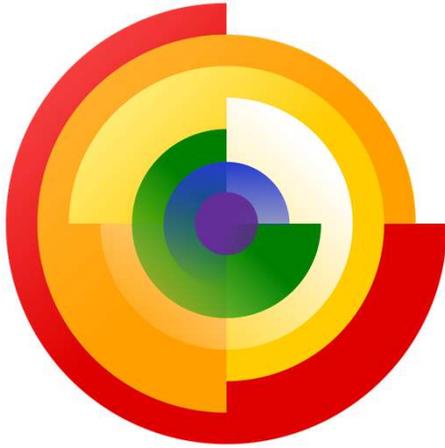


ZEC 2018



National Culture(s) and Compliance

Hristo Moutafchiyski, Ingram Micro
Zagreb, June 14 2018



Few thoughts about Compliance,...

It is	It is not
A management tool to protect the brand, primary.	Expensive.
Risk assessment and control.	Business prevention.
Integrator of the rules into business.	Check list.
Substantial part of corporate strategy.	Formality, regardless what regulators say...
Result of corporate culture.	Driver of corporate culture.

..., Culture and Strategy

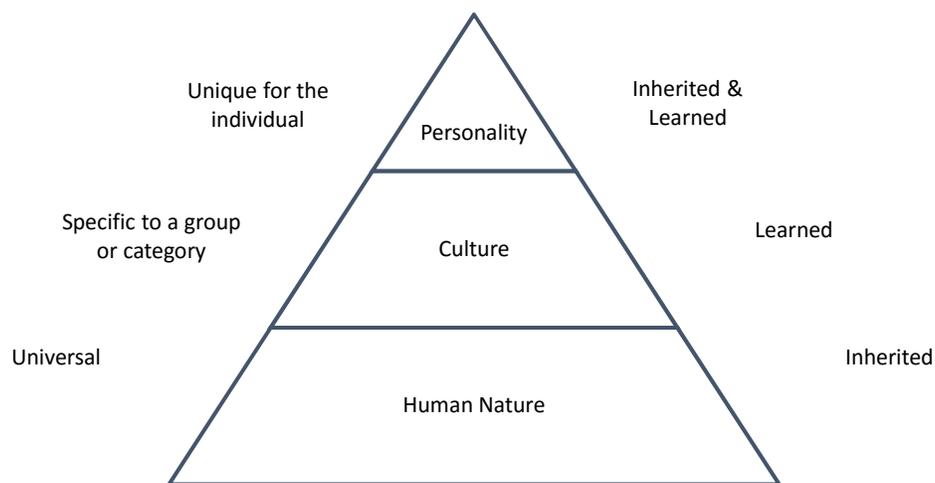
- Business is a humane activity
- Culture eats strategy for breakfast
- When culture and strategy confront, culture will win
- People are loyal to culture, not to strategy
- People find meaning in culture, not in strategy
- Please find safe place in culture, not in strategy
- Culture of ethics pays off financially
- Culture protects companies better than control
- Culture awareness is not a default. It needs time and effort

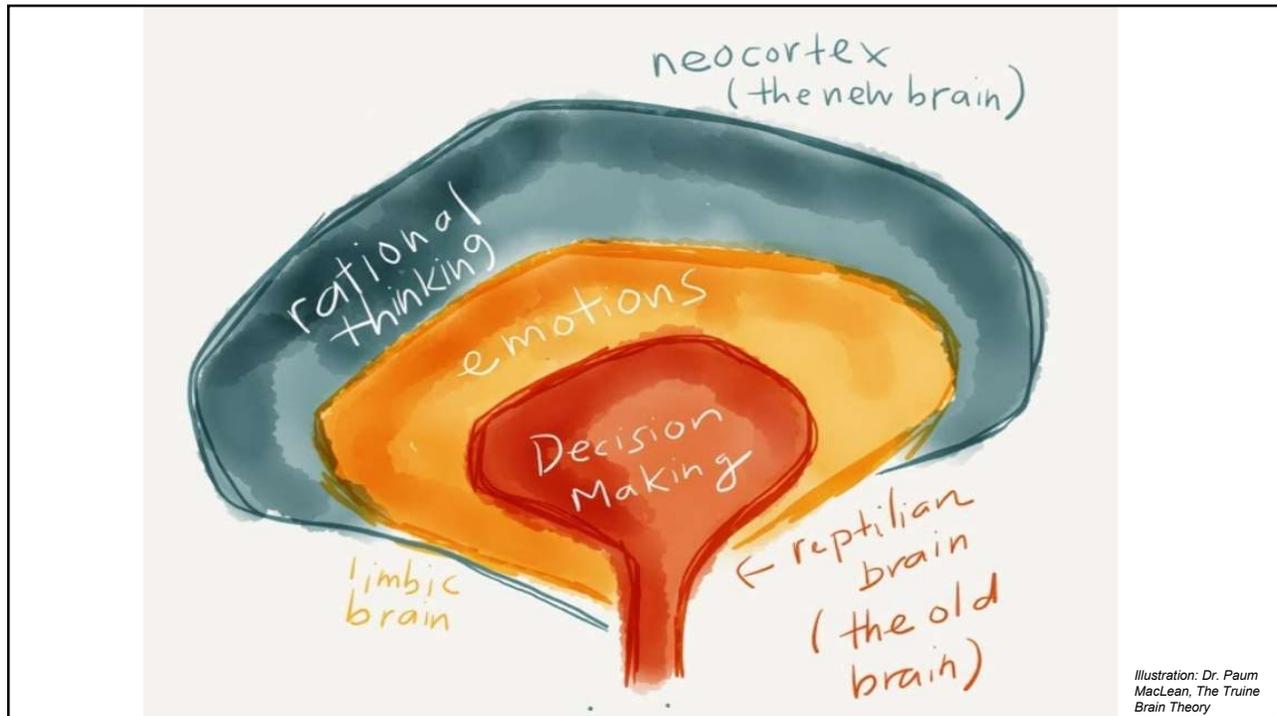
You are on the way to an official business meeting with a person you do not know. At the airport a warmly smiling woman in jeans and sandals holds a sign with your name.

What is your first thought?

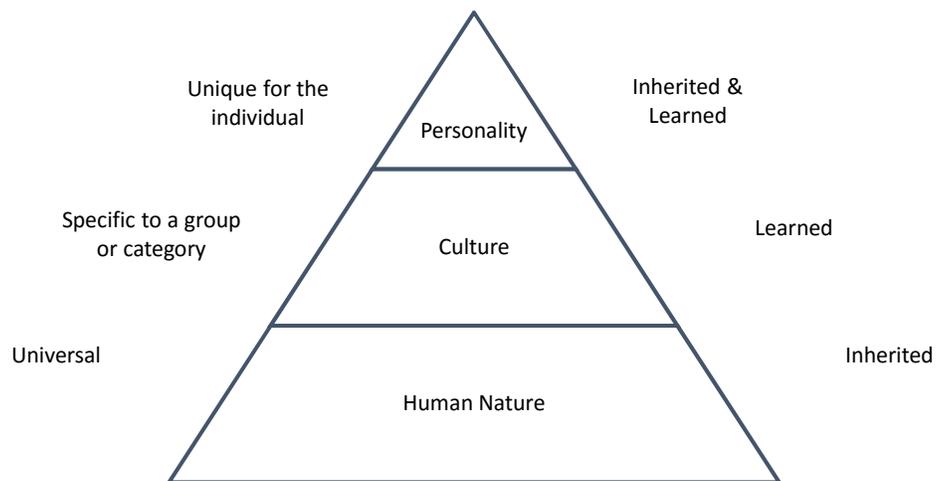
- a) She must be a secretary.
- b) She is probably the person, whom you need to meet.
- c) It is great to be welcomed so warmly.
- d) How dare she meet me in such a casual clothing?!
- e) There must be a mistake. I expect a man in a business suit.

Levels of human mental programming

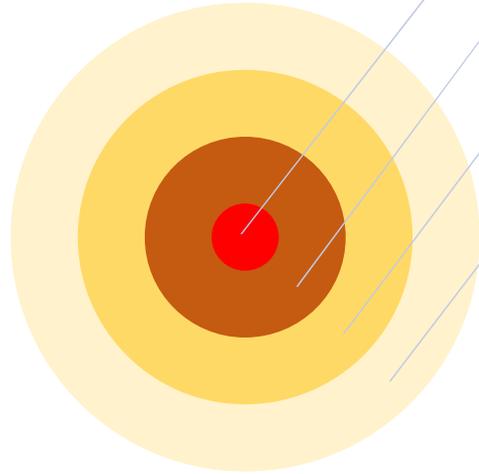




Levels of human mental programming



Culture is like onion – it has layers



Values: Tendencies to prefer a certain state of things. Feelings about the opposites good-evil, clean-dirty, ugly-beautiful, moral-immoral, natural-unnatural, rational-irrational.

Rituals: collective activities, ceremonies etc.

Heroes: praised role models, dead or alive, real or imaginary.

Symbols: Words, objects, clothing, jargon, accents, etc.



Gerard Hendrik (Geert) Hofstede (born 2 October 1928) is a Dutch [social psychologist](#), former IBM employee, and Professor Emeritus of Organizational Anthropology and International Management at [Maastricht University](#) in the Netherlands, well known for his pioneering research on [cross-cultural](#) groups and organizations.

Enjoy knowledge at:

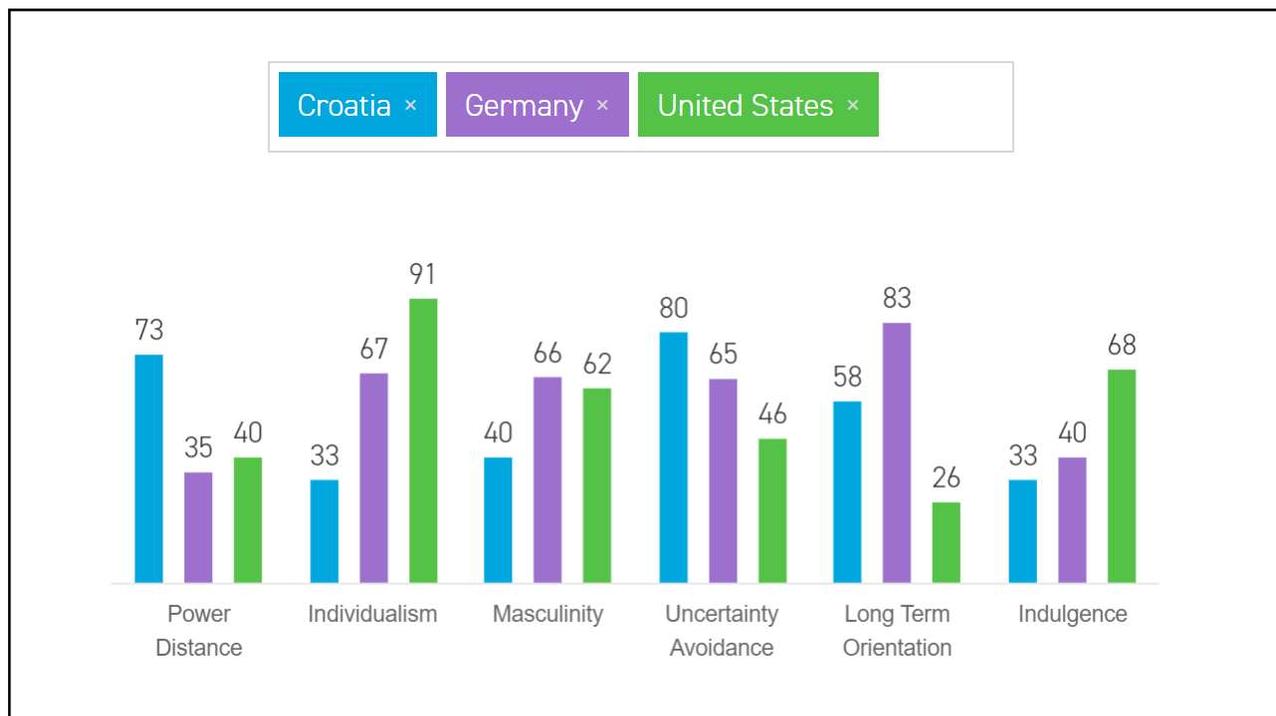
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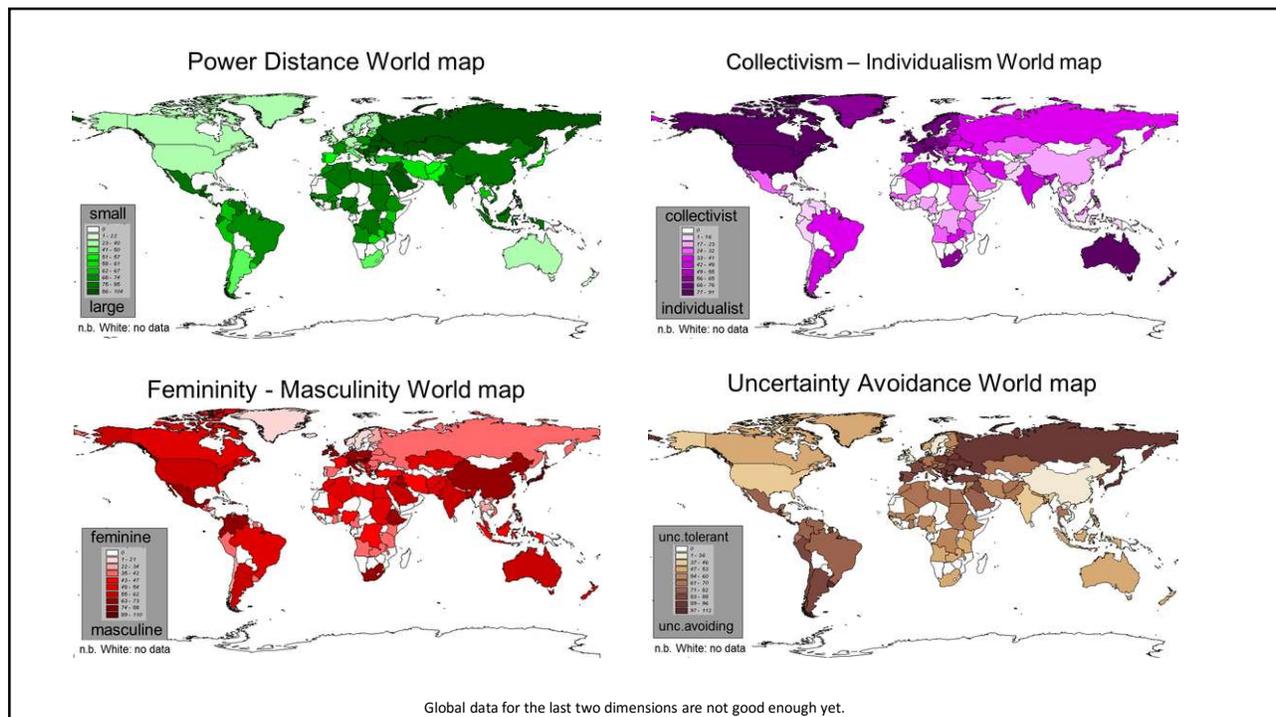
<https://www.hofstede-insights.com/>

<https://www.hofstede-insights.com/country-comparison/>

- Culture: the collective programming of the mind which distinguishes the members of one group or category of people from another.
- Dimensions of culture: patterns/similarities, common for all nations, based on statistical analysis

Dimension	Definition	Ultimate examples
Power distance	The extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally.	High: Hierarchy is clearly established and executed in society, without doubt or reason. Low: People question authority and attempt to distribute power.
Individualism vs. Collectivism	Degree to which people are integrated into groups.	Individualistic: Loose ties often only to immediate family. "I!" Collectivistic: In-groups are broader. Undoubted loyalty and support when a conflict arises.
Uncertainty avoidance	Society's tolerance for unknown.	High: Stiff codes of behavior, guidelines, laws, absolute truth. Low: More acceptance of differing thoughts or ideas, fewer regulations, ambiguity is more accustomed to.
Masculinity vs. Femininity	Difference in perception of the gender roles.	M: A preference in society for achievement, heroism, assertiveness and material rewards for success. F: A preference for cooperation, modesty, caring for the weak and quality of life.
Long-term vs. short-term orientation	The connection of the past with the current and future.	Adaptation vs. Tradition
Indulgence vs. Restraint	A measure of happiness - whether or not simple joys are fulfilled.	Indulgent societies believe themselves to be in control of their own life and emotions.





Power distance

Low	High
Strive for minimum inequality.	Inequality is expected and desired.
Parents treat kids as equals and vice versa.	Parents teach kids to comply with what elders say. Kids treat parents with respect.
Students often take initiative in learning.	Teachers drive every element of the educational process.
Teachers are experts, who give the objective truth.	Teachers are gurus, who give wisdom.
Company levels reflect the roles and are created for convenience.	Company levels reflect the inequality between the ones on the top and the ones on the bottom.
Decentralization is popular.	Centralization is popular.
Team-members expect to be consulted.	Team-members expect to be told what to do.
The ideal boss is an ingenious democrat.	The ideal boss is a benevolent autocrat or a good father.
Privileges and symbols of status are looked upon with distrust.	Privileges and symbols of status are expected and desired.

Individualism vs. Collectivism

Collectivistic	Individualistic
People are born in broad families/groups, which provide protection and expect allegiance.	Every person learns to take care of herself and her immediate family.
Identity is based on the social network, where the individual belongs.	Identity is based on the individual.
Kids learn to perceive themselves as “we”.	Kids learn to perceive themselves as “I”.
Harmony must be maintained. Confrontation must be avoided.	To say what you think is typical for an honest person.
Misconduct brings shame for the person and the group.	Misconduct brings feeling of guilt and loss of self-respect.
Purpose of learning is to learn how to do.	Purpose of learning is to learn how to learn.
The employer-employee relation is a moral one, similar to family.	The employer-employee relation is contractual, and must be based on mutual gain.
Management of groups.	Management of individuals.
Relationships have priority to the work.	Work has priority to the relationship.

Masculinity vs. Femininity

F	M
Main values in society – care for others and preservation.	Main values in society – material success and progress.
People and warm relationships are important.	Money and objects are important.
Both genders should be modest.	Men must win, be ambitious and tough.
Both genders are allowed to be tender and take care of the relationships.	Women must take care for the relationships.
Compassion for the weak.	Compassion for the strong.
The average student is the norm.	The excellent student is the norm.
Work to live.	Live to work.
Managers search for accord.	Managers must be decisive and keep their stand.
Equity, solidarity, quality of work life.	Fairness, internal competition, performance.
Conflict resolution via compromise and negotiations.	Conflict resolution via fight to the end.

Uncertainty Avoidance

Low	High
Uncertainty and change are normal.	Uncertainty and change are a constant threat
Aggression and emotions must not be shown.	Aggression and emotions may be shown at appropriate time and place.
Calmness in unknown situations and to unknown risks.	Acceptance of known risk. Fear of unknown risks and situations.
Different is fun.	Different is dangerous.
Teachers may say "I do not know."	Teachers should know all answers.
Students feel comfortable in open learning and discussions.	Students feel comfortable in structured learning and expect the correct answer.
Minimum rules are needed.	Rules are emotionally necessary, even if not functioning.
Time is a framework to orient into.	Time is money.
Motivated to achieve.	Motivated to ensure security.

