The Handy Guide to the Gurus of Management

Episode 13 - Fons Trompenaars and Charles Hampden Turner

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Consider for a moment this dilemma: You are a passenger in a car driven by a close friend, and your close friend's car hits a pedestrian. You know that your friend was going at least thirty-five miles an hour in an area where the maximum speed was twenty miles an hour. There are no witnesses. Your friend's lawyer says that if you testify under oath that the speed was only twenty miles an hour then you would save your friend from any serious consequences. What would you do?. Would you lie to protect your friend?. What right does your friend have to expect your help?. On the other hand what are your obligations to society to uphold the law?

This is the sort of question that Fons Trompenaars and Charles Hampden Turner asked 15,000 managers in 28 countries around the world. They were interested in exploring the cultural difference between what they called universalist societies and particularist societies. Universalist societies follow the rules and

assume that the standards they hold dear are the correct ones. They try to get everyone to conform to them. That way, they believe, society works better. Particularist societies, on the other hand, believe that particular circumstances are more important than general rules and that your response depends on the circumstances and on the particular people involved.

Going back to the car and the pedestrian, Trompenaars and Hampden Turner discovered that North Americans and North Europeans were almost totally universalist in their responses. They would put the law first. Only 70 per cent of the French and the Japanese would do so, however, while, in Venezuela, two thirds would lie to save their friend.

Does this matter for managers?. Trompenaars and Hampden-Turner believe that it does. Universalist countries take contracts very seriously and they employ lots of lawyers to make sure that the contract is kept. Particularist countries think that the relationship is more important than the contract and that a good deal requires no written contract - the particular people and the particular situation matter more than the universal rules. You can see that you could cause great offence if you got it wrong, as I once did myself, when I insisted on bringing in a lawyer to sign

an agreement that my Chinese dealer had thought we had settled with a handshake over a cup of Chinese tea. That particular deal fell through. Or perhaps I should say that when I tried to apply my universal approach to that particular situation, it failed. I learnt the hard way. You would be better advised to read the books of Trompenaars and Hampden-Turner.

For twenty years these two academics, a cross-cultural Anglo-Dutch partnership themselves, have been interviewing managers around the world, giving them questionnaires to answer, conducting seminars and advising their companies. They have detailed their conclusions in a string of books, which culminate in their best to date - one called Building Cross-Cultural Competence and the latest, 21 Leaders for the 21st. Century, which demonstrates how some successful leaders have developed that competence, the ability to ride what they call “the waves of culture” and to reconcile the dilemmas involved.

I should mention here that a Culture is a set of values which shape attitudes, and influence behaviour.

The trouble is that most of the management theory we know about has come from the Anglo-American culture, the one that

most of the gurus on my list belong to. This is a universalist culture, one that assumes that the rules that work for it will work universally. That just might be a dangerous illusion. After all, we know that things work quite differently but equally well in other parts of the world.

Trompenaars and Hampden Turner have found a way of capturing the best of most management theories but have set it within their own analysis of the task of managing across cultures. They are therefore a fitting capstone to our study of gurus, particularly in a global world that is becoming both more similar and more different - the kind of paradox which runs through all the work of these two authors. It's an added bonus that they write with wit and humour, perhaps a consequence of their own cultural backgrounds.

For those who are just joining us, this is the World Service of the BBC and I am Charles Handy. I'm discussing the work of two experts in the field of cross-cultural management, the partnership between Fons Trompanaars of the Netherlands and Charles Hampden-Turner of Great Britain.

Their analysis is constructed around six value dimensions of which the universalist / particularist is one. The dimensions are a

set of opposites. This creates a series of dilemmas for the manager who, these days, is increasingly working in a mix of cultures. It would be quite possible for a multi-national organization to find both ends of the dimension represented in parts of their business. The manager's task is to find a way to create wealth from these conflicting values by what Hampden-Turner calls circular thinking, a way of getting the best of both worlds.

I don't have the time here to go into all six of their dimensions, and just listing them would not do them justice, so I’m just going to pick one more to show you how their thinking works. The value dimension that I am going to discuss they call Individualism versus Communitarianism. Which is more important, do you think, the individual or the family or group?. The resourceful individual comes first, says the American culture. The rice growing village comes first, says the Chinese culture. Both are right. Self interest leads by an invisible hand to public benefit, said Adam Smith of Great Britain.

Do competing individuals improve standards? Yes, usually. On the other hand is it not also true that cohesive teams improve the

morale and power of their individual members?. Of course they do. So which do you go with, the individual or the community?

This is the dilemma that the value dimension shows up. Questionnaires reveal that the United States and Canada are the most individualist nations; and among the most communitarian? - Japan, Singapore China and France. All pioneer capitalist countries are individualist, but a community culture can help others to catch up - look at Japan, Singapore and Taiwan. Each culture has its strengths, and its weaknesses. The individualist culture allows outstanding individuals to mobilize resources in unprecedented ways and has produced the great giants of capitalism such as Rockefeller and Henry Ford or, today, Bill Gates. Individualism encourages the lone adventurer and the entrepreneur. On the other hand you could say it celebrates greed, it punishes the weak and consumes too much of the earth's resources.

The Communitarian culture, however, shares burdens equally, as when Singapore made across the board wage cuts at the height of the East Asian recession. A society focussed on community encourages its members to leave a legacy to society that will last beyond the grave and to have a bigger purpose beyond their

individual selves. These cultures grow corporations with high levels of productivity and esprit de corps, companies where everyone bands together in pursuit of common, not individual, goals. On the other hand, these cultures are slow to change when times get difficult. They support losers rather than expecting them to quit. Japan may be in this sort of communitarian fix right now.

In business, individualist cultures put the shareholder first, communitarian cultures think stakeholder not shareholder. Individualist businesses see their workers as instruments owned by the shareholders, whereas community businesses see the workforce as an extended family, to be cared for even when times get tough.

The answer to the dilemma, say Trompenaars and Hampden-Turner, is to reconcile the opposites, to recognize that the cultures need each other. What makes a community dynamic is its ability to nurture and generate individuality, but what gives meaning to an individual's life is the work she or he does for a community. The gurus go on to give examples of how this can happen. For instance, in IBM salespersons used to compete with each other every quarter for who could sell the most.

Competition was fierce - which was part of the problem. Salespeople did not pass on customer information or news of new opportunities but hoarded it to themselves. They tried to pressure customers at the end of each quarter to overstock and so boost their figures, which caused a lot of customer complaints. There was a great deal of stress in the sales force because of the competitive atmosphere and absences due to illnesses accelerated.

A consultant, Tim Galwey, suggested a change. The competition, he said, should not be for the amount of sales but for the salesperson who had learnt most from the customer in the last quarter. Competition was now just as intense, but instead of each person boasting of their sales they had to make a presentation of what they had learnt. The whole sales force then voted on the value of the information to them in their work. The person with the most votes won. Did it work?. Very much so. Usually the person who had learnt most turned out to have also sold most, but the performance gap between the best and the worst narrowed dramatically - and customer complaints almost vanished as did the absenteeism and the stress, because everyone now got something out of it. Galwey had found a way to keep the individual competitive element but

make it more communitarian, for the benefit of the whole group. A nice example of what Trompenaars and Hampden-Turner call circular thinking.

The story also illustrates something else - that the two dimensions of the dilemma are found everywhere and in all organizations. All firms are both individualist and community-minded, although the mix will vary according to which country you are in. In every business every manager will be forced every day to find a way to deal with the dilemmas of the opposites by some sort of circular thinking. But I'm afraid you will have to read the books to discover the other cultural dilemmas and how to resolve them.

Indeed, this is true of all the gurus discussed in this series. It is impossible to do justice to someone's lifetime collection of ideas in fifteen minutes. All I have been able to do is to introduce to you some of the best thinkers of our time in the hope that I can persuade you to get to know them better; I trust that the twelve gurus we've met in this Handy Guide will help you find your own way in the world.