

# Conflict: Philosophy and Culture

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**Abstract:** It is becoming clearer than ever that new ideas about conflict resolution lie in interdisciplinary research. This paper will look at the importance of cross-cultural leadership in avoiding and resolving conflict on construction projects. It will also review some recent work on dealing with conflict on international projects in which the number of participants is especially large, and thus the probability of conflict increased. This paper will also look briefly at some patterns of thinking from game theory that can broaden the scope of the discussion about conflict. **DOI: 10.1061/(ASCE)LA.1943-4170.0000101.** © 2013 American Society of Civil Engineers.

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## Introduction

This paper overlays the theory of conflict resolution with practice. The paper will address the intertwining of process, personality, and culture in conflict resolution. In a book on cross-cultural leadership (Grisham 2009a), anthropology, psychology, physiology, sociology, management and leadership theory, culture, conflict, and the importance of effective conflict resolution in cross-cultural leadership were studied. In a later book (Grisham 2009b) on international project management, the application of leadership to the world of international business and conflict in that environment were explored. This paper will provide excerpts from those works.

This paper will discuss cross-cultural conflict, so will begin with a folk story from the Yoruba people, the majority of whom live in Nigeria. This comes from Augsburg (1992), who took it from a work by Achebe (1975):

Once upon a time, two farmers were working their fields on either side of a road. As they worked they made friendly conversation. Then Eshu, god of fate and lover of confusion, decided to upset the state of peace between them. He rubbed one side of his body with white chalk and the other with black charcoal and walked up the road with considerable flourish.

As soon as he passed beyond earshot, the two men jumped from their work at the same time and one said "did you notice that extraordinary white man who just went up the road?" In the same breath the other asked "did you see that incredible black man I have just seen?" In no time their friendly questions had turned into a fight. As they fought they screamed, "he was white," or "he was black." Finally, exhausted, they returned to their fields in gloomy and hostile silence. No sooner than they had settled down that Eshu returned and passed with greater flourish back down the road.

Immediately the two men sprang up again. "I am sorry, my good friend. You were right the fellow is white." And in the

same instant the other was saying, "I do apologize for my blindness. The man is indeed black, just as you said." And in no time the two were quarreling and the fighting. As they fought they shouted "I was wrong!" and "No I was wrong!"

At last the two fighters were brought by their neighbors before the chief, where each told his story and insisted upon an apology. The chief, Obataiye, was dumbfounded. "What confusion! Two men fight, then apologize, then fight over who dare apologize." Then Eshu appeared and walked through the circle twice. At last he said "creating controversy and confusion is my favorite pastime."

According to recent research (Wells 2002),<sup>1</sup> humans all spring from the same two mothers and one father, in Africa. It is not surprising then that many cultural values and norms have similar foundations. The golden rule, for example, is included in major religious beliefs (Harris et al. 2000):

- Muslim version: "No man is a true believer unless he desires for his brother that which he desires for himself" (Hadith, Muslim, imam 71-72).
- Christian version: "Treat others as you would like them to treat you" (Luke 6:31, New English Bible).
- Hindu version: "Let not any man do unto another any act that he wisheth not done to himself by others, knowing it to be painful to himself" (Mahabharata, Shanti Parva, cclx.21).
- Confucian version: "Do not do to others what you would not want them to do to you" (Analects, Book xii, #2).
- Buddhist version: "Hurt not others with that which pains yourself" (Udanavarga, v. 18).
- Jewish version: "What is hateful to yourself do not do to your fellow man. That is the whole of the Torah" (Babylonian Talmud, Shabbath 31a).

On the personality side (Seddigi et al. 2009), a study found that engineering students in Saudi Arabia, Canada, and the United States exhibited the same type of personalities as measured by the Myers-Briggs type indicator (MBTI) tests (see Fig. 1). This study provided statistical evidence of the personality types using the MBTI test on 235 students with the vertical axis being the percentages of students, and the x-axis being the MBTI personality types described subsequently. The study discussed the differences and similarities in the personality profile of Saudi and Canadian engineering students and its implications for engineering education. It found that cultural differences require different educational techniques.

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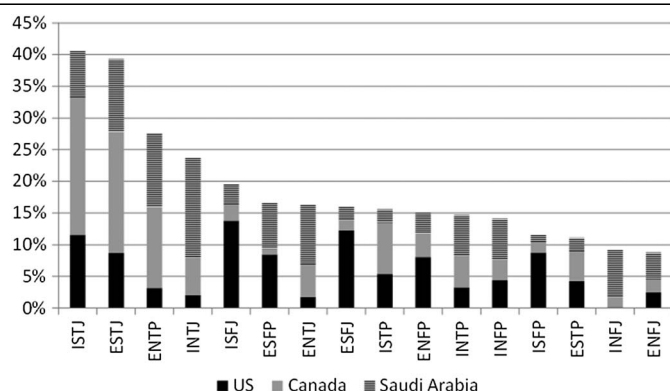


Fig. 1. MBTI test results

An MBTI test can be found online.<sup>2</sup> The abbreviations in Fig. 1 are described subsequently, and they are listed in rough order of the number of participants who tested in the category. Personality and culture will be discussed subsequently in this paper:

1. Assimilators (ISTJ and ISFJ):
  - Use well-organized structure and follow a clear agenda;
  - Provide useful and practical information; and
  - Include facts.
2. Expeditors (ESTJ and ENTJ):
  - Demonstrate competence of trainers and credibility of information;
  - Provide a logical rationale for activities; and
  - Provide opportunities to question or debate information or ideas.
3. Explorers (ENTP and ENFP):
  - Provide opportunities to generate or explore ideas;
  - Introduce ideas with an overview or conceptual framework; and
  - Link material.
4. Visionaries (INTJ and INFJ):
  - Provide additional resources for interested participants;
  - Use precise language to discuss complex concepts and ideas; and
  - Integrate information from a variety of sources to other frameworks and applications.
5. Responders (ESTP and ESFP):
  - Include activities in which participants can move around;
  - Provide links to practical applications; and
  - Engage the senses with color, texture, scent, or sounds.
6. Contributors (ESFJ and ENFJ):
  - Include activities to build group rapport;
  - Provide opportunities to collaborate and cooperate; and
  - Deliver in a pleasant physical environment details and links to experience of others.
7. Analyzers (ISTP and INTP):
  - Use efficient design and implementation;
  - Provide information in a logical manner; and
  - Include challenges or problem solving.
8. Enhancers (ISFP and INFP):
  - Explore the personal meaning and significance of learning;
  - Provide support and encouragement for participants; and
  - Consider the unique situation and needs of each participant.

The point is that recognized personality types exist in all cultures, likely in part because humans are all descended from the same ancestors. This matters because in successful negotiations, one must attempt to learn as much about the opponent and oneself as possible.

This paper will weave the previous information into the considerations for dispute philosophies first, then individual values and norms, cultural values and norms, and finally a conclusion. The goal is to inspire, hopefully, new insights and ideas to help people do better at what they do.

## Conflict and Alternative Dispute Resolution

Conflicts are a natural part of human interaction and can spring from individual, social, cultural, religious, political, financial, goals, intellectual, and political roots. Approaches to conflict can be to resolve, manage, or postpone depending on the severity and circumstances. Experience has shown that postponing conflict resolution is not the best approach, but it is the only one that is sometimes available. Sometimes, a blend of these approaches is needed if the conflict is a particularly sensitive one that has multiple facets (e.g., cultural and financial).

First, consider the conflict between Taiwan and China. China, the United States, Taiwan, and many other stakeholders have an interest in this conflict. Currently the conflict is being postponed, possibly to let time cool emotions or enable another generation, not so connected with the past, to take on the challenge. Postponing until a tipping-point is realized might be a very effective strategy.

Or consider a conflict between team members, say a high-caste and a low-caste person in India, which is not a conflict that normally can be resolved, but if postponed it could contaminate the entire team. Such ethnic issues that have persisted for centuries normally cannot be resolved in the course of a business endeavor. In this case, waiting for another generation to arrive will not be soon enough because the damage can easily spread. Management of the conflict in the short term will enable the team to move forward.

Compare these first two examples to a conflict between the financial goals of two companies involved in the same project. Company A may optimize its profits by completing its work early, while Company B is better positioned to improve its profitability if it delays its work. If Company A then must wait for Company B, financial conflict could occur. This transactional, one-off type conflict needs to be resolved if at all possible. Managing it could cause it to fester and poison the relationship.

There is also the need to consider the type of relationship that exists and is desired between the parties in a conflict. A transactional relationship (one-off) has a completely different set of priorities and goals than does a long-term relationship. In a transactional relationship, the parties engage in win-lose negotiations. Think of two camel traders in Marrakesh Morocco. One party wants to buy a camel at the lowest possible price and have bragging rights for tricking or beating down the opponent. Likewise, the opponent wants to get the highest price possible for a camel the opponent has been trying to unload for such a long time.

Compare this one-off approach to a global alliance. Company A, a global supplier of cell phones, wants to create an alliance with a global internet service provider. They intend to do business together for decades in dozens of countries. Here the relationship is critical and conflicts would be in a completely different environment. There is normally little pressure to win now, and the emotions are thus more manageable.

The contract environment needs to be calibrated to the requirements of the project and the relationships desired. Fig. 2 provides an overview of the types of environments commonly utilized on projects. The adversarial box is often used on public projects that have statutory requirements for competitive public bids. The collaborative box is often used in public-private partnerships (PPPs),

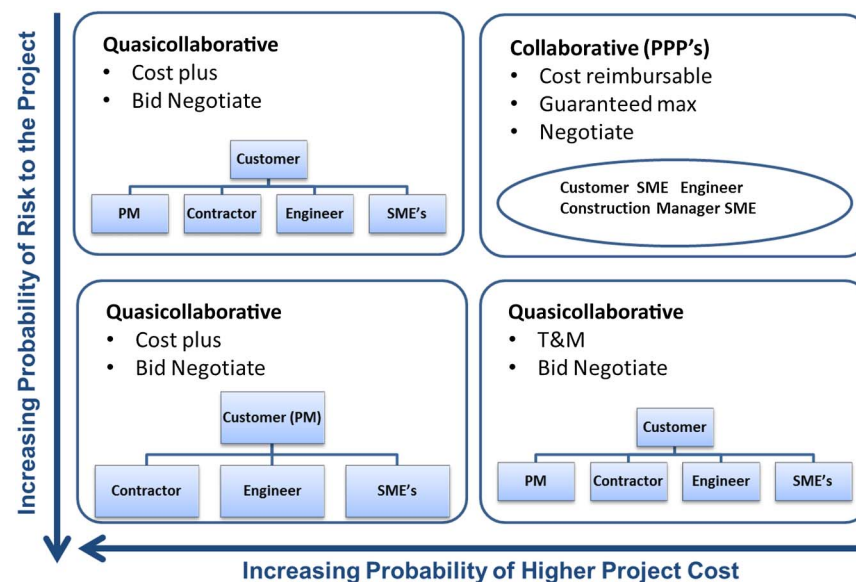


Fig. 2. Contracting environments

and the other two boxes are hybrids of the extremes. Some generic organizations are shown to indicate the participants that are often seen in such structures.

The axis comes from experience regarding risk, scope, and cost on projects. The perspective is from the end of the project, after the conflicts are settled. As indicated, the collaborative environment is the one with the greatest probability of success, provided it is a viable legal/political option. There are collaborative projects that fail and adversarial projects that succeed, but they are the exceptions.

Fig. 3 is taken from the author's first book and represents a model for addressing conflict. The hourglass model will be extended to define a list of tools and techniques that can be applied

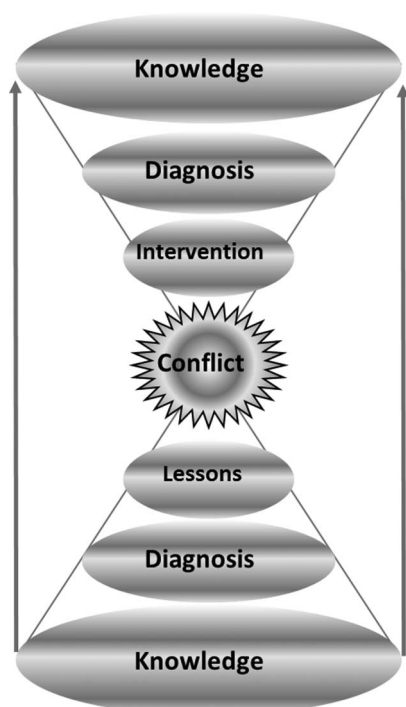


Fig. 3. Hourglass model

to facilitate improvement. For example, in the knowledge lens the use of metaphors is a critical technique for developing a richer knowledge of cultures (e.g., personal, societal, and commercial). A cultural knowledge of the cultural individuality of the contestants including religion, customs, folklore, music, art, literature, philosophy, language, history, geography, ethics, power, gender, and economic status is critical. Knowledge of the structure of the economic agreement is also important to know whether it is a fixed price contract or an alliance.

For diagnosis, an example of a necessary technique would be to employ active listening skills to increase the knowledge of the details or feelings of the contestants. This would also be a skill of great importance with the intervention lens. During intervention, negotiation skills are primary, after communication and effective listening. The hourglass model presumes that conflict resolution and negotiations are ongoing, not one-off. The hourglass flow is from top to bottom with the knowledge, lessons learned, from each encounter serving to improve the next cycle. Imagine working on a project that is multiple years in duration and having a conflict at least monthly (on some projects hourly). After six trips through this cycle, one should have a good knowledge of the other party or parties, emotional issues aside.

Having discussed these basics, the next sections look at the different approaches to confronting conflict.

### Do It Yourself

Most people who work with conflict recommend that the parties are best served if they can resolve their differences between themselves. One of the largest hurdles, however, is perspective. When involved in a conflict, it is not easy to stand back and look at the situation dispassionately. In some conflicts in which one or both of the parties feel threatened, especially if they are males, recent research (John 2009) with traders shows that high levels of cortisol are released when danger is present. That leads to irrational behavior, or what the author describes as "go-crazy" behavior. It is physiological, not just a matter of emotional intelligence (EQ) (Goleman 1996).

At the other extreme, there is the issue of trust. The author prefers the definition of Mayer et al. (1995) for trust, "the willingness of a party to be vulnerable to the actions of another party based



on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor that other party,” that is, to be vulnerable to another, to give them power over you. Again, a lack of trust is one of the key reasons conflicts cannot be resolved between two parties—perhaps just after emotions. For this paper, think of trusting the other party first—to get trust one must first give it. For more on trust, please see Grisham (2009a).

To overcome instincts and chemical turmoil is not easy. Though one knows conceptually what is going on inside, one still must struggle with oneself. Humans’ evolutionary genetic and social make-up is what it is. To be successful in resolving conflict requires challenging oneself to step back from the chemistry and culturalization and look at a larger picture dispassionately—easy to say, tough to do, but well worth it. Failing that, the next two sections address seeking out the help of others.

### Get Some Help

One lesson learned is that people will often opt to ignore advice on how to avoid disputes in the first place. Perhaps the reasoning is to save the cost and gamble on there not being any conflicts, or perhaps that one feels competent to address any conflicts personally. In Asia, medical practice focuses on prevention first and then on nuanced herbal and physical assistance when intervention is required. In the West, medical practice often focuses on curing an ailment with pharmaceuticals or surgery because more often the progressed nature of the ailment requires forceful intervention. Disease can be used as a metaphor for conflict; it is, after all, a conflict waged biochemically.

In Indian Ayurvedic medicine, body type, seasons, diet, and exercise are used to mitigate or diminish the probability of disease and promote health. Similarly, in China, exercise, herbal enhancers, and diet help more people to remain healthy longer. In contracting, these principles offer guidance on avoiding conflict and minimizing the impact when it occurs. The Western way of writing ever more stringent clauses to pin down every potential contingency can engender a lack of trust from the beginning.

On a large project in Saudi Arabia, the contract was thousands of pages with no index, essentially a collection of memos and letters accumulated during the negotiations. On a same size project in China, the contract was eight pages in length. There is a difference in cultural attitudes, of course, with the Middle East being more toward the transactional (the joy of negotiating), and China being strongly relationship based (Guanxi). In either extreme, or in between, the author’s experience is that trust matters greatly. Creating a culture of trust will help mitigate conflict later no matter the culture or contracting method chosen.

One way to do that is to discuss and jointly agree on the process that will be used when conflict occurs, because it will. A summary-level guideline is then written into the contract. On small domestic projects, this is a rather short and straightforward affair. On large international projects, it requires a considerable amount of time due to the number of participants. The written guidelines become more important on this latter type of project because of the number of organizations involved and the need to communicate the processes to those not involved in its creation.

Briefly then, three approaches that are well proven to assist parties in dealing effectively with conflict are detailed as follows.

### Neutral/Mentor

Often, perhaps for the same reasons as noted previously, parties do not choose to employ the services of a trained knowledgeable neutral on projects. Some are of course just too small to warrant the expenditure for regular assistance, but it can be argued that a

level-of-effort agreement can be used effectively in such cases, the idea being that a relationship can be built between the parties and the neutral in advance so that when a conflict occurs, the process and help is in place. Think of the planning for a hurricane, when the plan is already set, all that remains is to implement it. Trying to agree on a process and a neutral when already in conflict about something else is more problematic.

On larger projects, particularly some PPPs and international projects, having a neutral that interacts with the parties at each regular progress review meeting has a very high benefit–cost ratio. Trust between the parties and with the neutral can be earned and relationships enhanced. It can be a time to celebrate no disputes because if the neutral has been a mentor, the parties may actually learn how to do a better job of resolving conflicts before the neutral arrives.

It is suggested that the major participants jointly select a neutral/mentor and share the costs. Furthermore, it is recommended that the neutral/mentor be given no decision power at the beginning, like a mediator, with the proviso that the parties may choose to invest the neutral with power by joint agreement. This enables the parties to try being comfortable with the person before they commit their fate to another.

This option is just a step from the parties solving the conflict themselves, which is why it is recommended. Depending on the project and the participants, the next step might be a dispute board.

### Boards

A dispute board is a good option for very large projects, especially those in politically complicated circumstances. Grisham (2009b) uses the term collaborative project enterprise (CPE) to describe the philosophic goal for a project team. First look at Fig. 4. This is but one picture of a PPP in an international environment. Frequently, it is also a picture of how international projects are structured. Imagine this is the structure for a design-build-operate-transfer toll road project in South Africa with a value of €300,000,000.

Now imagine a conflict—easy, right? The public in this case may be extremely interested in the project because it could well cause them to lose their property for right-of-way or nuisance disruption. Here a dispute board might be the best option to provide more transparency, less bias, and less perception of corruption or favoritism. Such a board might be composed of three individuals, perhaps one neutral (maybe a political neutral), one local attorney that practices internationally, and a subject matter expert (SME). Like with the neutral/mentor, the board would be selected jointly by the investment firm, operating firm, PPP manager, and local contractor, and the board costs would be shared proportionally.

Also, as with the neutral/mentor, it is suggested that the board be given no power to enforce decisions on conflict at the beginning, but with joint approval over time (the other option, and recommend for this specific project, is included in “Relinquish Control”). In this environment, the process needs more formality for transparency reasons, the public, of course, but also for the logistics of trying to get the investors to sit in on local conflict issues, or the reverse. It is simply more practical to get the people who need to participate together and document both the conflict and the disposition because both could easily flow into other areas of the project. Think also about the hundreds of vendors and subsuppliers who could impact, and be impacted by, the decisions made.

The added formality and documentation will diminish some of the opportunities to build trust and relationships, but if the panel is chosen carefully, they will be able to reduce or possibly minimize the downside.

An added benefit that can come from having a neutral/mentor and a dispute board is that they see the parties at their best and

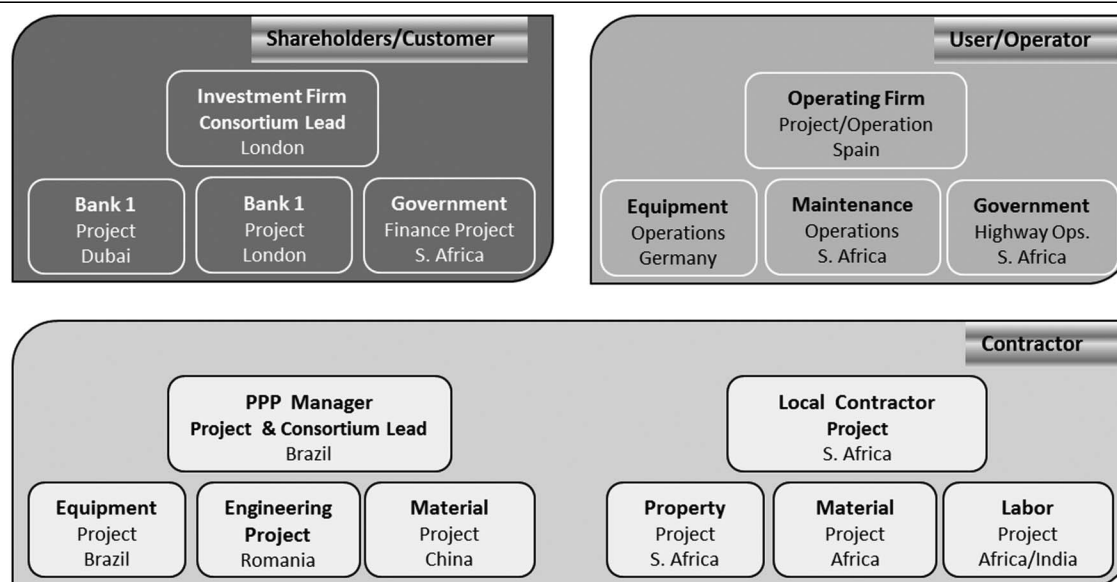


Fig. 4. International CPE

worst, and build relationships that can be very strong indeed. As a result, there can be a spillover effect that contaminates other parties not part of the conflict. What that means is that the parties in the conflict learn about themselves and how easy it can be to resolve conflict without the need for intervention. The neutral/mentor and dispute board can serve, additionally, as educators. There is one last aspect to touch upon, and that is mediation.

### Mediation

Mediators earn their money. The benefits of being a neutral/mentor or being on a dispute board is that one gets the opportunity to learn the personalities, the issues, and the project over time, say, for example, four years. A mediator must do this in a matter of days normally. It is stressful, tiring, and frustrating at times to see the solution so clearly but be unable to help the participants to do the same. It is a lower cost version of a neutral/mentor or dispute board, and the parties get the best service available in a few days.

Dr. William Ma uses the analogy of washing a car. He has washed the author's proverbial car (more than a few times) for US\$2 by throwing a bucket of water on it, or alternatively he has washed, detailed, and waxed it carefully for US\$20. If price is the controlling factor, one gets the best money can buy for US\$2. If quality is the controlling factor, one gets the best money can buy for US\$20.

Meditation is another step away from do-it-yourself, and is often a one-shot attempt to resolve a conflict before having to turn the conflict over to others. It may be the last opportunity to settle the conflict between the parties. Although the last set of the [American Arbitration Association](#) (AAA) put the success rate at 90%, the 10% that survive can become even more intransigent. Regardless, mediation is 1,000 times better than the next set of approaches.

### Relinquish Control

Of course, when using a neutral/mentor or board, the parties do give up some modicum of control over the process. The word mentor means to guide, not to direct. A good mentor will act more like a peer. A good dispute board will act more like parents. Like a good psychiatrist, they will ask you questions and guide you in a process of self-discovery. The following options are not that subtle or that personal. With these options, a party cedes much of the control over

the process to others: with boards, some control; with litigation, nearly all control.

### Boards

This section revisits the same board concept described previously, but with a twist. Ntlama (2010) says that customary African law (pre-colonization) was based on the philosophy of *ubuntu*. He says the idea is that the law does not say what should not be done in a circumstance, but rather what should be done—how people should act toward one another. The customary justice seeks to restore equilibrium. Justice was, and still is, dispensed by the chief or a group of village elders. Think about a dispute board acting as village elders.

In this situation, the parties agree at the beginning of the project that the board is invested with the power of the village elders to decide how to settle a conflict. It is much the same as a panel of arbitrators, but without restrictions on interaction. The panel meets in each reporting period or as needed to hear and rule on the disputes since the last meeting. The idea is to resolve conflict as the project progresses. A strong panel will adopt the same attitudes described in "Get Some Help," but in this situation they wield the power to decide the conflicts. It will obviously nurture a different type of relationship with the participants, but sometimes this added power and control are necessary, if the parties have worked together before and old feelings linger, for example.

The benefit is that specific conflicts do not persist and contaminate, possibly further, relationships between the parties.

### Arbitration

The next level of giving up control is in arbitration. Twenty years ago it was closer to the village elder's forum, now it is closer to litigation. It can be very expensive, can take a long time to get a decision, can further deteriorate the relationships, can be appealed, and, internationally, can be unenforceable. Assuming that all participants are collegial, considerate, fair minded, and open, it requires the parties to educate first the attorneys and then the arbitrators. This takes time and money, and the bigger the project, the larger are both. If the participants are not all of those things assumed, but the opposite, the numbers simply get bigger, along with the possible expectations.

On international projects and PPPs, there is not yet a better alternative, however, as a last step when all else fails. There are

simply too many legal systems out there, and on international projects it is not uncommon to have participants in dozens of countries. On a project in Pakistan, there was a U.S. firm, a Pakistani firm, a Chinese firm, and a Japanese firm. Despite the controlling law clauses, it is simply not feasible to engage the legal systems in resolving conflicts on these types of projects. Binding arbitration clauses are a far better option.

### Litigation

Finally, avoid litigation at all costs. Most people have seen episodes of *Boston Legal*, *Perry Mason*, or *Ally McBeal* in which the findings of the jury or judge are, well, unbelievable. When a person is emotionally for the person who committed the crime and the jury lets the person off, it sure feels good. For the loser, however, it is big bucks to get a decision that the loser knows is unjust. There is a place for litigation and it serves a critically important role in the justice system. Experience has shown that projects are not a good fit for that system.

Now this paper will discuss a key aspect of ADR and of conflict, individuals.

### Values and Norms

This section will look at the values and norms that are part of all projects.

### Relationships

In relationships, trust is a key ingredient of behavior, especially in negotiations. Zak (2008) found that people create the peptide oxytocin when they trust one another. Oxytocin evokes feelings of contentment, reductions in anxiety, and feelings of calmness and security. Zak also found that by giving nasal spray with oxytocin to one group and a placebo to another, the levels of trust in fact increased in the nasal spray group. His research indicated that it is not the absolute level of oxytocin, but the increase that is important. Trust is critical in successful negotiations. In another study (Barraza and Zak 2009), it was found that empathy caused a 47% increase in the release of oxytocin and that it directly affects generosity.

Relationships are important because they are the fabric of social and business interaction globally. While humans are all of the same species, of the same ancient lineage, and of the same global village, each person is unique because of genetic make-up and cultures. This section will look at values, norms, and cultures, but be mindful that the tendencies and generalities provided are only that. They come from cultural research that attempts to highlight the things that make each person unique. In the globalized world, especially in the last 15 years, many of these differences have been clouded.

### Transactional

Many construction projects are transactional by nature but seldom are project repetitive. A transactional environment is fertile ground for win-lose conflicts because the parties are likely not to work together again, particularly on international projects. In such an environment, the parties generally seek to maximize their profits or minimize their costs. When the structure of the contract is lump sum, the situation is even worse. On transactional projects, it takes parties that have experience with the other options (e.g., litigation) and their results to see the benefits of looking to win-win. There is generally only short-term thinking. Convincing parties to moderate their positions is difficult and often impossible. Many readers know this only too well.

### Relationship

When the parties have a long-term view and a continuing relationship, win-win solutions are more likely. Parties who have multiple projects together or who have a joint venture or alliance arrangement have a distinct advantage because they can see more clearly the benefits to be realized by resolving their conflicts amicably and timely, while maintaining control of the conflict. Fig. 5 compares the spectrum from transactional to an alliance. As the likelihood of common goals and willingness to share information increases, the likelihood of conflict decreases and the probability of retaining control of the conflict increases.

The next section provides a brief look at game theory and how it can provide another perspective on conflict.

### Game Theory

In part, John Nash won the Nobel Prize in economics for his work on game theory. Many have seen the movie *A Beautiful Mind*, which recounts his life. This paper will focus on the general concepts of game theory rather than the math. Simply put, game theory is the mathematical modeling of behavior. Many know about the classic prisoner's dilemma:

Two prisoners are apprehended by the police. The goal of the prosecutor is to get both to plead guilty. The goal of the prisoners is for both to go free. The prosecutor separates the prisoners and allows no communication. The prosecutor then tells both that there is not enough evidence to convict both of bank robbery, but the prosecutor can convict on the charge of carrying a weapon, which will result in 1 year in prison for both prisoners. If both plead guilty, that will result in 10 years in prison for both prisoners. But, if one pleads guilty and helps convict the other prisoner, then the one who pleads guilty will get no prison time and the other will get 30 years of prison time.

Fig. 6 illustrates the dilemma. The best outcome for both would be to cooperate and receive only 1 year in prison (both plead not guilty). If each acts in his own self-interest and pleads guilty, hoping the other prisoner pleads not guilty, then the guilty plea will get each no time in prison. Barash (2003) calls pleading guilty defecting, and uses R (reward), P (punish), T (temptation), and S (sucker) to generalize the options. These categories change the payoff or benefits perceived by the prisoners as  $T > R > P > S$ . Temptation can easily be greater than the so-called collective

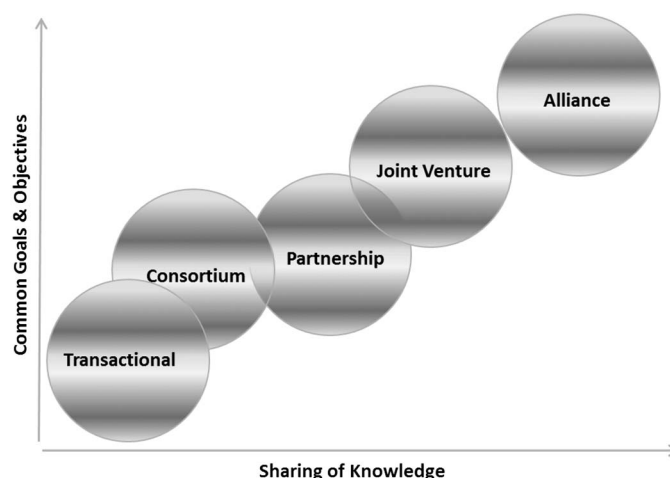


Fig. 5. Contract relationships



		Prisoner 2	
Prisoner 1	Not guilty	Not guilty	Guilty
	Guilty	1,1	30,0
		Prisoner 2	
		Cooperates	Defects
Prisoner 1	Cooperates	R,R	S,T
	Defects	T,S	P,P

Fig. 6. Prisoner's dilemma

rationality (do unto others as you would have them do unto you) described by Rapoport (1960).

Rapoport won a tournament for developing a computer model for an iterative prisoner's dilemma. The model has a participant cooperate on the first encounter and then mirror the other participant's move on each subsequent round, or tit for tat. Rapoport suggested that long term, tit for tat elicits cooperation. His research showed that when an interaction is transactional (one-off), people chose to cooperate only 40% of the time. However, he also found that people were 60 to 70% accurate at predicting if the other participant would defect if given about 30 minutes to read the other person.

Hobbes, Rousseau, Kant, and Smith struggled with the notion that self-interest conflicts with the interest of the group, or said another way, that people will be tempted to defect. Smith (1986) perhaps summarized it best when he said "pursuing his own interest [a person] he frequently promotes that of society more effectually than when he really intends to promote it." In political terms, it is said that a conservative is a liberal that has been mugged.

Siegfried (2006) recounts a number of cultural studies to test the economic and anthropologic hypothesis that behavior can be predicted by using the ultimatum game. In the game, person 1 is given money to share with person 2. If person 2 accepts the offered amount, both keep the money, but if person 2 refuses the offer, no one gets to keep any money. When tested on college students internationally, 40% of the time the offers were accepted. A study done in Peru, Fiji, Kenya, Mongolia, and New Guinea had somewhat different results. Person 2 in the Machiguena culture (isolated) in Peru typically accepted low offers, person 1 in the Orma (traders) in Kenya typically offered 44–50% of the amount, and 30–40% by the Torguud in Mongolia (value fairness). In the Hadza in Tanzania, person 1 normally makes a small offer that is rejected (avoid sharing), and in New Guinea in the Au and Gnau, person 1 often offers more than 50% but the offers are rejected (accepting a gift implies the obligation to reciprocate). In short, culture matters in conflict resolution.

From a practitioner's point of view, the author has seen these four mindsets many times. People in the business of resolving conflict are trained to help the parties to overcome these predispositions by balancing their expectations. To use win-win thinking, often the parties must be nudged (perhaps forced) away from tendencies that are natural, perhaps genetic, in all humans.

Cultural Values and Norms

Ting-Toomey et al. (2000) found that ethnic and cultural identity have stronger effects on conflict styles than ethnic background. Fig. 7 was constructed from the Rahim (1983) model and the information from the Ting-Toomey et al. article. Individualistic cultures are those in which people are more concerned about themselves than about the group, and collectivistic cultures are those in which people are more concerned about the group than

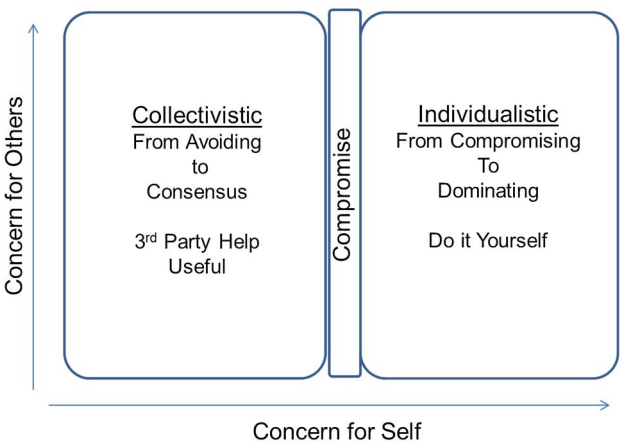


Fig. 7. Cultural tendencies

themselves (Hofstede 2001; House et al. 2004). The figure relates these two dimensions and shows where third-party help is most likely to be useful and sought. It makes sense that those who are less individualistic would be inclined to seek help from others. People who fall into the lower right of the figure are more likely to be drawn toward win-lose conflict resolution, regardless of the structure of the contracts and the relationships as noted previously. Individualistic and collectivistic cultures have personalities that are by nature introverted and intransigent or extroverted and flexible. Thus the chart shows individualistic (high self-concern) as being either high or low on concern for others.

In Grisham (2009a), the Delphi panel found that conflict management was a key dimension of cross-cultural leadership. Those that work in the international arena know that this is true, and know the importance on other aspects of cross-cultural leadership this impacts. This paper can only introduce some of the cultural aspects that need to be considered when managing conflict in today's economy.

Categories

First consider the author's model for cross-cultural leadership intelligence (XLQ), which is shown in Fig. 8. The hypothesis was that there are leadership attributes that are effective regardless of the culture. This was proven with the Delphi panel of international experts, and one of the critical dimensions is conflict management.

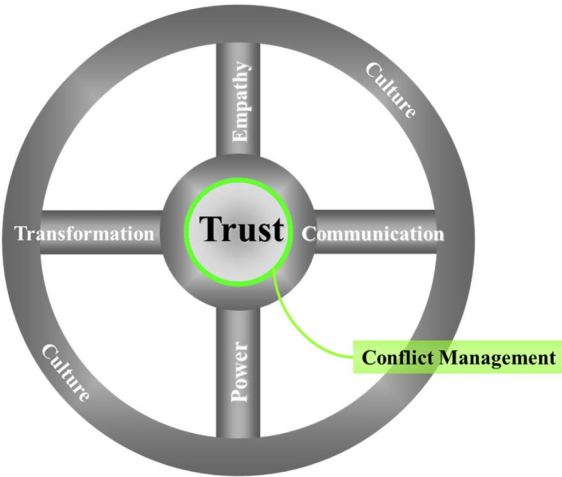


Fig. 8. Cross-cultural leadership model (XLQ)

The definition of leadership is the ability to inspire the desire to follow and to inspire achievement beyond expectations.

The hub of the wheel is culture, which is the focus for this section of the paper. Mead's definition of culture is "a body of learned behavior, a collection of beliefs, habits and traditions, shared by a group of people and successively learned by people who enter the society" (1955). From experience, cultures are overlapping spheres of such behavior; these are introduced in turn to help other practitioners in thinking about contexts for conflict resolution.

### Social Culture

Social cultures are those most people know: Americans, Chinese, Singaporeans, French, and so forth. At this level, the beliefs and habits can be thought of as masks that people don in public. Japanese people wear a public mask to adhere to the habits and traditions that they have been taught when children. The societal culture plays a very important role in conflict management as noted previously with individualism and collectivism. For example, Americans are strongly individualistic, and the Japanese are strongly collectivistic. Other aspects like the way people are persuaded to another's point of view vary widely. Northern Europeans tend to favor logic; Mediterranean cultures tend to favor emotion. Chinese tend to like talking about all issues simultaneously, whereas Americans like more structure and one thing at a time. A negotiation in Singapore had Indians, Chinese, Myanmar, Welsh, Singaporeans, and Americans. Each team had their own way of conducting themselves based on the societal masks they were taught to use.

On a multimillion dollar project in Saudi Arabia, the contract consisted of a series of notes of meetings that occurred over a year time frame. The meetings were not on set agendas, so a topic could be discussed in meeting #1 and again in meeting #215. The only way to find the requirements for a particular item was to read through the entire document of perhaps a thousand pages—it was not in electronic format, and Arabic prevailed in the event of a dispute. The old saying was that the negotiations begin once one signs the contract. In the culture, trading is part of life and is something to be enjoyed like a game of chess.

On a similar sized project in China the contract was six pages long. As can be imagined, there was a great deal left to the imagination. *Guānxì*, or relationships, are extremely important in China. The trust between two parties built up over time leads to long-term relationships that do not require written specifics. The parties trust one another implicitly and resolve the multitude of conflicts that occur in, mostly, a win-win way. The differences in culture can make a difference in the way contracts are structured and conducted. But there is more.

### Corporate

Think about the difference in culture between Bank of America and Google, for example, or between Facebook and General Electric. The norms and beliefs are quite different, and the attitudes of the people within these organizations are certainly shaped by the cultural belief systems. Returning to the example of Singapore, the organizations represented ranged from multinational Fortune 50 firms to local Singaporean outfits. Some corporate cultures expect high levels of internal competition, or what can be called raw-meat cultures—throw resources into the ring and the strongest wins. In such companies the standard is functionally one of win-lose, one must beat the other person, otherwise the person are a wimp (individualistic). Other organizations have a more nurturing approach and reward collectivistic behavior. But there is more.

### Microculture

One of the reasons for exploring XLQ was that experience showed that strong leaders created their own microculture on project teams. For a project in Thailand, the people were from multiple cultures and multiple organizations. The cultural chaos on such a project can overrun everything else unless there is a binding glue, or microculture, created. It is a synthesis of societal, global (more on that subsequently), and corporate cultures. On international projects, the norms and values must address such things as corruption, gender equality, and justice. How the leader of the team responds to such things and to the diversity set the tempo. When projects turn sour and a formal dispute resolution technique is utilized, there is likewise a microculture created. Think of the blending of a team from different countries and organizations expert in the law, with a team from different constructors from different countries. Those who work in the legal profession have certainly seen this in practice, and have possibly experienced it when a leader does not materialize.

### Global

This is a relatively new wrinkle. A young woman raised in India and educated in the United States takes a job with a European multinational and works in London; Sao Paulo, Brazil; and Tokyo. Then she decides to move back to Mumbai, India, and work for an Indian multinational. She is met her during a conflict resolution meeting in Dubai, UAE. The general categories of cultural diversity are still there (e.g., individualism and collectivism), but now they are more subtle and have been individualized. People around the planet have their own personality types (e.g., introverted or extroverted) and these are mixed with those things that they see and admire or detest in others and other cultures. As with the Japanese way of selecting pieces of other cultures to absorb, global cultures are on the rise. As one example, when in Dubai, UAE, in the early 1990s, the cultural practice of drinking tea and having small talk before getting down to business was practiced. Fast forward to 2007 and it seems that one is having a meeting in New York—shake hands and get down to business. Or a Chinese business card in which the person displays his family name last, Western style.

Culture matters, and unfortunately it is far more difficult to understand than it was even a generation ago. It is also necessary to mention the so-called millennials, those born between 1980 and 1995. This generation grew up on the internet and with social networking sites. Their friends are scattered around the globe, and they have grown up in a multicultural world. Sometimes this is a good thing, sometimes it is not. Regardless, this generation looks at the world differently and has created, in its own way, a global virtual culture. These are the people who will likely embrace virtual conflict resolution. That is the subject for another study.

### Conclusion

As said at the beginning of this article, there is a wealth of research available that can provide new ways to think about conflict and ways to make the resolution or management of it more effective. Some conflict needs to be resolved, like personality or cultural conflicts, whereas intellectual conflict needs to be guided and managed to allow for creativity. A strong leader will know when to resolve and when to guide. As cultures adapt to the electronic society, cultures will change and people will adopt different ways of working, living, and socializing. All of this starts with an understanding of the self and a realization of how people are alike and different. It is a world of diversity and of similarities. People still must wrestle with their frailties and human characteristics.



In the author's experience and research, the biggest hurdles in conflict resolution or management are emotional. It is often why outside help can help parties find success, but it is often too late to salvage the relationships. Understanding personalities (self and others) and culture can help people to empathize with others and perhaps find a way to seek fair and prompt resolution to conflict.

## Endnotes

<sup>1</sup>[http://www.ted.com/talks/lang/eng/spencer\\_wells\\_is\\_building\\_a\\_family\\_tree\\_for\\_all\\_humanity.html](http://www.ted.com/talks/lang/eng/spencer_wells_is_building_a_family_tree_for_all_humanity.html).

<sup>2</sup><http://www.humanmetrics.com/cgi-win/JTypes1.htm>.

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