CULTURAL DIFFERENCE AND CONFLICT MANAGEMENT - A VIETNAMESE-AUSTRALIAN AND CONSTRUCTION INDUSTRY CASE STUDY

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Abstract
On many construction projects, conflict occurs and to varying degrees. On international projects, generally cultural differences are considered to be a potential source of conflict, and culture is considered to influence the way conflict is dealt with. To this end, the paper examines the relationship between culture and the way conflict is handled in a construction context. The paper reports an exploratory study conducted on two distinctly different cultural groups - Australian and Vietnamese - within the Vietnamese construction industry. Counter-intuitively, it was found that, despite predictive cultural differences between the two groups, they tended to adopt a similar integrative or collaborative conflict handling style when working together. The groups displayed cultural characteristics that were different from what is widely predicted in literature. The study results could be interpreted as showing that, in some cases, there may be no merit in adopting an East-West cultural classification; intercultural interaction appears to break down classification barriers. The findings of the paper will be useful for those engaged on international projects and dealing with people from mixed cultures.

Keywords
Construction; culture; conflict; international project

INTRODUCTION

With an increasingly globalised world market, construction companies are looking more and more beyond their home borders (see for example, Gunhan and Arditi, 2005; Chan and Suen, 2005; and Mahalingam and Levitt, 2007 among others). Countries in the Asia-Pacific region, in particular, are witnessing the entrance of many foreign construction companies. But working in a foreign country has potential problems (Ling and Hoi, 2006) including conflict resulting from cultural differences (Abeysekera, 2002). Countries in the Asia-Pacific region, in particular, are witnessing the entrance of many foreign construction companies. But working in a foreign country has potential problems (Ling and Hoi, 2006) including conflict resulting from cultural differences (Abeysekera, 2002). Cultural differences are believed to be a cause of conflict and also to dictate conflict handling styles.

The construction industry is characterised by conflict (Barthorpe et al, 2000), and in international construction, the presence of multiple project participants with differing cultural backgrounds has the potential to exacerbate this (Loosemore et al, 2000). Cultural difference is said to guide conflict behaviour (Phua and Rowlinson, 2003).

Cultural clashes and inappropriate contract arrangements are found to be a significant factor contributing to disputes in international projects (Carmichael, 2002). Chan and Tse (2003) suggest alternative dispute resolution mechanisms that take into account national and cultural differences, and which can be incorporated in the formal contract documentation. While in all project matters involving communication, the role of cross-cultural understanding is important, joint ventures have failed because of cultural unawareness (Swierczek, 1994).