Culture Club: An Interview with Fons Trompenaars

In a globalised business world, the interaction of cultures in a business setting is a crucial but strangely overlooked area of study. Fons Trompenaars wants to put that right. Interview by George Bickerstaffe.

In the field of multiculturalism, the Dutch have something of an intellectual monopoly. Geert Hofstede is generally acknowledged as the thinker who first provided useful insights into the complex dynamics of multiculturalism. The leader of the second generation of thinking on this issue is another Dutchman, Fons Trompenaars.

Trompenaars is voluble and humorous. His background is suitably multicultural. He has a PhD from the Wharton School at the University of Pennsylvania, has worked with the Royal Dutch Shell Group in nine countries and is now director of the Trompenaars Hampden-Turner consulting firm, which has offices in the Netherlands and the US.

Trompenaars’ intellectual partner is the UK academic Charles Hampden-Turner. Their books include Riding the Waves of Culture, The Seven Cultures of Capitalism, Building Cross-Cultural Competence and, most recently, 21 Leaders for the 21st Century

Trompenaars talks a lot about “cultural reconciliation” – the need to deal with the host of cultural differences between employees or, for that matter, citizens of a country. Reconciled cultures, he argues, have created a culture of their own by enriching the cultures of the other partners involved. Organisations and societies that can successfully reconcile cultural differences are simply better at creating wealth, he says.

Trompenaars defines “culture” as a series of rules and methods that a society has evolved to deal with the recurring problems it faces. They become so basic, almost like breathing, that people no longer think about how they approach or resolve them. Nevertheless, every country and every organisation faces dilemmas in relationships with people, dilemmas in relationship to time, and dilemmas in relationships between people and the natural environment.

Trompenaars believes that resolving such dilemmas lies at the heart of the modern organisational challenge. When people from different cultures, who interpret such issues diversely, are mixed together, the result can be organisational chaos that has to be managed differently than other business issues. Corporate acquisitions, mergers and alliances have made cultural mixing an everyday feature of business life. Relational aspects such as cultural differences and lack of trust are responsible for 70 per cent of alliance failures. This, says Trompenaars, is even more striking when we realise that building trust is a cultural challenge in itself.

“Lack of trust is often caused by different views of what constitutes a trustworthy partner,” he says. “In addition, intercultural alliances involve differences in corporate cultures as well as national cultures.
Perceptions of these, as well as of more-or-less ‘objective’ cultural variations, can lead to big problems.”

Trompenaars expands on his views on cultural reconciliation and other key issues facing business today in an interview in his office in Amsterdam.

**Who provided the initial inspiration and impetus to your thinking and work?**

Though he is not well known, my honest answer to the question of who has had the most influence on my thinking is Hasan Ozbekhan, my PhD supervisor. Hasan is from a Turkish background and is not from the written but the oral tradition. Though he wrote a lot it was never published. Russ Ackoff influenced me as well. Both were heads of the social systems department at Wharton, where I spent two years doing the formal part of my degree.

Then I did my research at Shell. During that period a lot of the roots of my thinking were laid down. In terms of literature there was Alfred Schutz, the phenomenologist. Everyone should read *The Phenomenology of the Social World*. He made statements like the big advantage of a natural scientist over a social scientist is that atoms and molecules don’t talk back. We are observing a reality made by human actions while natural scientists can’t ask a molecule what they think about something. In social sciences you need to involve people – though that conflicts with what consulting firms largely do even now.

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**So, research is basically the establishing of a dialogue?**

Yes, I am more of a talker though I force myself to write more. I write a column for the Dutch equivalent of the *Financial Times*. People have different learning styles. I get my inspiration from talking. Writing becomes easier when I have talked about it. In fact, I am Charles’ voice and Charles is my pen.

**How did you come to team up with Charles Hampden-Turner?**

He is my last big mentor. Charles and I have a wonderful combination. I don’t feel tension with Charles except that I know we are completely different. I think that Charles’ thinking should be known to more people. I am an intermediary in making that happen. Another part of this is to make things practical as well as conceptual.

I have learned so much from Charles. We met through Shell. He was a consultant to the company. The head of group planning at Shell suggested I read an article in a Shell magazine on the effects of culture on marketing. It was called “A tale of two paradigms”. It was depressing. I’d worked five years on a PhD and in one 10-page article it was all summarised and written in a much nicer way than my English.

Then I called Charles, sent him my PhD. He came back and said “Fons, I think we can work together. I reconciled all of your seven dilemmas”. That was in 1983. Fifteen years later I realised the importance of what he’d said.

Totally different, but highly complementary and synergistic, has been my collaboration with Peter Woolliams, another UK university professor. Peter’s strength is his unique analytic skills and insights that he can recreate in software. He has helped with advanced techniques of data mining, neural networks and now linguistic analysis. Together we have built software tools that have enabled me to get closer to our clients through web-based “interviews” and capture thousands of business dilemmas across the globe.

**The identification of these dilemmas lies at the heart of your work. How do you categorise them?**

There are seven continua that characterise the predictable dilemmas that need reconciliation. Universalism-Particularism is the battle over standardised rules versus flexibility; Individualism-Communitarianism is the question of what the organisation most promotes: individualism or group cohesiveness; Neutral-Affective is the question of emotional control versus emotional display; Specific-Diffuse asks how personally involved in business employees are; Achievement-Ascription is an organisation’s stance on status based on merit as opposed to other factors, such as age or family background; Sequential-Synchronic refers to time orientation – whether employees deal with time (and projects) sequentially or in parallel, juggling multiple projects simultaneously; and Internal-External Control.
is a question of motivation – whether it tends to come from within or outside of the person.

But when cultural differences arise, how can managers deal with them?
One effective approach is to compare the profiles of merging or allying organisations to identify where the major differences are. In practice, the major origin of cultural differences between one organisation and a new partner may lie in the most dominant one or two cultural dimensions. By reconciling the dilemmas deriving from the differences on these dimensions, organisations can begin to reconcile their cultural orientations.

Presumably that means that managers, especially international managers, need much greater appreciation of cultural differences?
Absolutely! How international managers reconcile differences is the very essence of their job. The international manager needs to go beyond awareness of cultural differences. He or she needs to respect these differences and take advantage of diversity through reconciling cross-cultural dilemmas.

How can they do that?
We need a certain amount of humility and a sense of humour to discover cultures other than our own, a readiness to enter a room in the dark and stumble over unfamiliar furniture until the pain in our shins reminds us of where things are. Most managers, it seems, are more intent on protecting their shins than blundering through darkened rooms.

Consider the fundamental differences between the universalist and the particularist. Universalists (including Americans, Canadians, Australians and the Swiss) advocate “one best way” – a set of rules that applies in any setting. Particularists (South Koreans, Chinese and Malaysians, for example) focus on the peculiar nature of any given situation.

Universalists doing business with particularists should be prepared for meandering or “irrelevancies” that do not seem to be going anywhere; moreover, they should not take “get to know you chatter” as small talk. It is important to particularists.

Particularists doing business with universalists should be prepared for straightforward, no-nonsense, rational and professional arguments and presentations.

Which managers and companies are handling these issues well?
Executives like Jim Morgan of Applied Materials, Karel Vuursteen from Heineken, Acer’s Stan Shih, Anders Knutsen of Bang and Olufsen, and Club Med’s Philippe Bourguignon have typically resolved three or more of these dilemmas. A great example is McDonald’s. Its recent success has been built through globalising local learning. During the Asian crisis, for example, it found it couldn’t import potatoes into Malaysia so it reintroduced rice to the menu. This was a great success so it tried it out elsewhere in the world. It worked.

No women in those examples, I notice
We did have difficulty finding women leaders for the leadership book. First of all, there aren’t that many female senior executives and the first 25 we approached to be interviewed all said that they were too busy. Men said the same but usually relented. The women did not. Our conclusion is that they are less vain. Too bad, because they seem to be better reconcilers than men.

Are there any models that companies can follow in handling these issues?
We have developed a methodology that we call “cultural due diligence”. This provides an operational framework intended to be facilitated by the human resources function to make these cultural differences tangible so that their consequences can be made explicit and thereby reconciled. It’s based on the three Rs: recognition, respect and reconciliation.

The first task for HR is to help all players recognise that there are cultural differences, that they are important and how they impact organisational life. The second task is to demonstrate to employees and managers of an organisation that different cultural orientations and views of the world are not right or wrong — they are just different. And the third task is to demonstrate the growing conviction that wealth is created in alliances (including mergers and acquisitions) by reconciling values. This is a new contribution to the debate on alliances and mergers in business. Cultural due diligence is the means to bring about reconciliation of these seemingly opposing views.
So you see a key role for human resources professional in the success of any corporate alliance?

It is a prerequisite that HR professionals are engaged in the integration process as early as possible. Unfortunately, in many situations their expected contribution is often limited to developing an early retirement scheme for people who become redundant because of the expected economies of scale of integration.

In our experience, HR professionals can play a crucial role in facilitating a successful reconciliation of cultures. They need to become “culture coaches” easing the basic processes of post- and pre-merger integration. They are in the best position in the organisation to link HR activities to the inherent and overt strategy of the alliance or merger.

But surely the manager has a role as well?

Of course. Cultural due diligence will inform managers how to guide the social side of alliances of any kind. It has a logic that integrates differences. It is a series of behaviours that enables effective interaction with those of contrasting value systems. It reveals a propensity to share understanding of others’ positions in the expectation of reciprocity and requires a new way of thinking that is initially difficult for Westerners.

Put differently, international success in alliances depends upon discovering special veins of excellence within different cultures. Just because people speak English does not mean they think alike. That no two cultures are the same is what brings richness and complexity to multinationalism. Cultural due diligence gives the manager that understanding. And with it, the manager stands a reasonable chance of reconciling the cultural dilemmas that so often derail the best laid alliance plans.

Do you think business will be different in the 21st century?

My PhD was in the typical Anglo-Saxon, Western tradition of quantifying culture on a scale of individualism/communitarianism and so on. But Charles [Hampden-Turner] asked what about cultures that are combined? If you’re an individualist why can’t you be a communitarian? Look at the success of the semiconductor industry. They take individualists and form very creative teams out of them. Reconciling such differences is at the heart of our work and of business in the 21st century.

Let me give you a simple example. There are conferences on “Should we believe in shareholder value?” You shouldn’t even ask the question. Obviously the answer is no if it is only shareholder value. Everyone who works in business knows that your business is dying if shareholder value is your only value. It leads to short termism.

I sometimes say that shareholder value is creating value for people who never share. I am not against shareholder value but it should be considered alongside the value of other stakeholders.

An example Charles uses is of centralisation and decentralisation. A company only centralises when it is decentralised. One value is always connected with its opposite. That’s the essence of our work. MBAs and our educational system teach us that you are on one side or the other. How many so-called psychological tests or questionnaires put you in one box or another? You are one thing, but does that mean you don’t have aspects of the opposite box? The questionnaire puts you in a box.

I’m very hopeful that things will change.

Look at the demand for our [consultancy] services. We help managers see the beauty of integration, the beauty of reconciliation. This means that you do not have to say you are against shareholder value but that the only way to achieve shareholder value is to integrate it with its opposite. In other words, long-term shareholder value by definition is stakeholder value. I’ve never heard that discussed.

We have some competitors. The worst of them do the thing badly. They stop too early. They say, “Let me tell you what the French are like” and then leave saying “Good luck, you now understand each other better”. In fact it is usually worse or they understand each other better and say “Now I know why I hate them!” You see something similar in the M&A world where consultants are very good at diagnosing where the problem is and then they stop.

The beauty of our work on reconciliation is that once you have explained about reconciliation, you can offer a methodology codifying it step-by-step. So, once you
have a dilemma, you can chart the dilemma, you can stretch the dilemma, you can reconcile the dilemma and you can then get into action points. That’s something we’ve been working on and that’s where we need to go.

**With anti-capitalist protests and the like, reconciliation appears low on the business agenda**

We have been saying for a number of years that it would be a mistake to underestimate the counter forces of globalisation. You can’t live with the belief that there is one best way of doing things. That is part of the impetus behind the anti-capitalism protests in Seattle and so on. Becoming international needs to be reconciled with the local culture. Globalisation needs to adopt a reconciliation mode rather than an imposing mode if it is to become more effective.

For a long time we have known that *either or* is not enough, it needs to be *and and*. Now *and and* is not enough it should be *through through*. So it is not a matter of shareholder value *and* stakeholder value it is shareholder value *through* stakeholder value. It is not marketing *and* R&D but marketing *through* R&D. You should ask *through through* questions rather than *and and* questions.

Managers will need the ability to connect and to ask different questions. The trouble is that there aren’t too many holistic people – look at statesmen or business leaders – with an overview, a long-term commitment, with the heart and with the brain.

**So we need a new style of management?**

I wish we were more educated in asking the right questions. An MBA education is answer-driven. I annoy MBA students by giving them a test after five or so lectures. I ask “What is the best question you can ask and please ignore the answer”. They get upset and say that I should be asking the questions, not them. But our work is about questions rather than answers.

MBAs are very often educated to give the most brilliant answers to what are fundamentally the wrong questions. We need to go beyond that. You can, personally, become more demanding of yourself. There are thousands of consultants who are very intelligent but their intelligence is very often restricted to one value.

Companies need to think more broadly than shareholder value or realise that in the long term shareholder value is only created by social responsibility. It pays back – but you still need to meet the bottom line to meet social goals. It is like a circle. You can argue about where you start the circle and where you end it. In that sense I’m optimistic. We are no longer working for pure physical survival.

However, the Anglo Saxon model of working for two years in one place and two years somewhere else has created other types of loyalties. People are loyal to their profession rather than to their company. That is a pity because you don’t feel the consequences of many decisions you take because you just leave.

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**RESOURCES**

- Building Cross-cultural Competence: How to Create Wealth from Conflicting Values, John Wiley & Sons, 2000
- [http://www.thtconsulting.com](http://www.thtconsulting.com)