

Nordea

Culture

- Cultural differences
- Cultural theory (Hofstede)
- References and useful reading



Slide key message:

Agenda slide for the next part of the presentation

Info to individual topics on the slides:

Good idea to have a break before we go into this part

Cultural differences

- The key objective is to make successful deliveries and high quality service. being aware of yourself and your cultural background
- Knowing, understanding and being open to cultural differences makes the key thing – successful communication – easier
- Each individual and each team is different, there is no “typical Indian, typical Dane, typical Swede, typical Norwegian, typical Finn, typical Pole” – but knowing and understanding the similarities and differences in our cultures helps to become efficient faster
- Listen, be open-minded, learn how others behave and how your behaviour is perceived, give and take feedback – and remember the common objective in succeeding to deliver

Basic understanding of the following pages

- The following contains some topics to be aware of and some **recommendations** hopefully helping to create a **good working relationship** with persons from India
- These recommendations are based on cultural **generalisations** and **stereotypes**
- You will be working with **individuals** who can have a different background and experience – please listen to your counterparts and be open to find your common way of working



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Slide key message:

Get a common understanding of each other and by doing so it is easier to work together

Info to individual topics on the slide:

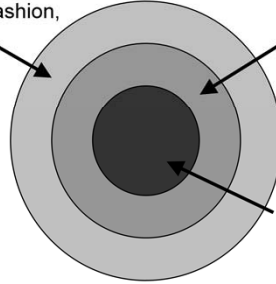
Getting to know the cultural differences – makes it easier to get a common way of working. The examples do not fit for all individuals in a culture, but may be generalisations

Polar bears do not run around in the streets in the Nordics

Cultures – what does it mean?

- Culture is here seen as a background for communication and interaction with others. One way to structure it (e.g. by a Dutch culture scientist Frons Trompenaars) is to think of three layers:

the outer layer consists of explicit factors: the language, food, fashion, habits and other elements we can see, hear and feel



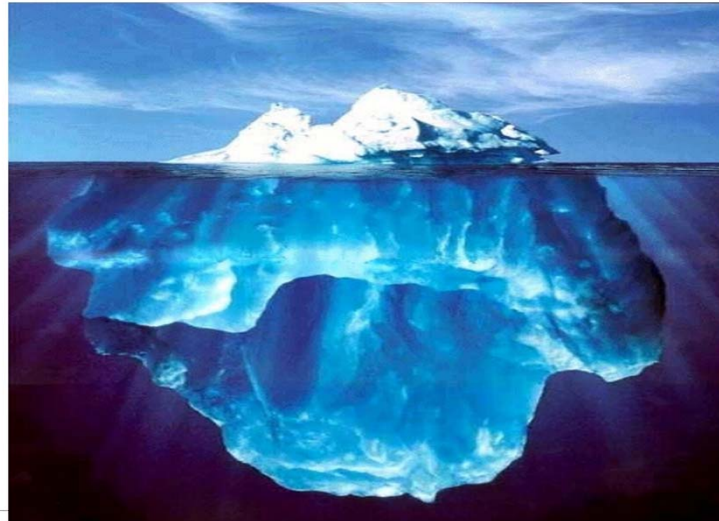
the middle layer consists of norms and values: what we have learned to consider "right" and "wrong" in our rules and social control systems, and how our underlying values determine "good" and "bad"

the innermost layer consists of our implicit basic assumptions about existence, what is built into us so deep we do not even question or recognize it every day

- These three layers are different in different countries, areas and companies. They impact our thinking, acting and communication.

Culture - like an iceberg

consists of various levels of which only a small part is visible



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Slide key message:

This is an intro to some theory around why we perceive each other in the different ways we do.

Culture is like an iceberg – you see/hear/get reactions from the top, but what lies underneath the surface is e.g. values, beliefs, ideologies, tradition, norms which is reflected in the actions on top.

The key is not to change but to be able to adapt

It is about building bridges and using adapters – not changing values

It is about curiosity and flexibility

Most importantly, it is about mutual trust and respect

Info to individual topics on the slide:

The middle layer you see is often where you find similarities and common ground.

Whenever you may encounter a problem, the reactions is what you get from the top of the iceberg. But the reason for the possible damage is what lies underneath the surface. Hence you must be aware of what lies underneath the surface to minimise the possible problems/issues in cooperation with people from other backgrounds than yourself.

Each individual and each team is different

There is no “typical Indian, typical Dane, typical Swede, typical Norwegian, typical Finn”

Knowing and understanding the similarities and differences in our cultures helps to become efficient faster

We all come with different backgrounds, upbringing and perceptions about each other, no matter how close or far away we live from each other

Communication is key to understanding each other

Hofstede's cultural dimensions

- Hofstede is a Dutch social psychologist
- His studies are based on extensive empirical studies created a five-dimensional model for analysing cultures
- In 2010 a sixth dimension was added to his model
- His research data are available for several cultures



Geert Hofstede's cultural dimensions

Power distance	The extent to which the less powerful members of organisations and institutions (from companies and teams to families) accept and expect that power is distributed unequally. How hierarchical the organisations are, is influence based on organisational position or knowledge/experience. This dimension expresses the degree to which the less powerful members of a society accept and expect that power is distributed unequally. The fundamental issue here is how a society handles inequalities among people. People in societies exhibiting a large degree of power distance accept a hierarchical order in which everybody has a place and which needs no further justification. In societies with low power distance, people strive to equalise the distribution of power and demand justification for inequalities of power.
Individualism vs Collectivism	Do people see them primarily as individuals or as members of a group (team, company, extended family etc.). Which needs are more important, those of the group or the person's individual needs. The high side of this dimension, called individualism, can be defined as a preference for a loosely-knit social framework in which individuals are expected to take care of only themselves and their immediate families. Its opposite, collectivism, represents a preference for a tightly-knit framework in society in which individuals can expect their relatives or members of a particular in-group to look after them in exchange for unquestioning loyalty. A society's position on this dimension is reflected in whether people's self-image is defined in terms of "I" or "we."
Masculinity vs Femininity (task orientation versus person-orientation)	How much weight is given on "traditionally masculine" values: assertiveness, competitiveness, achievement, vs. "traditionally feminine" values: caring and personal relationships, modesty, solidarity. The masculinity side of this dimension represents a preference in society for achievement, heroism, assertiveness and material rewards for success. Society at large is more competitive. Its opposite, femininity, stands for a preference for cooperation, modesty, caring for the weak and quality of life. Society at large is more consensus-oriented. In the business context Masculinity versus Femininity is sometimes also related to as "tough versus gender" cultures.
Uncertainty avoidance	How much uncertainty and ambiguity is accepted, to which degree unstructured situations will be avoided using formal rules and power structures, how risk and failure is seen. The uncertainty avoidance dimension expresses the degree to which the members of a society feel uncomfortable with uncertainty and ambiguity. The fundamental issue here is how a society deals with the fact that the future can never be known: should we try to control the future or just let it happen? Countries exhibiting strong UAI maintain rigid codes of belief and behaviour and are intolerant of unorthodox behaviour and ideas. Weak UAI societies maintain a more relaxed attitude in which practice counts more than principles.
Approach to time, long term orientation vs short term orientation	What role is given to time and time schedules. What is the time horizon of decisions. Small values typically also mean respect for traditions, a smaller interest for saving for the future, and focus in achieving quick results. High values indicate ability to adapt traditions to change situations and strong propensity to save and invest. Every society has to maintain some links with its own past while dealing with the challenges of the present and the future. Societies prioritize these two existential goals differently. Societies who score low on this dimension, for example, prefer to maintain time-honoured traditions and norms while viewing societal change with suspicion. Those with a culture which scores high, on the other hand, take a more pragmatic approach: they encourage thrift and efforts in modern education as a way to prepare for the future. In the business context and in our country comparison tool this dimension is related to as "(short term) normative versus (long term) pragmatic" (PRA). In the academic environment the terminology Monumentalism versus Flexhumility is sometimes also used.
Indulgence vs Restraint (6th dimension from 2010)	Measure: the extent to which people try to control their desires and impulses, based on the way they were raised. Indulgence stands for a society that allows relatively free gratification of basic and natural human drives related to enjoying life and having fun. Restraint stands for a society that suppresses gratification of needs and regulates it by means of strict social norms.

Slide key message:

Theory on Hofstede's cultural dimensions.

Info to individual topics on the slide:

Power distance: is about hierarchy and seniority – **higher in India** where the European countries are more equal and has lower power distance.

Individualism: **Higher in Nordic cultures** as Nordic people feel OK to be on their own, where as in Indian culture the community is very important – both at work and in the family

Masculinity: **India has the third highest ranking** in masculinity in Hofstedes dimension. The higher the ranking the greater the gap is between values of men and women. Nordic cultures are extreme in the EU landscape in emphasizing themes like relationships and solidarity

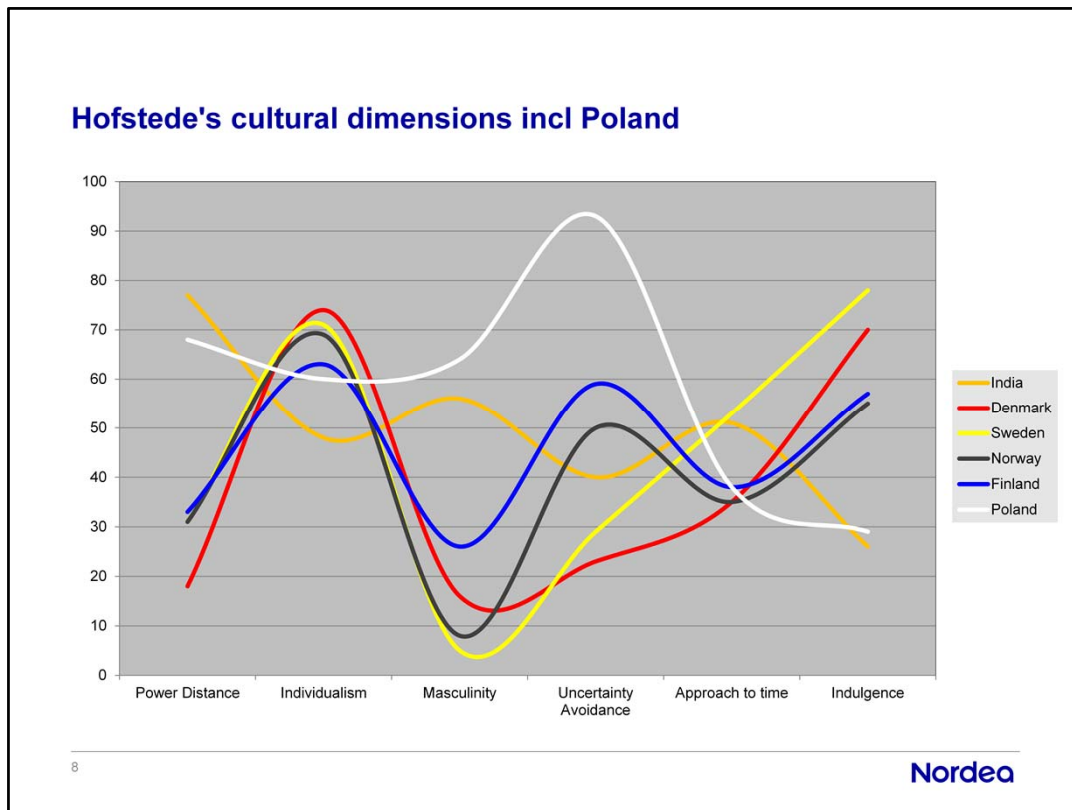
Uncertainty avoidance: this is about the need for structures, processes and documentation – **India is in the middle** here between the Nordic countries. **High** uncertainty avoidance tend to be more emotional. They try to minimize the occurrence of unknown an unusual circumstances and to proceed with careful changes step by step by planning and by implementing fules, laws and regulations. **More rules to feel comfortable.**

Low uncertainty avoidance accept and feel comfortable in unstructured situations or changeable environments and try to have as few rules as possible. They are **more tolerant of change.**

Long-term orientation: this can be interpreted as dealing with a society's search for virtue. It is **higher in India** as much is linked to tradition. **Relationshipbased** business, so

e.g. telemarketing does not work where long-term orientation is high, whereas telemarketing will work in EU+US. A process in India can be more important than an exact schedule. Whereas the value is lower for Nordic countries – time is money.

Indulgence vs Restraint: **High** score = Indulgence: people tend to have a relatively weak control over their impulses. Society allows relatively free gratification of basic and natural human drives related to enjoying life and having fun. **Low** score = Restraint: People tend to have a strong control over their impulses. It suppresses gratification of needs and regulates need gratification by means of strict social norms, e.g., higher number of police officers per 100.000 people.



Slide key message:

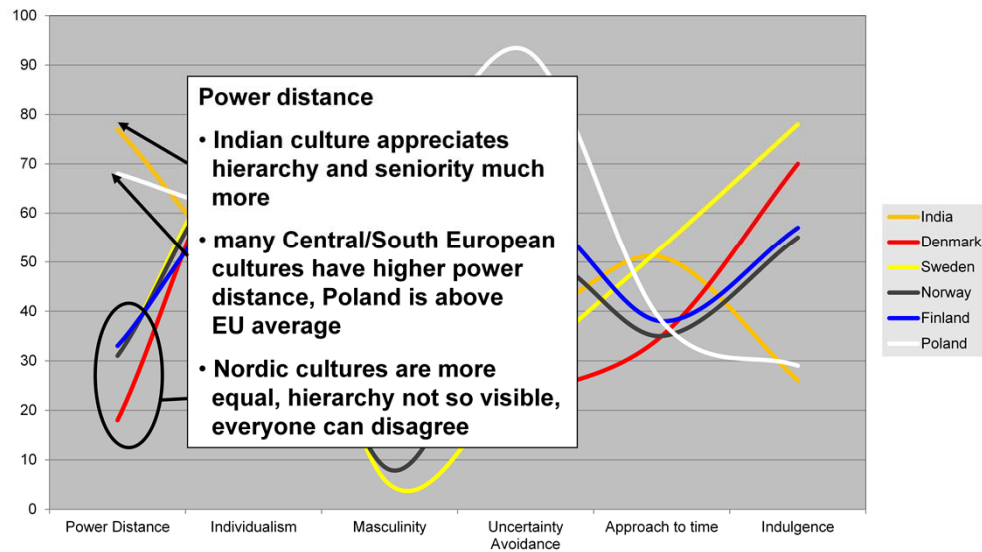
Have a look at this slide where you see the lines of the different countries. It shows where the 6 dimensions are close to each other and where they are further apart. It may give an indication of where you may encounter problems/misunderstandings if you are not aware of those differences. Knowing about the differences, may give you the possibility to do things differently from what you normally would do, so that you and your counterpart can communicate on a more common ground.

This slide is taken from Geert Hofstede who is a world known professor in cultural studies of how values in the workplace are influenced by culture.

No rating is more correct than another. The ratings just show where cultures tend to be alike or different.

The sixth dimension (Indulgence) has been added in 2010.

Hofstede's cultural dimensions – Power distance



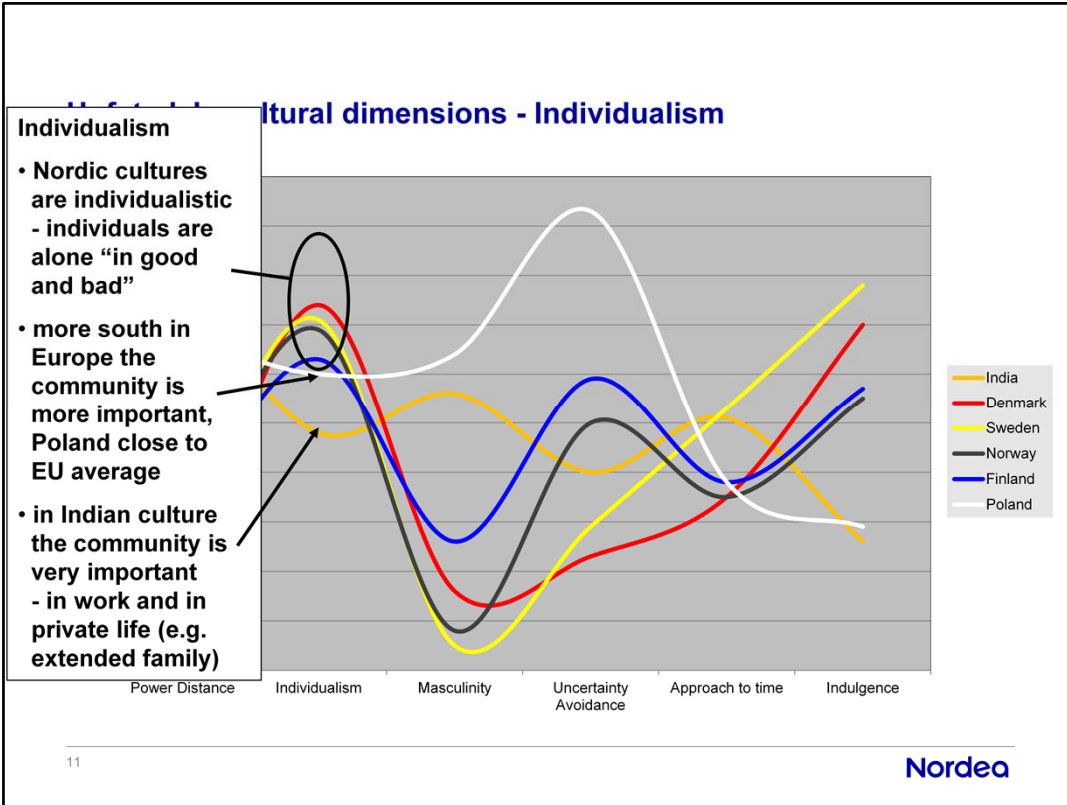
Power distance - implications

Indians

- in meetings “the boss” (manager, team lead, ...) talks on behalf of the team and the experts
- role and title are important, it is important to see a development
- it makes a difference who gives the message – “the higher in the hierarchy the better”
- avoid “embarrassing” the more senior persons
- hierarchy also makes communication and decision making clear

Europeans

- a specialist can have a lot of responsibility and can make decisions within his/her area
- talk directly to the specialist (who knows the matter best)
- OK to disagree and be critical
- decisions take sometimes much time, time needed to convince and reach consensus



Individualism - implications

Indians

- family is important, most people like to work close to the family (at the latest when having own family and children)
- teams, units, project teams are prepared to spend time together
- importance of having a role in the team, but also "behaving accordingly"
- not very usual to "stand up and disagree"
- success comes from succeeding in the group

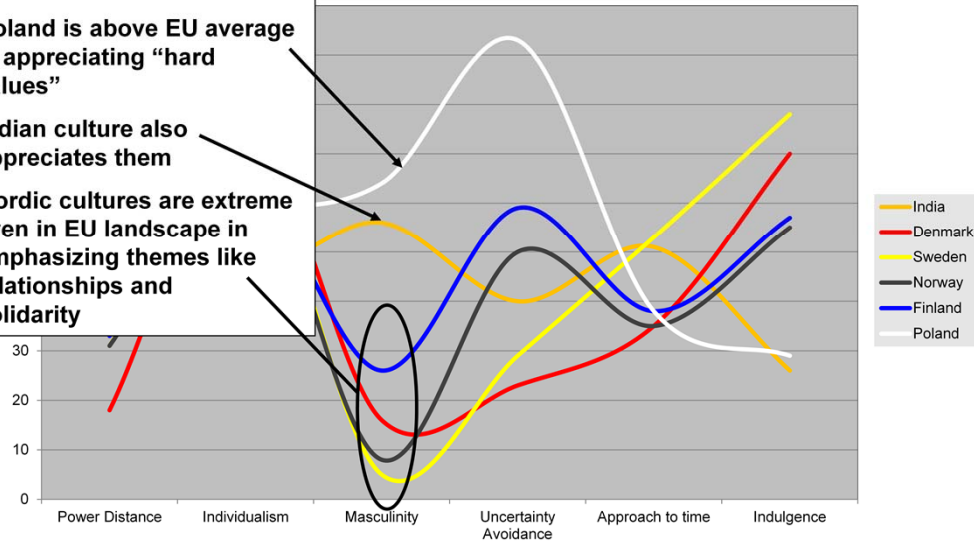
Europeans

- a lot more "lone wolf" mentality
- own needs, own satisfaction important – even when in conflict with those of the group
- individual success through own achievements

Hofstede's cultural dimensions – Masculinity/femininity

Masculinity/femininity

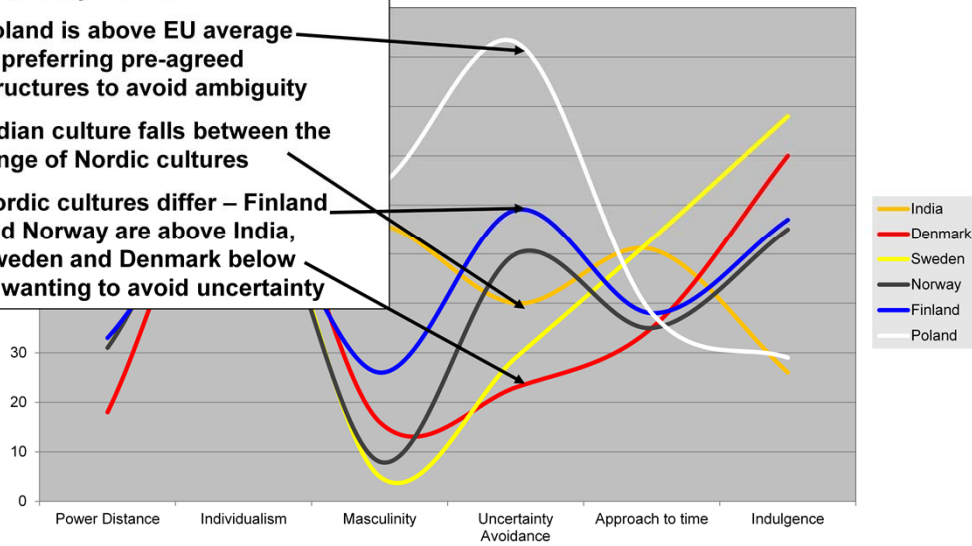
- Poland is above EU average in appreciating “hard values”
- Indian culture also appreciates them
- Nordic cultures are extreme even in EU landscape in emphasizing themes like relationships and solidarity



Hofstede's cultural dimensions – Uncertainty avoidance

Uncertainty avoidance

- Poland is above EU average in preferring pre-agreed structures to avoid ambiguity
- Indian culture falls between the range of Nordic cultures
- Nordic cultures differ – Finland and Norway are above India, Sweden and Denmark below in wanting to avoid uncertainty



Uncertainty avoidance - implications

Indians

- structures, processes and documentation – even in detailed level – is preferred
- clear instructions rather than “improvise as you go”
- important to have - and to communicate – a clear vision and roadmap – once that is in place a lot of creativity and initiative will be found to identify needed steps
- not easy to stand up and question or criticize what is going on, not easy to give an answer which is not what the other is expecting (rather “yes” than “no we can not deliver”)

Poland

- secure details, agree beforehand to avoid problems
- important to identify risks

Nordic

- proceed with quite high level target setting, “fix the details as you go”
- trust is important

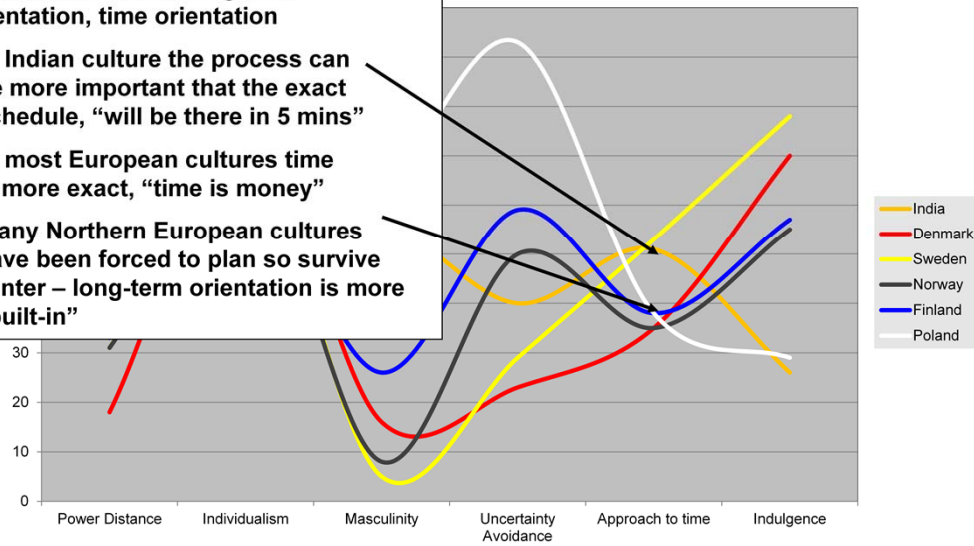
common

- want to hear the truth, even if it is not pleasant
- easier to say “no” – but of course not always and for all

Hofstede's cultural dimensions – Approach to time

Approach to time / Long-term orientation, time orientation

- in Indian culture the process can be more important than the exact schedule, “will be there in 5 mins”
- in most European cultures time is more exact, “time is money”
- many Northern European cultures have been forced to plan so survive winter – long-term orientation is more “built-in”



Approach to time - implications

Indians

- process more important than time: "the meeting ends when we are ready with the topic"
- waiting is not that critical
- a healthy focus in what needs to be done and achieved right now

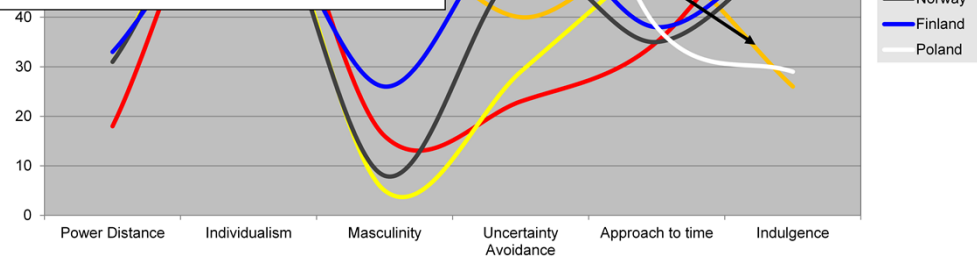
Europeans

- time is important: "the meeting ends now as it was scheduled to end"
- waiting drives one crazy
- normal to plan to the future and refuse doing something now to be able to achieve something later
- there are also big differences between the countries

Hofstede's cultural dimensions – Indulgence vs restraint

Indulgence vs restraint

- in Indian culture the low score shows a culture of restraint. People with this orientation have the perception that their actions are restrained by social norms
- many Northern European cultures have a high score showing a culture of indulgence. People with this orientation place a higher degree of importance on leisure time



Indulgence vs restraint

Indians

- Societies with a low score in this dimension have a tendency to cynicism and pessimism
- restrained societies do not put much emphasis on leisure time and control the gratification of their desires
- people with this orientation have the perception that their actions are restrained by social norms and feel that indulging themselves is somewhat wrong

Europeans

- People in societies classified by a high score in indulgence generally exhibit a willingness to realise their impulses and desires with regard to enjoying life and having fun
- They possess a positive attitude and have a tendency towards optimism
- They place a higher degree of importance on leisure time, act as they please and spend money as they wish

References and useful reading



- Geert Hofstede, Gert Jan Hofstede and Michael Minkov: Cultures and Organizations: Software of the Mind. Revised and expanded 3rd Edition
- The Culture Smart! series (books for each country)
- Culture Shock series (books for each country)

The books mentioned gives ideas on where you can find further reading about cultures in other countries.