Conflict Management Styles among Employees of Sino-American, Sino-French, and State-owned Enterprises in China

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Abstract
Building on Rahim and Bonoma’s conflict management model, this study examines conflict management styles in Sino-American, Sino-French, and state-owned enterprises in Mainland China. Through a probability survey of 374 subjects from Sino-American and Sino-French enterprises, and 150 employees from state-owned enterprises in Guangdong Province, China, this study found that Chinese in foreign-invested enterprises and state-owned enterprises do not differ from each other in conflict management styles such as avoiding, compromising, obliging, integrating, and dominating; the same is true for American and French employees. However, Chinese and Westerners did differ from each other in most conflict styles. The study confirms that Chinese tend to be more avoiding than Western employees in conflict management regardless of organizational environment, and that both Westerners and Chinese have the same tendency of adopting compromising style.

Introduction
In international business ventures, most conflicts appear to stem from conflicting cultural values. To understand how conflicts are managed, therefore, cultural values should be considered. This study examines the
conflict management styles of American, French, and Chinese employees working in Sino-American, Sino-French, and state-owned enterprises (SOEs) in Guangdong Province, China. The objectives of this study are to better understand communication between employees of different cultural backgrounds in joint ventures and to stimulate more academic interest in conflict management as related to cultural values, an area that has not been sufficiently explored.

Since China opened up to direct overseas investments in 1979, foreign-invested enterprises (FIEs) have made a tremendous impact on the development of China’s national economy and have become an integral part of that economy. By the end of 1997, China had a total of 235,681 registered foreign-invested enterprises. These enterprises hired more than three million Chinese employees (China Statistical Yearbook, 1998).

As overseas investments flow into Mainland China, so do concepts, values, and attitudes from different cultures. Such intercultural encounters have brought about challenges and conflicts for both Western and local Chinese employees. Within these ventures, most of the misunderstandings, conflicts, and obstacles among culturally diversified workforce can be traced to specific cultural factors (Swierczek, 1994; Ying, 1996), including misconceptions, stereotypes, insufficient cultural sensitivity, and outright discrimination. These factors, though extremely important, are the least understood aspects of cross-cultural communication and conflict management. Little research has focused on cross-cultural organizational communication and communication conflict (Shuter, 1989; Shuter & Wiseman, 1994), and “relatively little theoretical work has been devoted to a systematic examination of the conceptual linkages between conflict and culture” (Ting-Toomey, 1985, p. 71). Although literature on conflict management from cross-cultural perspective has begun to accumulate, systematic study on the relationship between culture and conflict, especially conflict management in an intercultural setting, is still sparse (Jehn & Weldon, 1997).

To shed some new light on this issue, this study aims to explore how conflict is managed by different cultural members in foreign-invested enterprises in Mainland China. It hopes that the findings of this study will help to enhance the understanding of the influence of cultural forces in the process of conflict management and of the impact on conflict management styles of both local and Western employees.
Literature Review

How conflict is managed by different cultural members has been a constant academic interest. Several researchers have studied how conflict management is related to cultural values (e.g., Hwang, 1997-8; Jia, 1997-8; Kabanoff, 1991; Lewicki, Weiss & Lewin, 1992; Rahim, 1983; Sternberg & Dobson, 1987; Wang & Wu, 1997-8). However, most of these studies have been conducted in a mono-cultural context, and very few studies of conflict management have been conducted cross-culturally, especially in a cross-culture context in Mainland China (e.g., Elsayed-Ekhouly, 1996; Jehn & Weldon, 1997; Leung, 1988; Ting-Toomey et al., 1991; Trubisky, Ting-Toomey, & Lin, 1991).

Of the limited cross-cultural studies in conflict management, Leung (1988) found that Chinese engaged more easily in conflict with strangers (outgroup members) than with friends (ingroup members). This explains why members of individualistic cultures are more accustomed to meeting people and getting along with new people, whereas members of collectivistic cultures place more value on cooperation with their ingroup members (Triandis, Brislin, & Hui, 1988). In another study, Leung and Lind (1986) found that Americans preferred an adversary procedure for dispute resolution, whereas the Chinese were indifferent to both adversary and inadversary procedures.

In their study of conflict management styles of Taiwanese and Americans in separate cultures, Trubisky, Ting-Toomey, and Lin (1991) found that Taiwanese Chinese were more obliging and avoiding than Americans. These findings are consistent with Hofstede’s (1980) theoretical assumptions and have confirmed Ting-Toomey’s (1985) proposition that low-context cultural members are more likely to adopt non-confrontational styles than high-context cultural members. Their findings have been further supported by a study conducted by Tse, Francis, and Wallis (1994), who found that Chinese are more likely to avoid conflicts than Canadians and are more concerned with maintaining interpersonal relationships. Tse et al.’s findings are in line with Hofstede’s argument that in collectivist cultures “relationships prevails over task” (p.67) as well as Ting-Toomey’s (1985) assumption that in high-context cultures relationship maintenance is an important concern in conflict situations.

In a study of conflict management styles among Americans and Asians, Ting-Toomey et al. (1991) found that Americans adopt a more dominating style than did the Japanese and Koreans, and that Chinese use more obliging and avoiding styles than Americans. This study revealed the relationship between conflict management styles and the cultural concept of
face-negotiation, but it does not explain why American and Chinese respondents do not differ in dominating styles.

Jehn and Weldon (1997) studied the conflict management styles among Chinese and American managers. The results of their study confirm that Chinese managers prefer passive conflict handling styles such as avoiding, whereas American managers prefer a more proactive problem solving style "focused on immediate and direct attention to task-related conflicts" (p.315).

In addition to studies conducted by researchers from a Western perspective, scholars (e.g., Cai & Gonzalez, 1997-8; Chen & Hao, 1997-8; Hwang, 1987, 1997-8; Jia, 1997-8; Wang & Wu, 1997-8) have also studied conflict management from a native Chinese cultural perspective. For example, Hwang (1987, 1997-8) has proposed a model of conflict management that incorporates some rudimentary Chinese cultural values such as connections (guanxi), face, interpersonal harmony, and favor in the prediction of how conflict is managed in Chinese society. In the model, Hwang has proposed two dimensions on conflict management: the dimension of “pursuing vs. discarding personal goal” and the dimension of “maintaining vs. ignoring interpersonal harmony” (1997-8, p. 25). He argued that if a person chooses to discard interpersonal harmony, she/he may choose to confront the conflicting party, whereas if a person chooses to maintain interpersonal harmony, she/he may choose to endure the conflicting party. Hwang’s arguments and assumptions confirm that Chinese people are not always as non-confrontational and avoiding in interpersonal conflicts as their stereotypical image may suggest. They may choose different conflict management styles depending on how the conflicting party is categorized and what one’s concern is. However, Hwang’s model needs to be empirically tested, and the concepts such as face, connections, and favor need culture-specific operationalizations before significant relationships can be found.

Yu (1997-8) shared Hwang’s perception of how conflict is managed in China and argued that conflict is “regarded by the Chinese as something bad and destructive and is viewed negatively” (p.68). Yu (1997-8) agreed that all the conflict management styles adopted in Western societies can be found in the Chinese context.

Wang and Wu (1997-8) analyzed an indigenous conflict management approach, the ideological work. Historically, this approach was the dominant communication approach for the management of individual-collective conflicts during Mao’s period in China. During that period this approach was more of a one-way, top-down mind persuasion using Mao’s thought than a two-way symmetrical interpersonal communication.
The overall picture from these studies provides a two-dimensional conflict management style: confrontational versus non-confrontational. When Chinese use each style is, however, a question that needs to be answered by empirical examination and comparison in both mono-cultural and intercultural environments.

Obviously, most of the cross-cultural studies of conflict management in the literature share some limitations. First, people of Chinese ethnicity from Hong Kong, Taiwan, and United States have frequently been sampled as representing Chinese people in general (e.g., Trubisky et al., 1991). Although overseas Chinese have the same tradition and cultural origin as those of the Mainland Chinese, they differ in many ways because of the influence of local cultures (Fuller & Peterson, 1992). Therefore, it is difficult and inappropriate to generalize findings derived from overseas Chinese communities to the Chinese people in Mainland China. Another limitation of these studies is the employment of either self-selected or convenience samples. Accordingly, even though they shed new light on the relationship between culture and conflict management, their overall generalizability is dubious.

Although most of the studies have discovered the tendency for the collectivist Chinese to be passive and individualistic Americans to be confrontational in conflict management, most of these findings were obtained in mono-cultural environments. This current study attempts to study the relationship between cultural values and conflict management styles in an intercultural setting in the Mainland Chinese context. It also uses a probability sample to avoid the lack of generalizability suffered by other studies.

To investigate how the cultural orientation of individualism-collectivism is related to conflict management style in an intercultural setting in a Mainland Chinese setting, the following five hypotheses were proposed:

H1: The more individualistic the cultural members are, the less likely they will be to adopt the avoiding style.

H2: The more individualistic the cultural members are, the less likely they will be to adopt the compromising style.

H3: The more individualistic the cultural members are, the less likely they will be to adopt the obliging style.

H4: The more individualistic the cultural members are, the more likely they will be to adopt the integrating style.

H5: The more individualistic the cultural members are, the more likely they will be to adopt the dominating style.

Method
The data for this study were collected through a probability sampling survey in Guangdong Province, China, between March and June 1999. Guangdong Province was chosen as the site of study because this coastal province, the first experiment site of a market economy in the country, has the largest number of foreign-invested enterprises in China. Therefore, it served as a good testing ground for a study of both Western and Chinese employees in a cross-cultural context. The survey of employees in foreign-invested enterprises was conducted in four stages.

In the first stage, a sampling frame for foreign-invested enterprises was determined by using a compiled list based on four available databases: (1) Database of Foreign-invested Enterprises in Guangdong-1998 (Database-1) compiled by Guangdong Research Institute of Foreign Economy and Trade; (2) Directory of Sino-American Enterprises provided the Guangzhou Office of American Commerce Department (Database-2); (3) Directory of Sino-French Enterprises provided by the French Consulate in Guangzhou (Database-3); and (4) Directory of State-owned Manufacturers in Guangdong Province (Database-4). To check the accuracy and currency of the listed companies, all Sino-American companies in the manufacturing industry and Sino-French enterprises in all sectors were called. The unqualified ones were eliminated. The final sampling frame for Sino-American enterprises was 271 companies in the manufacturing industry, and that for Sino-French enterprises was 73 companies in all industrial sectors. The state-owned companies were well listed and updated. They were all selected to form the sampling frame.

In the second stage, all the companies in the sampling frames were contacted for cooperation with the survey. The success rate was 17.3% (47) for Sino-American companies, 38.4% (28) for Sino-French companies, and 59.4 % (19) for state-owned companies.

In the third stage, the subjects were chosen on the basis of the list provided by the companies. All together, 205 Americans and 115 French were identified in those companies. Because the number was small, it was decided to have a census of them all. Chinese employees in the same companies were selected based on a 2:1 ratio of Westerners to Chinese (in order to get 150 respondents). The sample of 150 employees from state-owned enterprises was randomly drawn from a list of managerial personnel from 19 companies.

In the fourth stage, a questionnaire in English was administered in person to both American and French employees (all the French in this survey could speak English), and a Chinese version of the same questionaire that
had been translated from English (and back translated to check for validity) was administered in person to Chinese employees in both FIEs and SOEs. The return rate was 73.2% for Americans, 63.5% for French, 67.3 for Chinese in FIEs, and 89.8% for Chinese in SOEs.

Subjects

The final sample in this study consisted of four groups of subjects from Guangdong Province. Of the 524 subjects, 150 were Chinese employees in state-owned enterprises (SOE Chinese). This group was selected primarily as a control group to check whether and to what extent the possible differences found between Chinese in FIEs and Westerners are due to cultural values or to different types of company set-up and corporate culture. Another 150 were Chinese employees in Sino-American and Sino-French Enterprises (FIE Chinese), 150 were American expatriates, and 74 were French expatriates. American and French were chosen to represent Western FIE employees because of the large variance in their cultural differences that would be expected to produce more meaningful findings. They were the ones posted in China by the overseas partners of the FIEs and spoke either English or French as their first language. Expatriates with Chinese language as their first language, namely American Chinese or French Chinese, were not included in this study because their special cultural background could confound the findings. The FIE Chinese employees chosen for this study were managerial, executive, or technical staff who had opportunities to communicate face to face with their expatriate colleagues.

Table 1. The Composition of the Sample of Employees in Foreign-Invested Enterprises in Guangdong, China

<table>
<thead>
<tr>
<th>Position</th>
<th>Americans</th>
<th>French</th>
<th>FIE Chinese</th>
<th>SOE Chinese</th>
</tr>
</thead>
<tbody>
<tr>
<td>General manager</td>
<td>16%</td>
<td>5.5%</td>
<td>.7%</td>
<td>.7%</td>
</tr>
<tr>
<td>Department manager</td>
<td>30.7</td>
<td>31.5</td>
<td>14.7</td>
<td>12</td>
</tr>
<tr>
<td>Staff member</td>
<td>16</td>
<td>26</td>
<td>49.3</td>
<td>80</td>
</tr>
<tr>
<td>Manager assistant</td>
<td>8.7</td>
<td>16.4</td>
<td>8.7</td>
<td>0</td>
</tr>
<tr>
<td>Secretary</td>
<td>.7</td>
<td>0</td>
<td>10.7</td>
<td>0</td>
</tr>
<tr>
<td>Others</td>
<td>28</td>
<td>20.6</td>
<td>16</td>
<td>7.3</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Measurement

Cultural differences of the four groups in this study were assumed based on previous studies. Americans were assumed to be the most individualistic,
followed by French, FIE Chinese (because of their exposure to Western cultures), and Chinese in state-owned enterprises. The assumption was based on the index of individualism for Americans and French as tested by Hofstede (1980), who rated Americans 91 on a scale of 100 and French 71. Because Mainland Chinese were not rated in the index of individualism in Hofstede’s study, the relative standing of Chinese on the scale of individualism was based on several other studies (e.g., Chinese Cultural Connection, 1987; Fernandez et al., 1977; Hofstede, 1980) that found Chinese to be more collectivist than Americans and French.

Conflict management styles were measured by items from the conflict management inventory of ROCI-Form C (Rahim, 1983) that measured five styles: avoiding, compromising, obliging, integrating, and dominating. Each of those five styles is a balance between the dimensions of concern for self and concern for others. Avoiding reflects a low concern for self and others and features active avoidance behavior from conflicts. Compromising is characterized by an inter-mediate concern for self and others involved in a conflict and is associated with give-and-take or sharing to make a mutually acceptable decision. Obliging has a low concern for self and a high concern for others. It aims to reduce the differences between conflicting parties and concentrates on the commonalties of both sides. Integrating reflects an equally high concern for self and for others, a problem-solving style where the conflicting parties adopt the attitude of openness through exchange of information and find a solution satisfying to all. Dominating is a reflection of a high concern for self and a low concern for others and is a competing style with a won-lose ending.

Results

The survey data was analyzed by one-way ANOVA to compare the differences between the four groups. The results show two distinct clusters of subjects: the Chinese cluster made up of FIE and SOE Chinese employees and the Western cluster of Americans and French. Those two clusters had significant differences between each other, but within each cluster, the difference was insignificant.

As Table 2 shows, while the Western differed significantly in four styles from the Chinese cluster, there were no significant differences between American and French, and between FIE Chinese and SOE Chinese. For the avoiding style, both the mean scores of Americans and French differed significantly from the mean scores of FIE Chinese and SOE Chinese, F(3,
519)=42, p<.001. Those results supported H1, which states that the more individualistic the cultural members are, the less likely they will be to adopt the avoiding style.

For the compromising style, no significant difference was found among Americans, French, FIE Chinese, and SOE Chinese, F(3, 519)=1.12, p<.342. The four groups all scored very closely in the range of 3.44 to 3.56 in their mean scores. The evidence did not support H2, which states that the more individualistic the cultural members, the less likely they will be to adopt the compromising style.

There was only mixed evidence for H3, which states that the more individualistic, the less likely the cultural members will be to adopt the obliging style. A significant difference was found between the two Chinese groups and the French group, F(3, 519)=9.34, p<.001. However, there was no significant difference between the Americans and FIE Chinese.

For the integrating style, American and French had significantly higher means than FIE Chinese and SOE Chinese, F(3, 519)=10.02, p<.001. This results supported hypothesis 3. They also supported H4, which states that the more individualistic the cultural members are, the less likely they will adopt the obliging style.

For the dominating style, FIE Chinese and SOE Chinese both had scores significantly higher than those of Americans and French, F(3, 519)=8.01, p<.001. Apparently, the data did not support H5, which states that the more individualistic the cultural members, the more likely they will adopt the dominating style.

Table 2. Differences in Conflict Management Styles among Subjects

<table>
<thead>
<tr>
<th></th>
<th>Americans</th>
<th>French</th>
<th>FIE Chinese</th>
<th>SOE Chinese</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avoiding</td>
<td>2.96a</td>
<td>2.92a</td>
<td>3.54b</td>
<td>3.65b</td>
</tr>
<tr>
<td>Compromising</td>
<td>3.56a</td>
<td>3.47a</td>
<td>3.48a</td>
<td>3.44a</td>
</tr>
<tr>
<td>Obliging</td>
<td>3.16ac</td>
<td>3.05a</td>
<td>3.29bc</td>
<td>3.44b</td>
</tr>
<tr>
<td>Integrating</td>
<td>4.15a</td>
<td>4.08a</td>
<td>3.87b</td>
<td>3.96b</td>
</tr>
<tr>
<td>Dominating</td>
<td>3.04a</td>
<td>3.06a</td>
<td>3.32b</td>
<td>3.40b</td>
</tr>
</tbody>
</table>

Note. Means with different subscripts in rows differ significantly at p<.05 in Student-Newman-Keuls test.

Conclusion and Discussion
This study has found mixed evidence on the relationship between cultural values as represented by the value of individualism and conflict management styles. Of the five hypotheses tested, two found solid support from the data, one found mixed evidence, one was not supported, and one showed a reversed relationship.

Individualism has been found to play a differentiating role in the adoption of integrating and avoiding styles in conflict management. The more individualistic the cultural members are, the more likely they are to adopt the integrating style and the less likely they are to adopt the avoiding style. Those findings are in line with previous findings among Chinese in Taiwan (Trubisky, Ting-Toomey, & Lin, 1991) and support the theoretical reasoning of this study.

On the adoption of the obliging style, the evidence of the influence of cultural values is mixed. Generally, the pattern suggests that the more individualistic the cultural members are, the less likely they are to adopt the obliging style. However, the Americans appear to lean toward the position of the FIE Chinese employees, thus upsetting an otherwise neat pattern. On the adoption of the compromising style, all the groups show the same tendency, leaning toward making compromises in conflict management. Those two findings are a bit of a surprise. In light of previous research and theoretical reasoning, those should not be the cases. One plausible explanation is the adaptation to the Chinese context by Westerners working in joint ventures in China. Our observations and interviews with Western employees have shown that a significant number of Westerners in joint ventures in China think it is beneficial to adopt some of the Chinese ways of conflict management. An American manager who has worked in China for 16 years, for example, said that the best way to manage conflict is to marry the Chinese ways with American ways. “Some of my colleagues used American ways, “ he said. “They did not work. Later, they changed to the Chinese ways.” A French engineer interviewed shared the same thought and said that several of his colleagues had blended the Chinese ways of conflict management. The reason why Americans seem to look more like Chinese (especially in the case of obliging) is probably that they have more contact with Chinese and have stayed longer in China. The findings from the survey and field observations and interviews appear to suggest an interesting phenomenon: cultural regression. The more members of different cultures mingle together, the more likely they are to regress from their extremes in cultural values to the middle of the road.
The most surprising finding of this study is that Chinese, the least individualistic of the sample, are more likely to adopt the dominating style in their conflict management than their American and French counterparts, a more individualistic cluster of people. Even more perplexing is that Chinese employees in state-owned enterprises are the most dominating group. This finding can be interpreted in three ways. First, when the mean scores of the four groups are examined more closely, one can find that they all cluster within the range from 3.04 to 3.40. This means that on the five-point scale used in this study to measure the dominating style, the groups are all in a position that is in the middle and leaning slightly to “agree” with the measures of dominating style. In fact, all the groups have a tendency toward “dominating,” and the Chinese are slightly more dominating. This does not reject out theoretical reasoning that Americans as members of an individualistic culture are likely to be dominating. Second, as some previous studies argued, Chinese, as collectivists as they are, can choose the confrontational or dominating style, depending on their goals and concerns about interpersonal relationships (Hwang, 1997-8). This may explain why employees in state-owned companies are more into the dominating style than others. For them, their jobs are more or less secured (at least in the time of the study), and they cannot be easily punished. This situation may strengthen or make them feel strong in their position in conflicts. Furthermore, most of the serious conflicts in those companies arise when there is a dispute about high-stake, personal issues, such as bonuses, salary increases, promotions, allocation of housing, and benefits. Employees in those companies are not very likely to argue about policy or business philosophical issues as these are often out of their control and regarded as none of their business. The nature of the conflicts may account for the more aggressive styles of conflict management among employees in those companies. Third, for the FIE employees and Westerners, they may suffer from the “cultural regression,” with Westerners becoming less dominating and Chinese becoming more aggressive.

Findings of this study shed some new light on the relationship between cultural values and conflict management style, especially such a relationship in a cross-cultural environment. Some have confirmed findings of previous studies, and others have posed challenges. Of particular interest to the field is the finding of “cultural regression.” Despite people’s original cultural values, are they becoming more alike when mixed together for some time in a cross-cultural environment? When Americans are not purely American any more and Chinese are not purely Chinese, do their conflict management styles
change accordingly? Those are some of the questions that need to be further studied in different contexts and among different groups of nationalities.

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