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The moderating role of cultural intelligence in the relationship between cultural orientations and conflict management styles



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ABSTRACT

Today's international corporate environments demand that employees are culturally intelligent for effective engagement in cross-cultural interactions. This study examines the moderating effect of cultural intelligence (CQ) in the relationship between individual cultural orientations and the choice of a conflict management style. A sample of 403 employees completed self-report measures of all study variables. Findings confirmed the impact of cultural orientations on conflict management styles, namely avoiding, forcing and problem-solving. Moreover, findings confirm the existence of a moderated effect of some facets of cultural intelligence on the relationship between individual's cultural orientations and conflict management styles. The study offers novel empirical evidence for the important role that cultural intelligence has in managing conflict for increased productivity and performance in diverse international environments.

1. Introduction

Organizations are becoming increasingly multicultural in their composition and global in their scope. People from different cultural backgrounds are extremely interconnected due to the advancements in telecommunication, technology and free movement of workers, posing serious challenges not only to workplaces but also societies. Such trends have increased diversity in the workplace, especially cultural diversity, impacting the composition, processes and management of work teams (Groves & Feyerherm, 2011). Research suggests that facilitating crosscultural interactions in diverse organizations is a challenge (Lin, Chen, & Song, 2012). While workplace cultural diversity is potentially beneficial (increased innovation, productivity and effective decision making process), it also has the potential to intensify conflicts due to conflicting cultural differences and behaviors (e.g., Ayoko & Härtel, 2006; Earley & Gibson, 2002; Mannix & Neale, 2005).

In organizations employees are often encouraged to address the conflict through various Conflict Management Styles (CMSs) such as avoiding, involving the decision to not engage in the conflict and deliberately avoid its management; forcing, involving competitive and aggressive tactics to manage the conflict where individuals are mostly concerned with their own gain; and problem solving, concerning the cooperative and collaborative motives individuals have when trying to balance their own interests with the others interests (e.g., Thomas,

1992). These CMSs have been identified to influence outcomes, such as job performance (e.g., Alper, Tjosvold, & Law, 2000; Tjosvold, 2006), leader effectiveness (e.g., Ayoko & Konrad, 2012), organizational and network success (e.g., Bradford, Stringfellow, & Weitz, 2004; Celuch, Bantham, & Kasouf, 2011; Lin & Germain, 1998), and innovation (e.g., Amason & Schweiger, 1997).

In this study, we build upon the limited literature showing that the choice of styles in managing conflict in culturally diverse organizations is driven by employees' values and cultural orientations (e.g., Gunkel, Schlaegel, & Taras, 2016; Holt & DeVore, 2005; Oudenhoven, Mechelse, & De Dreu, 1998) and we investigate the indirect effect of cultural intelligence (CQ) on such relationship (see Fig. 1). CQ - defined as a person's capability to effectively adapt, function and manage, in new culturally diverse environments and situations (Earley & Ang. 2003) might improve cross-cultural interactions at work (Templer, Tay, & Chandrasekar, 2006) and perhaps minimize conflict. This is because by its characteristic, CQ should allow people to interpret unfamiliar and ambiguous gestures as if they were familiar and interact effectively with people who are culturally diverse (Earley, Ang, & Tan, 2006). Despite the promise of CQ for effective cross-cultural interactions, few studies have investigated the role of CQ in the relationship between cultural orientations and the choice of conflict management styles. We focus on the impact of cultural orientations on three CMSs namely: avoiding, forcing and problem solving, and especially the role of CQ in

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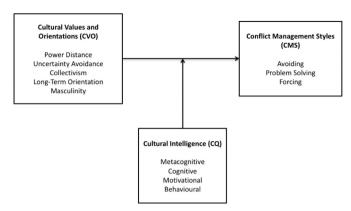


Fig. 1. Theoretical model.

the link between individuals' cultural orientations and these styles.

Our study makes several theoretical contributions. First, there is evidence that parties who engage in conflict may respond with differing conflict management styles. However, literature is scarce about the connection between individual's cultural orientations and their conflict management styles. Findings from our study should assist in teasing out which cultural orientation impact what aspects of conflict management styles. Second, our research findings should deepen our understanding of the impact of CQ on differing aspects of conflict management styles. Third, through our findings on CQ, we contribute to the growing bodies of literature revisiting the role of individual differences in conflict management. Altogether, outcomes emanating from our research should deepen the researchers and managers' understanding of the connection between cultural values/orientations, CMSs and CQ for a more integrated and effective understanding and handling of conflict within multicultural organizations.

2. Theoretical background

In this study, we follow Hofstede (1980) to describe culture as "the collective programming of the mind that distinguishes the members of one group or category of people from others" (Hofstede, 1980, p. 25). A collective phenomenon, culture resides in more or less conscious values and norms (Hofstede, 2001). Hofstede's (1980, 2001) framework consists of five dimensions, all considered to be on a continuum ranging between two poles – e.g. an individual lower in masculine culture could be referred to as having feminine culture – power distance (low vs high), uncertainty avoidance (low vs high), individualism vs. collectivism, masculinity vs. femininity, and long-term vs. short-term orientation.

We adopted Hofstede framework because it is the cultural framework that is most frequently adopted and replicated by scholars in the context of CMSs (see Aycan & Gelfand, 2012; Kaushal & Kwantes, 2006; Kirkman, Lowe, & Gibson, 2006; Yoo, Donthu, & Lenartowicz, 2011). However, in agreement with the view that individual differences about general preferences and preferences for managing conflict are culture specific (e.g., Ting-toomey & Kurogi, 1998; Ting-Toomey, Oetzel, & Yee-Jung, 2001) and with criticisms about inferring cultural orientations from the Hofstede's studies (Yoo et al., 2011), we decided to measure the cultural orientations directly, instead of measuring through inferences from demographic characteristics.

We broadly define conflict as the situation where parties perceive that their goals or interests are incompatible or in opposition (e.g., Ayoko & Konrad, 2012). Conflict management refers to the understanding of conflict as a whole, its triggers, the conflict cycle, and the CMSs and behaviors, and the main objective of conflict management is not to eliminate conflict, but to find different ways to manage it properly by controlling the dysfunctional elements of the conflict while facilitating its productive aspects. The dominant model that emerged in

the literature to explain the CMSs is the dual concern model (Pruitt & Rubin, 1986). This framework differentiates the styles of handling conflict according to two distinct dimensions: the concern for self refers to the degree to which a person tries to fulfill and satisfy his or her own interests; and the concern for others refers to the degree to which a person tries to satisfy the interests of the other party. Accordingly, scholars have identified a number of styles that individuals adopts to respond to conflict (e.g., De Dreu, Evers, Beersma, Kluwer, & Nauta, 2001; Van De Vliert, Euwema, & Huismans, 1995). In this context, Avoiding occurs when a solution to a conflict is sought by avoiding confrontation with the other party, Forcing occurs when parties try to manage the conflict by pushing for their own needs at the expenses of the other; and Problem solving occurs when a solution is sought jointly by taking into considerations the interests of all sides.

Previous research showed that culture impacts individuals' CMSs (see Imai & Gelfand, 2010; Kaushal & Kwantes, 2006; Ogliastri & Quintanilla, 2016; Ting-Toomey et al., 2000), and that conflicts in intercultural exchanges suffer from higher complexity (e.g., Wall & Callister, 1995), and communication difficulties (e.g., Liu, Chua, & Stahl, 2010). For example, Gunkel et al. (2016) suggest that the choice of styles in managing conflict in culturally diverse organizations is driven by values and cultural orientations (see also Holt & DeVore, 2005; Oudenhoven et al., 1998).

There are suggestions that successful interaction across cultures requires cultural intelligence (CQ), defined as a "person's capability for successful adaptation to new cultural settings" (Earley & Ang, 2003, p. 7). CQ has been studied within several domains, such as team work (Adair, Hideg, & Spence, 2013), decision-making (Ang et al., 2007), leadership (Groves & Feyerherm, 2011), expatriates management (Kim, Kirkman, & Chen, 2008; Vlajčić, Caputo, Marzi, & Dabić, 2018) and negotiation (Groves, Feyerherm, & Gu, 2015; Imai & Gelfand, 2010). Surprisingly, conflict management literature has given a scarce attention to the topic. Yet, we know that given the characteristic features of conflict, the ability to effectively manage conflict is critical especially in multicultural contexts.

CQ is conceptualized as a multifaceted variable consisting of four elements (Earley & Ang, 2003). Metacognitive CQ refers to the conscious awareness that an individual has regarding cultural interactions, as well as the ability to strategize when crossing cultures and to carefully ascertain personal thoughts and the thoughts of others. Cognitive CQ reflects the knowledge of a group's values, beliefs, and norms, and the understanding of culture and its role in determining the style of doing business and interacting with others across different cultures. Motivational CQ reflects the capability to direct energy toward learning about cultural differences, i.e. the interest, drive, and energy invested in crosscultural adaptations while Behavioral CQ reflects the ability to choose appropriate verbal and physical actions when interacting with people of different cultures, it is the ability to act appropriately amid cross-cultural issues. Culturally intelligent individuals can better understand a cultural difference and adapt their behavior to fit in the different culture. This adaptation should result in not only feeling accepted but also acceptance of others. The feelings that accompany acceptability by individuals from various cultures during interaction can foster effective interactions by easing the boundaries of cultural differences. Therefore, in the next section we present our hypothesized model that explains how the impact of cultural orientations on CMSs is moderated by cultural intelligence.

3. Hypotheses development

According to the Hofstede's classification, *power distance* relates to the different solutions to the basic problem of human inequality, and it has been defined as "the extent to which the less powerful members of organizations and institutions accept and expect that power is distributed unequally" (Hofstede, 2011, p. 9). In low power distance cultures (or for people with low power distance) equality and

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