

# FOUNDATIONS OF LEADERSHIP PROGRAM

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Participant notes

## Module 1

Idemitsu history and IAR Values

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## Welcome

Welcome to Module 1 of the Idemitsu Foundations of Leadership Program! We hope you enjoy your learning experience. These notes provide some of the information you will need in today's workshop.

## Key concepts

After completing this module, you will:

- Understand the background and context to the Foundations of Leadership Program at Idemitsu Australia Resources (IAR).
- Understand the history and philosophy of Idemitsu Kosan and our place in that story.
- Understand IAR Values and apply them to your day-to-day leadership.

## Ground rules for the program

- Listen to and respect all perspectives.
- Participate and speak up.
- If there are issues or questions we can't resolve in the workshops, we will make note of these in a 'parking lot' and come back to them later.
- Mobile phones and other devices are to be switched off – please make arrangements so you do not need to check calls / emails in session. There'll be some time to check these things in breaks.
- Participate in your Reflection Group.



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## SIX DIMENSIONS OF NATIONAL CULTURE<sup>1</sup>

Professor Geert Hofstede conducted one of the most comprehensive studies of how values in the workplace are influenced by culture. He defines culture as “the collective programming of the mind distinguishing the members of one group or category of people from others”.

The six dimensions of national culture are based on extensive research done by Professor Geert Hofstede, Gert Jan Hofstede, Michael Minkov and their research teams.

The application of this research is used worldwide in both academic and professional management settings.

### **DIMENSIONS OF NATIONAL CULTURE:**

The Hofstede model of national culture consists of six dimensions. The cultural dimensions represent independent preferences for one state of affairs over another that distinguish countries (rather than individuals) from each other.

The model consists of the following dimensions:

#### **1. Power Distance Index (PDI)**

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.

This dimension deals with the fact that all individuals in societies are not equal – it expresses the attitude of the culture towards these inequalities amongst us. Power Distance is defined as ***the extent to which the less powerful members of institutions and organisations within a country expect and accept that power is distributed unequally***. It has to do with the fact that a society’s inequality is endorsed by the followers as much as by the leaders. ***A high score means that people expect and accept unequal distribution of power.***

#### **2. Individualism (IDV)**

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.

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<sup>1</sup> From the work of Geert Hofstede – for more detail refer to <https://www.hofstede-insights.com>  
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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 ingroup 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."

The fundamental issue addressed by this dimension is ***the degree of interdependence a society maintains among its members***. It has to do with whether people's self-image is defined in terms of "I" or "We". ***A high score means that people expect to have to look after themselves and their direct family only.***

### 3. Masculinity (MAS)

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.

Less masculine cultures have a preference for cooperation, modesty, caring for the weak and quality of life, and value work life balance.

***A high score on this dimension indicates that the society will be driven by competition, achievement and success***, with success being defined by the "winner" or "best-in-the-field." This value system starts in school and continues throughout one's life – both in work and leisure pursuits.

A low score on the dimension means that the dominant values in society are caring for others and quality of life. In less masculine cultures quality of life is the sign of success and standing out from the crowd is not admirable. ***The fundamental issue here is what motivates people, wanting to be the best (Masculine) or liking what you do.***

### 4. Uncertainty Avoidance Index (UAI)

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? This ambiguity brings with it anxiety and different cultures have learnt to deal with this anxiety in different ways

***The extent to which the members of a culture feel threatened by ambiguous or unknown situations and have created beliefs and institutions that try to avoid these*** is reflected in the score on Uncertainty Avoidance.

**Countries exhibiting high UAI maintain rigid codes of belief and behaviour and are intolerant of unorthodox behaviour and ideas. Low UAI societies maintain a more relaxed attitude in which practice counts more than principles.**

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### 5. Long Term Orientation (LTO)

Every society has to maintain some links with its own past while dealing with the challenges of the present and the future. Societies prioritise these two existential goals differently.

This dimension describes ***how every society has to maintain some links with its own past while dealing with the challenges of the present and future***, and societies prioritise these two existential goals differently.

Cultures with low scores 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 business, high scoring cultures tend to look much further into the future and be interested in steady growth, whereas as countries who score low tend to be more interested in short term / quarterly profits.**

### 6. Indulgence (IND)

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.

This dimension is defined as ***the extent to which people try to control their desires and impulses***, based on the way they were raised. High scores on indulgence indicate relatively weak control over ones desires, and a view in a society that enjoying oneself and having freedom is important and positive. Low scores indicate a culture where controlling oneself and ones desires is valued.

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## The Idemitsu Century - your reflections

1. Parts of the Idemitsu story that were most memorable for you?

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2. Parts of the story you found harder to relate to.

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3. Example/s from your experiences working with Idemitsu where you've seen 'respect for human beings' in action – or the lack of it.

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## Activity – Shared Behaviours

Above the line behaviours are those behaviours that you should expect from yourself and others on site / in your workplace.



Below the line behaviours are those behaviours that are contrary to our Values – they can be thought of as undermining what we are trying to collectively achieve.

**In my workplace**  
**Site / workplace:** \_\_\_\_\_

Above the line (generate a list of 5-7 behaviours)

Below the line (up to three behaviours)

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## Activity – Values in action

1. Consider what steps you would take to respond to the scenario and why?

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2. How does your response align with the IAR Values?

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## Reflections from today

1. What did you learn today?

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2. At least one thing you'll do differently based on what we covered today.

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