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RELATIONSHIP CONFLICT IN CHINESE STATE-OWNED ENTERPRISES:
THE ROLE OF GOAL INTERDEPENDENCE

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RELATIONSHIP CONFLICT IN CHINESE STATE-OWNED ENTERPRISES:
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by
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ABSTRACT

Relationship Conflict in Chinese State-Owned Enterprises:
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by
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Master of Philosophy

This study empirically examines the dynamics and conditions of relationship conflict between supervisors and employees in Chinese State-Owned Enterprises. It proposes that relationship conflict has significant effects on leadership in Chinese SOEs, specifically, it threatens leader-member relationships, lowers the possibility of open-minded discussion, influences leadership effectiveness and prevents future collaboration. This study uses Deutsch's (1973) theory of goal interdependence to understand relationship conflict between supervisors and employees. Specifically, it proposes that three types of goal interdependence affect the experience of relationship conflict and its outcomes. Cooperative goals compare to competitive and independent goals can help reduce relationship conflict between supervisors and employees and in turn lead to quality relationships, open-minded discussions, leader effectiveness, and confidence in future collaboration.

A total of 103 face-to-face interviews were conducted in Nanjing and Guangzhou in mainland China, with all the participants from Chinese State-Owned Enterprises. Participants were asked to describe a specific incident in which they engaged in relationship conflict with their supervisors. Details of the incidents including the setting, what occurred, the reasons, and the consequences were also recorded during the interview. Participants also rated specific questions on 7-point Likert-type scale based on the recalled incidents. Results of structural equation modeling and other analyses support the hypotheses and provide statistical evidence to the proposed theoretical model that goal interdependence affects relationship conflict that influence several leadership constructs, named leader-member relationship, open-minded discussion, leadership effectiveness, and future collaboration. The model and the findings also help to broaden understanding of dynamics of relationship conflict and suggest ways it can be alleviated in order to strengthen organizational leadership.

Keywords: relationship conflict, goal interdependence, Chinese SOEs

DECLARATION

    I declare that this is an original work based primarily on my own research, and I warrant that all citations of previous research, published and unpublished, have been duly acknowledged.

_____

Liao Yi

Date_____

CERTIFICATE OF APPROVAL OF THESIS

Relationship Conflict in Chinese State-Owned Enterprises:
The Role of Goal Interdependence

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Master of Philosophy

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# ACKNOWLEDGEMENT

# Chapter I

## Introduction

Organizational life is complex, and conflict is an inevitable outgrowth of this complexity (Jehn, 1995). Current researchers emphasize the multidimensionality of conflict and acknowledge the possibility of both functional and dysfunctional outcomes. The costs of coping with organizational conflict include wasted time, lost business, increased turnover, and decreased job satisfaction (Conbere, 2000; Lynch, 1997). On the other side, many studies examined the benefits of organizational conflict and methods of developing constructive conflict in work place (Tjosvold, 1991; Amason & Schweiger, 1994; Van de Vliert & De Dreu, 1994).

Relationship conflict is related to social rather than task issues and has been shown to be detrimental to group functioning and to result in reduced decision quality, lower productivity, and lower satisfaction (Jehn, 1995, 1997; De Dreu, & Weingart, 2002). Research in organizational conflict has focused in large part on conflict management styles and strategies (Gayle & Preiss, 1998), while there has been less attention to the causes of conflict (Deutsch, 1990). This study focuses on the causes and dynamics of relationship conflict between supervisors and employees in Chinese SOEs.

*Research Questions*

This paper explores the dynamics and conditions of relationship conflict

between supervisors and subordinates in the context of Chinese State Owned Enterprises (SOEs).

*Effects of Relationship Conflict between Supervisors and Employees*

Conflict is inevitable in organizational life (Jehn, 1995; Tjosvold, Law, & Sun, 2006). Personal connections and relationship issues inevitably occur when people work together in organizations (De Dreu, Vianen, 2001; Tjosvold, Wong & Hui, 2002). Relationship conflict occurs when there are interpersonal incompatibilities or when work teams encompass opposing values that are deeply held. Executives, supervisors, and employees have to cope with relationship conflict in their everyday organizational life.

To what extent organizational people perceive interpersonal conflict and in what kind of way they approach it will significantly affect interpersonal interactions and work performance. Relationship conflict in organization is normally considered to be destructive to group performance (Jehn, 1995, 1997; De Dreu, & Weingart, L. R. 2003). Many prior studies explored the situation and influence of relationship conflict in a group setting (Jehn K, 1995, 1997; De Dreu, C.K., &Weingart, L. R. 2003); this study tries to understand the dynamics and conditions of relationship conflict between supervisors and employees

Leadership requires an intellectual understanding but is also a complex performing art (Tjosvold, Wong, & Hui, 2002). High quality of relationships, open-minded discussion, and collaboration contribute substantially to successful leadership ( Hui, Law, & Chen, 1999; Tjosvold, Wong, and Hui, 2002; Robertson,

2001; Boas, Howell, 1999 ). The dynamics and effects of relationship conflict between supervisors and employees remain unexplored. This study examines whether and how relationship conflict influences organizational leadership. Therefore, the first research question is: To what extent does relationship conflict affect organizational leadership measures (leader-member relationships, open-minded discussion, leadership effectiveness, and future collaboration).

*Antecedents of Relationship Conflict*

Although previous studies about relationship conflict emphasized its destructive role in organizations, the reasons for its negative effects have not been studied directly and adequately. Hackman (1990) indicated that similarity in group members' goals and values enhances interpersonal relations within the group. Jehn (1994) also found that similarity of values will likely decrease relationship conflict among members. This study builds upon previous research on the importance of perceived goals in explaining conflict incidents by examining the dynamics of goal interdependence. We use a sophisticated and elegant theory to understand the predictors of relationship conflict. Deutsch (1973) argued that how people perceive their goals are related affects their interactions. The role of goal interdependence has been demonstrated by hundreds of prior studies in various areas (Wong, Tjosvold, & Liu, 2007; Johnson, Maruyama, Johnson, & Skon, 1981; Alper, Tjosvold, & Law, 1998; Chen, Tjosvold, & Su, 2005). This study proposes that goal interdependence affects emotions in the interaction of relationship conflict and tries to explain how these emotions are managed.

Thus, the second research question is: To what extent does goal interdependence affect the perception of relationship conflict between supervisors and employees.

*Relationship Conflict in Chinese SOEs*

Chinese people are traditionally regarded as having collectivist values. The significance of relationships in organization is deemed as especially important in collectivist countries. Chinese people regard interpersonal relationships as a fundamental issue in their work lives. Researchers have found that the culture background of supervisors and employees very much affects how they behave and respond to each other (Tjosvold, Wong, & Hui, 2002). This study explores the dynamics of relationship conflict in China, and how interpersonal disagreements between supervisors and employees in Chinese SOEs affect organizational leadership.

So, the third research question is: What are the dynamics and conditions of relationship conflict in Chinese SOEs and to what extent does relationship conflict affect leadership in China.

*Significance of the Study*

This study makes several contributions to the literature on both relationship conflict and goal interdependence theory and provides practical implications for supervisors and employees in the workplace. Most previous research on relationship conflict limited their focus to a group context and showed relationship conflict to be

detrimental to group performance and satisfaction. The conditions and dynamics of relationship conflict have not been directly and adequately explored empirically. This study proposed a theoretical model of relationship conflict between supervisors and employees in Chinese SOEs within the collectivist culture of China.

Specifically, this study contributes to the existing literature on relationship conflict by empirically testing the dynamics of relationship conflict in organization, using the antecedents of goal interdependence. It provides further understanding of relationship conflict by testing a proposed theoretical model (see Figure 1), with antecedent of goal interdependence.

This study explores another application of goal interdependence theory by testing its role in the process of relationship conflict. It contributes to our knowledge on goal interdependence theory and provides a test of its universality in predicting people's interaction.

This study contributes to knowledge and findings of relationships and interactions between supervisors and employees, especially in collectivist society. It empirically discovers the conditions and outcomes of relationship conflict in Chinese SOEs by studying real work place incidents.

Lastly, this study provides practical implications for successful leadership in Chinese SOEs and applications for supervisors and employees about how to reduce relationship conflict by building cooperative goals.

**Chapter II**

**Literature Review and Hypotheses Development**

The first chapter introduced the background and research questions of this study. This chapter reviews prior studies on relationship conflict and goal interdependence. It discusses the concept of relationship conflict and elaborates on relevant studies. Then it introduces the theory of goal interdependence, which construct the theoretical framework of this study. Finally, it summarizes the literature review and proposes the hypotheses of this study.

*Understanding Relationship Conflict*

*Organizational Conflict*

Conflict happens everyday and everywhere with various forms and conditions. It exists among different levels of protagonists: it can be interpersonal, inter-group, and inter-organizational. Conflict can be also aroused by various reasons: different personalities, different understanding toward certain issues, or different expectations. Organization life is full of conflict; we encounter countless conflict through our everyday work.

As conflict is part and parcel of organizational life (Coser, 1964; Pondy, 1967), understanding its significance and impact is a key to understanding how organizations work and interactions among organizational people. While the literature and studies on conflict and its management is voluminous, conflict remains

an elusive construct with different definitions.

Many definitions of conflict focus on the opposing interests, negative emotions and interference of the protagonists (Bacharach & Lawler, 1981; Lewicki, Saunders, & Minton, 1997; Barki & Hartwick, 2004). Others emphasize the outcomes of conflict. Rahim (1985) defined conflict as "an interactive state manifested in disagreement, differences, or incompatibility".

Deutsch (1973, 1980) defined conflict as incompatible activities: One person's behavior harms, obstructs, opposes, interferes, or in some way makes another's behavior less effective. Rather than focus on "opposing interests", Deutsch chose to indicate conflict as "incompatible activities", which is more exactly the case. Conflict certainly happens when there are opposing interests, however, it also occurs when interests overlap and goals are common. People can perceive conflict when they have common goals. Group members may present opposing opinions for achieving a group task if they have different understanding of the task process but both wish task success. Organizational people can have conflict without opposing interests but do have incompatible activities.

The many definitions of conflict reflect the numerous foci to its study, ranging from types and causes of organizational conflict, to conflict resolution and outcomes. The following part introduces literature on conflict types, and more specifically, on relationship conflict.

*Conflict Types*

When people work together in organizations their social interaction is

concerned with task-related issues as well as with relationship issues (De Dreu & Van Vianen, 2001). Guetzkow and Gyr (1954) distinguished between conflict based on the substance of the task and conflict based on interpersonal relations. Also, Pinkley (1990) discovered that organizational people actually engage in two different types of conflicts: task conflict and relationship conflict. Similarly, Priem and Price (1991) characterized the two types of conflict as cognitive, task-related conflicts and social-emotional conflicts arising from interpersonal disagreements not directly related to the task.

Jehn (1995) based her research on previous studies that differentiate these two types of conflict. Task conflict exists when there are disagreements among group members about the content of the tasks being performed, including differences in viewpoints, ideas, and opinions. Relationship conflict, on the other side, exists when there are interpersonal incompatibilities among group members, which typically includes tension, animosity, and annoyance among members within a group. Both Pinkley's study in 1990 and Jehn's study in 1992 indicated that relationship focused conflicts have been perceived as different from task focused conflicts by employees experiencing the conflict. There are apparent distinctions between the two types of conflict.

Previous studies also discovered the relationships among conflict types and organizational outcomes. Jehn (1995) pointed out relationship conflict were negatively associated with individuals' satisfaction, liking of other group members, and intent to remain in the group. According to previous studies, task conflict can

improve decision-making outcomes and group productivity by increasing decision quality through incorporating devil's advocacy roles and constructive criticism (Cosier, & Rose, 1977; Amason, 1996). Similarly, in Jehn's (1997) qualitative analysis of intragroup conflict, the results suggested that conflicts related to tasks could be constructive for group decision making, while relationship conflict impair group performance.

*Relationship Conflict*

According to Jehn's studies in 1995 and 1997, relationship conflict exists when there are interpersonal incompatibilities among group members, which typically includes tension, animosity, and annoyance among members within a group. It is related to social rather than task issues; it occurs when there are interpersonal disagreements. Relationship conflict is a condition in which group members have interpersonal clashes characterized by anger, frustration and other negative feelings (Pelled, Eisenhaardt, & Xin, 1999).

Relationship conflict poses a significant threat to organizational systems and operations. Aroused from personal friction or animosity, relationship conflict generates feelings of hostility, suspicion, frustration, and resentment (Jehn, 1994). According to Jehn (1997), relationship conflict may encourage members "to focus on reducing threats, increasing power, and attempting to build cohesion rather than working on the task (p.531)". Therefore, it is likely to engender rigid behaviors and perceptions, resulting in escalation of conflict or psychological and physical withdrawal (Jarboe & Wittemen, 1996; Jehn, 1995). It produces severe negative

consequences for individuals and organizations (Ren & Gray, 2009).

However, the links between relationship conflict and performance and satisfaction are not perfectly consistent. De Dreu and van Viannen (2001) indicated no relationship between relationship conflict and either performance or satisfaction. Pelled, Eisenhardt, and Xin (1999) also found no support for a negative association between relationship conflict and performance. One possible explanation, as Jehn (1995) indicated, is "While relationship troubles cause great dissatisfaction, the conflicts may not influence work as much as expected, because members involved in the conflicts choose to avoid working with those with whom they experience conflict" (p. 276).

Thus, since understanding of the dynamics and effects of relationship conflict remains unclear and uncertain, further study is required to clarify the role of relationship conflict in organizations.

*Conflict between Supervisors and Employees*

Interpersonal conflict happens among group members, work peers, and as well as supervisors and employees. Executives, managers, supervisors, and employees repeatedly cope with conflict in everyday organizational life (Tjosvold & Chia, 2001). There could be conflict in most interactions between supervisors and employees due to individual differences in various aspects, different understanding and perspectives of problems, and even different attitudes toward organizational issues.

Personal connections, especially relationships between supervisors and

employees are critical in organizational life and doing business (Hui, Law, & Chen, 1999; Tung, 1991). Poorly handled conflict between supervisors and employees disrupt an organization's labor relations and productivity (Katz, Kochan, & Weber, 1985; Tjosvold & Chia, 2001). Therefore, identifying antecedents and resolutions of reducing perceived conflict between supervisors and employees are a challenge in organizational life.

*Relationship Conflict in Chinese SOEs*

Researchers have clearly indicated that the culture of leaders and employees very much affects how they behave and respond in interactions (Tjosvold, Wong, & Hui, 2002). Collectivist values have been hypothesized to affect people's behavior and their interaction. China, being a relationship-oriented and collective culture country, has a strong tradition for harmony among its people (Triandis, 1990; Triandis et al, 1990; Trompenaars, 1993). Chinese leaders and employees are thought to be especially concerned about relationships and tend to preserve interpersonal harmony in organization. Supervisors are to take care of their employees in that same manner that the family patriarch is to care for his family members, while employees should be devoted and loyal to the supervisor (Farh & Cheng, 2000; Chen & Chung, 1994).

Chinese State Own Enterprises have been regarded as typical organizations that focus on collectivist values. Traditional accounts of collectivist value in Chinese SOEs assume that Chinese work relationships are harmonious and familial. However, studies indicated that various conflicts still occur in organizations with collectivist

values. Whether there could be relationship conflict in Chinese SOEs has not been explored directly in previous studies. Also, if relationship conflict between supervisors and employees indeed exist in Chinese SOEs, potential problem regarding the characteristics and relationship conflict in collectivist atmosphere in Chinese SOEs, as well as how to reduce it become unanswered questions.

*Effects of Relationship Conflict*

Leadership has been described as the process of social influence in which one person can enlist the aid and support of others in the accomplishment of a common task. Leadership is a complicated concept (Graen, 2003) and includes various elements. Hundreds of studies have learned the methods that can achieve successful leadership.

With the context of relationship conflict between supervisors and employees, this study tries to explore the effects of relationship conflict on organizational leadership. Specifically, we focused on four measures of leadership: leader-member relationships, open-minded discussion, leadership effectiveness, and future collaboration. Previous research demonstrated that successful leadership was directly and positively associated with leader-member relationships (Tjosvold, Wong, & Hui, 2002), open-minded discussion with employees (Kolzow, 1990; Farh, Leung, 1995; Robertson, 2001), leadership effectiveness and team collaboration (Boas, Howell, 1999; Barling, Weber, & Kelloway, 1996). This study uses these four important constructs as measures to understand the influence of relationship conflict on leadership.

*Leader-member relationships.* Leadership studies have various foci. Many theories focus on individual characteristics of the leader. Other leadership theories emphasize an average leadership style (ALS) applied across all members of the subordinates. The focus of leader-member exchange (LMX) theory is the differentiated relationship between a leader and each member in workgroup or organization. Emphasis of LMX theory, as Barge and Schlueter (1991, p.541) indicated, is on the "processes through which leader-follower dyads coordinate and integrate their actions toward accomplishing some goal".

Graen, Dansereau, and their collegues develop this relationship-based approach to leadership research (Dansereau, Graen, & Haga, 1975; Graen & Cashman, 1975). Leader-member exchange theory indicates that leaders convey role expectations to their followers and provide tangible and intangible rewards to followers who satisfy these expectations. Likewise, followers hold role expectations of their leaders, with respect to how they are to be treated and the rewards they are to receive for meeting leader expectations (Wang, Law, Wang & Chen, 2005). There is a reciprocal process in the dyadic relationship between supervisor and follower.

With 30 years of research on leader-member exchange theory, numerous studies have documented that relationships between supervisors and subordinates are crucial in organization settings (Brower, Schoorman, &Tan, 2000; Graen &Uhl-Bien, 1995; House, Wright &Aditya, 1997; Lam, Hui &Law, 1999; Setton, Bennett, &Liden, 1996; Uhl-Bien &Maslyn, 2000). Previous studies have also showed its usefulness in measuring organizational leadership (Chen, & Tjosvold, 2005, 2007).

As indicated by relationship conflict studies, tension and frustrations are often associated with relationship conflict. Whether these negative feelings will affect the quality of LMX is a focus of this study. We use LMX as an outcome of relationship conflict incident, trying to identify to what extent perception of relationship conflict will undermine the quality of LMX.

*Open-minded discussion.* Organizations as well as individuals can reap the benefits of open-minded discussion (Uline, Tschannen-Moran, & Perez, 2003). Open-minded discussion exists when one person's ideas, information, conclusions, theories, and opinions are incompatible with those of another, and the two seek to reach an agreement (Johnson, Johnson, & Tjosvold, 2005). Many previous studies showed its utility in organizations and high-quality leadership (Kolzow, 1990; Farh, Leung, 1995; Robertson, 2001).

Open-minded discussion tends to result in high-quality decision and solutions to complex problems for which different viewpoints can plausibly be developed (Johnson, Johnson, & Tjosvold, 2005). Also, groups performing nonroutine tasks that require problem solving experience a high degree of uncertainty and can therefore benefit from the diverse ideas of group member (Jehn, 1997).

This study uses open-minded discussion as an outcome of relationship conflict between supervisors and employees. It aims at testing whether the negative feelings and hostility caused by relationship conflict will destroy open-minded discussion and affect organizations functions.

*Leadership effectiveness.* Chen, Tjosvold in their studies (2005, 2006)

indicated the importance of leadership effectiveness as a measure of quality leadership. It measures the effectiveness for supervisors to solve the problem and accomplish the task after the interaction. This study uses leadership effectiveness as an outcome to develop the effects of relationship conflict from a leadership perspective.

*Future collaboration.* Many previous leadership studies used future collaboration as an important measure to indicate the quality of leadership (Chen, Tjosvold, 2005, 2006). Long-term work relationships between supervisors and employees are expected to contribute to a high quality leadership. This study tries to explore how relationship conflict affects future collaboration between supervisors and employees who had personal clash.

*The Need for a Framework of Relationship Conflict in Collectivist Values*

Previous studies have shown that relationship conflict could undermine employee job satisfaction (Jehn, 1995, 1997; De Dreu & Van Vianen, 2001), cause distraction from tasks, and erosion of commitment (De Dreu & Weingart, 2003) among group members. However, few prior studies have studied relationship conflict between supervisors and employees within a collectivist context. Also, leadership constructs such as leader-member relationships, open-minded discussion, leadership effectiveness, and future collaboration have not been tested in the dynamics of relationship conflict.

This study explores the effects of relationship conflict on four leadership outcomes, in the context of Chinese SOEs, which have a strong atmosphere of

collectivist value that people focus on "harmony". It explores to what extent and in what ways do relationship conflict between supervisors and employees influence their relationships, open-minded discussion, leadership effectiveness, and future collaboration. Therefore, I hypothesized that:

Hypothesis 1: Relationship conflict between supervisors and employees lowers the quality of LMX.

Hypothesis 2: Relationship conflict between supervisors and employees interferes with their open-minded discussion.

Hypothesis 3: Relationship conflict between supervisors and employees frustrates leadership effectiveness.

Hypothesis 4: Relationship conflict between supervisors and employees undermines their future collaboration.

*Understanding Goal interdependence Theory*

*Introduction of Goal Interdependence Theory*

The theory of goal interdependence was initially developed by Morton Deutsch (1949, 1973, 1985) and much elaborated by David W. Johnson (Johnson & Johnson, 1989). Hundreds of studies have proved the generalization of this theory, as well as its elegant, powerful way to understand social interactions (Johnson &

Johnson, 1989; Tjosvold, 1991, 1998).

The theory relates to the type of interdependence among goals of the people involved in a given situation (Deutsch, 2000). It developed three basic goal interdependence types that are classified as cooperative goals, competitive goals and independent goals.

In cooperation, goals are perceived to be positively related. People believe that others' success will benefit their own success: when others move toward their goal attainment, they accordingly move toward their goals. They recognize that their goals are connected in a positive way; they understand they can be successful together.

With cooperative goals, people are willing to help the others, share information, discuss their different ideas and interests open-mindedly, and then integrate their ideas for a mutual benefit. This will in turn result in high-quality solutions to problems and productive work (Deutsch, 1973; Tjosvold, 1989). Emphasizing the shared rewards they can get from the cooperative interaction, people exchange their ideas, combine their positions, and solve the problems cooperatively (De Dreu, Evers, Beersma, Kluwer & Nauta, 2001).

In competition, goals are perceived to be negatively related. People believe others' success will interfere their own success: when others move toward their goal attainment, they are less likely to achieve their goal.

With competitive goals, people tend to outperform others. They understand they are better off when others act ineffectively. Thus, they pursue win-lose rewards

and want others to lose so that they can approach their own goal. People with this belief will withhold information from others in order to defeat others and win.

In independence, goals are perceived to be unrelated. People believe that whether they can succeed or not only depends on their own efforts: what others do does not influence on their own goal attainment.

With independent goals, people behave indifferently to others. They conclude that success by one brings neither failure nor success for others. Whether others develop high quality ideas or work hard does not impact independent individuals (Tjosvold, 1998). Thus, people choose to focus on their own ends in independent relationships.

*Using Goal Interdependence Theory in Managing Relationship Conflict*

Deutsch (1949) concluded that how people believe their goals are related is a useful way to understand the dynamics and consequences of their interaction. Regarding interaction between supervisors and employees, studies have documented that cooperative relationships help them apply and develop their abilities for mutual success (Lawler & Yoon, 1993, 1996; Tjosvold, 1985; Tjosvold, Andrews, & Struthers, 1991). Managers with considerable ability to assist employees do so especially when they have cooperative goals (Liu et al., 2004).

Previous studies support the role of goal interdependence in resolving conflicts (Deutsch, 1980; Pruitt & Syna, 1989; Rubin & Brown, 1975; Tjosvold, 1982, 1985). Conflict participants approach conflict with a kind of goal interdependence--cooperative, competitive, or independent—and that approach

affects their interaction which in turn affects outcomes.

However, no studies to date have addressed the problem of relationship conflict between supervisors and employees in the context of Chinese SOEs. Poorly resolved conflict between supervisors and employees will lead to low effectiveness in organization. Relationship conflict, which is aroused by interpersonal disagreement and associated with low job performance, and low satisfaction, remains a particularly severe problem in organization.

This study aims to understand and explain the dynamics of relationship conflict in Chinese SOEs between supervisors and employees by using goal interdependence theory. It suggests that developing cooperative goals reduces relationship conflict and helps improve quality of leadership, while competitive and independent goals increase relationship conflict and in turn lead to negative outcomes. Base on goal interdependence theory, cooperative goals engender the feelings of working for mutual benefits and wanting each other to be powerful and resourceful. This dynamics reduce the hostility toward each other when people engage in relationship conflict. On the other hand, when people have competitive and independent goals, people either regard each other as competitors or do not care about each other. So frustrations and tension intensify accordingly and lead to negative outcomes. Therefore, we hypothesize that: In Chinese SOEs, supervisors and employees will perceive less tension and pressure of relationship conflict if they developed cooperative goals and this facilitates leadership quality. In contrast, competitive goals and independent goals between supervisors and employees lead to

more relationship conflict and low quality of leadership.

Hypothesis 5: Cooperative goals between supervisors and employees in Chinese SOEs reduce relationship conflict.

Hypothesis 6: Competitive goals between supervisors and employees in Chinese SOEs increase relationship conflict.

Hypothesis 7: Independent goals between supervisors and employees in Chinese SOEs increase relationship conflict.

*Summary*

Conflict is pervasive and inevitable in organizational life, and understanding the dynamics of conflict is a serious concern for organizational leaders. Conflict researchers have classified conflict as different types, either related to task or relationship issues. Relationship conflict, existing when interpersonal incompatibilities among group members, which typically includes tension, animosity, and annoyance among members within a group (Jehn, 1995, 1997), is manifested as expression of negative emotions.

Studies about relationship conflict in group settings have proved it to be a destructive interaction for group performance and employee job satisfaction (De Dreu & van Viannen, 2000; Jehn, 1995, 1997). However, no previous research has studied the dynamics and conditions of relationship conflict between supervisors and

employees. Whether relationship conflict is also a poison to organizational leadership remains an unanswered question. To discover the influence of relationship conflict on leadership, we use four measure about leadership to test hypotheses: LMX, open-minded discussion, leadership effectiveness, and future collaboration.

For further understanding of the conditions and antecedents of relationship between supervisors and employees, this study uses goal interdependence theory. Hundreds of studies have documented that goal interdependence theory (Deutsch, 1949, 1973) helps understand organization interactions and relationships (Tjosvold, 1985, 1981; Tjosvold, Andrews, & Struthers, 1991; Johnson et al., 1981; Liu et al., 2004). Three types of goal interdependence are described in the theory. Cooperative goals focus on the win-win situation during the interaction, while competitive goals focus on a win-lose situation, and independent goals mean people believe their success depends on their own efforts. Deutsch (1949) concluded in goal interdependence theory that how people believe their goals are related is a useful way to understand the dynamics of interaction and outcomes. Therefore, goal interdependence can be a suitable and helpful antecedent to understand the relationship conflict between supervisors and employees. The second set of hypotheses is then developed to demonstrate the relationship of the goal interdependence between supervisors and employee and their relationship conflict. Specifically, we propose that cooperative goals, rather than competitive goals and independent, reduce relationship conflict between supervisors and employees.

China, being a relationship-oriented and collective culture, has a strong

tradition for harmony among its people (Triandis, 1990; Triandis et al, 1990; Trompenaars, 1993). Chinese leaders and employees are thought to be especially concerned about relationships and tend to preserve interpersonal harmony in organization, especially in Chinese State Owned Enterprises, which are the representative of collectivist values. How to explain the interaction of relationship conflict in Chinese SOEs becomes a challenge to collectivist leadership and conflict studies. This study tests its ideas in the context of Chinese SOEs to understand specific dynamics in collectivist value.

# Chapter III

# Hypotheses

Chapter II discussed the study's central theories and constructs. This chapter develops the hypotheses about relationship conflict and goal interdependence proposed on the basis of the literature review. The hypothesized model is also displayed in this chapter, followed by explanation of each measure of the model.

*Hypotheses*

In this study, seven hypotheses are proposed:

Hypothesis 1: Relationship conflict between supervisors and employees lowers the quality of LMX.

Hypothesis 2: Relationship conflict between supervisors and employees interferes with their open-minded discussion.

Hypothesis 3: Relationship conflict between supervisors and employees frustrates leadership effectiveness.

Hypothesis 4: Relationship conflict between supervisors and employees undermines their future collaboration.

Hypothesis 5: Cooperative goals between supervisors and employees in

Chinese SOEs reduce relationship conflict.

Hypothesis 6: Competitive goals between supervisors and employees in Chinese SOEs increase relationship conflict.

Hypothesis 7: Independent goals between supervisors and employees in Chinese SOEs increase relationship conflict.

*Hypothesized Model*

**Figure 1 Hypothesized Structural Model in this Study**
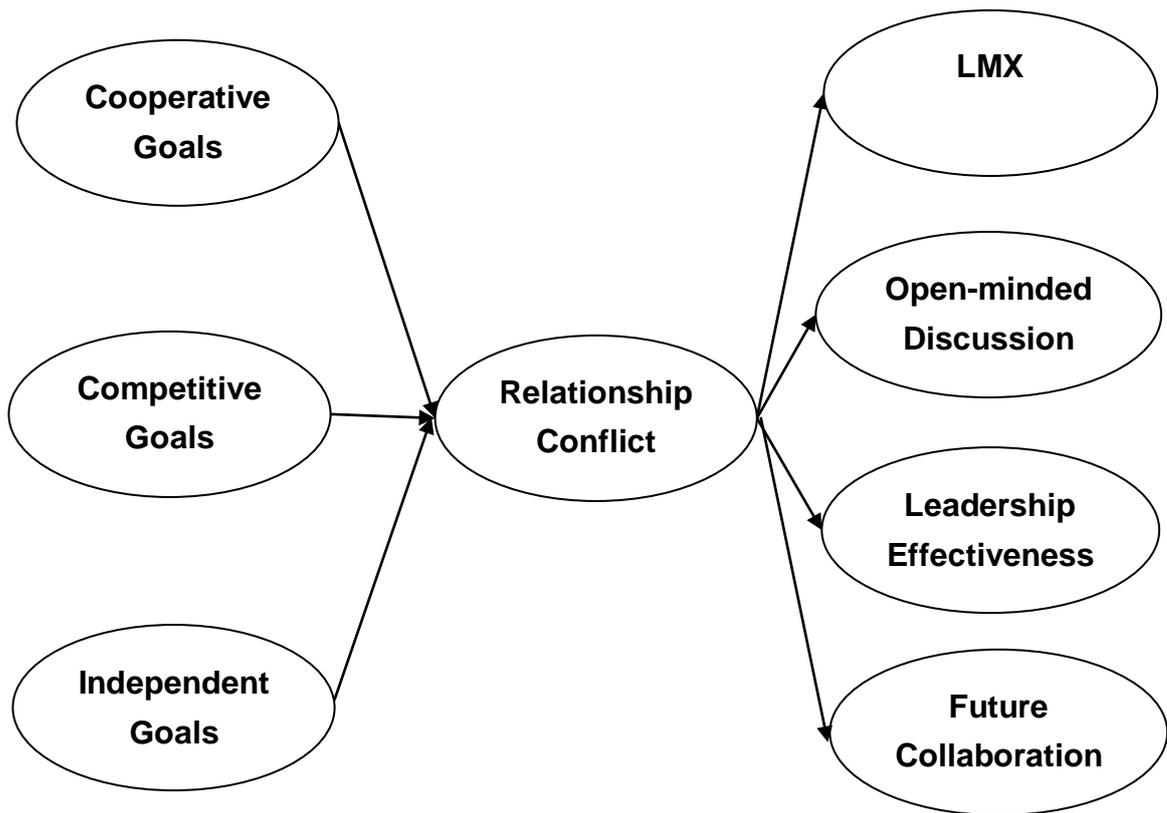


The proposed model to be demonstrated is that three different kinds of goal interdependence affects relationship conflict between leaders and members, and the

relationship conflict then lead to four different outcomes related to leadership (Figure 1). In this model, cooperative, competitive, and independent goals are identified as three antecedents to affect the four outcomes (leader-member relationship, open-minded discussion, leadership effectiveness, and future collaboration) through the mediation of relationship conflict.

*Introduction of Variables*

This study proposes that goal interdependence between leaders and members affect their perception of relationship conflict, and then relationship conflict leads to leadership outcomes. There are eight variables in the hypothesized model with three antecedent variables, one mediator and four outcomes. All the variables are measured using 7-point Likert-scale items.

This section defines each variable in the model (Figure 1):

Cooperative goals are measured by the extent the interviewees think their goals and their partners' are positively related.

Competitive goals are measured by the extent the interviewees think their goals and their partners' are negatively related.

Independent goal is measured by the extent the interviewees think their goals and their partners' are unrelated.

Relationship conflict is measured by the extent to which members were perceived to have certain kind of conflict (characterized by anger, frustration and other negative feeling) with their leaders.

Leader-member relationship is measured by the effect of the interaction between the member and leader on their feelings or attitudes on relationship afterwards.

Open-minded discussion is measured by the effect of the interaction between supervisors and employees on their communication of work and projects afterwards.

Leadership effectiveness is measured by the effectiveness for supervisors to solve the problem and accomplish the task after the interaction.

Future collaboration is measured by the effect of the interaction between supervisors and employees on the likelihood of their future effective collaboration.

The next chapter presents in detail the method we used to test the hypotheses and proposed model (Figure 1).

# Chapter IV

# Methodology

Chapter III described the hypotheses and proposed model of this study. This chapter illustrates the specific process of testing research questions identified in previous chapters. To test the hypothesized model (Figure 1) shown in last chapter, I collected data by conducting interviews. This chapter introduces the sampling, interview schedule, and data analysis respectively.

*Participants*

Participants in this study included one hundred and three employees who worked in 18 different Chinese state-owned enterprises in Nanjing and Guangzhou, Mainland China. Sixty-three people were interviewed in Nanjing and forty interviews Guangzhou. All the participants were recruited from my personal network and are chosen to represent diverse regions, business types, gender, age and education level in Chinese state-owned enterprises.

Of the 103 participants, 60 (58.3%) are male and 43 (41.7%) are female. The average age of the interviewees is 35.2, 38 (36.9%) participants are between 20 and 30 years old, 35 (34.0%) are between 31 and 40, 21 (20.4%) are between 41 and 50, the remaining 9 (8.7%) are at the age of 51 or above. Regarding the highest educational qualifications obtained, 18 (17.5%) had high school degrees, 30 (29.1%) had college degrees, 40 (38.8%) had university degrees and 15 (14.6%) had graduate degrees. Of all the participants, 29 (28.2%) worked with manager for less than 6 months, 33 (32.0%) have worked with their managers for 6 months to 1 year, 41

(39.8%) have worked with their managers for more than one year. Table 1 provides

more detailed descriptions of the interviewees.

**Table 1 Demographic Characteristic of Interviewees**

|  | **Number of Participants** | **Percentage** |
|---|---|---|
| **Gender** |  |  |
| Male | 60 | 58.3% |
| Female | 43 | 41.7% |
| **Age** |  |  |
| 20-30 | 38 | 36.9% |
| 31-40 | 35 | 34.0% |
| 41-50 | 21 | 20.4% |
| ≥51 | 9 | 8.7% |
| **Educational level** |  |  |
| High school or below | 18 | 17.5% |
| College | 30 | 29.1% |
| University | 40 | 38.8% |
| Graduate School | 15 | 14.6% |
| **Years working with manager** |  |  |
| < 6 months | 29 | 28.2% |
| 6 months to 1 year | 33 | 32.0% |
| > 1 year | 41 | 39.8% |

*Interview*

Critical Incident Technique (CIT) (Flanagan, 1954) was used in developing the interview structure for this study. During the interview, each interviewee was first asked to describe a concrete instance in which he/she had interaction with his/her supervisor and, the interaction should be qualified as a relationship conflict. Then the interviewee was asked to rate specific questions according to the interaction mentioned before on 7-point Liker-type scales. Measures include goal interdependence, relationship conflict, leader-member relationship, open-minded discussion, leadership effectiveness, and future collaboration.

*Critical Incident Technique*

Critical Incident Technique (CIT) was used to develop the interview structure. CIT is considered to be a particularly useful method when studying complex interpersonal phenomenon (Walker & Truly, 1992). This method could help moderate the errors when persons need to summarize across many incidents to provide response in most surveys (Schwartz, 1999).

Firstly, interviewees were informed that the objective of the interview is only for academic research and they were assured of anonymity and confidentiality before giving their consent to participate. They were asked to describe a specific incident when they had relationship conflict with their supervisor. The concept of relationship conflict was clearly explained by the interviewer with understandable words and explanations such as "interpersonal clashes characterized by anger, frustration and other negative feelings", "it can include people's interpersonal incompatibilities that

typically include tension, animosity, and annoyance". Interviewees were told to recall

the settings, what happened, the cause and consequences of the incident. They were

informed that result of the incident could be constructive or destructive.

*Interview Schedule*

All the interviews were conducted in Mainland China from June to August

2008 and December 2008 to January 2009. Each interview lasted for forty minutes to

one hour and conducted in Mandarin due to interviewees' preference. First, several

pilot test were developed among friends in Hong Kong and Guangzhou. Then I

revised the interview design according to the pilot tests' feedback. Then the 103

formal interviews were conducted in Mainland China.

As the interview schedule was originally written in English, I translated it

into Chinese. Another researcher majored in translation help to check the the

questions and terms to ensure the conceptual consistency.

*Scales*

*Goal Interdependence*

Based on Deutsch's (1949, 1973) goal interdependence theory, scales in the

form of 7-point Likert-scale (from 1=strongly disagree to 7=strongly agree) were

taken from previous studies (Tjosvold, 1995; Tjosvold, Andrews and Strthers, 1991;

Liu et al, 2004; Alper, Tjosvold & Law, 1998). Variables for goal interdependence

indicated how the interviewees construed their relationship between their goals and

those of their supervisor's in the relationship conflict incident. The three items for

cooperative goals measured their common interests and common benefits. A sample item for cooperative goals is "In this incident, my supervisor and I sought compatible goals with each other." The three items for competitive goals measured the incompatibility of goals and rewards. A sample item is "In his incident, my supervisor did things in ways that promote his/her own goals rather than my goals." The three items for independent goals measured the independence of goals, tasks and benefits. A sample item is "In this incident, my supervisor and I work for our own independent goals". Participants were required to rate on a 7-point Likert scale (from 1= strongly disagree to 7= strongly agree) to indicate their agreement or disagreement of the items. The confident alphas for the cooperative, competitive and independent goal scales were .81, .82, .73, respectively.

*Relationship Conflict*

The scale for relationship conflict was developed from previous studies (Jehn, 1995, 1997).  The four items measured the extent to which personality differences and other interpersonal clashes occurred between the interviewees and their supervisors during the incident they recalled. A sample question is "In this interaction, how much emotional conflict was there between you and your supervisor?" The coefficient alpha for this scale is .93.

*Leader-member relationships*

The scale of leader-member relationships was developed from previous research on LMX (Graen & Uhl-Bien, 1995; Fairhurst et al., 1987; Fairhurst &

Chandler, 1989). Many prior studies about leader-member relationships in China context have proved its validity (Chen & Tjosvold, 2005, 2006, 2007). The five items measured the quality of the relationships between employee and supervisor. A sample item is "To what extent did this interaction help you believe you and your supervisor are satisfied with each other's work." The coefficient alpha of this scale is .89.

*Open-Minded Discussion*

A 3-item scale was taken from previous studies (Tjosvold, 1998; Tjosvold et al, 1986). The scale measured the extent to which supervisor and employee were open to different ideas and positions after the interaction. A sample item is "To what extent did this incident help you believe you and your supervisor listen carefully to each other." The coefficient alpha of open-minded discussion is .87.

*Leadership Effectiveness*

The 3-item scale measuring leadership effectiveness was taken from previous studies on leadership (Liu et al, 2004, Chen & Tjosvold, 2005). A sample item is "To what extent did this incident help you believe your supervisor performs his roles appropriately." The coefficient alpha of this scale is .94.

*Future Collaboration*

A three-item scale was developed to measure the interviewee's inclination to work together with his/her supervisor in the future (Tjosvold, Andrews & Struthers, 1991). A sample item is "To what extent do you want to collaborate with your supervisor in the future after this interaction. The future collaboration scale had a

Cronbach alpha of 0.95.

**Table 2 Measures**

| Measures | Number of Items | Alpha |
|---|---|---|
| **Cooperative Goals** | 3 | 0.81 |
| **Competitive Goals** | 3 | 0.82 |
| **Independent Goals** | 4 | 0.73 |
| **Relationship Conflict** | 4 | 0.93 |
| **Leader-member Relationships** | 5 | 0.89 |
| **Open-minded Discussion** | 3 | 0.87 |
| **Leadership Effectiveness** | 3 | 0.94 |
| **Future collaboration** | 3 | 0.95 |

*Analysis*

To test the hypotheses and the proposed model developed in Chapter III, both qualitative and quantitative analyses were used. The quantitative data are the interviewees' ratings on the scales of all the measures. Firstly, single factor procedure was used to address the problem of common method variance; then confirmatory factor analysis (CFA) was carried out to test whether the respondents' ratings would load on goal interdependence, relationship conflict, and the outcome as eight distinct factors. Secondly, to address the problem of sample differences, data from two different districts, Nanjing and Guangzhou, were analyzed to test whether the difference was in the acceptable scope. Thirdly, correlation analysis was applied to do the preliminary tests of the relationships among different variables, i.e., how

would the three types of goal interdependence relate to relationship conflict, and whether relationship conflict are negatively related to the four outcomes. Lastly, structural equation modeling (SEM) was used to test the proposed model and study the causal relationships among three antecedents (goal interdependence), one mediator (relationship conflict) and four outcomes (LMX, open-minded discussion, leadership effectiveness and future collaboration).

For the qualitative analysis part, I studied the interviewees' narrative record about the incident they recalled. Several typical cases will be described for further understanding of the relationship conflict phenomenon between supervisors and employees. Reasons for relationship conflict are also classified into four types according to the cases collected.

*Common Method Variance*

To address the issue of common method variance, we adopted Harman's Single Factor procedure. This method is one of the most widely used techniques that have been used by researchers (Podsakoff & Organ, 1986; Podsakoff, Scott, Lee & Podsakoff, 2003). It also has been used in many leadership and leader-member relationship research to assess the common method variance problems (Chen, & Tjosvold, 2005, 2007; Kark, Shamir, & Chen, 2003). Confirmatory factor analysis is used to compare the fit of a single factor model (common method) to the multi-factor model under investigation (McFarlin & Sweeney, 1992). In comparison, indexes of model fit indicated that the hypothesized model fit the data significantly better than the one-factor model (Bentler-Bonnet nonned fit index= .52; Comparative fit index

= .59). None of the fit indices for the single factor model approached acceptable levels, whereas the hypothesized model fits well (Bentler- Bonnett nonned fit index= .89; Comparative fit index = .90). The poor fit of the one factor analysis suggests that common method is not a likely explanation of the results; the common method variance did not pose a serious threat on interpreting our findings.

*Confirmatory Factor Analysis*

A series of confirmatory factor analyses were applied using AMOS 7.0 to assess whether the respondents' ratings would load on eight distinct factors, namely three types of goal interdependence, relationship conflict, and the four outcomes.

We used four indicators to judge whether the observed data fit into our hypothesized model: An overall chi-square measure and its associated degrees of freedom, the comparative fit index (CFI), the Tucker-Lewis index (Tucker & Lewis, 1973), and the RMSEA. The CFI is recommended as the best approximation of the population value (Gerbing & Anderson, 1993). Bentler and Bonnett (1980) suggested that the CFI should be above 0.90 to indicate a sufficient fit. The TLI compares the relative improvement in fit for the proposed model over a strict null model of complete independence among the various items (Tjosvold, Law, & Sun, 2006). In contrast to the CFI, the TLI appears to be relatively unaffected by model situation (Wheaton, 1987) and by small or large sample sizes (Marsh, Balla, & McDonald, 1988). A value of less than 0.08 on RMSEA is considered to be a good fit (Joreskog & Sorbom, 1993, p.124).

**Table 3 Confirmatory Factor Analyses**

| Models | d.f. | Model $\chi^2$ | $\Delta\chi^2$ | CFI | TLI | RMSEA |
|---|---|---|---|---|---|---|
| Baseline 8-factor Model (M0) keeping relationship conflict, LMX, Leadership Effectiveness, Open-minded Discussion, and Future collaboration as distinct factors | 292 | 786.56 | - | .93 | .91 | .08 |
| 7-factor Model (M1) including a combined relationship conflict and LMX factor | 300 | 1478.8 | 692.24 | .71 | .69 | .11 |
| 7-factor Model (M2) including a combined relationship conflict and Leadership Effectiveness factor | 300 | 1538.9 | 752.34 | .68 | .66 | .14 |
| 7-factor Model (M3) including a combined relationship conflict and Open-minded Discussion factor | 300 | 1578.2 | 791.64 | .64 | .62 | .15 |
| 7-factor Model (M4) including a combined relationship conflict and Future collaboration factor | 300 | 1414.9 | 628.34 | .74 | .72 | .11 |
| 7-factor Model (M5) including a combined competitive goals and independent goals factor | 300 | 1209.3 | 422.74 | .75 | .74 | .10 |
| 5-factor Model (M6) including a combined LMX, Leadership Effectiveness, Open-minded Discussion, and Future collaboration factor | 313 | 1134.7 | 348.14 | .78 | .75 | .12 |
| One factor solution (M7) | 318 | 1900.0 | 1113.44 | .52 | .59 | .20 |

Notes:

* N of cases =103

* In the one-factor Model (M7), all the factors were combined into one factor.

Table 3 shows the results of the series of confirmatory factor analyses. Model M0 in Table 3 indicates that our proposed 8-factor model fits the data quite well. The Comparative Fit Index and Tucker-Lewis Index are .93 and .91, respectively. The indicators show that the 8-factor baseline model fitted the data significantly better

than the seven alternative models. Firstly, model chi-squares of alternative models increase significantly compared with the baseline model. Secondly, the CFI and TLI of the alternative models are all below 0.90, which indicates they are considered unsatisfactory models. Thirdly, RMSEA of alternative models are above 0.08, which also indicates not a good fit with the data. Based on these four indicators, we concluded that the respondents distinguished the eight constructs.

*Hypotheses Test*

We first tested whether the location of respondents had effects on the results. We divided all the participants into two groups according to their cities and tested the differences of their responses between interviewees who worked in different parts in mainland China (Nanjing represents East China and Guangzhou represents South China).

Correlational analysis was performed for further hypothesis testing. Structural equation analysis through the AMOS 7.0 program was then used to examine the underlying causal relationships among goal relationships (i.e., cooperative, competitive or independent), relationship conflict, and outcomes (i.e., leader-member relationships, open-minded discussion, leadership effectiveness, and future collaboration).

A nested model test commonly adopted in causal model analysis was used where three alternative models were compared to our hypothesized model (indirect model). The first alternative model (M1) omits the paths related to the mediator. The second alternative model (M2) holds that both goal interdependence and relationship

conflict lead to the four outcomes. The third alternative model (M3) indicates that

goal interdependence has direct impacts on relationship conflict and outcomes.

*Summary*

This chapter described the interview schedule and research methods of the

study. From June 2008 to January 2009, one hundred and three employees who

worked in 18 different Chinese state-owned enterprises in Nanjing and Guangzhou,

Mainland China, participated in interviews for this study. Critical incident technique

was used to conduct the interviews. Interviewees were first asked to recall an

incident when they had engaged in a relationship conflict with their supervisor. Then

they rated several questions on 7-point Likert-type scale according to the incident

they provided before. Scales included goal interdependence, relationship conflict and

the four outcomes as leader-member relationships, open-minded discussion,

leadership effectiveness, and future collaboration.

Both qualitative and quantitative methods were applied to analyze the data

and make further understanding of relationship conflict between supervisors and

employees. A series of confirmatory factor analyses (CFA) first validated the eight

distinct scales. Then correlational analyses were used to do the preliminary test of the

relationships among antecedent variables, mediator, and outcome variables in the

proposed model. Structural equation modeling (SEM) was then adopted to explore

the causal relationships among three types of goal interdependence, relationship

conflict and the four outcomes. Regarding the qualitative analyses, typical cases were

selected to describe different conditions of relationship conflict between supervisors

and employees. Reasons for relationship conflict were also classified into four types according to the cases.

The next chapter reports how we analyze the data collected from the interviews and the results of the data analyses.

# Chapter V

# Results

Chapter four described the data collection and methods used to analyze the quantitative and qualitative data obtained. This chapter discusses the analyses of the data collected from the interviews. Specifically, it describes the regional difference analysis, correlational analysis, structural equation modeling analysis, and the results. Lastly, summary of the incidents provided in the interviews will be classified and explained with examples.

*Regional Difference Analysis*

Interviews for this study were conducted in two cities of China, Nanjing and Guangzhou. Regional difference between Nanjing and Guangzhou is tested with interview data. The effects of the interviewees' working city were examined to see whether cultural background and working environment significantly affected interviewees' perception of relationship conflict and its effects. Nanjing is in east China and part of the region "Yangtze River Delta" while Guangzhou's in southeast China in the region "Chu Chiang Delta". Because two cities lie in two different regions with different phrases of development and have different cultures and traditions, we may assume that their attitude and method in dealing with relationship conflict may be accordingly different across the cities.

The results (see as Table 4) indicate that there are no significant effects of the regional factor on employees' ratings in all the variables. As the results do not

indicate significant differences, we analyze data from both samples together.

**Table 4 Results of Regional Difference Analysis**

|  | df | Mean Square | t | Sig. |
|---|---|---|---|---|
| **(1) Cooperative Goals** | 1 | .470 | .172 | .679 |
| **(2) Competitive Goals** | 1 | 3.867 | 2.082 | .152 |
| **(3) Independent Goals** | 1 | .008 | .005 | .943 |
| **(4) Relationship Conflict** | 1 | .776 | .435 | .511 |
| **(5) Leader-member Relationships** | 1 | .182 | .090 | .764 |
| **(6) Open-minded Discussion** | 1 | 5.161 | 2.416 | .123 |
| **(7) Leadership Effectiveness** | 1 | .302 | .119 | .730 |
| **(8) Future Collaboration** | 1 | .005 | .002 | .963 |

*Correlational Analysis*

Table 5 presents the means, standard deviations, reliability coefficients, and zero-order correlations of all the studied variables. The results provide initial support the hypotheses of this study. Specifically, cooperative goals between supervisors and employees lead to less relationship conflict ($r = -.46$, $p < .01$), while competitive goals and independent goals are positively related to relationship conflict ($r = .44$, $p < .01$; $r = .54$, $p < .01$).

For the four hypotheses that relationship conflict between supervisors and employees lead to the outcomes, correlational analyses also provide support that relationship conflict is significantly negatively related to the four outcomes of LMX,

open-minded discussion, leadership effectiveness, and future collaboration (r = -.37,

p < .01; r = -0.39, p<.01; r = -.54, p < .01; r = -.55, p <. 01).

**Table 5 Correlations Among Variables**

| | Mean | Std. D. | （1） | （2） | （3） | （4） | （5） | （6） | （7） | （8） |
|---|---|---|---|---|---|---|---|---|---|---|
| (1) Cooperative Goals | 4.12 | 1.65 | 1 | | | | | | | |
| (2) Competitive Goals | 3.51 | 1.37 | -.40** | 1 | | | | | | |
| (3) Independent Goals | 2.67 | 1.24 | -.32** | .55** | 1 | | | | | |
| (4) Relationship Conflict | 2.33 | 1.33 | -.46** | .44** | .54** | 1 | | | | |
| (5) Leader-member Relationships | 3.64 | 1.41 | .54** | -.39** | -.30** | -.37** | 1 | | | |
| (6) Open-minded Discussion | 3.22 | 1.47 | .47** | -.45** | -.28** | -.39** | .69** | 1 | | |
| (7) Leadership Effectiveness | 3.87 | 1.59 | .57** | -.44** | -.37** | -.54** | .73** | .74** | 1 | |
| (8) Future Collaboration | 4.34 | 1.38 | .52** | -.32 | -.32** | -.55** | .75** | .66** | .77** | 1 |

Note:
N=103
Values in bracket are reliability (coefficient alpha) estimates.
**p<.01; *p<.05.

*Structural Equation Modeling Analysis*

Structural equation modeling was used to further explore the relationships among goal independence, relationship conflict and the outcomes of leader-member relationships, open-minded discussion, leadership effectiveness, and future collaboration. We first compared the hypothesized model to alternative models to see whether the proposed model fits the data the best. Then more detailed explanation of the hypothesized model is introduced.

*Model Comparison*

Results (see Table 6) indicate that the hypothesized model statistically fits the data. The $x2$ of the hypothesized model was 164.35 (d.f.=198) and CFI, TLI and RMSEA were 0.91, 0.90 and 0.078, respectively. Given the usually critical value of .90 (Bentler & Bonnett, 1980), results of the fit statistics suggested that the hypothesized model fitted the data quite well.

However, even if the hypothesized model fits the data well, three alternative models are considered and compared in case a better model exists. The first alternative model (M1) direct model, omits the paths related to the mediator. It indicates the direct effects of goal interdependence on the four outcomes. The second alternative model (M2) holds that both goal interdependence and relationship conflict lead to the four outcomes. The third alternative model (M3) indicates that goal interdependence has direct impacts on relationship conflict and outcomes. The TLI and CFI values of the alternative models are all below .90, while RMSEA values are above .09. The hypothesized model thus showed substantial improvement in the

chi-square indicates over the other three alternative models. Thus, we can see that hypothesized model fit the data better after comparing to the alternative models.

**Table 6 Nested Model Analyses**

|        | Chi-square | df  | Δχ2    | TLI | CFI | RMSEA |
| ------ | ---------- | --- | ------ | --- | --- | ----- |
| 1. M0  | 164.35     | 198 | -      | .90 | .91 | .078  |
| 3. M1  | 319.11     | 193 | 154.76 | .74 | .75 | .093  |
| 4. M2  | 282.34     | 186 | 117.99 | .82 | .82 | .089  |
| 5. M3  | 296.74     | 187 | 132.38 | .70 | .73 | .090  |

*Structural Equation Modeling Analysis for the Hypothesized Model*

Path coefficients provide more detailed findings to support the proposed model (Figure 2). Results show that cooperative goals help reduce relationship conflict (ß= -.24, p<.01), while competitive and independent goals increase the perception of relationship conflict (ß=.18, p<.01; ß=.42, p<.01). Consistent with the hypotheses, relationship conflict significantly affected the outcomes of leader-member relationships, open-minded discussion, leadership effectiveness, and future collaboration (ß= -.40, p<.01; ß= -.65, p<.01; ß= -.57, p<.01; ß=-.43, p<.01).

Generally, the results of path coefficients support the hypotheses and are consistent with the correlational analyses. The discussion chapter will draw the theoretical and practical implications of these results.

**Figure 2 Path Estimates for the Hypothesized Structural Model**
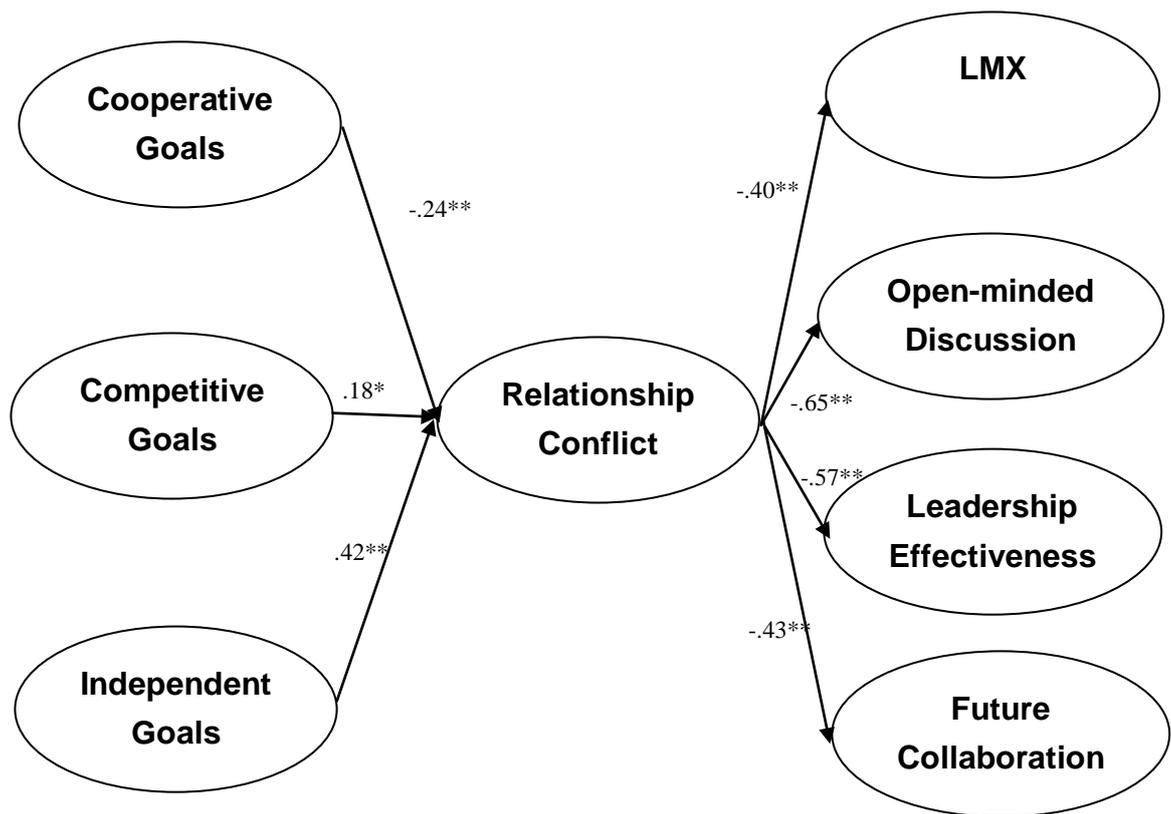
Note:

N=103;

**p<.01; *p<.05.

*Summary of the Incidents*

A total of 103 incidents were recorded from the interviews for the study. On

the basis of participants' description and their ratings on goal interdependence, 53

participants indicated that they have largely cooperatively related goals with their

supervisors and 38 of them were considered generally successful; 39 cases reported

predominately competitive goals and 24 of them were thought to be unsuccessful. Of

the 11 cases with largely independent goals, 9 incidents had successful outcomes.

These results are consistent to the correlational and structural equation analyses that

cooperative goals are negatively related to relationship conflict and outcomes. The

strength on the findings may be different from quantitative analyses as people

focused on rating specific questions when they worked on the quantitative data while

they concentrated on the case when they recalled the incidents.

In the analysis of their reasons for relationship conflict, three main

antecedents could be categorized into four major types, namely, different personality

(mentioned by 25 interviewees), different work style (mentioned by 33 interviewees),

accumulated rancor (mentioned by 14 interviewees), and transformed task conflict

(mentioned by 31 interviewees). Previous studies did not mention the classification

of reasons for relationship conflict. But researchers pointed out "different

personality, different belief, etc." for the possible causes of relationship conflict. In

the interviews we conducted, very few people indicated "different belief" or

"different views on politics" as the cause. The explanation for this inconsistency

with western studies could be the collectivist values. People in Chinese SOEs are

representatives of a collectivist culture, no matter they are supervisor or employee.

They share similar beliefs and do not indicate strong differences in political views.

Figure 3 showed the different reasons for relationship conflict and their proportion.

To code the cases, I had two research students worked with me. In the first

step, each of us looked into the cases separately to see which category each of them

should fall into. They agreed with about 95 percent of my original classifications.

Then we discussed those cases that we had different opinions about which categories

they should fall into and finally achieved agreements.

**Figure 3    Reasons for relationship conflict in Chinese SOEs**
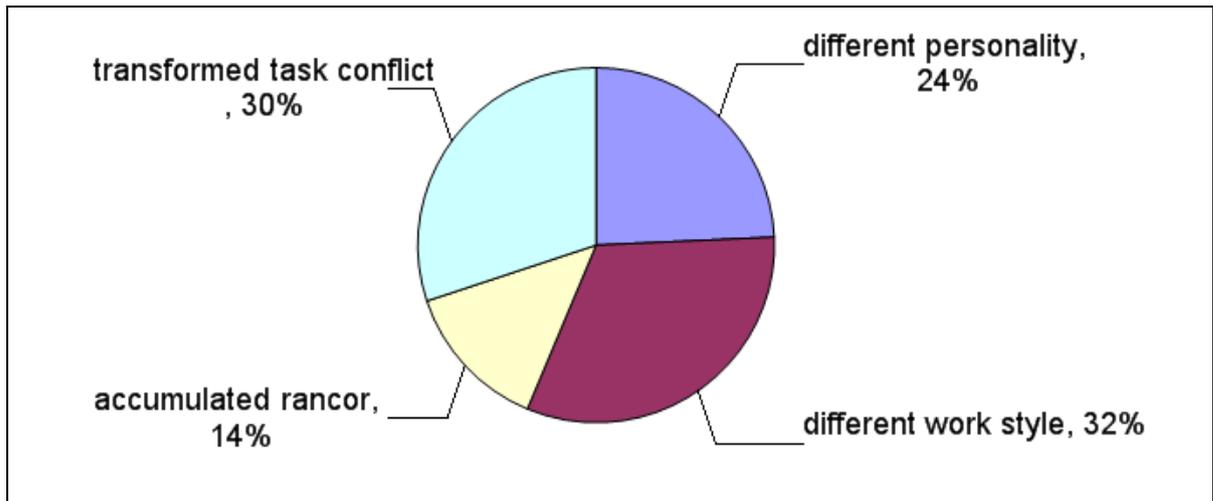
*Case Illustrations*

According to the classification of goal interdependence, three typical cases are presented. The interviewers rated the cases as having high, moderate, or low relationship conflict. Interviewees indicated cooperatively related, competitively related, and independently related goals in these three cases, which were illustrated with the dynamics of how goal interdependence affects supervisors and employees' perceived relationship conflict that affects organizational outcomes.

Case A describes the dynamics of how cooperative goals between supervisors and employees affect perceived relationship conflict, and in turn influence their relationship, willingness of future collaboration and other outcomes. A male employee in a large telecom company in Guangzhou recalled an incident when he had relationship conflict with his immediate supervisor. During one of their weekly meeting, after discussing about work tasks, the supervisors said he felt the employee behavior and personality in their workplace was too "self-centered". But when the employee asked what made him think so, the supervisor could not talk about one specific example, but just kept using the word "I think", "I felt". The employee felt

unfairly treated and he believed the supervisors just attacked him personally. Then they began argue back and forth, with both side repeatedly point out the other's "attitude problem". They ended that day's meeting by meaningless argument. However, when the employee came home and calm down, he felt it was not the appropriate way to solve the problem. So he wrote a long e-mail to the supervisor, indicating that he had no idea of what the supervisor accused him, but still, he did not want the supervisor regard him as a self-centered employee. In the e-mail, he politely asked the supervisor to explain the situation. The next day, the supervisor asked him to his office, and they had a long, but peaceful talk for an hour. Finally both of them figure out the root of the problem: The supervisor decided to observe his employees more before judging them and the employee noticed that some of his behaviors were actually just focused on himself. As both the employee's and supervisor's goals were keep the workplace's harmonious atmosphere, although they had unhappily argued before, both of them wanted to calm down from the negative feelings caused by relationship conflict and to discuss the problem peacefully.

Case B describes the dynamics of how competitive goals between supervisors and employees affect perceived relationship conflict that in turn influences their relationship, open-minded discussion and other outcomes. A male employee worked in a technology company in Guangzhou indicated that he had been worked with hissupervisor for almost two years. He said that both of them felt they did not get along with each other because, the employee concluded, they had "different work styles and different beliefs". When their company decided to divide their department

into two, the supervisor approached him and told him to go to the newly developed department. However he did not want to leave his current job position just because of the supervisor. Although they were supposed to discuss the issue of transfer, they just turned their discussion into blaming each other's behavior during last two years. The supervisor pointed out the employee's attitude toward him was always arrogant while the employee regarded the supervisor as a heartless leader. When their conflict escalated, they spoke more loudly and even pointed at each other. At the end, the department head had to intervene in the fight. The employee was assigned to the new department eventually, "but at least I do not have to face that annoying leader!" he said. Their goals were competitive in that the employee wanted to stay while his supervisor insisted that he leave. Finally they broke their relationship and avoided working with each other in the future.

Case C describes the dynamics of how independent goals between supervisors and employees affect perceived relationship conflict, and in turn influence their relationship, leadership effectiveness, and other outcomes. A female employee from a middle state-owned company in Nanjing told a story about an unhappy argument with her new supervisor. Normally, if the employees want to take a day off, they just submit a form to supervisor indicating the date and the reason. However, after the she took a day off and came back to work, her new supervisor accused her angrily. The new supervisor felt she did not show enough respect him enough because she should ask for leave in person. Considering the authority of his superior, the employee did not argue back immediately. But the supervisor kept

blaming her including snide comments about her personality, and also insisted that she took the leave in this way because she thought her former leader was better than him. The employee felt insulted and innocent. The woman then applied to leave her current position and switch to another department. The employee wanted to take leave as before, while the new supervisor wanted his employee obey him. Both of them thought they could achieve their goals without considering the other's. They couldn't make an agreement on their aims during the argument: at the end they had a very low quality of relationship and no possibility of future collaboration.

*Summary*

This chapter describes the methods and results of the data analyses. Quantitative analyses including regional difference analysis, correlational analysis, and structural equation modeling analysis support the hypotheses and the model proposed in this study. Qualitative analyses including case illustration and analysis of reasons for relationship conflict provide more detailed understanding of relationship conflict in Chinese SOEs.

# Chapter VI

# Discussion

The purpose of this study is to identify the dynamics among goal interdependence between employees and their supervisors in organizations, relationship conflict, and the four measures of organizational leadership: leader-member relationships, open-minded discussion, leadership effectiveness, and future collaboration. It also provides theoretical and empirical applications for handling relationship conflict in organizations and facilitates leadership and relationships between supervisors and employees in the context of Chinese State Owned Enterprises.

This chapter provides an overview and summary of results and important findings for the research questions in this study. It discusses the dynamics of how cooperative goals reduce relationship conflict while competitive and independent goals increase it, and how relationship conflict affects organizational leadership in Chinese SOEs. This chapter also suggests the generalizability of the underlying theories, the limitations, and the practical implications for supervisors and employees.

*Summary of the Results*

This study developed a theoretical model of relationship conflict between supervisors and employees in Chinese SOEs, aiming at understanding the dynamics and conditions of relationship conflict and to what extent it affects leadership. It also

discovered that cooperative goals between supervisors and employees significantly reduce employees' perception of relationship conflict.

Several steps of statistics analyses were conducted to test the hypothesized relationships among variables. Results support and extend research theorizing that type of goal interdependence is an important predictor of perceived relationship conflict between supervisors and employees. Cooperative goals between supervisors and employees, rather than competitive goals and independent goals, have the potential to reduce the tensions and frustrations of relationship conflict. Also, negative effects of relationship conflict on leadership constructs are indicated.

Specifically, correlational analyses supported the hypotheses that relationship conflict between supervisors and employees are negatively related to the four leadership constructs: leader-member relationships, open-minded discussion, leadership effectiveness, and their future collaboration. Structural Equation Modeling was then conducted to test the causal relationships among goal interdependence as antecedents, relationship conflict, and outcomes. With acceptable model indices, the proposed model can be considered as a good fit with the data. The path coefficients of the proposed model are consistent with the correlational results.

Results of these analyses suggest that goal interdependence can crucially affect relationship conflict between supervisors and employees. Strengthening cooperative goals would reduce the likelihood of intense relationship conflict.

Relationship conflicts were found to occur in organizations with collectivist values. Even Chinese SOEs that emphasize the harmony within the work group,

employees still report there are various relationship conflicts with supervisors. Also, results show the generalizatility of goal interdependence theory in understanding relationship conflict in collectivist societies.

<center>*Findings on the Hypotheses*</center>

*Relating Goal Interdependence to Relationship Conflict*

Consistent with expectations, goal interdependence between supervisors and employees has been demonstrated as an important antecedent to relationship conflict. Results from the correlational analysis, structural equation modeling, and path coefficients are consistent with the proposed model. When goals between supervisors and employees are perceived to be cooperatively related, they experience less relationship conflict. On the other hand, when goals between supervisors and employees are perceived to be competitively or independently related, their relationship conflicts become stronger. These results support Deutsch's (1973) conclusion that how people believe their goals are related is a useful way to understand the dynamics and consequences of their interaction.

*Cooperative Goals and Relationship conflict*

Relationship conflict is often conceived as detrimental to organizational outcomes but previous studies ignored the question "how to reduce" relationship conflict. Results of this study suggest that cooperative goals between supervisors and employees significantly reduce relationship conflict. According to the statistical results and cases provided by the respondents, relationship conflict is not always

<center>- 53 -</center>

intractable. Based on the cases that respondents indicated cooperative goals between supervisors and employees, people considered relationship conflict was low and both the supervisors and employees behaved less aggressively toward each other. We summarize several explanations for the effects of cooperative goals by analyzing the cases.

Firstly, supervisors and employees engage in less interpersonal hostility as they perceived cooperative goals. They realize they are on the same boat and can use each other's ideas and assistance to solve the problems. So they behave less aggressively and voice their diverse views, become uncertain about the adequacy of their current thinking, explore the opposing perspectives, and integrate them to create quality solutions. For example, when recalling a personal clash with his supervisor, an employee from an iron factory indicated that his boss suggested that they "calm down and sit down to have an honest, face-to-face talk". Both of them agreed to "try to stop offensive arguments" as their goals were not to win over the other. Cooperative goals induced a willingness to incorporate opposing views and reach an agreement. Their relationship conflict reduced gradually as they developed a useful method to discuss and solve the problem, rather than complaining about the person.

Secondly, people with cooperative goals feel motivated to solve the problem that underlies the conflict, instead of meaningless abuse of each other. A middle-level sales person had a heated debate with his department head in a meeting. The head accused him of being a bad team member because he was always absent from the department's after-work activities; he countered that whether he attended or not was

his personal preference and not related to work performance. This discussion helped them break out of their accumulated rancor as the head had frequently complained about his absence. He now realized he should show his commitment to the group so he listed to the head several reasons to support his absence. Although in the end the head did not persuade him to attend future activities, the employee recalled both of them felt "it was necessary to work out the problem" as they both wanted effective group work.

Similar to this case, many respondents with cooperative goals reported that they felt "the necessity to figure out a solution", or at least one side should "make a concession". They recognized that both wanted a resolution to the frustrations so that they could work together successfully. Thus, we can conclude that supervisors and employees with cooperative goals appreciate their duty is to get things done together and thus are motivated to solve difficulties and reduce tension and frustration.

Findings suggest how supervisors and employees with cooperative goals reduce relationship conflict. These results complement prior studies on relationship conflict to suggest ways of managing and resolving interpersonal clashes.

*Competitive Goals, Independent Goals and Relationship Conflict*

With competitive goals, supervisors and employees regard each other as wanting to outperform each other. Consequently, when they engage in relationship conflict, they make little effort to understand the other's opinions or ideas. Supervisors want employees to obey their orders without complaints while employees only believe in their own rationale, so they feel stressed, annoyed, and

frustrated. Many participants indicated that these negative feelings became more severe when they repeatedly argue for their own benefit. Almost half of the participants who had competitive goals with their supervisor recalled their supervisor as "pushy" and "tough" leaders who always force them to stop complaining and obey their orders. No matter what the followers' justifications are, they need to be the "winners".

The results also show significant negative effects of independent goals on relationship conflict, with a stronger path estimates than competitive goals to relationship conflict. We conclude that not just competitive goals increase the negative feelings, even unrelated goals between supervisors and employees strengthen the frustration. With independent goals, supervisors and employees focus on their own ends and do not much care about each other. People refuse to listen and try to understand each other and this dynamics intensify the negative feelings. By considering only themselves, tension and other negative feelings of the conflict intensify. Employees depicted their supervisors as "indifferent" and "careless" leaders when independent goals are perceived. As a designer recalled the reason for an enduring argument with his team leader, he concluded "even when we understood each other's view, both of us did not want to make concession". Sometimes they kept emphasizing their own opinions for days without reaching an agreement. Many participants believed they and their supervisors "did not have consensus of what should be achieved" so this made the interaction a deadlock.

*Effects of Relationship Conflict*

Previous researchers have demonstrated the negative relationships between relationship conflict and group performance, employee's job satisfaction, and other outcomes in a group setting (Jehn, 1995, 1997; De Dreu, et al., 2003). Results of this study show the negative effects of relationship conflict between supervisors and employees on leadership. Specifically, it lowers the quality of leader-member relationships, interferes with their open-minded discussion, frustrates leadership effectiveness, and undermines future collaboration.

*Relationship conflict and LMX.* Leader-member relationship has long been considered critical for understanding interactions between supervisors and employees. Findings of this study provide insight into the dynamics of how relationship conflict undermines LMX in Chinese SOEs. Interviewees who indicated an intense relationship conflict with their supervisors reported that they believed their relationships deteriorated after the incidents. The cases suggest possible explanations for this deterioration. Employees reported their inferior position was a major impediment when engaged in a relationship conflict with their supervisors. Usually their argument ended with the supervisors imposing their one-side opinions, without considering the employee needs and viewpoints. Feelings of tension and frustration and supervisor's superior position became barriers to leader-member relationships.

*Relationship conflict and open-minded discussion.* Results show that relationship conflict has a significant negative influence on open-minded discussion between supervisors and employees. After the interaction of relationship conflict,

employees reported a low possibility of open-minded discussion with their supervisors. Relationship conflict limits the information processing ability because people are distracted by their hostile thoughts of the other. Respondents in this study reported that their supervisors regarded the problems causing relationship conflict as "trivia" and "unrelated to work" so they did not deserve much focus and discussion.

*Relationship conflict and leadership effectiveness.* Results showed a destructive role of relationship conflict on leadership effectiveness. Respondents indicated they felt their supervisors were less responsible and had low commitment to their leader's role during and after the personal clashes. When engage in relationship conflict, some supervisors tend to put their own business foremost. These behaviors make employees less trusting of their supervisor and regard them as irresponsible leaders. Therefore, relationship conflict lowers leaders' competency in supervising.

*Relationship conflict and future collaboration.* Results suggest that the more the relationship conflict, the less future collaboration between supervisors and employees. Participants reported that both supervisors and employees refused future collaboration. With understanding of organization's emphasis on "harmony", some employees decided to make compromise before the conflict escalated but avoided working with the supervisor in the long run because they "no longer have confidence in their work relationship with the supervisor".

*Relationship Conflict in Collectivist Values*

With the aim of exploring conflict interactions between supervisors and

employees in collectivist values, all the interviews of this study were conducted in mainland China, with interviewees employed in Chinese State Owned Enterprises. Firstly, regional difference statistics did not indicate significant differences between employees who worked in Nanjing and Guangzhou in the respondents' ratings of the scales. This result suggests that the influence of region and culture in mainland China on people's interaction in relationship conflict and perceived goal interdependencies were not direct and significant. Most previous research on relationship conflict was conducted in Western countries, which are typically individualistic. Whether the dynamics and conditions of relationship conflict are different in organizations with collectivist values has not been explored by prior studies. Results of this study suggest that perceived relationship conflict is a likely barrier to the quality of leadership in the collectivistic culture of China where people value interpersonal relationships highly and tend to avoid the possible behavior that may damage the relationship (Ding, 1995; Jehn & Weldon, 1992; Kirkbride, Tang, & Westwood, 1991; Leung, 1997; Triandis, 1990; Triandis, McCusker, & Hui, 1990; Tse, Francis, & Walls, 1994).

Even with an emphasis on interpersonal relationships, collectivist values do not ensure harmony in organization. Interviewees were able to recall cases of relationship conflicts. Findings from cases described in interviews indicate that supervisors in Chinese SOEs may be particularly strict and perform aggressively with "out group" employees after they experienced relationship conflict. These "out-group" members rejected working with their supervisors in a long run and

regarded their relationships as weak.

In conclusion, organization people with collectivist values, such as Chinese SOEs employees, also engage in relationship conflict with their supervisors. However, their interactions and outcomes during the conflict process still depend on how they perceive their goals are related with their supervisors.

## *Practical Implications*

In addition to developing theoretical understanding of relationship conflict between supervisors and employees, support for the hypotheses have practical implications for supervisors and employees, especially in China SOEs and other organizations with collectivist cultures.

### *Implications for Supervisors*

Relationship conflict is an everyday possibility even in Chinese SOEs with collectivist values. Results further document that relationship conflict can be an obstacle for effective leadership. In order to handle relationship conflict constructively and reduce its negative effects, supervisors can make relevant adjustments in their leadership style and methods.

Supervisors should focus on understanding how and why relationship conflict occurs. Relationship conflict is a two-person interaction accompanied by negative feelings and frustrations. Supervisors should be sensitive to the employees' feelings and the differences between themselves and the employees. They can avoid win-lose arguments aroused by different personalities and opinions on trivial issues unrelated

to work and people's interests.

Supervisors should develop cooperative goals between themselves and employees and create a positive workplace environment that can encourage employees' expressing their disagreement. For example, supervisors should be patient and encourage employees to express their ideas and make their own rationale clear to the employees when they have different views not directly related to work tasks. They should work together to combine their views and figure out whether there could be a mutual goal from which they feel they need each other's effort to achieve the goal.

*Implications for Employees*

When engage in personal clashes with supervisors, employees should clarify their views and opinions. Instead of avoiding and hiding their true feelings, communicating with supervisors and developing mutual goals are more effective to reduce the tension and frustration. Employees should not be scared by the superior position of their supervisors but be brave to communicate with them.

Employees should also be patient during the interaction and they should be prepared to welcome good ideas from supervisors. As recorded in some cases, some participants admitted that they focused on their own goals too much and this intensified the relationship conflict. Employees should learn and practice skills of cooperation, which include self-expression, perspective-taking, and creative problem-solving (Tjosvold, 1993).

*Generalizatility of the Underlying Theories*

Although theories based on Western country data cannot be assumed to apply in other cultural setting (Adler, 1983), results of this study suggest the generalizability of the theory of goal interdependence theory to China. Goal interdependence theory proved useful to understand the interaction and dynamics of relationship conflict between supervisors and employees in Chinese SOEs, under collectivist cultures.

*Limitations*

This study has several limitations. Firstly, the relatively small sample of 103 participants in interviews limits the validation and generalization of the findings. The methodology of collecting data limits a wide sampling. Although interview is appropriate to explore problems and proved to be useful in this study, its operations make collecting a wide sample of data difficult. Although the sample is not representative of mainland China as whole, developing data from two cities and with similar results suggest that the findings are not highly restricted.

The data are self-reported and subject to biases, and may not accurately describe the relationships. Collected data are correlational and do not provide direct evidence of causal links between types of goal interdependence, perceived relationship conflict and four outcomes. Also, as all the respondents are employees from Chinese SOEs, it may suffer from common method variance. But we used Harman's one factor analysis that suggested it did not pose a serious threat to interpreting the findings.

The scales for this study are developed from Western studies. Although most of the scales used in this study have been tested in China, researchers have doubted the viability of applying scales developed in the West to China because Chinese people's perceptions and understandings of certain issues may be different and are likely to result in different outcomes (Helms, 1992; Hofstede, 1993). However, the results support the hypotheses and suggest that the scales have validity. Results should be considered tentatively, as the data are correlated and do not provide direct evidence of causal links between types of goal interdependence, relationship conflict, and the outcome measures.

*Possible Future Research*

Spector and Brannick (1995) have argued that the most effective way to overcome recall and other methodological weaknesses is to test ideas with different methods. Further survey and experimental studies investigating the dynamics of relationship conflict and the role of goal interdependence would strengthen this study's findings. Experiments of a longitudinal design would be particularly useful for indicating the causal relationships among goal interdependence and perceived relationship conflict.

As this study focus on relationship conflict between supervisors and employees, future studies could use goal interdependence theory to understand dynamics and conditions of intergroup and intragroup relationship conflict. Broadening the knowledge of relationship conflict in different conditions could be a helpful method to strengthen leadership and other organizational outcomes since this

study has demonstrated the influence of relationship conflict on leadership measures. As this study indicated that cooperative goals could reduce relationship conflict, future research could focus on how to use cooperation and competition based methods to solve relationship conflict.

*Conclusions*

Leaders spend a significant portion of their work time managing subordinate conflict (Thomas & Schmidt, 1976; Watson & Hoffman, 1996), and considerable research attention has been paid to conflict management styles and practices within organizations (Gayle, & Preiss, 1998; Rahim, 2001). Far less attention has been paid to possible antecedents of conflict (Deutsch, 1990).

This study showed the predictor role of goal interdependence on relationship conflict between supervisors and employees in the context of Chinese SOEs. Negative effects of perceived relationship conflict on leadership outcomes were also demonstrated. Statistical results support the hypotheses and proposed model that goal interdependence leads to relationship conflict that in turn influences leadership in terms of leader-member relationships, open-minded discussion, leadership effectiveness, and future collaboration.

Results suggest that relationship conflict lowers the quality of organizational leadership. Negative feelings and frustration often coexist with relationship conflict. Employees feel uncomfortable, even hostile, when relationship conflicts occur between themselves and supervisors and this result in a poor leadership in the workplace. Even in Chinese SOEs, which is representative of collectivist values,

relationship conflict is inevitable due to different personalities, work styles between supervisors and employees, and accordingly leads to negative organization leadership.

Findings overall suggest that develop cooperative goals in organizations, especially between supervisors and employees is crucial to reduce relationship conflict in Chinese SOEs. When organization people conclude their goals are cooperatively related, instead of competitively or independently, they are likely to experience less tension and personal clashes and then have a high quality of LMX and discuss their disagreement open-mindedly and constructively.

**Interview Schedule**



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Department of Management

**Relationship Conflict and in Chinese SOEs**

Interviewee: _____

Position:       _____

Organization: _____

Years worked in Organization: _____

Gender _____    Age _____        Education _____

Contact No.:_____        Email: _____

A.  We are studying how people discuss their differences in China. We want you to discuss a concrete example when you had differences with your supervisor which were not directly related to work. It may involve interpersonal clashes characterized by anger, frustration and other negative feelings; it can include people's interpersonal incompatibilities that typically include tension, animosity, and annoyance. The situation may have been generally successful or unsuccessful.

B.  Describe what led to the situation, with whom you were working, what happened, and how both of you reacted.

**[Scales]**
**Goals**

What were your objectives in this interaction?
        (Record Verbatim)

What were the other person's objectives in this interaction?
        (Record Verbatim)

The following questions ask you how you thought your objectives were related to your supervisor's objectives as the incident began:

**Cooperative goals**

1. In this incident, my supervisor and I 'swim or sink' together with each other
                  Little    1  2  3  4  5  6  7  A Great Deal

2. In this incident, my supervisor and I wanted each other to succeed.
                  Little    1  2  3  4  5  6  7  A Great Deal

3. In this incident, my supervisor and I sought compatible goals with each other.
                  Little    1  2  3  4  5  6  7  A Great Deal

**Competitive goals**

4. In this incident, my supervisor did things in ways that promote his/her own goals rather my goals.
                  Little    1  2  3  4  5  6  7  A Great Deal

5. In this incident, my supervisor and I liked to show that we are superior to each other.
                  Little    1  2  3  4  5  6  7  A Great Deal

6. In this incident, my supervisor and I gave high priority to the things we want to accomplish and low priority to the things the other want to accomplish.
                  Little    1  2  3  4  5  6  7  A Great Deal

**Independent goals**

7. In this incident, my supervisor and I "do our own thing" without regard to the other.
                  Little    1  2  3  4  5  6  7  A Great Deal

8. In this incident, my supervisor and I like to be successful through our own work.
                  Little    1  2  3  4  5  6  7  A Great Deal

9. In this incident, my supervisor and I work for our own independent goals.
                  Little    1  2  3  4  5  6  7  A Great Deal

**Mediator:**

The following questions ask you about how you discussed your differences as the incident began:

**Relationship conflict**

10. In this interaction, how much emotional conflict was there between you and your supervisor?

<center>Little     1   2   3   4   5   6   7   A Great Deal</center>

11. In this interaction, how much personal conflict was there between you and your supervisor?
<center>Little     1   2   3   4   5   6   7   A Great Deal</center>

12. In this interaction, how much friction was there between you and your supervisor t?
<center>Little     1   2   3   4   5   6   7   A Great Deal</center>

13. In this interaction, how much tension was there between you and your supervisor?
<center>Little     1   2   3   4   5   6   7   A Great Deal</center>

**Outcomes**
These questions ask you about the effects after the incident was completed.
(1)  Specify the effects of this interaction on you:


(2)  Specify the effects of this interaction on the organization:

**Leader-member Relationships**

(1) To what extent did this interaction help strengthen the relationship between you and your supervisor
<center>Little     1   2   3   4   5   6   7   A Great Deal</center>


(2) To what extent did this interaction help you believe you care about the problems and needs of each other
<center>Little     1   2   3   4   5   6   7   A Great Deal</center>


(3) To what extent did this interaction help you believe you and your supervisor recognize each other's potential
<center>Little     1   2   3   4   5   6   7   A Great Deal</center>


(4) To what extent did this interaction help you believe you and your supervisor are inclined to pool your available resources to solve the problem
<center>Little     1   2   3   4   5   6   7   A Great Deal</center>


(5) To what extent think this interaction help you believe you and your supervisor are satisfied with each other's work

Little     1   2   3   4   5   6   7   A Great Deal

**Leadership Effectiveness**

(1) To what extent did this incident help you believe your supervisor performs his supervisor roles appropriately

Little     1   2   3   4   5   6   7   A Great Deal

(2) To what extent did this incident help you believe your supervisor exercises his responsibilities well as a supervisor

Little     1   2   3   4   5   6   7   A Great Deal

(3) To what extent did this incident help you satisfied with your supervisor's overall effectiveness as a supervisor

Little     1   2   3   4   5   6   7   A Great Deal

**Open-minded Discussion**

(1) To what extent did this incident help you believe you and your supervisor listen carefully to each other

Little     1   2   3   4   5   6   7   A Great Deal

(2) To what extent did this incident help you believe you and your supervisor express your own views directly to each other

Little     1   2   3   4   5   6   7   A Great Deal

(3) To what extent did this incident help you believe you and your supervisor consider each other's ideas even if you don't agree

Little     1   2   3   4   5   6   7   A Great Deal

**Future Collaboration**

13)   To what extent do you hope you can work with the other person in the future?

Little     1   2   3   4   5   6   7   A Great Deal

14)   To what extent will you try to seek opportunity to work with the other person in the future?

Little     1   2   3   4   5   6   7   A Great Deal

15)   To what extent would you be very pleased if the other person continued to be you partner in the future?

Little     1   2   3   4   5   6   7   A Great Deal

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