



## ARTICLE

# The Leadership approach of Chinese Entrepreneurs in Africa: A Case Study of TECNO

DaiJun Dong<sup>a</sup>

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## ABSTRACT

The definition of leadership, as popularly conceived, comes from the West. In Chinese culture, the term 'leadership' is mainly reflected in the Chinese 'Confucian culture'. Based on the analysis of the African market of Chinese enterprise 'TRANSSION' and its subsidiary TECNO, this article examines entrepreneurial leadership on the basis of Confucian culture. This article discusses the differences in entrepreneurial leadership in the context of traditional Chinese leadership culture vis a vis Western leadership approaches. It argues that the success of Chinese multinationals lies in a unique oriental wisdom that combines modern entrepreneurial ideas with traditional Confucian culture, and continuous improvement and upgrade of corporate practice. Through an analysis of the activities of TECNO and the company's engagement with the African societies where it operates, this paper sheds light on the leadership of multinational companies in different contexts and the outcomes of their activities.

**Keywords:** Confucianism; Chinese leadership; China-Africa relations; Entrepreneurial leadership

## 1. INTRODUCTION

At the end of the 1990s, the international community did not pay much attention to China-Africa relations, which was undergoing an important evolution. Western scholars in particular, only observed Sino-African relations from the perspective of international and social development, and mainly focused on national politics and international relations.<sup>1</sup> Nevertheless, ten years after the *Economist* argued that Africa was on the rise.<sup>2</sup> Apart from international politics, the world's focus has shifted more to African economies, especially China's

engagement with Africa. This enquiry examines Chinese-African relations through the lens of entrepreneurial leadership. The underpinning research focuses on success and failure of Chinese companies in Africa. At its core is the question of whether success is derived from entrepreneurs' leadership or the relationship between Chinese companies and African societies. *Transssion*, an internet hardware producing company in Shenzhen, China, targets emerging markets. *Transssion* is present in Africa through its subsidiary, TECNO.

<sup>a</sup> Daijun Dong is a graduate of the African Leadership Centre at King's College London

<sup>1</sup> 'The Economist'. (2011), 'The Hopeful Continent: Africa Rising'. Available at:

<http://www.economist.com/node/21541015> [Accessed 7 Aug 2020]

<sup>2</sup> *ibid*

After more than half a century of development, China-Africa economic relations have seen trade volume proliferate massively.<sup>3</sup> In October 2000, China and Africa opened the Forum on China-Africa Cooperation (FOCAC) announcing the establishment of the China-Africa Development Fund.<sup>4</sup> The volume of trade rapidly grew from 10.8 billion US dollars in 2001 to 210.2 billion US dollars in 2013<sup>5</sup> Against this background of growing economic cooperation between China and Africa, this paper looks at how Chinese companies can be so successful in Africa in a cross-cultural context. Leadership from the perspective of Chinese entrepreneurs is typically linked to Chinese traditional culture. How is the concept of leadership in the East adapted to an African context?

Chinese traditional culture is rich in ideas, and the most famous schools are 'Confucianism,' 'Laws,' and 'Taoism.' However, in Chinese culture for thousands of years, 'Confucianism' has had the upper hand and has become the mainstream feature of Chinese culture. In China, businessmen are called 'Confucian merchants.' The so-called Confucian businessmen are well-educated, highly intelligent with rich knowledge and a nostalgia for culture, and a sense of mission in life.<sup>6</sup>

Since 2005, Africa's mobile phone market has developed rapidly, especially in major countries such as Nigeria, Tanzania and Kenya, and the population in 2021 is thought to be approximately 1.3 billion.<sup>7</sup> This means approximately 70% of the population, 900 million people use smartphones in Africa. On average, about 9 out of every 10 Africans own a mobile phone. Among the many mobile phone brands in Africa, apart from Huawei, Apple, Samsung, and Xiaomi, TECNO is known as the 'King

of Africa.'<sup>8</sup> In just ten years, TECNO's international market share in Africa has been close to 40%. By 2016, TECNO had been on the list of the top 100 most popular brands by African consumers for three consecutive years ranking 14<sup>th</sup> in that year.<sup>9</sup>

Through Confucian leadership, this work seeks to understand China's influence in Africa by providing a critical assessment of TECNO's presence in Africa. Thus, this research investigates why TECNO is influential in Africa, but not in China. What situation is occurring in Africa that makes TECNO relevant and successful? And what are the critical activities of TECNO in responding to that situation? In doing so the article provides insight into, firstly, the leadership characteristics of Chinese companies operating in Africa that may give them unique advantages. And, secondly, the role of local Africans in determining the effectiveness of those companies, by having specific demands and behaviours that companies must react to in order to gain such an advantage.

For this study documentary evidence including those related to economic exchanges, leadership structure and policy assistance between China and Africa was assessed.

## 2. THE CONTEXT OF THIS INQUIRY

Leadership is not innate. Through changes in the surrounding environment, the accumulation of knowledge reserves, and the cultivation of family education, it slowly evolves into a unique strength. This can affect not only a country, a region, a family, or an industry but even the process and direction of social history. A search on CNKI, in the Library of King's College London, shows that there are nearly 50,000 articles titled 'Western Leadership,' indicating

<sup>3</sup> Jiang D L, & Ren Z P. (2015), 'Analysis on Spatio-temporal of regional economic disparities characteristics in Africa'. *World Regional studies*, Vol. 24, No. 3 pp. 34-41

<sup>4</sup> FOCAC is a large meeting conference taking place over several days with high level delegates from China and Africa. The venue rotates every two years between China and an African host. The first took place in Beijing in 2000, and the 8th took place in Dakar, Senegal in 2021. These events have become a key event and 'flagship platform' of China-Africa relations

<sup>5</sup> Ling C H. (2014), 'Deepen China-Africa Economic Relations in the 21<sup>st</sup> Century'. *HONG GUAN JING JI GUAN LI*, Vol. 9, pp. 62-63

<sup>6</sup> Pan Y D. (1996), 'Scholar Merchant'. Fudan University press, p. 1

<sup>7</sup> Zhang Y G. (2021), 'Research on the optimization of TRANSSION's competitive strategy in the Africa market'. *Lanzhou University of Finance and Economics*, pp. 1; *Information Economy & postal Economy*. (2016), *Ericsson Mobility Report on the pulse of the networked society*. Telecommunication network technology, vol. 6, pp. 1-25

<sup>8</sup> Han W. (2017), 'How Transsion Mobile became the 'King of Africa''. *International brand observation*, Vol. 4, pp. 55-60

<sup>9</sup> *ibid*

that there are many research results in this area. However, if you search for articles titled 'Chinese and Western Leadership,' there are less than 30 articles, which shows that there is little published research in this area, at least in English.

This literature review offers three threads from which theory and insights might be woven. It aims to understand and present: core leadership principles; the essence of Confucian culture; and Entrepreneurs' different approaches to management. According to James Kuznets, Barry Posner's revised 'Leadership' (third edition) demonstrates how leaders motivate others to voluntarily make outstanding achievements in an organization.<sup>10</sup> Leadership is not possessed by just a few people, it is the ability that everyone must have.<sup>11</sup> It is an opportunity to discover one's potential as well as learning abilities. Five such abilities that might be learned simultaneously include: to lead by example; to share vision; to challenge the status quo; to inspire people; and to make everyone work more effectively. But it has been argued that an individual's leadership behaviors are not enough. Leaders must also meet the expectations of followers, for example, by being sincere, passionate, capable, and forward-looking.<sup>12</sup> Arguably, while individual entrepreneurs can learn leadership behaviour and aspire to meet expectations of their team, corporate and entrepreneurial leadership requires much more.

For corporate leadership in a cross-cultural environment, Herbert Simon, the only Nobel Prize winner in management, put forward trivial yet to the point statement that 'management is decision-making.'<sup>13</sup> For corporate management, leaders must continuously make prior choices in decision-making every day in different cultural contexts with different values; they must decide on the order of the problems faced by the company or individuals, and minimize significant problems from the perspective of the corporate leader, while making minor problems disappear. Many scholars have analysed cross-

cultural business management from different perspectives. For example, Peter F. Drucker, the father of modern management studies, argues that 'Multinational enterprise is a diversified organization, and its management philosophy combines the diversity of politics and culture to form a unified ideological system of management philosophy'.<sup>14</sup> Meanwhile, Hofstede proposes that 'cross-cultural management, also known as cross-culture management, is based on a comparative cultural perspective, focusing on the differences in the culture of two or more countries and the resulting differences in corporate management models in different countries.'<sup>15</sup> In what has become an influential theory in cross-cultural research, Hofstede put forward the 'Five Cultural Dimensions Theory' in 1980,<sup>16</sup> which summarized five value dimensions: 1. Individualism and collectivism, which discusses the thinking of companies and individuals on individual and collective interests; 2. Power distance, the degree of unequal acceptance of power in the face of leadership or collective assignment of tasks in society or organizations; 3. Uncertainty avoidance, the degree of tolerance for uncertainties when dealing with cases or work; 4. Gender processing issues, the control of power and personal emotions in public relations or corporate management; 5. Long-term orientation and short-term orientation, the focus on long-term interests or short-term interests for the judgment of behaviours and corporate planning. The research underpinning this article responds heavily to the logic of this approach.

According to the historical events recorded in China and the characteristics of many successful leaders in contemporary China, the famous contemporary educator Nan Huaijin proposed in 'The Art of Leadership' that a successful leader should have 'wisdom, temperament, and personality, have courage, can recognize people, know how to advance

<sup>10</sup> Su K. (2007), 'The research and suggestion of Chinese Enterprises leadership development model', pp. 1-17

<sup>11</sup> *ibid*, pp. 15-17

<sup>12</sup> *ibid*, pp. 31-46

<sup>13</sup> Yu H X. (2009), 'Research on Chinese Traditional Behavior Management'. Jiangxi University of Finance and Economics, Nov 2009

<sup>14</sup> Guo L Y., & Zhang Y J. (2010), 'Enterprise cross-cultural management'. Enterprise Herald, Vol. 3 pp. 117

<sup>15</sup> Liu Y N. (2018), 'An Analysis on Sino-American Cultural Conflicts from Hofstede's Cultural Dimensions Theory Perspective – A Case Study of Fifth Chinese Daughter'. School of Foreign Languages Nanchang Hangkong University, pp. 9-22

<sup>16</sup> Hofstede G. (2001), 'Culture's consequences: comparing values, behaviors, institutions, and organization across nations'. Sage Publications, Thousand Oaks, pp. 201-213

and retreat.<sup>17</sup> Such traditional leadership is relevant to this article and useful in explaining traditional Chinese leadership, and in relation to African contexts. Ancient Chinese leadership thoughts are vibrant with the most famous being Confucianism, Legalism, and Taoism and these three schools have their origin from the 'Book of Changes.'<sup>18</sup> Among them, the Confucian school is the most famous. Confucianism requires leaders to strengthen their moral cultivation by means of 'introspection,' 'self-prevention,' 'self-blame,' 'self-cultivation,' and 'self-litigation' and use their exemplary behavior to influence and motivate others.<sup>19</sup> These ideas still have significance for contemporary entrepreneurs and are close to the article's central discussion.

This article builds on and contributes to the field, which has shown inconsistencies with an international concept of leadership, which is continually developing and extending. The content, meaning, and direction of such changes is sometimes in-line with changes in the international community's political and economic environment and sometimes facing anachronisms or contradictions. At present, there is very little comparative research on Chinese and African entrepreneurs' relations and performance. While this work does not provide such comparative research, it attempts to understand the difference in entrepreneurial leadership when Chinese corporations operate in another cultural context, with a particular focus on the perspective of Africa's economic environment, societal characteristics, and the development of Chinese enterprises. In doing so, it also recognizes the role of African agency within intercultural business management by exposing the complementarities between African and Chinese cultural backgrounds that help determine the success of Chinese corporations.

### 3. CONFUCIANISM ENTREPRENEURIAL LEADERSHIP

Chinese traditional culture has always emphasized

agriculture and suppressed commerce, and Confucianism over commerce. Until modern times, with the rise of Shanxi merchants and Huizhou merchants, this pattern gradually changed. The 1990s was the critical period of China's economic Reform, and it was also a new era for the Chinese market. The term 'Confucian merchants' began to be widely mentioned in daily life. Confucian businessmen are hailed as 'the characteristic businessmen among traditional Chinese businessmen. They regard the life design of business as a means of making a living and getting rich, and read Confucianism as the essence of human character.'<sup>20</sup>

Each country tends to identify with its own national culture and China is no exception. One of the most profound influences on China since the 17<sup>th</sup> century of national history is Confucianism. Whether it is in the political, economic, or ideological field, it has affected life to varying degrees. Confucian merchants have learned business ethics based on Confucianism. Confucianism emphasizes, 'do not do to others what you do not want to be done to you.'<sup>21</sup> Confucian culture first came from the *Spring and Autumn and Warring States Period*.<sup>22</sup> It influenced not only the rapid development of China's early commodity economy but also the heyday of Chinese cultural innovation and development. After the continuous integration of the commodity economy and traditional culture at that time, a business spirit with Chinese characteristics gradually formed, which is called the 'Confucianism spirit.' Here we have to mention the Western Enlightenment. In fact, the economic transformation of European countries before and after the Enlightenment was directly influenced by scientific and technological innovations, and therefore brought about a change in people's mindset. Scientific discoveries and inventions substantially changed people's conception of life, such as Newton's gravity, the invention of the steam engine and the textile machine in industry, etc. Although Chinese Confucianism and the Enlightenment both advocated human rights and promoted the idea of freedom and equality, as Peter

<sup>17</sup> Nan H J. (2009), 'Nan Huaijin on the Art of Leadership and the art of Speaking', PP. 124-144

<sup>18</sup> Qi X. (2020), 'Confucian Business Culture and the Export Binary Companies'. Collected Essays on Finance and Economics, Vol. 11, pp. 13-22

<sup>19</sup> *ibid*

<sup>20</sup> Pan Y D. (1996), 'Scholar Merchant'. Fudan University Press, pp. 1

<sup>21</sup> M. Webber., & H. H. Gerth (1968), 'Translating Chinese Religion: Confucianism and Taoism.' Free Press, pp. 271-303

<sup>22</sup> Wang Z C. (2020), 'Response and Development-A Study of Xunzi's Reconstruction of Confucianism.' East China Normal University, pp. 23-40



Gay points out, 'some Enlightenment philosophers drew attention to the independent development of Eastern civilizations: Voltaire, on the one hand to oppose the narrow view of history of Bochum, and on the other hand out of sincere amazement at the wisdom of the East, especially in the opening paragraphs of his Essay on "Essai sur les moeurs et l'esprit des nations"', where he praised the cultures of India and China.<sup>23</sup> While the views of Voltaire and the heavy agriculturalists such as Quesnay may not have had a comprehensive understanding of the Eastern world, their appreciation of institutions and Confucian rituals stemmed from their abhorrence of European aristocratic despotism.<sup>24</sup> It can be seen that although Chinese Confucianism and the Western enlightenment share a common concern for people and society and affirm the value of people, they also have differences, not only in the characteristics of times, one being a slave society and the other a period of democratic political prosperity, but also in the differences in the ways of economic activities, one being farming and the other industrial and commercial.

The ancient 'Confucianism spirit' is mainly manifested in 'harmony to make money, hard work, good learning, flexibility, and honesty.'<sup>25</sup> The modern concept of Confucianism and the business management model is a combination of Confucianism and business. The active subject of the market economy combines the ethics of Confucianism and the treatment of others with the profession and skills of business. Confucianism management follows people and things, and the first principle is 'people-oriented, treating people as the most fundamental and dynamic factor in business operations.'<sup>26</sup> Moreover, through the spiritual care and material satisfaction of people the enthusiasm of employees is maximised.<sup>27</sup> Therefore, the effective use of the concept is realized to achieve corporate performance or other improvements.

<sup>23</sup> Peter G. (2015), 'Age of Enlightenment'. Shanghai people's publishing House, pp. 32

<sup>24</sup> Ibid. pp. 78

<sup>25</sup> Zhou G P. (2010), 'New Theory of Confucianism and Confucian Businessmen'. Social Science Literature Press (Beijing).

<sup>26</sup> Zheng C. (2020), 'Confucianism and Corporate Management Innovation'. Modern Business, Vol. 10, pp. 36-38

<sup>27</sup> Colin C., & Williams., & Sara N. (2011), 'Theorising the hidden enterprise culture: the nature of

The fundamental spirit of Confucian culture is humanism and humanistic spirit. Compared with Western culture, and especially ancient Greek and Indian culture, Confucian culture mainly centres on politics and ethics and does not pursue utilitarianism or a purely natural system of knowledge, but rather emphasizes harmony and harmony between man and nature.<sup>28</sup>

China has been undergoing an unprecedented reform of the socialist market economy system. The well-known German sociologist Max Weber mentioned relevant ideas in his famous, *The Protestant Ethic and the Spirit of Capitalism*: 'Without the entrepreneurial class, there would be no development of capitalism, without a moral charter, there would be no entrepreneurial class, and without religious beliefs, there would be no moral charter.'<sup>29</sup> The relationship between a market economy, entrepreneurs, and ethics revealed by Weber is pertinent for the Chinese market as well as true in the West. This idea was researched and made famous by Weber but it is predated by Confucianism. Protestants like Ulrich Zwingli 1484 - 1531 began developing such ideas in Europe prior to Weber. Japan and Southeast Asian countries have also been strongly influenced by Confucian culture. For example, the 'economic and moral integration theory' promoted by the early Japanese businessman Shibusawa Eiichi established the guiding principle of 'the harmony of justice and profit' for the Japanese economy.<sup>30</sup> In his book 'Mega Trends in Asia', John Naisbitt mentioned that in 1966, the gross national product of Southeast Asia accounted for less than 4% of the world at that time, and 30 years later, the gross national product accounted for 24%.<sup>31</sup> This achievement was at least partly due to the combination of Chinese and Western culture in the region. At that time in the mid-1990s, many Chinese people in business were successful Confucian

entrepreneurship in the shadow economy'. International journal of entrepreneurship and small business, Vol. 3

<sup>28</sup> ibid

<sup>29</sup> M. Weber. (1987), 'Protestantism and Capitalism.' Humanities Press, pp. 160-171

<sup>30</sup> T. Sawa. (1993), 'Economics Ethics of Maturing Society.' Iwanami Shoten, p. 43

<sup>31</sup> John. N. (1996), 'Mega Trends Asia'. pp. 136-162

businessmen. The Confucian culture in overseas countries was inherited via the Chinese diaspora who emigrated to other countries in the long before or during the cultural revolution. In this way, successful merchants' families with a combination of Chinese and Western culture not only accepted the value of equality, freedom, and democracy in terms of marriage, children, and ethics but they also retained most of the Chinese traditions.<sup>32</sup> Most of them received excellent modern education, with a rich multi-lingual foundation, a global vision in business operations, and have familiarity with market operations and modern business management. Such merchants are 'Confucianism Entrepreneurs' in the modern sense.

In sum, Confucianism increases the leadership capabilities of Chinese entrepreneurs. It embodies Eastern wisdom, which holds certain ways of thinking in the management of Eastern enterprises that are more beneficial to those enterprises than following a purely rational interpretation of 'Western management thinking.'

## 4. EMERGENCE OF TECNO

### 4.1. Shenzhen Transsion Holding Limited

With the advent of the global era in 1500, new science and technology have brought rapid changes to people's lives. In the development of contemporary technology, mobile phones have a pivotal position as a landmark product. It is becoming more and more important in people's daily life, work, and study. The rapid development of the mobile phone market has not been adversely affected even when the global economy has been down. With the popularization of the online world, consumers' demand for mobile phone updates is also increasing. Mobile phone

functions are being updated day by day, with various products and appearances changing. In the past ten years, China's mobile phone industry has developed rapidly, and the domestic mobile phone market is saturated. Many Chinese mobile phone brands have begun to seek overseas markets, especially in emerging countries in regions such as Southeast Asia and Africa.<sup>33</sup>

As the continent with the largest concentration of developing countries, Africa has experienced an average annual economic growth rate of 6% after more than 20 years of rapid development.<sup>34</sup> At the beginning of the 21<sup>st</sup> century, six of the fastest-growing economies in the world were in Africa. As stated in an article in the US 'Foreign Policy' magazine, 'Africa is changing from the world's charity object to the best investment place.'<sup>35</sup> From the perspective of world population, Africa is the world's third most populous region after China and India.

In November 2007, Shenzhen Transsion Holding Limited Company from China seized this opportunity and began to sell the first Dual-SIM dual-standby phone T780 for sale in Africa. In the first half of 2006, Transsion's brand, TECNO, sold 32.86 million units in Africa. Ten years later, the company's operating income in 2017 increased by over 1.2 billion US dollars compared with 2016, a growth rate of 72.24% and in 2018 it increased by over 375 million US dollars compared with 2017, a growth rate of 12.98%.<sup>36</sup> This thus makes TECNO the top mobile phone brand in Africa.<sup>37</sup> At the time of writing this article, this company's market share in Africa is close to 40%, surpassing the market share of Chinese brands Huawei and Xiaomi, and it is called "The King of Africa" in the African mobile phone industry by

<sup>32</sup> *ibid*

<sup>33</sup> Feng X. (2015), 'Analysis of the challenges and countermeasures facing China's mobile phone exports'. *Practice in Foreign Economic Relations and Trade*.

<sup>34</sup> Zhang Z X. (2016), 'On the Characteristics of Current Economic Transformation in Africa'. *Journal of Shanghai Normal University (Philosophy & Social Sciences Edition)*, Vol. 45, No. 2, pp. 118-119

<sup>35</sup> Susan L., & Charles R. (2010), 'The African Miracle: How the world's charity case became its best investment opportunity'. *Foreign Policy*, pp. 80-81

<sup>36</sup> Transsion Holdings' Public prospectus. (2019), 'Prospectus of TRANSSION Holdings' initial public offering and listing on the Science and Technology Innovation Board'. Available at:

<http://www.cninfo.com.cn/new/disclosure/detail?orgId=9900038988&announcementId=1206947132&announcementTime=2020-08-25> [Accessed 25 Aug 2020]

<sup>37</sup> Zhang H Q., & Yang M R., & Yu K D. (2019), 'How Unknown Domestic Mobile Phone Brand Propaganda Dominates Africa'. *Business Economy*, pp. 15-17

locals.<sup>38</sup>

Transsion Mobile was born in an era when China's market economy was chaotic. At that time, competition among domestic mobile phone brands in China was fierce. Considering the inadequacy of its technological level and the competitiveness of the market, it decisively abandoned the Chinese market and moved to the African and Southeast Asian markets. Transsion Holding was established in Hong Kong in July 2006. It operates in more than 50 countries and different regions in the world except for instance in China, and the export volume of mobile phones from China has reached first place.<sup>39</sup>

#### 4.2. Analysis of Transsion Mobile Phone in African Markets

At present, African countries have become the fastest-developing countries globally for mobile communications and the second-largest mobile terminal market in the world. The saturation rate has risen from 36% in 2010 to nearly 90% and continues to rise.<sup>40</sup> The discussion in this section is thus mainly about the current market situation of the Chinese company, TRANSSION, in Africa.

According to IDC research data report, the sales of Transsion mobile phones in Africa soared to 120 million units in 2018. In 2019, the company's mobile phone shipments reached 137 million units, and the sales volume increased by more than 20 times.<sup>41</sup> The global market share reached 8.1%, ranking fourth; the African market share rose from 40% to 52.5%, also ranking first; while India's market share was 6.8%, ranking fifth; and in Bangladesh its market share was 15.6%, ranking second.<sup>42</sup> The company's main products are TECNO, ITEL, and INFINIX, three brand mobile phones, including smartphones and feature phones. The company targets different ethnic

groups and different consumer groups in Africa, establishing several multi-level brands that can meet the price needs and product needs of consumers of different classes. Using a Multi-brand strategy to cover different consumer groups in Africa is more advantageous for single-brand producers entering the African market. According to the "Top 100 Most Favorite Brands by African Consumers" list released by African Business in June 2019, the company's three brands TECNO, ITEL, and INFINIX, are ranked 5<sup>th</sup>, 17<sup>th</sup>, and 26<sup>th</sup> respectively.<sup>43</sup> In this top 100 list, only 7 Chinese brands were selected, and TECNO was selected as the top Chinese brand in this list. ITEL ranked second for many years. Among them, the company's self-developed Boomplay has 65 million local users in Africa and a library of 15 million songs. It also reached copyright cooperation with the world's three major record companies (Universal Music, Warner Music, Sony Music), and it is currently the largest music streaming platform in Africa.<sup>44</sup> In addition, the news application software 'Scooper' under Transsion Holdings better understood the local cultural context through embarking on wide consultation in Africa, which meant Scooper was in the top three news APPs by user numbers in Nigeria, Kenya, Ghana, Egypt, and other countries.

#### 4.3. Confucianism Corporate culture

Confucian leadership thought that originated from traditional Chinese culture, and has influenced China's history for thousands of years. It has a vibrant oriental culture and wisdom, due to the complementarity of Chinese history and world history. Since the 1990s, Chinese Confucianism's cultural thoughts have now been integrated with capital reform and corporate culture. Because of the rapid growth of the Japanese economy, the world economy's focus has shifted to the "Four Asian Tigers." The shift of Western vision to the East has

<sup>38</sup> Shankar V., & Venkatesh A., & Hofacker C. (2010), 'Mobile Marketing in the Retailing Environment: Current Insights and Future Research Avenues'. *Journal of Interactive Marketing*, Vol. 24, No. 2, pp. 111-120

<sup>39</sup> Rao X F. (2020), 'Transsion Holdings The 'King of Mobile' from Africa'. *CYZone*, Vol. 7, pp. 38-41

<sup>40</sup> Liang Y D. (2018), 'Analysis of Transsion Mobile's Marketing Strategy in Africa'. Hunan University, pp. 5-7

<sup>41</sup> Wang B H., & Zhang Y F. (2019), 'The development and future of Transsion mobile phone exports to

Africa'. *Practice in Foreign Economic Relations and Trade*, Vol. 5, pp. 29-32

<sup>42</sup> Shenzhen Transsion Holding Co., Ltd. (2019), 'Shenzhen Transsion Holding Co., Ltd. 2019 annual report'. Available at: <http://www.cninfo.com.cn/new/disclosure/detail?orgId=9900038988&announcementId=1207650601&announcementTime=2020-04-28> [Accessed 28 Apr 2020]

<sup>43</sup> *ibid*, pp. 29-33

<sup>44</sup> *ibid*

allowed the world to start studying the significance of Chinese businessmen's leadership in contemporary society.<sup>45</sup> The famous Japanese management scientist Ito Hajime believes that 'After the war, Japanese industrialists were able to revitalize the Japanese economy quickly, and Chinese Confucian business culture played a great role.'<sup>46</sup> Indeed some scholars have suggested that Chinese Confucian business management thinking strengths are exactly what Western people in business lack in management.<sup>47</sup>

TECNO's corporate culture starts with people. This can be seen from the details of the company's optimization of products not only to meet consumers' demands for products but also to support the local society. This is seen, for example, in TECNO's cooperation with local charities to provide scholarships and donations to local students and support government charitable projects.<sup>48</sup> Second, it considers the welfare of employees and creates both material and spiritual happiness for employees. This is consistent with Confucianism. Confucianism's corporate leadership mainly follows a people-oriented approach. Regarding people as the core part of business management is a principle that has been adopted by some other corporations. The slogan of the Japanese company, Toyota, for example, states: 'it is necessary to build both cars and people.' This is consistent with Carl Peggles statement that, 'in the Western world, employees are regarded as a factor of production, just as capital is a factor of production.'<sup>49</sup> It means for the cultivation of talents, the employees inside the factory are not only the workers who make the machines, but also the core talents of the company. The quality products are made by people; without cultivating excellent talents you, therefore, cannot make quality products. This is similar to the above-mentioned Confucian concept of "people-oriented". People are the first to produce cars, and the foundation of setting up an enterprise is also established people. So, no matter what the physical production machine of an enterprise or a factory is,

man is the basis of all materials. The company will only be more competitive if it treats its employees with good welfare policies and develops their talents meaningfully.

Therefore, the reason for TECNO's success in Africa is not only because TECNO's products and quality have won the love of consumers, but also because the Confucian thought leadership has dramatically affected the operation and management processes of TECNO in Africa. TECNO not only treats its employees well in terms of welfare, but also places great emphasis on the development of human resources. In order to make the company more competitive, TECNO strives to train employees, to teach them the basis of management and to train more skilled people. Talent development may not always be seen to have a direct effect on the company's immediate success, but it is in fact a key prerequisite shortcut to sustainable development and growth.

#### 4.4. *What are the critical activities of TECNO?*

During 2006-2008, many 'Made in China' mobile phones entered the African market one after another. For example, Ok-ing, X-TIGI, and other unknown brands in China and the world sold in the African market. Such Chinese-made brands have not paid particular attention to their products' quality and appearance, nor do they pay attention to the long-term strategic layout of the brand. As a result, many counterfeits mobile phones with low quality, irregular operation are flooding the market in Africa. The impact on the mobile phone market in Africa is unfortunate. To solve this problem, TECNO has continuously established a sound marketing network and after-sales service, not only focusing on the quality of the products, but also focusing on the appearance. In 2009, Kenya, Uganda, and other countries directly blocked most counterfeit manufacturers to restrict cheap mobile phones from China.<sup>50</sup> In this part, the discussion focuses on the

<sup>45</sup> Wu Y X. (2004), 'Comparison of Management between Confucian Businessmen and Western Businessmen'. *Forward Position*, Vol. 11, pp. 78 -80

<sup>46</sup> *ibid*

<sup>47</sup> Yang H J. (2002). 'A comparative analysis study of Chinese and Western culture and management'. *Kunming University of Technology*, Vol. 2, p. 113

<sup>48</sup> Yan L. (2019). 'Analysis of the current situation and countermeasures of Transsion cell phone export market

in Africa.' *China Circulation Economy*, Vol. 35, pp. 40-41

<sup>49</sup> Rao G L. (2019), 'Comparative study on International Marketing Strategy of Xlaomi Mobile Phone and TECNO Mobile Phone'. *Chinese Incubator*, Vol. 32, No. 8, pp. 33-36

<sup>50</sup> Liang Y D. (2018), 'Analysis of Transsion Mobile's Marketing Strategy in Africa'. *Hunan University*, pp. 18-21



main activities that TECNO initiated when confronting the African market to enable it avoid market risks and seize the opportunities of the times. In 2011, TECNO established its first factory in Ethiopia – 90% of its workforce were local Ethiopians – not only providing jobs but also establishing a good network of relationships with the local government. TECNO's main activities in Africa are visible in several areas such as product localization research and development, low prices, widespread advertising, government charity, and economic cooperation between China and Africa on the 'Belt and Road' initiative.

The Silk Road Economic Belt and the 21<sup>st</sup> Century Maritime Silk Road are referred to as "One Belt One Road." In September 2013, Chinese President Xi Jinping put forward the strategic concept of 'New Silk Road Economic Belt.'<sup>51</sup> 'One Belt One Road' mainly includes four routes. The starting point of the 'Desert Silk Road' is from Xian to North African countries. The 'Prairie Silk Road' starts from Inner Mongolia to the Mediterranean coast. The 'Silk Road on the Sea' starts from Quanzhou to East African countries. The 'Ancient Tea Horse Road' is from Sichuan to West African countries. All four routes pass through all countries in Africa and have greatly stimulated the African economy.<sup>52</sup>

TECNO took this opportunity to promote its mobile phone brand to all countries in Africa, continuously expanding its market share and forming a chain brand advantage. At the same time, it has won African governments' support, including through policies such as simplifying investment approval procedures and reducing taxes. It is also involved in coordinating the relationship between foreign investors and the local government.<sup>53</sup> In fact, while TECNO actively employs local staff in Africa, it also gives full voice to the role of local Africans. African consumers' knowledge of local market conditions and humanities is an indispensable factor in the

development of the company. African people are hard-working, intelligent, and highly responsible, which has helped Chinese companies to solve many difficulties. TECNO also keeps an eye on the domestic situation in the African countries it operates in, understands the material standards of African people, and listens to their most basic needs for particular material goods.

TECNO has been able to promote its brand image through a series of public engagements, which few other Chinese companies in Africa have done so effectively, such as sponsoring African national football teams, setting up 'hope schools' for local children, and providing humanitarian aid to starving children in Africa.<sup>54</sup> This is why TECNO has won the hearts of many locals in Africa, and greatly benefited from 'word of mouth' praise for its efforts and initiatives. However, there are still significant problems in the export of TRANSSION mobile phones to Africa. The reasons are as follows:

- i. It is difficult to change TRANSSION mobile phones' image in the middle and low end of Africa's market. It currently focuses on functional and low-end smartphones in the African market, which is not conducive to the development of the Chinese market.
- ii. Technological updates are too slow, and there are no outstanding technical and scientific researchers in patent research and development. It is not easy to attract Chinese consumers compares with well-known brands such as Apple and Huawei.
- iii. There is a lack of attention to internet sales platforms. As of December 2018, the number of online shopping users in China reached 610 million, and the number of mobile online shopping users reached 592 million.<sup>55</sup> This will cause TRANSSION Mobile to lose a large portion

<sup>51</sup> Han J. & Wang X. (2020), 'Study on the risks of Chinese enterprises' direct investment in Africa in the context of 'One Belt, One Road'. *International Trade*, Vol. 12, pp. 94-98

<sup>52</sup> Liu Q Z. (2020), 'The beginning and characteristics of the Maritime Silk Road.' *Guangzhou Wenbo*, Vol. 13, pp. 72-82

<sup>53</sup> Li S S., & Chen Y X. (2019), 'The growth of the 'King of Africa' of Transsion mobile phones. Report Chinese businessmen, pp.242-255

<sup>54</sup> Yao G L.(2019), 'Comparative Study on International Marketing Strategy of Xiaomi Mobile Phone and TECNO Phone.' *Law & Business College of Hubei University of Economics*, pp. 33

<sup>55</sup> China Industry Research Institute. (2019), 'Data Analysis of China's Online Shopping User Scale in 2018'.

of online shopping users.

- iv. Therefore, in summary, TECNO's marketing model and R&D technology level can no longer meet the needs of the Chinese domestic market and Chinese consumers, and since TECNO's marketing strategy is mainly geared towards overseas markets, TECNO is not going to shift its marketing strategy to mainland China at this time.

## 5. CONCLUSION

This article borrows from the concept of Chinese Confucianism to analyse how Chinese entrepreneurs think about market direction and market prospects and trends in the context of cross-culturalism. It has also explained the origin and principles of Chinese Confucian culture. The analysis of the current problems and marketing of TECNO in the African mobile phone market not only enables the realization of the diversity, humanity, popularity of TECNO products, as well as the risks and challenges of the different markets; it also reveals some of the pros and cons of the investment and trade of Chinese enterprises in Africa. The combination of TECNO's corporate culture with 'Confucian business culture' provides an understanding of the reasons for TECNO's success in Africa.

While diplomacy, politics, economics, and trade between China and the West have been hot topics in recent years, there is a dearth of research on the corporate relations between China and Africa. This article sought to shed light on the leadership approach of Chinese entrepreneurs in Africa through a case study of TECNO and against the backdrop of China-African relations. A pearl of Eastern business wisdom bred by the combination of modern entrepreneurial concepts and traditional Confucian concepts explains the success of TECNO in Africa. Utilizing the wisdom and hard work of local Africans to a greater extent than many other Chinese brands, has helped TECNO understand the African market with their local knowledge of the culture and market information. And expounds that TECNO is dealing with the harmonious relationship between local consumers and business bodies in Africa, which is different from the autonomy and self-confidence

emphasized by western traditional culture. Confucianism has inspired African local enterprises to learn the correct principles of moral behavior between people in Chinese traditional culture. And how to establish a harmonious business relationship between consumers and businesses.

Finally, the explanation for TECNO's unsuccessful presence in China illustrates how leadership effectiveness changes in different contexts. For example, the market response strategies of TECNO and Xiaomi phones in India are quite different from those in Africa.<sup>56</sup> Therefore, we must deeply integrate into the local culture and seriously study the individual needs of local consumers.

Researching how Chinese entrepreneurs are immersed in the traditional 'Confucian culture' shows that such differences are also determined by deep historical contexts. This not only requires contemporary scholars to conduct integrated research on traditional culture and market economy, but it also requires a country to preserve and carry forward its own traditional culture.

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