.
- Knoblock, J. (1999). (Trans.) *Xunzi*. (Hunan People's Publishing House and Foreign Languages Press, ISBN: 7543820862)
- Kolb, D. A. (1984). *Experiential learning*. Englewood Cliffs: Prentice- Hall.
- Kolb, D.A. (1991). (5<sup>th</sup> ed.) *Organisational behaviour: an experiential approach*. Englewood Cliffs: Prentice Hall.
- Li, S. T. K. (1999). Management development in international companies in China. *Education and Training* Vol. 41 No.6/7, pp. 331-336.
- Liu, J. (2002). Comparative management practices and training: China and Europe. *Journal of management development* Vol. 21 No.2, pp. 118-132.
- Macdonald, S., Assimakopoulos, D., Anderson, P. (2007). Education and Training in SMEs. *International Small Business Journal* Vol. 25(1), pp. 77-95.
- Marx, E. (1999). *Breaking through culture shock: what you need to succeed in international business*. London: Nicholas Brealey.
- Mintzberg, H. (1973). *The nature of managerial work*. New York: Harper and Row.
- Mumford, A. and Gold, J. (2004). (4<sup>th</sup> ed.) *Management development: strategies for action*. London: CIPD.

- Nispett, R.E., Peng, K., Choi, I. and Norenzayan, A. (2001). Culture and systems of thought: holistic and analytic cognition. *Psychological review* Vol.108 No. 2, pp. 291-310.
- O'Dwyer, M. and Ryan, M. (2000). Management development issues for owners/managers of micro-enterprises. *Journal of European Industrial Training* Vol. 24 Issue 6/7, pp. 345-353.
- Patton, D., Marlow, S., and Hannon, P. (2000). The relationship between training and small firm performance; research frameworks and lost quests. *International small business journal* Vol.19 No.1, pp11-27.
- Pennings, J.M., Lee, K. and Wittleoostuijin, A. (1998). Human capital, social capital, and firm dissolution. *The academy of management journal* Vol. 41 No. 4, pp. 425-440.
- Qu, R.J. and Zhang, Z.G. (2005). Work group emotions in Chinese cultural setting. *Singapore management review*. Vol. 27 No.1, pp. 69-86.
- Redding, G. (1994). Comparative management theory: jungle, zoo or fossil bed? In *International cultural differences*. Redding, G. (1995). (Eds.) Hans: Dartmouth, pp. 477-513.
- Redding, G. and Stening, B.W.(2003). *Cross-cultural management Vol (1): the theory of culture*. Cheltenham: Edward Elgar.
- Reynolds, J.(2006). *CIPD report summary for Change agenda : From Training to Learning* ,2006, Retrieved: 10 August 2007. <http://www.cipd.co.uk./research/helppeoplelrnstrats.htm>
- Scase, R. (2007). *Global remix: the fight for competitive advantage*. London: Page, pp59
- Scottish Executive (2005). *Annual survey of small businesses 2003, 2005*. Retrieved: 16 June 2007. <http://www.scotland.gov.uk/Publications/2006/12/20153636/1>
- Senge, P.M. (2006). *The fifth discipline: the art and practice of the learning organisation*. London: Random House Business.
- Sergeant, A. and Frenkel, S. (1998). Managing people in China. *Journal of world business*. Vol. 33 (1), pp. 17-34.
- Sieren, F. (2007). *The China code: what's left for us?* New York: Palgrave Macmillan.
- Sloman, M. (2003) *Training in the age of the learner*. London: CIPD.

- Smallbone, D (1990). Success and failure in new business start-ups. *International Small Business Journal* Vol. 8 No.2, pp.34-47.
- Steward, J. and Beaver, G. (2003). *Human resource development in small organisations*. London: Routledge.
- Stewart, R., Smith, P., Black J. and Wingate, P. (1980). *The district administrator in the National Health Service*. London: Pitman.
- Storey, D. J. (1994). *Understanding the small business sector*. London: Routledge.
- Walton, J. (1999). *Strategic human resource management*. London: CIPD.
- Wood, E., Whiteley, A. and Zhang, S. (2002). The cross model of guanxi usage in Chinese leadership. *Cross-cultural management: an international journal* Vol 21
- Yan, Y., and Child, J. (2002). An analysis of strategic determinants, learning and decision-making in Sino-British joint ventures. *British Journal of Management* Vol. 13, pp.109-22.