

Conflict, Philosophy & Culture

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Abstract

It is becoming clearer than ever that new ideas about conflict resolution lie in inter-disciplinary 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 where 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.

Keywords: Conflict resolution, cross-cultural leadership, ADR

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.

As this paper will discuss cross-cultural conflict, let's begin with a folk story from the Yoruba people, the majority of which live in Nigeria. This comes from Augsburg (1992) who took it from a work by Chinua 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

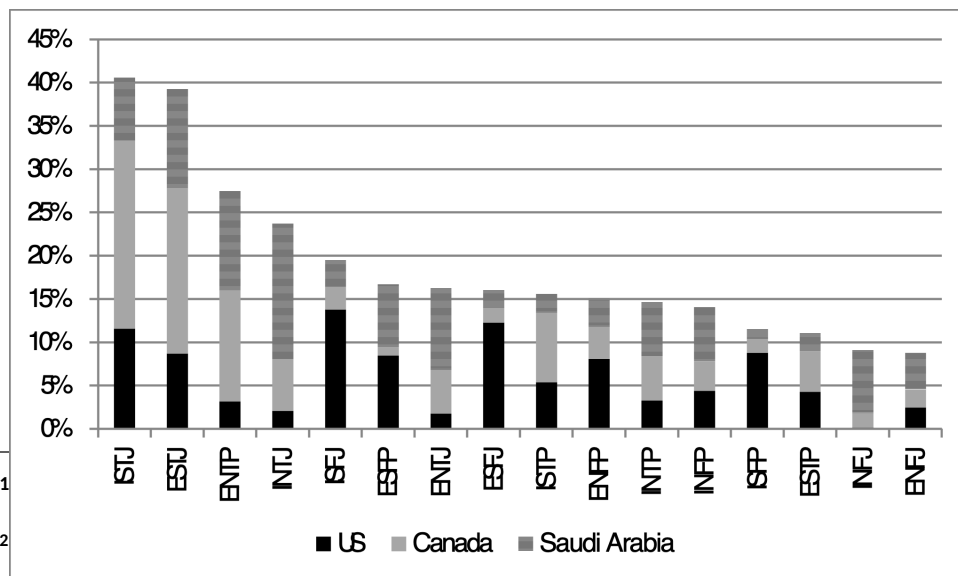
blindness. The man is indeed black, just as you said.” And in no time the two were quarreling and the fighting. As they fought they shouted “I was wrong!” and “No I was wrong!”

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)¹, we all spring from the same two mothers, and one father, in Africa. It is not surprising then that many of our cultural values and norms have similar foundations. The *Golden Rule*, for example, is included in major religious beliefs (Harris 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, Capretz, and House 2009) a study found that engineering students in Saudi Arabia, Canada, and the USA exhibited the same type of personalities as measured by the MBTI tests - see Figure 1. Individual personality types exist in all cultures, with differences of course in the size of each group type. You can try an online test of MBTI if you have not done so before to see how you compare.² The abbreviations in the graph above are described below, and they are listed in rough order of the number of participants who tested in the category. We will talk more about personality and culture later in this paper:



[for_all_humanity.html](#)

Assimilators (ISTJ and ISFJ)

- Use well-organized structure and follow a clear agenda
- Provide useful and practical information
- Include facts

Expeditors (ESTJ and ENTJ):

- Demonstrate competence of trainers and credibility of information
- Provide a logical rationale for activities
- Provide opportunities to question or debate information or ideas

Explores (ENTP and ENFP):

- Provide opportunities to generate or explore ideas
- Introduce ideas with an overview or conceptual framework
- Link material

Visionaries (INTJ and INFJ):

- Provide additional resources for interested participants
- Use precise language to discuss complex concepts and ideas
- Integrate information from a variety of sources
- to other frameworks and applications

Responders (ESTP and ESFP)

- Include activities in which participants can move around
- Provide links to practical applications
- Engage the senses with color, texture, scent, or sounds

Contributors (ESFJ and ENFJ):

- Include activities to build group rapport
- Provide opportunities to collaborate and cooperate
- Deliver in a pleasant physical environment
- details and links to experience of others

Analyzers (ISTP and INTP):

- Use efficient design and implementation
- Provide information in a logical manner
- Include challenges or problem solving

Enhancers (ISFP and INFP):

- Explore the personal meaning and significance of learning
- Provide support and encouragement for participants
- Consider the unique situation and needs of each participant

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

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

Conflict and ADR

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 upon the severity and circumstances. Experience has shown that postponing conflict resolution is not the best approach, but 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).

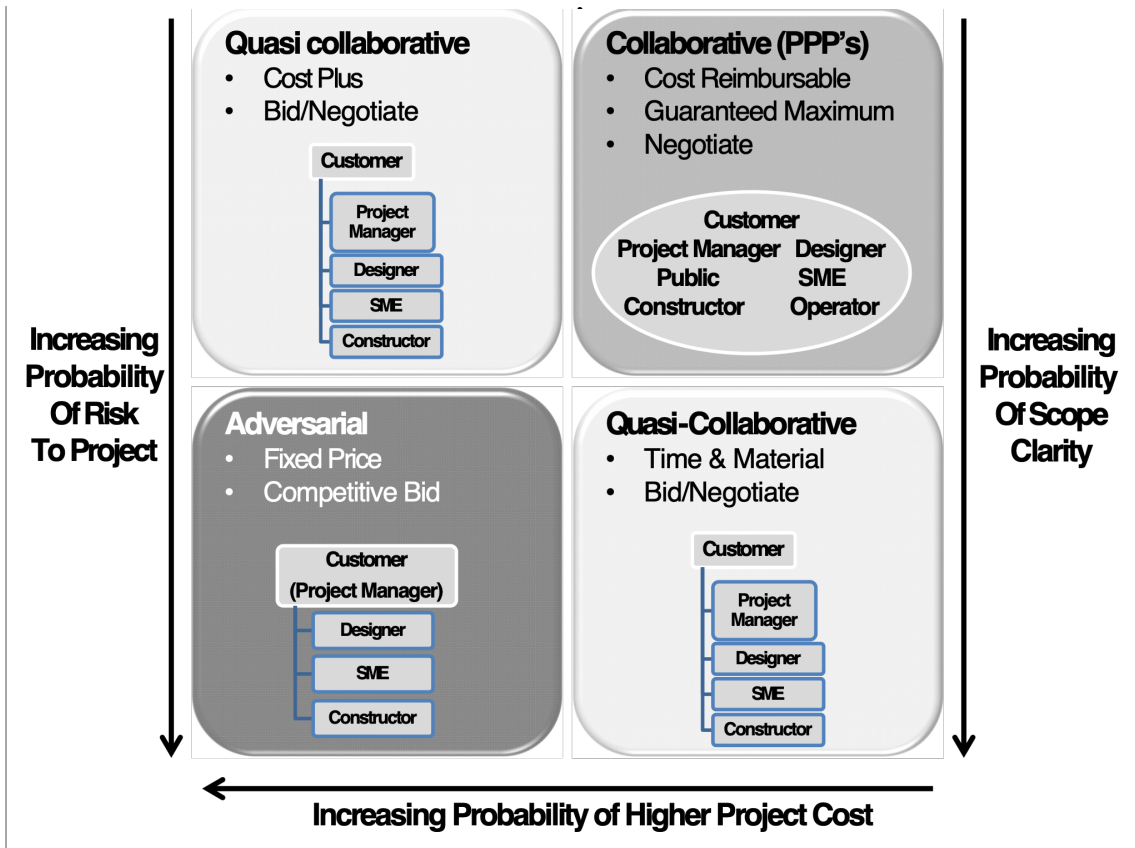
First, consider the conflict between Taiwan and China. China, the USA, Taiwan, and many other stakeholders have an interest in this conflict. Currently the conflict is being postponed, possibly to let time cool emotions or enable another generation, not so connected with the past, to take on the challenge. 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, is not a conflict that normally can be resolved, but if postponed 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, for the damage can easily spread. Management of the conflict in the short term will enable the team to move forward.

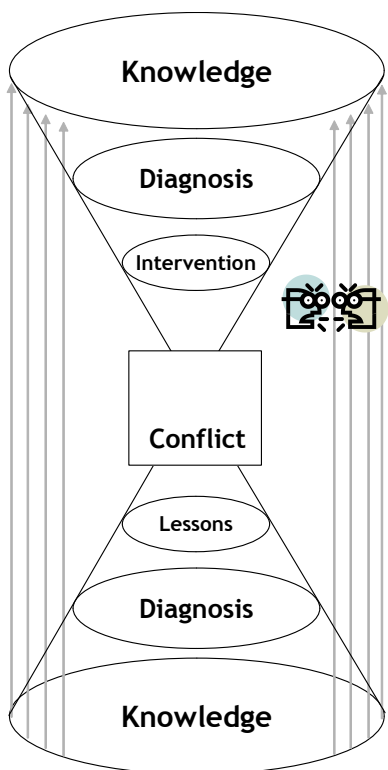
Compare these first two examples to a conflict between the financial goals of two companies involved in the same project. Company A may optimize their profits by completing their work early, while Company B is better positioned to improve their profitability if they delay their work. If Company A then 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 his opponent. Likewise, the opponent wants to get the highest price possible for a camel he 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 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. Figure 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 (PPP's), and the other two boxes are hybrids of the extremes. Some generic organizations are shown to indicate the participants that I often see 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.

Before we leave this section, have a look at Figure 3. This 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 to facilitate improvement. For example, in the knowledge lens the use of metaphors is a critical technique for developing a richer knowledge of cultures (personal, societal, commercial, etc.). 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 are 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 serve to improve the next cycle. Imagine working on a project that is multiple years in duration, and having a conflict at least monthly (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, let us now 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 conflict, where one or both of the parties feel threatened, and if they are males, recent research (John 2010) 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, Davis, and Schoorman (1995) for trust as , “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.” To be vulnerable to another, to give them power over you. Again, as many who are reading this article know, a lack of trust is one of the key reasons that 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 the author’s previous work (Grisham 2009a).

To overcome our instincts, and chemical turmoil, is not easy. Though one knows conceptually what is going on inside, one still must struggle at times with oneself. Our evolutionary genetic and social make-up is what it is. To be successful in resolving conflict ourselves requires us to challenge ourselves 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 by 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 as more often the progressed nature of the ailment requires forceful intervention. Let's use disease 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 the promotion of 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 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, my 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 upon 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, here are three approaches that are well proven to assist parties in dealing, effectively, with conflict.

Neutral/Mentor

Often, perhaps for the same reasons as noted above, parties do not chose 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, where 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.

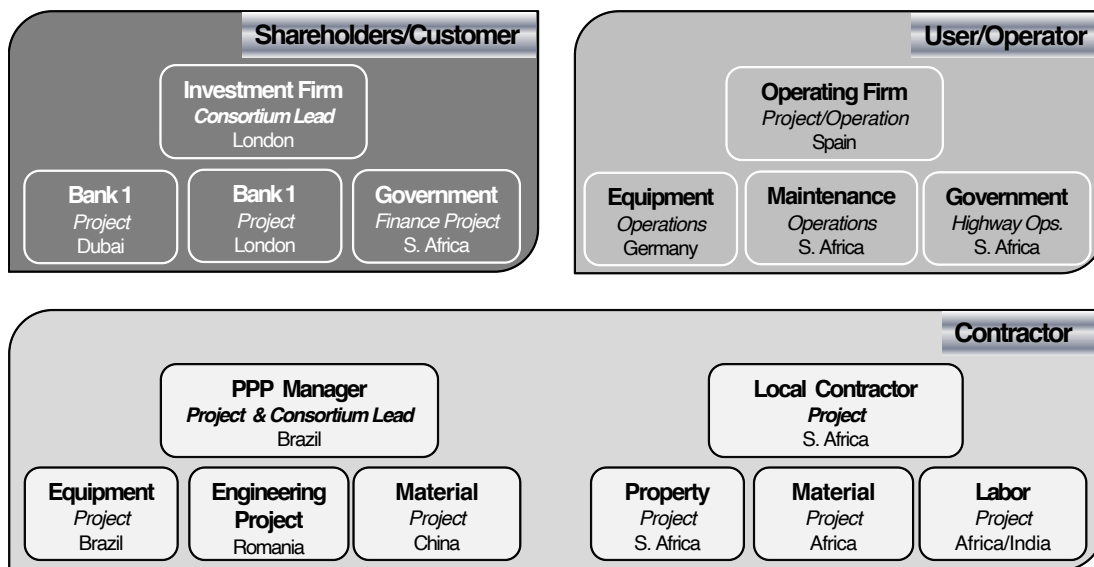
On larger projects, particularly some PPP's and international projects, having a neutral that interacts with the parties at each regular progress review meeting, I believe, has a very high benefit-cost ratio. Trust between the parties, and with the neutral, can be earned and relationships enhanced. It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

I suggest 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, and the proviso that the parties may choose to invest him or her 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, and is why it is recommended. Depending upon 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. The author uses the term collaborative project enterprise (CPE) to describe the philosophic goal for a project team (Grisham 2009b). First, have a look at Figure 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 for it could well cause them to lose their property for right-of-way or nuisance disruption, or....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 be comprised 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 to give the board 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 the *relinquish control* section of this paper). In this environment the process needs more formality for transparency reasons. The public of course, but also think of the logistics of trying to get the investment guys 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, for the both could easily flow into other areas of the project. Think also about the hundreds of vendors and sub-suppliers who could impact, and be impacted by, the decisions taken.

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 worst, and built 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 what 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.

A colleague and friend, Dr. William Ma, uses the analogy of washing a car. He has washed my 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 \$20. If price is the controlling factor, you get the best money can buy for US\$2. If quality is the controlling factor, you get the best money can buy for US\$20.

Mediation 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. Thought the last set of American Arbitration Association (AAA) I saw 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

Here we revisit the same board concept described above, but with a twist. Ntlama 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*.

Here 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 sits at each reporting period or as needed to hear and rule upon 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 the *get some help* section, but here 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 of course 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. 20 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 un-enforceable. Assuming that all participants are collegial, considerate, fair-minded, and open, it requires the parties to educate first the attorney's, 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 PPP's, 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 US 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

Lastly litigation – avoid it at all costs. Most of you have seen episodes of Boston Legal, Perry Mason, or Ally McBeal where the findings of the jury or judge are, well, unbelievable. When you are emotionally for the person who committed the crime and the jury lets them off, it sure feels good. For the loser however, big bucks to get a decision that they know 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 let's turn to a key aspect of ADR and of conflict, individuals.

Values and norms

In this section we 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 that 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 of course critical in successful negotiations as we all know. 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.

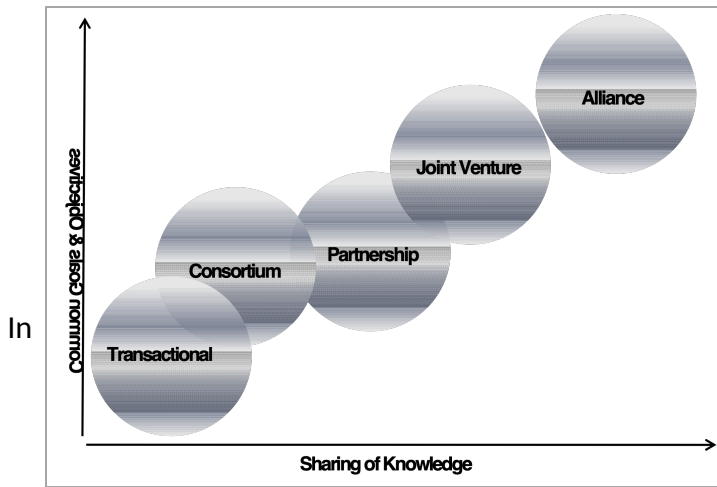
Relationships are important, for they are the fabric of social and business interaction globally. While we are all of the same species, of the same ancient lineage, and of the same global village, we are each unique because of our genetic make-up and our cultures. In this section we will look at values 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 us unique. In our globalized world, especially in the last 15 years, many of these differences have been clouded.

Transactional

Many construction projects are transactional by nature as seldom are project repetitive. A transactional environment is fertile ground for win-lose conflicts, as 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 who have experience with the other options (e.g. litigation), and the 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 of you who are reading this paper 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 as they can see more clearly the benefits to be realized by resolving their conflicts amicably, timely, while maintaining their control of the conflict. Figure 5 compares the spectrum from transactional to an alliance. As the likeliness of common goals and willingness to share information increase, the likelihood of conflict



decreases, and the probability of retaining control of the conflict increase.

Now let's have a brief look at game theory, and how it can provide another perspective on conflict.

Game Theory

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. For purposes of this paper we 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. He then tell both that there is not enough evidence to convict both of bank robbery, but he can convict on the charge of carrying a weapon which will result in one year in prison for both prisoners. If both plead guilty that will result in 10 years in prison for both prisoners. But, if one of you 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.

Let's look at the dilemma using Figure 6. The best outcome for both would be to cooperate and receive only one 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

		Prisoner 2	
		Not guilty	Guilty
Prisoner 1	Not guilty	1,1	30,0
	Guilty	0,30	10,10

time in prison. David Barash (2003) calls pleading guilty defecting, and uses R (reward), P (punish), T (temptation), and S (sucker) to generalize the options. Thus categories change to payoff or benefits are perceived by the prisoners as $T > R > P > S$. Temptation can easily greater than so called *collective rationality* (do unto other as you would have them do unto you) described by Anatol Rapoport (1960).

		Prisoner 2	
		Cooperates	Defects
Prisoner 1	Cooperates	RR	ST
	Defects	TS	PP

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.

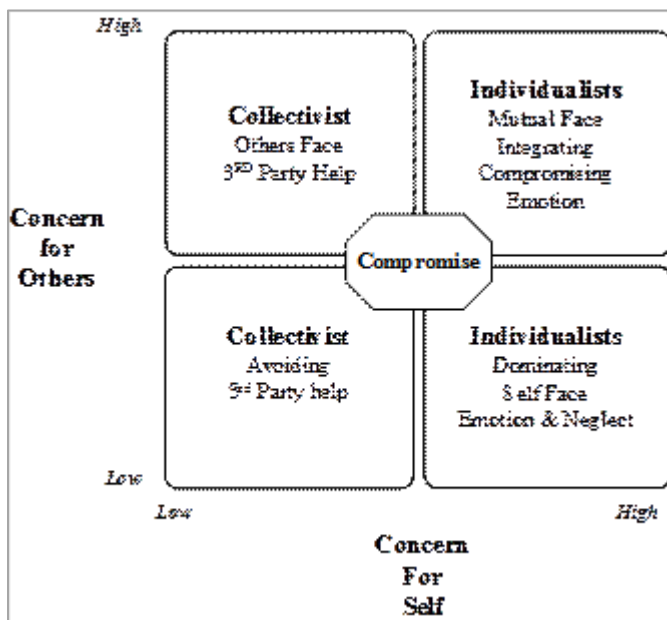
Hobbes, Rousseau, Kant, and Adam Smith struggled with the notion that self-interest conflicts with the interest of the group, or said another way, that people will be tempted to defect. Adam Smith's (1776) perhaps summarized it best when he said *pursuing his own interest [a person] he frequently promotes 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 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 which 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 mind-sets many times. People in the business of resolving conflict are trained to help the parties to overcome these pre-dispositions 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 of us.

Cultural values and norms

Ting-Toomey, Yee-Jung et al. (2000) found that ethnic and cultural identity have stronger effects on conflict styles than ethnic background." Figure 7 was constructed from the Rahim (1983) model and



the information from the Ting-Toomey, Oetzel et al. article. Individualistic cultures are those where people are more concerned about themselves than about the group, and collectivistic cultures are those where people are more concerned about the group rather than themselves (Hofstede 2001; House et al. 2004). The figure relates these two dimensions and shows where 3rd 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 are more likely to be drawn toward win-lose conflict resolution, regardless of the structure of the contracts and the relationships as noted above.

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

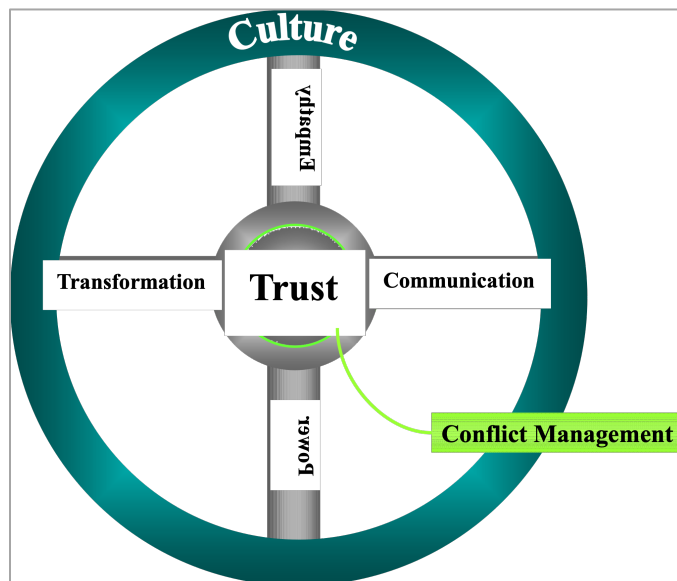
Categories

First let us look at the author's model for cross-cultural leadership intelligence (XLQ) which is shown in Figure 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. 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. Margaret Mead's definition: *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. My colleagues in Japan were 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 above 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. In a negotiation in Singapore, we had Indians, Chinese, Myanmarese, Welsh, Singaporeans, and Americans. Each team had their own

way of conducting themselves based upon the societal masks they were taught to use.

On a multi-million 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 size project in China the contract was six pages long. As you can well imagine there was a great deal left to the imagination. Guānxì (關係), or relationships, are extremely important in China. The trust between two parties build up over time leads to long-term relationships which 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 multi-national 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, you must beat the other guy otherwise you are a wimp (individualistic). Other organizations have a more nurturing approach, and reward collectivistic behavior. But, there is more.

Micro

One of the reasons for exploring XLQ was that experience showed that strong leaders created their own micro culture 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 micro culture, created. It is a synthesis of societal, global (more on that in a moment), and corporate cultures. On international projects the norms and values must address such things as corruption, gender equality, justice, and more. 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 micro culture 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 of you 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, educated in the USA, takes a job with a European multi-national, and works in London, Sao Paulo, and Tokyo. Then she decides to move back to Mumbai, and work for an Indian multi-national. You meet her during a conflict resolution meeting in Dubai. 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 in the early 90's 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 where 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 *millenniums*, 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 multi-cultural world. Sometimes this is a good thing, sometimes not so. 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, 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 we are alike and different. It is a world of diversity, and of similarities. We still must wrestle with our 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. By understanding personalities (self and others) and culture it can help people to empathize with others, and perhaps find a way to seek fair and prompt resolution to conflict.

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