

# 10

## HOW WE RELATE TO NATURE

The last dimension of culture we shall consider in this book concerns the role people assign to their natural environment. This, like the other dimensions, is at the center of human existence. Man has from the beginning been besieged by natural elements: wind, floods, fire, cold, earthquakes, famine, pests and predators. Survival itself has meant acting **against** and **with** the environment in ways to render it both less threatening and more sustaining. Constant action was originally an inescapable necessity.

Man's economic development can be viewed as a gradual strengthening of his devices to keep nature at bay. In the course of human existence there has been a shift from a preponderant fear that nature would overwhelm human existence to the opposite fear that human existence may overwhelm and degrade nature, so that, for example, a genetic storehouse of incredible richness in the Amazon rain forest may be bulldozed to oblivion before we have even discovered it.

### Controlling nature, or letting it take its course

Societies which conduct business have developed two major orientations towards nature. They either believe that they can and should **control** nature by imposing their will upon it, as in the ancient biblical injunction "multiply and subdue the earth", or they believe that man is part of nature and must **go along** with its laws, directions and forces. The first of these orientations we shall describe as **inner-directed**. This kind of culture tends to identify with mechanisms; that is, the organization is conceived of as a machine that obeys the will of its operators. The second, or **outer-directed**, tends to see an organization as itself a product of nature, owing its development to the nutrients in its environment and to a favorable ecological balance.

The American psychologist, J.B. Rotter, working in the 1960s, developed a scale designed to measure whether people had an **internal locus**

of control, typical of more successful Americans, or an **external locus of control**, typical of relatively less successful Americans, disadvantaged by their circumstances or shaped by the competitive efforts of their rivals.<sup>1</sup> The questions he devised we used to assess our 30,000 managers' relationship with natural events, and the answers suggest that there are some very significant differences here between geographical areas. These questions all take the form of alternatives; managers were asked to select the statement they believed most reflected reality. The first of these pairs is as follows.

- A** It is worthwhile trying to control important natural forces, like the weather.
- B** Nature should take its course and we just have to accept it the way it comes and do the best we can.

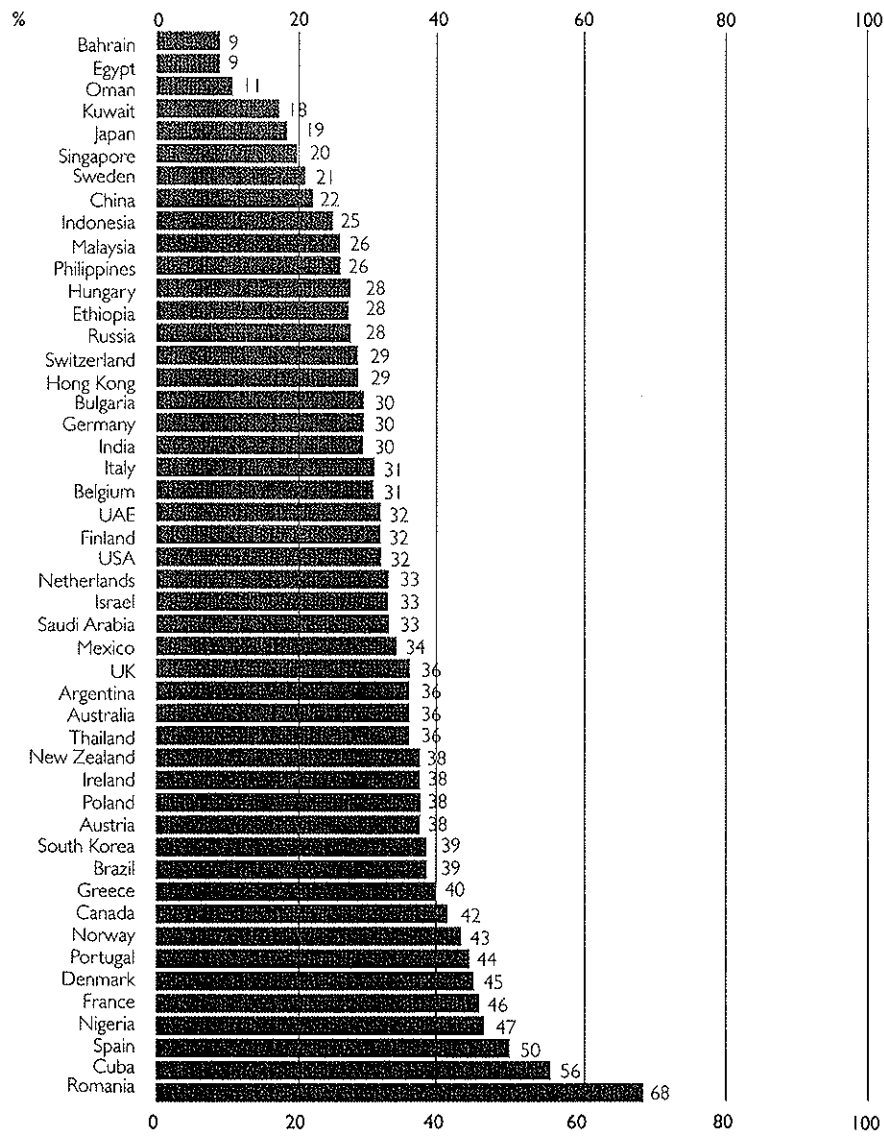
Figure 10.1 shows the percentage of respondents who chose A, that is, the inner directors. No country produces a totally internalized reaction to this statement; the highest score is only 68%, but we see considerable variations between countries and, again, no marked pattern by continent. Only 19% of Japanese believe it is worth trying to control the weather, as few as 22% of Chinese, only 21% of Swedes but 36% of the British. The British, Germans and Americans are above the middle of the range, but by no means among the top scorers. If the alternatives are made to appear more personally related, however, we get a different result. Figure 10.2 shows the percentage of respondents who chose A when asked to choose between the following.

- A** What happens to me is my own doing.
- B** Sometimes I feel that I do not have enough control over the directions my life is taking.

On this basis a number of countries appear almost completely internalized; in the USA, for instance, 82% of managers believe they control their own destinies, as do 76% of the French. Most European countries score high, in fact, though not the Russians, on whom 45 years of Communism may have had some effect. Similarly the Chinese now rank much lower than the Japanese, although in Japan as in Singapore managers are far less likely to believe in internal control than they are in North America or Europe.

Figure 10.1 **Controlling nature**

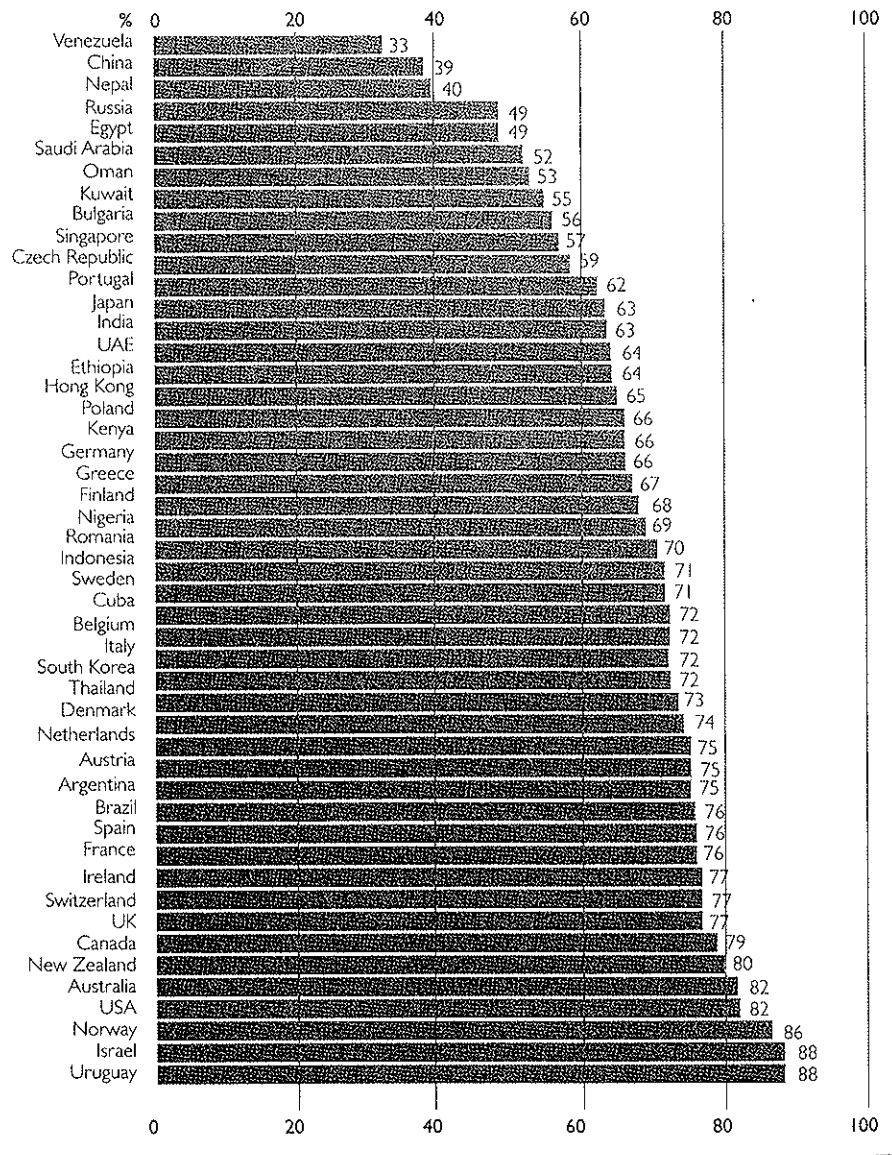
Percentage of respondents who believe it is worth trying



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Figure 10.2 **The captains of their fate**

Percentage of respondents who believe what happens to them is their own doing





### Control and success

The extremes of possible relationships between man and nature are perhaps best instanced by contrasting the ancient Greeks with twentieth-century Americans. For the Greeks the world was ruled by natural god-like forces: beauty (Aphrodite), truth (Apollo), justice (Athena), passion (Dionysus). These forces would contend for human allegiance and were often in conflict, leading to tragedy. Virtue was to achieve *harmonia*, harmony among the natural forces acting through you. Those who wanted their own will to triumph, like Oedipus or Jason, were frequently confounded in a struggle with their fates. The post-Industrial Revolution society, on the other hand, has made heroes of entrepreneurs, whose struggles to tame nature are not expected to end in tragedy. This is especially the American view, shaped by the experience of discovering a new continent of immense size and small indigenous population and turning a wilderness into a new nation. Success is identified with control over outside circumstances.

However, internal versus external loci of control do not necessarily distinguish the successful from the less successful in non-American cultures. There are ways of adapting to external influences which can prove economically effective. To accept direction from customers, market forces or new technologies **can be more advantageous than opposing these with your own preferences.** The "obvious" advantages (to Americans) of being inner-directed may not be obvious at all to managers in Japan or Singapore, and will be at least less obvious in Italy, Sweden or the Netherlands, for example. Outer-directed need not mean God-directed or fate-directed; it may mean directed by the knowledge revolution or by the looming pollution crisis, or by a joint venture partner. The ideal is to fit yourself advantageously to an external force.

In the original American concept of internal and external sources of control, the implication is that the outer-directed person is offering an excuse for failure rather than a new wisdom. In other nations it is not seen as personal weakness to acknowledge the strength of external forces or the arbitrariness of events.

In outer-directed behavior the reference point lies outside of people. A good example is the history of the Sony Walkman, already described in Chapter 1. In an interview in 1982, Akio Morita of Sony explained that he conceived of the notion of the Walkman while he was searching for a way to enjoy music without disturbing others. This is in sharp contrast to the normal motivation for using a Walkman in northwest Europe and North America, where most users do not want to be disturbed by other people.

The preponderant inner-directedness of North America and parts of western Europe may help to explain why we have to go out of our way to teach "customer orientation" and "scanning the business environment." To outer-directed cultures, like Japan and Singapore, this comes so naturally that they do not need to teach it. It is also noteworthy that outer-directedness does **not** preclude rivalry or competition but rather can help to give it form and style. To be directed by a customer or by the force of an opponent, as in *Indo* (Japanese wrestling) and *Judo*, is not to lack combativeness but to use another's powers in a more effective combination or harmony (*wa*). The word *do* in *Judo*, *Indo*, *Kendo* and *Bushido* means "way of." You follow the way of the sword (*Kendo*) or the warrior (*Bushido*), their practices and disciplines, until they become part of your nature. You may, as a result, be a more formidable competitor, not less. Like a surfer you respond to the waves and keep your balance where others lose theirs.

In contrast to many eastern sports, in which the opponent's force is harnessed to your own, Western sports like American football or baseball idealize the zero-sum game, the clash of opposites, the rivalry of inner-directed wills, one-on-one—"If you can't beat 'em", "join 'em." Even negotiations are "won" or "lost" depending on how much of what you originally wanted was gained, while compromise reduces the moral stature of all concerned.

Our Western contention that Asians "steal our ideas" is also shaped by our proprietary notions about what comes from **inside** of us and is therefore "ours." Asians may regard Western technologies as part of the environment, like fruit on a tree, which wise people pick and incorporate into themselves. Moreover concepts such as *kaizen*, refinement, have very high cultural prestige. To take something from the external environment and then refine or improve it is not "copying" but celebrating that environment, letting the finest forces shape your character. Even when the forces are violent and humiliating, such as devastation, surrender and occupation by Americans, the Japanese prove masters at adapting to external circumstances and emerging on top. As they like to say, "a crisis is an opportunity."

**Inner-directed mechanism: the Renaissance ideal**

The West is heavily influenced by Copernican and Newtonian views of the universe as a vast perpetual motion machine which God wound up and left for His faithful to discover. To discover the laws of this universe, laws of time and motion, was to worship its creator. To understand the laws of the mechanism it was necessary to predict and control the operation of na-

ture's machinery, that is, to internalize natural law and then show that nature obeyed you. Against this background to be inner-directed has become proof of scientific veracity. We hypothesize and deduce, and the principle is correct if the predicted result follows. Enlightened man is the master mechanic, the driver with his hand on the throttle.

While the early physicists left the description of man to religious authorities, this division of labor broke down in the seventeenth and eighteenth centuries. Man, too, became a machine, using reason to drive a somewhat reluctant body to obey rational dictates. According to Jacques Ellul the earlier belief in magic was now replaced by **technique**, applied not simply to external nature but to man's head and body. "Technique," writes Ellul, "is the translation into action of man's concern to master things by means of reason, to account for what is subconscious, make quantitative what is qualitative, make clear and precise the outlines of nature, take hold of chaos, and order it."<sup>2</sup>

After the Renaissance, then, nature became objectified so that manipulation could be more easily demonstrated over passive entities. Quantification and measurement became central to science, including social science.

#### **The modern view of nature: the cybernetic cosmology**

While for the Greeks nature was a living organism and for the Renaissance it was a machine potentially controllable by human reason, in modern system dynamics or cybernetics both these views are transcended into a more inclusive concept of a living system which both nurtures the individual and can be developed by individuals dependent upon that system.<sup>3</sup> There is a shift from trying to seize control **over** nature to identifying with its ecological self-regulation and natural balance. The manager **intervenes** but is not the **cause** of what occurs; the systems of organizations and markets have their own momentum which we can influence but not drive. As the world fills up with economic actors and forces, we are simultaneously more influenced by external forces, yet more determined to create our own space among these. Figure 10.3 summarizes these changing views.

#### **How important is a culture's orientation to nature?**

Orientations to nature have much to do with how we conduct our day-to-day lives and manage businesses. Cultures may seek to master nature, accept and be subjugated by it, or live in the most effective harmony with

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Figure 10.3 **Changing view of nature**

Era	Kind of nature	Productive functions	Philosophies	Focus of control
Primitive	organic nature	arts: to form	natural; natural world	external control
Renaissance	mechanism nature	techniques: to transform	mechanical; technical world	internal control
Modern	cybernetic nature	applied sciences: to develop	scientific; social world	reconciliation of internal and external control

it. Nature is both controllable by man and liable to show sudden reversals of relative strength, becoming man's master, not slave. Neither situation is very stable nor very desirable, since a subjugated nature may fail to sustain man on earth.

A relationship closely analogous to man and nature is that of organization and markets. A product may succeed not simply because we will it to, or because the special features designed into it delight customers. It may succeed for reasons **other than those which come from inside of us**, reasons which have to do with the way **other** people in the environment think rather than we ourselves. Are we then willing to take direction from customers, where this is not our original direction? Are we willing to change our minds when it becomes clear that customers' preferences are different from our own?

One powerful logic of outer-directedness is the theory of evolution. According to evolutionary biologists, it is the environment which decides which creatures fit and which do not, so by extension markets decide, not managers. The business world does not see the survival of the fittest, driven by mechanisms determined to fight each other, but the survival of those best able to form a nurturant relationship with external niches and conditions. It may be for this reason that some outer-directed cultures are among the world's better economic performers. While the belief that the environment is all-powerful in deciding the future can lead to fatalism or resignation, the belief that we are all responsible can lead to scapegoating, blaming-the-victim and a lack of compassion for those who have suffered misfortune.

An important aspect of inner-directedness is the notion of business **strategy**, that is a plan designed in advance to wrest competitive advan-



tage from other corporations. The metaphor comes from the military sphere and it is clear that either the organization prevails in its strategic intention or it is beaten by its environment. The seeming lack of interest in strategy per se by the Japanese and similar outer-directed cultures has been noted, and the whole "militaristic" concept of strategy criticized, by Henry Mintzberg. Mintzberg points out that, in any organization, those interfacing with customers have **already devised strategies for coping with day-to-day problems.**<sup>4</sup> The job of top management, therefore, is to take these emergent strategies and give recognition, status and formal sanction to those which have proved most valuable. This is an outer-directed process for adopting strategies **already initiated** at the organization's grassroots and is a further example of the need to let the environment shape you.

### Managing between different orientations to nature

Paradoxically, Western and inner-directed managers trying to impose uniform procedures and methods on foreign and outer-directed cultures often "succeed" better than they expect, just because at least some of those cultures are accustomed to being heavily influenced from external sources and taking their cue from the environment. But it is a mistake to assume that **accepting** guidance from outside is the same as internalizing it or using it successfully. Some outer-directed cultures do not like to debate or confront, but this does not mean that the directive is appropriate to their culture. The source of authority is seen as "natural" and will quickly be dissipated if the manager behaves in "unnatural" ways, for example by imposing his or her will for its own sake rather than because of a natural endowment of wisdom to sustain and nurture the organism. Other-directed cultures often regard nature as **benign**. If, therefore, you behave in ways interpreted as hostile, your "natural powers" will be forfeit.

At a Gabon subsidiary of a French oil company, the Dutch author discovered that a change management program initiated by headquarters was failing miserably. The French managers, when interviewed, could not really explain what was going on. The Gabonese seemed to agree completely with the drafted mission statement. They even accepted the operational steps that had been discussed and planned at length. But when the plan had to be put into action, nothing happened. The employees behaved precisely as before. After careful inquiry it turned out that the Gabonese did indeed endorse the change but did not believe that it was for them as individuals to direct its implementation. The signal had to come from their French superiors who alone had the natural

authority to command action. When no command came, no action was taken. The idea that self-directed change would emerge from reasoned principles was **not** culturally shared.

It was the same with the pay-for-performance program initiated by MCC. Such a program assumes that each employee can behave in ways that increase the sales of computers, that he or she can personally induce greater effort and hence greater sales. This assumption was questioned by an Asian manager.

Mr. Djawa from Indonesia raised two objections to Mr. Johnson.

"Pay-for-performance does not work in our sales territories. It leads to customers being overloaded with products they never wanted and do not need. Furthermore, when things are not going well for our people, it is a mistake to hurry them or blame them. There are good times and bad times. Paying them for performance does not change inevitable trends."

This did not impress Johnson and his Western colleagues. "We want to develop something at HQ that will motivate everyone. Are you saying that linking reward to success has no influence at all? Surely you must agree there is some connection." Mr. Djawa said:

"It certainly has effects, but these tend to be swamped by economic booms and busts. Moreover the customer needs to be assisted and protected from these fluctuations. It is not wise to push customers into buying more than they should. We need to ride out bad times together, and then take joint advantage of good times."

Many of Mr. Djawa's Eastern and Latin colleagues concurred. Mr. Johnson was exasperated. "Why don't some of you suggest a method that **does** work?"

Here the Indonesians, seeing themselves as relatively more controlled by external forces, seek to join with customers and each other to "ride out the inevitable waves." They can be motivated, but in directions consistent with their culture, and that is to make skillful adjustments to the ups and downs which they experience as "natural" and not caused by their own greater or lesser determination to prosper. They seem to regard the turbulence of their environment as a sufficient challenge to the members of their organization, without needing to attribute blame to those caught in

a downturn, or reward those caught in an upturn. To do either would sap group morale by adding to the arbitrariness of events and tempt sales personnel to put their own advantage ahead of the customers'.

In contrast, the mechanistic view of man sees the salesperson cutting through the waves like a ship heading for its own planned destination and not being diverted from its path by poor weather. The test of good engineers or MBAs is to do things right the first time and have their judgment vindicated by results. The good company promises "to put you in the driver's seat." Ideal mechanisms obey the will of their operators and enable them to overcome natural obstacles to achieve personal goals.

### **Is modern management a battle between private agendas?**

One problem with the inner-directed person seeking mastery over nature is that **everyone else** may come to stand for "nature." We all want power, but can achieve it only if others are viewed as means to our ends. By definition we cannot all direct the environment from within ourselves, since we ourselves constitute great parts of that environment. The invitation to others to "participate" is largely vitiated if, in fact, you are trying to steer them towards a conclusion you arrived at before the discussion began. Yet the relentlessly inner-directed manager has no other option. He or she is obliged to define social relationships objectively, as if moving pieces on a chess board. This is what Chris Argyris calls "Model I behavior," behavior designed to motivate the employee into doing what the manager formulated earlier.<sup>5</sup> Mr. Johnson, too, uses motivation in this sense, a method of persuading salespeople to sell more in any or all circumstances and regardless of what they say or want, or what their cultures believe in.

The HAY method of evaluation of personnel is similarly inner-directed in identifying managers with their function. In this system it is not the employee who is being evaluated, but the efficiency with which he or she completes a task assumed to be directed from within the supervisor, within the organization. It is this that gives authority its reason and legitimacy. Suppose the company exists to turn natural raw materials into products. It requires these functions to be fulfilled by a division of labor. It hires people who agree to fill these functions. They are directed by a chief executive officer who personifies the organization's inner-directed purpose. People trying to fulfill these functions are then paid according to the complexity and difficulty of the function, how well they have discharged it and how they used their own (inner-directed) judgment. This is all logical, neat and obvious, yet it treats physical and social environ-

ments as if they were objects and is not the way large parts of the world economy think. It is also blind to some of the most obvious social facts, that during a conversation both parties may change their minds and transform their joint thought processes into something new and better.

### Reconciling internal and external control

We all make mistakes in life. Some three weeks ago the Dutch author asked his wife if he could borrow her car—a Mitsubishi Space Wagon—to pick up some loudspeakers in town. I was driving and had to stop for a pedestrian crossing. Just after coming to a stop I heard a noise indicating that I had been hit by a car from behind. I stepped out and saw that the length of our impressive Japanese car had diminished by at least 20%. Psychologically I thought the whole back of the car had disappeared in the crash. Pulling away from my car was a Volvo 200 series, better known as “the tank.” Not a scratch could I observe on this vehicle even when I examined it closely. The driver emerged with one hand covering a severe cut on his head. He apologized almost routinely: “There is not much left of your car, sir,” he said, “but are you OK?” I was fine, because I had hardly felt the collision.

The externally controlled Japanese evidently apply martial arts to safety. Japanese cars are designed to take the energy out of their opponent to their advantage. The Volvo and BMWs of this world seem to operate like an American football player. If I am stronger than you I’ll win and be safe. The end result, however, was that the driver of the Japanese car did not feel the collision while the Volvo driver took it all.

The newest safety designs are built to reconcile flexibility and strength. The similarity with the Dutch poldering system is striking. Dikes are built to stop the water with great strength. If the pressure becomes too great doors are opened to relieve the pressure. In turn the next diking system takes the second overflow.

And doesn’t your organization struggle to achieve a balance between technology push and market pull? Intuitively we know that if we push the technology to its extreme we might end up in the ultimate niche market, best defined as that part of the market with no clients. But what if we just follow what clients desire? We might not deliver fast enough and be at their mercy. The most effective organizations are those which are better at connecting the push of the technology to the pull of the market. Isn’t it curious that the Americans are superior in both marketing techniques and in developing innovative products? But the Japanese wiped out the US consumer electronics industry. The Japanese seem to be very

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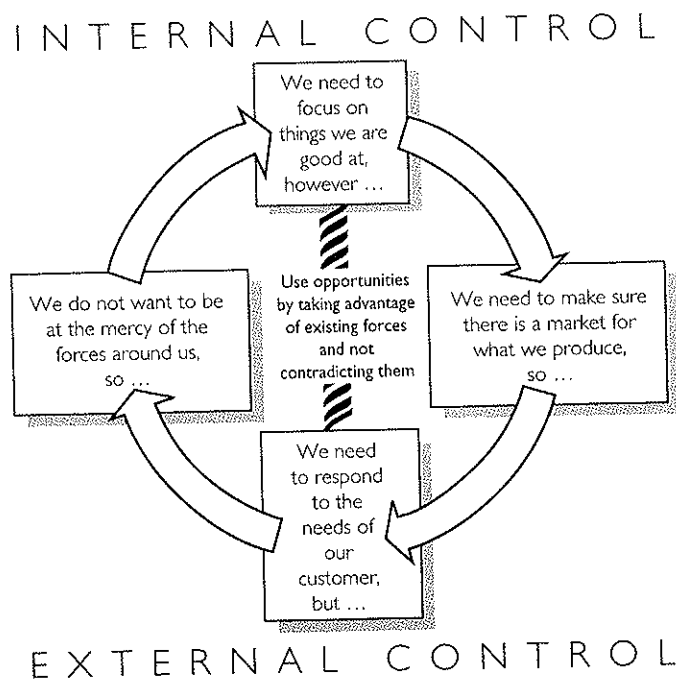
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good at connecting what has been developed elsewhere. They also apply martial arts to essential economic laws.

Figure 10.4 shows that too much inner-directedness can lead to the lack of a market. Conversely an overly developed customer focus risks leaving the organization at the mercy of market forces. Inner- and outer-directedness have to be reconciled.

Figure 10.4 **Reconciling internal and external control**



### Test yourself

Several senior strategists were discussing whether strategy should be devised at the top of the corporation and "cascaded down" to be implemented locally, or emerge from the grassroots and successful interfaces with customers. The following views were expressed:

- I No one dealing with customers is without a strategy of sorts. Our task is to find out which of these strategies work, which don't and why. Devising our own strategy in the abstract and imposing it downwards only spreads confusion.

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- 2 No one dealing with customers is without a strategy of sorts. Our task is to find out which of these strategies work and then create a master strategy from proven successful initiatives by commending and combining the best.
- 3 To be a leader is to be the chief deviser of strategy. Using all the experience, information and intelligence we can mobilize, we devise an innovative strategy and cascade it down to be vigorously implemented.
- 4 To be a leader is to be the chief deviser of strategy. Using all the experience, information and intelligence we can mobilize, we create a broad thrust, leaving it to subordinates to fit these to customer needs.

Indicate with "1" the approach you believe would be favored by your closest colleagues at work, and with "2" the approach you believe would be his or her second choice.

Answer 1 affirms an outer-directed strategy and rejects inner-direction, while answer 3 represents the opposite. Answer 2 affirms a connection between an outer-directed strategy and an inner-directed strategy, while answer 4 affirms the opposite connection.

### SUMMARY

Cultures vary in their approaches to the given environment, between belief that it can be controlled by the individual and belief that the individual must respond to external circumstances. We should not, however, make the error of assuming that inner-direction and outer-direction are exclusive options. All cultures necessarily take **some** notice of what is inside or outside. To fail to do so would lead inner-directed cultures into a headlong rush to disaster, while outer-directed cultures would try to please everyone and dissipate their energies by over-compliance.

Inner-directed managers are never happier than when they have won over other people to their own way of thinking. This is the ideal they strive for, but it is one which may be deemed aggressive and uncouth in outer-directed cultures. Leaders in these stress how much they have learned from their mistakes and from other's objections or criticisms. One reason staff suggestions enrich several Asian organizations and participation is so high is because listening rather than declaiming is seen as the more admirable trait. Such cultures do not clash openly. To negate what someone else is saying is to ride roughshod over nature. The alter-

native is to take the proposal on board and alter its import subsequently if it remains unpopular.

The word "feedback" is an interesting one in Western management jargon. It recognizes the need to periodically correct an ongoing thrust or function. But **rarely is feedback considered as important as the original direction.** Indeed feedback is the means by which the original direction is **maintained.**

To participate fully in an outer-directed culture, inner-directed managers must accept that feedback can alter the whole direction of the organization. They must listen to the customer and aim to fill their need as opposed to win their allegiance.

Major change can come from both outside and inside. Once again we see that culture is about where a circle "starts" or where a manager conceives of change originating. To conceive of the organization as an open system operating within a larger system allows both inner-directed and outer-directed orientations to develop.

### Practical tips for doing business in internal- and external-oriented cultures

#### Recognizing the differences

Internal control	External control
1 Often dominating attitude bordering on aggressiveness towards environment.	1 Often flexible attitude, willing to compromise and keep the peace.
2 Conflict and resistance means that you have convictions.	2 Harmony and responsiveness, that is, sensibility.
3 Focus is on self, function, own group and own organization.	3 Focus is on "other," that is customer, partner, colleague.
4 Discomfort when environment seems "out of control" or changeable.	4 Comfort with waves, shifts, cycles if these are "natural."

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### Tips for doing business with:

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Internally controlled (for externals)	Externally controlled (for internals)
1 Playing "hard ball" is legitimate to test the resilience of an opponent.	1 Softness, persistence, politeness and long, long patience will get rewards.
2 It is most important to "win your objective."	2 It is most important to "maintain your relationship."
3 Win some, lose some.	3 Win together, lose apart.

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