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# Building Cross-Cultural Competence

How to Create Wealth from Conflicting Values
by Charles M. Hampden-Turner and Fons Trompenaars
Yale University Press, 2000
448 pages

## Focus

- Leadership
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- Corporate Finance
- **Human Resources**
- Technology
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## Take-Aways

- Dilemma theory is the result of two decades of cross-cultural research.
- Six dimensions of cultural diversity delineate cross-cultural dilemmas. They are universalism vs. particularism, individualism vs. communitarianism, specificity vs. diffuseness, achieved status vs. ascribed status, inner direction vs. outer direction, and sequential time versus synchronous time.
- Reconciliation of these dilemmas adds value to business transactions.
- Individualist cultures like competition; communitarian cultures prefer cooperation.
- People fear foreign cultures because they think they negate their own culture.
- To understand a foreign culture, see it as a mirror image of your culture; look for the opposite values.
- The U.S. is highly universalist (and not particularist) because its industrialized culture allows individuals to seize opportunity.
- Achieved status is earned; ascribed status is imputed (for instance, due to lineage).
- Storytelling can help solve cross-cultural dilemmas.
- The movie *High Noon* and the play *Les Miserables* are storytelling examples of the differences between a universalist culture and a particularist culture.

## Rating (10 is best)

| Overall | Applicability | Innovation | Style |
|---|---|---|---|
| **6** | **6** | **8** | **5** |

## Review

**Building Cross-Cultural Competence**

Don't be put off by this book's daunting terminology. Beneath the author's unrestrained use of labels like universalism, particularism, individualism, communitarianism, specificity and diffuseness, lies an insightful analysis of cultural differences. After defining various nationalities under a host of polysyllabic headings, authors Charles M. Hampden-Turner and Fons Trompenaars illustrate the differences between them using engaging and easy-to-understand scenarios and stories from popular culture. The end goal of each of these sections is to explain to international business managers how cultural dilemmas can be reconciled. This lively method makes the book informative and interesting, so *getAbstract.com* recommends it to any executive who does business across cultures.

## Abstract

**Cross-Cultural Competence**

"Whenever people are not sure about basic values, culture makes the assertion for them, and that assertion has often meant survival or destruction."

Foreign cultures differ from each other, but not randomly or arbitrarily. Rather, foreign cultures mirror each other's values. These mirror images reverse the order and sequence of our learning. Such a reversal is often scary because many people mistake the reversal of their culture for a negation of their value system. However, once they accept that other cultures manifest a mirror reversal – not a negation – of their culture, they are fascinated by the other cultures. The mirror reflects opposite, but understandable, values.

Picking one side does not resolve the dilemma, because every culture reflects its members. The dilemma can only be resolved by reconciling the differences in cultural values. Reconciliation is the "added-value" in cross-cultural challenges. These challenges can be reduced to six archetypal dilemmas that reflect issues businesses face in developing cross-culture competency. They are:

"To be a stranger in a strange land can break you, but surprisingly it often makes you."

1. Universalism versus particularism.
2. Individualism versus communitarianism.
3. Specificity versus diffuseness.
4. Achieved status versus ascribed status.
5. Inner direction versus outer direction.
6. Sequential time versus synchronous time.

**Universalism versus Particularism**

"A major issue confronting all cultures is where to locate the origins of virtue."

Universalism vs. particularism is the dilemma of sameness versus exception. Universalism is defined as the rules, codes, laws and generalizations that a society uses to insist on sameness or similarity among all the members of a class. Particularism is defined as the exceptions, circumstances and relations that render phenomena incomparable. This dilemma occurs when the two beliefs intersect. For instance, laws reflect society's wish to treat all members "in common." However, an individual's request to adjust a sentence because of mitigating circumstances asks society to recognize that exceptional characteristics exist in some cases.

  

"Searching into and resolving dilemmas is a form of human and organizational learning."

The same dilemma exists in science, but without value judgments. Scientific laws are tested because scientists seek the exceptions to the scope of any law. Over time, as exceptions to a scientific law multiply, the law becomes useless for universally describing a scientific phenomenon. Thus as a scientific law evolves, it can be universally accepted, or its applicability can be limited, or it can be overturned in favor of a new law.

You can understand the cross-cultural clash between universalism and particularism best through stories. For example, residents of 46 countries were surveyed about personal responsibility and they were told this story to illustrate a dilemma: A serious automobile accident has occurred. You (the survey respondent) are a witness. The driver is your friend. You are told that if you testify under oath that the driver of the car was going the speed limit, 20 miles hour, the driver will not suffer serious consequences. However, if you tell the true speed of the car, 35 miles per hour, then your friend will suffer serious consequences.

"We believe we have made a significant discovery after 18 years of cross-cultural research."

The results of this piece of research display the cultural distinctions between being universalist (and following the law) and being particularist (and taking an exception to help a friend). Respondents in predominantly Protestant, stable democracies (Switzerland, the U.S., Canada, Sweden, Australia, the United Kingdom and the Netherlands) believed it was more important to follow the law. Respondents in Catholic countries (Brazil, Spain, Poland, France, Mexico, Cuba and Venezuela) were particularist and believed it was more important to help a friend. Those in Buddhist, Confucian, Hindu and Shinto countries (South Korea, China, Indonesia, Nepal, Japan and Singapore) were even more particularist.

**Individualism versus Communitarianism**

"The fright comes about because many of us mistake the reversal of our own value systems for a negation of what we believe in."

The dilemma of individualism vs. communitarianism pits competition, self-reliance, self-interest and personal growth and fulfillment against cooperation, social concern, altruism, public service and societal legacy. Individualistic societies believe that actions and their outcomes originate from individual voluntary choices. Communitarian societies believe that the origins and outcomes of actions reside in the group's collective knowledge and values.

Individualist business cultures see profit, pension-fund management, market share and teamwork differently than communitarian cultures. Individualist business cultures like to maximize profits and give them back to individuals to use as they wish. In individualist business cultures, maximizing profit is the pension fund managers' primary goal. However, pension-fund managers in communitarian cultures are more interested in market share than profits. In fact, they may postpone profits to build market share. Communitarian business cultures see teamwork as a social and a business goal. Individualist business cultures view teamwork as a path toward more profit.

"Thinking in circles, using encompassing reason, is a form of wisdom."

Individualist and communitarian cultures tend to have conflicts about religion, ethics and politics. Individualist cultures favor voluntary associations, use government as a referee for fair play and adopt guilt as a cohesive societal force. Communitarian cultures favor the family as the main social unit, use the government as a coach of national players and adopt shame as cohesive societal force. In stories, individualist cultures portray the hero as acting alone, while in communitarian myths, the hero acts as part of a like-minded group.

  

"The view taken here is that all values take the form of dilemmas."

**Specificity versus Diffuseness**

Societies have either specific or diffuse systems, constructs and configurations. Specificity refers to how we define the constructs we use. Diffuseness refers to how our configurations and systems form patterned wholes. The dilemma refers to the ways life systems are built and broken down. For example, in religion, the Protestant reformation of the 16th and 17th centuries was a specific response to the diffuse Catholicism of the same period. Protestantism was "verbal, literal, emotionally controlled, spare, plain-speaking and classic." Catholicism was "picturesque, multi-sensual, passionate, elaborate, mysterious and romantic."

"AT&T is typical of a global, universalist corporation, while Unilever is typical of a multinational, particularist corporation."

American business culture is more specific than diffuse. A specific business culture operates on feedback and seeks truth through analysis, using science to emphasize facts. Diffuse cultures tend to be more keenly aware of quality, including the entire process of design, development and manufacturing. Specific cultures respect quality, but view its implementation — like the implementation of safety — as an after-effect. Diffuse cultures integrate safety into their quality search, while specific cultures insert safety into the existing production system.

The founder of Sony, Akio Morita, relates the differences between specific and diffuse cultures as the differences between bricklayers and stonemasons. To complete a job, bricklayers order bricks of a specific kind in advance and place them in planned places. Stonemasons complete a job by picking through rough, uneven stones and chiseling them "until they fit together perfectly."

**Achieved Status vs. Ascribed Status**

"Wealth is created and value added when contrasting values are reconciled."

In the developed world, cultures emphasize reputation, which can be achieved or ascribed. Achieved status is earned through action. Ascribed status is attached to lineage or other status symbol. For instance, the president or prime minister of a country has achieved status by rising to the top of the political structure. That person's spouse has ascribed status. Countries tend to prefer one kind of status or the other. Universalist countries such as the U.S. and Australia lean toward achieved status, while particularist countries such as Korea, Japan and France lean toward ascribed status.

American culture is achievement-oriented, as seen in measurable activity like winning the Nobel Prize and receiving patents. Achievement-oriented societies celebrate heroes in award ceremonies. The ultimate American achievement stories, like Horatio Alger's tales, celebrate the rags-to-riches upward climbs of self-made, self-motivated Americans. Problematically, achieved status can "vulgarize and secularize values thought of as sacred." Another problem is that — in a winner-take-all society — loss and disappointment are more common than admitted. The pursuit of achievement can become trivial.

"It matters less which value is given priority than that both values should be reconciled and integrated."

Ascribed status has similar positives and negatives. At best it makes "its recipients public-spirited" and provides a foundation for trust, integrity and fair business dealings. It assumes that the status ascribed came from some worthy, earlier achievement. However, ascribed status tends to believe its own mythology and can place incompetent people in positions of authority.

  

### Inner Direction versus Outer Direction

The inner direction versus outer direction dilemma addresses the source of virtue. "Inner direction conceives of virtue as inside of us." It is composed of our convictions, principles and core beliefs. "Outer direction conceives of virtue as outside of each of us," and is comprised of the beauty and power of nature in the environment and in relationships.

"Communitarian cultures tend to connect business, education, finance, government and labor into one overall push toward greater knowledge intensity."

Managers in the United States are more inner-directed than managers in other countries. Americans believe they are masters of their fates, that their actions will move them up the career path. The heroes of American inner-directed society are the great inventors: Bell, Edison, Ford, Franklin, Colt and Goodyear.

### Sequential and Synchronous Time

"All cultures are conscious of time and all cultures organize themselves around their conceptions of time." Sequential time is clock time, the forward movement of hours. Synchronous time is cyclical time; it is what people call "good timing."

At its best, sequential time creates a vision that the cosmos is a giant clock, that time is money and that making a quick "buck" is good. It relates time to youth, and celebrates everything young. The downside to this vision is that a life under the thumb of sequential time is always racing against the clock. Workers in sequential time environments complain of mental disorders five times as often as workers whose environment allows them to control their own time.

"All cultures are conscious of time and all cultures organize themselves around their conceptions of time."

At its best, synchronous time creates a vision of a multi-tasking world, a world of distractions and just-in-time delivery. Since time is not linear, people expect you to "give them time" if you meet them accidentally. Time, therefore, becomes a valuable commodity, not because it is focused on making money, but because it is part of the synchronous view that "life is a dance." The downside to synchronous time is that it forces you to respond to someone else's rhythm. And that's the dilemma.

## About The Author

Charles M. Hampden-Turner is a senior research associate at the Judge Institute of Management Studies, Cambridge University. He is a director of research and development. Fons Trompenaars is president of Trompenaars-Hampden-Turner Group, a cross-cultural consulting and training company based in Amsterdam. Hampden-Turner and Trompenaars are co-authors of the *Seven Cultures of Capitalism* and *Riding the Waves of Culture.*

## Buzz-Words

**A**chieved status / **A**scribed status / **C**ommunitarianism / **C**ross-cultural competence / **D**ilemma theory / **I**ndividualism / **I**nner direction / **O**uter direction / **P**articularism / **R**everse view / **S**equential time / **S**pecificity / **S**ynchronous time / **U**niversalism

  