#TheCultureFactor Organisational Culture and the impact on learning

with **Egbert Schram**Group CEO Hofstede Insights
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Hofstede Insights



A Culture & Strategy Advisory and Analytics organisation



A core team of data technicians and communication professionals, and a global network of 150+ expert facilitators in 60+ countries



Improving and aligning working practices in multicultural environments



Approaches to organizational culture which work









Reality vs Desired

What we want and what we need to do are two different things



WORKSHOPS

Contextualize the findings



LEAD FROM THE TOP

Culture needs to be led from the top.



ABOUT US

OUR CUSTOMERS







3i Infotech





CGIAR





BAYER E R





THE CHALLENGES BEFORE LEADERS...









Why do things go wrong?

THE "ICEBERG" OF IGNORANCE and the impact on change and development

4%

Problems known to top managers

9%

Problems known to middle managers

Problems known to supervisors

100% Problems known to front line workers

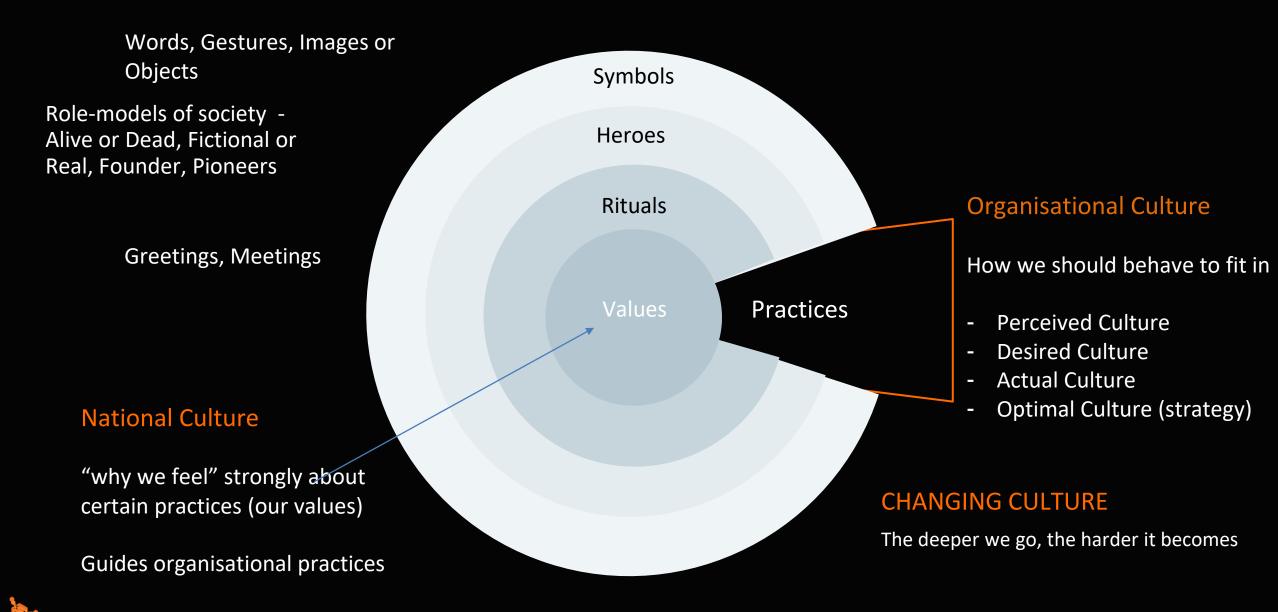


Human Behavior





The Different Levels of Culture



Culture In the broad anthropological sense

"The collective programming of the human mind by which one group differs from another group."

And within organisations; how people relate to each other, their work and the outside world



Culture is **not** about good or bad





All organisations have a company culture.

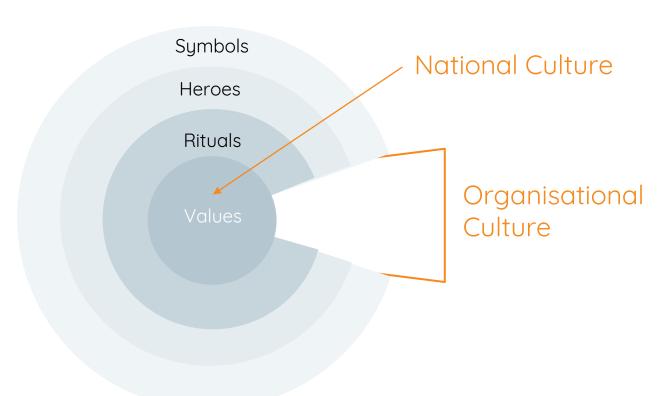
But not every culture helps to implement and drive the company's strategy



ABOUT CULTURE







ABOUT CULTURE

CULTURE NEEDS TO BE QUANTIFIED

1

Understand the complex reality of your organisation

2

Visualise the actual and desired culture to know where to surgically intervene

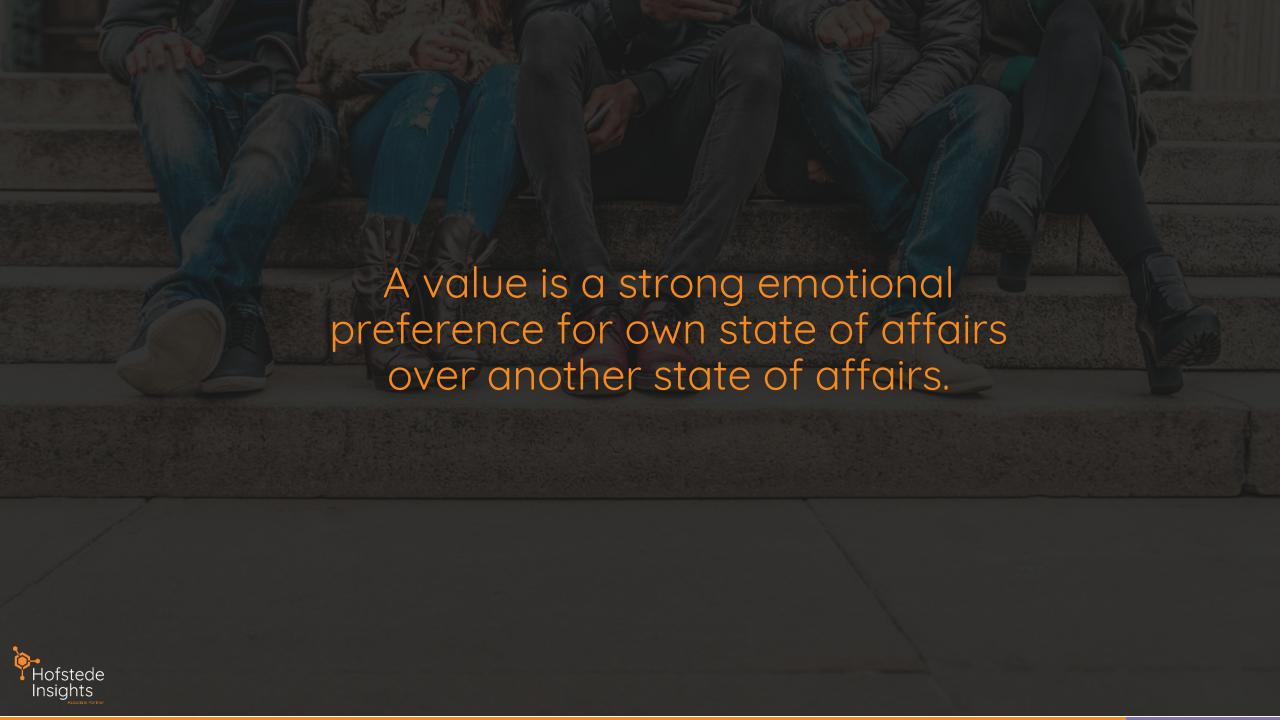
3

Understand the sub-strategies throughout your organisation

...The Devil is in the details





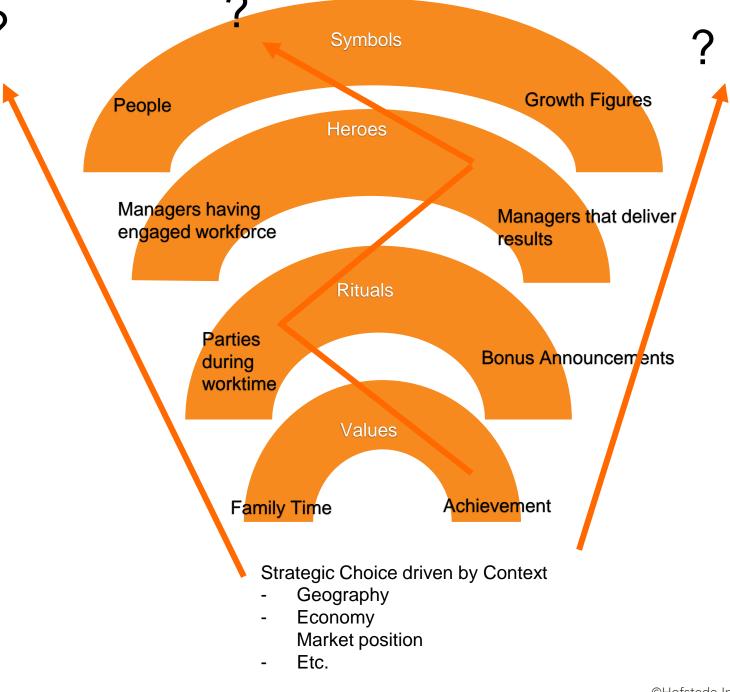


Slovenia – USA

Feminine (consensus) - Masculine (Speed)

Value Statement *People matter, Results Count*

Depending on practices chosen, you create another type of organisational culture





The Multi-Focus model of Organizational Culture

"Work practices"

D1 | EFFECTIVENESS

Means versus goal oriented

CUSTOMER ORIENTATION

Internally versus externally driven

CONTROL

D2

Easy-going versus tight work control

D4 | FOCUS/SOCIAL CONTROL

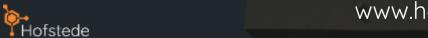
Local versus professional

D5 | APPROACHABILITY

Open vs. Closed systems

D6 PHILOSOPHY
Employee versu

Employee versus work oriented



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The 6-D model of National Culture

"Emotional preferences"



1 - POWER DISTANCE INDEX (PDI)

Relationship to power



2 – INDIVIDUALISM / COLLECTIVISM (IDV)

Relationship to the group



3 - MASCULINITY / FEMINITY (MAS)

Relationship to motivation



4 - UNCERTAINTY AVOIDANCE INDEX (UAI)

Relationship to uncertainty



5 - LONG TERM ORIENTATION (LTO)

Relationship to time



6 - INDULGENCE-RESTRAINT (IVR)

Relationship to pleasure





The 4 rules of creating a learning culture



A learning culture
What does it mean
for you? Plot the
optimal scores on
the Multi-Focus
model.



Ensure consistency
from the inside
(beliefs) to the outside
(symbols) - every layer
of the onion needs to
be consistent



Understanding where there are gaps between actual working practices and strategic focus is the quick-win



Culture is a direct
balancing acts with
your strategy - it will
either slow things
down, or speed things
up.

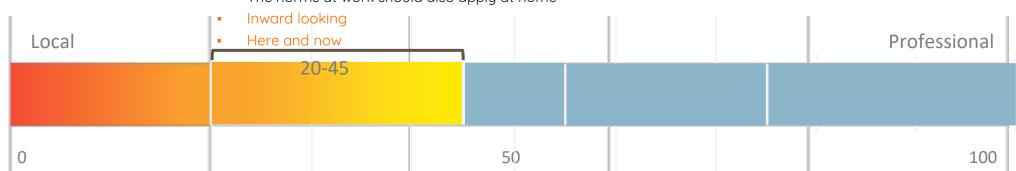
Strategy + (the right) Culture = Balancing speed and data security



D4 Focus

B. Functional local

- Internal loyalty among everybody
- Newcomers who differ from us should adjust and therefore they will be tested out
- Innovative
- A critical attitude is not appreciated
- The norms at work should also apply at home



0-20 20-45 45-55 55-75 75-100

A. Dysfunctional local

- Internal loyalty is all important
- Here and now
- Inward looking
- Newcomers who differ from us are right away rejected
- A critical attitude will be sanctioned
- Competition and mistrust between units is strong
- The outside world is threatening

B. Dysfunctional local

- Managers require subordinates to be loyal to them
- A critical attitude by subordinates is being perceived as rejection
- Managers, therefore, don't want their subordinates to be critical

C. In-between

- Diversity is okay
- A critical attitude is okay

D. Professional

- It is important to know what competition does
- Outward looking
- Fairly long-term horizon
- We learn from our mistakes

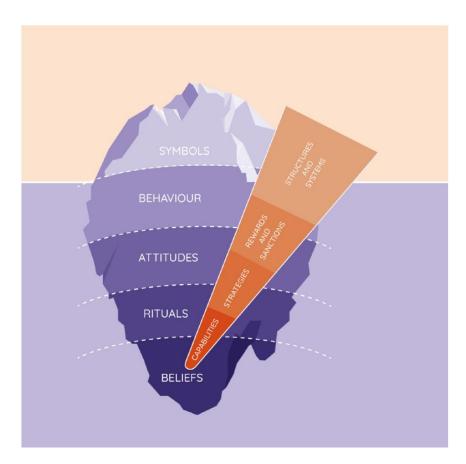
E. Very professional

- Diversity is welcomed
- Without a critical attitude you will not make promotion
- It is important to monitor what happens in our field of competence
- Outward looking
- Long-term horizon
- We learn from our mistakes



A practical example

In hierachical countries (like Slovenia) all of the below have to be led by the top!



Belief	Focus
Rituals	
Attitudes	Strategy
Behaviour	Rewards and Sanctions
Symbols	Structures and systems

We believe that we can learn and always improve

Celebrate mistakes, host an annual "what did we learn most from" event.

By ensuring people go out of the company, we ensure loyalty to their profession and enable them to be proud of their own skills and knowledge.

By having our people be loyal to their profession and proud of their own skills, we ensure they question the status quo and and as such drive the organization forward.

Promote managers who tolerate mistakes and turn them into opportunities for learning Reward people with more study time, with informal coach positions, etc.

Spend two hours a week on studies, during work-time Spend four hours a month on networking, during worktime



TRADEOFF> BILLEABLE HOURS, but more actual productivity due to less sick leave and more engaged employees

Key Take-Aways

Some of our key points for you to take forward.

- Measuring culture can be done
- Consideration of the Business environment is the key (to an enabling culture)
- Your own (executive) behaviour sets the tone
- Be very explicit in joint working practices as national cultures impact the meaning of words and with that the actual behaviors and emotions attached.
- Cultural alignment can increase ROE and EBITDA with 15-30%

Any Questions?



