



Do Men and Women Lead Differently: An Examination of How Gender Impacts Leadership Style at Alibaba Group and Didi Global

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Abstract. Female representation in the workforce and leadership grow day by day. There has long been speculation that gender impacts leadership style, whether positively or negatively. Men allegedly favour a “transactional” leadership style, defined by the view of “job performance as a series of transactions with subordinates” with an emphasis on reward and punishment systems. Meanwhile, women are more likely to adopt a “transformational” leadership style. This emphasises collective interest, shared responsibility, and empathy. The author aims to evaluate whether the gendered leadership theory is true in practice by examining the managerial gender-makeup and the reported traits of leadership in two notable Chinese tech firms: Alibaba Group and Didi Global. Analysing how gender influences leadership style enables valuable insights in how to promote greater female representation, contributing to a clearer path to a gender-equitable tech industry in the future.

Keywords: management · gender · leadership style · Alibaba Group · Didi Global

1 Introduction

In recent years, female representation in the job market has grown exponentially. According to a 2020 report by the United States Bureau of Labour Statistics, women, occupying 50.04% of all payroll jobs, now outnumber men in the labour force [1]. Traditionally male-dominated positions, such as professors and graphic designers, are seeing incremental gains in new female employees [2].

The increasing number of women in the workforce has also generated an expected growth in the share of women in managerial roles. Across the world, the proportion of women in senior management has reached 31%--the highest number ever recorded. In 2021, 90% of companies have at least one woman in management [3].

As the ever-rising prevalence of female leaders is a relatively new phenomenon, it has generated debate over the effectiveness of female leadership styles. There has

long been speculation that gender impacts leadership style. In 1990, Harvard Business Review conducted a survey on how men and women describe their preferred method of management. It concluded that men were more likely to characterise themselves as “transactional” leadership, which relies upon authority and a reward-sanction system; on the other hand, women were more likely to identify with “transformational” leadership, which highlights unity, participation, and creativity [4].

The author will begin by providing a comprehensive, provisional overview of leadership theory and evaluating transactional leadership strategy and transformational leadership strategy in terms of key characteristics, strengths, weaknesses, and applicability. Following this, the author will evaluate whether the gendered leadership theory is true in practice by examining the managerial gender-make-up and the reported traits of leadership in two notable Chinese tech firms: Alibaba Group and Didi Global.

Alibaba is one of China’s four tech giants and it spans various industries like e-commerce, retail, Internet, and technology. It was founded by Jack Ma, a known champion of gender equality, but has been bombarded by female discrimination rumours for years [5].

Didi, established in 2012, is a newer tech start-up that focuses on vehicles for hire. It boasts a prevalent female make-up and many female managers, like Jean Liu (company president of Didi Chuxing) [5].

Technology remains a male-dominated industry. As of 2020, research demonstrates that the industry remains nearly 75% male, despite the growth in female proportion [6]. Analysing how gender influences leadership style in technology companies allows us reflect upon why gender equality is needed in the workplace and how this can benefit our economy. It also enables valuable insights in how to promote greater female representation, contributing to a clearer path to a gender-equitable tech industry in the future. Lastly, it is an opportunity to test gender leadership theory—a study that has remained largely theoretical—using case studies of a developing economy.

2 Leadership Theory

The “full-range leadership theory divides leadership into two active components: transactional and transformational leadership style [7]. There is a third “passive component” which characterises a lack of active leadership.

Transactional leadership is defined by “transactions of pecuniary and nonpecuniary character” [9]. This leadership strategy is defined by transactions between the leader and subordinates—employees are rewarded for desirable performance or sanctioned for unsatisfying results [8]. In other words, a system of incentives and disincentives is set up to motivate employees to work towards company objectives.

This strategy functions by capitalising on employee self-interest. Specifically, it seeks to unite self-interest and collective goals. Transactional leaders employ three types of feedback: contingent pecuniary rewards, contingent nonpecuniary rewards, and contingent sanctions [9]. Pecuniary rewards are financial incentives, such as bonuses. Non-pecuniary awards which are non-materialistic. A common example is praise. Lastly, sanctions can range from punishments for errors to negative verbal feedback.

It is key to note that the aforementioned transactions must be implemented in direct relation to the employees' effort or performance and in an appropriate and timely fashion to ensure effects [10]. Transactional leadership often hinges upon "maintaining a status quo of actions and processes that have proven successful" [11]. Common traits of transactional systems include performance reviews and defined worker criteria [12].

A Psychiatric Services study found transactional leadership to be "more practical in nature" due to its emphasis on "specific targets or objectives" [11]. For example, it excels in areas like sales and manufacturing, where goals are time-sensitive and quantifiable and financial resources are limited. Transactional leadership can contribute greatly to the attainment of short-term goals and to the streamlining of large organisations that lack an unambiguous structure [12]. Unfortunately, superficial rewards, like financial ones, can sometimes be counter-effective, as they made appear "controlling" and "crowd out intrinsic motivation" [10]. Moreover, transactional leaders can hinder creativity due to the stringent nature of set objectives.

Transformational leadership adopts a different approach. It is a "process that changes and transforms individuals [13]. By focusing on the "higher order needs" of employees, it seeks to inspire, engage, and motivate them to work towards collective goals. In other words, transformational leaders "induce employees to transcend their own self-interest" for the organisation [10].

A key trait of transformational leaders is an attempt to construct, propagate, and sustain a desirable vision of the company's future for employees. A common goal is fundamental to the cohesion of an organisation. Firstly, it cultivates "a shared sense of purpose" and helps different employees and departments reach a common understanding of their work [10]. This changes the goal priorities of employees. For example, it encourages them to place the common vision at the top of the list, above self-interest.

Transformational managers also value "intellectual stimulation". They promote innovation, the challenging of conventional beliefs, and collective critical thinking. Moreover, they shoulder the additional roles of coaches and advisors [14]. The barrier between leader and subordinate tends to be weakened as their relationship is more intimate and engaging.

Transformational leadership further ensures that associates on all levels are influenced. In effectively identifying the needs and values of employees, leaders can maximise efficiency and feedback within the firm. Conversely, transformational leadership strategy is only effective when employed at a deep and engaging level. A superficial focus on an excess of components may lead to adverse effects like the abuse of power [13]. Transformational leadership is therefore most fruitful in one-to-one or group situations.

3 Alibaba Group: Leadership Style and Managerial Structure Analysis

Alibaba Group was established in 1999 by a group of co-founders led by Jack Ma. Out of the 18 people, 5 were women. Today, the company's top leadership still boasts considerable gender representation. Their official website shows that five of the thirteen senior roles. The board of directors is less balanced in comparison, with only two of ten board members being female.

Ma acted as the CEO until he stepped down in 2013. He has opened up about his leadership beliefs on multiple occasions. Having started with an autocratic management style, he later adapted to a persuasive management style as Alibaba expanded globally. This style is characterised by an autocratic manager (Ma) who convinces his employees to support his decision [15]. There are explicit commonalities with the “transactional” leadership style typical of men. Both capitalise on the formal authority that comes with the leadership position and emphasises the unbalanced power dynamic between managers and subordinates.

Alibaba’s current CEO is Daniel Zhang, who facilitates the daily decisions of the company. His leadership style is quite different from Ma’s. During a news conference in 2019, he underlined the need for differentiation between management and leadership. As a leader, he clarified that “a manager runs a business and gets expected results”, whereas leaders work in teams and envision the future [16]. His emphasis of the collaborative nature of leadership is reminiscent of “transformational” leadership, which hinges on the unity of leaders and subordinates as a group.

Ma personally doctored Alibaba’s generous bonus program. The scheme rewards executives and employees with share rights at an affiliated company, Zhejiang Alibaba e-Commerce or Small and Micro Financial Services Company, which holds Alipay, an e-payment service [17]. This appears to be an entirely transactional approach with an emphasis on rewards.

Alibaba’s governing structure can be described as “unorthodox”. The “Alibaba Partnership”—a 30-member leadership group comprised of Alibaba managers—is designed to foster long-term collaboration and “override bureaucracy and hierarchy” [18]. Not only does this allow the creation of a steady steering committee, as the group will be largely unaffected by fluctuations in managerial roles, but it embodies the collective vision of the group. Its collective nature seems to be designed to cultivate “transformational” leadership.

4 Didi Global: Leadership Style and Managerial Structure Analysis

Didi, officially known as Didi Chuxing Technology Co., was founded by three men: Cheng Wei, Zhang Bo, Jean Qing Liu, and Wu Rui. Cheng Wei became CEO in 2013 after eight years of working in Alibaba. He remains the head of the board. Unlike Alibaba, Didi’s leadership is surprisingly unbalanced in terms of gender. Jean Qing Liu—co-founder, director, and president of the company—is the sole female on both the Board of Directors and Executive Management team as per the Didi Global website.

Jean Qing Liu confessed in 2018 that her business approach is built upon empathy, cooperation, and emotional intelligence. She looks to establish common ground and “[be] sensitive and empathetic” [19]. Her management style is starkly similar to a “transformational” leadership style attributed to female leaders. Both highlight the need for inclusion, understanding, and the empowerment of others [4].

Though Cheng has rarely spoken about his leadership style, from secondary sources describing his style of managerial decision-making, it can be concluded that he displays traits of both “transformational” and “transactional” leadership style. For example, some

have characterised him as a “micro-manager” and a “cut-throat” leader. He is also known to have a “wild toughness” or “rule of the jungle’ mentality”. These are typical traits of autocratic leaders who are defined by a “transactional” leadership style. On the other hand, Cheng’s managerial style is also described as having a “human touch”—whereby he is seen as “a guy I can stick with because he’s going to take care of us”. This would emphasise human connection and the collective spirit as a key descriptor of Cheng’s leadership, which would suggest influences of a “transformational” leadership style. Therefore, Cheng adopts an integrated leadership style that incorporates both “transactional” and “transformational” characteristics.

A transactional system seems to lie at the core of Didi Global. In 2018, Cheng deemed the company’s performance “less-than-satisfactory” with a particular blame on the failings of executives. As a result, executives were awarded no bonuses, whilst employees’ year-end bonuses were halved. Whether this achieved its intended impact is unknown. An employee noted general frustration at the regulation and an overall sentiment that their hard work had gone to waste [20].

Didi’s managerial structure is comprised of a team of 50 executive directors answering to Cheng. In order to “streamline operations”, the group is divided into multiple business units. The top-down structure seems to resemble a traditional and autocratic leadership style, as the ultimate decision-maker (Cheng) is at the top of the corporate pyramid. As Didi’s top leadership is overwhelmingly male, its “transactional” structure is consistent with the gendered leadership theory.

5 Discussion

Overall, gendered leadership theory seems consistent in the cases of Alibaba and Didi with some exceptions. As a female leader, Liu advocates for a “transformational” leadership style that promotes empathy and understanding between managers and subordinates, as well as collective unity. Ma and Cheng both exhibit signs of “transactional” leadership, whereby they retain autocratic decision-making abilities as leaders of their respective companies. Alibaba, which touts almost 50% of female leaders, employs a collaborative and collective leadership strategy. On the contrary, Didi, whose top leadership is dominated by a male majority, opts for a more autocratic, top-down managerial structure. However, Zhang deviates from the traditional, patriarchal leadership strategy and instead advocates for “transformational” leadership.

“Transformational” leadership is not exclusively seen in women and, likewise, “transactional leadership” is not exclusively reserved for men. However, there do seem to be general gender patterns that predict the leadership style adopted. This could be due to societal archetypes and the careers that different genders favour, as suggested by Rosener [4]. These possible explanations would warrant further investigation into the causes of deviation between gender leadership.

6 Conclusion

The investigation found that, as a whole, the case studies of the leadership systems of Alibaba and Didi are a consistent reflection of gendered leadership theory with minor

reflections. However, the analysis employed in this essay is subject to certain flaws that could impair the reliability of its conclusions.

Firstly, the investigation relies entirely on qualitative analysis. Although this allows for more in depth analysis into written sources like interviews and articles, which were the main sources used, it faces many limitations. In particular, it lacks the support of numbers and is vulnerable to the impact of bias in primary sources. For example, a comparison of leadership style and the quantitative performance of these companies could provide data proof to substantiate the arguments made. A dual employment of both qualitative and quantitative analysis may yet inspire new insights.

Moreover, the investigation was significantly limited by a lack of publicised information. Gendered leadership theory is still a relatively niche topic in China, which means few investigations and experiments have been conducted in the field so far. As a result, the investigation mainly drew from Western secondary sources. In the future, as Chinese research on gender leadership increases, new scholarly outlooks may change the conclusions drawn from this investigation.

Moreover, Alibaba and Didi are extremely well-known and publicised companies. Consequently, they selectively release information to cultivate a specific public image. This meant that, such as in the case of Cheng's leadership, the investigation was unable to draw from primary sources or data. Future investigations could conduct interviews or surveys directly with the companies to obtain primary data; through a combination of primary and secondary sources, a more comprehensive and balanced analysis could be conducted and more accurate conclusions could be reached.

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