

Management of Intercultural Conflict: A preliminary study of Chinese managers and western subordinates

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This paper reports a study of intercultural conflicts between Chinese managers and Western subordinates. Through field observation and in-depth interviews, it is found that Chinese managers tended to switch conflict strategies while Western subordinates kept theirs rather consistently even though they were at a lower organizational status. Chinese managers reported “power” as the biggest influencing factor in determining intercultural conflict management strategy, whereas Western subordinates claimed “face” to be the most important factor. Some previously reported cultural patterns were confirmed in intercultural superior-subordinate conflicts, whereas a degree of adaptability was also evident in the context.

In recent decades business corporations have rapidly increased overseas investments, especially to China, while China has also been stepping up its outward investment. This fact highlights the need to understand Chinese management practice as the impact of internationalization is felt in all areas of business, particularly related to social conflict as a component of organizational life. Evidence has long indicated that conflict is more pervasive in multinational companies where intercultural adaptation must take place (e.g., Gladwin & Walter, 1980). Past work has mostly compared the conflict styles of different cultures; much less has been devoted to intercultural conflict. Available studies examine American/European managers with Asian subordinates. What happens when Chinese managers are in intercultural conflict with Western subordinates? This study aims to help fill this gap and investigates the conflict management in this kind of scenario.

Literature Review

Conflicts in Organizations

Conflicts in the workplace may erupt over almost any aspects of organization process (Mead, 1998). Contemporary management literature underlines the positive influence of social conflicts with an innovative effect on organizations, thus enhancing their effectiveness (e.g., Gladwin & Walter, 1980), and considers constructive conflict management the key to the effectiveness and survival of multinational companies. Understanding conflicts is a necessary first step in managing a company's impact on a multinational team (Joshi, Labianca, & Caligiuri, 2002).

A major topic in conflict studies is conflict management style, focusing on strategic intentions and situational influences. A model of five conflict styles (Kilmann & Thomas, 1975) was built on Blake and Mouton's (1964) twin-dimension of the concern for self and others in leadership style. According to this model, integrating style arises from high concern for both self and the other party in the conflict and is concerned with collaboration between

parties. The obliging style is associated with low concern for self and high concern for others and involves smoothing over differences by focusing on areas of agreement to accommodate the other. The dominating style represents a high concern for self and a low concern for the other party in the conflict and manifests in forcing one's viewpoint at the expense of others. The avoiding style reflects a low concern for self as well as the other party and is characterized by withdrawing from the conflict situation. The compromising style involves moderate concern for both self and the other in the conflict, giving rise to a give-and-take sharing stance or a search for a middle-ground solution. More recent works (e.g., Rahim, 2001) further group the styles into the integrative (integrating-avoiding) and distributive (dominating-obliging) dimensions with five factors that affect the style in organizational conflicts: personality, base of power, organizational culture, referent role, and gender.

Chinese and Westerners in Intercultural Conflict Situations

A conflict style is also influenced by one's culture. The extant literature suggests that avoiding conflict is more prevalent in collectivist societies, which are also regulative, aided by bureaucratic and structural means (e.g., Kozan, 1997; Ting-Toomey, et al., 1991). Comparative research on the Chinese and Westerners has attributed cultural differences in the conflict style to a few factors, including power, face, and inter-relationship, also known as *guanxi* (e.g., Chen, Ryan & Chen, 1999-2000; Chen & Starosta, 1997-1998).

For example, Tang & Kirkbride (1986) found that Hong Kong Chinese managers' conflict styles were of non-confrontational orientation to help maintain harmony, prevent escalation of conflict and suppress open aggression. In contrast, British managers exhibited a greater tendency toward more aggressive conflict styles that tried to get to the roots of the issues and identify solutions. Jehn & Weldon's (1995) study confirmed that Chinese managers preferred passive styles such as avoiding, whereas American managers preferred a more proactive problem-solving style that "focused on immediate and direct attention to task-related conflicts." Morris, Williams, Leung, & Larrick's (1998) across-nation survey found that Chinese managers relied more on an avoiding style, probably due to their relatively high value of conformity and tradition. In comparison, U.S. managers relied more on a competing style as expected from their relatively high value of individual achievement. Tjosvold & Sun (2001) note that avoiding conflict can be useful to reaffirm an already effective relationship for their Chinese interviewees, but it must be managed constructively.

The situation is inherently more complicated when the parties involved are from different cultures with different expectations and communication practices. Intra-cultural conflict management may not apply in inter-cultural conflicts because of out-group and in-group distinction (Tajfel & Turner, 1986). People in multicultural teams might use different strategies with their cultural compatriots than with foreigners. While relevant to intercultural conflict management, theories of cross-cultural differences apply *only* when people behave similarly with domestic and foreign colleagues (e.g., Adler & Graham 1989; Jehn & Weldon, 1995).

Conflict between a Manager and Subordinates

Conflicts between a manager and an employee represent a situation where the disputants

occupy positions with disparity in power and status. Past studies have suggested that managers often rely on forcing (dominating) style as the preferred method in a conflict with employees (e.g., Morley & Shockley-Zalabak, 1986), particularly unskilled managers (e.g., Conrad, 1983, 1991), whereas employees have reported conflict with supervisors to be emotionally more intense (Gayle & Preiss, 1998).

A culture-based situation approach (Ting-Toomey & Oetzel, 2001) theorizes that managers are likely to have high self-face concerns given their status and power, whereas employees are likely to have high other-face and self-face concerns necessary for maintaining their job and position. The managers' high self-face concern results in a preference for "forcing with an occasional collaborating" style. In contrast, the high self-and other-face concerns of employees result in "avoiding and accommodating" for a good relationship with the boss. They offer a model based on cultural dimensions of individual-collectivism and power distance (Hofstede, 1981) with four approaches to conflict. The Status-Achievement approach is seen in cultures of individualism and large power distance. Managers would be concerned with maintaining and recognizing one's status and expect subordinates to accommodate their manager's wishes, while subordinates view authoritative managers as using power from the top by giving solutions and perceive managers avoiding conflict as being weak. The Benevolent approach describes collectivist and large power distance cultures, where managers would consider the personal relationships, thus trying to smooth over the conflict and maintaining harmony in the workplace, while subordinates would need to anticipate the needs and wishes of their superiors and expect managers to serve as "protectors" or mentors of their career paths. The Impartial approach is associated with individualist and small power distance cultures. Managers would tend to deal with the conflict in a direct, up-front manner, while subordinates directly articulate their concerns and bring the problem to the manager's attention. The Communal approach is seen in cultures of collectivism and small power distance. Mindful of communal goals during conflict, managers would resist using power to resolve conflict, while subordinates are open and expressive, working together to develop mutually acceptable decisions. This culture-specific model is also a reference to manager-subordinate conflict in the same culture.

Specifically for the Chinese, Hwang (1997-1998) conceptualizes "harmony" as the axis branching out into two wings of *guanxi* (inter-relation) and *mientze* (face) for a model of three-category interpersonal networks as the conflict context: vertical in-group, horizontal in-group, and horizontal out-group. The model depicts the intertwining of personal and professional relationship in a Chinese society and suggests that when a subordinate is in conflict with his superior, in a vertical relationship, he or she has to protect the superior's face for maintaining personal harmony. As such, the dominant response may be endurance, i.e., accommodation. When a superior insists on the attainment of a personal goal by disregarding feelings of subordinates in a vertical relationship, subordinates may also react to oppose the superior, i.e., challenging. When this happens, their relationship may come to a severance.

Chinese Managers and Western Subordinates

Theories aside, to date only one study is available on the intercultural conflict involving a Chinese manager and Western subordinates (Wei, 1999-2000). Intercultural manager-subordinate conflicts represent a complicated situation with status and cultural differences in

a working environment. With limited empirical research on conflict processes between members of different cultures when they are in unequal positions in the workplace, this study seeks to understand the process by examining such conflicts between Chinese managers and Western subordinates in Hong Kong. Based on the literature review, three research questions were posed to investigate the conflict management of both parties and related outcomes.

RQ1: What are the intercultural conflict handling styles or strategies by Chinese managers and Western subordinates?

RQ2: What are perceived to be main factors by Chinese managers and Western subordinates that influence this type of intercultural conflict management?

RQ3: What is the outcome of the intercultural conflict between Chinese managers and Western subordinates?

Methods

Given the complexity involving participant status, organization ownership, and cultural identification, we opted to look into a non-Chinese business organization in Hong Kong, where western subordinates shared the cultural identification with the owner company, while Chinese managers enjoyed positional authority on their cultural home turf. Hong Kong has a majority (about 99%) of ethnic Chinese in its population (Statistics Department of Hong Kong SAR, 2002) and a 150-year colonial history ended just a decade ago. Since then, multinational organizations have been localizing their management team. With this unique background, Hong Kong is an ideal place to study multinational corporations operating overseas with local and expatriate employees.

Participants

For a preliminary study, we decided to conduct participant observations in a target company complemented by face-to-face interviews with employees who had respective experience with Western employees or Chinese managers. Participants were selected based on the condition that they had at least 3 months of such experience. The operational definition of “Chinese” was a person being born in Hong Kong, Taiwan, or China that shared a cultural heritage. “Western” employees were operationally defined as working professionals from Australia, Western Europe, or the United States, where individualism is a dominant cultural value. Each interviewee group had 5 participants (see Table 1), who were known to or referrals to the second author.

Procedure

Field observation. Participant observation often makes an excellent choice for initial studies as it identifies important variables and provides useful preliminary information. Taking place in the natural setting of the activity being observed, such field work provides data rich in details and subtlety (Wimmer & Dominick, 2000) and is deemed a suitable method for a study pertaining to intercultural conflict management.

Sampling in field observation is more ambiguous than in most other research approaches with respect to representativeness (Wimmer & Dominick, 2000). A useful method is a typical

Table 1. The Participants in In-depth Interview

Group	Interviewees		Background	Organization Type
A	C1	Chinese - Hong Kong	<ul style="list-style-type: none"> ▪ Educated overseas but has been working in Hong Kong more than 20 years ▪ Managing director 	Commercial
	C2	Chinese - Hong Kong	<ul style="list-style-type: none"> ▪ Educated overseas ▪ Have worked in different countries for many years ▪ Director of a division 	Commercial
	C3	Chinese - Hong Kong	<ul style="list-style-type: none"> ▪ Educated in Hong Kong ▪ Have been working in Hong Kong and China more than 20 years ▪ Director of a division 	Commercial
	C4	Chinese - Hong Kong	<ul style="list-style-type: none"> ▪ Educated overseas ▪ Have been working in Hong Kong over 10 years ▪ Director of a division 	Commercial
	C5	Chinese - Hong Kong	<ul style="list-style-type: none"> ▪ Educated in Hong Kong ▪ Have been working in Hong Kong 20 years ▪ Barrister 	Professional
B	W1	United States	<ul style="list-style-type: none"> ▪ Educated in United States ▪ Have been working in Hong Kong for 2 years 	Commercial
	W2	Britain	<ul style="list-style-type: none"> ▪ Educated in U. K. ▪ Have been working in Hong Kong for more than 10 years 	Commercial
	W3	Australia	<ul style="list-style-type: none"> ▪ Educated in Australia ▪ Have been working in Hong Kong for more than 10 years 	Commercial
	W4	Australia	<ul style="list-style-type: none"> ▪ Educated in Australia ▪ Have been working in Hong Kong for more than 5 years 	Commercial

case sampling that allows the researcher to choose cases that seem to be most representative of the topic under study (Lindlof, 1995). To qualify as representative cases for this study, the

case must: a) have a Chinese manager present in the situation who has power or authority in the company; b) have at least one Western subordinate (not peers) in the same situation; and c) present interaction opportunities such as meetings where conflicts can arise. Three qualified observed cases were reported in this study.

Observation site. The company was an international publisher headquartered in the U.S.A. with over 36,000 employees worldwide. The regional office in Hong Kong looks after the Asian markets, including China, Singapore, and Malaysia. The Asia office employed some 70 staff in 8 functional departments, with Westerner employees in three departments. The head of the office was a Chinese with strong sales and marketing background; the management team consisted of all the department heads, mostly Westerners. Two of the departments were headed by a Chinese manager with Western subordinates under their supervision.

The second author had worked in this company for several years and participated in some intercultural conflicts in the office and thus had access to the research site. The identity of the researcher was not revealed so as not to affect the process. Field notes of the conflict, including the reaction of both parties, were made as soon as possible following the incident. Important communicative non-verbal features such as facial expression, body languages, and tone of voice, were also noted down in order to assist understanding of the situation.

Interviews. Ten participants (Table 1) were invited to a face-to-face individual interview outside of working hours. The conversations were conducted in the interviewees' mother tongue, in Cantonese for Chinese or English for Westerners. The interviews lasted 45 to 60 minutes each. No direct superior-subordinate relationship existed between any interviewees.

The interview had two parts. The first part was open-ended and follow-up questions about the interviewees' conflict experiences and perceptions of their counterparts, conflict management, and strategies used by themselves and their counterparts. They were asked to describe conflicts they had experienced. They were asked to freely express their views of the conflict and of the parties involved. Information was also collected on outcomes of specific conflicts referred to in the interviews. On a list of 10 factors from the related literature they were prompted to identify most important factors perceived to have influenced intercultural conflict management they experienced.

The second part used the Critical Incident Technique (Flanagan, 1954), which solicits responses about "observable human activity that is complete in itself to permit inferences to be made about the person performing the act" (Bitener, Booms, & Tetreault, 1990). The critical incident in this study was a short conflict case generated from examples provided by people familiar with multi-cultural work situation from their recent experience. It presented a situation in which a Chinese manager assigned a sudden, urgent project to a very reluctant Western employee. Interviewees were to specify how they would handle such a conflict with their counterparts and if it actually had happened to them.

Since all interviewees did not agree to audio taping, detailed notes were taken at all the interviews. Important non-verbal cues such as facial expression, body languages, and tone were also noted down to assist in interpreting the data.

Analysis

All data were examined on the face value for the conflict handling strategies, the

influencing factors of their conflict handling styles, and the outcomes of the conflicts. Results were examined to identify patterns and analyzed to arrive at a general understanding of such intercultural conflicts. Two parts of interview data in particular were compared to ensure the consistency of the interviewees' answers.

Results and Analysis

In this section, analysis of data from field observations is reported first, followed by that of the in-depth interviews. The discussion then proceeds to a comparison of the results from field observations and interviews for an integrated understanding.

Field Observations

Conflict strategies of Chinese managers. Observation of three intercultural conflict cases on several occasions showed that avoiding and harmony approaches were not the only choices of conflict-handling strategies by the Chinese superiors when they faced conflicts with Western subordinates. Instead, the data revealed that Chinese superior disputants would employ different conflict management strategies when interacting with their foreign counterparts.

In Case 1, the Chinese Director, Mandy, initially applied the "harmony" approach to her disagreements with Bill (Aus) when he first came to her department. They were getting along fine in the beginning. Then early in the year, Mandy requested Bill to prepare a business proposal within a short period of time. When Bill encountered some problems and asked for support from her, she failed to provide him with solutions, yet used "forcing" and "authoritarian" approaches to push Bill to achieve the results. Bill confronted her then told her off to the upper management, which ended the direct contact between them. Mandy then started to collect Bill's mistakes, which would prove his incapability and protect her from blame from the managing director for failing to submit the report on the proposal. For example, she asked Bill by email to report to her in writing on a weekly basis. Later she publicized a mistake Bill made via an accusing email to him copied to others including the upper managers. Mandy by then had switched to an avoiding approach as well as to a regulative one via the formal means to manage the conflict with Bill. She prepared evidence for a file to Human Resources that would prove Bill's incapability. This way she could also have this "third party" side with her and resolve conflicts with Bill. Later, she tried again in a management meeting and attempted to use another "third party" (the management team) to prevent Bill from receiving an award for a project done earlier, with no success. There was no direct interaction between Mandy and Bill during that period and Mandy was relying on the third party to handle their conflicts. Bill later transferred to another location. The process is depicted below.

Harmony → Forcing / Authoritarian → Avoiding / Regulative → Use of Third Party

Similarly, a changing pattern was seen in Case 2 in a business meeting. The Chinese General Manager (GM) started with jokes to keep a pleasant atmosphere. When Betty, a Chinese manager, reported that the sales target could not be reached because of missing

deadlines on several publications, Simon, a US American manager, inquired as to the real cause. Both of them looked at the GM for arbitration at that point. The GM at first tried to “avoid” being involved in the confrontation between the subordinates. When she saw the argument would not stop, she used an authoritarian approach to end the argument without giving reasons or solutions. In a subsequent exchange, Simon was challenged by Richard, another Chinese, for not preparing replacement titles to meet the sales goal. Simon tried to explain but was suddenly interrupted by the GM, who simply asked him to give her solutions for the lost sale. The Chinese GM again used the “authoritarian” approach to deal with Simon. In round 3, Ron, an Australian, asked for the GM’s decision and approval of a budget in order to install a better system network in the office. The GM tried to “avoid” answering Ron directly but said that this budget would have great impact on the profit of the company, as she apparently could not come up with a decision at that moment. When Ron kept requesting a date of decision, she got offended and used the “authoritarian” approach to stop the conflict, telling Ron that he did not know much about the situation of the company. In the end, the GM was aware of the tense atmosphere in the meeting and tried to “harmonize” the situation by inviting the team to go out for lunch. The changing pattern is diagrammed below.

Avoiding → Authoritarian → Avoiding → Authoritarian → Harmony

In Case 3, Cindy, a Chinese leader in charge, opened a meeting by asking Tom, a US American, and Mike, an Australian, to present to the team the product concept and its selling points. After listening for a while, Cindy, not to be sidelined, started to interrupt their presentation with continual irrelevant questions, which did not help others in the team understand the product but confused them because of her lack of the technical knowledge. Tom and Mike tried to explain patiently. At this stage, Cindy was using “authoritarian” direct approach to take control of the interaction with Tom and Mike in the meeting, so she had the upper hand. After a while, when they found Cindy’s question unrelated to the product and the meeting, they challenged Cindy on her knowledge about the product. Cindy tried to “avoid” engaging in the same issue by querying their accuracy of related revenue estimation that was not their expertise. When Tom and Mike looked desperate at their unsuccessful and unfinished presentation, Cindy used a “third party” (the Managing Director) as an excuse to close the meeting, saying that the Managing Director would not approve the product launch without an accurate estimation of revenue. Although revenue was not the purpose of the meeting, it is an important factor for the organizational procedure. She created difficulty for Tom and Mike and delayed the product launch plan by asking them to give her a revised proposal. She was using “authoritarian” and “regulative” approaches to close the conflicts with Tom and Mike in the meeting. This conflict is diagrammed below.

Authoritarian → Avoiding → Third Party → Authoritarian → Regulative

From the observations data, we found that Chinese superiors had changed their conflict strategies over time according to the situations they faced with their Western counterparts. Also, the strategy pattern from three cases was consistent. They usually started with harmony, following a traditional Chinese value of treating people with *li* (courtesy). When they faced

issues about which they had no ideas or solutions, they would avoid them. If they were challenged or wanted to save their faces, they would use the authoritarian or forcing approach to manage their conflicts with their Western subordinates. As a last resort, Chinese managers would evoke a third party when they needed someone to back them up or did something else without really confronting Western subordinates.

Findings here somewhat echo a past finding that Chinese managers changed their conflict strategies (Wei, 1999-2000) and provide support to the argument that although Chinese treat harmony as a core value of their culture, it is a mistake to assume that conflict is uncommon in Chinese society and that Chinese are non-confrontational, avoiding, obliging, integrating, and also authoritarian in the process of conflict (Chen, 2002). In order to overpower counterparts in unavoidable conflicts when a harmonious approach fails to work, they would use the authoritarian approach. It was also evident that Chinese would use authoritarian style to manage the conflict when they had the power (Chen, Ryan & Chen, 1999). We saw evidence of "Benevolent Approach" (Ting-Toomey & Oetzel, 2001) in the Chinese managers, as they seemed to consider the personal relationships and tried to smooth over the conflict to maintain interpersonal harmony in the workplace and tended to treat members of in-groups better. They followed this approach in varied ways, changing conflict management styles in order to control the situation with Western counterparts.

Conflict style of Western subordinates. In comparison, the Western subordinates were consistent in their conflict management style with their Chinese superiors in all three cases. Generally they adopted confrontational, direct, and problem solving approaches to conflicts with their Chinese superior.

In Case 1, when Bill (Aus) had a conflict with Mandy (his Chinese manager) in the meeting, he used "direct and problem solving" approaches to ask for her directions and solutions. Even after a serious argument with Mandy and himself having turned to the managing director for support, Bill still attempted many times to resolve the problem by talking to Mandy, whom ignored him. When Bill did not report in a timely manner to the department about the launch of a project, Mandy emailed to blame Bill and copied it to the whole department and managing director. Bill confronted it by distributing the reply email to the same group, complaining about Mandy not supporting him but always finding chances to criticize him without getting the facts first. Bill later stopped confronting Mandy and requested a transfer from the Human Resources Department in Australia (intra-cultural third party).

In Case 2, Betty (Ch) reported that they could not meet the sales target because some of the publications missed the publishing deadlines. Simon (US) countered that it was not solely due to missing the publishing schedule and did so in front of the General Manager (Ch) and other management members. When Betty (Ch) queried again whether there would be any new titles to replace the ceased publications, Simon responded in a straightforward manner to the General Manager and other members and presented what he considered the main reasons of ceasing some non-profitable publications. Simon had used "direct and problem solution" approaches to handle the conflicts but was stopped by the General Manager (Ch) before he finished.

In Case 3, when Chinese project leader, Cindy, disliked Tom (Aus) and Mike (US) dominating the meeting, she tried to gain control by fielding irrelevant questions to Tom and Mike. Tom and Mike at first answered her questions patiently in order to ease her problems.

But later, when they found Cindy's behavior of continued questioning unreasonable, they responded directly and confronted Cindy by questioning her knowledge of the product. Cindy then closed the meeting by asking them to revise the proposal again even though Mike and Tom insisted they conclude the plan in this meeting. The conflict handling approaches by Western subordinates with their Chinese superior in general are "confrontational, direct, and problem solving," consistent with the evidence from the other two cases.

It is interesting that the Western subordinates did not adjust their conflict handling strategies with their Chinese superiors regardless of the situations. Although their approaches were similar to those specified in the earlier cross-cultural research on the Western Managers, it is still surprising that the Westerners did not adjust their conflict handling styles even though they were subordinates with less power in the company. Also, it should be noted that Western subordinates looked for an intra-cultural third party for help when they could not resolve the conflicts with their Chinese superiors. The role of the third party is discussed in the next section.

Unlike the only past study (Wei, 1999) that had found Western subordinates with different conflict handling strategies with a Taiwanese boss, including dominating, avoiding, and obliging, findings in this study have showed Western subordinates consistently used similar, stereotypical strategies, choosing confrontational, direct and problem-solving strategies. An explanation may be that the Chinese bosses were assigned by the corporation and thus lacked the full power or authority to force them. Another factor could be that the corporate ownership, being Western, counter-balanced the lower status of the non-Chinese subordinates. The conflict handling skills used by Western subordinates in this study confirmed that individualist subordinates might rely on the "Status-Achievement" approach (larger power distance) or the "Impartial" approach (small power distance) when in conflict with their managers (Ting-Toomey & Oetzel, 2001). Thus, they expected managers to be authoritative, wielding power from the top and providing solutions, and perceived avoiding conflict as a weak strategy, as well as directly articulated their conflict concerns and brought the problem up to the manager. If this is the case, it suggests that Western subordinates in this study treated their Chinese managers as equals and would not shift their conflict handling behaviors.

Main factors. Data from observations were also examined for manifestations or uses of "face," "power," "inter-relation," or "third-party," and related outcomes to conflicts in Chinese-manager vs. Western-subordinate settings.

The "face" (*Mientze*) factor was seen in Case 1, where Mandy, the Chinese Director, used forcing and authoritative strategy when she failed to give Bill expected directions or solutions, which would **protect her face** by not disclosing her management weakness. When Mandy found Bill's mistake, she tried to **make Bill lose face** by copying the accusative email to the department and the GM to show Bill's incompetence. Bill did not just sit back but fought back by returning an email to everyone to **have Mandy lose face**. In Case 2, the Chinese General Manager tried to avoid Ron's (Aus) request. When Ron insisted his demand for a decision and a reply date from the General Manager, the General Manager got upset and tried to **protect her face** in front of the people by criticizing Ron for not knowing much about the situation of the company. In Case 3, when Tom and Mike **made Cindy lose face** in the meeting, Cindy attempted to **save her face** by challenging the accuracy of Tom and Mike's revenue estimate and requesting them to revise the proposal for her.

It seems that face management is indeed a power game (Hwang, 1987), an important way to substantiate or enact one's power in an effort to manipulate a party's choices of allocating resources to one's benefit. The Western subordinates seemed ignorant of the cultural importance of this structural element. To them, face was important for an individual, but could be considered undeserved if someone in a situation was seen as unfair and unreasonable; thus they failed to give faces to their Chinese superiors at those times. In this light, when Bill (Case 1) found Mandy's email unfair, he fought back by returning an email to everyone to make Mandy lose face. To Bill, his failure to meet expectations might not be fully his responsibility as Mandy had not given him any directions or solutions. In his reply email, he pointed to Mandy, "You did not ask me to clarify the reasons of delay...but jumping into conclusion quickly and assuming the fault was caused by me...Being my manager, I don't see you support me from time to time but keep finding opportunities to attack me..."

We found Chinese superiors in the study insisting on their own position and disregarding feelings of their Western subordinates. Mandy, in Case 1, forced Bill to submit a proposal to her to shift the blame by the top management, without giving him any directions or support. In Case 3, Cindy disliked Tom and Mike dominating the meeting and tried to control the situation by asking them irrelevant questions. When Tom and Mike made her lose face in the meeting, she requested them to revise the proposal. Cindy just intended to achieve her goal of saving face by giving the two subordinates a hard time. The general reactions from Western subordinates were to oppose their Chinese superiors and their relationship went to a severance. In all cases, Western subordinates ignored the importance of traditional specific sets of Chinese norms and moral principals by which one's duties and obligations were clearly expected as role-related. All of this empirically supported Hwang's (1997) model that, within a Chinese workplace, a subordinate in conflict with his superior in the vertical relationship was expected to practice endurance and accommodation to protect the superior's face for the sake of maintaining personal harmony. Failure on the part of the subordinate, coupled with superiors disregarding the feelings of subordinates in the vertical relationship, had jeopardized relationship harmony and eventually led to relationship severance.

"Power" as an important factor was seen in the choice of conflict handling strategies by Chinese superiors related to the matter of face in an intercultural conflict situation. In Case 1, Chinese Director, Mandy, used her **power and authority to protect her face** by forcing Bill to do things. Also, when Mandy broadcasted Bill's mistake via group-email, she also asserted **her power** and authority to all concerned. In Case 2, when Ron kept requesting the decision date from the Chinese General Manager, the General Manager got angry **and used her power to protect her face** in front of the people by criticizing Ron. In Case 3, when Tom and Mike caused **Cindy to lose face** in the meeting, Cindy **used her power** to direct Mike and Tom to other issues and got them to revise the proposal for her.

As proposed by Chen & Starosta (1997-1998), power is an internal contingency that works with inter-relation (*guanxi*) and face (*mientze*) to reinforce the ultimate goal of harmony. The results demonstrated that the relationship of face and power is interrelated in Chinese conflict management (Hwang, 1988). Chinese managers were in power with much self-face concern and demanded that subordinates give them face. When they felt they were losing face to the Western subordinates, Chinese managers used or even abused their power by making the latter lose face as a way to regain their own. They used power to demonstrate their status in the company instead of giving substantial reasons and solutions to earn their

status.

It was found that *guanxi* was not promoted actively in any of these three cases. As suggested by Chang & Holt (1991) and Chung (1996), *guanxi* is not only a tool to avoid conflicts, but can resolve conflicts among people as a potential power source for persuasion, influence, and control. Findings of this study did not indicate that either Chinese managers or Western subordinates made efforts to cultivate relations with one another. Rather, they tended to work more closely with in-group members of similar cultures. For example, in Case 2, the Chinese General Manager stopped the argument between Betty (Ch) and Simon (US) without giving reasons but talked in Chinese to Betty that they'd "talk about that later." This relation between the General Manager and Betty (Ch) could have offended Simon because they treated him as an out-group. In Case 3, when Tom (Aus) suggested that Cindy's questions were unreasonable and irrelevant, Mike (US) backed Tom up as an in-group. Tom and Mike also had a good relation because they had been working together on the same project for a long time. Besides, there was another Chinese Director in the meeting but she kept quiet for the whole meeting even though Tom pointed out that Cindy's questions were unreasonable, thus backing up Cindy with her silence. Two camps of intra-cultural in-groups were represented in the office, apparently with no linkage built between them. Without good *guanxi*, each cultural group could not trust the other. When conflicts happened between the two, neither were concerned with the others' faces. Power worked only on a superficial level to maintain the appearances of formal relationships, which probably had worsened the conflict outcomes and prevented achievement of harmony.

The "third party" factor was found in cases of this study. In Case 1, when the relationship between Mandy and Bill went from bad to worse, Mandy noted all Bill's mistakes and wanted to get Human Resources in Hong Kong to arbitrate his personnel issue. However, Bill did not ask for help from the HR in Hong Kong but went instead to the Human Resources Office in the regional headquarters in Australia for help. It appeared that when conflict arose between Chinese and Westerners, both parties sought an intra-cultural third party for assistance rather than an inter-cultural third party. The Western subordinates went so far as to violate the company chain of command, bypassing the direct supervising authority of the local office. It seemed that Bill felt more trust in an intra-cultural third party to help him. In this case, third parties failed to function as the mediator, instead creating another level of conflict above Mandy and Bill between the local and regional offices.

The findings indicate that the *guanxi* exist mostly among cultural in-groups (especially intra-cultural group) but not in the multicultural group. This observation is critical as this state, instead of being a mediating force, is likely to exacerbate the intercultural conflicts between cultural groups, since there would not be a true third party as such. This illustrates scholars' caution (Chen, Ryan & Chen, 1999; Wei, 1999-2000) that *guanxi* and the third party may not always function to lessen the conflicts but may even worsen the intercultural conflicts if both parties from different cultures only look for intra-cultural parties to build *guanxi*. All together, face, power, third party, and inter-relation were observed as active influencing factors in these intercultural conflicts.

The outcome. Of the three intercultural conflict incidents, none demonstrated effective conflict management and all cases had destructive or ineffective outcome. First of all, in Case 3, Cindy (Ch) used authoritarian and forcing approaches to demand Mike (US) and Tom (Aus) revise the proposal without giving any substantial reasons. Tom and Mike looked very

disappointed and left the table without a word. Cindy probably won over the table but it seeded the bad relationship between them, which might prolong the progress of their project. Tom and Mike on the other hand, did not adjust their direct and confrontational styles, causing Cindy to lose face in the meeting. Obviously, they were not sensitive to cultural issues. Moreover, the objective of the meeting—to conclude the launch plan—had not been achieved.

In Case 2, the Chinese General Manager used her power to stop the argument between subordinates but she did not have any solutions. When Ron looked for solutions and reasons from the General Manager, she also used avoiding and authoritarian approaches to reject Ron. In fact, no substantial solutions or conclusions were observed from this case. Even worse, it had destroyed the teamwork. When the General Manager asked the team out for lunch, none of the Western managers showed up.

Case 1 ended with an unhappy outcome. Mandy and Bill later stopped communicating to each other. Finally, Bill left the office and transferred to Australia. The office lost a valuable employee who had won the excellence award from the company. The conflict also resulted in delaying several new business projects during the dispute between the two parties.

In this study, the varied conflict management of Chinese superiors did not mesh well with the unchanging style of Western subordinates.

From In-depth Interviews

Chinese managers. Responding to their conflict experiences at work, Chinese interviewees mentioned they usually used harmony strategy to handle conflict with their Western subordinates. However, C1 and C4 noted that if the severity of conflicts is too great, or a project was important to them or the company, they used forcing or authoritarian approaches in order to have their ways. In other words, sometimes they would switch their conflict management strategy according to the situations. C4 said, “I will use different handling methods to manage the disagreements with my Western subordinates... if I think the project is not important, I let them have their ways to implement... but in case the project is very significant to the company, I forced them to follow my plans.”

For Western subordinate interviewees, their Chinese bosses’ conflict management styles was usually avoiding rather than harmony. W1, W2, and W4 also felt that their Chinese managers were authoritarian and forcing, which partly confirm the report of Chinese managers themselves. Harmony probably is the better terminology to use for Chinese than avoiding because avoiding sounds passive, even negative. W1 said, “I think Chinese (bosses) are authoritarian usually... sometimes they avoid us if they cannot give us their decision... they show harmony at superficial level only...down to the root, they like to use power to achieve their results.” W2 said, “I always don’t see any solid answers from my Chinese boss... seem[s] like they are trying to avoid answering me directly and have a lot of hidden agenda behind them.”

Responses to the critical incident were in line with the results from the observations that Chinese managers proposed harmony approaches at the beginning with their Western employees in hopes that they would commit to stay late for work for the whole week. In reaction to the Western subordinate’s rejection, they all used forcing and authoritarian strategies. C2 and C5 revealed this. C2 said, “I will ask them to leave and retire if they cannot

follow my order.” C5 said, “I won’t have the patient-talk with them anymore. I will ask them to leave my team.” Their responses suggest that Chinese interviewees may not want to admit directly that they are authoritative.

Western subordinates. Views from both groups were similar regarding Western subordinates in that they were usually confrontational, direct, and straightforward in conflicts. A Chinese interviewee offered that, “People from the West are strong at expressing themselves... they can express what is inside their hearts...When I have conflicts with them, they usually come direct to me and say what they want...I think it is attributed by their educational training and culture which is to encourage them to express themselves rather than just listening...”

Responses to the critical incident further confirmed results from observations and interviews that Western subordinates tended to confront their Chinese managers. If the request from the boss would interfere with their personal lives and times, they would not comply even at the cost of losing their jobs.

Influencing factors. Ranking of 10 factors (see Table 2) showed that Chinese managers ranked power first, followed by personality, inter-relation, and severity of conflicts (in that order) in importance for intercultural conflicts. Western subordinates, on the other hand, gave most importance to face, followed by power, seniority, and inter-relation. Chinese managers thought power was the biggest influencing factor in determining conflict management strategy; whereas, Western subordinates thought face was the most important factor. W1 said, “I think face is very important for my Chinese boss.” W4 said, “Every time I challenge her works, she abuses her power to ask me out of her office...she is trying to save her face.” Chinese managers rated face the second least important. C1 said, “You can’t manage your staff (Western subordinates) without power.”

Comparison of the groups shows face representing the largest difference between two groups. It could be that Chinese managers were not willing to admit they “need” face from their subordinates. Or it could be that to them face was but part of the power factor. The second big difference is seniority, which also tied to power: “My Chinese manager feels I have to respect and listen to her because her experiences are more than mine” (W2).

Both parties rated third party as the least important, and it was the second least difference of important factor between two groups, which indicated both groups felt they did not need third parties to help them. “It is useless and we prefer to cope with the problems by ourselves” (W3). “When the conflict is very serious, I may consider a third party; for example, human resources staff...” (C2). “No. I never consider using third party to help me resolve conflicts between my staff...” (C3). However, the third party was found as an important agent from the observations during the intercultural conflict between two cultures. The reason may be that the interviewees from both groups did not realize the importance of third party, perceiving it only as a last and undesirable resort.

Perceived outcome and effectiveness. The results about outcome (see Table 3) were quite consistent within each group but were in contrast to the counterpart group. Chinese managers thought outcomes of conflicts with their Western subordinates generally were constructive, whereas Western interviewees thought outcomes of their conflicts with their Chinese bosses

Table 2. Rating Importance of Influencing Factors

Factors	Chinese Managers	Western Subordinates	Difference +/-
Face	<u>8.80</u>	1.60	7.2
Inter-relation	3.60	3.20	0.4
Seniority	7.80	3.80	4.0
Power	2.20	2.20	<u>0.0</u>
Credibility	4.00	5.60	-1.6
Conflict Severity	3.60	7.00	-3.4
Third Party	<u>9.60</u>	<u>10.00</u>	-0.4
Personality	3.00	6.20	-3.2
National Culture	5.60	<u>7.80</u>	-2.2
Corporate Culture	6.80	7.60	-0.8

Table 3. Summary of Conflict Outcome by Both Parties

Chinese Interviewee	Outcome	Western Interviewee	Outcome
C1	Constructive	W1	<ul style="list-style-type: none"> ▪ Destructive ▪ Very frustrated
C2	Seldom have serious conflicts with Western subordinates	W2	<ul style="list-style-type: none"> ▪ Destructive and sometimes feel very frustrated to work with them
C3	Constructive in most cases	W3	<ul style="list-style-type: none"> ▪ Destructive ▪ Cannot comprehend how Chinese handle the business
C4	Constructive	W4	<ul style="list-style-type: none"> ▪ Destructive
C5	Constructive	W5	<ul style="list-style-type: none"> ▪ Destructive ▪ Hard for two cultures to work together

usually were very unproductive.

The results also suggested that each side had different perceptions of outcome after their conflicts with counterpart culture. For Chinese managers, the results indicated that they had underestimated the consequences of conflicts for their counterpart. When asked why they felt the outcomes were constructive, their answers did not indicate any substantial outcomes such as a successful project, or a good revenue, etc. C2 said, "They usually listened to me and left my desk quietly." C3 said, "I think it is constructive because they do not object to my suggestions." C1, C4, and C5 had the consistent answers that they did not think subordinates dislike their handling method because they had the power to have them comply. C1 said, "I think we get along well and I don't see any cultural problems between us..." The Chinese interviewees simply thought that if their counterparts did not object or kept quiet, it meant the

conflicts were resolved and ignored other reactions from their counterparts. Also, it showed from the interviews that Chinese managers tended to use their power to suppress conflicts with subordinates and did not expect this to hurt their perceptions.

It was obviously viewed differently by the Western subordinates, since in the interviews they did not report any good conflict experience with their Chinese managers. W5 said, "I think it is very hard for us to work with Chinese...we are living in two different worlds." W2 said, "I usually do not have any happy experience when working with a Chinese boss... they have hidden agenda and won't let you know what they want..." and went further, saying that, "I really don't want to work with my Chinese boss because I can't see she performs what I have expected..." It showed that Westerners really needed the Chinese managers to come up with solutions or directions to convince them during their conflicts. To them a desirable conflict outcome was a satisfactory or convincing solution, not simply the ending of argument or discontinuation of dispute.

General Discussion

Style, power, and outcome. Chinese managers viewed themselves differently from how Western subordinates viewed their Chinese managers. From our observation, Chinese claimed to use harmony approaches, but we saw them doing so inconsistently, while Westerners said Chinese were avoiding the conflicts. The explanation for the difference can be two-fold: (a) Chinese managers did not want to admit they avoid conflicts and harmony was a more positive terminology and (b) Chinese managers were not aware that they were avoiding.

Western subordinates' direct, unwavering style were consistent in all data. It seems that despite their subordinate status and the Chinese bosses' strong face wants, Westerners did not think they should adjust their conflict handling strategies with their bosses. Cultural differences in perceptions of power and what power entails is an explanation, as one interviewee put it: "[If] you have power you have to prove your capabilities and reasons, not because you are in the position" (W1). Westerners being cultural in-groups of the parent company are another explanation for their inflexibility, pointing to the issue of power at another level.

The intercultural conflict incidents demonstrated how ineffective the intercultural conflict management was, all with less than constructive outcomes leaving issues unsolved and Westerners unsatisfied. The results from the interviews confirmed the same for Western subordinates. Chinese managers had underestimated the consequences of conflicts; their perceptions of conflict outcomes contradicted the results of observations. Answers from Western interviewees were more in line with the results from observations of actual incidents. Future studies need to examine Chinese managers more closely and explore more in-depth their perceptions of satisfactory outcomes and their implications to the organization.

Conceptual implications. It has been suggested that Chinese should use the Benevolent Approach as a culture of collectivist values with larger power distance and are expected to maintain personal relationships, smoothing over the conflict for harmony in the workplace (Ting-Toomey & Oetzel, 2001). This study presents a somewhat different picture: the Chinese managers followed this approach only early in the conflicts and changed to use forcing or authoritarian approaches to control their Western subordinates, when they wanted to save face and assumed Western subordinates' compliance because such was the norm in a

Chinese society. The factors of power and face appeared to prevail over that of cultural consideration of harmony.

In comparison, Western subordinates kept their conflict strategies consistent regardless. In terms of Ting-Toomey & Oetzel's (2001) intercultural conflict model, individualist subordinates would use Status-Achievement or Impartial Approach with their managers, dealing with the conflicts in a direct and up-front manner and viewing their bosses as authoritative and abusing power, but providing solutions. Chinese managers that we studied did use forcing and authoritarian approaches yet did not offer constructive solutions or immediate decisions to subordinates. Like their managerial counterpart, Western subordinates also did not account for cultural difference and expected their bosses to act as if they were not Chinese. Without taking the Chinese managers' faces into consideration in conflicts, they might have forced their Chinese managers to switch to forcing or even authoritarian strategy, not even following what is generally expected of subordinates, i.e., attempting avoiding strategy to prevent direct confrontation. The cultural factor was overlooked by both parties, suggesting the importance of intercultural awareness in theorizing intercultural conflict management.

Although inter-relation can be a tool to resolve conflicts among people (Chang & Holt, 1991; Chung, 1996), neither Chinese managers nor Western subordinates reported efforts for inter-relation with one another. Rather, they tended to work with their cultural in-group members and kept groups apart from each other. Since neither group put their efforts into establishing inter-relation but rather relied on their intra-cultural relationship only, they could not create trust between them. When conflicts happened between two groups, Western subordinates had little concern about others' faces. Chinese managers were much concerned with self-face and would use or even abuse their power to protect their face and prove their status. Power seems to work on a superficial level only, as Western subordinates did not think their Chinese bosses were empowered in spite of their position. Conceptualization of intercultural conflict management needs to also consider the interaction of power, face, and inter-relation.

Conclusion

This study explores a new angle and is among the first to empirically examine intercultural conflict management between Chinese managers and Western subordinates. As such, common limitations are to be noted of the small sample size, convenient sampling, the nature of the organization, etc. Particularly, the positions of manager participants were quite senior as professionals. Also, language was not a barrier within the conflict situations because interviewees all had long experiences in dealing with Chinese/Western professionals, which may be a problem for the middle management in other companies. The results showed Chinese managers changing their conflict strategies and Western subordinates remaining consistent in theirs. Neither party had made room for cultural differences in conflict management, and simply carried on as if they shared the same culture with the other. Centrality of culture-awareness in intercultural conflicts and interaction between influencing factors have been suggested in conceptualizing further studies.

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