

# Effect of Culture, Risk and Trust on the Selection of Dispute Resolution Methods in International Construction Contracts

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## Introduction

In this global arena, there are many forms of Dispute Resolution Methods (DRMs) adopted, each with its own particular characteristics.

	Litigation	Arbitration	Mediation	Adjudication	DAB	Expert Determination
Involves	Judges & courts	Arbitrators	Mediators & Parties	Adjudicator	Panel of experts	An expert
Control	None	Minor	Full	Average	Average	Minor
Decision	Final & binding	Final & binding	Non-binding	Binding, if stated in contract	Non-binding	Final & binding
Privacy	Public	Confidential	Confidential	Confidential	Confidential	Confidential
Duration	Very long	Long	Short	Short-set	Short	Short
Cost	Very expensive	Expensive	Less Expensive	Average	Average	Inexpensive
Key points	Technical knowledge compromised	Technical knowledge not compromised	Solution may not follow contract	Decision may be appealed	Knowledge of project	Preferred in complex technical issue

## Purpose of the Study

Choosing among the different DRMs is a very challenging problem especially when working internationally. The aim of this study to help international contractors of the Anglo-cluster in the selection of the appropriate DRM(s) to use during contract formation, if operating in the Arab and/or Asian cluster; given identified risk factors and trust levels.



## Methodology

### Literature Review

- Collection of all published information on DRMs, culture, risk and trust in construction.

### Data Collection

- Delphi Technique:** 11 experts in DRMs from different countries around the world (USA, UK, Egypt, Lebanon, Qatar, and Australia) are participating in 4 rounds of questions to reach a consensus on which DRM(s) to use given defined projects conditions.

### Data Analysis

- Statistical analysis
- Development of a Culture-Risk-Trust-DRM (CRT-DRM) model to help international contractors in the selection of DRMs.

## Outcomes - Current & Expected

### Current Outcomes:

The first 2 rounds of the Delphi technique have been sent to 11 experts. From the 1st round, the experts generated 84 factors that affect the choice of DRMs in an international construction contract. Factors with similar meaning were grouped yielding a total of 27 different factors. The top two factors mentioned by more than 60% of the experts were:

- cost of resolving the dispute, and*
- time taken to resolve the dispute.*

### Expected Outcomes:

Through the Delphi technique, the experts are expected to reach a consensus on the factors that would affect the choice of DRM(s), if an international contractor from the Anglo cluster decides to operate in the Arab and/or Asian cluster, given identified project risk level and trust level between the parties. From those factors, a model suggesting the choice of specific DRMs will be developed.

