Chinese-Style Conflict Resolution: A Case of Taiwanese Business Immigrants in Australia*

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Abstract

Although there is an abundant literature on the Chinese communication behaviors from different disciplines, little research examines how Chinese immigrants communicate and solve conflicts in host countries. This paper explored conflict resolution mechanisms used by Chinese immigrants in an Australian setting. It was found that conflict resolution between immigrant Chinese and Australians is a learning process. When the Chinese business immigrants first came to the host country, they continued to use their antecedent modes of thinking, which are heavily affected by Chinese culture and philosophy, to solve conflicts. Later, they began to adopt the Western ways to manage their conflicts. Culture and language are two important factors that affect the Chinese immigrants in dealing with cross-cultural conflicts.

Introduction

Over the last two decades, more and more Chinese business people have expanded their business into the Western frontier, including much business immigration. This trend has also increased the contact between Chinese business people and Westerners. Over several years of consultation with the Taiwanese business community in Melbourne, Australia, this author found that many business immigrants faced difficulties in dealing with the host culture particularly with their Western managers in organizational settings.

Although there is an abundant literature on the Chinese communication behaviors from different disciplines, little research has been done on how Chinese immigrants communicate and solve conflicts in host countries. This study aimed to explore the conflict resolution mechanisms

used by Chinese immigrants by adopting a longitudinal method to observe a Taiwanese business immigrant's company in Australia.

This paper first reviews the literature on conflict management and resolution, including conflict resolution process, conflict resolution styles, and factors influencing the choice of Chinese conflict resolution styles. Second, it describes the history and background of the selected company, including major conflicts between the owner manager and the Australian managers. Finally, it examines the major research findings and their implications.

Conflict Management and Resolution

The literature on conflict is fragmented. Some studies simply focus on a single factor such as third party roles (Keashly, Fisher, & Grant, 1993; Kruse 1995; Volkema, Farquhar, & Bergmann, 1996) or negotiation (Pruitt & Carnevale 1993; Schuster & Copeland, 1996). Pondy (1967) is one of the earliest scholars, who argued that conflict is a process rather than a specific factor and/or phenomenon. Thomas (1994) developed a general model in explaining conflict processes based on Pondy's definition of conflict. The model comprises four major components, including the sequence of events, structural variables, outcomes, and the third-party interventions.

Research on conflict management behaviors has tended to focus on personality attributes. More recently, the focus has shifted to the study of strategic intentions and situational influences, which were described by Thomas (1994) as conflict management "style". Blake and Mouton's (1964) Managerial Grid is one of the most common models in conflict management studies. The model is based on two dimensional factors: concern for people and concern for production. Scholars such as Hall (1969), Rahim & Bonoma (1979), Thomas (1976, 1979), and Droy and Ritov (1997) have applied this model to explain conflict management styles. For example, Rahim and Bonoma (1979) proposed five conflict management styles: integrating, dominating, obliging, avoiding and compromising. Thomas (1979) also used the concept of cooperativeness and assertiveness to develop five conflict management styles, including competing (intentions), collaborating, avoiding, accommodating and compromising.

However, the adoption of a particular style is related to one's culture (Kozan, 1997; Ting-Toomey, Gao, Trubisky, Yang, Kim, Liu & Nishida, 1991). Kozan (1997) proposed three conflict resolution models, including: the confrontational model, the harmony model, and the regulative model, that are applicable to persons with different cultural backgrounds rather than being seen as part of a continuous process.

The impact of culture on conflict management is especially important in multinational company settings. Hofstede (1980, 1991) suggested four dimensional factors, namely, power distance, uncertainty avoidance, individualism/collectivism, and feminism/masculinity, in differentiating the management styles adopted by managers of different cultural backgrounds with a fifth-dimension factor added later, namely long-term versus short-term orientation. Hofstede found that "the four dimensions show some significant and meaningful correlations with geographic, economic, demo-graphic, and political national indicators" (p. 11). Tse, Francis, and Walls (1994) also noted that individuals from different cultures usually adopt different conflict resolution strategies. Chen and Starosta (1997-8, p. 1) concluded that "three aspects of culture especially influence conflict management/resolution: cultural context, language differences, and thinking patterns." Du-Babcock and Babcock (1996) described a similar finding, "cultural and language studies do provide the basis for theorizing on the nature of intercultural and organizational communication in multinational corporations" (p. 142).

Chinese Conflict Management and Resolution

Confucian philosophy has long been a dominant influence on the behaviors of Chinese people. For example, Bond and Hofstede (1989) compared Confucian Chinese values with Western values and found that the value labeled as "Confucian work dynamism" did not overlap with Western values. Bond and Hwang (1986) examined the cultural concern for harmony within a hierarchy and defined four key concepts in the process of inter-personal interactions under Confucianism. They are *guanxi* (relationship), *renqing* (favor), *mientze* (face) and *bao* (reciprocation). *Guanxi*, *renqing* and *mientze* are three major factors greatly impacting Chinese social behavior and b*ao* is embedded in *reqing* (Hwang, 1988). Other factors such as loyalty, trust, and the roles of third party were also found to influence the Chinese choice of conflict resolution styles.

Interpersonal relationships (*guanxi)* have been viewed as the central means by which an individual acquires humanity in the Chinese society. For example, Silin (1976) suggested that "Family relationships provide the basic model on which society is understood to be organized… The orientation is strongly hierarchical, formal, and dyadic, while the harmony achieved emphasizes compliance rather than active participation" (p. 36-37), hence, "to Chinese, both family relationships and other relational ties are important to achieving one's personal goals" (Chang & Holt, 1996, p. 1493). Also, individual motivation "appears also to be affected by the social embeddedness

of people" (Redding, Norman, & Schlander, 1994, p. 673). Ting-Toomey, et. al. (1991) compared five different cultures and their conflict management, and discovered that members from collectivistic cultures (such as China, Taiwan, Korea, and Japan) have a higher concern for saving other people's face than do members from individualistic cultures. Kozan (1997) also pointed out that face-saving concern is one of the criteria used for judging effectiveness of conflict resolution in the harmony model of conflict management.

Reqing means human emotion or human feeling. It represents "empathy for other people in general, regardless of the quality (such as depth) of a particular relationship" (Chang & Holt, 1996, p. 1476). It is one of the major factors in establishing good relationships with other persons in the Chinese society. According to Hwang (1988), there are three considerations when one offers *reqing* to other persons: (1) what is the price one must pay; (2) what are the rewards (*bao*) from the receiver; and (3) what are the other person's responses to this *renqing*.

Chinese and Western societies share the norm of *bao*. For example, employers will pay salary to their employees for their work. However, *bao* is not limited to the trade rewards in the Chinese society. In addition to a salary, many Chinese companies will give a bonus (*hong bao* - red envelope) to the employees at the end of Chinese calendar year as a reward for their efforts.

As to loyalty and trust, Kao (1996) examined forty large companies in Taiwan on the issue of personal trust, and concluded that personal trust is the most important criterion used by the companies to select their managers. Wei and Christodoulou (1997) reported a similar finding for the selection criteria used to select managers for their foreign investments by small and medium-sized companies. They found that loyalty to the company was ranked the most important factor by the owner-managers who participated in the survey. The Chinese owner-managers will not trust their managers until they show loyalty to the company.

Moreover, language should also be considered in intercultural communication studies. Unfortunately, "intercultural research has ignored language competency although language studies point out that people at different competency levels communicate very differently" (Du-Babcock & Babcock, 1996, p.142). The importance of language is demonstrated by the fact that, for example, Chinese have been described as "individuals [who] made extensive use of intermediaries in delicate communication trans-actions, whereas Westerners do not" (Du-Babcock & Babcock, 1996, p.142). Many Chinese people do not know how to say *no* to others because of their cultural teaching, especially in the situation in which they try to avoid conflict or to

save face for other people.

Finally, third-party intervention has been found popular in conflict management in both Western society and Asian countries, especially for people like the Chinese who adopt the harmony model in the process of conflict management. Volkema, Farquhar & Bergmann (1996), for example, asserted that the third- party involvement in a conflict is a social process of sensemaking which is defined as a response to situations that involve uncertainty and arousal. Kruse (1995) described that there are three roles for third-party involvement: arbitrator, mediator, and facilitator. In the Chinese society, the senior or knowledgeable people usually play the role of the third party.

Method

Research program

This research was conducted from July 1994 to May 1998. Two research methods were used to explore the situation in the company in different phases. First, to study the background of the company, from June 1990 when it was acquired to July 1994, the author used an open-ended questionnaire and interviewed the owner-manager, his wife, and the then General Manager of the company. The interviews were held in July 1994. Second, a longitudinal approach was adopted between July 1994 and May 1998 to observe the company. During this period, the author visited the company once a week to observe the interactions between the owner-manager (and his wife) and the General Manager. Moreover, the author and the owner-manager reviewed the company's management processes together once every three months.

Data and analysis

This study adopted Thomas' (1994) process framework to explain the conflict resolution and the related variables in the situation examined. Hence, three sets of data were collected and analyzed: (1) the major conflicts that occurred in the company, (2) the styles the owner-manager chose to solve the conflicts, and (3) the factors affecting the choice of the styles. Two major conflicts were identified between the owner-manager and his general managers in this case. Each conflict has its background and story, however, the author treated these two conflicts as two consequential events in the owner manager's experience of conflict management.

The Case

The Road to Emigration

Mr. Frank Ma, a High School graduate speaks fluent Mandarin and Japanese, and a little English, is an owner-manager and the chief executive officer (CEO) of a large Taiwanese foam manufacturer with subsidiaries in China, Hong Kong and Thailand. In 1990 Mr. Ma began to seriously consider immigrating with his family to a Western country. The initiating forces for this were the deteriorating social safety and the poor living environment in his home country, Taiwan.

In May 1990, Mr. Ma visited Australia for business purposes. During the trip, he visited his old friend Mr. Cheng who had immigrated to Australia in 1985. Mr. Cheng took Mr. Ma with the investment plan in Australia to Victoria Business, a state government agency. Victoria Business then recommended three foam manufacturers in Melbourne to Mr. Ma. One of these manufacturers was willing to sell the business to Mr. Ma because its owner-manager was planning to retire soon.

The company to be purchased was called Apollo Foam Industries P/L (Apollo). It had an office in the central business district of Melbourne and a plant that was around 12 kilometers away. The company had 15 employees including three persons in the office, that is, the owner-manager, Mr. Conny, a secretary and a part-time accounting staff member. The company had no sales staff, but its monthly sales were around A$140,000. In June, Mr. Ma made the decision to buy Apollo and prepared himself to immigrate to Australia. The contract was signed on June 8, 1990. The major contents of the contract were: (1) the buying party would continue using the company's name in doing business, and (2) the selling party should continue managing the company for the buying party for six months from the date the contracts were exchanged.

Came with Hope

In September 1990, Mr. Ma came back to Australia with one of his managers, Mr. Kuo, from the Taiwan headquarters. Mr. Ma hoped that Mr. Kuo would be the Financial Controller during his absence from Apollo. During his two-week stay at the company, Mr. Ma made two important decisions: (1) to put the office and the plant together, and (2) to recruit a full-time sales person. Mr. Conny promised to implement these decisions. As a kind and friendly elderly gentleman, Mr. Conny continued acting as the General Manager for the company after selling his company to Mr. Ma.

In October 1990, a young and brilliant man was recruited as the sales person. Although he was young, Andrew had several years' working experience in large-scale chemical companies such as Pacific Dunlop. Andrew learned the job very quickly. In the meantime, his hard work also brought into the company a new, active, and fresh energy.

At the same time Mr. Kuo began to experience difficulties in dealing with his new Australian colleagues. Language barriers and different cultural values were the main factors attributed to his failure in participating fully in the company's operations. This situation led Mr. Ma to recruit an English-speaking person as his General Manager after Mr. Conny retired from the company. The rationale was that the company was doing business with people from different cultural backgrounds, thus the General Manager should fully understand the Australian culture. Knowing the importance of speaking English, he also recruited a tutor to teach him and his family members English. Mr. Kuo went back to Taiwan in March 1991, six months after his arrival in Australia.

The Beginning of A Nightmare

In May 1991, Mr. Conny offered his resignation and prepared to visit his birthplace in Greece. Mr. Ma accepted the resignation but asked Mr. Conny to come back to the company should he return to Australia. Mr. Conny was very pleased to receive such a promise. During his absence, Greg, his son-in-law, acted as the General Manager. Mr. Conny came back from Greece six months later. In May 1992, Mr. Conny decided to retire from the industry and asked Mr. Ma to recruit a full-time General Manager to replace him. Greg was the only candidate for the position in the company and was appointed to the position.

During his employment by Mr. Ma, Mr. Conny had run the company like his own business. He received the same salary package as he had before Mr. Ma bought the company and never solicited any extra pay for taking care of the Ma's private matters. Mr. Ma trusted him and was comfortable with his performance. After Greg took over the company the situation changed.

In August 1992, the company leased an office next to its factory. Mr. Ma had decided to return the previous leased office to the landlord. During the returning process, Mr. Ma found that Greg had corruptly handled the cleaning fees. Apollo had asked a cleaning company to quote for the cleaning work. However, Greg insisted that Apollo's own staff could do it. Greg then charged Apollo twice the price. Greg began to lose Mr. Ma's trust..

In December 1992, a couple days before the Ma's family went back to Taiwan for holidays, Greg got approval from Mr. Ma to spend A$24,000 for a new car. Soon after Mr. Ma arrived at his office in Taiwan, Greg repeatedly called and asked for a new budget for a luxury car at $45,000. Considering that he should avoid conflict with Greg, Mr. Ma approved Greg's demand. Later, Mr. Ma also discovered that Greg transferred cash from sales for his own use on many occasions. Mr. Ma became impatient with Greg's greedy behavior.

Conflict between the Staff

After Greg took over the position of General Manager, conflicts between him and the sales person, Andrew, began to escalate. Andrew complained to Mr. Ma about Greg's poor management several times. For example, Andrew complained about the delays in delivering goods to customers and the poor quality of products supplied. In February 1993, Andrew resigned. He mentioned that he would come back as soon as Greg left the company.

Soon another conflict occurred in the company. Greg began to lay off non-English-speaking factory workers. He explained to Mr. Ma that the workers could not understand the language well and that as a result he was spending a lot of time and effort in explaining the company's policy and job allocations to them. He also complained that these non-English-speaking workers could not get along with other staff in the company. All non-English-speaking workers were eventually dismissed. Mr. Ma was so upset about Greg's behavior that he began to look for another candidate for the General Manager's position.

A New General Manager

In July 1993, Mr. Ma spoke with the company's accountant, Ron, to see if he knew anyone who would be suitable for the General Manager's position. Ron recommended himself for the position. However, Ron could only commit himself as a part-time General Manager, but would be on site for at least 50% of his working hours. Mr. Ma accepted Ron's proposal, although he was not very happy with having a part-time General Manager. In August 1993, Mr. Ma and Ron decided to take action against Greg. Ron confronted Greg regarding his work as General Manager and advised him to leave the job that day. Greg left without a word.

During Ron's first six-months in the company, Mr. Ma was in Taiwan where his wife, Alice, was being treated for cancer. Mrs. Alice Ma came back

to Australia in March 1994 working two days a week in the company as Financial Controller. Her main duty was to stop any possible corruption in the company. With Mr. Ma's support, she offered 40% of the company's net profits to Ron as a bonus if the company made a profit to encourage him to spend more time in the company.

In April 1994, Ron dismissed one of the company's employees for her inefficiency. The staff member went to Court accusing the company of unfair dismissal. The company was forced to compensate the worker a total of A$5,000. One year later, another unfair dismissal case was taken to Court and the company was again forced to compensate A$3,000 for unfair dismissal to the worker.

In January 1995, Ron recruited Paul as a factory manager, together with his wife joined Apollo. In February 1995, the former sales person, Andrew, came back to the company. Paul and his wife (an office clerk) were doing well in their respective positions, whereas Andrew seemed to lose his energy. Andrew did not visit the customers for a while and no one knew what he was doing. Some customers complained to Ron that they had not seen a sales person for a period of time. In September 1996, Andrew resigned and Mr. Ma felt sorry for this. He felt that if he had dismissed Greg earlier, he might have saved Andrew. In December 1997, Paul and his wife resigned because they felt that they could no longer manage the Apollo workers who had just joined a union.

Another Conflict

Ron married one of Mrs. Ma's former high-school classmates in January 1997. In February 1997, Ron bought a furniture company and then disappeared from his position in Apollo for almost two months to manage his own company. During this period, Apollo became a mess. No one was making the important decisions on the company's operations and Ron spent less and less time in the company after he set up his own company. The conflict between Ron and Mrs. Ma came to a head in February 1998 when Ron suggested to appoint Mr. Eastwood, a 25-year old accountant in his accounting firm, as Apollo's General Manager. Ron also recommended that he be promoted to President and CEO of Apollo. Mr. Ma saw the mess of the company and decided that Apollo should be included as part of his family business group where he served as the President and CEO of the group.

Due to mismanagement and negligence, Apollo's bad debt increased to around 3 per cent of the total sales. The company became unstable, especially in the management of its personnel. For example, around 30 per

cent of staff were absent from work every Friday. In April 1998, Mr. Ma came back to Australia addressing the problems and planned to close Apollo if Ron could not work as a full-time General Manager. Being frustrated and exhausted from running the company, Mr. Ma tried to seek advice from his friends in Melbourne before consulting Ron. One of his good friends suggested that he should keep the business if only because of the General Manager's problem. The friend also suggested that he should consider if the company could survive without Ron.

Another New Start

After several days' consideration, Mr. Ma decided to keep the company and hire Tim, a retired manager from the state government and now a tutor teaching English to the Ma's family, as the new General Manager. Although Ron had a number of plausible explanations for his poor performance, he also recognized that Apollo needed a full-time General Manager. However, Ron complained that Mrs. Ma had always interrupted the company's operations without his consent and that had affected his managerial performance. He also complained that he had spent too much time taking care of the Ma family. Ron asked Mr. Ma not to close the company because his reputation would be damaged. For the sake of harmony, Mr. Ma hired Ron as a consultant for a one-year term. Before Tim joined the company, Mr. Ma implemented his entire management system (including the reward system) at Apollo, which had been the only company with autonomous administration in Mr. Ma's group. Mr. Ma decided not to give the new General Manager a fixed figure bonus which was applied to Ron. Instead he adopted the Taiwanese *red envelope* bonus which is based on an individual's performance and company's profits. Because of the experience of having his company was not in control, Mr. Ma also decided that Apollo should be directed by the Taiwanese headquarters the same as other companies in his group.

Tim reduced the bad debt to an acceptable level a year later, and made efforts to improve the company's manufacturing processes. More import-antly, Tim also began to recruit non-English-speaking workers and protected those who have higher efficiency from ostracism by the other workers. Mr. Ma was satisfied with Tim's performance. Following a friend's suggestion, Mrs. Ma changed her role in the company by serving as the Financial Controller only. She no longer interfered with management decisions under the leadership of Tim.

Discussion

In eight years since Mr. Ma acquired Apollo, the company has replaced four General Managers. The first General Manager was the founder who kept his eye on the business for Mr. Ma and retired from the company amicably. The fourth General Manager has just taken the position, his performance is awaiting appraisal though he is playing the role well so far. The owner-manager, Mr. Ma, experienced two serious conflicts with his General Managers in this time period.

Mr. Ma has applied different conflict resolution strategies at different stages. First, when faced problems with the second General Manager, Greg, he tried to avoid a direct conflict. For example, when Greg asked for a better and more expensive car, he simply agreed even though he was not happy to do so. In addition, when Greg had conflict with the sales person, Andrew, Mr. Ma simply kept silent. Lastly, even though Mr. Ma had to fire Greg, he did not talk to him directly. Instead, he asked his accountant, the new candidate for the General Manager position, to take care of the matter.

Nevertheless, in the second conflict he directly talked with the third General Manager, Ron. Although he was still using the third parties as his consultants, he did not ask any one of them to represent him to negotiate with his General Manager. After considering all possible alternatives, he adopted a very strong approach toward Ron without compromising him.

Simultaneously, Mr. Ma began to implement a new management system, including new regulations and rules, in the company and prevented his wife from interfering the company's management. The new General Manager, Tim, seemed to be comfortable with the new system.

This case illustrates that Mr. Ma changed his conflict management styles over time. The three stages of conflict resolution process are similar to the three models of conflict management proposed by Kozan (1997). In the first stage of the conflict with Greg, Mr. Ma adopted the harmony model that emphasizes cooperative behavior in managing conflict. In the second stage with Ron, a confrontational model was used. Finally, a regulative model that stresses universalistic principles and rules in handling conflicts was set up for the new General Manager, Tim.

How the Factors Affect the Resolution Styles

The harmony model

When first came to Australia, Mr. Ma had his original belief system

which was deeply embedded in Chinese culture. In a new and unfamiliar environment, Mr. Ma adopted the harmony model to solve the first conflict with Greg. The most plausible reason was that Mr. Ma had not built his personal networks in Australia yet. He tried to avoid direct conflict in order to keep face for Greg. For example, when he found Greg's inappropriate behaviors, he kept silent and did not criticize or correct him directly. The other reason for Mr. Ma to keep silent may be explained by his lack of English proficiency. He was also afraid that his inability to communicate with Greg or to express his feelings might lead to loss of face for Greg. The factors of saving face for other people and the lack of language proficiency obviously did not affect Greg's inappropriate behavior. Finally, because Mr. Ma could not tolerate Greg's disloyal behavior toward the company, he eventually consulted a third party and asked advice for solving the problem.

The confrontation model

Mr. Ma changed his strategy in addressing the conflict with his General Manager (Ron) in the second event. In the early stage of the conflict, Mr. Ma was still tolerating the situation and kept silent as usual. The conflict did not escalate until Ron asked for a promotion to the CEO position. Mr. Ma then criticized Ron for his disloyalty to the company and expressed his concern with the company's instability. It is clear that Mr. Ma originally tried to solve the conflict in a harmonious way, because Ron had done favors for the company during the conflict between Mr. Ma and Greg. However, he could not tolerate Ron's disloyalty to the company, especially as he thought he had done his best to reward Ron with an excellent bonus package. Given the improvement in his English ability, he could then better communicate directly with Ron. Meanwhile, from the conflict with Greg, he had learnt that he must use a different style to solve similar problems. He decided to take care of the conflict himself, though he did also consult with third-party persons. Nevertheless, he still tried to maintain Ron's face during the negotiation process, and recruited Ron as the company's consultant for a further year after terminating his appointment.

The regulative mode

Learning from the experience with the two previous General Managers, Mr. Ma knew that he must set up very clear guidelines for the new General Manager to prevent similar mistakes from happening. For example, he cancelled the 40% bonus package because he thought it was not reasonable to give a General Manager such a high reward without demonstrating extra

contributions to the company. He put all of the company policies in writing; clarified all the regulations and rules Apollo should follow; and forbade Mrs. Ma to interfere with any management decisions. This shows that Mr. Ma began to use the regulative model in managing Apollo business
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Comparison of the Three Models

In this case, Mr. Ma's adoption of conflict resolution styles at various stages demonstrating a number of similarities and differences. In regard to the similarities, first, avoiding conflict to maintain a harmonious workplace was a major consideration for Mr. Ma. For both of the conflicts, Mr. Ma tolerated the General Managers' behaviors until he could not endure it further. Even in the last event, Mr. Ma still tried to use regulations/rules to avoid future conflicts between himself and Tim. Second, saving face for other people was another important consideration. For example, Mr. Ma recruited Ron as the company's consultant for another year. Third, in all events Mr. Ma was influenced by the concepts of *guanxi, renqing, mientze* and *bao.* When he reviewed the possible General Manager candidates, he always sought to hire persons in his own network. For example, the third General Manager, Ron, was his accountant and the fourth General manager, Tim, was his English tutor. Meanwhile, he tried to offer rewards to the General Managers as *bao.* Fourth, loyalty is another major factor for Mr. Ma when he considered replacing the General Managers. Mr. Ma could not tolerate the fact that his General Managers were disloyal to the company. Lastly, using the third-party consultation was a major step for Mr. Ma to manage the conflicts. Mr. Ma involved a third-party in resolving conflicts, though the roles of the third party were different from time to time.

There are also different factors affecting Mr. Ma in adopting different conflict resolution styles. First, language is an important factor impacting Mr. Ma's communication with his General Managers. When Mr. Ma was less competent in English at the beginning, he did not want to solve the conflicts by himself. However, when he was more proficient in English, he began to solve the problems directly. Second, conflict resolution was a learning process for Mr. Ma. The more Mr. Ma understood the Australian culture, the more aggressive was the style he adopted to solving the conflicts. For example, he switched from the harmony model to the confrontation model, and then to regulative model. Lastly, the roles of the third party were various. In the harmony model, the third party was used to take care of conflict directly for Mr. Ma. Later, in the confrontation model, the third party served as a consultant for Mr. Ma.

Implications

Several implications for the study of Chinese conflict resolutions in intercultural settings can be identified from the analyses in this study:

First, the structure of Chinese society is hierarchical, formal, and strict. In the Chinese society the establishment and maintenance of interpersonal relationships is regulated by specific sets of norms and moral principles, by which one's duties and obligations are clearly expected. It seems that most of the Australian players in the case did not understand the Chinese rules. They did not perceive that loyalty is one of the most important factors in Chinese firms. In this case, Mr. Ma, one of the Chinese business people came to Australia with his cultural traits and expectation that all employees, like in his home country, should understand the rules and ropes. When he found that his traditional Chinese thinking conflicts with his Australian General Managers, he began to adjust to the Australian conflict management models.

To understand each party's culture is important for avoiding serious conflicts. For example, in the Chinese society when the employees receive a red envelope from their boss, they should know that it is in gratitude for their loyalty and hardworking for the past year. In this case, unfortunately, the Australian employees treated it as a benefit package to which they were entitled rather than as a favor. This kind of perceptual difference would usually lead to serious conflicts between Chinese and Westerners.

Second, understanding the value of face is another important factor in dealing with Chinese conflicts. In this case, Mr. Ma always tried to save the other person's face. Westerners tend to ignore that saving face is closely related to *renqing*, which demands a mutual appreciation between the giver and receiver. Never taking *renqing* for granted is an important rule of thumb in dealing with Chinese. If a person repeatedly neglects the reciprocal rule of face saving, s/he will be perceived as pushing the other party into a corner. In this situation, as a natural result, Chinese people will soon fight back.

Third, the Chinese like to rely on third parties to resolve conflicts. The third-party persons in the Chinese society usually include senior and knowledgeable persons in the community. In contrast, Westerners tend to resolve the conflicts directly. In this case, Mr. Ma typically relied on the third parties in resolving conflicts with the Australian managers. However, none of the General Managers used the same method for arbitration. Using the third party is a very useful method in managing the conflicts with the Chinese people.

Finally, although this study has presented various valuable findings on how Chinese business immigrants deal with conflicts in business settings, future research in this area should include a larger sample because a case study may not represent the whole population. The results of case studies may help scholars build theories, but a larger sample will enable us to appropriately infer theory. In addition, it is difficult to integrate a conflict resolution model by using a case study. In order to integrate a model of Chinese conflict resolution, future research may use broader and deeper surveys.

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