

# A contract manager abroad: cultural awareness in Asia



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**Western contract managers often enter the Asian construction sector with personal, as well as corporate ways of working that will almost certainly not be a perfect fit with both the new environment within which they have to perform and the dispersed multicultural contractual teams within which interaction is invariably necessary on large complex projects. The management style expected and required in Asia is unique and, for many, appears to be unstructured, unsystemised and autocratic, with varying strains of Chinese-based ethics and beliefs, including networking, trust, face and avoidance of confrontation heavily influencing management practices. To avoid unnecessary problems, managers need to overcome not only the obvious language difficulties but also differing corporate cultures, work methods, national cultures and beliefs. These problems can be best overcome by adopting a holistic approach, collective work style, understanding the importance of hard and soft management, and by accepting that neither the Western way nor the Eastern way is the only way to manage.**

## 1. Introduction

Many Western contract managers lucky enough to have the opportunity to work in Asia have entered the Asian construction sector for the first time, perhaps not unsurprisingly, with instilled values and personal as well as corporate ways of working that were not a particularly suitable fit with the new work environment, which invariably included dispersed multicultural contractual teams within which interaction was necessary on large complex projects. An example of the potential for such a seemingly blinkered-vision approach was given by the founder of modern management in the West (Denning, 2014), Drucker (1999: p. 166), who argued that ‘brilliant executives that are being posted abroad often believe that business skill is sufficient, and dismiss learning about history, the arts, the culture, and the traditions of the country where they are now expected to perform’. Indeed, many issues need to be faced head-on in new work environments, with not only the obvious language difficulties to overcome but also differing corporate cultures, work methods, national cultures and fundamental differences between Western and Eastern cultures and beliefs.

The author has been involved in contract management activities on construction projects in Asia, particularly Thailand and South Korea (referred to in this paper as Korea), since 1991. Although these countries are both in Asia, Thai and Korean ways differ. Indeed, according to Global Leadership and Organizational Behavior Effectiveness (GLOBE), which is a research program focusing on culture and leadership in 62 GLOBE nations throughout the world (House *et al.*, 2002), Thailand and Korea are in two separate Asian culture clusters of Southern Asia and Confucian Asia, respectively, which in aggregate represent Asia as a whole, and where China and Japan are housed in the Confucian

Asia cluster. There are a further eight global culture clusters identified by GLOBE, and the UK and USA form part of the Anglo cluster.

This paper investigates the cultural issues that face managers on large complex construction projects in Asia, and how these issues can be handled by Western contract managers to successfully complete project assignments.

## 2. The right way

### 2.1 One way of working?

In May 1997, the Thai baht currency came under speculative attack, and by 2 July 1997, the currency was floated and immediately tumbled in value announcing the start of a financial crisis in Asia (Low and Lim, 1999), which had a devastating impact on the economies of Asia, in particular, Thailand and Korea (Kim, 2001).

This crisis involved the West because much of the easy credit available to Asian property developers came from the West. Western corporate predators and currency raiders such as George Soros (see [http://en.wikipedia.org/wiki/George\\_Soros](http://en.wikipedia.org/wiki/George_Soros)), arguably the main culprit of the Asian financial crisis, thrived on such easy prey (Wee and Lan, 1999) and became a symbol in Asia of the predatory West buying Asia on the cheap and selling for a huge profit a few years later – not a good platform for trust and collaboration moving forward between Asian and Western professionals.

As there is no one Western way to manage, there is similarly no one Eastern way or Asian way, and in the age of ever-increasing globalisation, there is just a right way and a wrong way, and the

particular ways adopted by all concerned leading up to the Asian financial crisis were quite simply the wrong way (Backman, 1999) and certainly not a collaborative or collective way. The same can also be said of the global credit crunch that started in the West in 2007, which, as with the Asian financial crisis, was driven by easy credit and property bubbles (Rumelt, 2011).

## 2.2 Conglomerates

A popular way to do big business in Asia has traditionally been through conglomerates, which follows a fairly standard recipe in Asia, and this was particularly so prior to the Asian financial crisis. First take a bank, add some trading and manufacturing interests and have real estate holdings, then arrange to form a loose structure where a lot of internal transactions can take place, and most importantly, put the lot under the control of one family. The family approach of such conglomerates promotes the mutual dependence of their staff, and these staff expect their employer to look after them as a parent would a child where the culture of harmony, dependence and community is indeed the so-called Asian way (Backman, 1999).

Conglomerates are a big part of Asian business practice with *chaebols* in Korea and *zaibatsus* in Japan. But, for example, *chaebols* are not among the most profitable companies in the world as, unlike Western companies, they pursue market share over profitability. Such a corporate way of working by paying too much attention to market share alone was reported as being a key factor in the failure of many *chaebols* in the mid-1990s (Wee and Lan, 1999).

## 3. Asia

### 3.1 Asia Pacific

Asia is unlike the West and has fundamentally different ways of working, which can seem very strange, unusual, and not to the liking of many Westerners; nonetheless, there needs to be an understanding by Western managers that things can be done in different ways (Kets de Vries, 1999). An article by Hazelton (1999) about the aftermath of the Asian financial crisis argued that Asia is a tremendously diverse region inclusive of all world religions with a host of cultures, and along with Europe and the USA, is the world's economic engine. Indeed, Asia is vast and full of energy (Peters, 1994), and in 2014, with just over 61% of the world's population (see <http://www.worldpopulationstatistics.com/population-of-asia-2014/> and <http://www.worldpopulationstatistics.com/world-population-2014/>), its ever-increasing influence cannot be ignored.

So, Asia is clearly a large slice of the global cake, and more care is required from the West to take a good look at the Asian way and not just a cursory glance. For example, Asian businesses traditionally have a strong commitment to their staff, suppliers and customers (Davis and Schulte, 1997); are team orientated with a preference for consensus over creativity; and prefer gradual rather than radical change. To reflect such an emphasis akin to co-operation and teamwork, Asian culture dictates that open

criticism is discouraged where open confrontation and losing *face* are often taboos in many parts of Asia (Hammer, 1996).

The culture of harmony, dependence and community is also the Asian way (Backman, 1999) rather than the Western way of independence, with often little sharing of ideas and information (Mortiboys and Oakland, 1991). Indeed it is fair to say that employees of Asian companies trust their colleagues (Stockdale, 1997) and work in an organisational environment where a similar future is shared (Stockdale, 1998).

Hofstede (1984) identified four basic dimensions of culture – 'power distance', 'individualism–collectivism', 'uncertainty avoidance', and 'masculinity–femininity'; and Hofstede and Bond (1988) added Asian Confucian dynamism to these original four dimensions and referred to it as 'long-term orientation', which emphasises the importance of persistence, ordering relationships on the basis of status, thrift and a sense of shame.

Asia's highest dimension of culture is 'long-term orientation' and the lowest is 'individualism'. Delving deeper with culture data representative of GLOBE's Confucian Asia cluster, Korea's highest dimension is 'uncertainty avoidance' and its lowest is also 'individualism'. Whereas, for culture data representative of the Southern Asia cluster, Thailand's highest dimension is for both 'uncertainty avoidance' and 'power distance', and its lowest is once again 'individualism' (Hofstede, 2009). The collective clearly rules over the individual. However, the consensus-based team approach favoured in most of Asia can lead to prolonged durations for decision making (Backman, 1999).

### 3.2 China

Asia has major economic powerhouses in its club with – in terms of gross domestic product – China, Korea and Japan at the forefront, whereas in terms of competitive economies, Singapore and Hong Kong lead the way. Although Korea and Japan now supply the world market with major products by internationally recognisable brand names, another major part of Asia in an increasingly exponential way is, of course, China. Each passing year in recent times has seen China grow into an economic global giant with both eyes trained on becoming what the Chinese have probably always considered as its rightful place, namely, at the head of the global economic table. This is a country with over 6000 years of rich history, many territories, 74 dialects and 56 nationalities (Huang *et al.*, 1994), a land mass of nearly 4 million square miles and a population in excess of 1300 million. China has its own ways and is unique.

Despite such facts, Westerners frequently view the Chinese people as one homogeneous population, but such a melting pot of differences clearly equates to more than just one culture at play with a diverse population of different religions, different subcultures and different ethnic groups (Haley *et al.*, 1999). Despite these subcultures, Chinese people, for longer than any other group on earth, have nonetheless shared a common culture. Such a common

culture will continue to evolve, as the younger generations of Chinese become part of a more global world.

The influence of Chinese culture throughout Asia must not be underestimated in a region where the Overseas Chinese community has a significant presence in business and politics (Pang *et al.*, 1998). Indeed, in a study about overseas-Chinese networks in Asia by the Australian government, it was argued that 'in order to manage business operations effectively in the Asia Pacific region, it is imperative to understand the Chinese way to run business' (East Asia Analytical Unit, 1995: pp. 6–7).

## 4. Culture

### 4.1 International project culture

The culture of international construction projects is unique and comprises specialist expatriate knowledge workers within multinational teams, which may be globally dispersed resulting in virtual e-teams. These types of project, with varying levels of different participating nationalities and cultures, result in a project culture which is totally unique with particular management difficulties to overcome to achieve successful collaboration. These difficulties include inherent ambiguities, subcultures, conflicts and various national, professional and project cultures which need a holistic management approach based on teamwork (Webb, 2014).

### 4.2 Asian culture

Doing business in Asia usually depends on informal understandings, which, in order of importance, comprise personalities, patrimonial largesse, corporate identity and expertise (Clad, 1989), each of which can have a complex set of relationships involving competitors, suppliers, customers, employees, partners, officials and society in general (Davis and Schulte, 1997).

However, such complicated matrices when applied by conglomerates that are far too big, too unfocused, too poorly managed and seemingly very unstructured, lacking transparency, and devoid of internal checks and accountability (Backman, 1999) can cause confusion for those looking in from the outside, as, for example, experienced by a Western joint venture (JV) partner.

### 4.3 Cultural issues

Cultures have evolved over time but are naturally human-made (Watson, 1994) and cause issues between people, many of which can result in insurmountable problems due to intransigence. But individuals from different countries and different cultures can work together, and discussions about differing points of view on large complex construction projects have the potential to provide effective and creative solutions (Shore and Cross, 2005). Despite such opportunities, many contractual matters cannot at times get resolved because Western managers often approach situations based on the assumption that what worked at home will work anywhere (Hawkins and Rajagopal, 2005). Many Western professionals wrongly consider themselves to be somehow superior to their Asian counterparts, and such a domineering stance of strong cultures

presents a challenge to others wishing to contribute (Shore and Cross, 2005). For example, as argued by the author of *Thick Face, Black Heart*, Chu (1994: p. 114), 'the aggressive, high-tone, pushy, go-getting manner is considered a great attribute in the American business world. However, when applied in certain parts of Asia, it is considered repulsive'.

It is very important that such a fundamental cultural difference is known by the Western contract manager. Hanvanich *et al.* (2003: p. 2) referenced Makino and Beamish (1998), who argued that 'cultural difference could be defined at national level and at the partner level' and Parkhe (1991) theorised that 'cultural differences at both national and partner levels hinder alliances'. These cultural differences include difference in culture of partners (Hanvanich *et al.*, 2003); different patterns of behaving and believing and different cognitive perspectives for interpreting the world (Black and Mendenhall, 1990); differing cultural distance between partners complicating ability to correctly interpret the behaviour of the partner (Kaufmann and O'Neill, 2007); different management styles and knowledge management practices (Hanvanich *et al.*, 2003); different management issues such as management structure and style (Shore and Cross, 2005); differences in operating approaches often resulting from cultural biases, and taking it for granted that there is a 'right' way to do things (Williams and Lilley, 1993); and differences in project personnel punctuality, deference to authority, non-verbal behaviour and work ethic (Ramaprasad and Prakash, 2003).

Over time, these cultural differences can increasingly create ambiguities and lead to mistrust in a contractual relationship and result in ever-increasing conflict (Hanvanich *et al.*, 2003) and impede the development of rapport and understanding between contracting parties (Williams and Lilley, 1993). Large complex construction projects are often done by project-based JVs or consortia, which are often one-off affairs where differing cultures consider time in differing ways. Agreeing on short-term, medium-term and long-term goals is a routine part of corporate planning, but for JVs, one must carefully agree on the definition of short, medium and long term. For example, to most American corporations, the short term is 1–2 years, whereas to most Asian businesses, the short term could easily be 5 years or longer (Ascot, 1994).

All of the potential cultural differences should be addressed with a sensitive approach to cultural diversity from the outset when considering involvement in a JV (Hall and Jaggar, 1998), and a sufficient amount of time and attention should be paid to identify the cultural differences which could lead to problems during, for example, the JV partnering negotiation stage (Low and Leong, 2000).

To achieve success on large complex construction projects in Asia, Western contract managers need to utilise return of personal experiences, in particular those related to cross-cultural management and politics, and to organise their multinational

dispersed e-teams in accordance with a clear matrix of responsibilities based upon the trust equation of computer-mediated communication, competence, credibility, consistency, support, respect and honesty to achieve good collaboration. When JVs are involved, all of these efforts must be supported by the senior levels of the partners in terms of good partner selection, distributive justice (Luo, 2009) and appropriate equity share to generate a reasonable balance between project JV control and trust to enable timely decision making (Webb, 2014).

#### 4.4 Cross-cultural management skills

It is notoriously difficult to manage large complex construction projects and more so international JVs (Kaufmann and O'Neill, 2007), in particular, the management of all of the unique project factors which have to co-exist. This requires cross-cultural management skills, and the ability to adapt and apply situational flexibility to the challenges of working in a multicultural project environment will more than likely result in contract management success (Adobor, 2004).

As well as having an unbiased understanding of their own national culture, Western contract managers need to have knowledge of the country culture and business systems of their counterparts (Adobor, 2004). Moreover, they need to look beyond stereotypical cultural views and discover the real beliefs of project team members (Grisham, 2008); this is particularly important when the workforce is a multicultural workforce and not homogeneous (Kaufmann and O'Neill, 2007).

In times of conflict, and there will undoubtedly be times of conflict between contracting parties, the Western contract manager needs to understand that when country and project cultures come into conflict, the first is likely to override values in the second (Pang *et al.*, 1998). It should be a general rule of thumb that Western contract managers do not impose their preferred ways of working on their international counterparts without due consideration to avoid unnecessary conflict, because what one culture may consider to be unorthodox behaviour another may well consider normal (Hawkins and Rajagopal, 2005). However, this view is not universal. Indeed, the Japanese take an opposite position by introducing Japanese working culture to employees, suppliers, partners and customers wherever they may venture around world (Pang *et al.*, 1998).

#### 4.5 Cross-cultural communications

The greater the cultural gap, the more difficult it will be for the Western contract manager to achieve contract management success, and the key issue of communication must not be taken lightly. Major problems can quite easily occur on large complex construction projects, sometimes for something that is seemingly quite innocuous, as a result of differences between national or ethnic cultures, including language, as well as differing corporate cultures (Williams and Lilley, 1993). Quite simply, notwithstanding the obvious language barriers, different cultures communicate in different ways. For example, many Westerners are not comfortable

with silence and reserve and prefer to openly challenge and thrash out issues during contractual discussions at formal meetings where taking time for reflection is often seen as ineffective management. Whereas, in Asia, managers tend to consider such public displays of openness as rash and impulsive (Low and Leong, 2000).

### 5. Differences between the East and West

Many believe that there is no diversity, only unity, among the teachings of the East and the West and the differences are only in the wrapping, not in the essence (Chu, 1994). However, differences there are, and while there are many underlying similarities between Asian cultures, their approaches to matters such as business are by no means the same, and the overall assumption that Asian countries exhibit a standard pattern in contrast to Western societies is unwarranted (Cray and Mallory, 1998). Similarly, business approaches applied by Western companies are not uniform and some even have similar approaches to business and management as applied in Asia. For example, the founder of Virgin, Richard Branson, admires the commitment of the Japanese to the long term by building up a business through organic growth, and not by acquisitions alone. Moreover, the structure of Virgin is similar to the Japanese *keiretsu* system with more than 500 small companies around the world operating quasi-independently (Kets de Vries, 1999).

Martínez-Lorente *et al.* (1998) argued that the differences in Japanese and Western views may relate to differences in culture, politics and company philosophy. It seems fair to say that a fundamental typical difference between companies in the West and the East is the basic strategic approach to business. Western businesses generally proceed with strategic leaps based on detailed road-maps, whereas, for example, the Japanese traditionally proceed on an incremental basis as typified by the total quality management (TQM) approach based on strategic compasses giving a sense of overall direction (Hayes, 1985).

In terms of the individual, the fundamental typical difference between the East and the West is the manner with which they conduct themselves in the business environment. As supported by the findings of Hofstede, the Asian way is more team orientated and the Western way is more self-important, showing how good you are. In the East, this type of ego is considered to be a human's worst enemy, whereas in the West, it is accredited with all the achievements of mankind so much so that the Westerner nurtures it while the Easterner fights against it (Chu, 1994). For example, many Asian businessmen appear humble and rarely offer their opinions in formal situations, in part avoiding confrontation but also projecting the impression they are learning from their counterparts (Wee and Lan, 1999), which is mostly far from the actual situation.

So, it seems quite apparent that culture can be a subtle and complex process. Indeed, Hall and Jaggard (1998: p. 4), citing Williams (1976), comment that 'culture is one of the two or three most complicated words in the English language'.

However, many Western contract managers, and Western professionals, generally, have the staunch view that culture has no part to play in contractual matters as the contract is the contract. What is signed is signed. While the written word is beyond dispute, it is argued, however, that an educated awareness and understanding of cultural issues that can impact discussions about such wording is essential to contractual success (Hall and Jaggar, 1998), as culture is often the source of conflict. Indeed, cultural differences may be considered as a nuisance at best and often a disaster (Hofstede, 2009), but cultural differences need to be taken as a positive not a negative, and the ability to use these differences systematically and positively can lead to the successful resolution of contractual headaches (Schneider, 1995).

This is particularly relevant to East–West JVs, where due consideration of cultural differences is required because culture plays a significant part in determining the shape of such JVs, the partners involved and, most importantly, their chances of success (Cray and Mallory, 1998). If these issues are not properly addressed, the result will be a serious roadblock to developing a successful project (Adobor, 2004).

## 6. Contract management in Asia

### 6.1 Negotiation and contracts

Western contract managers working in Asia need, within reason, to subscribe to the Asian concept that a relationship can be more important than the written word, namely, a contract (Lee, 1996). A sacrilegious thought to the Western mindset, but this is not necessarily so in the East. For example, Japanese projects are effectively run with less attention to the formal contract conditions than to the spirit of it (Shammas-Toma *et al.*, 1998), and where a binding written contract is a relatively new concept in China because details can be worked out in the future because, as a Chinese adage says, ‘there is room for discussion in everything’, and this explains why the Chinese feel they should have the right to change the terms of the written contract after it has been signed (Wong *et al.*, 1998).

Western contract managers in Asia face problems with ambiguous contracts, but contractual flexibility to accord with current circumstances can result in mutual benefits. For example, according to Chinese culture, when an event goes badly, family and friends are supposed to understand one another’s difficulty and provide support (Haley *et al.*, 1999), which in a contractual situation can trigger contract renegotiation (Lee, 1996). Indeed, many Asian professionals view Western business practices as ‘rigid on agreements, overbearing, lacking in humaneness, ruggedly individualistic, insensitive, uncultured and sometimes crass’ (Wong and Maher, 1998: p. 53). The Japanese will even include a clause in contracts which states that if, during the life of the contract, conditions changed in such a way that affected the ability of either party to comply with the terms, both parties would sit down and discuss in good faith if the two parties are having a major disagreement. This approach is virtually

inconceivable to traditional Western business practice (Morita *et al.*, 1986).

With such approaches, signed contracts may often begin, rather than end, negotiations (Haley and Tan, 1996), which can quite easily result in quibbling over contract conditions between JV partners (Haley *et al.*, 1999). The devil is always in the detail and as is the way of life in Asia, the end result is that the negotiation process will be ongoing throughout the contract duration where real negotiations are often concluded long before any official gathering to shake hands on an agreement, where the four principal parameters for any negotiation in Asia are location, agenda, timing and approach, and the optimum grouping for any negotiation is three, with one person to talk, one to listen and one to record discussions (Hawkins and Rajagopal, 2005). In Asia, negotiations can be somewhat of a ritual at times where co-operation and mutual good faith resolution between the parties are always anticipated not least because the avoidance of litigation is a predominant feature (Low, 1996). This may not, in theory, be so far removed from the fundamental principles of the New Engineering Contract (NEC) contracts in the UK.

### 6.2 Traditional forms of construction contract

The use of standard forms of contract (SFCs) is popular in construction with perceived benefits of stability, familiarity and a sense of comfort (Thomas, 2012). SFCs need to define the contractual relationship between the parties, their responsibilities to each other, and to allocate project risks (Fidic, 2011). The International Federation of Consulting Engineers (Fidic) ‘New Red Book’ (Fidic, 1999) and the NEC’s Engineering and Construction Contract (ECC) ‘Black Book’ (ECC3) are both SFCs but from a differing family of standard documents that each have differing levels of maturity, range of activity coverage, philosophy, style and structure. In the UK, the most popular SFCs have traditionally been published by the Institution of Civil Engineers (ICE) for civil engineering works, and the Joint Contracts Tribunal (JCT) for building works. Unlike the ECC3, which is considered as being radically different, as with the Fidic ‘New Red Book’, these particular domestic SFCs are considered as being conventional.

The use of Fidic SFCs is commonplace throughout the world with varying forms having been in use for almost 60 years, as such developing an increasingly large footprint within construction, and over time acquiring a good reputation based on Fidic’s well-promoted ethos of producing balanced forms of contract (Fidic, 2011). The fifth edition of the ICE Form positively impacted the evolution of the Fidic Form in the late 1970s (Bunni, 2005). ICE also had a positive impact on the evolution of the NEC, which was first published for ICE in 1991 (Eggleston, 2006). The NEC has been described as a truly groundbreaking concept which has revolutionised the way construction projects are procured and managed (Mitchell and Trebes, 2012). The most striking example of the groundbreaking nature of the EEC3 was that it promoted the adoption of collaboration and partnering. In particular, ECC core clause 10.1 requires that the employer, contractor, project manager

and supervisor 'shall act as stated in this contract and in a spirit of mutual trust and co-operation'. This is a fundamental principle of ECC3 and underpins its philosophy and goes further by enabling the parties to supplement core clause 10.1 with more detailed partnering arrangements by using optional clause X12 (Hoar, 2013).

These less conventional NEC SFCs, which have flourished domestically in the UK, particularly after the prominent support of the Latham (1994) report, are gaining a firm foothold internationally and has rebranded itself as the ECC (Furst and Ramsey, 2012). The latest fully comprehensive suite of updated NEC documents is the third edition, NEC3 (a generic name for the NEC family of SFCs) (Eggleston, 2006), which was last reprinted with amendments in 2013 and covers a wide range of procurement options (Furst and Ramsey, 2012). Unlike JCT, ICE and Fidic SFCs, the NEC3 family of SFCs provides for all of the Latham report's relevant recommendations (Hughes, 2013), and in 2005, the NEC3 documents comprised 23 volumes, including officially published guidance notes, flow charts and an advisory document.

Ultimately, the administration of contracts is by people with their multitude of tacit assumptions, understandings, feelings and goals (Shammas-Toma *et al.*, 1998). For example, his Honour Humphrey Lloyd QC, a former judge of the Technology and Construction Court in London, suggested that 'most problems with contracts come down to human behaviour' and 'the question of trust is the cornerstone of relationships and the bedrock of any successful contract' (MPA, 2007: p. 2).

### 6.3 Hard and soft skills

Soft skills is a sociological term relating to a person's emotional intelligence quotient (EQ), the cluster of personality traits, social graces, communication, language, personal habits, friendliness and optimism that characterise relationships with other people. Soft skills complement hard skills, which are part of a person's intelligence quotient (IQ) and the occupational requirements of a job and many other activities.

Soft skills involve human behaviour in project teams and require a basic intellect, an ability to see more than one point of view, to think logically, to advocate and when communication becomes more important than the application of scientific methods (Daniel, 1990). Therefore, it is important for contract managers to have both hard and soft skills to successfully handle contractual matters by in part fostering relationships (Hawkins and Rajagopal, 2005). A critical soft skill for contract managers is the ability to negotiate, for example, changes to scope, cost, schedule, contract terms and conditions (Edum-Fotwe and McCaffer, 2000). Also, the contract management role requires the ability to deal with people effectively and politely, more than by means of key, yet potentially monolithic and context-free, hard skills, which can determine the success of a Western contract manager on large complex construction projects in Asia. In a case study by Webb

(2014), a manager argued that *soft* management skills can be taught to suit the work environment and managers should not focus on hard management skills more than soft skills.

## 7. Conclusions

The management style in Asia is unique with varying strains of Chinese-based ethics and beliefs, including networking, trust, face and avoidance of confrontation heavily influencing management practices. To avoid unnecessary problems, managers need to overcome not only the obvious language difficulties but also differing corporate cultures, work methods, national cultures, and beliefs. These problems can be best overcome by adopting a holistic approach and accepting that neither the Western way nor the Eastern way is the only way to manage.

It is argued that to successfully perform contract-related project duties, Western contract managers working in Asia or having the need to interface with Asian companies in construction require not only the hard skills of technical occupational competence as a given, but most importantly need soft skills including situational flexibility based upon cultural awareness and understanding. Indeed, from a macro position, the West needs to better understand about the East, Asia and Asian cultures, and how Asia does business to best ensure project success.

Western contract managers need to adopt a holistic way of contract management thinking and to utilise return of personal experiences, in particular those associated with cross-cultural management and politics, to organise multinational dispersed e-teams in accordance with a clear matrix of responsibilities based upon the trust equation of computer-mediated communication, competence, credibility, consistency, support, respect and honesty to achieve good collaboration. But no one person is an island, and all of these efforts must on large complex construction projects be supported by the senior management including JV partners in terms of good partner selection, distributive justice and appropriate equity share to generate a reasonable balance between project JV control and trust to enable timely decision making.

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