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Maintaining satisfactory performance of expatriates: The effects of culture and conflict management style

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The study presents a conceptual framework that links culture (that is, power distance, individualism, uncertainty avoidance, and masculinity), and conflict management styles (that is, problem-solving, compromising, forcing, and legalistic), to identify their impact upon satisfaction of expatriates and their job performance. The sample size comprised of 193 Japanese senior managers working in Taiwan. LISREL 8.52 was used to assess the relationships among these variables. The results demonstrated that: (1) higher individualism is related to compromising and legalistic styles; (2) uncertainty avoidance is negatively related to problem-solving and positively related to forcing styles; (3) masculinity is positively associated with problem-solving and negatively associated with forcing styles; (4) performance satisfaction is negatively related to problem-solving, legalistic, and masculinity but positively related to individualism.

Key words: Performance, culture, conflict management styles.

INTRODUCTION

One of the most significant developments after World War II in business management has been the increasing number of internationalized enterprises and franchised businesses (Alam, 2009). Since the 1970s, business dealing on a global scale has rapidly booming. Understanding the role of culture in the underpinnings of the global operation of multinational enterprises (MNEs) is one of the most important issues in the field of international business research and its policy formulation (Buckley, 2002; Alam et al., 2010). Conflict management is among the cultural components that have been the subject of cross-cultural research and that have grown rapidly over the past two decades is conflict management (Morris et al., 1998; Lin and Germain, 1998; Oetzel et al., 2008). This study develops and tests a research model that examines the effects of Hofstede's cultural dimensions (power distance, individualism, uncertainty avoidance, and masculinity), and conflict management styles (problem-solving, compromising, forcing, and legalistic) upon performance (market share and sales growth) of Japanese senior managers in Taiwan. The main goals of this study are to examine: (1) the effects of individualism, uncertainty avoidance, and masculinity on conflict management styles; (2) the effects of conflict management styles on performance; and (3) the relationships

between national cultures. The study was based upon a sample of 193 Japanese senior managers in Taiwan. An overview of the cultural issues, conflict management styles, and performance allowed the development of hypotheses for data analysis in section two. In section three, the use of questionnaires, data selection, and key methodological issues in this study is discussed. The fourth section includes the presentation and analysis of the findings. The final section includes discussion and conclusions based upon the findings.

LITERATURE REVIEW

Cultural issues

Numerous published articles used interchangeably the terms of culture, country, nation, and society. However, very few operational definitions of culture have appeared in international business research (Katrinli and Penbek, 2010; Leung et al., 2011). It is common to use country as a surrogate variable for culture in cross-cultural studies since the convenience of national borders provides a defining unit of analysis for research. Although most of these studies label themselves cross-cultural, they are

actually cross-national studies (Nasif et al., 1991). Hofstede defines culture as 'the collective programming of the mind which distinguish members of one human group from another' (1980, p.25). Four dimensions, power distance (PD), individualism (IDV), uncertainty avoidance (UA), and masculinity (MAS), are found through a combination of quantitative methods and theoretical reasoning. Each of these cultural dimensions, however, is reflected in the national culture patterns exhibited across countries (Hofstede, 1983).

Power distance (PD) is the first dimension in Hofstede's study. It can be defined as the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally (Hofstede et al., 2002).

Individualism (IDV) refers to the relationships between individuals and the collectivities, which prevails in a given society. People in these societies can enjoy a large amount of freedom because the binds between individuals are not tied up (Alam and Hoque, 2010). Managers from high IDV and low IDV countries working in foreign subsidiaries may have more conflicts because they focus on different fields. Managers from low IDV countries, such as Taiwan, Japan, endorse "traditional" points of view, not supporting employee initiative and group activity. In contrast, managers form HIDV countries, such as United Stated, France, endorse "modern" points of view on stimulating employee initiative and group activity (Iguisi, 2009).

Uncertainty avoidance (UA) refers to the degree to which people prefer planned situations to unstructured situations in society (Hofstede, 1980). Companies in high UA societies are characterized by a strong need for rules; greater structuring of organizational activities; and employee preference for unambiguous instructions and intolerance toward unexpected ideas and behaviors in firms (Hofstede, 1980). Expatriate managers from low UA cultures do not build bureaucratic structures that make it difficult to respond to unfolding events. On the other hand, expatriate managers from high UA cultures may experience stress in dealing with future events with risk. They may act to cope with the impact of uncertainty. Expatriate managers in high UA societies engage in long-term planning to minimize their worries about future events (Tayeb, 1995). For instance, Japanese companies are famous for their single-minded pursuit of the quality of their products, while American companies often prefer to have foreign consumers adapt their needs to existing product offerings. It would appear that the Japanese approach to UA is through cautiously structured plans designed to achieve the favored results gradually. In contrast, American companies are more likely having a short-term vision (Harris and Carr, 2008; Zeng et al., 2010).

The last dimension is Masculinity (MAS). With its opposite pole femininity, it is related to the basic dichotomy between the rational, achievement, aggression, success

driven task orientation (Masculine) and emotional, affiliation, passivity, relationship orientation (Feminine) (Hofstede, 1980). Masculinity relates to the degree to which "masculine" values over "feminine" values. In an organization, it is related to the task-orientation as opposed to the person-orientation of management. Masculine cultures demonstrate different roles for men and women. People in such societies have a need to be aggressive. On the other hand, the female cultures stress quality of life and environment over money-oriented life (Hofstede, 1980; Harris and Carr, 2008). In low MAS countries, such as Sweden, people are essentially motivated by more qualitative objectives as a means to achieve job enrichment. In contrast, high MAS countries, such as the United States, share common approaches to performance appraisal and reward systems (Harris and Carr, 2008; Leung et al., 2011). This study uses only IDV, UA, and MAS since it is suggested that PD and IDV are the two dimensions that have a strongly negative correlation (Barkema and Vermeulen, 1997; Chow et al., 1999).

Performance

The impact of culture distance on performance of foreign operations has been examined by previous studies (Glaister and Buckley 1999, Hofstede et al., 2002; Swierczek and Onishi 2003, Ren and Gray 2009; Khan et al., 2010). Performance has been an important issue in the field of international business research since performance difficulties affect the financial structure of parent firms. Numerous studies have been addressed this issue with different criteria, such as partner satisfaction, financial indicators, survival, duration, instability, and stock-market reaction (Barkema and Vermeulen 1997, Glaister and Buckley 1998). However, Geringer and Hebert (1991) found that subjective and objective mea-sures are highly correlated. Glaister and Buckley (1998) confirmed Geringer and Herbert's finding. Hence, two subjective measures (market share and sales growth) were used in this study to determine Japanese managers' satisfaction.

Conflict management style

Conflict can be defined as the deep underlying differences between parties, whereas disputes are the specific differences that emerge on particular occasions (Ross 1993). Thomas (1976) proposes a model for measuring an individual's dispositions into five different styles: The first is integrating, which involves frankness, information exchanging, and examination of differences to achieve an effective solution acceptable for both parties. The second is dominating, which is associated with win-lose orientation and forcing behavior to win one's position. The third is obliging, which is linked to

attempting to lay down the differences and to express harmony so that the concern of the other party can be satisfied. The forth is avoiding, which is connected with withdrawal, buck-passing, or sidestepping situations. The final style is compromising, which includes give-and-take, in which both parties give up some of their demands in order to make an equally acceptable decision (Rahim et al. 2001). Expatriate managers have run aground on cultural differences in styles of handling conflict with local employees. Several studies have investigated so-called 'East-West differences' by comparing American mana-gers to a matched group in an Asian society (e.g. Morris et al. 1998; Oetzel et al., 2008; Kapusuzoglu, 2010). Recently, it is found that differences of conflict style exist between cultures (Runyan et al., 2010).

Problem-solving refers to the involvement of frankness, information exchanging in order to achieve an effective solution acceptable to both parties. People with this style tend to face conflict and try to find a proper way to solve problem. They will focus upon both of their own and others' needs in balance (Campbell et al. 1988). Chinese managers tend to maintain harmony and hesitate to discuss problems with their partners directly and openly. Morris et al. (1998) found that Chinese tend to use avoiding style, while Americans tend to use a forcing style. Shadare (2010) found that employees' training for working together had significantly influenced conflict resolution among these workers.

In an individualistic culture, such as the United Stated, people emphasize on what they can do. By contrast, in a collectivistic culture, such as Japan, meeting social responsibilities is more important than one's own interest (Triandis, 1995). In a comparative study, Taiwanese also were found to use a compromising style more than Americans (Trubisky et al., 1991) The forcing style refers to a one-sided effort to dominate the process of decision-making (Thomas, 1976). In collective societies, such as Japan, managers tend to order and employees prefer to follow without question. In contrast, in the United Stated, it is better to explain the reason before managers ask their subordinates to follow. In foreign operations, the parent firms could use their power such as ownership advantage in decision-making when conflicts between expatriates and employees occur.

The legalistic style refers to people who tend to avoid future conflict or who try to solve a present conflict by a written contract or by seeking legal arbitration. A contract and legal arbitration are formal forms of communication with partners in foreign operations. However, formal roles and contract cannot guarantee the trust and understan-ding between foreign managers and local staffs (Child and Faulkner, 1998). American managers prefer to have confrontations, whilst Chinese and Japanese tend to maintain 'face.' In other words, collectivists prefer to avoid or solve conflict in private. Lin and Germain (1998) hypo-thesized that cultural similarity is negatively related to legalistic style. However, this hypothesis is not supported. In a highly individualized country, such as the United

States, people use the legalistic style to solve problems. "See you in court" through taking legal actions is not unusual in this society (Ross 1993, p.108). In contrast, in a highly collectivist country, such as Japan, people prefer to negotiate and use personal relationships to solve issues before taking legal action.

Hypotheses

This study investigates the structural relationships among culture, conflict management styles and performance sa-tisfaction of expatriate managers in Taiwan. The following hypotheses are based on the literature review above.

H_{1a}: The higher the individualism of an expatriate manager, the less likely that the expatriate manager will use the compromising style.

H_{1b}: The higher the individualism of an expatriate manager, the more likely that the expatriate manager will use the legalistic style.

H_{2a}: The higher the uncertainty avoidance of an expatriate manager, the less likely that the expatriate manager will use the problem-solving style.

H_{2b}: The higher the uncertainty avoidance of an expatriate manager, the more likely that the expatriate manager will use the forcing style.

H_{3a}: The higher the masculinity of an expatriate manager, the more likely that the expatriate manager will use the problem-solving style.

H_{3b}: The higher the masculinity of an expatriate manager, the more likely that the expatriate manager will use the forcing style.

H_4: The higher the problem-solving of an expatriate manager use, the more likely that the expatriate manager will satisfy the performance.

H_5: The higher the compromising of an expatriate manager use, the more likely that the expatriate manager will satisfy the performance.

H_6: The higher the forcing of an expatriate manager use, the less likely that the expatriate manager will satisfy the performance.

H_7: The higher the legalistic of an expatriate manager use, the less likely that the expatriate manager will satisfy the performance.

H_8: the higher the (a) individualism, (b) uncertainty avoidance, and (c) masculinity of an expatriate manager, the more likely that the expatriate manager will satisfy the performance.

METHODOLOGY

The aforementioned hypotheses were tested using data collected from a sample of Japanese senior managers in Taiwan. Judgmental sampling procedure was applied (Judd et al., 1991). The question-naire consists of four parts. Part one of the questionnaire measures the culture of the Japanese senior managers. A self- reported measure of Hofstede's three dimensions: IDV, UA, and MAS scales

were developed by Hofstede's IBM survey (2001: pp. 495-496). Items of the three cultural dimensions were measured on a seven point, Likert-type scale ranging from 1 (of very little or no importance to me) to 7 (of utmost important to me). Part II of the questionnaire concerns conflict management styles (problem-solving, compromising, forcing, and legalistic), which were adopted from Lin and Germain (1998). Items of conflict management styles were measured on a seven point, Likert-type scale ranging from 1(strongly disagree) to 5(strongly agree). Part III of the question-naire measures performance by two items: market share and sales growth (five point, Likert-type scale ranging from 1: worse than expected to 5: better than expected). Demographic information of the expatriate managers is included in the final part.

The questionnaire was developed in an English version first, then translated into Japanese versions and back-translated in order to ensure item equivalence across the cultures (Usunier, 1998). The measures were subjected to confirmatory factor analysis (CFA) using LISREL 8.52 (Joreskog and Sorbom, 1996) to provide support for the issues of dimensionality, convergent, and disccriminant validity (Anderson and Gerbing, 1988). The correlation matrix was used as an input in path analysis. The hypothesized relationships shown in figure one, measured by using LISREL 8.52 through path analysis.

The Japanese sample was drawn from "A List of Foreigners Investing in Taiwan, 2004" (Investment Commission, Ministry of Economic Affairs). The Japanese firms were chosen based on two reasons. First, Japan has been a major investor in Taiwan, and the numbers of Japanese firms is huge. Second, Japanese firms prefer to assign Japanese managers in East Asia such as Taiwan and China, as the result of which samples of expatriates are easier to acquire. A number of 1214 questionnaires were sent to Japanese expatriates in Taiwan. This survey was only followed up by one reminder due to restricted time and costs for using of any further reminders. 205 useful questionnaires were returned (a return rate of 16.89%), of which 193 are used in the analysis (a usable return rate of 15.90%).

RESULTS

Sample characteristics

As shown in Table 1, all of the respondents (100%) were male. Roughly half of the respondents (45.1%) were between the ages of 51 and 60. More than three quarters of the Japanese managers (80.8 %) obtained collage diploma. Almost half (49.6%) of the expatriate managers has worked in present position between 2 and 5 years and more than half (55.4%) of their organizational tenures were 16 year or above.

Psychometric properties of the measures

All measures were subjected to confirmatory factor analysis (CFA) to provide support for the issue of dimen-sionality, convergent, and discriminant validity. Four items from self-efficacy were deleted due to poor standardized loadings (<0.40). Table 2 shows that the results of the CFA demonstrated relatively a reasonable fit of the eight-factor model to the data on the basis of a number of fit statistics (χ^2= 641.52; d.f. = 202; p< .001; GFI = .80; CFI = .90; NFI = .85; SRMR = .073). As reported in the Table

2, the magnitudes of the standardized loadings ranged from 0.50 to 0.83, and all t-value ranging from 8.20 to 16.40 were significant. The majority of the items had standardized loadings greater than 0.65 model fit statistics as well as the magnitudes of the standardized loadings with their t-value provided support for convergent validity (Anderson and Gerbing, 1988). As also described in the Table 2, the majority of reliability estimates were greater than the cut-off value of 0.70 as recommended by Nunnally (1978).

Composite scores for each construct were calculated by averaging scores across items representing that con-struct. Table 3 shows that the correlations among study variables ranged from –0.047 (forcing and performance) to 0.536 (IDV and MAS). None of the correlation coef-ficients was higher than 0.90, providing further evidence for discriminant validity (Tabachnick and Fidell, 1996). Means and standard deviations of the composite scores are also presented in the Table 3.

Path analysis results

The hypothesized relationships presented in Figure 1 were assessed using LISREL 8.52 through path analysis. Based on various fit statistics, Table 4 indicates that the model fits the data adequate well ($\chi2$= 69.09; d.f. = 12; p< 0.001; GFI = 0.92; CFI = 0.84; NFI = 0.82; SRMR = 0.10). The summary of the path analysis results is presented in the Table 4. Of the 13 hypotheses, 10 were supported (Figure 2).

Hypothesis one suggests that higher the individualism of an expatriate manager, the less likely that the expatriate manager will use the compromising style (H_{1a}) and the higher the individualism of an expatriate manager, the more likely that the expatriate manager will use the legalistic style (H_{1b}). Path analysis indicates that the path from individualism to problem-solving and forcing styles are all significant (p < 0.10). H_{1a} and H_{1b} are therefore supported. Hypothesis 2 states that the higher the uncertainty avoidance of an expatriate manager, the less likely that the expatriate will use the problem-solving style (H_{2a}) and the higher the uncertainty avoidance of an expatriate manager, the more likely that the expatriate will use the forcing style (H_{2b}). Path analysis demon-strates significant relationships between the UA and problem-solving and forcing styles. H_{2a} and H_{2b} are there-fore supported. Hypothesis 3 suggests that the higher the masculinity of an expatriate manager, the more likely that the expatriate will use the problem-solving style and the higher the masculinity of an expatriate manager, the less likely that the expatriate will use the forcing style. Path analysis demonstrates a positively relationship with problem-solving (H_{3a}) and negatively relationship with forcing (H_{3b}), therefore, H_{3a} and H_{3b} are supported (p < 0.10). From H_4 to H_7, we suggest that conflict manage-ment styles are positively associated to performance. Path analysis shows only that problem-solving (H_4) and

Table 1. Demographic profile of the Japanese sample (N = 193).

Variable	Frequency	Percentage
Gender		
Male	193	100
Female	0	0
Age		
Under 40	26	13.5
41 – 50	62	32.1
51 – 60	87	45.1
Over 60	18	9.3
Education		
High School	12	6.2
College diploma or degree	179	92.7
Master or PhD degree	2	1.0
Years in present position		
Under 2	12	6.2
2 – 5	86	44.6
6 – 10	44	22.8
11 – 15	18	9.3
Above 15	33	17.1
Years with the present company		
Under 2	5	2.6
2 – 5	32	16.6
6 – 10	29	15.0
11 – 15	18	9.3
Above 15	107	55.4
Total	193	100

and legalistic (H_7) styles are significantly associated with performance. Therefore, H_4 and H_7 are supported but H_5 and H_6 are not supported. Hypothesis 8 suggests that performance is positively related to (a) Individualism, (b) Uncertainty avoidance, (c) Muscularity. Path analysis demonstrated that individualism is positively related to performance but masculinity is negatively and weakly related to performance. H_{8a} and H_{8c} were therefore supported.

DISCUSSION

The major goal of this research is to examine the relationships among national culture, conflict management styles, and performance of senior foreign managers in Taiwan. This research has offered a more comprehensive understanding of how the performance satisfaction was impacted by culture and conflict management styles

(problem-solving, compromising, forcing, and legalistic). The ability of foreign expatriate managers to work effectively is largely dependent upon their cultural fit. Culture is a composite but consequential concept. A good cultural fit between foreign managers and local employees optimizes the potential of the foreign operations. This study improves our understanding of why conflict management styles differ between countries in terms of cultural dimensions. Expatriate managers often involved in meeting, discussing, and negotiating with local employees in host countries should expect differences in terms of PD, IDV, UA and MAS.

IDV is significantly related to compromising, legalistic styles and performance. On the other hand, UA is positively related to problem-solving style and negatively related to forcing style. Moreover, MAS is positively related to problem-solving style and negatively related to forcing style and performance. Surprisingly, problem-solving and legalistic styles are found to be negatively

Table 2. Scale items, reliabilities, and confirmatory factor analysis results (N = 193).

Scale item	Standardized loading	t-value	α
Problem-solving (CMS 1)			**0.830**
1.We will enter into a direct discussion of the problem with our business partner	0.86	14.65	
2.We will attempt to get all our concerns and issues into the open	0.64	9.72	
3.We will tell our business partner our ideas and ask them for their ideas	0.90	15.67	
4.We will show our business partner the logic and benefits of our position	0.92	16.40	
Compromising (CMS 2)			**0.695**
6. We will try to find a position that is intermediate between their position and our position	0.76	11.40	
7. We will try to find a fair combination of gains and losses for both parties	0.87	13.44	
8. We will use our management authority to select our proposal	0.71	10.44	
Forcing (CMS 3)			**0.832**
9. We will use our power to win a competitive situation	0.69	8.50	
10. We will refer to the written contract when there is disagreement without business partner	0.73	8.91	
Legalistic (CMS 4)			**0.821**
11. We will make interpretations of written agreement in order to convince our business partner	0.71	10.91	
12. We will use written agreement as a tool to get the business partner to agree to our positions	0.82	13.43	
13. Having training opportunities (to improve your skills or to learn new skills)	0.92	16.25	
14. Fully using your skills and abilities on the job	0.83	13.74	
Performance (PERF)			**0.651**
1. Market Share	0.96	3.24	
2. Sales growth	0.44	2.90	
Individualism (IDV)			**0.504**
3. Have training opportunities (to improve your skills or to learn new skills)?	0.73	10.89	
4. Fully use your skills and abilities on the job?	0.72	10.69	
5. Have a job, which leaves you sufficient time for your personal or family life?	0.71	10.61	
Uncertainty Avoidance (UA)			**0.724**
6. Have good fringe benefits.	0.69	10.15	
7. Have an opportunity for advancement to higher-level jobs?	0.83	12.60	
Masculinity (MAS)			**0.772**
8. Having an opportunity for high earning	0.83	13.39	
9. Having challenging work to do - work form which you can get a personal sense of accomplishment	0.78	12.22	
10. Having a good working relationship with your manger	0.57	8.20	

Model fit statistics: χ^2= 641.52; df = 202; GFI=0.80; CFI=0.90; NFI=0.85, SRMR=0.073.

associated with performance. Our understanding of the problem-solving and legalistic styles of expatriate managers in Taiwan has been hampered by the limited representation of industries and by company size in previous empirical studies. The results of this research have several implications related to conflict management styles and performance satisfaction. Expatriate managers in East Asia face diversified cultures, which presents particularly complex operations for multinational enterprises. This combines with a fast growing economy and a long

Table 3. Japanese samples of correlations (N = 193).

	1	2	3	4	5	6	7	8	Mean	SD
Y1: CRS1_4	1								5.68	0.91
Y2: CRS6_8	0.299**	1							5.63	1.03
Y3: CRS9_11	-0.081	0.306**	1						4.16	1.14
Y4: CRS12_15	0.228**	0.321**	0.287**	1					5.14	1.10
Y5: Perf5_6	0.055	0.152	0.077	-0.045	1				3.15	0.90
X1: IDV456	0.237**	0.260**	0.162*	0.252**	0.258**	1			5.91	0.90
X2: UA12	0.101	0.234**	0.291**	0.180*	0.017	0.480**	1		5.44	1.35
X3: MAS123	0.357**	0.193**	0.015	0.226**	-0.017	0.536**	0.601**	1	5.65	0.94

** and * Correlation is significant at the 0.01 and 0.05 level (2-tailed) respectively.
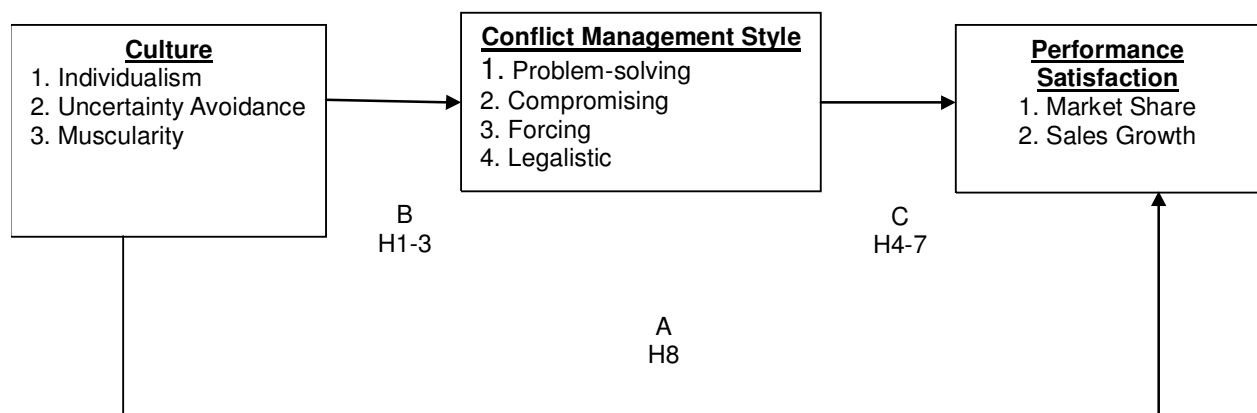
Figure 1. The conceptual framework.

traditional cultural background, such as Chinese and Japanese cultures, that greatly impact business management in East Asia. The intensive interactions with local staff demanded by expatriate managers imply that these managers should be culturally sensitive and possess conflict strategies.

This study suggests that conflict management stylesare related to performance satisfaction. Our findings have clear implications for expatriate managers. The results of the study support recommendations for specific practices. The first practical recommendation is to lessen individualism when dealing with collective employees. Moreover, using the legalistic style to solve conflicts with collectivists may result in negative performance satisfaction. On the other hand, expatriate managers with lower UA and higher MAS prefer to use the problem-solving style, in which may result in lower performance satisfaction in collective societies. Second, the most significant differences between conflict management styles arise over dissimilar cultural dimensions, which lead to dissatisfaction on the part of expatriate managers. Foreign parent firms may have to offer cross-cultural training to help expatriate manager to cope with different conflict

styles, including allowing managerial candidates to visit the host country prior to accepting the foreign assignment, engage in formal or informal opportunities to discuss, and resolve managing conflicts with local partners and employees. Parent firms should consider the fact that all of the information offered to the expatriate managers will influence their styles of conflict management and performance. Zeng et al. (2010) suggests that Chinese employees prefer to avoid conflict and would strongly respond to face-losing events such as being criticized by managers in public. Culture sensitivity for expatriate managers can enable them to reduce the social distance with their local staff. For instance, working with highly collective colleagues in Taiwan, an expatriate manager would be wise to use 'we, our' instead of 'I, my' when communicating with them.

The relationship between conflict management styles and performance satisfaction is far more complex than it appears. Its negatively significant relationship in problem-solving and legalistic styles suggests that more research emphasis should be given to them. As Lu (2008) points out, the expatriate managers need to structure a firm relationship so that the results of the foreign operations

Table 4. LISREL Model results (N = 193).

Hypothesis		Structural Model	Standard estimate	t-value	Result
H_{1a}	IDV → Compromising	IDV → COM (γ2,1)	0.30	3.70[a]	S
H_{1b}	IDV → Legalistic	IDV → LEG (γ4,1)	0.31	3.58 [a]	S
H_{2a}	UA → Problem-solving	UA → PS (γ1,2)	-0.12	-2.12[b]	S
H_{2b}	UA → Forcing	UA → FOR (γ3,2)	0.37	5.18 [b]	S
H_{3a}	MAS → Problem-solving	MAS → PS (γ1,3)	0.45	5.52[a]	S
H_{3b}	MAS → Forcing	MAS → FOR (γ3,3)	-0.30	-2.94[a]	S
H_4	Problem-solving → Performance	PS → RC (β4,1)	0.04	-2.04[b]	S
H_5	Compromising → Performance	COM → RC (β4,2)	0.11	-0.47	NS
H_6	Forcing → Performance	FOR → RC (β4,3)	0.04	0.82	NS
H_7	Legalistic → Performance	LEG → RA (β5,4)	-0.12	-4.54[a]	S
H_{8a}	IDV → Performance	IDV → PER (γ5,1)	0.38	4.38[a]	S
H_{8b}	UA → Performance	UA → PER (γ5,2)	-0.05	-0.84	NS
H_{8c}	MAS → Performance	MAS → PER (γ5,3)	-0.17	-1.80 [c]	WS

Model fit statistics: X^2= 69.09; d.f. = 12; p< .001; GFI = 0.92; CFI = 0.84; NFI = .82; SRMR = .10, [a]P< 0.01; [b] P< 0.05; [c] P< 0.10, S: Supported; IDV: Individualism; PS: problem-solving; PER: Performance; NS: Not supported; UA: Uncertainty; COM: Compromising avoidance; WS: Weakly supported; MAS: Masculinity; FOR: Forcing; LEG: Legalistic.

may be mutually satisfying. Previous work indicates that Asian firms, such as Japanese and Taiwanese firms, are effective at minimizing control mechanisms in their cooperative arrangements (Calantone and Zhao, 2000; Beamish and Inkpen, 1995). It is possible that our measures failed to assess some aspects of Asian conflict management styles in foreign operations. An interesting remaining research question would be to explore the dimensions of interactions between expatriate managers and local employees.

This study contributes to the literature of international human resources management in several ways. First, it points to the central role of culture and conflict management styles in collective societies such as Taiwan. Foreign firms should assess their conflict management styles in terms of their strategic intentions. For instance, foreign managers with lower UA and higher MAS may be aware not to use the problem-solving style, which may lead to lower performance satisfaction. The results have clear implications for expatriate managers in collective societies such as Taiwan.

First, firms that want to send expatriates abroad should be aware that conflict management styles may impact the performance. From the perspective of foreign partners, not using problem-solving and legalistic styles in Taiwan appears to be relatively beneficial.

However, the ability to implement the types of problem-solving and legalistic styles is influenced by the local culture and employees. Hence, foreign managers should become familiar with the local culture sooner, so that they can adjust their conflict management styles. Moreover,

these expatriate managers may apply more advanced conflict controlling skills to improve their performance satisfaction.

Several limitations of this research should be mentioned. There are some limitations in this study. First, our sample sources were from only Japanese expatriate managers in Taiwan. Japan and Taiwan have strong cultural affinities and the impact of the differences in conflict management styles and performance may, therefore, be less than it is for Western managers in East Asia. Second, Robson et al. (2002) suggests that the performance conceptualization of foreign operations need to be improved.

They argue that the mixed findings of previous studies are due to the lack of common criteria. Further research may benefit from the performance conceptualization of foreign operations as a dynamic process. Several possible further research opportunities exist that may extend our findings.

Such research issues may include: the identification of the characteristics of expatriate managers, which could influence degrees of conflict management styles, the nature of the relationship between cultural dimensions and conflict management styles. Finally, a comparison of subjective and objective measures of performance is needed.

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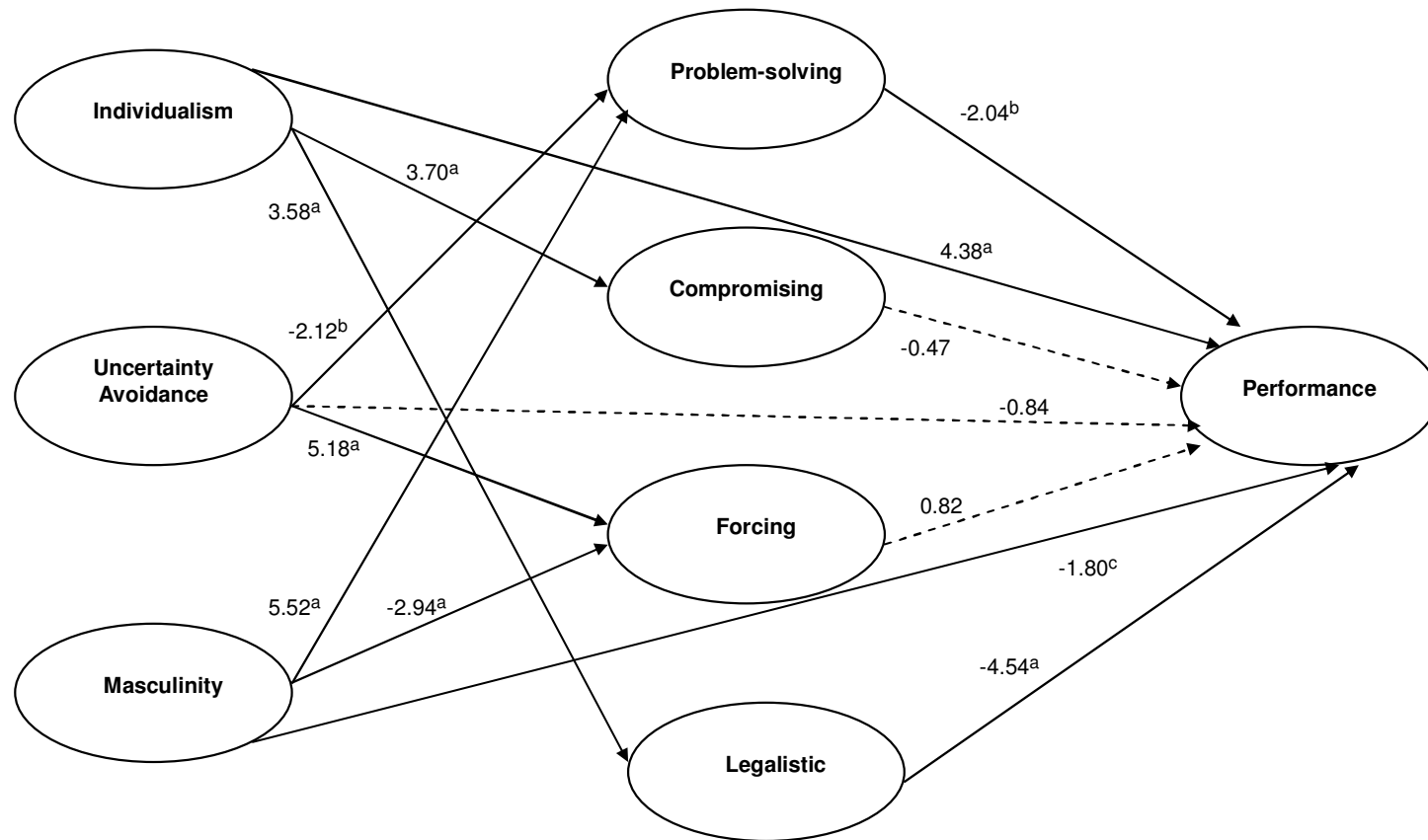
Figure 2. LISREL model and results.

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