



Trompenaars Hampden-Turner  
Culture for Business

# Managing cultural differences in Business Practice



Fons Trompenaars

22 May 2016

ECA2016: the 2nd European Congress of Actuaries



# Your clients and partners



# Doing More With Less: Main Levers To Pull



Einstein: "You can't solve a problem at the same level it was created!"

Whilst all organizations share the same types of problems during these difficult times, their approach to them is usually culturally biased and often set in their past.

New innovative solutions are required that are grounded in sharp strategy, understand the organization's value, reconcile the competing demands of the perspectives of all stakeholders including shareholders, employees and customers, plus solid branding and functional design.

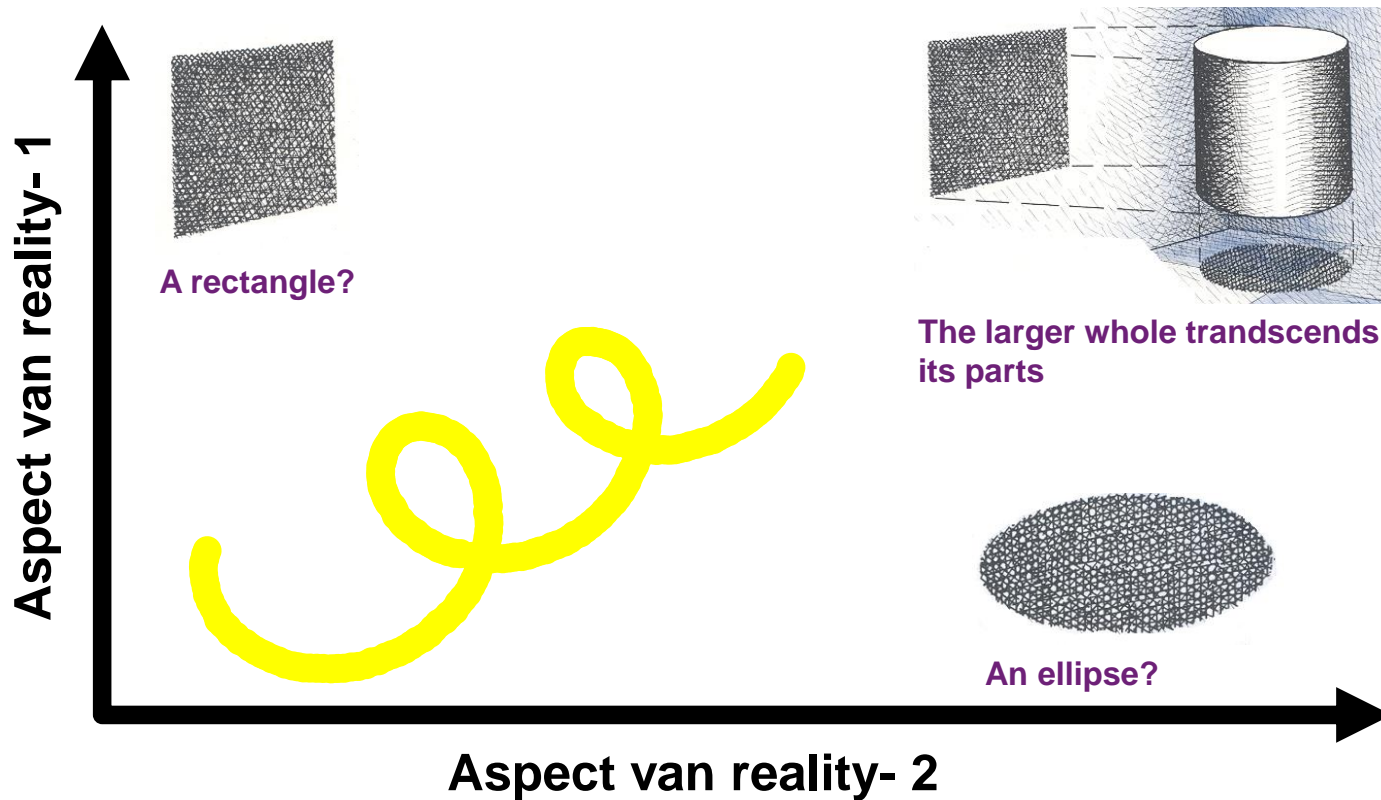
**Sustainability**

**Globalization**

**Leadership**

# Creativity Unifies Diverse Ideas

Two “opposing” perspectives  
frequently illumine a larger whole – remember creativity is also discovery



# Approaching Dilemmas: Navigating Strategic Tensions

**To Manage Risk is to Combine Values  
That are not easily joined...  
Therefore scarce...  
Therefore profitable....**

# Approaching Dilemmas: Navigating Strategic Tensions

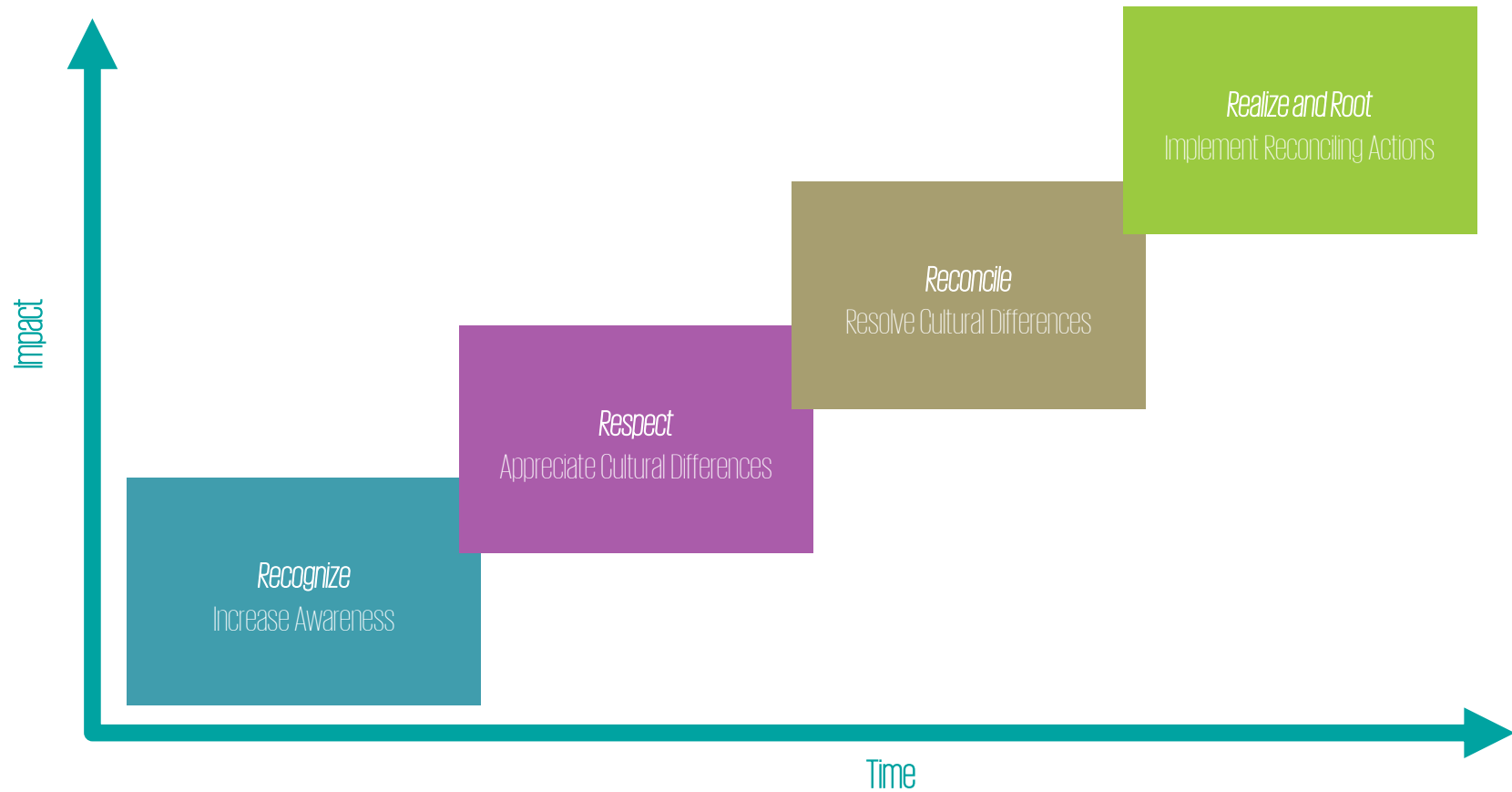
To Manage Risk Effectively is to Combine Values

that are not easily joined ...

therefore scarce ...

therefore profitable ...

# This Approach Leads to Concrete and Measurable Actions...



# Some Hard Evidence...

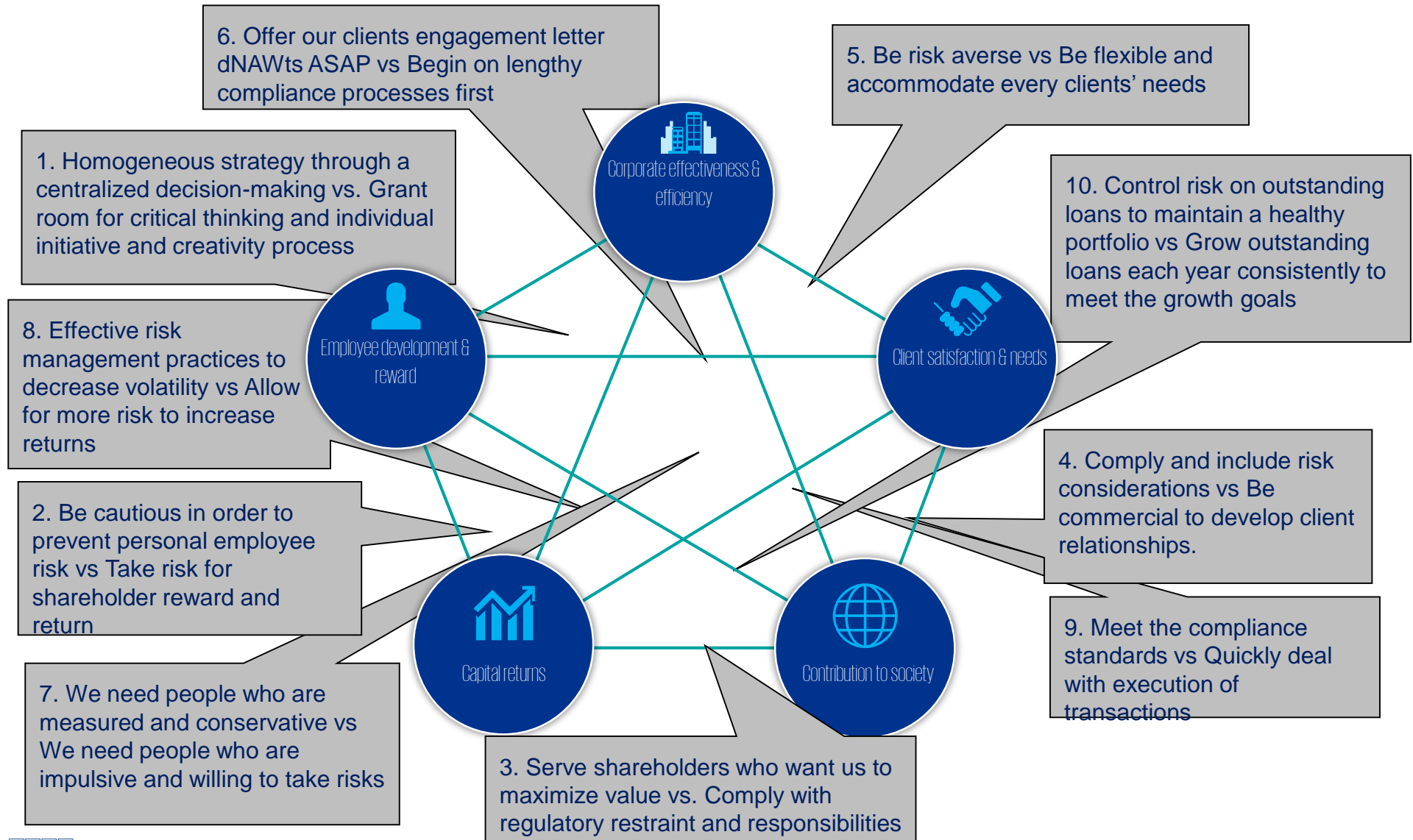
## Dilemma Reconciliation & Business Performance

**Our research reveals that the propensity to reconcile dilemmas correlates with bottom-line business performance.**

	<b>Correlation</b> <i>(Spearman's coefficient of rank correlation)</i>
<b>Correlation between reconciliation and 360° feedback by peers and subordinates</b>	0.71
<b>Correlation between reconciliation and bottom line business performance in profit center/budget stream</b>	0.69



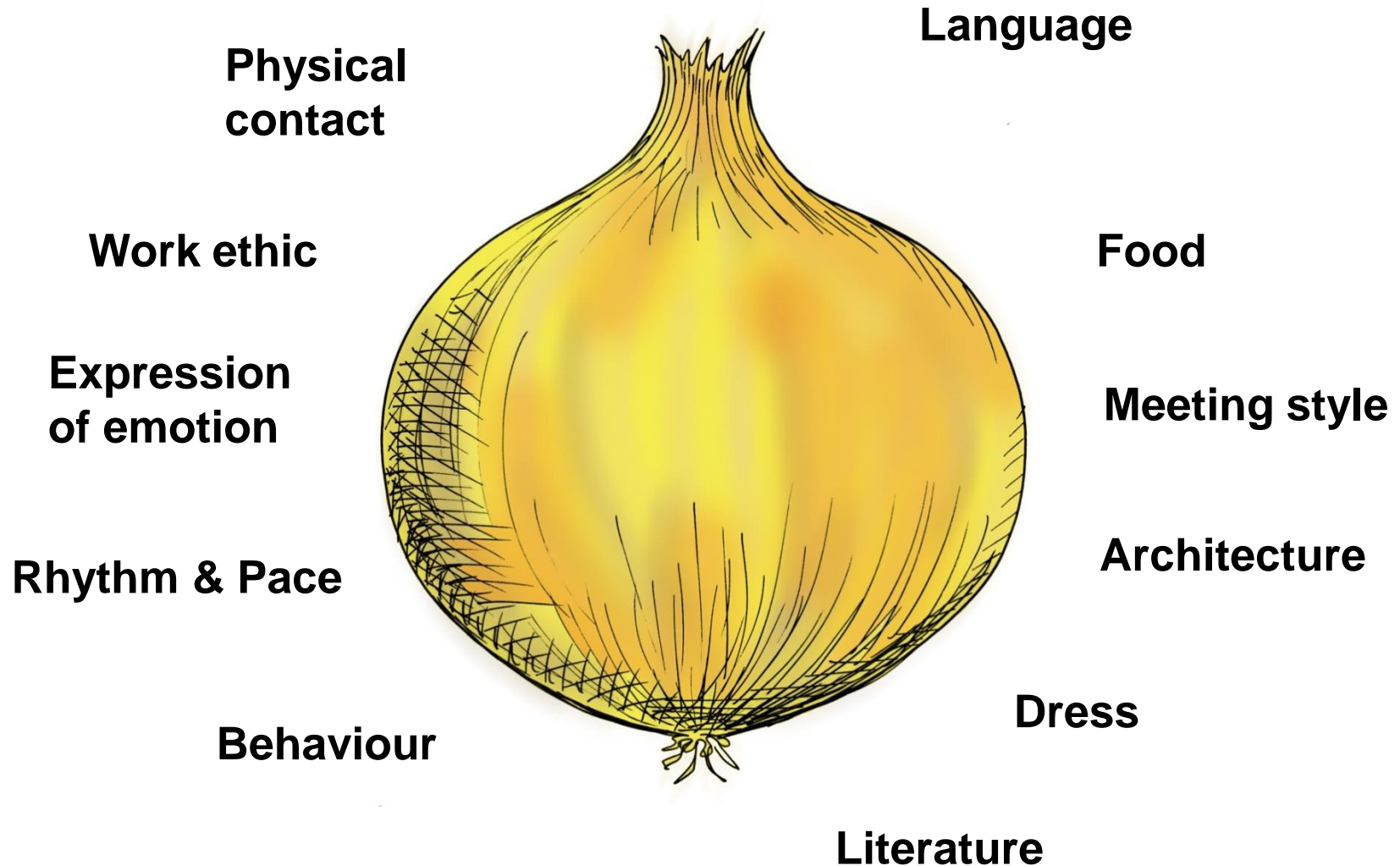
# Golden Risk Culture Dilemmas



# Culture

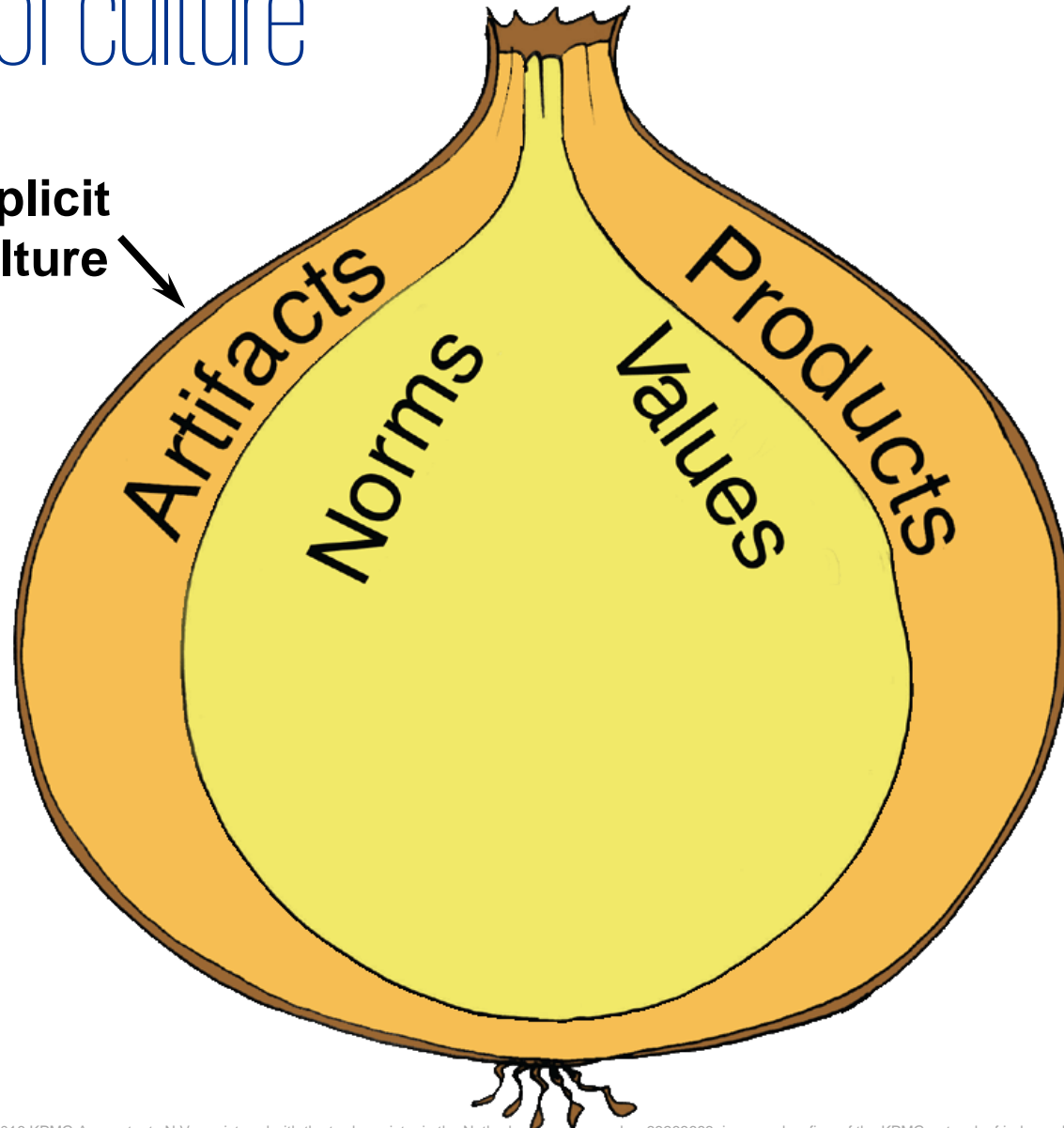
## Please define culture

# A model of culture

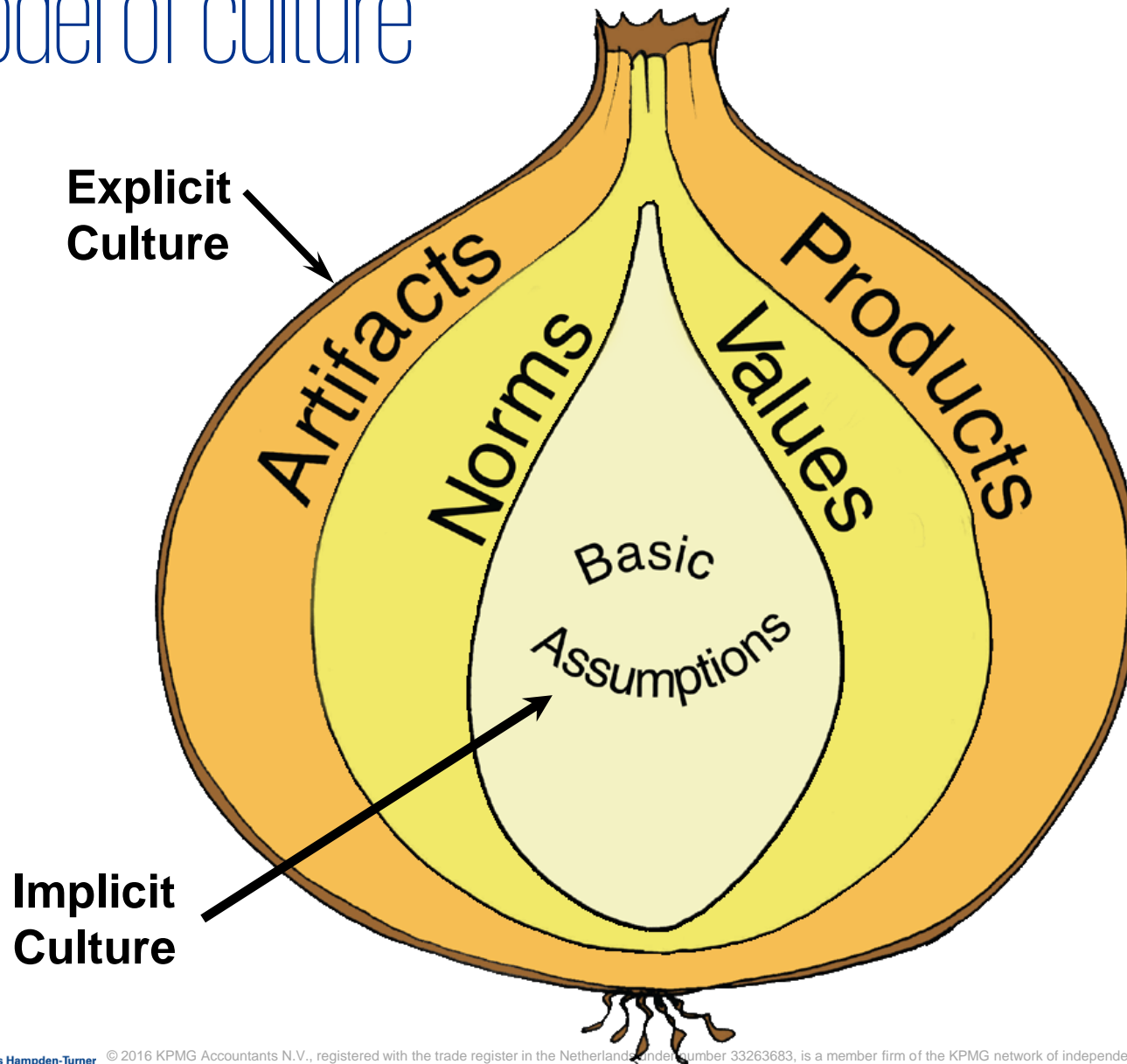


# A model of culture

**Explicit  
Culture**



# A model of culture





# About Culture

***Culture is a dynamic process of solving human problems/dilemmas in the areas of...***

**Human Relationships**

**Time**

**Nature**

# The Seven Dimensions of Culture

1	<b>Rules versus Exceptions</b>
2	<b>Individual versus Group</b>
3	<b>Neutral versus Expressive</b>
4	<b>Specific versus Diffuse (Holistic)</b>
5	<b>Status: Doing versus Being</b>
6	<b>Time: Sequential versus Synchronic</b>
7	<b>Internal versus External Control</b>

# The Seven Dimensions of Culture

*Rules vs. Exceptions*

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# Rules vs. Exceptions

*The Car Accident*

***What happens to your friend?***



# Rules vs. Exceptions

*What Right Does Your Friend Have?*



- A. My friend has a definite right as a friend to expect me to testify to the lower figure.
- B. He has some right as a friend to expect me to testify to the lower figure.
- C. He has no right as a friend to expect me to testify to the lower figure.

**... And: would you *help your friend*?**



# Rules vs. Exceptions

*Dilemma Reconciliation Example: The Value of Values*

***Please discuss in the context of these values what your answer would be...***

<b>1</b>	<b>Integrity</b>
<b>2</b>	<b>We respect the cultures of others</b>

# Rules vs. Exceptions

*Dilemma Reconciliation Example: Universalism vs. Particularism*

## **Characteristics of the two opposing perspectives:**

### **Universalism** *(Rules & Systems)*

- Consistency
- Systems, standards & rules
- Uniform procedures
- Demanding of clarity
- Letter of the law

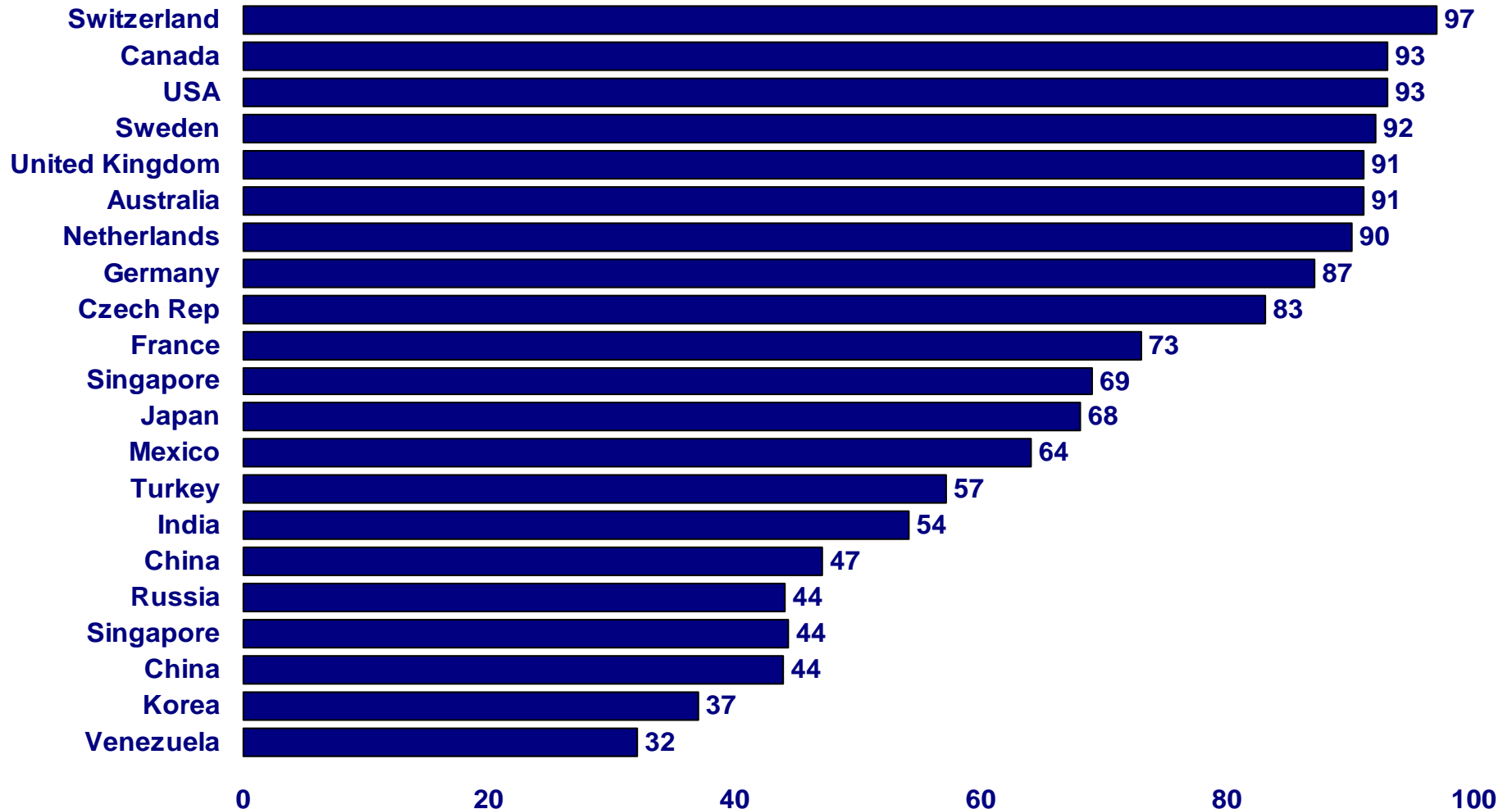
VS

### **Particularism** *(Exceptions & Relationships)*

- Flexibility
- Pragmatic
- Make exceptions
- “It depends”
- At ease with ambiguity
- Spirit of the law

# 01/ Universalism

## Friend has no/some right and would not help



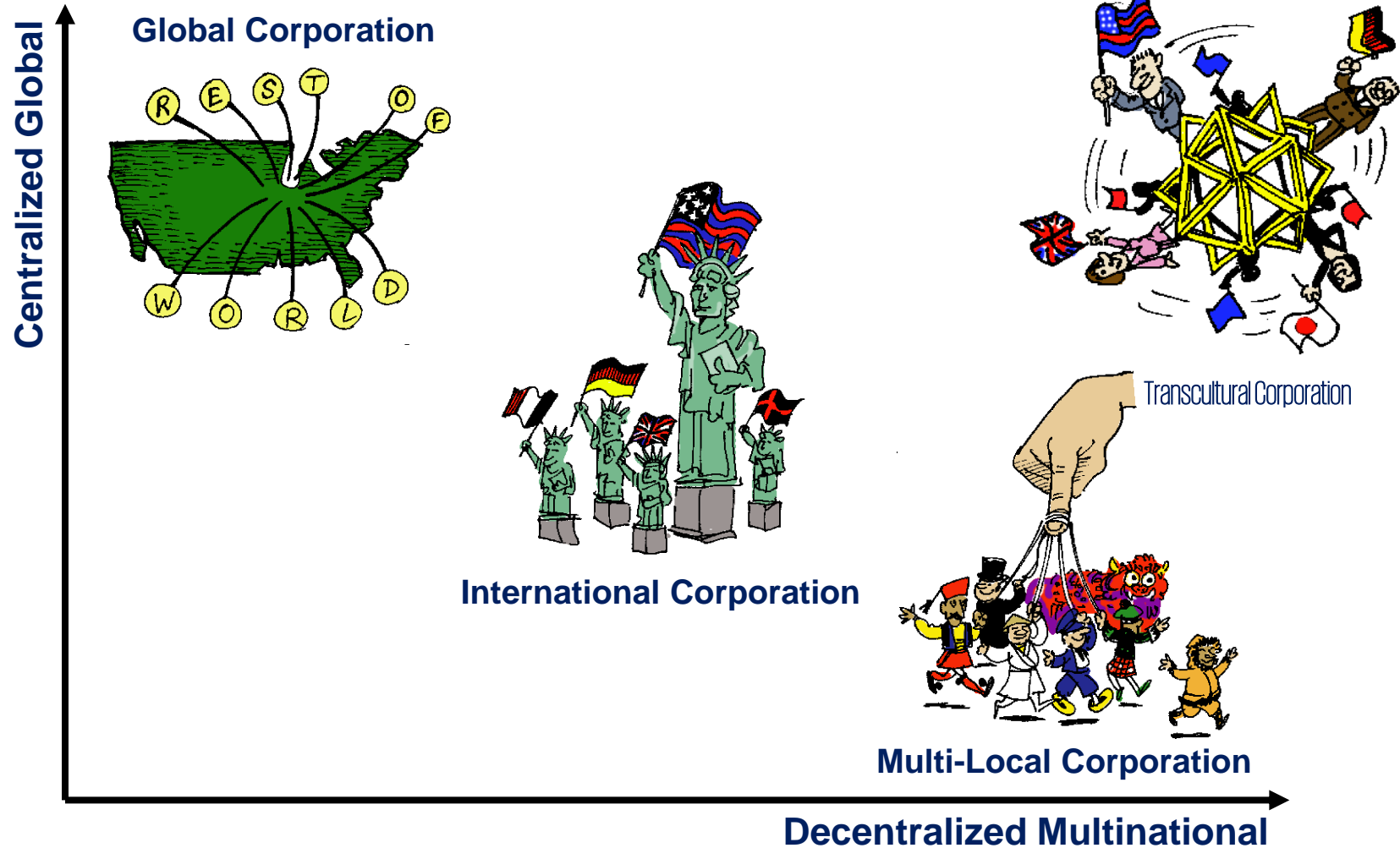
# Rules vs. Exceptions

*Example: Globalization vs. Localism Dilemma*



# Rules vs. Exceptions

Example: Globalization vs. Localism Dilemma





# The Seven Dimensions of Culture

*Specific vs. Diffuse*

1	Rules versus Exceptions
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# Specific vs. Diffuse

*Painting the House*

***A boss asking to paint his house...***



***The colleague argues:***

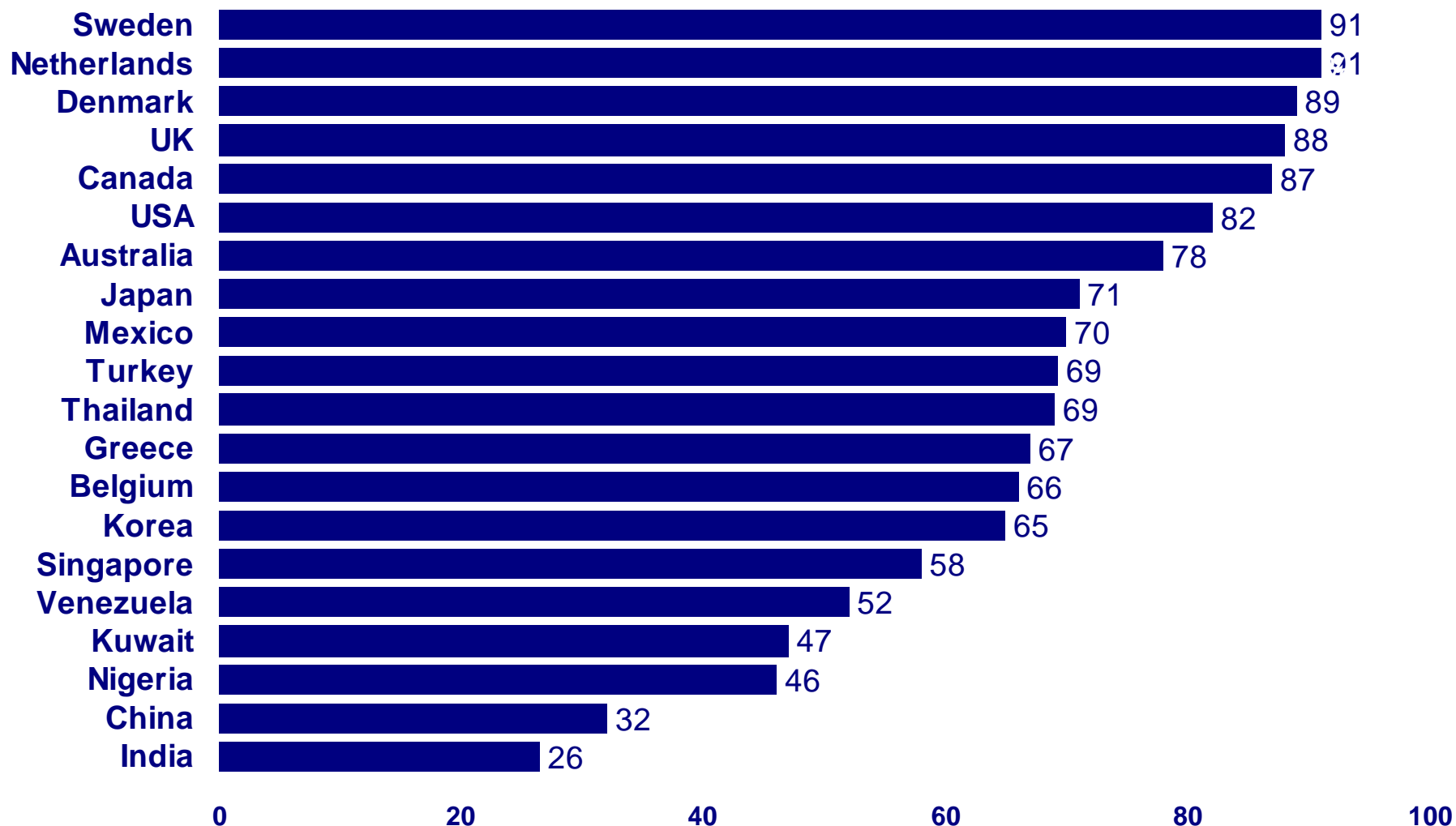
You don't have to paint the house if you don't feel like it. He is your boss in the company. Outside the company, he has little authority.

***The subordinate argues:***

Despite the fact that I don't feel like it, I will paint the house anyway. He is my boss and you cannot ignore it outside your work either.

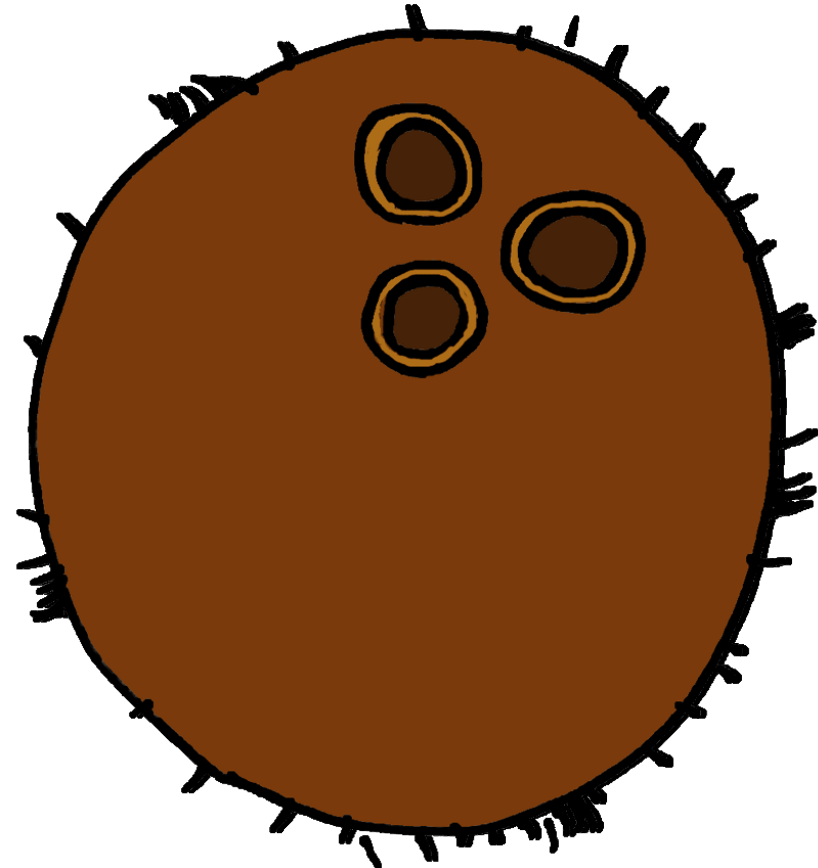
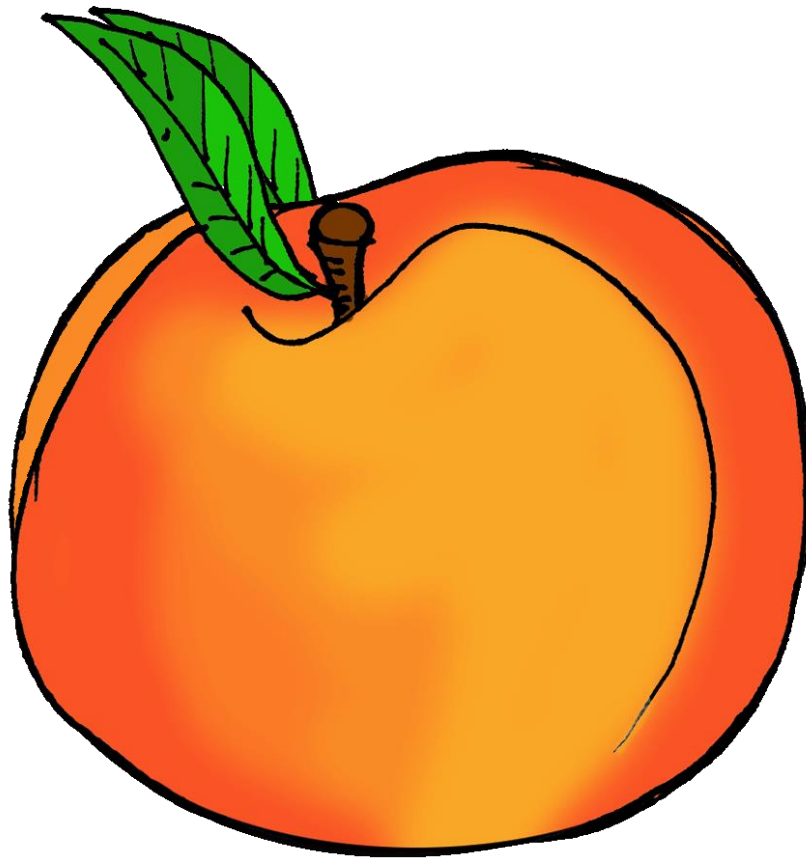
# 04/ Specificity

## Would not paint the house



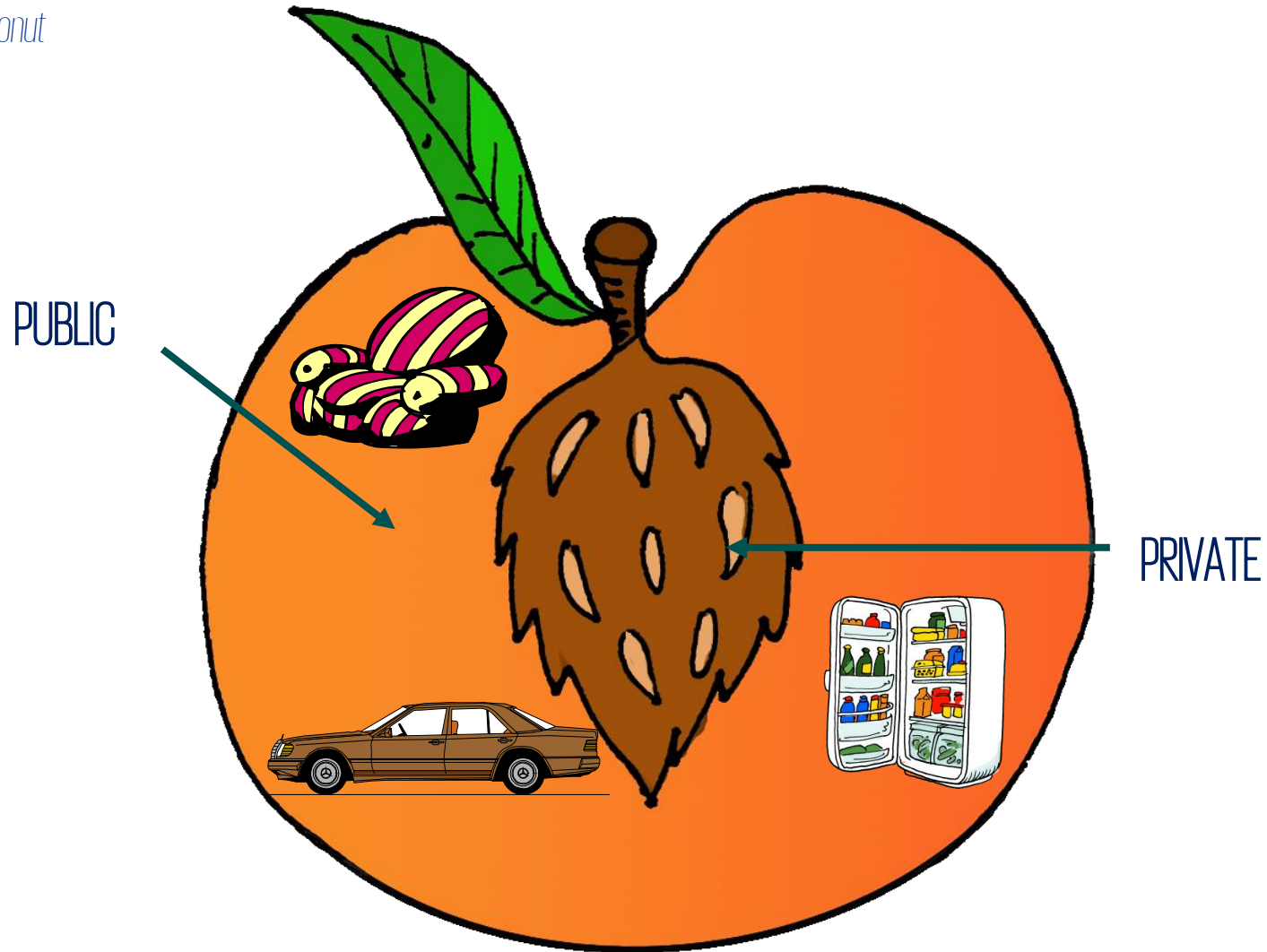
# Specific vs. Diffuse

*The Peach & Coconut*



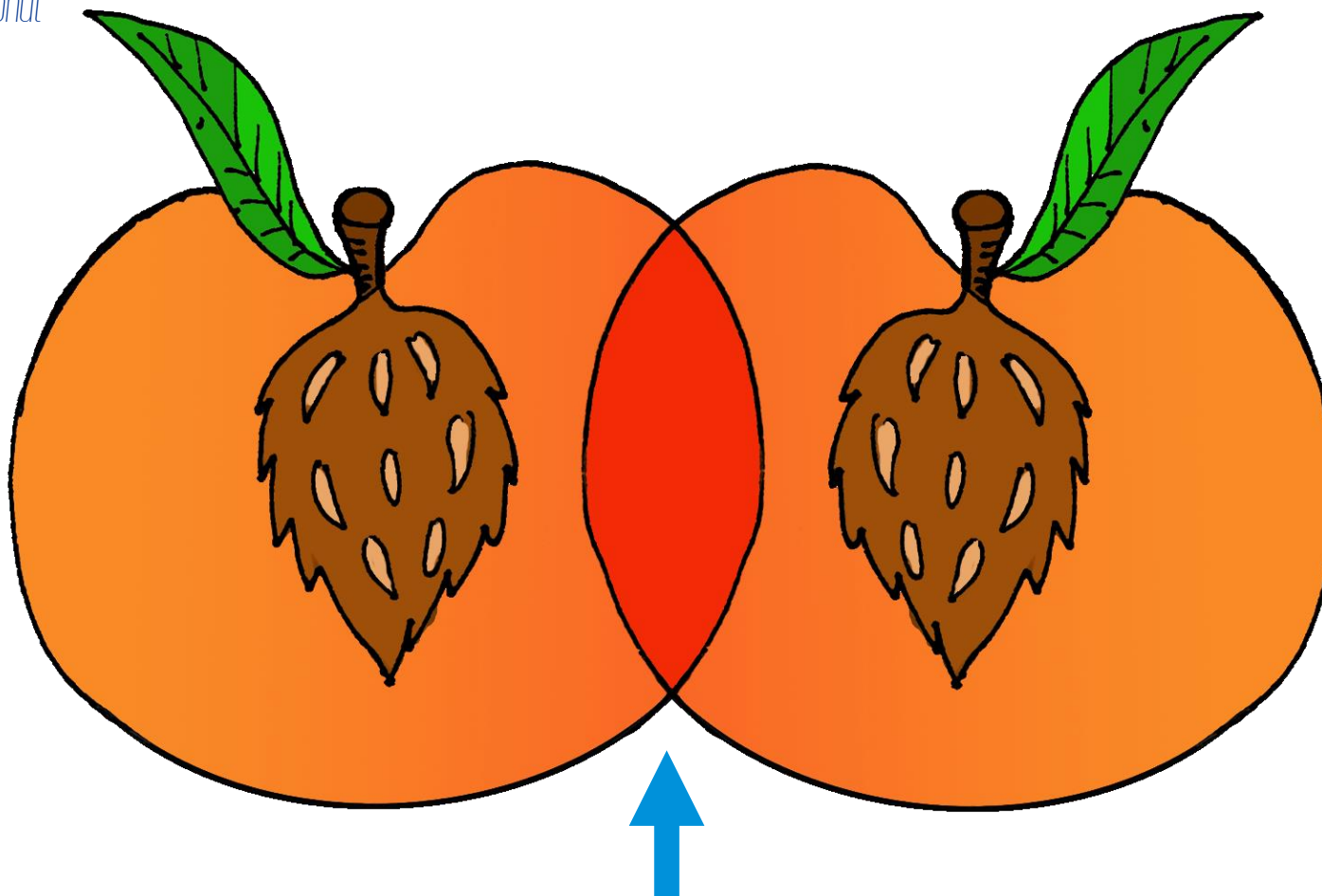
# Specific vs. Diffuse

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# Specific vs. Diffuse

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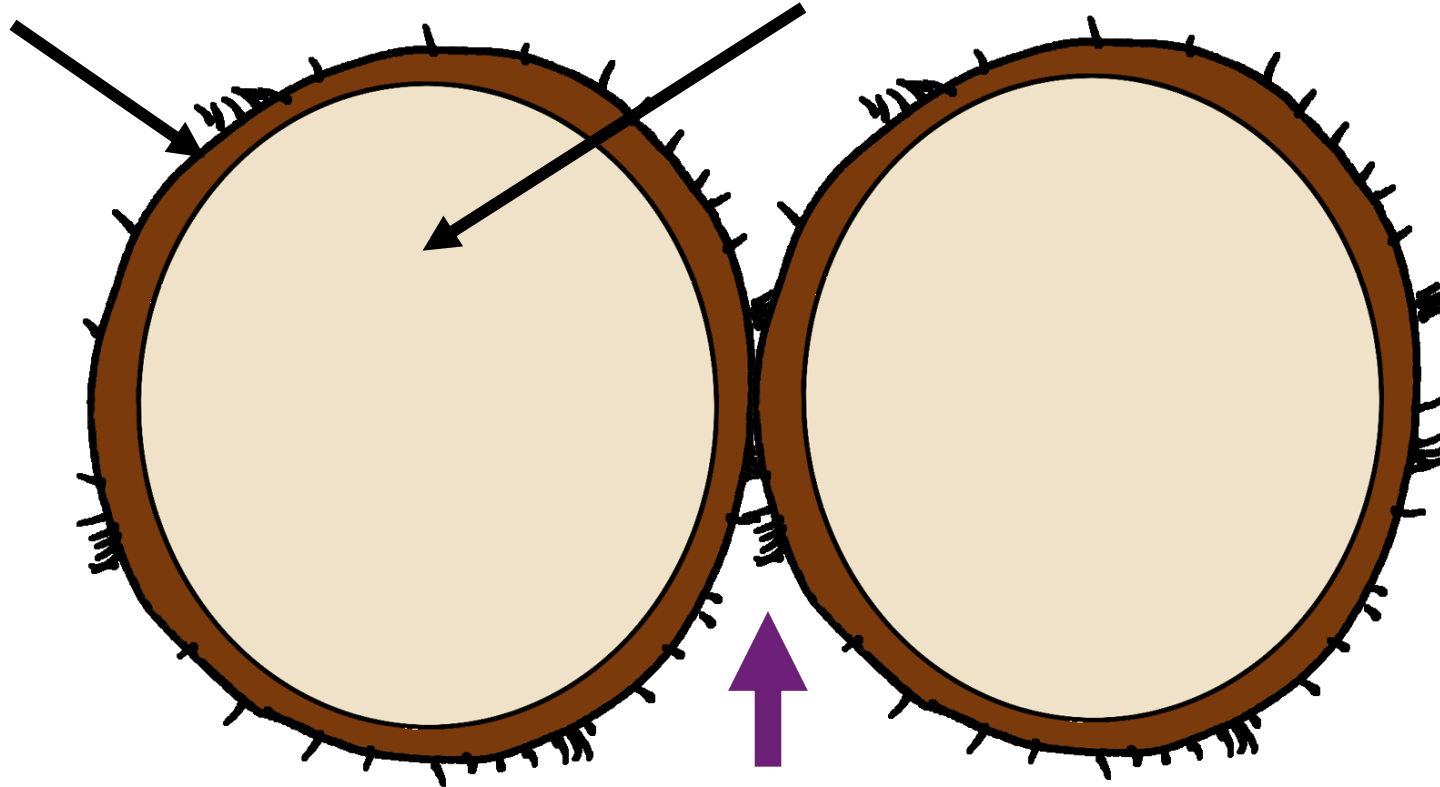
Specific Relationship

# Specific vs. Diffuse

*The Peach & Coconut*

PUBLIC

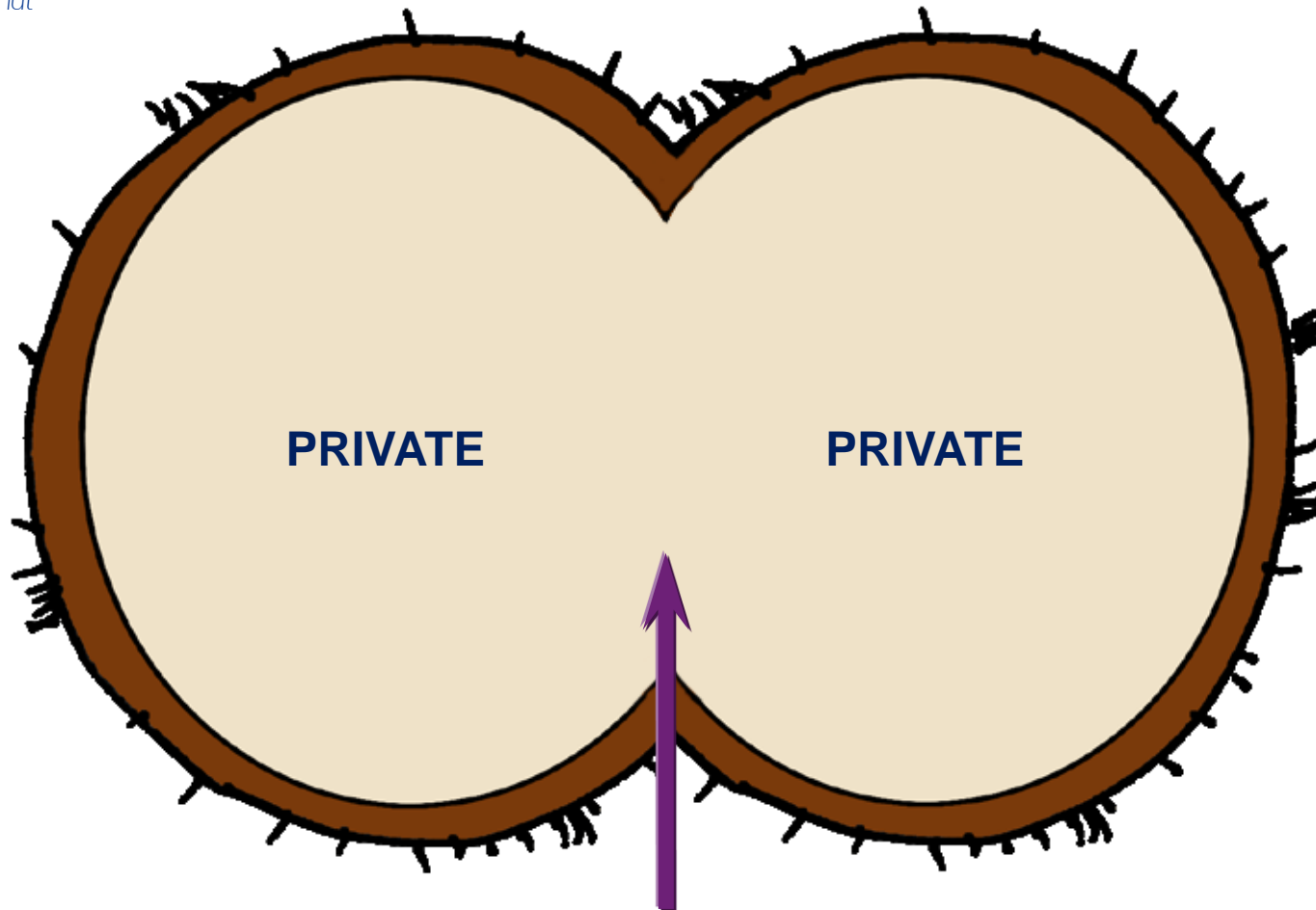
PRIVATE



No Relationship

# Specific vs. Diffuse

*The Peach & Coconut*

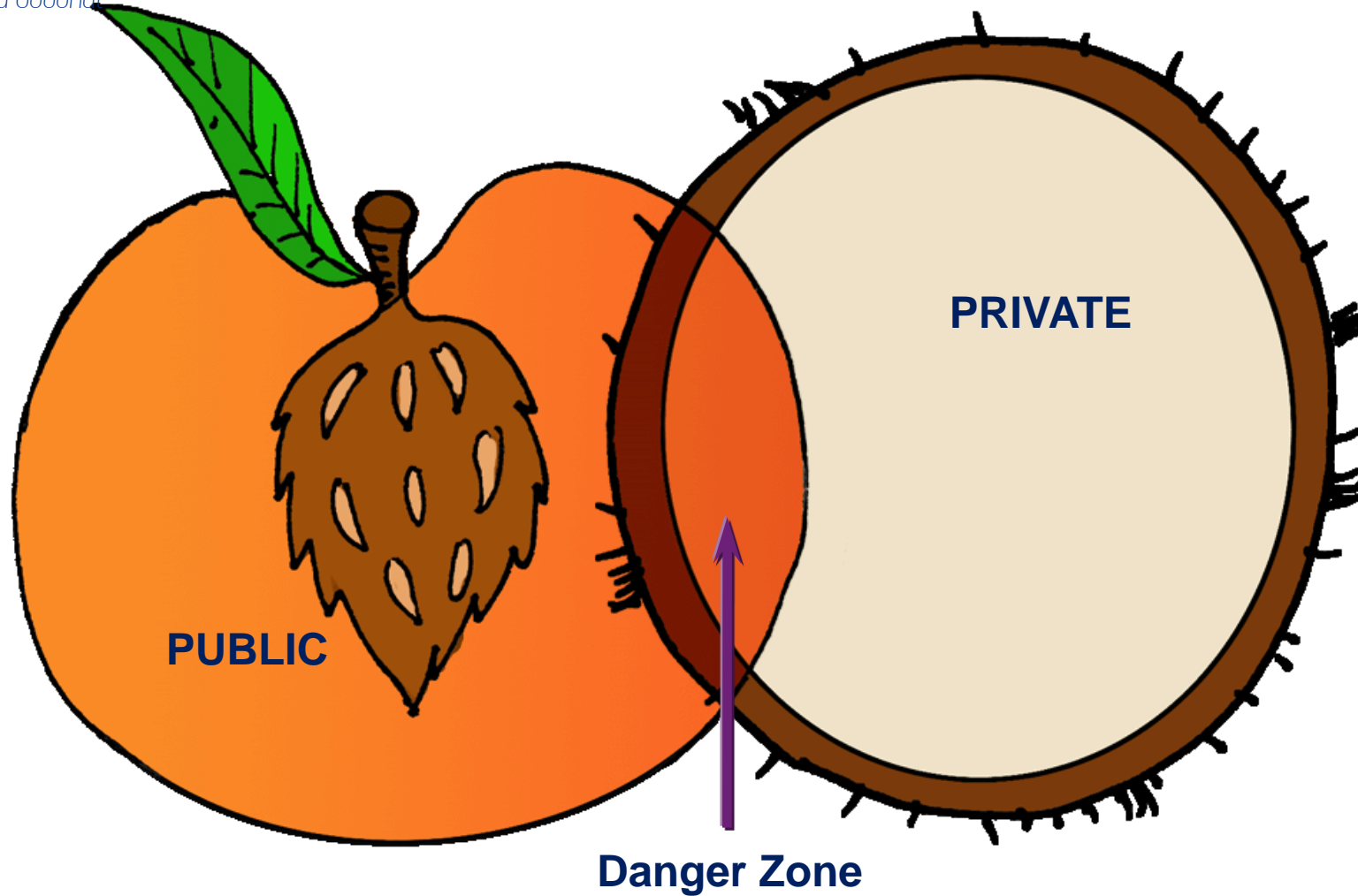


**Diffuse Relationship**

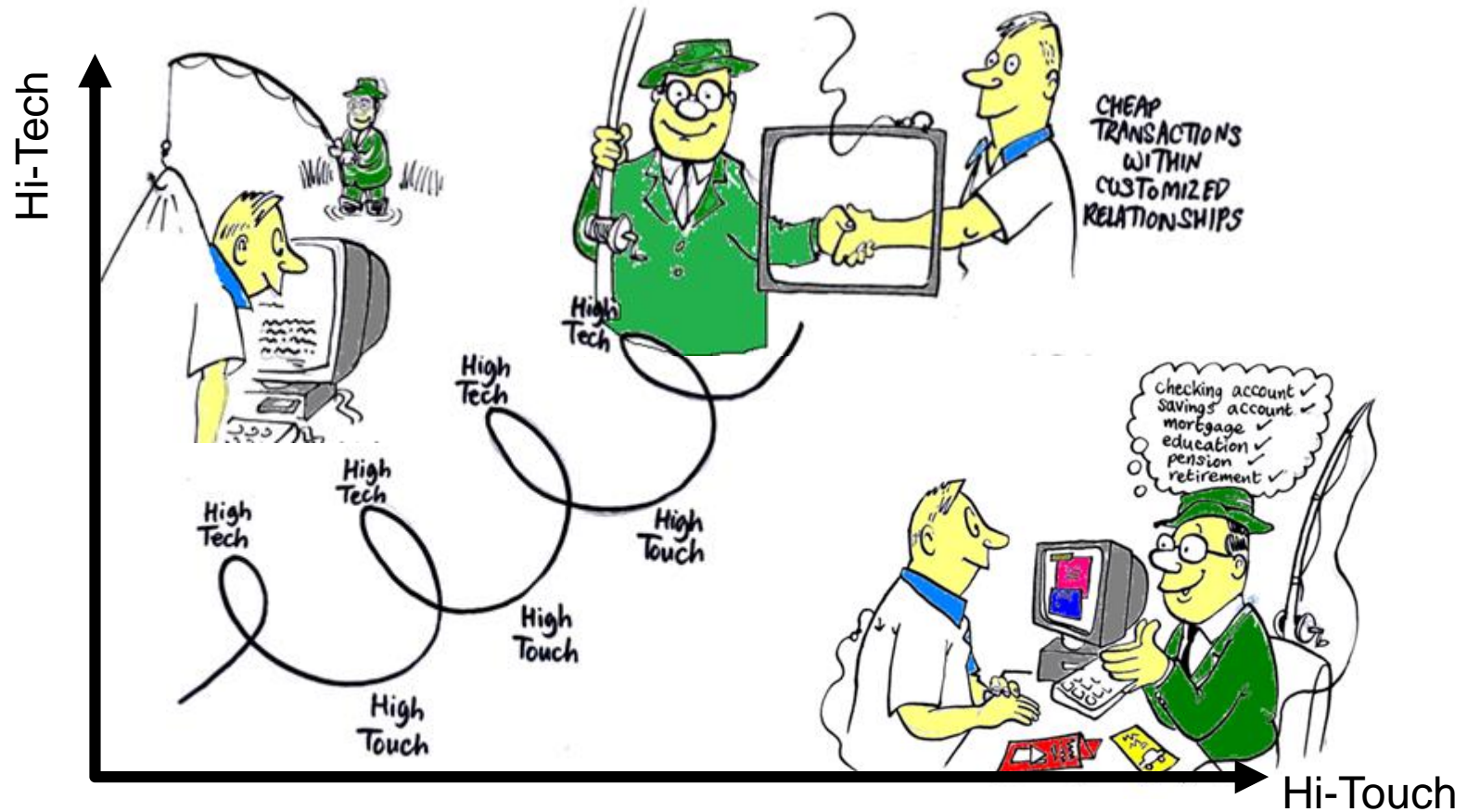


# Specific vs. Diffuse

*The Peach & Coconut*



# Hi-Tech versus Hi-Touch



# The Seven Dimensions of Culture

*Status: Doing vs. Being*

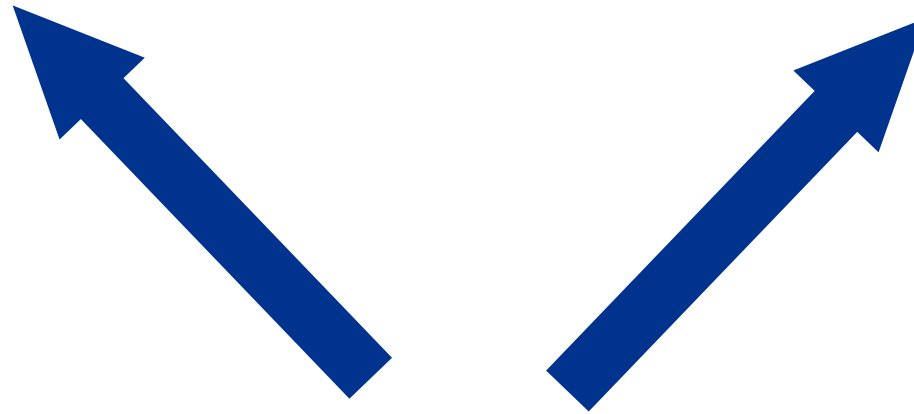
1	Rules versus Exceptions
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# Status: Doing vs. Being

*Example: Achievement vs. Ascription*

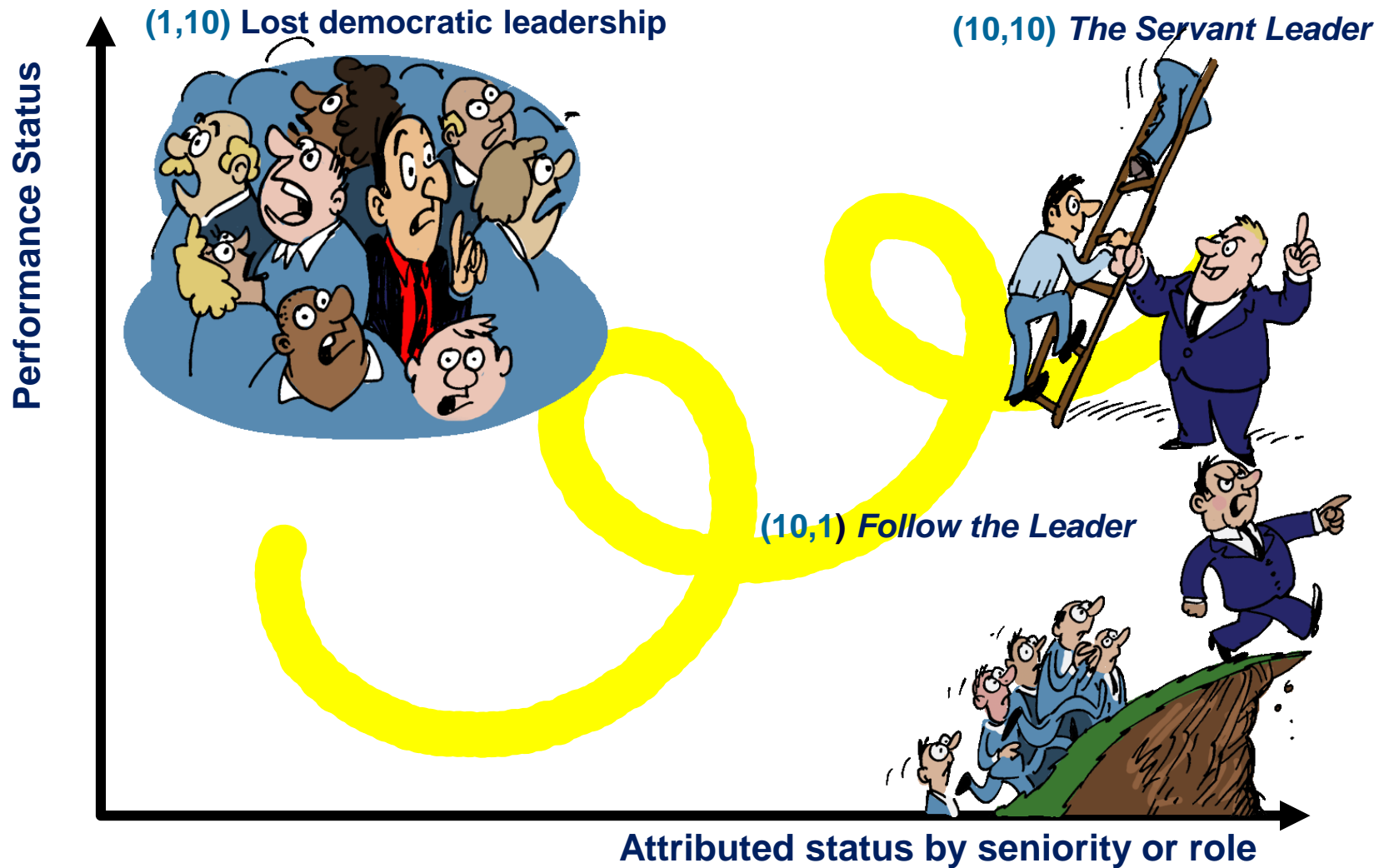
**What You Do**

**Who You Are**

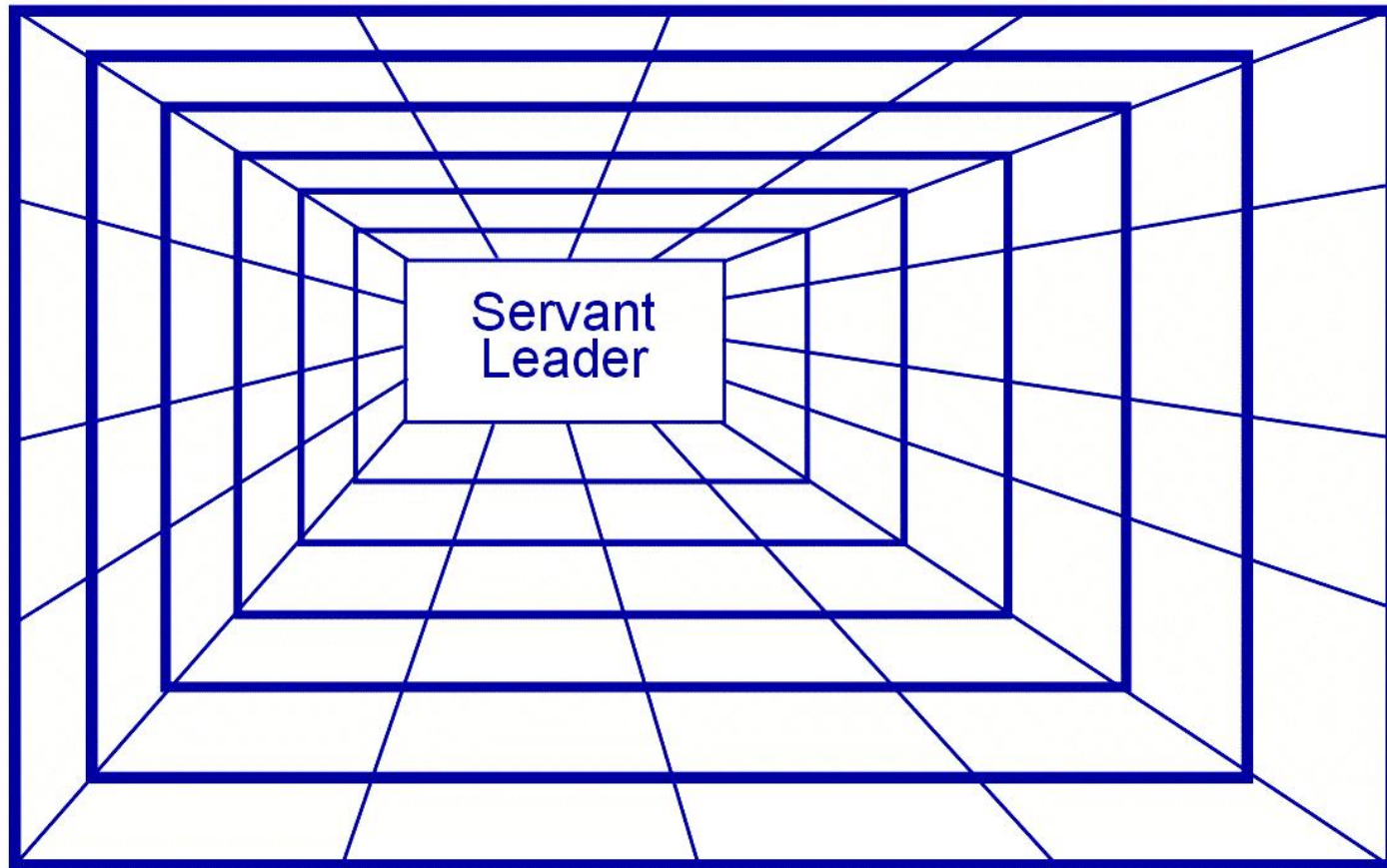


**STATUS ?**

# Status: Doing vs. Being



# Status: Doing vs. Being

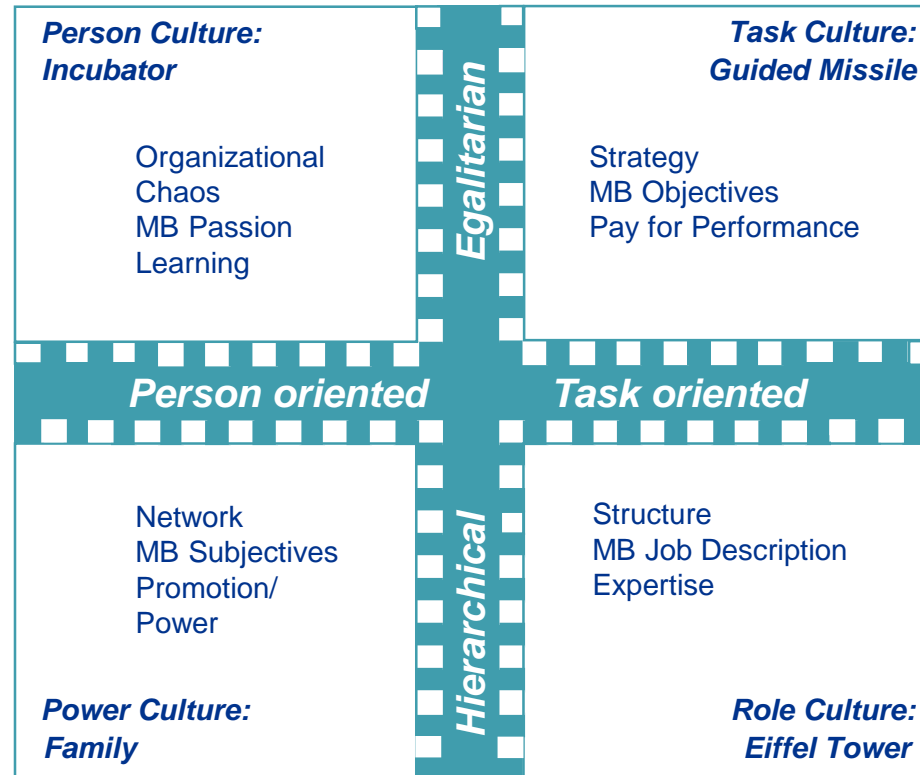




Organizational culture is the  
end result of competing  
values fighting for  
preference



# Corporate Culture Model





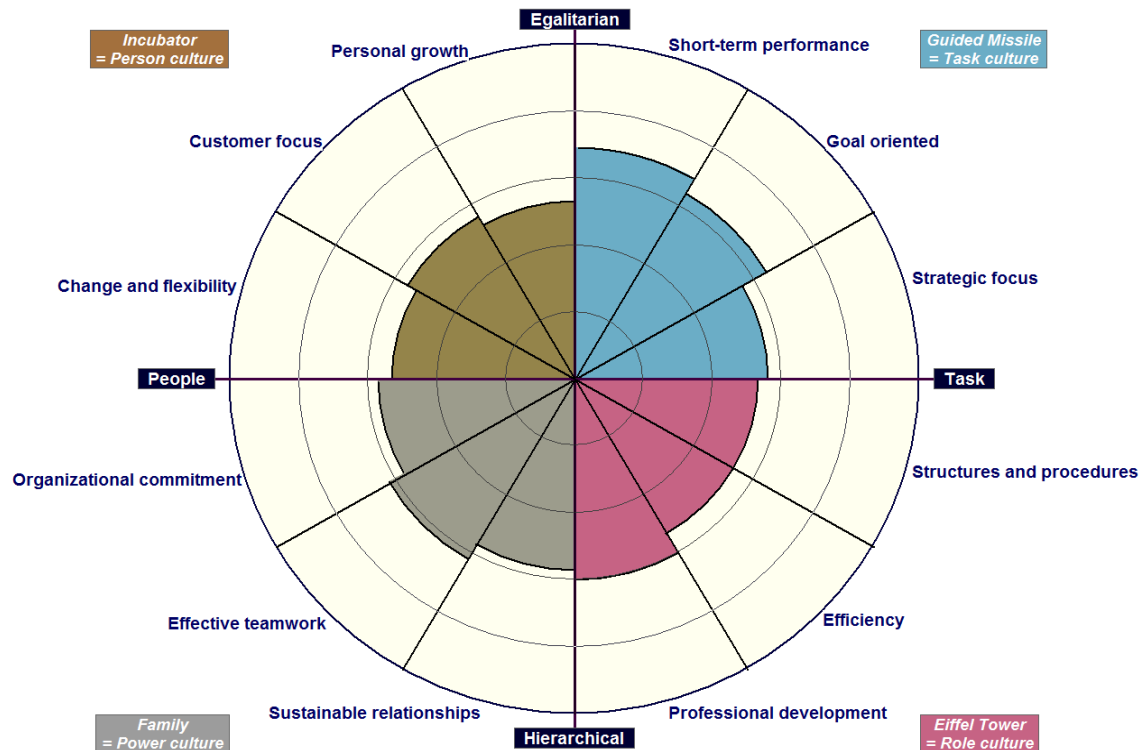
# Imbalance and Risk

“It seems to me what is called for is an **exquisite balance** between two conflicting needs: the most **sceptical scrutiny** of all hypotheses that are served up to us and at the same time a **great openness to new ideas**. Obviously those two modes of thought are in **some tension**. But if you are able to **exercise only one** of these modes, whichever one it is, you’re in **deep trouble**.”

**Carl Sagan** “The Burden of Skepticism”

# Measuring Culture: Organizational Values Profiler (OVP)

The Organizational Values Profiler (OVP) tool explores 12 areas:



- *Short-Term Performance*
- *Goal Oriented*
- *Strategic Focus*
- *Structures and Procedures*
- *Efficiency*
- *Professional Development*
- *Sustainable Relationships*
- *Effective Teamwork*
- *Organizational Commitment*
- *Change and Flexibility*
- *Customer Focus*
- *Personal Growth*

**\*Note: The graphic is a sample and not representative of NAW data.**



The Risk of Culture is  
defined by one value  
dominating its opposite

# Dilemma Theory Resolving Strategic Issues

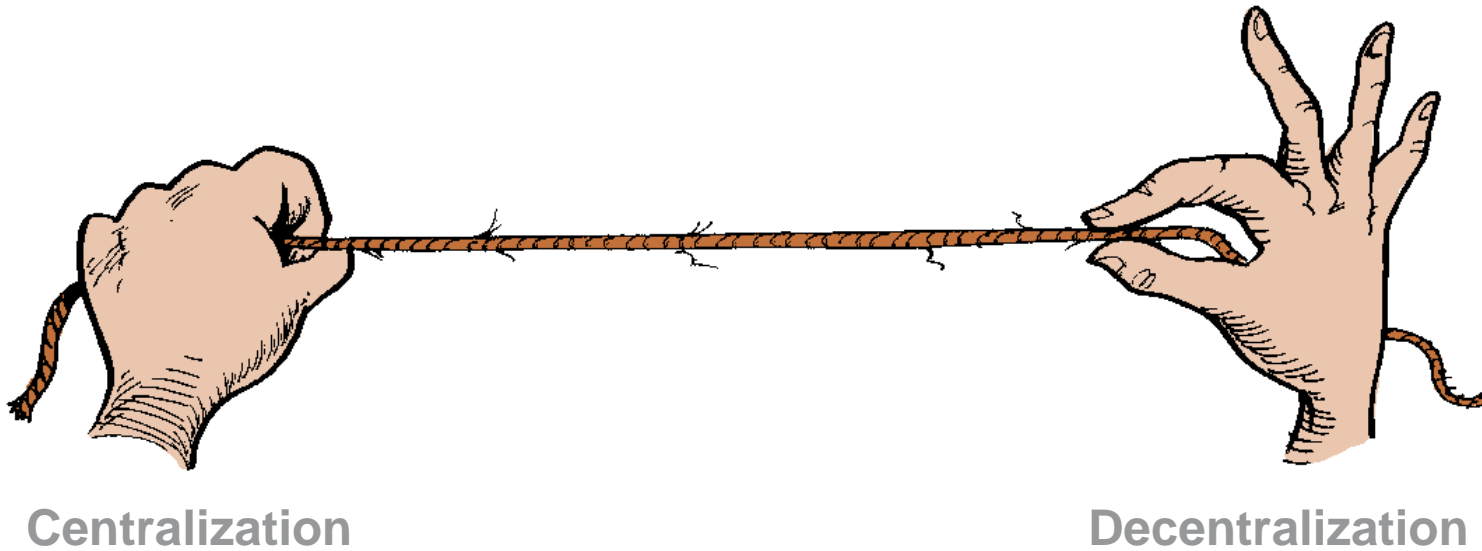
## **DILEMMA**

(from the Greek meaning)

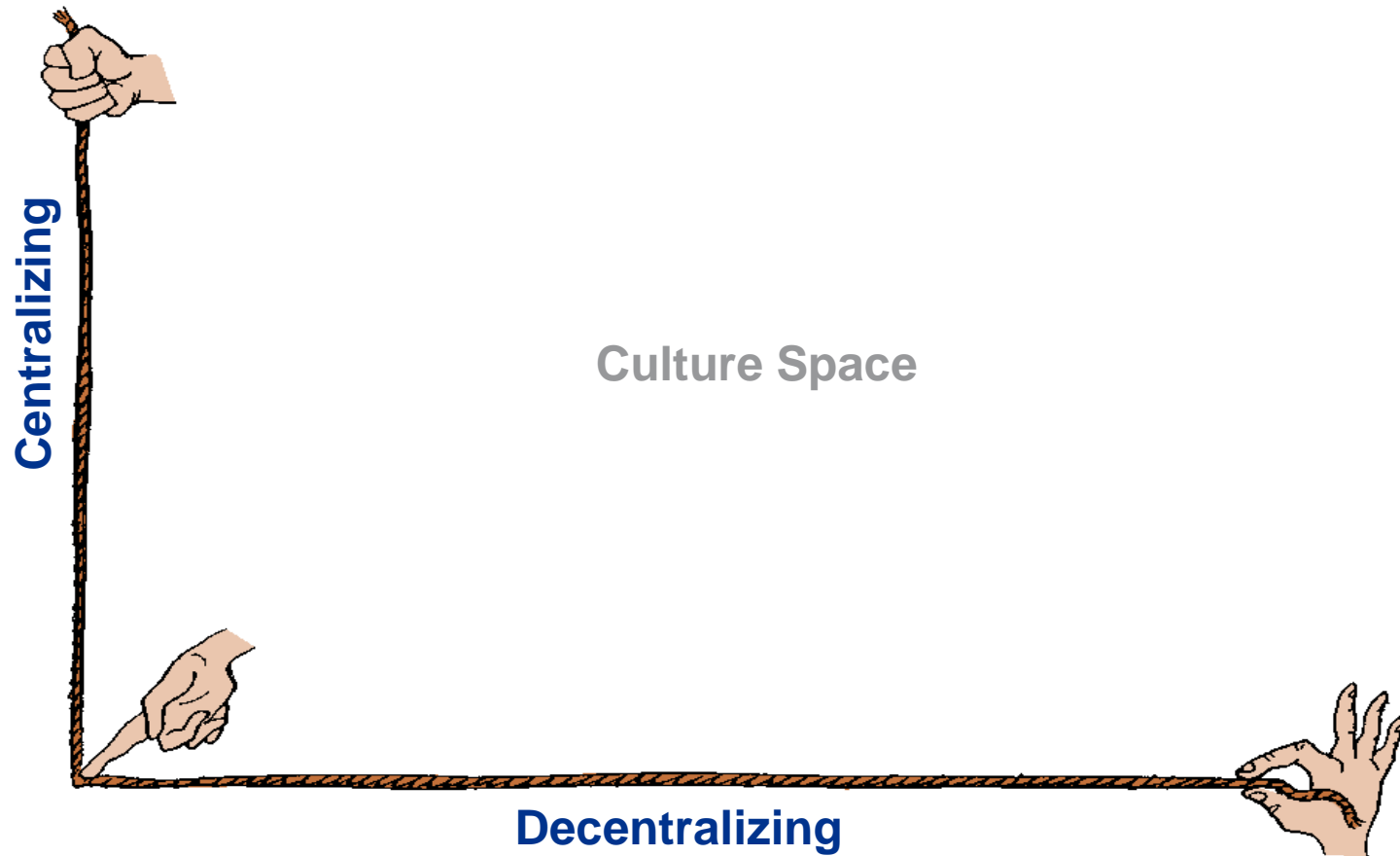
**TWO-PROPOSITIONS**

**IN (APPARENT) CONFLICT**

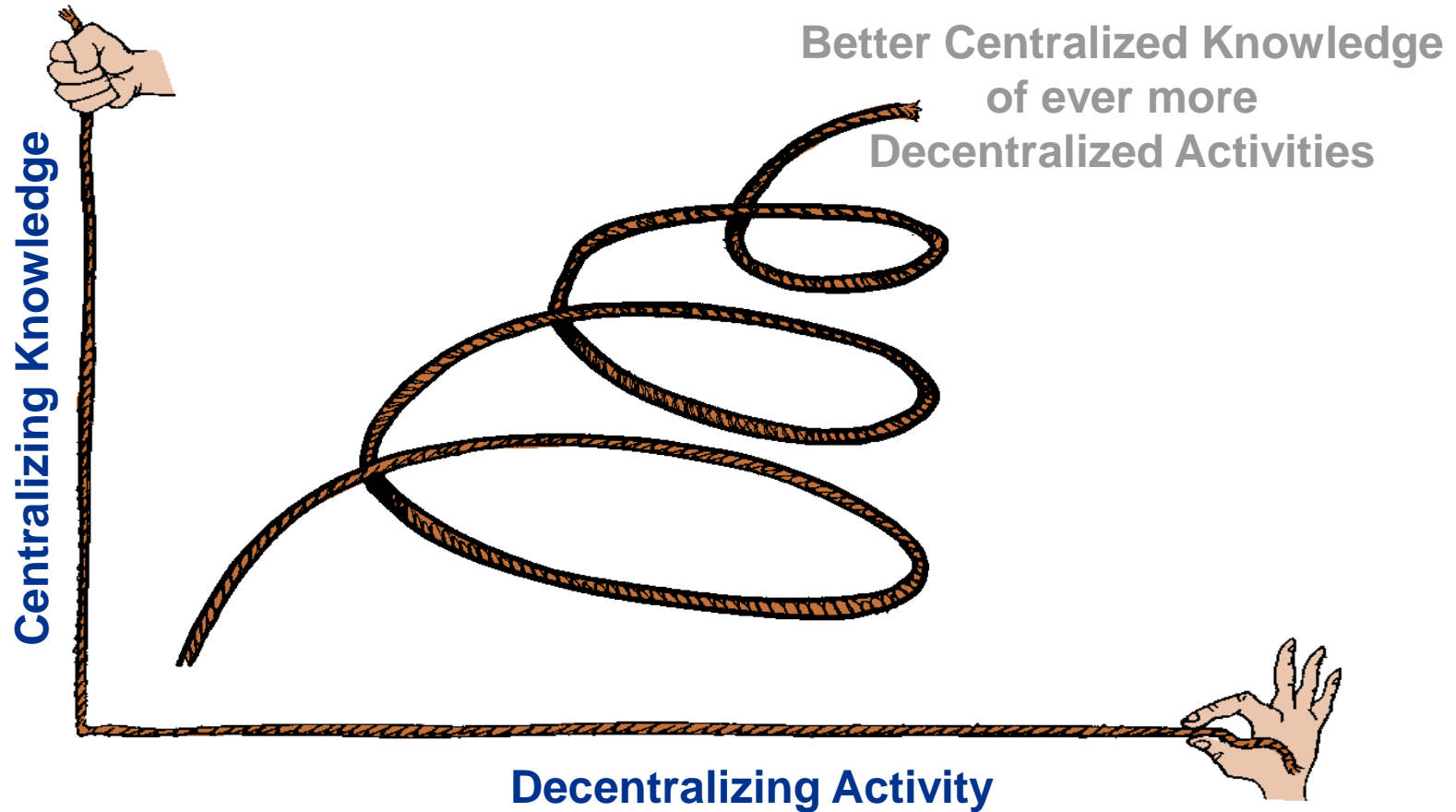
# Reconciliation Process: Bipolar Thinking



# Reconciliation Process: Breaking the Line



# Reconciliation Process: Creating Reconciliation



**Thank You !**