The Pitfalls of Rationality: Values as Differences to be Reconciled in Comparing Business Cultures in the West to Asia

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Values as Differences to be Reconciled in Comparing Business Cultures in the West to Asia

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Abstract

In this paper we will question commonly accepted ‘rationality’ by using and comparing different cultural values. We use a set of explanatory images to illustrate our points. We show cultural values are not just opposites, but actually work together and are long-lasting and slow moving. We also show that these values cluster together and vary between economies. We can see these in Western and Asian models of business culture, to which we add a third hybrid version within which organizations have to operate.

Introduction

In this paper we question perceptions of rationality and how these vary globally. We do so by describing, analyzing and illustrating how dichotomies of cultural values link together. We do this by likening values to a traffic light, or stop-light, which signals stop and go by contrasting colors, red and green, selected from the far ends of the color spectrum. The color spectrum exists in nature, but red and green signals are a cultural use of this spectrum and have attained near universal recognition. We use and develop the long-established cultural dimensions of Trompenaars (1996) and Trompenaars and Hampden-Turner (1993; 1997; 2012) and a set of explanatory images to better illustrate our points. This shows how these cultural values are not only long lasting, but
cluster together within and between nations to produce specific business cultures within which organizations have to operate.

As most readers will already be familiar with national culture research, the constraints of a single article curtail an overview of the voluminous literature and debates on the concept of culture, its dimensions and alternatives (see Hofstede, 1980; Redding, 1990; House et al., 2002) and critiques (Hofstede, 1996; Redding, 1994; Hampden-Turner and Trompenaars, 1997; McSweeney, 2002; Williamson, 2002). Rather, we simply note the following. There is usefulness in the concept of ‘culture’ in common parlance despite academic debates on its meaning and in trying to pin down, in a pseudo-scientific way, such a slippery social science concept. It is a great mistake to think of values as “things” such as coins, jewels or precious objects. This is the mistake often made by fundamentalists, that “you cannot have too much of a good thing.” In fact, values are not “things” at all. They are differences. We are saved from automobile collisions by the difference between “stop” and “go.” Courage is different from caution. Dissent is different from exceptions. Freedom is different from responsibility and altruism is different from egoism. We could continue. Indeed, we cannot know what a value means unless we also know the contrast to it in the speaker’s mind. Love can be contrasted with detachment/neutrality or with hatred and its meaning will be changed as a result. We must often guess as to this contrast.

If values are differences, then in order to survive and to grow we need to deploy the whole spectrum of these differences. A person incapable of loyalty or responsibility is deficient. There are moments to look out for oneself and moments to help others. For example, if you are travelling in a plane with a small child and oxygen masks fall from the ceiling, you are urged to put the mask on first and then help the child, that is, to be egoistic and then quickly altruistic. Yet, note that these two contrasting values serve each other. You cannot help your child if you have stopped breathing. Or consider the dilemma of courage versus caution. Suppose a friend falls into a river and cannot swim. You need enough courage to save them, but you also need enough caution to ensure that they do not drown you. You might be wise to throw a lifebelt initially (caution) and only go in after them (courage) if you must. If you do enter the water (courage) you must know how to break the clutch of a drowning person (caution) or both of you could perish. Note that what actually saves you and your friend from an early death is courage reconciled with caution, both values in integrity. Either value without the other is a recipe for disaster. For instance, putting the oxygen mask on your child’s face and neglecting your own could, at best, deprive them of a parent and, at worst, kill you both.

Another example concerns the stereotypical version of the death of Socrates in 399 BC — that he died for his individuality against a heedless community. Yet, this is completely wrong. In fact, he could have saved his own life by the simple expedient of going into exile. Yet, as Socrates made clear, he died for the principle of soul or psyche. Unlike the Christian soul, this was not a personal possession, but the connection between self and society. Going into exile would sever that connection. Drinking hemlock rather than departing would affirm that Socrates at least would not desert his society voluntarily. Just as the ox needed the gadfly to keep it awake and alert, so a society needed its critic.

We will now illustrate how contrasting cultural values work together. We do this by posing a set of cultural values as dichotomies and setting up dilemmas to tease out views.
Contrasting Values

We develop some of the work of Trompenaars (1993) and Trompenaars and Hampden-Turner (1993; 1997; 2012). This described seven value-dimensions which could then characterize different national cultures immediately created debate and critiques, for example, on the methodology, theory and conclusions (Hofstede, 1996; Hampden-Turner and Trompenaars, 1997). These values are listed in the Table as simple dichotomies.

Table 1 Contrasting Values as Dichotomies

|   |   |
|---|---|
| 1. | Rules-----------------Exceptions |
| 2. | Individuality----------Organization (or community) |
| 3. | Specific--------------Diffuse |
| 4. | Neutral----------------Affective |
| 5. | Achieved--------------Ascribed |
| 6. | Inner-directed----------Outer-directed |
| 7. | Sequential--------------Synchronous |

In order to better understand to which values the business culture gives greater allegiance, these values were put in conflict and respondents were obliged to choose the value they preferred. The questions and dilemmas used to do this gave a choice between “good” values that typically compete with one another so that respondents stated the priorities their cultures taught them, for example, that rules come before exceptions (see later for further details).

The respondents were managers from upper to middle ranks of corporations who identified the countries from which they originated. They were also later addressed by a research consultancy. In all, over 180,000 managers in 76 countries have now filled in questionnaires and seen and heard their company compared with others.

Overall, national cultural differences far exceeded corporate culture, age cohort, gender and management disciplinary differences. Generally speaking, Western countries, the US and the UK most especially, prefer: Rules to Exceptions, Individuality to Organization, Specific to Diffuse patterns, Neutral to Affective and emotional conduct, Achieved to Ascribed status, Inner-directed convictions to Outer-directed responses, and see time as a Sequence rather than as Synchronized moves. These results have changed little over the years, although there have been some gradual moves towards Western values and a slight lessening of differences with allegiances to one value or the weakening of another. This is due in part to the fact that the West proselytizes more while Asia, Southern Europe and Latin America remain less strident. Individualism is the value that has strengthened most from the 1980s.

We now review and detail these results (shown as a percentage of managerial responses to a set of dilemmas/questions in the following values) for each value dimension in turn.
1. Rules-Exceptions

This was set up as a dilemma with the respondent in an automobile being driven at above the speed limit by their best friend who then strikes and injures a pedestrian. The errant driver is arrested and taken to court. The respondent is the sole witness. Do they save their friend by testifying that they were not speeding or let sentence be passed? This dilemma poses rules and truth-telling against exceptions and supporting a friend. The results divide nations as follows.\(^2\)

**Q. Would not help a friend at the cost of truth?**

| SWI | USA | AUS | SWE | UK | GER | NL | ITA | BRA | JP | FRA | POR | CHI | HK | IND | RUS | KOR |
|-----|-----|-----|-----|----|-----|----|-----|-----|----|-----|-----|-----|----|-----|-----|-----|
| 94  | 88  | 88  | 87  | 84 | 83  | 82 | 79  | 73  | 69 | 67  | 66  | 65  | 61 | 54  | 52  | 44  |

The nations to the left are largely Protestant Christian. They believe that God’s Word was written in the New Testament and is passed down to them as a written code of rules. Roman Catholic cultures tend to be in middle. Cultures whose ethics are based on family relations, China, India, Russia and South Korea, tend to be the most loyal to friends and relations.

What measures such as this do not explain, however, is what happens to the value that is least preferred, in this case a friend’s need for support. Are Swiss persons totally indifferent to the fates of their closest friends? Surely this is not true? Yet, in that case, what happens to the conflicting value? Our answer is that it becomes a means rather than an end. You will support a friend as a means of assuring they tell the truth, perhaps dipping into your savings to buy them a good defense, but you will refuse to give false witness. For example, take a culture that values rules, especially rules of universal applicability. It does not, if it has any sense, ignore exceptions to such rules because exceptions test rules and you can improve rules over time by examining the exceptions and modifying the rule until all the exceptions have been accounted for. This is true of civil laws passed by parliaments or of scientific laws tested in a lab. This situation is illustrated in Figure 1.

![Figure 1 Rules vs. Exceptions](image-url)
What is the significance of the sun shining at the top? This symbolizes the Enlightenment, rationality and linearity, all strong Western values. As for the sentence, “Rules are tested and improved by Exceptions,” this is self-evidently true, rational and linear. No reasonable person could deny it. So, what is wrong? How can any sane person challenge this statement? We do not believe it to be wrong, but rather half-true. What it ignores is the sentence written upside down: “Exceptions which can be the origins of new rules are tested…etc.” The reason for writing it upside down is that we have difficulty in seeing both these realities at the same time. Wedded as we are to rationality, we hate having anything that might contradict it. So, we submerge the opposing rationality. In fact, the wider truth is circular, and the sentence never ends but revolves like “Yin and Yang.”

We can readily recognize the emphasis the US and the UK put on the rule of laws of both kinds. Both share the English Common Law tradition. It is hard to conceive of many other nations that would impeach their own President on the grounds of illegal conduct. Yet, there were no exceptions to the rule of law, not even the most powerful person in the world. The US and the UK between them have received by far the largest numbers of Nobel Prizes for science. They live by the laws they make and discover.

Suppose we were to reverse this sequence and make the exceptions and being exceptional the end purpose of our lives, with rules as ways of buttressing this means to the end of being exceptional. This is depicted in Figure 2. Here Galileo has found a problem with the Church’s formal doctrine of the sun going around the earth and is examining this claim using a telescope. He is taking exception to the Church teachings based on the Book of Genesis. The Church eventually coerced Galileo into recanting his views under threat of torture. Within Galileo’s exception-finding and in his critique, lay the germs of a new rule. Needless to say, this new rule remained suppressed, outlawed and untested. The Church regarded God’s revealed truth as both exceptional and superior to science, a view we reject today. Nevertheless, cultures revolve endlessly between law-making and exception-finding, which can work as one to enlighten us all.

Figure 2 Exceptions vs. Rules
We can have an alternative sequence which places special circumstances and exceptional persons ahead of rules on the basis, perhaps, that particular persons seem to rise above normal rules and standards and transcend them. This belief is especially strong in Asia. Indeed, if we are interested in converting Western values to the values of Asian cultures, then all we have to do is flip the axes left to right and top to bottom, as in Figure 3.

![Figure 3 Laws vs. Exceptions](image)

It appears that Asians value what Westerners value, but in a different sequence. The West puts rules first. It puts exceptional persons and their own extraordinary cultures first. While Asians can easily borrow from our codes, embedded as they were in the technologies the West sold them, especially the computer, Westerners have the greater difficulties in absorbing Asians’ exceptional ways of seeing and acting, which are less easily recognizable or transferrable.

2. **Individuals-Organizations**

What of individuality, which is so often taken as the bedrock of Western culture? Have we ever seen an American film where the organization was proved right, and the lone protagonist was seen as wrong? Examples range from *Silkwood* to *The Insider*. There is only one mythology! Another dilemma was posed to capture this concerning the purpose of work. Was it: “to gain as much freedom as possible” or “to continuously take care of the needs of your fellow man?” for which organizations were needed. Below are the results, showing the percentages opting for the free individual.

**Q. For what reason do you work?**

| Country | ISR | CAN | USA | NL | SWI | UK | SP | JP | GER | IT | NOR | CHI | FRA | KOR | BRA | IND |
|---------|-----|-----|-----|----|-----|----|----|----|-----|----|-----|-----|-----|-----|-----|-----|
|         | 81  | 69  | 68  | 65 | 64  | 63 | 62 | 58 | 55  | 55 | 54  | 50  | 46  | 45  | 44  | 43  |

Yet, does this result mean eschewing organizations entirely? Obviously not, since the US has created many thousands of groups and organizations of all kinds and probably more voluntary associations than any other country. Yet, voluntary associations are just that, groups designed to
advance the agendas of their individual members. The word organization is from the Greek meaning “instrument” and organizations are regarded as the instruments of individual purposes. They exist to enrich individuals and to increase their self-expression. The resulting culture is shown in Figure 4.

Figure 4 Individuals vs. Organizations

Once again, note the immaculate rationality. Andrew Carnegie holds up the “Gospel of Wealth.” He once used his steelworks to make himself immensely wealthy and to express himself throughout the world. No wonder the US thinks in terms of Superman. So, what is wrong with this approach? Is this not all true historically, rationally and commercially? Again, it is not untrue. It is another of our cultural half-truths. Organizations are instruments of our purposes. They can and do make us rich. They are in a sense, memorials to our efforts. Building a large company is a worthwhile feat and repays its instigators for their efforts. What we have here is a powerful integration between the individual and the organization.

However, this is not the only way of thinking and we are in danger of subordinating the many ways in which organizations can nurture, grow and develop individuals. Organizations and their cultures are also ends in themselves. They are capable of educating thousands of people, generating higher productivity, quality, innovation, and giving meaning and purpose to our lives. They are not there only to be converted into money and to project our personalities, but are human institutions with their own unique qualities, able to generate knowledge, impart skills, educate, sustain and serve their societies. They can make the world a better place.

Yet, there is some evidence that the West neglects this aspect of organizations. The average lifespan of organizations shrunk over the last century. Increasingly we regard organizations as disposable, the playthings of private equity. What might be if we allowed the opposite sequence of values into our mind as seen in Figure 5.
Note, and this is important, organizations would enrich us to a greater degree if we showed more concern for their nurturing and developmental capacities. Organizations are both means and ends in this regard. The circle above goes around forever. One reason that Asia is growing faster than the West is because it deploys family-style organizations to better effect and seems to be growing and educating their people through them. More community-oriented cultures may have an advantage over the West.

3. Specific-Diffuse

Cultures vary considerably in how they encounter their business and political environments. The West tends to analyze phenomena into specific bits and pieces, like a financial analyst setting out the key ratios of a company. This tends to reduce the elaborate variety of a corporation to a single “bottom line.” All that really matters is how much money it makes for its owners. The organization is treated as a series of tasks, transactions, products, objects and instruments. The West extols materialism, objectivity, bullet points and detachment. It speaks of human beings as “resources” and “human capital.” It employs “head-hunters,” bonus and piecework incentives, divisions of labor and such expressions as “that does not count” or “that does not matter.”

For this cultural value, respondents were asked about the nature of the organization. Was it a collection of specifics, of tasks, functions, machines, equipment and payments or a system of social relationships?

Q. The organization was a collection of specifics or a system of social relationships?

| NL | USA | AUS | CAN | UK | SWE | ISR | IT | GER | CHI | IND | SIN | SWI | FRA | JP | KOR | THAI |
|----|-----|-----|-----|----|-----|-----|----|-----|-----|-----|-----|-----|-----|----|-----|-----|
| 57 | 56  | 54  | 54  | 52 | 52  | 50  | 49 | 48  | 46  | 43  | 41  | 40  | 40  | 39 | 36  | 30  |

We can see that the West has a specificity bias while Asia is more likely to see wholes, patterns, connections and syntheses. The problem with specific approaches is that they lose sight of relationships, connections, integrities, wholes, processes and diffuse patterns. In Figure 6 we
picture the specific approach, especially in the post-2008 global financial crisis context. Note the term “financial products.” There was a time when we had whole relationships of trust between those who lent money and those who borrowed it and would have to repay it over time with interest. The person who lent the money would collect the repayment and the interest, and there was an obvious shared concern with the fiduciary nature of that relationship and the reliability of both parties.

Yet, pretending this relationship can be chopped into pieces, and that what has been sold to the customer is a “thing,” corrupts the whole nature of such values. If the initial relationship is poisoned, so will all the “phantom packages” into which it has been “sliced and diced.” It matters not that they have been rated Triple A by some rating agency or other. They are, in fact, not products at all, but promises made between people which do not survive being separated from those who made them.

It is equally fallacious to believe one can take a risk and rid oneself of this by selling it to someone else. The risk of course remains within the system as a whole, and the notion that one can “seize the gain and pass the pain” to someone else is vitiated when thousands attempt this and the whole system has collapsed. The West has a financial system wherein no-one knows how the whole functions nor what it might do to us as it goes out of control. In this, people only know their profitable “piece of the pie” and have quasi-religious beliefs about a benign market mechanism that will bless us all if we leave it alone.

At the top of the illustration in Figure 6 we see a carrot dangled before a donkey. This represents another feature of Western culture, that employees should receive pay for performance. The better they work the more pay they should get. This helps to account for the huge bonuses given to those in the financial sector which let the West down so badly. Again, this logic is hard to fault. What could be fairer than giving the highest rewards to the highest contributors? What else would any critic suggest? Should high performers be punished? Yet, if this system motivates so
well, then why are the US and UK, with their lavish rewards, not leaving other nations far in their wake?

Again, the problem is not that pay for performance does not work, but that it omits its own anti-theses—performance so good and so original that it attracts payments. Everything hinges on the definition of “performance.” If this is nothing more than “what those in authority demand of employees,” then we are actually rewarding conformity, not innovation, and preying on customers rather than helping them in ways that require independent judgment. What creates wealth are definitions of performance made by employees themselves from what customers have asked them to do. In many cases, better performance precedes payment rather than the other way around. You do what you think is right, not so much what the “Big Boss” wants and discover that people want this enough to pay well for it. If you simply chase money, this approach is narrow, but if you create wealth amongst yourselves, then this approach is broad and diffuse. Involved are not just employees, but all stakeholders, customers, suppliers, lenders and society. Indeed, Pink (2010) reveals that offering money rewards for any task completion which requires creative judgment leads to inferior performance. The money reward distracts the team from solving the real problem.

Wealth is created from the inputs of various stakeholders. This is the “orchestra” being conducted in Figure 7. It is a diffuse process of mutual co-operation, as seen in the many hands inter-locking. At its centre are new relationships of “quanxi” as the Chinese call them, with similar versions of this concept elsewhere in Asia, such as South Korea, Japan and Vietnam.

4. Neutral-Affective

We do not detail this fourth value as it was originally measured by concentrating on how much emotion was displayed. Over the years it was found that it actually came to mean only the extent to which emotions were expressed, not how important emotions were considered to be in a particular culture. This makes little difference to how much attention is paid to emotion. For example, the Japanese are restrained to the point of impassivity in the eyes of many Westerners, but as a culture they take signals of pleasure or pain very seriously. A soft pedal does not mean that
the music is unappreciated. The Japanese use a soft pedal but consider understated emotion to be very significant. The extent to which feelings are telegraphed is not an important consideration. For instance, you get used to the French and Italians gesticulating.

5. Achieved-Ascribed

Cultures also vary considerably as to whether they reward success and achievement, or whether they ascribe status to people for other reasons, i.e. their family, looks, position, gender, class or potential as people. The fact that Americans and British reward achievement has always been considered a major business advantage. The stories of rags to riches, the Hall of Fame, the tickertape parade, the Hollywood Oscars, “Anything you can do I do better,” and the Rich List and TV work-related “reality” shows, all celebrate achievement. This tendency was measured by asking whether “one should act as truly suits the way you are even if you don’t get things done.” Nations rejecting this statement and insisting that only achievement counts, are listed from left to right below.

Q. Should one act as suits the way you are even if things do not get done?

| NOR | USA | CAN | AUS | UK | SWE | ISR | GER | ITA | HK | SWI | FRA | NL | CHI | JP | RUS | KOR |
|-----|-----|-----|-----|----|-----|-----|-----|-----|----|-----|-----|----|-----|----|-----|-----|
| 63  | 60  | 54  | 51  | 50 | 49  | 48  | 44  | 40  | 38 | 37  | 33  | 32 | 31  | 30 | 27  | 26  |

The surprise in the results is how poorly the celebration of achievement rates in most cultures. Only five nations give it 50% or more support, and none more than two-thirds, while twelve give it less than 50% backing. One of the fastest growing economies in the history of the world, South Korea, is in last place with only just over one-quarter support. In Switzerland, one of the wealthiest nations in the world, only just over one-third supported achievement. Achievement tends to look to the past. Ascribing potential looks to the future. Perhaps achieving is too stereotyped and expends too much energy celebrating existing contests. Perhaps human forms of excellence are too varied and incomparable for us always to be seeking “the best,” and what counts is diversity.

Figure 8 Achieved vs. Ascribed
Figure 8 celebrates the highflyers who get to the top of the organization, but how worthwhile are such feats? Another problem with celebrating winners is that the majority will lose or believe that they have lost, hence the shadows cast by the champion. Achievement really makes the best sense in the context of the person’s potential. We should all of us take what we value, and the strengths with which we have been endowed, and give to these the highest expression and in arrays of incomparable variety. This is illustrated in Figure 9.

Figure 9 Ascribed vs. Achieved

For many in Asia the lotus plant is the symbol of the person extended from the muddy floor of a pond having broken the surface of the water, then opening up to take in the sunlight and closing again as the sun sets. Clearly, potential and achievement of our potential, are one whole, and there is much to say for celebrating ascribed potential and then helping it to flower. We should choose bravely, not examine the odds of winning.

6. Inner-Directed-Outer-Directed

Cultures vary considerably as to where they believe virtue is located. Those Western nations who believe we have a soul, a principle, or a set of convictions inside of us, teach that these should be forcibly expressed in defiance of received opinions. We should take control of physical and human nature by means of our ideals. If we fail it is because we are insufficiently resolute and determined. This is called inner-direction. It is easy to grasp with hindsight why inner-directed nations were colonial masters and outer-directed nations found themselves colonized.

In contrast, outer-directed cultures see a turbulent environment upon which they are often tossed like corks in an ocean by forces of much greater power than they. Luck and accidents are everywhere. However, there are many opportunities to “go with the flow” and to ride on the tide of world events. The world may have been shaped by colonial powers, but there are many ways of using this to one’s advantage and riding the rapids. Inner-directed cultures boast of “doing it my way,” of possessing “unconquerable souls,” of being “master of my fate and captain of my soul.” They claim that when the “going gets tough, the tough get going,” and vote for the “ten toughest
bosses” with names such as “Neutron Jack” (Welch of GEC), “Fred The Shred” (Goodwin of RBS). It is essential that everyone have a firearm with which to slay others instantly.

The outer-directed cultures tend to indentify with “the way” or the discipline, so that judo, bushido, aikido, kendo, hapkido and sambo are movements that pull the disciple into the path of the master. “Do” means “the way of.” The idea is to resonate with nature, to harness the self to natural forces and to swim with the tide. Beauty and virtue are for the most part outside of you, and you should mimic the marvels of the natural universe. This world is highly turbulent and getting a fair wind is largely by accident and good fortune. You do better by adapting to events than fighting them. The extent to which “trusting to fate” was a good plan or otherwise was measured, with the results presented below.

**Q. Trusting to fate turns out badly?**

| USA | CAN | AUS | UK | ISR | KOR | IT | FRA | SWI | GER | JP | NL | CHI | HK | SWE | IND | RUS |
|-----|-----|-----|----|-----|-----|----|-----|-----|-----|----|----|-----|----|-----|-----|-----|
| 84  | 82  | 79  | 77 | 73  | 72  | 71 | 69  | 63  | 58  | 57 | 54 | 52  | 51 | 50  | 50  | 48  |

Quite clearly, if inner directed nations like the UK, the US and its dominions “make waves,” other nations are fated to ride upon these. It is not difficult to see why the Anglo-American model dominated early industrialization and why the remainder economies might be more adept today at taking advantage of turbulent environments. Those that move first make mistakes and the later movers can benefit from this. Indeed, inner-direction requires other cultures to be outer-directed. Strangers meet and one side, in its panic, starts shouting orders and waving weapons to which the other accommodates itself.

![Figure 10 Inner-Directed vs. Outer-Directed](image)

**In Figure 10 our image depicts the Opium wars, where Chinese junks could be shot out of the water by the steel covered hulls of British warships. In America, the gun now defines**
citizenship, and no one must be deprived of the means to dispatch someone else. This philosophy demands that others yield. Once again, note its rationality and enlightenment logic.

Yet, being outer-directed enables a far greater degree of flexibility in taking advantage of recent technologies and adapting them. We must distinguish between creating tools and exploiting them to the greatest advantage and selecting the best. Outer-directed economies may be better at swift adaptation to modern conditions as the Western world fills up with man-made contraptions which may work otherwise than intended. We see this in Figure 11.

![Figure 11 Outer-Directed vs. Inner-Directed](image)

7. **Sequential-Synchronous?**

As time is something thought about rather than seen or touched, it is heavily influenced by cultural beliefs. For those who pioneered the industrial revolution, business was about “keeping busy” and doing things in ever smaller sequences of elapsed time. Ben Johnson famously pronounced that “time is money,” so that speeding up sequences and completing things sooner would generate money. Taylor created “time and motion” studies in which everyone was “racing the clock” even if there were no competitors to match oneself against, the swifter sequence would win. We show this in Figure 12.

Were such people correct in assuming this view? Yes, in a manner of speaking. The faster something is done the cheaper it will be, but once again we have an immaculately rational half-truth. Anything that gets done in a factory needs to be coordinated and synchronized with other processes and other aspects of production. If operations are conducted at high speed, they will tend to jostle and fall over each other, which creates frictions and wastes money. You can do operations quickly if you simplify them, but making jobs simple uses fewer and fewer human endowments, which is one reason the West has lost so much of its manufacturing to Asia.
The truth of the matter is that operations have to be fast, but also performed “Just-In-Time,” as the Japanese call it (in the “kanban” system), so that one operation ends when the other needs to start and, like a relay race, we are “handing the wrench” on to one another and effecting smooth transitions. It is also possible to produce components for your product in parallel, thereby “shortening the race course rather than running faster.” In order to keep machines running fast, Western companies were obliged to buffer them with large piles of inventory so they would not run out of objects to work upon. Yet, surplus inventory is expensive and delivering resources just-in-time to be utilized saves money. It is the combination of speed with coordination that works best, “the ever faster dance.” This is illustrated in Figure 13.
In a modern factory the central assembly line (see the upper part of the illustration in Figure 13) is fed with the components for a particular automobile, which arrive just-in-time to be fitted, and which allows the factory to mass produce and customize at the same time, a process known as flexible manufacturing, or more recently, mass customization (Pine, 1998). Note that, once again, linear rationality has not been enough and has subordinated a rival set of reasons that turned out to be crucial to success. Manufacturing is among the highest value-added of any business activity. That much of Asia is in the fast lane of economic development is one consequence of the West’s inability to understand this.

Discussion

Combining the cultural values just covered allows us to see three types of business culture in the world (see Table 2). We call them: 1) “Stereotypically West”; 2) “Stereotypically East”; 3) “Hybrid of West and East.” Organizations need to operate within these contexts.

There are those business cultures, largely Western, which prefer Rules to Exceptions, Individuals to Organizations, Specific things to Diffuse patterns, Achieved to Ascribed status, Inner- to Outer-direction and Sequential to Synchronous time. There are those business cultures with precisely opposite preferences, largely from Asia (but also from Latin America and Southern Europe), who prefer Exceptions to Rules, Organizations to Individuals, Diffuse patterns to Specific things, Affective to Neutral relationships, Ascribed to Achieved status, Outer- to Inner-direction and Synchronous to Sequential time. To a large extent, the West’s rational style of thinking with means subordinate to ends blinds them to the reasoning of the other. This can be seen as: “they are using our ends as means and this confuses and repels us.”

It is easy to see why industrial revolutions in Western nations took off before those with very different cultures in Asia. The creation of the first machines were feats of scientific lawfulness, the first great entrepreneurs were individualists, the first accountants looked at specific numbers, and inner-directed people assumed command over more outer-directed cultures. It is by no means clear that, in late or post-capitalism, these competitive advantages survive.

There are good and substantial reasons for putting exceptions first, for relying on organizations to develop and nurture people, and to discover diffuse patterns in the environment on which to hitch a ride. A great deal of what the West has accomplished is now codified, easily learned and has become common infrastructure. In contrast, what Asians value is still regarded by the West as somehow “inferior” and “subversive” and so Westerners pay scant attention to it.

This leads us to our third cultural category of nations, “hybrid of West and East,” the members of which are Hong Kong, Singapore, Taiwan, South Korea, which in turn have major influences on China. What is peculiar about these is the major influence of the UK and US upon their business practices. Singapore and Hong Kong were both administered by the UK while retaining their Chinese cultures. South Korea and Taiwan were both defended and heavily bankrolled by the US while retaining their Chinese cultures.
Table 2 Types of Business Style Cultures

| Stereotypical Style       | Prefer                          | To                           |
|---------------------------|--------------------------------|------------------------------|
| West (rational/universal) | Rules                           | Exceptions                   |
|                           | Individuality                   | Organization/Community       |
|                           | Specific                        | Diffuse                      |
|                           | Neutral                         | Affective                    |
|                           | Achieved status                 | Ascribed status              |
|                           | Inner directed                  | Outer directed               |
|                           | Sequential time                 | Synchronous time             |
| East (ad hoc/exceptional) | Exceptions                      | Rules                        |
|                           | Organization/Community          | Individuality                |
|                           | Diffuse                         | Specific                     |
|                           | Affective                       | Neutral                      |
|                           | Ascribed status                 | Achieved status              |
|                           | Outer directed                  | Inner directed               |
|                           | Synchronous time                | Sequential time              |
| Hybrid (or reconciled)    | Complementary processes, yin   | Reconciled paradoxes &       |
|                           | & yang                          | states of flow               |
|                           | Reformed rules                  | Improved by testing          |
|                           | Co-opetition                    | Mobilized individuals        |
|                           | Analysis of wholes              | Creative re-synthesis        |
|                           | Controlled passion              | Leads to commitment          |
|                           | Potentials achieved             | Self-actualization           |
|                           | Responsive initiatives          | Martial arts/judo, etc.      |
|                           | Ever faster dance               | Flexible manufacturing       |

**Conclusion**

We have explored what is commonly taken as rationality in terms of the dichotomies in a set of cultural values. We helped to explain these points with a set of illustrative diagrams. The circular images we have been using suggest that it is not either the West or the East whose cultures create wealth, but both. In all our cases, the circles we have drawn continue to revolve, creating wealth as they do so.

What really distinguishes the four Asian stellar performers of Hong Kong, Singapore, Taiwan, South Korea is that, like “Yin and Yang,” they have learned to reconcile Western and Eastern ways of thinking and are able to master both rationalities in cycles of “eternal return.” They form hinges between East and West, the place where cultures meet. They are also the major influences on China. This is because Hong Kong, Singapore and Taiwan are ethnically Chinese.
and South Korea is a near neighbor. China has allowed its refugee business people to return, and encouraged the “haigu” or “sea turtles,” students returning from overseas. The Chinese are learning fast from the West while few Westerners even bother to master their language. A cultural hybrid is arising that looks to be out-performing all others.

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Notes

1. Trompenaars Hampden-Turner
2. Abbreviations are:

   SWI-Switzerland

   USA-United States of America

   AUS-Australia

   SWE-Sweden
UK-United Kingdom
GER-Germany
NL-Netherlands
ITA-Italy
BRA-Brazil
JP-Japan
FRA-France
POR-Portugal
CHI-People’s Republic of China
HK-Hong Kong
IND-India
RUS-Russia
S.KOR-South Korea

3. Figures which are lower and more recent than other estimates may include companies that have been taken over yet are still in business under another name (Working Knowledge, 2014). de Geus (1986) cited 41 years, counting those whose names had disappeared. Mergers and acquisitions have greatly accelerated since then.

4. Vietnam Airlines have a Lotus Class for business people.

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