Constructive Conflict in China: Cooperative Conflict as a Bridge Between East and West

Dean Tjosvold          Chun Hui
Kenneth S. Law

The Chinese value of harmony is often considered literally as the need to avoid conflict. Recent experiments have shown that Chinese people can value and use conflict to explore issues, make effective decisions, and strengthen relationships when they communicate that they want to manage the conflict for mutual benefit rather than win at the other’s expense. Field studies document that cooperative conflict dynamics contribute to effective teamwork, quality service, and leadership in China. Chinese managers and employees are able to use participation and other management innovations to become partners in discussing issues and solving problems. Although more research is needed, the Chinese and their international partners appear to be able to use cooperative conflict to discuss their differences open-mindedly and forge productive, market-oriented organizations.

U.S. President Bill Clinton and China President Jiang Zemen held a remarkable June 1998, news conference, televised nationally in China. The President openly criticized the Chinese record on human rights, arguing that open dialogue was critical to build a relationship that would last as long as the Great Wall. Although such a public discussion of differences is very unusual in diplomacy, Chairman Jiang seemed neither surprised nor irritated. President Clinton appeared more surprised the next day when he had a town hall meeting at Beijing University. Students were enthusiastic and warm, and cheered his call for democracy. They, too, wanted to disagree. How would President Clinton feel, they asked, if a superpower had made a defense agreement with a breakaway State, much as the U.S. has done with Taiwan. They wanted the President to acknowledge American shortcomings when he asserted the moral authority to criticize China.

Dean Tjosvold, Department of Management, Lingnan University, Hong Kong <tjosvold@ln.edu.hk>.
Chun Hui, Department of International Business, The Chinese University of Hong Kong Shatin, New Territories, Hong Kong <huichun@cuhk.edu.hk>.
Kenneth S. Law, Department of Management of Organizations, Hong Kong University of Science and Technology, Clear Water Bay, Kowloon, Hong Kong <mnlaw@uxmail.ust.hk>. 
President Clinton’s message of the need for a dialogue of disagreement to build relationships is not as foreign to his Chinese hosts as he might have expected. Our studies document that Chinese people, under certain conditions, welcome and value open discussion of differences and can use conflict constructively. Emerging research on conflict in China challenges traditional Western assumptions about Chinese conflict management strategies. Chinese people can value conflict and use it productively. This contradicts Western thinking about the docility of Chinese people. Chinese managers and employees have been found to be able to use conflict to improve product and service quality, respond to customer complaints, and strengthen their motivation and relationships. Management innovations are feasible: Chinese people can take advantage of participation and empowerment to solve organizational problems, provided their managers develop the appropriate conditions.

This article first discusses the challenge of conflict in China, especially with its international partners, and the potential of managing conflict openly and constructively. It then reviews experimental and field studies on conflict in Chinese organizations. The article closes with the argument that Chinese managers and employees are prepared to use participation and other management innovations to become partners in discussing issues and solving problems, an involvement that is key to developing effective market-oriented organizations.1

CONFLICTING WITH THE FIRST EMPEROR OF THE HAN DYNASTY

After the First Emperor of the Han Dynasty defeated his enemies to establish his kingdom, he began rewarding his followers. Despite giving gifts to more than twenty people, many followers were clamoring for favors. On a walk with an official, the emperor saw them gossiping. He asked the official why they were gossiping.

Surprised, his official said, “Your majesty, you don’t know what they are discussing? They’re plotting against you!”

Incredulous, the emperor said, “I just unified the nation and defeated all my enemies. Why would they plot against me?”

The official said, “Your majesty, you rose to power as an ordinary citizen. Now that you are the emperor, you reward only those you favor and you punish those whom you dislike. Now some officials were afraid that they would not be rewarded and were further frightened by the possibility of having upset you. Therefore, they gathered to plot against you to protect themselves.”

The emperor was worried and asked, “What should I do now?”

The official said, “Who is the follower you disliked the most and your disfavor is well-known?”

The emperor identified an opponent.

The official said, “Reward this person first to settle the others.”
The emperor took the advice, and his actions pleased the other followers and promoted the stability of his regime.

Rather than fitting the stereotype that Chinese avoid conflict especially with their superiors, the official directly but tactfully revealed his critique of the emperor’s policy. The emperor open-mindedly listened and used the official’s ideas to help him manage his conflict with followers. He did not rigidly hold to his own beliefs but incorporated a divergent view. The official, the emperor, and many other Chinese people know that direct discussion of conflict, sometimes even with their superiors, can be very constructive.

**Challenges of Conflict**

Complaints about conflict are loud and frequent. Conflict is blamed for disrupting teams and dissolving joint ventures. Conflict cannot be denied; it is part of working in organizations. This section argues that conflict is an ever present reality in modern fast changing China, especially in international joint ventures. What can be particularly debilitating is that joint venture partners disagree over how they are to approach and deal with their conflicts. Chinese managers and employees must be able to resolve their conflicts with each other and with their foreign partners to be effective and serve their customers with quality value.

**Reality of Conflict**

China is transforming itself to its own version of an open, modern, market-oriented society—a change that ranks as one of the world’s great adventures with risks to match. Chinese managers face even more conflicts and barriers than their Western counterparts as they examine and update State-Owned Enterprises, build a full range of market-oriented companies, reform their planned economy, and work with Japanese, American, South East Asian, Hong Kong, European, and other international partners (Tjosvold, 2000).

China has historically been a diverse nation with divided provinces skeptical of each other and central authority. They have enjoyed their distinct dialects (Chinese people tell the story of a province sending back a tax collector to Beijing with his right hand severed and a short note in the other: “We will send you money when we are ready”). Now there is also great ideological diversity. Traditional ideas of Confucius, Dao, and Buddhism contend with free market, Leftist, Communist, Socialist, Gang of Four, and Mao thinking!

**Sources of Conflict in International Ventures**

International joint ventures are to combine the abilities and capabilities of local Chinese firms with overseas partners to take advantage of the global marketplace. But as the partners work together and express their values, their cultures clash. What leads one person to be angry does not necessarily make another upset. Irritations depend upon people’s aspirations, expectations, and beliefs that in turn are based upon their cultural background, as well as their individual personality. The values and ways of working developed in China
over thousands of years can leave their partners surprised and frustrated.

Chinese scholars have argued that their culture is highly relational and its first virtue is human heartedness or humanity (Liu, 1986a, 1986b). Imbued also with a strong sense of duty and hierarchy, Chinese people are expected to see themselves in the context of others and understand the need for reciprocity and obligations. Psychologists argue that Chinese socialization emphasizes the development of the self in the context of others; individuals should promote the development of others as well as themselves and protect them from suffering (Ho, 1998). Combined with the strong sense of duty and filial piety, this emphasis results in an authoritarian moralism where rule-following is required and in a subdued self, not the self-actualized self of the West.

Researchers have postulated the critical dimensions of Chinese culture that impact conflict dynamics in joint ventures (Chung, 1998; Ding, 1998). Having a long-term perspective, Chinese partners argue for business strategies designed to build market share and are irritated with Western demands for short-term profits. With their high power distance cultural values, Chinese people accept their superior’s unilateral decision making and quickly dismiss their Western partners’ complaints about the lack of participation. Highly sensitive to social face, they are easily upset that their Western partners have been inattentive to their needs for respect.

China’s experience as a socialist state is also thought to affect conflict in joint ventures. Anti-imperialism cultural values make Chinese people suspicious of Western assertive demands. Collectivism and egalitarianism values lead them to propose reimbursement systems that limit pay differences and resist attempts to layoff employees.

Admonished for years to further the “honor of the socialist motherland,” many Chinese people believe that their companies should promote national goals. Their partners, as guests of the nation, should be particularly attentive and gracious. These attitudes further harden their resistance to assertive demands of Western partners for increased profits.

**Conflict Over Managing Conflict**

In addition to the considerable potential for conflict in joint ventures, Chinese and Western partners have different preferences for how they should approach and deal with their conflicts. This conflict over how to manage conflict can be particularly debilitating, because it is not conflict itself that affects relationships, but the inability to cope with it directly and constructively. Researchers have concentrated on documenting cultural differences between how Western and Chinese managers deal with conflict.

The major finding of conflict researchers is that Chinese managers and employees, with their strong commitment to interpersonal relationships, prefer indirect ways to deal with conflict and avoid assertive methods (Ding, 1998; Kirkrbride, Tang, & Westwood, 1991; Tse, Francis, & Walls, 1994). To promote interpersonal harmony and save social face, they rely upon harmonious compromise and high status third parties to manage conflict (Cocroft &
Ting-Toomey, 1994; Leung, 1997). High power distance and hierarchical values lead low status persons to subjugate their personal aspirations for the collective good. Openly aggressive methods of dealing with conflict with organizational superiors are especially culturally devalued.

Rather than rely on Western models, Weldon, Jehn, Doucet, Chen, & Wang (1998) used multi-dimensional scaling techniques to identify empirically Chinese management styles. Consistent with theorizing about obligation and rule-following, they found that Chinese people, when they had to confront conflict, often use shaming as a tactic to resolve conflict. Rather than resolve conflict directly, Chinese managers were found to try to embarrass the other party in an attempt to correct and teach the partner the right way of thinking.

Cultural differences in managing conflict styles can make collaboration between Westerners and Chinese very taxing and demoralizing. Chinese managers may become angry that their Western partners structure public meetings to make hiring decisions. In addition to irritations that arise when their partners want to hire more overpaid Westerners, they are angry that Westerners want to force their decisions in a public arena rather than in quiet, give-and-take discussions. The Westerners in turn are upset not only that the Chinese exaggerate their abilities to operate without them but their perceived refusal to deal with the issue. In these complicated conflicts, partners can easily feel stymied and lose confidence that they can work together.

Conflict takes two and it takes two to manage conflict. Confronted with a great deal of conflict and with different preferences for how to deal with them, international partners often are uncertain how to proceed. They can easily conclude that they should try to avoid and work around conflict, approaches that are impractical in the long-run.

**Opportunities of Conflict**

Conflict, when well managed, is a highly constructive force in organizations (De Dreu & Van de Vliert, 1997). Managers and employees can use conflict to solve problems, improve their effectiveness, and strengthen their relationship. If Chinese protect face and avoid conflict, how can they resolve conflicts effectively that arise in such settings as international alliances? Can Chinese people reap the benefits of open discussion in conflict situations, despite their values of social face and harmony?

The Chinese valuing of harmony should not be considered too literally. Leung (1997) found that harmony is conceived as a goal that represents a genuine concern for harmony and close interpersonal relationships. Harmony motive expressed as a goal leads not to conflict avoidance but to honest attempts to use conflict to resolve issues and strengthen relationships, thereby developing authentic relationships based on agreement. Indeed, well before the Cultural Revolution, Chinese have valued accepting criticism of their individual behavior as a way to develop social harmony. However, harmony can...
also be considered a means where strains and problems are avoided to further other interests.

Leung's argument asserts that Chinese people understand that conflict can solve problems and develop genuine harmony between persons. Chinese people are not automatically obligated to avoid conflict to preserve outward harmony. Our studies in China and among other groups of Chinese people using questionnaire, interview, and experimental methods show that they can value open discussion of conflict and are able to use it to deal with a wide range of organizational issues. Chinese managers and employees can be highly participative.

Rather than characterizing Chinese conflict approaches and distinguishing them from Western ones, our studies have identified options and possibilities for managing conflict in China and in other Chinese societies. Although this research demonstrates that conflict can have a very positive face in China, evidence does not indicate that constructive conflict is the norm or that managing conflict productively is easily accomplished. Strong cooperative relationships and assertive behavior, as well as emphatic interpersonal skills, are needed to make conflict productive. Managing conflict constructively among and with Chinese people is both highly valuable and demanding.

Cooperative Conflict: North American Foundation

We have used Deutsch's theory of cooperation and competition and our North American research on conflict in decision making as a basis for understanding conflict management among Chinese people (Johnson, Maruyama, Johnson, Nelson, & Skon, 1981). Yet many social scientists consider the application of Western developed theories to Asia unwarranted, even "imperialistic".

Applying a Western Theory

We agree that theories developed in one culture cannot be universally applied to another (Hofstede, 1993; Weldon & Jehn, 1995). However, developing localized conflict knowledge for each culture will take years; managers need knowledge to effectively manage the conflict they are experiencing now. As many successful global companies have learned, knowledge, regardless of its origin, should be applied worldwide when feasible.

Theories, especially about conflict, that cannot be applied in more than one culture are increasingly irrelevant. If a conflict theory can be applied in both North American and Chinese contexts, then managers and employees in these joint ventures can use the theory together to develop their own approach to managing conflict. Rather than impose the head office or local culture on others, Americans and Chinese use the theory to develop methods that are appropriate and useful from both cultural perspectives. In this "third culture," they are confident that they are able to manage their conflicts together.

Conflict in Cooperation and Competition

Deutsch defined conflict as incompatible activities, where one person’s ac-
tions are interfering, obstructing, or in other ways making the behavior of another less effective. He argued that cooperative and competitive goal interdependence impacts the interaction among protagonists. The nature of this interaction affects the consequences of conflict. Our research indicates that cooperative goals lead to an open-minded discussion of the incompatible activities (labeled cooperative conflict) whereas competitive goals results in closed-minded interaction (competitive conflict). Cooperative conflict in turn has been found to produce constructive conflict, defined as when the participants believe that they have benefited more than harmed by the conflict.

According to Deutsch, protagonists with cooperative goals believe that as one succeeds, the other also reaches his or her goals. Recognizing that the goals of one person promote the goals of the other, they view the conflict as a mutual problem-solving task that needs common consideration and solution. Protagonists need to open-mindedly discuss issues to create quality, mutually beneficial resolutions that reaffirm the relationship. With this mutual affirmation and success, they are confident that they can handle their conflicts and continue to deal with conflicts constructively (Deutsch, 1973).

Protagonists can also emphasize their competitive goals; as one succeeds, the other is less likely to reach his or her goals. They view the conflict as a win-lose struggle; if the other wins, they lose. They tend to avoid a direct discussion or, alternatively, discuss ways to coerce others to do their bidding. Competitive conflict frustrates communication and results in a deadlock or imposed solutions that undermine problem solving and relationships, leaving protagonists feeling they have been harmed by the conflict.

Experimental research has documented that direct discussions can contribute to full exchanges of perspectives and understanding of issues (Tjosvold, 1982). Confronted with an opposing view and doubting the adequacy of their own position is fully adequate, people are curious and seek to understand opposing views. They ask questions and demonstrate understanding of the other position. Through defending and understanding opposing views and rationales, protagonists begin to integrate ideas to create new, useful solutions. These dynamics lead to quality solutions protagonists accept and implement when they emphasize their cooperative goals.

LEARNING TO MANAGE CONFLICT IN CHINA

Takao Hanai and his fellow Japanese managers had a great deal of conflict as they set up and now manage Dong Guan Technology Steel Products company in South China. The Japanese parent wanted to supply the growing number of electronic manufacturers who had set up operations in China to lower production costs and participate in the China market.

In addition to debating the wisdom of this venture and whether it should be wholly-owned, they had to manage a great deal of conflict as they confronted many choices. Should they set up operations in the North with its lower wage rates, connections to
large State Owned Enterprises, and proximity to Japan or in Guandong with its growing network of electronic manufacturers? They chose the South. Should they hire local employees with their experience in market-driven companies or from the North with lower wages and higher technical education? They chose the North, although that required building dorms and a canteen. (Operating the canteen turned out to be highly conflictful as the Chinese employees strongly criticized the quality and style of the food!)

Getting the factory operational presented many more conflicts. Mr. Hanai and his colleagues wanted employees to develop Japanese ways of working, such as wearing clean uniforms, maintaining a tidy workplace, and offering continuous suggestions to improve the production process. Although Chinese employees wanted to learn, not everyone believed that uniforms and tidiness were key to making themselves or the company more productive. Employees were reluctant to meet frequently and offer suggestions for change. Was not that the manager’s job? Would they be seen as trouble-makers? They disagreed about loyalty: Why should they be loyal and forego opportunities when the company did not reciprocate and might lay them off with any business downturn?

Mr. Hanai could draw upon a great deal of marketing and management experience in leading and building the factory. He had learned Mandarin in school and lived eight years in Taiwan and a year in Vietnam. He visited his family on weekends in Hong Kong just a few hours away. He could speak directly to employees in a friendly manner without pressures to accomplish immediate tasks. His staff though were less experienced and more frustrated with being away from their family and Japan and having to work through interpreters. They were engineers comfortable with a highly task directed manner. Chinese employees complained that their Japanese supervisors could be too arrogant and tough.

The factory purchased its machinery and high quality steel from Japan but it had to establish working relationships with local companies for less valued added supplies. Conflict occurred over the price, timeliness, and quality of supplies. The company also had to meet their customers’ demands for unique components delivered just in time with zero defects. Conflict, they found, is part of developing a quality-enhancing supply chain and satisfying customers.

The result of managing these conflicts and making wise choices has been that Technology Steel Products is a profitable operation and a source of learning and pride for both its Chinese and Japanese members. Mr. Hanai and his Japanese and Chinese colleagues proudly showed us their factory and recounted their history.

When asked about conflict’s role, Mr. Hanai quickly admitted that it took a great deal of conflict management to build the factory and to maintain its operations. He added, “Conflict helps us solve problems. We need conflict if we are to make progress.”

He recognized that conflict contributes to a productive workplace, that the only true harmony is developed through a great deal of conflict management. Although confident of his own abilities,
Mr. Hanai was eager to learn more about conflict management. He wanted the factory to improve how it used conflict and to make his own family’s conflicts more productive.

Systematic interviews of Japanese managers and Chinese employees indicated that when they discussed their opposing views openly and cooperatively they not only got the job done but strengthened their relationship and their commitment to the organization (Tjosvold, Saskai, & Moy, 1998). Without this open-mindedness in dealing with conflict, they and their task were frustrated. Well-managed conflict improved the quality of their products as well as their relationships.

Mr. Hanai’s attitude about the value of open conflict, gained through a great deal of international experience, is both idealistic and realistic. Through their investments, Japanese manufacturers have spurred economic development and transferred technological and management know-how to the Pacific Asia region. But it takes conflict management to realize these objectives and to make returns on their investments.

Managers, especially in the fast-changing, diverse Pacific Rim, can be much more successful when they are working on how they can strengthen their and their partners’ conflict management abilities. With this learning orientation, they and their partners are more confident they can move forward.

Tests of the Theory among Chinese People

Colleagues based in Hong Kong, Mainland China, Taiwan, and Singapore have helped us develop our research in China and other Chinese societies. There are significant historical, political, and other differences among Chinese societies in Asia that are likely to have major effects on their proclivity to deal with conflict and the particular methods they employ. However, the major thrust of our research was to document the extent to which a cooperative and competitive conflict framework can be applied in China and among Chinese more generally. The research has been conducted largely in the Mainland of China and Hong Kong; however, studies in other Chinese societies have tested the generalizability of the theory (Tjosvold & Chia, 1989; Tjosvold & Tsao, 1989).

The variety of methods used by our studies also develop confidence in the theory’s generalizability. More than ten studies have used interviews with the critical incident methodology (Flanagan, 1954). Typically, 40 to 80 organizational members have described concrete experiences and then answered specific questions designed to test the hypotheses about these incidents. These interview methods have been used to study cooperation, competition and constructive controversy in a variety of organizations. They investigated teamwork to serve customers in a restaurant, empowerment by leaders, motivation and methods of avoiding conflict, customer complaint dynamics, social face in conflict, and Hong Kong senior accountants leadership of employees in China.

Several questionnaire surveys complement the interview studies. They allow for the sampling of more people and the use of independent sources for
outcome measures. Recent studies have used samples of more than 150 matched pairs to provide independent source of outcome measures and reduce the possibilities of common method error. Studies have examined cooperative and competitive conflict in leader relationship, teamwork, and interorganizational relations. Five experiments usually with about 80 college students in Hong Kong or Guanzhou, PRC, serving as participants have directly tested hypothesized causal relationships. These experiments complement field studies by providing findings with high internal validity.

Experimental and field studies have directly tested central hypotheses of cooperative compared to competitive conflict. In addition, studies are suggesting that Chinese values do not necessarily impede cooperative conflict. Field studies are documenting role that cooperative conflict management very much contributes to making Chinese organizations more market-driven.

Key Hypotheses

In one set of experiments, protagonists who had cooperative compared to competitive goals were more open toward the opposing position and negotiator (Tjosvold & Sun, 1998a). Chinese participants in the cooperation treatment were committed to mutual benefit, were interested in learning more about the opposing views, considered these views useful, had come to agree with them, and tended to integrate them into their own decisions. They were more attracted to the other protagonist and had greater confidence in working together in the future than participants in the competitive condition.

More surprisingly, the Chinese participants were able to use and responded favorably to open discussion itself. Direct disagreement, compared to smoothing over the opposing views, strengthened relationships, and induced epistemic curiosity. People asked questions, explored opposing views, demonstrated knowledge, and worked to integrate views (Tjosvold, Hui & Sun, 2000). Another finding indicated that they found open discussion valuable, and characterized protagonists who disagreed directly and openly as strong persons and competent negotiators whereas avoiding protagonists were considered weak and ineffectual. Chinese participants were found to choose disagreement when they felt confident in their own abilities (Tjosvold, Nibler, & Wan, in press). In another experiment, protagonists used direct controversy to build a cooperative relationship and open-mindedly explored and understood the opposing view whereas avoiders were competitive and unaware (Tjosvold & Sun, 1998b).

Field studies show that managers and employees in China engage in open-minded productive discussion of opposing views when they have cooperative goals. In a study of 39 groups and their supervisors in Hanzhou, China, work teams that used open-minded, constructive discussion of their differences in product quality and cost reduction were more likely to establish cooperative as opposed to competitive goals (Tjosvold & Wang, 1998). The measures of product quality and cost reduction were taken independently of the measures of
goal interdependence and interaction. Earlier studies found that cooperative conflict was useful for Singaporean based Chinese managers and employees to resolve issues and work productively together (Tjosvold & Chia, 1989; Tjosvold & Tsao, 1989).

Another study on conflict values and teams in China involved 106 pairs of employees and their leaders from State Owned Enterprises in Shanghai and Nanjing (Tjosvold, Hui, Ding, & Hu, 1998). Employees described their conflict attitudes and relationships and immediate supervisors rated team effectiveness and citizenship. Team members who believed conflict was positive were able to work together more effectively and develop stronger relationships. These relationships in turn laid the foundation for team productivity and employee citizenship.

**Chinese Values for Cooperative Conflict**

Underlying Chinese values are commonly considered to make open, constructive conflict management difficult. Chinese people are thought to avoid conflict in part because they are particularly sensitive to social face, and averse to strong influence and interpersonal hostility. Experiments show that these values need not frustrate and, if adroitly expressed, can contribute to conflict management.

Confirming social face can promote cooperative conflict (Tjosvold & Sun, in press). Protagonists whose face was confirmed, compared to affronted, emphasized cooperative goals. They demonstrated more epistemic curiosity in that they explored opposing views and were interested in hearing more of the other’s arguments. Confirmed protagonists were prepared to pressure the other person. When they disagreed, they experienced more collaborative influence. Confirmed protagonists also indicated that they learned information from the discussion, considered the opposing views useful, and had come to agree with them. Confirmed protagonists indicated that they had made more effort to integrate than did those who had lost face. A field study also indicated that confirmation helped Chinese people discuss their frustrations cooperatively and productively (Tjosvold, 1998b).

Chinese people have been expected to avoid conflict because they assume that conflict requires coercion and they prefer persuasion. However, conflict can give rise to either persuasion or coercion. Persuasive influence was found to result in feelings of respect, cooperative relationships, and openness to the other person and position (Tjosvold & Sun, 2000). Persuasion compared to coercion helped discussants seek mutual benefit, open-mindedly listened to each other, integrated their reasoning and strengthen their relationship.

Chinese culture has been characterized as a high context society where implicit communication is influential (Gudykunst, Ting-Toomey, & Chua, 1988; Hall, 1976). Conflict is thought to be avoided because open conflict communicates interpersonal hostility. Non-verbal communication can help develop a cooperative context for conflict discussion. Expressing warmth, compared to coldness, developed a cooperative, mutually beneficial relationship with
the opposing discussant (Tjosvold & Sun, 1998b). Protagonists who experienced warmth incorporated the opposing view and reasoning into their decision and thinking. They were confident they could work with the other in the future. Employees in Hong Kong were even able to use expressed anger to manage conflict when the issues were discussed open-mindedly and cooperatively (Tjosvold, 1997).

The proclivity to save face, use persuasive influence attempts, and communicate interpersonal warmth in Chinese culture were found to facilitate a cooperative, open-minded, productive discussion of opposing views. These values may also promote cooperative conflict in the West.

**Teamwork, Quality Service, and Leadership in Chinese Organizations**

Surveys and interview studies have documented that the theory of cooperation and competition generalizes, in particular, that cooperative conflict promotes productive teamwork, quality service, and effective leadership. Cooperative, open-minded discussions of service problems helped restaurant employees work together to serve their customers (Tjosvold, Moy, & Sasaki, 1996). Waiters and cooks when they had shared purpose to serve customers well and a common task to increase tips for their team, trusted each other, wanted to share the work load, avoided customer complaints, and supported each other. However, showing off one’s superior position, a mistrustful attitude based on the failure to keep word, background and age differences led to competitive, closed-minded discussions that frustrated quality customer service.

Cooperative conflict, but not competitive or avoiding conflict, helped Hong Kong, Korean, Taiwanese, and Japanese building contractors work successfully with their subcontractors (Tjosvold, Cho, Park, Liu, Liu, & Sasaki, 1998). Manufacturing managers in Hong Kong who handled conflict cooperatively used their frustrations with suppliers in mainland China to improve product quality (Wong, Tjosvold, Wong, & Liu, 1999). Dealing with customer complaints in Hong Kong were effectively handled through cooperative conflict (Tjosvold, 1998a).

Cooperative goals also promoted the open-minded discussion that helped teams of mass transportation employees obtain organizational support they needed to reduce costs and improve quality (Tjosvold, 1998b). Cooperative, constructive controversy interactions were also found critical for Chinese staff to work productively and developed relationships with Japanese managers, outcomes that in turn built commitment to their Japanese companies (Tjosvold, Sasaki, & Moy, 1998).

Conflicts over scarce resources have been thought particularly divisive. An open-minded discussion of limited resources helped Hong Kong accountants and managers understand and resolve budget issues, strengthen their relationships, and improve budget quality so that limited financial resources were used wisely (Poon, Tjosvold, & Pike, 1998). These discussions were much more likely with cooperative than competitive goals.
A strong Western stereotype is that Chinese leadership is autocratic. Followers quickly and automatically follow the wishes and command-and-control decisions of their leaders. Our research indicates that leaders must develop an open, mutual relationship with employees to manage conflict effectively. Authority cannot be assumed by position. Leaders must earn it by demonstrating a commitment to employees and an openness to them.

In an examination of the leader-member relationships in mainland China, 170 supervisor-subordinate dyads in a watch case manufacturing factory in southern China completed questionnaires (Law, Hui, & Tjosvold, 1997). Strong cooperative goals were found to be critical for a high quality leader relationship, and this relationship in turn led to employee being good organizational citizens.

In a study on power and democratic leaders, 89 Hong Kong leaders and employees were interviewed on specific incidents (Tjosvold, Hui & Law, 1998). An open-minded discussion of opposing views between leaders and employees was found to be highly crucial, resulting in productive work, strong work relationships, experiencing the leader as democratic, and believing that both the leader and employee are powerful.

In today’s global economy, leaders must at times supervise employees working in another country. Hong Kong senior accounting managers were found to be able to lead employees working in the Mainland when they had cooperative goals, not competitive or independent (Tjosvold & Moy, 1998). Then they were able to discuss their views open-mindedly that led to stronger relationships and productivity, consequences that in turn induced future internal motivation.

Democratic, open-minded leadership is valued in China; Chinese employees want a relationship with their leaders and expect them to consider their needs and views. Cooperative conflict is a concrete way for managers in China to develop the leader relationship and demonstrate their openness.

Field and experimental studies in North America and Asia provide strong internal and external validity to central hypotheses of cooperative and competitive conflict. Whether protagonists emphasize cooperative or competitive goals drastically affects the dynamics and outcomes of their conflict management. Surprisingly, Chinese participants appear to appreciate others who speak their minds directly and cooperatively. Chinese values of relationships, social face, and persuasion can facilitate constructive conflict. When Chinese people manage conflict cooperatively, they are able to discuss openly and integrate their views into making high quality decisions that contribute to organizational success.

Cooperative conflict is a practical and valuable approach in the West and in China. Indeed, some studies suggest directly that Westerners and Chinese people who develop cooperative goals with each other use open-minded discussions to attain important goals (Tjosvold, 1999; Tjosvold, Wong, & Lee, 1981). Although more direct evidence is needed, cooperative conflict appears to be a viable approach to dealing with the
many conflicts that beset cross-cultural collaboration.

**CONFLICT’S CENTRALITY**

Our studies are beginning to document that constructive conflict is essential to the development of organizations that can operate in the emerging market economy of China. Well-managed conflict contributes significantly to successful leadership and teamwork, improves product and service quality for customers, builds customer loyalty, reduces costs, and uses financial resources wisely. Constructive, cooperative conflict can contribute significantly to Chinese organizations becoming more market-oriented. Fortunately, Chinese people are prepared to manage their conflicts openly and constructively.

The recognition that Chinese people can value conflict and use open discussion constructively very much impacts management opportunities. Conflict should be used and channeled rather than smoothed over and suppressed. Leaders in China need not rely on top-down, autocratic management styles. Empowering Chinese employees through such means as task forces and self-managing teams to solve important organizational issues is viable and potentially highly valuable.

The idea that Chinese people avoid conflict to maintain harmony is central to Western thinking about China. Recognizing the limits to this assumption challenges Westerners to be more open-minded. We in the West should break away from outworn assumptions about China as we ask the Chinese to adopt international aspirations and methods.

Takao Hanai and his fellow Japanese managers had a great deal of conflict as they set up and now manage Dong Guan Technology Steel Products company in South China. The Japanese parent wanted to supply the growing number of electronic manufacturers who had set up operations in China to lower production costs and participate in the China market.

In addition to debating the wisdom of this venture and whether it should be wholly-owned, they had to manage a great deal of conflict as they confronted many choices. Should they set up operations in the North with its lower wage rates, connections to large State Owned Enterprises, and proximity to Japan or in Guandong with its growing network of electronic manufacturers? They chose the South. Should they hire local employees with their experience in market-driven companies or from the North with lower wages and higher technical education? They chose the North, although that required building dorms and a canteen. (Operating the canteen turned out to be highly conflictful as the Chinese employees strongly criticized the quality and style of the food!)

Getting the factory operational presented many more conflicts. Mr. Hanai and his colleagues wanted employees to develop Japanese ways of working, such as wearing clean uniforms, maintaining a tidy workplace, and offering continuous suggestions to improve the production process. Although Chinese employees wanted to learn, not everyone believed that uniforms and tidiness were key to making themselves or the company more productive. Employees
were reluctant to meet frequently and offer suggestions for change. Was not that the manager’s job? Would they be seen as trouble-makers? They disagreed about loyalty: Why should they be loyal and forego opportunities when the company did not reciprocate and might lay them off with any business downturn?

Mr. Hanai could draw upon a great deal of marketing and management experience in leading and building the factory. He had learned Mandarin in school and lived eight years in Taiwan and a year in Vietnam. He visited his family on weekends in Hong Kong just a few hours away. He could speak directly to employees in a friendly manner without pressures to accomplish immediate tasks. His staff though were less experienced and more frustrated with being away from their family and Japan and having to work through interpreters. They were engineers comfortable with a highly task directed manner. Chinese employees complained that their Japanese supervisors could be too arrogant and tough.

The factory purchased its machinery and high quality steel from Japan but it had to establish working relationships with local companies for less valued added supplies. Conflict occurred over the price, timeliness, and quality of supplies. The company also had to meet their customers’ demands for unique components delivered just in time with zero defects. Conflict, they found, is part of developing a quality-enhancing supply chain and satisfying customers.

The result of managing these conflicts and making wise choices has been that Technology Steel Products is a profitable operation and a source of learning and pride for both its Chinese and Japanese members. Mr. Hanai and his Japanese and Chinese colleagues proudly showed us their factory and recounted their history.

When asked about conflict’s role, Mr. Hanai quickly admitted that it took a great deal of conflict management to build the factory and to maintain its operations. He added, “Conflict helps us solve problems. We need conflict if we are to make progress.”

He recognized that conflict contributes to a productive workplace, that the only true harmony is developed through a great deal of conflict management. Although confident of his own abilities, Mr. Hanai was eager to learn more about conflict management. He wanted the factory to improve how it used conflict and to make his own family’s conflicts more productive.

Systematic interviews of Japanese managers and Chinese employees indicated that when they discussed their opposing views openly and cooperatively they not only got the job done but strengthened their relationship and their commitment to the organization (Tjosvold, Saskai, & Moy, 1998). Without this open-mindedness in dealing with conflict, they and their task were frustrated. Well-managed conflict improved the quality of their products as well as their relationships.

Mr. Hanai’s attitude about the value of open conflict, gained through a great deal of international experience, is both idealistic and realistic. Through their investments, Japanese manufacturers have spurred economic development and transferred technological and management know-how to the Pacific Asia
region. But it takes conflict management to realize these objectives and to make returns on their investments.

Managers, especially in the fast-changing, diverse Pacific Rim, can be much more successful when they are working on how they can strengthen their and their partners’ conflict management abilities. With this learning orientation, they and their partners are more confident they can move forward.

Acknowledgment: The research upon which this paper was built was supported by the RGC grant project No: LC3003/97H and LC 3004/98H to the first author.

NOTES
1. Learning to Manage Conflict in China

REFERENCES


