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ایران و آلمان



Importance of Cultural Differences as we enter 2008

Where do we (Iranian) really stand?

- Reviewing Hofstede's Research Outcomes -



*First Iranian International Knowledge Management Conference
7.-8. November 2007*

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University of Tehran, Faculty of Engineering, Department of Industrial Engineering



Presentation Structure

- Iran's Cultural Positioning in an International Context -

STRUCTURE OF PRESENTATION

1. Relevance of CCM for KM

2. Diversity Management as Macro Theoretical Approach

Definition	Dimensions	Relevance
	Culture	

3. Hofstede's CCM Approach Micro Theoretical Approach

PDI	IDV	MAS	UAI	LTO
Iran				

4. Empirical Research Reviewing Hofstede's Iran Research

Problem	Relevance	Method	Partners
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Presentation Structure (PART 1)

- The Relevance of Cross-Cultural Management for Knowledge Management -

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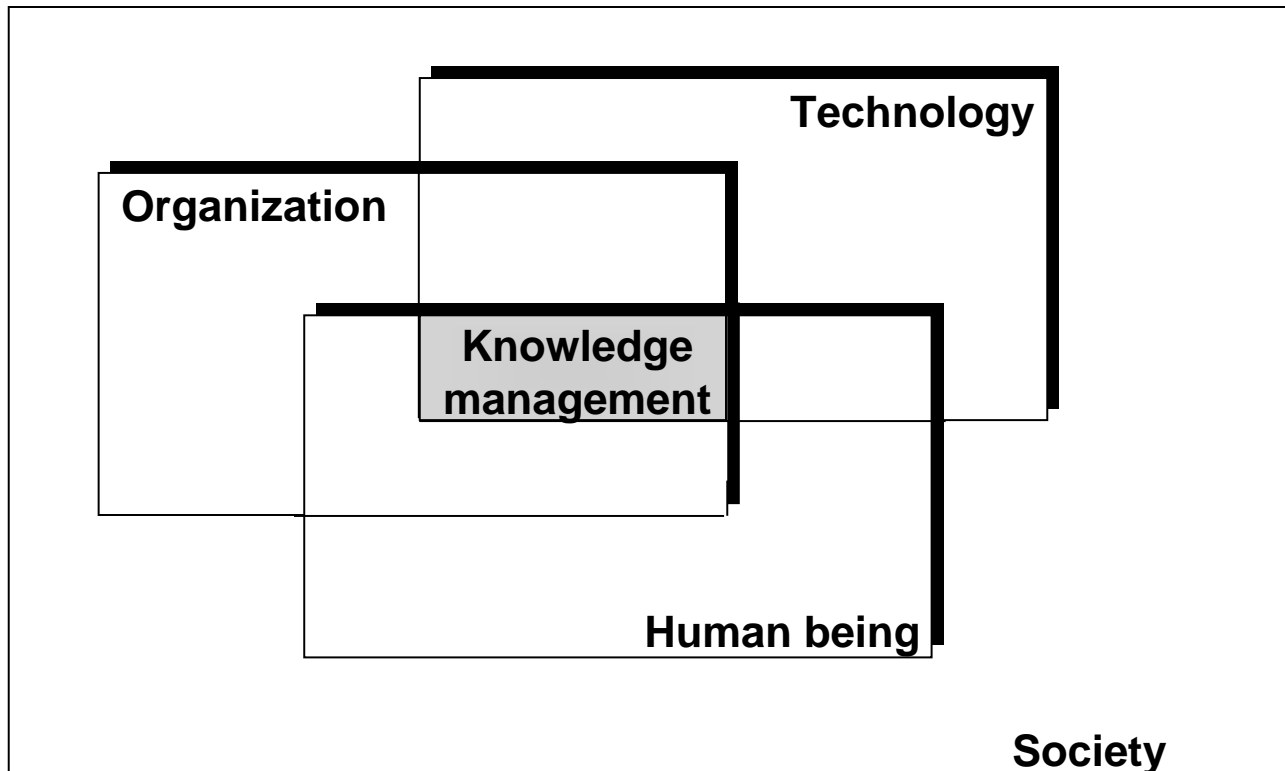
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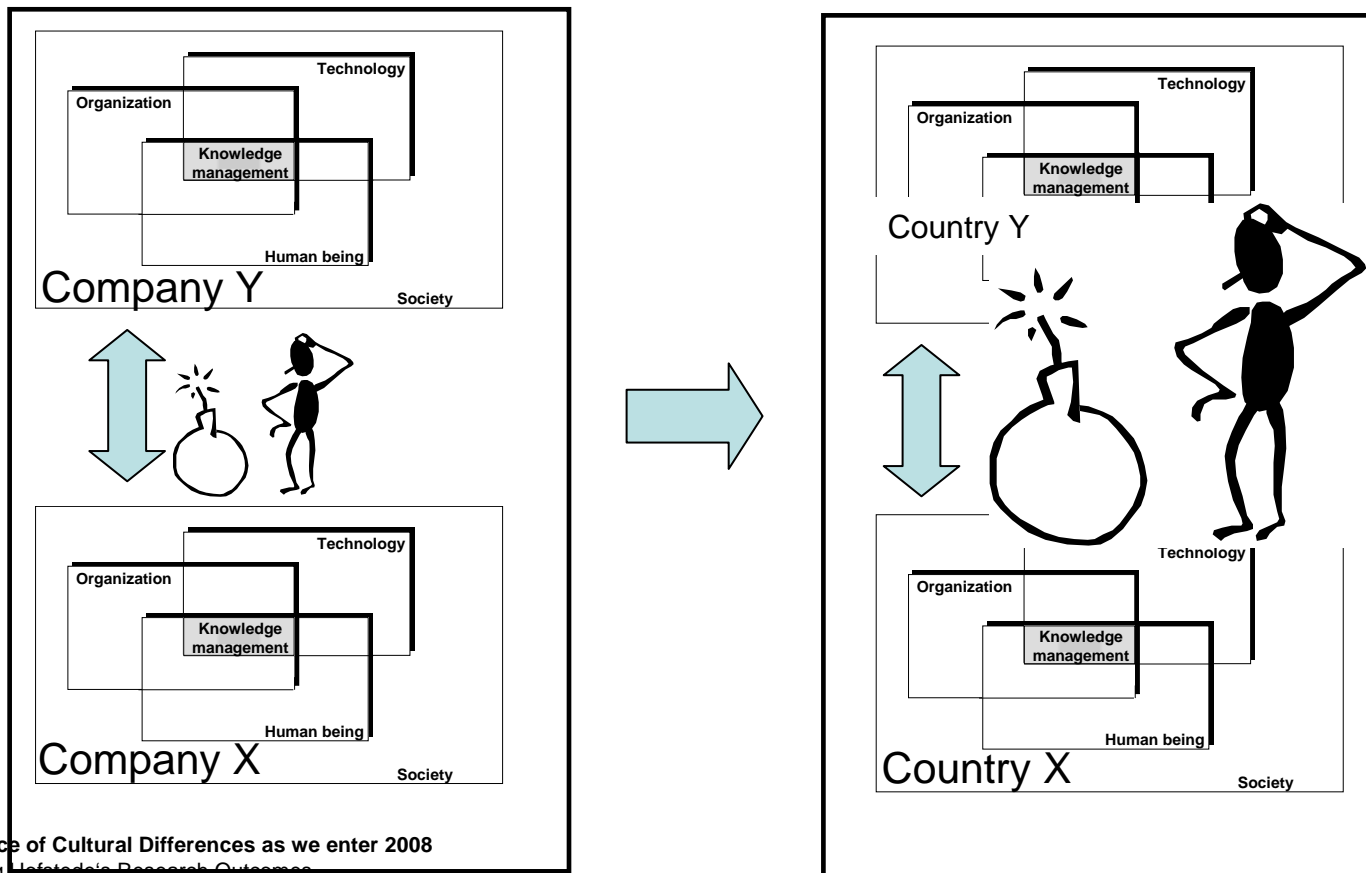


1.1 Relation between Knowledge Management & Cross-Cultural Management The Components of KM



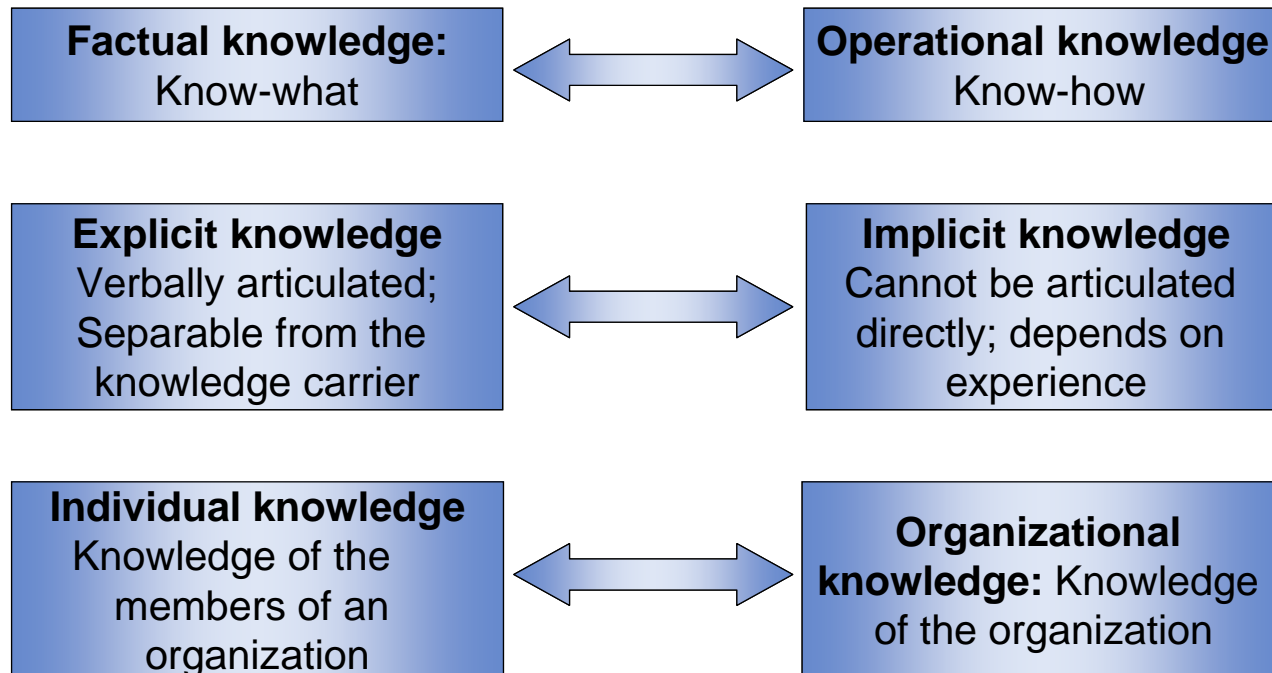
1.1 Relation between Knowledge Management & Cross-Cultural Management

The Components of KM in Cross Cultural Environments



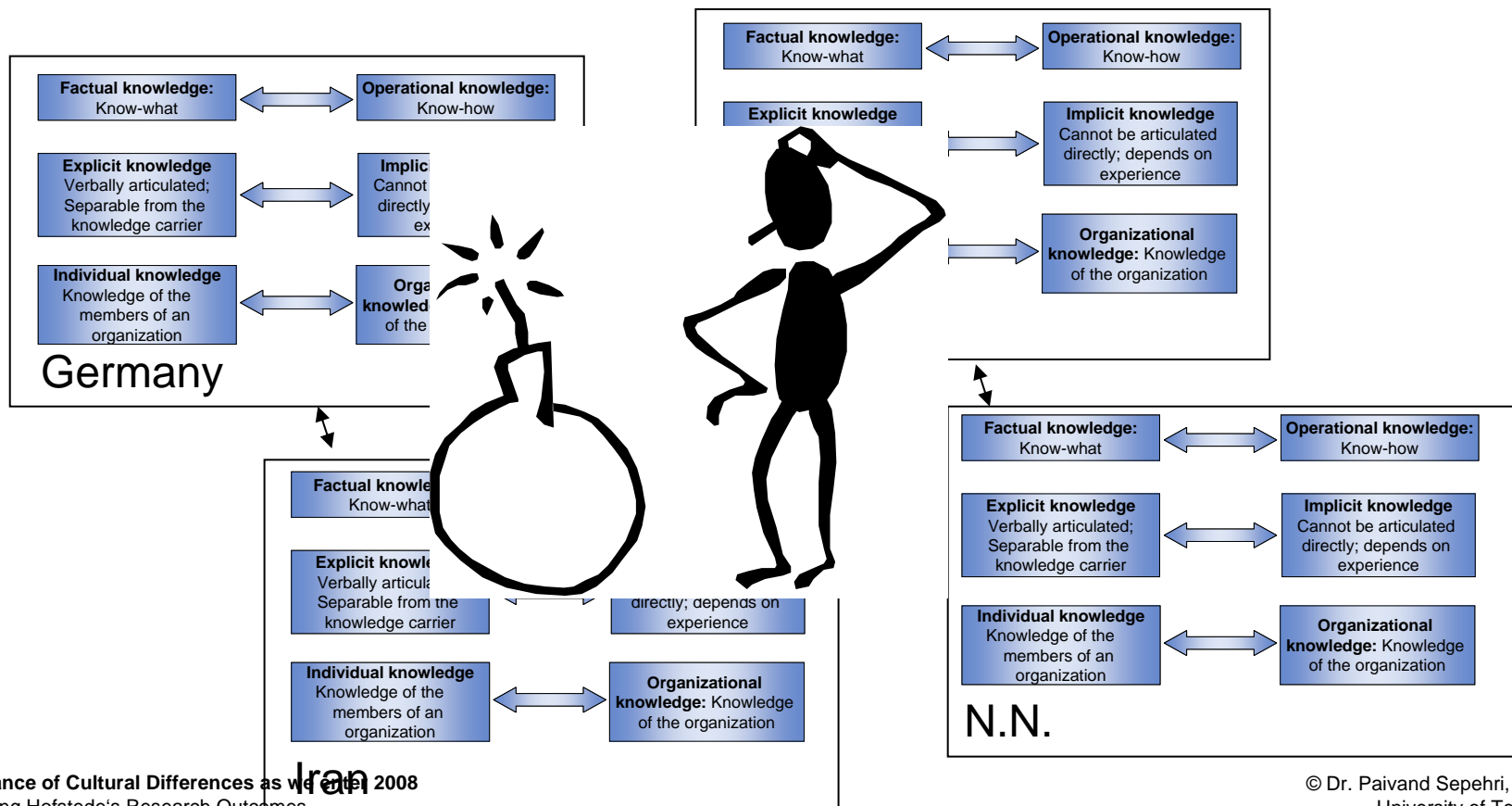
1.2 Relation between Knowledge Management & Cross-Cultural Management

Definitions of Knowledge

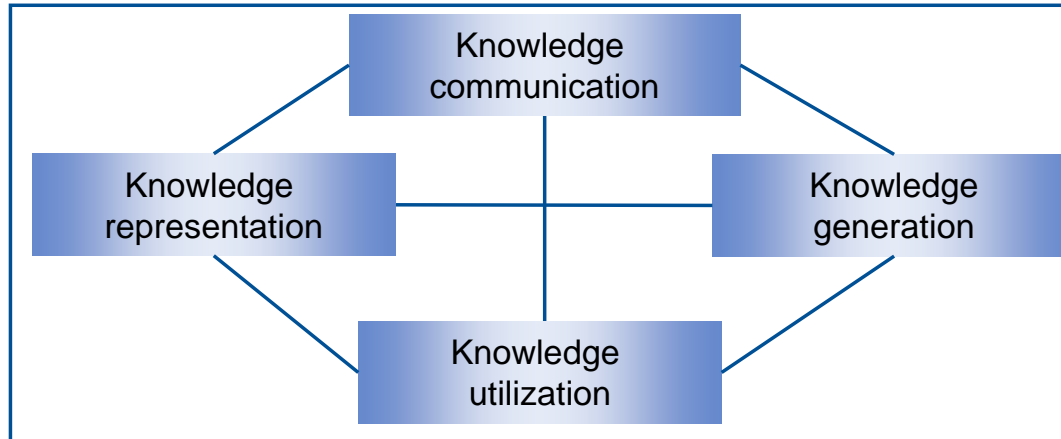


1.2 Relation between Knowledge Management & Cross-Cultural Management

Different Definitions of Knowledge due to different Cultures



1.3 Relation between Knowledge Management & Cross-Cultural Management The Impact of Culture on the Process of Knowledge Management



- Different Awareness of Knowledge in different Countries
- Different Understanding and Usage of Knowledge in different Countries
- Leads to Problems concerning the Process of Knowledge Management
- Failure and even Back-Flash of the Concept of Knowledge Management



1.4 Relation between Knowledge Management & Cross-Cultural Management

Cross-Cultural Management as a Basic for Successful KM

- Requirement of working and negotiating in International Business Environment
- People are not only different, they behave different
- Effective Knowledge Management requires Cross Cultural Knowledge Know-how
- Decision Making in and with another country/ culture expects knowledge of cultural attitudes and behaviors of the „others“
- Effectiveness and Efficiency in International Interactions and Negotiations to gain Win-Win Situations



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1.5 Relation between Knowledge Management & Cross-Cultural Management Cross-Cultural Management as a Basic for Successful KM

- Fact Is: Knowledge Management is good for Business and Communication
- If International Orientation is part of the Organizational Policy, Knowledge and Awareness of Cultural Differences is Essential
- Lack of Cross-Cultural Knowledge, while Implementing Knowledge Management, leads to a Back-Flash and Negative Impacts
- In this Case it is worth not to Implement Knowledge Management
- Focusing on Cultural Differences and Diversity Management



Presentation Structure (PART 2)

- Macro Theoretical Approach for Cross-Cultural-Management: Diversity Management -

STRUCTURE OF PRESENTATION

1. Relevance of CCM for KM

2. Diversity Management as Macro Theoretical Approach

Definition	Dimensions	Relevance
	Culture	

3. Hofstede's CCM Approach Micro Theoretical Approach

PDI	IDV	MAS	UAI	LTO
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Iran

4. Empirical Research Reviewing Hofstede's Iran Research

Problem	Relevance	Method	Partners
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2 Theoretical Background from a Macro-Perspective

Managing Diversity as the Basic Theoretical Approach for CCM

The basic theoretical approach of Cross Cultural Management, requests the acceptance of and celebration of Diversity Management in organizations.

The Definition:

„Diversity Management is a comprehensive Managerial Process, with the aim to build an organizational and institutional environment, which works for **all** employees, groups (cultures and countries).“ (Thomas, 1996)

„It is about planing and implementation of organizational and institutional systems and practices to manage cultural different people, so that the potential **advantages are maximized**, while ist potential **disadvantages are minimized**. (Cox, 1993)

It is not, from a managerial point of view, the question of „**to do or not to do**“, it is more about the terminus of „**how to do**“.



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2 Theoretical Background from a Macro-Perspective

Managing Diversity as the Basic Theoretical Approach for CCM

Managing Diversity is about:

- Conceptual focus on the strengths (and not the weaknesses) of the culturally „others“
- Professional identification of cross-cultural similarities (first similarities, second existing of differences)
- Maximizing the cultural based strengths, while minimizing its weaknesses

Managing Diversity Requires:

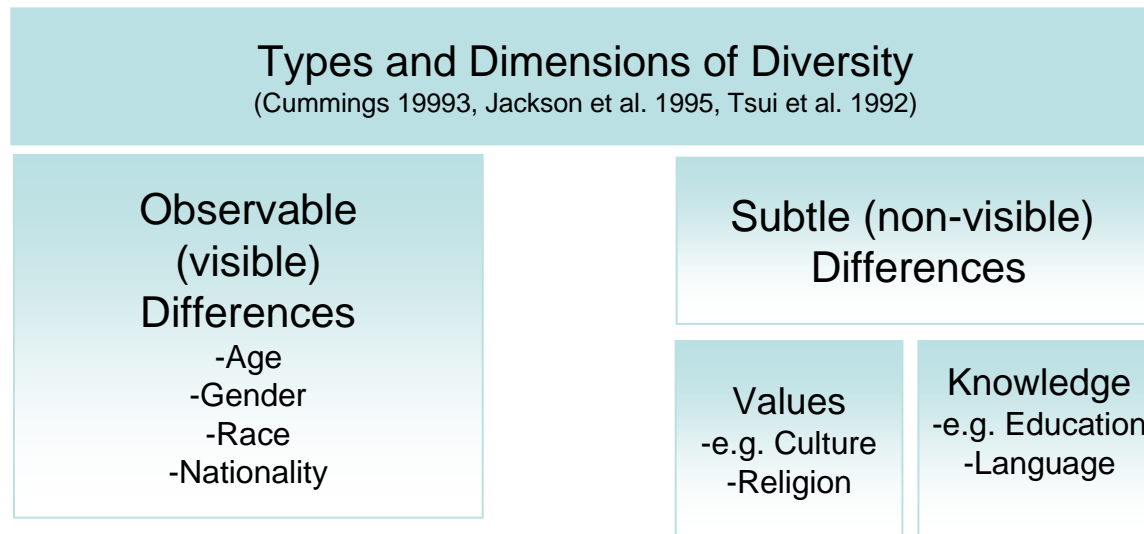
- Need for professional Management abilities and competencies, to do it in a „right way“
- Identification of International oriented lacks of knowledge and sustainable training
- Starting to focus on **internal** differences and an **Intra-Cultural-Dialogue** Approach
- Expanding this focus on the **external** differences and an **Inter-Cultural-Dialogue** Approach



2 Theoretical Background from a Macro-Perspective

Managing Diversity as the Basic Theoretical Approach for CCM

Note: Diversity refers to the level and the degree of existing cultural differences



- **Def.:** Diversity is synonym with differences, or all ways in which people differ.
- **Def.:** Managing Diversity is a Strategic Management concept, how to manage the differences and similarities in an effective and competitive way.



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2 Theoretical Background from a Macro-Perspective

Managing Diversity as the Basic Theoretical Approach for CCM

Economic Arguments of Diversity Management

Competitive Advantages of Diversity Management

Marketing Argument

Personnel Marketing Argument

Flexibility Argument

Creativity and Innovation Argument

Problemsolving Argument

Cost Argument

Negotiation Argument



Presentation Structure (PART 3)

- Micro Theoretical Approach for Cross-Cultural-Management: Hofstede's Dimensions -

STRUCTURE OF PRESENTATION

1. Relevance of CCM for KM

2. Diversity Management as Macro Theoretical Approach

Definition	Dimensions	Relevance
	Culture	

3. Hofstede's CCM Approach Micro Theoretical Approach

PDI	IDV	MAS	UAI	LTO
Iran				

4. Empirical Research Reviewing Hofstede's Iran Research

Problem	Relevance	Method	Partners
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3 Cross-Cultural Differences from a Micro-Perspective Iran's Cultural Positioning in an International Context

Main Cultural Differences in International Management Sciences (Hofstede, 1989)

1. Level of Power Distance (=Degree of Hierarchy)
2. Level of Individualism and Collectivism (=Degree in Team-Orientation)
3. Level of Uncertainty Avoidance (=Degree towards Accepting Risks)
4. Level of Masculinity and Feminism (=Degree towards Gender Management)
5. Level of Long-term Orientation (=Degree of Managerial Sustainability & Stability)



3.1 Cross-Cultural Differences from a Micro-Perspective Iran's Cultural Positioning in an International Context

The Power Distance Index/ PDI (Hofstede, 1989)

PDI Definition

- PDI is the level of acceptance by people of unequal distribution of power in organisations
- PDI reflects the emotional distance between employees and the „boss“

High PDI,

- indicates that inequalities of power and wealth are allowed
- dependency of the less powerful, centralization of power, order and task approach, power dictates logics, Authoritative Management Theory (=Top-Down Mgmt. Approach)

Low PDI,

- indicates organisations don't emphasize on differences of power and wealth
- interdependence between powerful and less powerful persons, decentralization of power (federal system), active involvement in decision making processes, logics dictates power, Leadership Theory/ HRM Concepts (=Bottom-Up Mgmt. Approach)



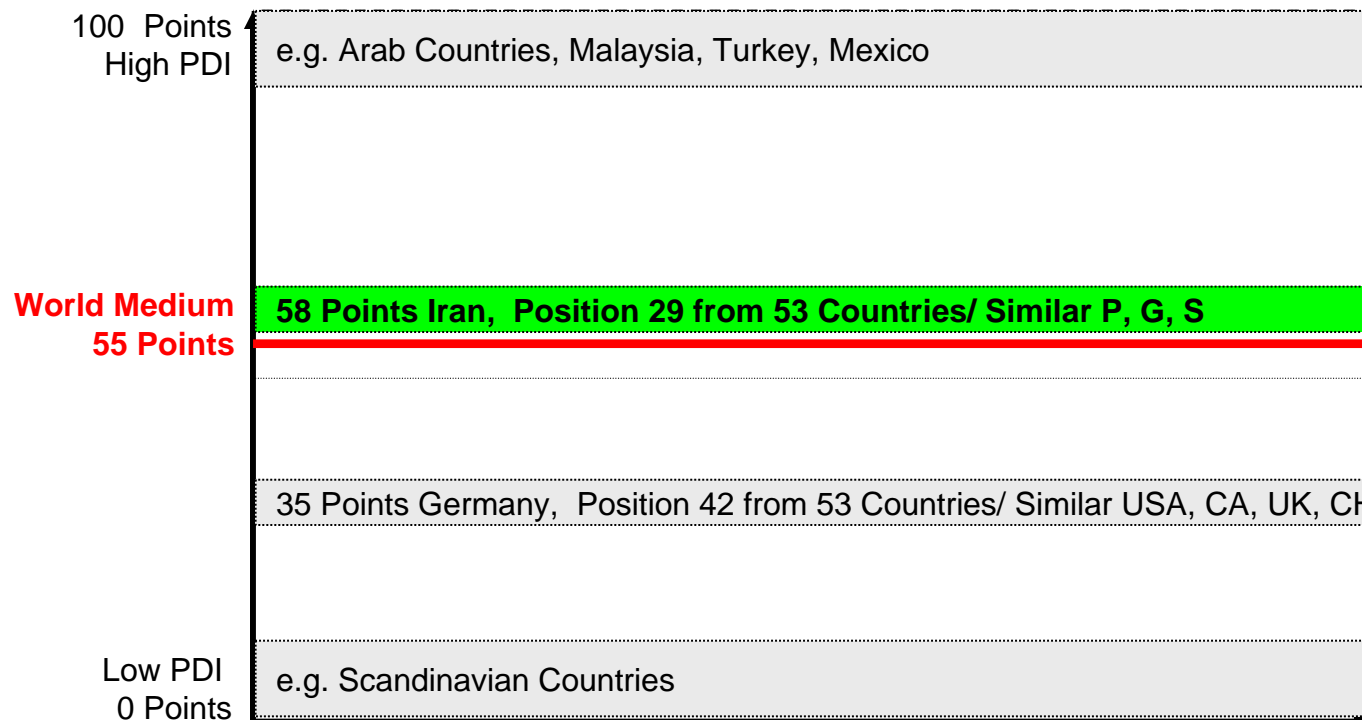
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3.1 Cross-Cultural Differences from a Micro-Perspective

Iran's Cultural Positioning in an International Context

Power Distance Index/ PDI / Iran (Hostede, 1989)





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3.2 Cross-Cultural Differences from a Micro-Perspective

Iran's Cultural Positioning in an International Context

Collectivism vs Individualism/ IDV (Hostede, 1989)

IDV Definition

- Do you see yourself as an individual or as a member of a specific group with a specific pattern of behavior?

High IDV (High Individualism)

- refers to the tendency of people to look only for themselves and their family and neglect the overall needs of the society
- importance of individual opinion, restricted role of the state, Individualistic Mgmt. Approach
- living and working **with** and **next** to the system

Low IDV (High Collectivism)

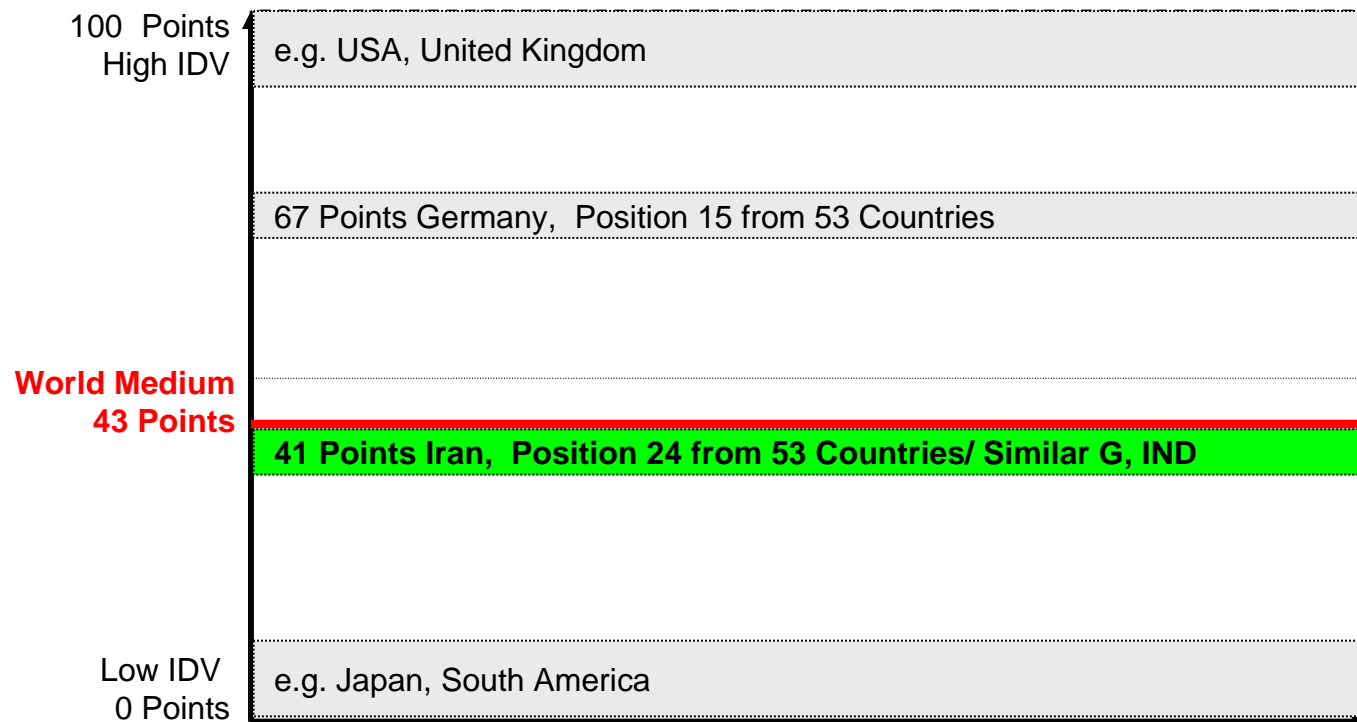
- refers to the tendency of strong social frameworks, strong organisational dependency and group and team working mentality
- importance of group opinion, dominant role of state in the economic system, Team & Collective Management Approach, loyalty overrides most other rules
- living **within** the "set up" and strictly defined system



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3.2 Cross-Cultural Differences from a Micro-Perspective Iran's Cultural Positioning in an International Context Collectivism vs Individualism Index/ IDV / Iran (Hofstede, 1989)





3.3 Cross-Cultural Differences from a Micro-Perspective

Iran's Cultural Positioning in an International Context

Masculinity vs Feminism Index/ MAS (Hofstede, 1989)

MAS Definition

- MAS refers to the degree of traditional masculine values such as assertiveness (=Selbstbewusstsein), materialism, control and power and the degree of feminine values such as social relationship and concern for others

High MAS

- indicates a high degree of gender differentiation, while male dominant in significant power structures and control key positions
- material success, career, hard and ambitious (=ehrgeizig), live to work attitude, competition

Low MAS

- indicates that a society has a low level of gender discrimination, where females are treated equally in all aspects of the society
- social relationship, sensitive and emotional behavior, sympathy with the weak,

work to live attitude, solidarity



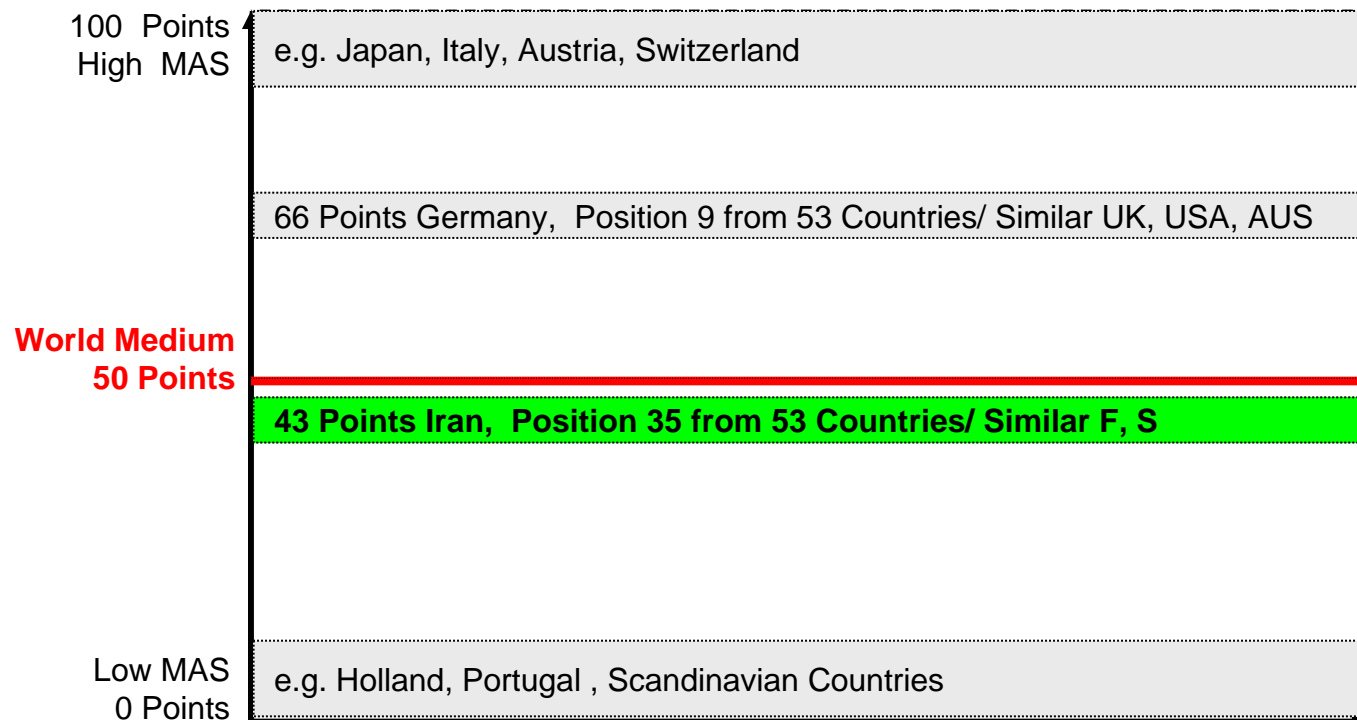
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3.3 Cross-Cultural Differences from a Micro-Perspective

Iran's Cultural Positioning in an International Context

Masculinity vs Feminism Index/ MAS/ Iran (Hofstede, 1989)





3.4 Cross-Cultural Differences from a Micro-Perspective

Iran's Cultural Positioning in an International Context

Uncertainty Avoidance Index/ UAI (Hostede, 1989)

UAI Definition

- UAI refers to the extent to which people afraid new, ambiguous and unclear situations
- It is about the level of Risk Management and the openness to risk and change

High UAI

- indicates low acceptance for uncertainty, which leads to a rule-oriented system, which institutes laws, rules, regulations etc. (aim: reducing uncertainty)
- uncertainty is a permanent threat, different „things“ are dangerous, avoidance of Change Management, Conservatism, anti-reform oriented Mmgt. Approach, avoiding innovations, Retaining-Status-Quo Policy

Low UAI

- indicates less concern for uncertain and new situations, tolerance for diversity in opinions, which leads to less Rule-Oriented attitudes
- uncertainty is normal, different things are interesting, no resistance for change, tolerance, reform-oriented, celebrating innovations, Improving-Status-Quo Policy

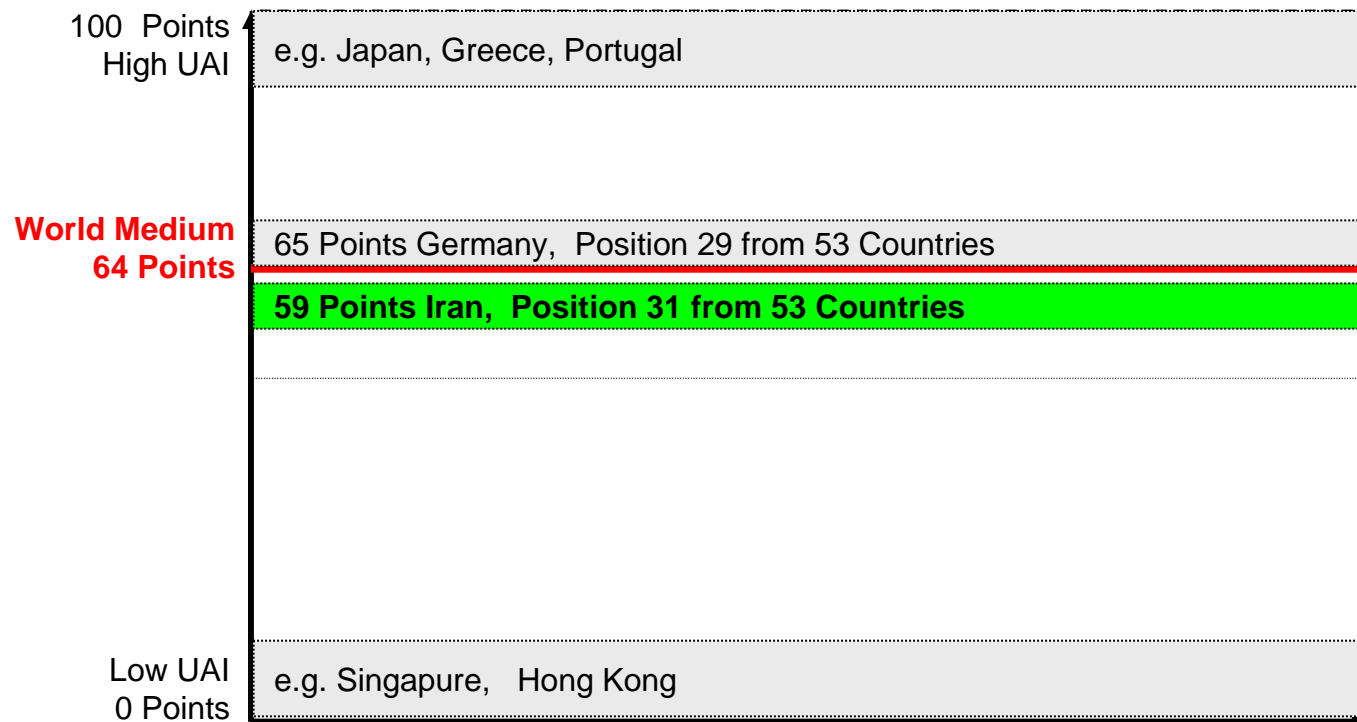


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3.4 Cross-Cultural Differences from a Micro-Perspective Iran's Cultural Positioning in an International Context Uncertainty Avoidance Index/ UAI/ Iran (Hostede, 1989)





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3.5 Cross-Cultural Differences from a Micro-Perspective

Iran's Cultural Positioning in an International Context

Long-term Orientation Index/ LTO (Hofstede, 1999)

LTO Definition

- LTO focus on the level of embracing traditional and forward thinking values
- LTO focus on long-term thinking, sustainability and stability of matters
- LTO focus on the level of acceptance of change
- LTO focus on the level and degree of conservatism

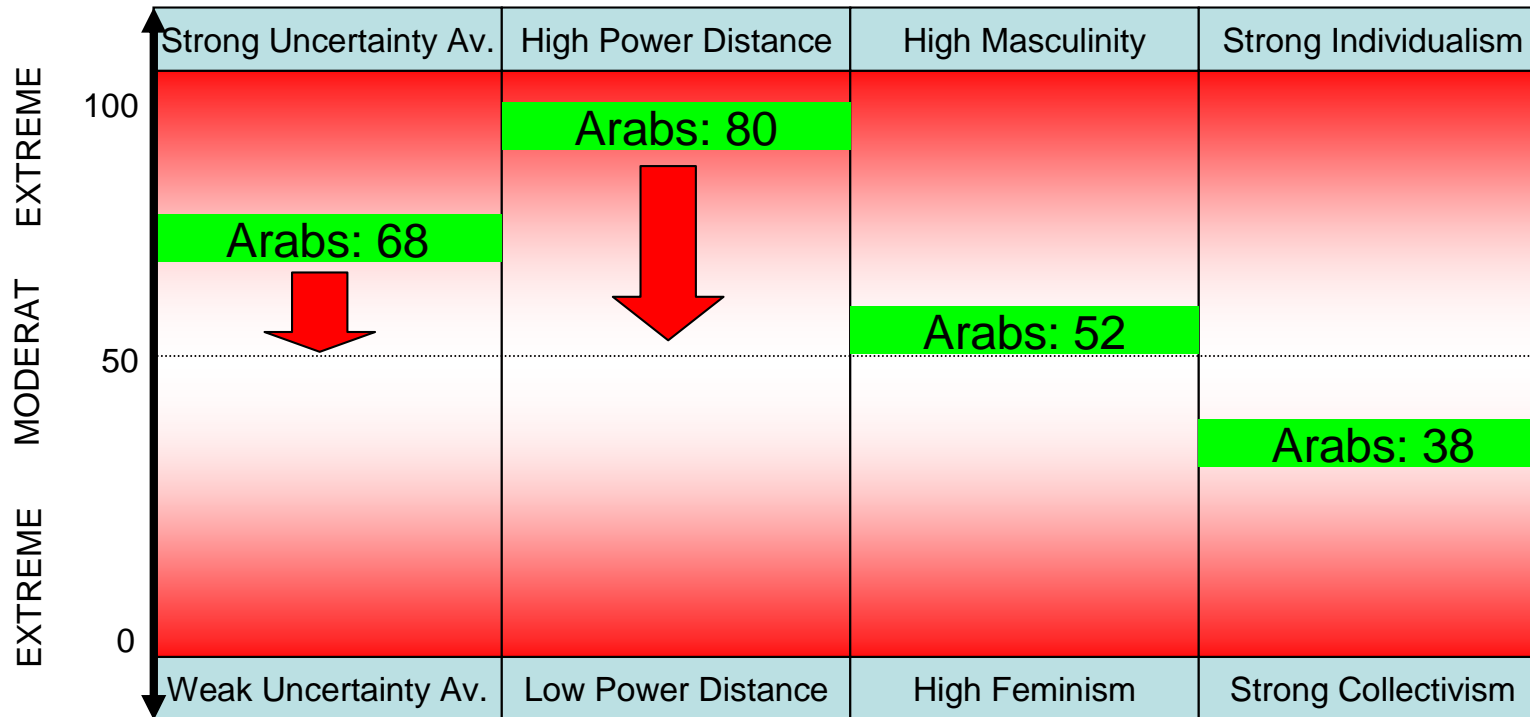
LTO Score Examples

China: position 1
Japan: position 4
Germany position 14
USA position 16
UK position 17
Iran ?

3.6 Cross-Cultural Differences from a Micro-Perspective

Arab Countries

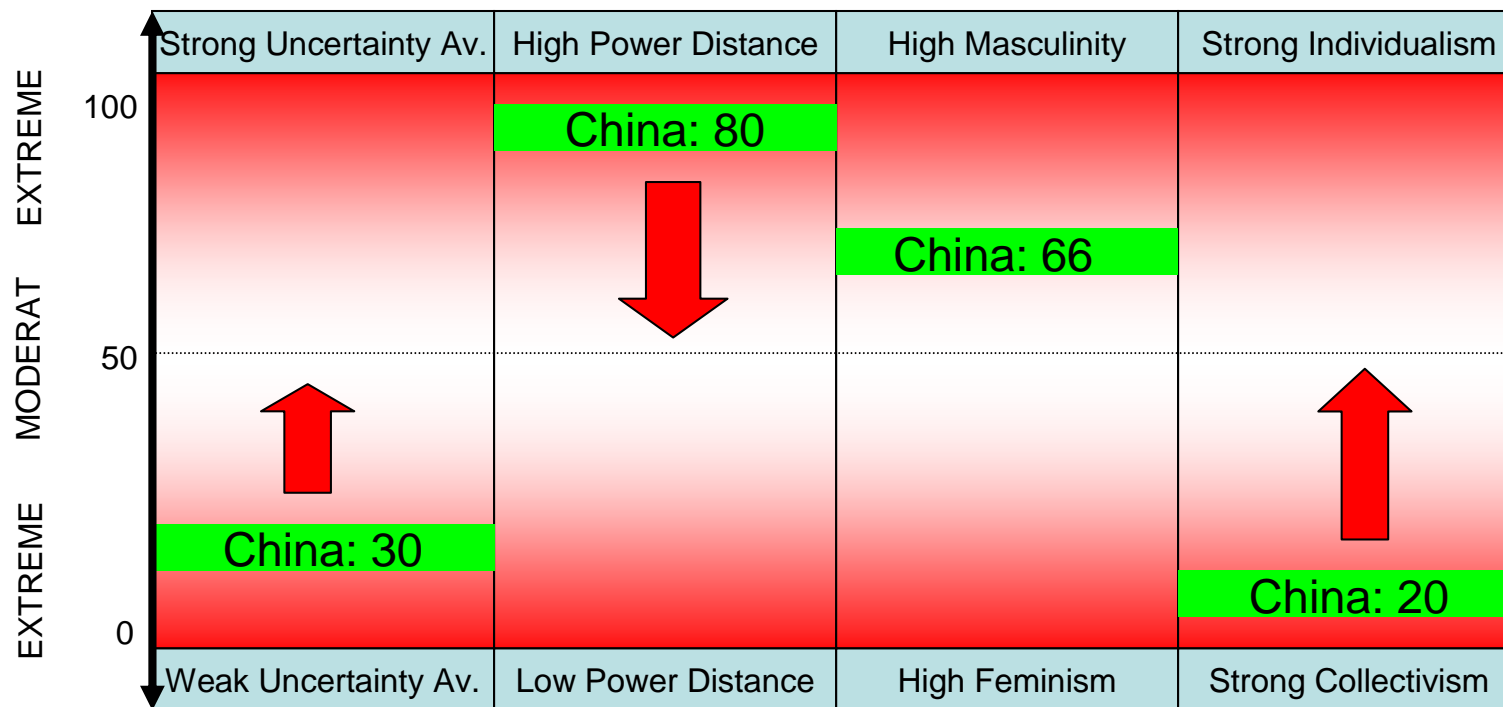
Analysis of Hofstede's Dimensions in an International Context/ Arab Countries



3.6 Cross-Cultural Differences from a Micro-Perspective

China

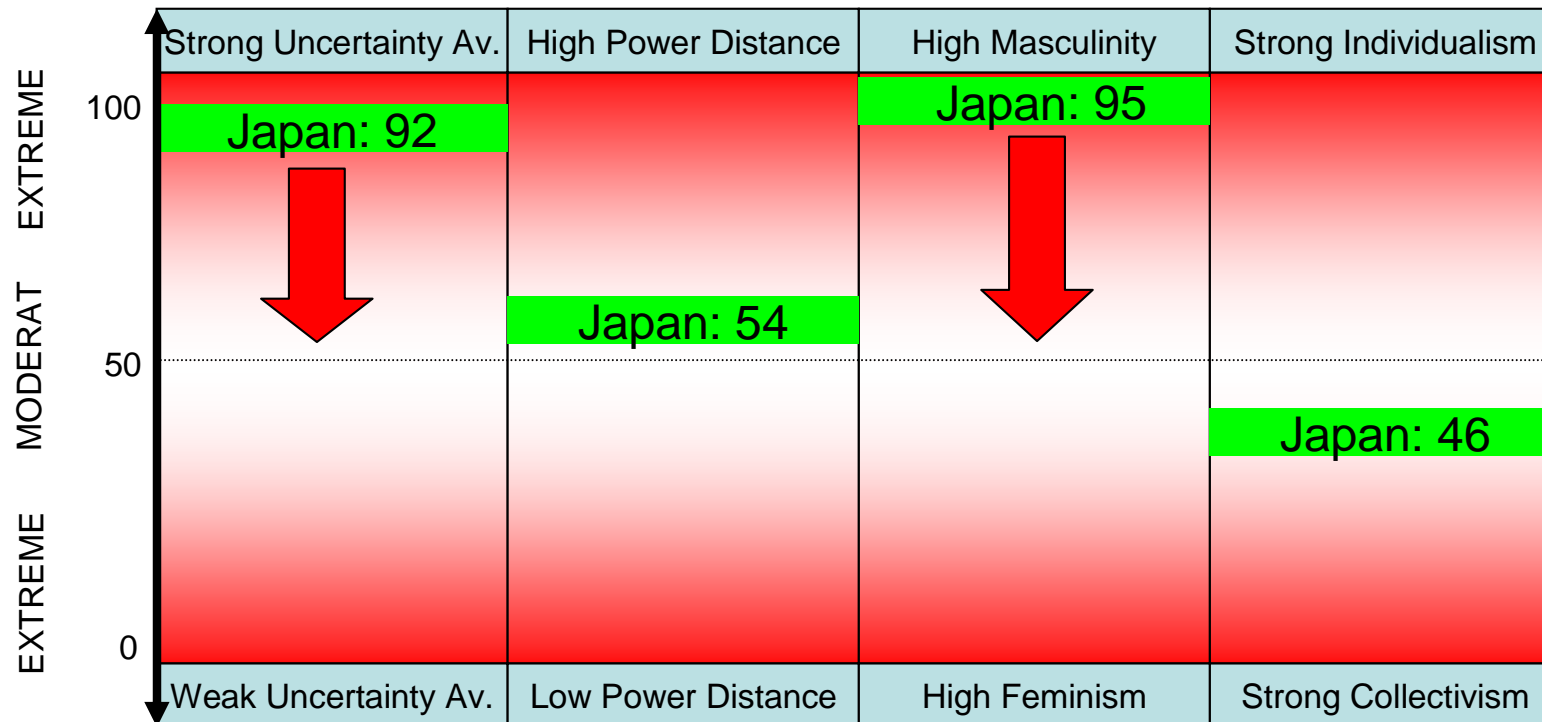
Analysis of Hofstede's Dimensions in an International Context/ China (Sepehri, 2005)



3.6 Cross-Cultural Differences from a Micro-Perspective

Japan

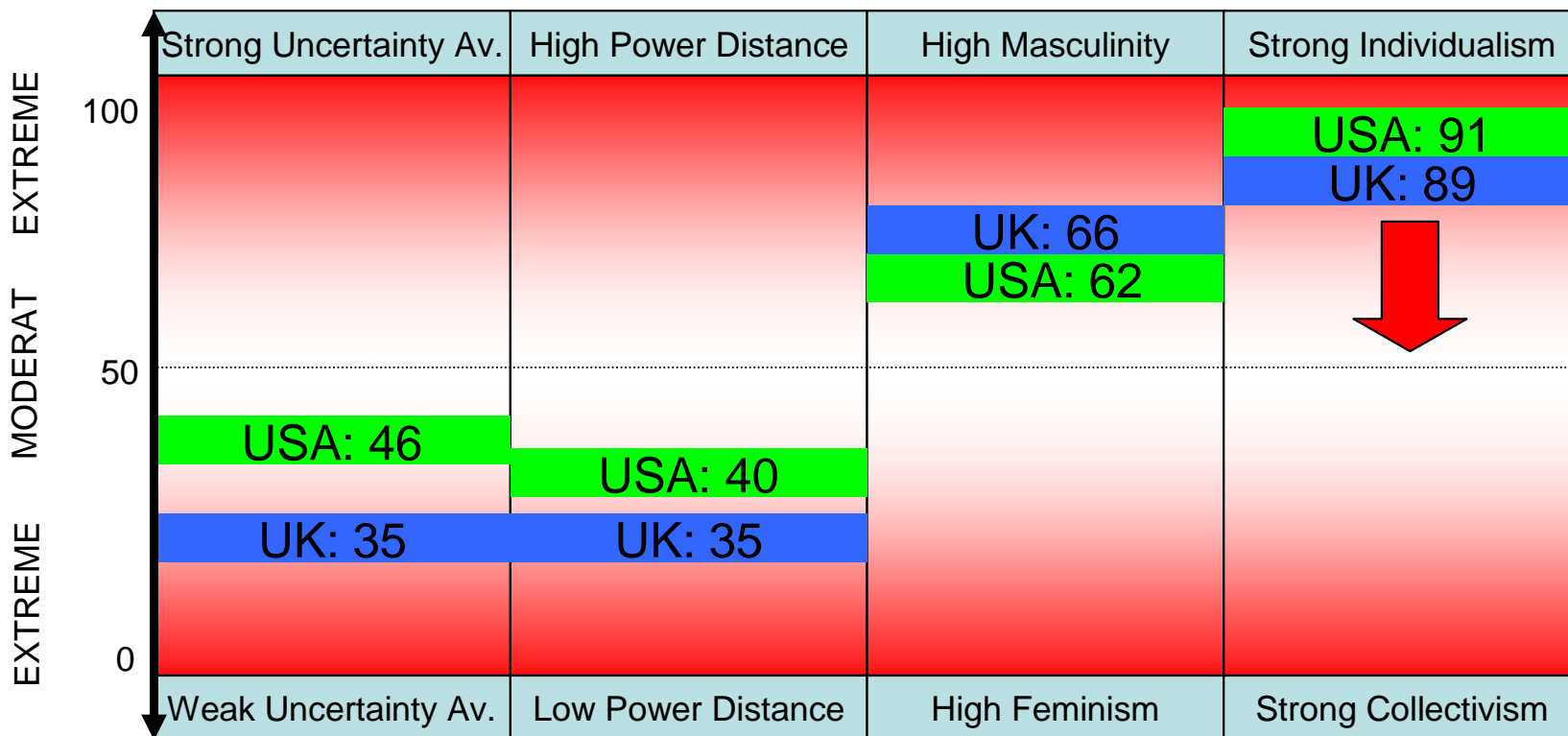
Analysis of Hofstede's Dimensions in an International Context/ Japan (Sepehri, 2005)



3.6 Cross-Cultural Differences from a Micro-Perspective

UK & USA

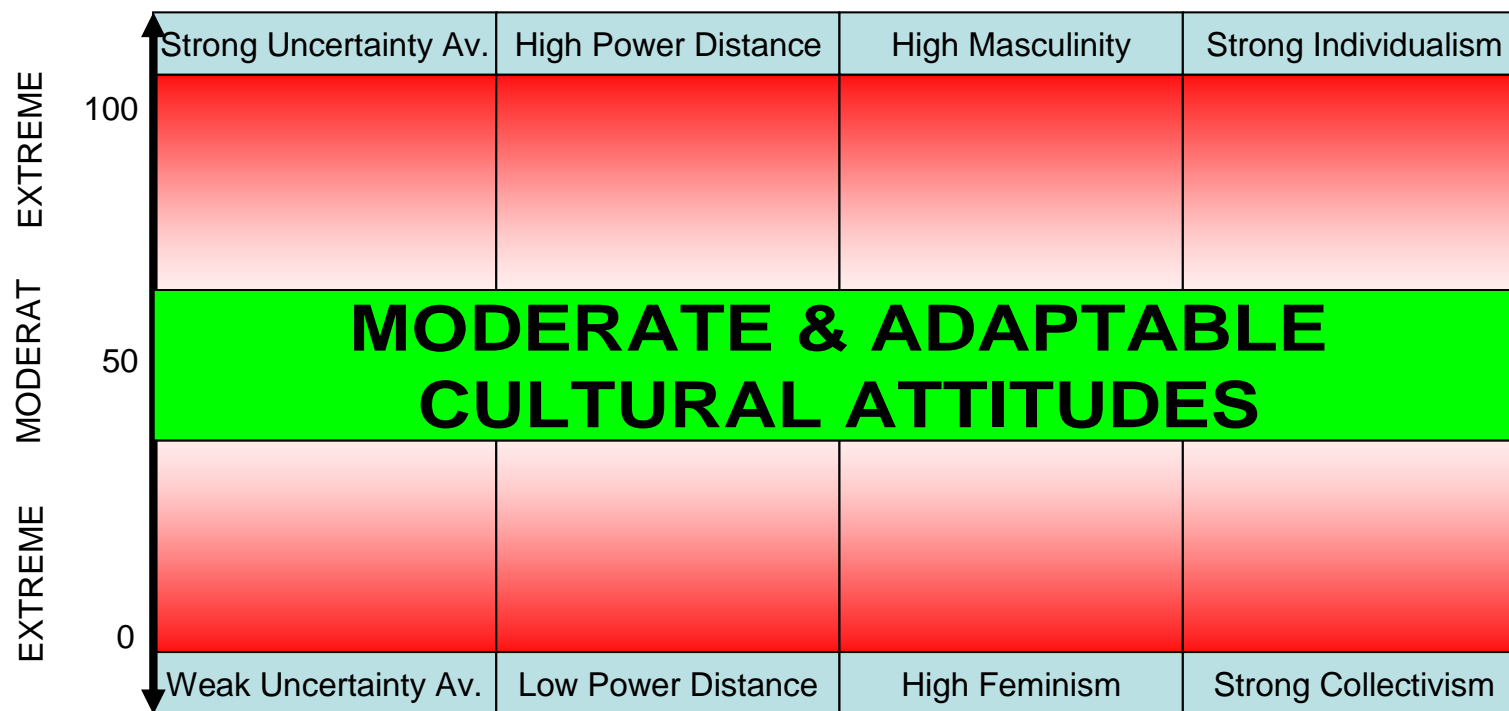
Analysis of Hofstede's Dimensions in an International Context/ USA & UK (Sepehri, 2005)



3.6 Cross-Cultural Differences from a Micro-Perspective

Iran

Analysis of Hofstede's Dimensions in an International Context (Sepehri, 2005)





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3.7 Cross-Cultural Differences from a Micro-Perspective

Iran's Cultural Positioning in an International Context

Moderate and Adaptable Managerial Attitudes and Social Behavior of Iranians

1. Iranian cultural dimensions scored between 35 (min.) and 59 (max.)
2. **No extreme scores** (e.g. Japan, China, USA, Arab countries)
3. **Adaptable & moderate culture** in an International context
4. To do: Identifying countries and cultures with **similar** scores (e.g. D & IRN)
5. **High acculturation potential** of Iranians in an International Context
6. Managable and **easy-to-handle culture** (e.g. Iranian communities and positionings abroad such as D, USA and UAE)
7. Ideal partners in International business communication
8. Iran as an Ideal **„Cultural Bridge“** and **„Hub“** for the International community



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Presentation Structure (PART 4)

- Reviewing Hofstede's Reserach for Iran – Research Project

STRUCTURE OF PRESENTATION

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Problem	Relevance	Method	Partners
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4.1 Cross-Cultural-Management Research 2008

The Research - Problemidentification

1. Hofstede's Research as **only valid and usable cross-cultural data** for Iran.
No accurate and alternative CCM research about Iran available (e.g. US, D, UK, J, CH)
2. Data collection and analysis **not actual** (1975), no representative update since then,
due to the **unavailable research market** in Iran
3. **International benchmark not possible**, due to data population (IBM employees in Iran),
therefore, no comparable and representative data of Iranian CCB available.
4. Systematic **change of the political and social system** in Iran, since the original research.
5. Intensive **cultural and social shift** towards an Islamic system with its values and ideology
6. Intensive **lack of knowledge** about current Iranian Cross-Cultural-Behavior.
Due to these lacks, increasing political and economic crisis in the region.



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4.2 Cross-Cultural-Management Research 2008

The Research – Relevance and Importance

1. Iran's **increasing political and economic importance** in the region and worldwide.
2. „**Culture is the Key to a country**“. - Importance of availability of useful and up to date data, about Iranian cultural point of views and profiles in International negotiations
3. **Geo-political and strategic positioning** of Iran as we enter 2008.
4. Need for up-to-date data for **benchmarking** and acting successfully with Iran
5. „**The world can not over-jump Iran**“ –
Fact is: Iran is the most stable and powerful country in the region. Due to this, it's cultural values and attitudes need to be understood.
6. **Existence of stereotypes** and not accurate pictures towards Iranian CCB.



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4.2 Cross-Cultural-Management Research 2008

The Research – Relevance and Importance

7. **Need for accurate alternatives and arguments** towards the US forced cross-cultural set ups for Iran.
8. Iran as **future growing un-served market** and hub for serving the regional needs, requests accurate knowledge of cultural differences and attitudes of Iranians
9. **Existing cultural clusters and stereotypes** lead to unstable political situation in the region. Knowledge and awareness of cultural values of Iranians, could solve the crisis.
10. Successful negotiations on the International market, request up-to-date CCM data. (WTO negotiations, nuclear negotiations, Gas-Pipeline negotiations, Crisis in Iraq and Afghanistan).



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4.3 Cross-Cultural-Management Research 2008

The Research – Hypothesis

1. Iranian cultural attitudes are in a benchmark moderate, adaptable and acculturable.
2. Intensive cultural differences between Iranians with China, Russia, India, Japan, Arabs and South America.
3. Iranian cultural attitudes and values are extremely different to Arab-Countries.
4. Cross-Cultural similarities and synergies between Iranians with US, Germany, Anglosaxic countries, France and other western countries.
5. Intensive differences between the research data of Hofstede form 1975 and 2008.
6. Main existing economic difficulties and political crisis, origin from wrong, not up-to-date knowledge of the Iranian cultural values and attitudes.
7. Empirical academic research, could lead to improving cultural understanding and effective Knowledge Management.



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4.3 Cross-Cultural-Management Research 2008

The Research – Methodology

1. Usage of FOSI Research Methodology (Hinterhuber)
2. Translation of the questionnaires (old and new evrsion, inclusive LTO dimension
Psychological review, pre-test of questionnaire in pilot study, validity and reliability test
3. Distribution of the questionnaire to 2.000 members
of the German-Iranian Chanmebr of Commerce and Industry (AHK-Iran)
representative sample of Iranian companies and managers
4. SPSS Analysis of Data-Collection
5. Cluster Analysis due to relevant Diversity dimensions
6. Qualitative Interviews with selected samples
7. Benchmark with original data of Iran and new data of 52 countries.



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4.3 Cross-Cultural-Management Research 2008

The Research – The Partners

1. The University of Tehran, Faculty of Engineering, Industrial Engineering Dpt.
Assistant Professor Dr.rer.pol. Paivand Sepehri
2. The University of Potsdam – Germany
Faculty of Business Administration, Chair for Human Resource Management
Prof. Dr. Dieter Wagner
3. The University of Maastrich (angefragt)
4. The University of Applied Sciences of Kempten
Faculty of Business Administration, Prof. Dr. Peter Weis
5. Industrial Management Institute
Prof. Dr. Shahindocht Kharazmi
6. German-Iranian Industry of Commerce and Industry (AHK-Iran)



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Thank You for Your Attention

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