

Yin Yang is Relevant to Modern Business

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To better understand national cultures, business leaders and scholars should consider culture from a Yin Yang perspective. Yin Yang, the indigenous Chinese philosophy, views cultural dimensions as having inherently opposite and paradoxical value orientations. Yin Yang suggests that all cultures share the same potential values, but simultaneously differ. Over time each has experienced unique learning that has yielded dynamic value orientations. In the age of globalization, the Yin Yang perspective on culture has important implications for companies and managers conducting business internationally.



Geert Hofstede has provided the dominant understandings of national cultures, emphasizing cultural differences across national borders and stimulating managers to respect various cultures, values, and management styles. However, scholars are increasingly recognizing that Hofstede's bipolarized and static cultural paradigm is inadequate in the age of globalization and the Internet when cultural learning takes place not just longitudinally from ancestral traditions but all-dimensionally from different nations, cultures, and peoples in an increasingly borderless and wireless workplace, marketplace, and cyberspace.

Yin Yang as an Alternative Paradigm to Understand Culture

The ancient Chinese philosophy of Yin Yang offers an alternative to the Hofstede paradigm for understanding culture. Yin Yang's holistic, dynamic, and dialectical worldview involves three tenets of duality. Holistic duality posits that a phenomenon or entity is incomplete without its opposite element. Dynamic duality posits that opposite elements mutually transform one another in a balancing process under various conditions. Dialectical duality posits that the holistic and dynamic tenets can stand because two contrary elements exist. Although they are relatively contradictory, they are interdependent and relatively compatible. Although they are opposites, they affirm one another for consistency and equilibrium and negate one another for completeness and punctuated shift. The dialectical tenet is the most salient as the anchor for the other two tenets of duality.

Yin Yang philosophy suggests the following four propositions:

Proposition 1: Each culture has certain values but may have coexisting opposite values depending on the situation, context, and time.

Proposition 2: Individuals choose the most relevant value(s) from the full spectrum of potential value orientations to guide their actions depending on the context and the times.

Proposition 3: Depending on the context and times, a culture will promote certain values and suppress their opposite, thus resulting in a unique value configuration.

Proposition 4: The all-dimensional learning over time will cause each culture to have a unique dynamic portfolio of self-selected globally available value orientations.

Using Hofstede's masculinity-femininity dimension, Sweden ranks as the world's most feminine culture. This may be true in some contexts such as Sweden's highly-developed social welfare system, environmentally friendly attitudes, and values of general cooperation. But in the context of global competition, as gauged by the speed, scale, and spirit of Swedish multinationals, Sweden may be categorized as masculine. In fact, the Swedes and their compatriots in other Scandinavian countries prefer being called Vikings, the ferocious sailor-warriors who dominated the high seas in their fabled tales of foreign conquests. These expeditions would have failed without elevated levels of competitiveness and aggression.

Likewise, the Finns are often described as stern, reserved, and quiet in formal work settings, most probably because of the Finnish value of *sisu* (will, determination, perseverance, and rationality in the face of adversity). But Finns often behave more sociably in the Finnish sauna. From the Yin Yang perspective, sauna and *sisu* need, reinforce, and complete each other. If Finland's two million saunas were to be closed, its 5.3 million people might lose their venue for transforming themselves from quietude to extroversion and expressiveness. Perhaps the entire Finnish capability to remain in the forefront of technological innovation might also wither.

In China, Japan, and Korea, similarly, a stark contrast exists between the formal office work environment and the informal milieu (e.g., restaurants, pubs, and karaoke bars) frequented by business executives and their subordinates after office hours. These informal settings are extremely important for developing relationships that are essential to the successful conduct of business in these cultures. In these relaxed atmospheres, rigid hierarchies dissipate as individuals sing, drink, and feel freer to criticize their superiors under the guise of drunkenness, with no loss of face to their leaders. Commonly, in such informal settings the leaders often behave in "non-leader" ways by allowing themselves to be the target of fun-loving criticism.

China's economic development is altering Chinese values. Today, sons or daughters commonly earn salaries that are as much as twenty times higher than the family patriarch earns. Often a junior family member pays the bill, rather than the patriarch, when the family goes out for dinner. This new economic situation tests traditional values of hierarchy and paternal authority, and legitimizes the values of simplicity, creativity, and competence.

The value of face is another example. Chinese people are traditionally described as face-conscious, reserved, and indirect in communication. Traditionally, Chinese society has frowned on assertive behavior, as an old Chinese saying indicates: "The bird ahead of the flight gets shot first." Today, face is still an important Chinese value, but Chinese professionals have learned to be more confident and assertive when facing marketplace competition. China Mobile features a highly publicized advertising campaign that shows a confident Chinese manager speaking into his mobile phone in front of the world. Two big Chinese characters proclaim "I can!" (Wo neng!). Similarly, in 2005, the Super Girls (the Chinese version of the American Idol contest) drew the largest audience in the history of Chinese television and revealed that today's Chinese culture is developing a new face of individualization.

IKEA in China

IKEA's success in China illustrates how the Yin Yang approach to understanding culture can be applied in the globalized business world. In many ways, the IKEA culture and furniture styles contradict Chinese culture and traditional Chinese furniture industry practice. For centuries, Chinese households have preferred dark bulky furniture, very different from IKEA's light-weight and pale furnishings. In terms of sales techniques, IKEA's practice of offering no advice unless customers actively seek it and no sales pressure starkly contrast with the traditional Chinese approach in which salespeople closely follow customers to provide personal service. Before IKEA opened its first store in Shanghai in 1998, the DIY (do it yourself) concept was largely unknown and foreign to most Chinese consumers. Shortly after IKEA's opening, many customers complained about having to pick up flat-packed furniture and assembling the pieces at home. In China, assembly is available at very low cost, so the standard practice has been to have others do it for you (DIO). However, IKEA holds firm DIY practices. Now, ten years after IKEA's first entry in China, the Chinese people have adapted to IKEA's DIY concept. Interestingly, DIY has become a symbol of high-quality lifestyle, self-expression, and self-actualization, values that are increasingly legitimized and practiced in today's China. IKEA has also learned to better accommodate Chinese tradition by offering assembly services in the home for a nominal fee on request, longer store hours, bicycle parking

stalls, widened aisles for heavier customer flow inside the store, on-site arrangements with trucking companies to provide transportation for customers who want to buy flat-packed furniture but have no automobile access, both Chinese and Swedish food in their restaurants, more theme-based catalogs (e.g., the Karaoke theme) in addition to its annual standardized catalog in the global market, and the incorporation of Chinese cultural symbols (such as Chinese zodiac animals) into IKEA product designs.

Implications for Managers

The IKEA/Chinese anecdotes suggest that all cultures (Chinese, IKEA/Swedish, etc.) inherently embrace both Yin and Yang. In other words, all cultures have the potential to incorporate opposite cultural values through cultural interactions and cultural learning over time. When Chinese and Swedish cultures/practices meet, both acquire somewhat of a new identity by embracing seeds from the other side. Practically, the Yin Yang perspective of culture suggests that managers must understand cultural differences but not be shattered by cultural differences. More important, they should applaud the beauty of cultural differences, cultural clashes, cultural collisions, and even cultural shocks because they stimulate and boost cultural learning, change, innovation, and creativity.

This review is a synopsis of “Yin Yang: A New Perspective on Culture,” by T. Fang, 2012, *Management Organization Review*, 8(1), pp. 25-50. Tony Fang (tf@fek.su.se) is Professor of Business Administration at Stockholm University School of Business, Sweden.