

What Makes Huawei So Successful Today: From the Perspective of Global Leadership

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1. Introduction

Today, Huawei is the only Chinese company with overseas revenues that exceed domestic revenues among the 91 mainland Chinese companies on the Fortune Global 500 list. In 2012, Huawei surpassed Ericsson, the world's leading telecommunications service provider, and after which, Huawei's growth trend is rising. In fiscal year 2014, Huawei's sales revenue reached a record high of 46.5 billion US dollars and a net profit of 4.49 billion US dollars (Cui & Wang, 2016).

What makes it so successful? As the saying goes, "Success has many fathers." As with many great companies, I find part of the solution to this puzzle by looking at the specific values that define the culture of Huawei. The paper will start by giving an idea about the history and the situation faced of Huawei and followed by introducing Ren Zhengfei as an individual and analyzing his leadership style using various leadership theories and models. I will also assess the effectiveness and efficiency as well as the business value added to Huawei through Zhengfei's global leadership.

2. Strategic business objective pursued

Huawei Technologies Corporation (Huawei) was established in 1988 in Shenzhen, China's special economic zone. After three decades' development, Huawei Technologies become a representative company in China today. Huawei is a Chinese company that sees its global ambitions as a people-oriented sport (Cremer, 2015). The company has always been a private organization that is owned largely by its employees (about 98.6%). As an employee-owned company, Huawei's founder Ren Zhengfei and any Huawei executives are more unified when making important business decisions. In addition, Huawei is considered to be a company dedicated to creating a work culture that integrates East and West, where employees enjoy a higher global awareness.

3. The challenges faced and results achieved

The most significant challenge for Huawei in its global development is the cultural difference in the world. As a globalized company, Huawei needs to transcend cultural barriers to cater to the tastes of people around the world. Huawei has a belief that global (and virtual) team leaders need to be able to diagnose and explain potential cultural barriers in the team. In other words, a person needs to be able to understand and deal with how cultural differences affect team operations and thus lead within Huawei. Leaders should go global and gain experience in offices around the world to improve the work environment and efficiency and serve clients with diverse cultural backgrounds. In this sense, Huawei's high potential global mobility is systemic.

Therefore, taking a leadership position at Huawei means being able to transcend the Chinese work and way of thinking. Chinese values and perspectives revolve around a global way of working. To achieve this goal, Huawei values spiritual and value-driven leadership and focuses on customers. When employees demonstrate value-driven leadership through service customers, they are likely to accelerate to become leaders. Being a global company also means that a global mindset is needed to achieve this customer-centric focus.

4. The specific types of leadership styles employed

According to Cremer (2015), "Every generation produces its own great character, and each exerts impact for hundreds of years." As the founder of Huawei, which can be called the only true global Chinese company, Ren Zhengfei has indeed proven that he had the influence and insights needed to design the most effective strategies to ensure that Huawei has grown into a world leading company. In this section I would like to discuss several global leadership theories that have made Zhengfei success today.

1) Lewin's leadership theory

Lewin et al (1939) identified three styles of leaders - autocratic, democratic, and laissez-faire. Zhengfei's leadership combines the styles of autocratic and democratic. In China, leadership has traditionally been grounded in a hierarchical top-down management

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system. The leadership of Zhengfei, however, does differ from this rather “controlling only” style in important ways. On the one hand, he has the characteristics of a leader who controls everything when he makes decisions. As a man with an army background - he served in the Chinese People’s Liberation Army - he was very nervous and tough and never lost control. On the other hand, people also know that Zheng Fei has given a lot of freedom in how to implement decisions. Zheng Fei is more like a squid in the high-level decision-making process, constantly creating imbalances and stimulating the passion of the entire organization. Today, Huawei has developed a decision-making system with limited democracy and appropriate centralization. Such a system prevents the company from collapsing due to a single leader, raises efficiency, and avoids inaction due to over-democratization.

2) Two factor theory

Fleishman’s (1953) two factor theory of leadership emphasizes on two dimensions - consideration and initiating structure. Zhengfei managed to achieve efficient balance between these two dimensions, allowing employees to communicate their thoughts and ideas and respecting them without losing the lines of responsibilities which are required to manage such a global organization. In other words, he stands in the middle between being people-centered and task oriented. Zhengfei believes that the solution for the global company’s problems existed within the cross-functional teams and he shared this with them. On the other hand, he set the process, targets and timelines for his plan which represented a high level of task-orientation.

3) Contingency theory

Contingency theories suggest that leadership style may vary based on the situation in which the leader works (Northouse, 2010). They also relate to various parameters such as the leader, his/her followers and the nature of the tasks which the leader is trying to complete. It is clear that Zhengfei possessed many characteristics that allowed him to lead efficiently. Fuelled by his passion, Ren Zhengfei works hard to translate the purpose of the company into a vision aimed at Huawei achieving a world leading status (Yang, 2015). In pursuing this vision, he has consistently demonstrated his ability to design strategies that enable him to adapt his vision to the challenges facing the company. Throughout the management process, it is important that his use of the adaptive vision will never harm the company’s goals and values. This ability comes from his proactive attitude. He has been focusing on the future and has rarely reflected on the past.

4) The Path-goal theory

The Path-goal theory of Robert (1971) suggests that a leader can motivate his/her subordinates towards reaching the goals by helping them draw a clear path to those objectives and by giving more recognition to members who achieve those goals. The core of Ren Zhengfei’s leadership is the undeniable fact that he is very clear about the purpose of Huawei, which is helping customers to realize their dreams. As we all know, Zhengfei truly achieved this goal and pursued it with unlimited energy, which made Huawei become his innate mission. Zheng Fei is obsessed with doing good deeds for customers. He persists in communicating this purpose to employees through storytelling and persuaded them to be committed to pursuing the company’s mission. Because of this goal-driven strategy they acquired much experience in developing themselves into global market.

To conclude, Ren Zhengfei’s leadership attributes have made him an outstanding transformational leader, leading Huawei to become a globally recognized company. I highly admire his business approaches and leadership style. As future global leaders, Ren Zhengfei has set up a profound model for us in understanding global leadership. He leads his company with the passion of a true founder. His enthusiasm for being the best technology company – serving customers – ensures that he gains a reputation for learning and staying informed.

5. Conclusion

Nowadays, Huawei has become the largest telecommunications equipment manufacturer in the world. Even though, the Huawei Technologies still not halt the expansion of overseas market. The fast growth of Huawei, not only obtains reputation in China, but also becomes the market leader in several segments of the telecom global market. As the founder of Huawei, Ren Zhengfei leverages his global leadership and strategic thinking to continuously scale Huawei to new heights. What we can foresee is that through constant globalization and innovation, Huawei can definitely stay on the cutting edge of technology to provide market-leading, effective, and secure products and services.

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