2017 BUSINESS PROFESSIONAL CONVENTION

SHAPING the FUTURE

SOUTH PACIFIC DIVISION OF THE
SEVENTH-DAY ADVENTIST
CHURCH
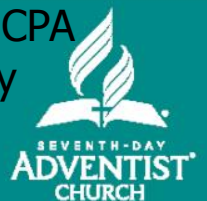
Transparency, Accountability, and Culture

Presentation for the SPD
2017 Business Professional Convention
May 16, 2017

Ann Gibson, PhD, CPA
Andrews University

SHAPING the FUTURE

SEVENTH-DAY ADVENTIST CHURCH

Definitions

Transparency = Trustworthy; Reliable

Accountability = Responsible

Ethics = Morality; Moral Standards; Moral Principles

Individualistic Cultures

Use personal characteristics and achievements to define themselves.

Value individual welfare over that of the group.

Wish to be rewarded for individual initiative, innovation, and problem-solving.

Collectivistic Cultures

Valued qualities are solidarity, generosity, and acceptance.

Define themselves as members of clans or communities.

Consider the group's welfare; the group rather than the individual receives recognition and reward.

Conceptual Differences

1. Expectations for exact accounting, and the review of financial statements by a committee as a requirement for transparency and accountability.

Conceptual Differences

Individualistic Cultures:

Transparency and accountability require careful accounting to "prove" honesty.

The accounting system should catch errors and theft through good internal controls.

Conceptual Differences

Collectivistic Cultures:

Leader is "entrusted" with position of leadership.

Demands for exact accounting signal mistrust; such questions create disharmony.

Conceptual Differences

Collectivistic Cultures:

Requiring everything in writing signals distrust.

Broad statements are considered sufficient; questioning financial reports too closely signals lack of confidence in elected officers.

Conceptual Differences

For individualistic cultures, transparency and accountability mean:

1. Careful, exact accounting;

2. Strong internal controls;

3. Open scrutiny of financial statements by boards and committees;

4. Open discussion/questions by those board/committee members.

Conceptual Differences

For collectivistic cultures:

Requiring exact accounting and open scrutiny of financial statements by board/committee members signals a LACK of trust of leaders elected to office.

Such questioning creates disharmony; signals lack of trust in their performance and honesty.

Conceptual Differences

2. In collectivistic cultures, resources are "ours" and "need" takes precedence over ownership.

Conceptual Differences

Individualist Cultures:

Ownership of resources rests with the individual.

The individual decides when and how to use resources.

The individual is responsible for resource use.

Conceptual Differences

Collectivistic Cultures:

Financial need takes precedence over other's ownership.

When funds or goods are available, they should be used to meet other's needs.

Conceptual Differences

3. Documentation Differences

Conceptual Differences

Individualistic Cultures:

Transactions are documented to establish legality.
Documents are assumed to be complete and accurate.

Conceptual Differences

Collectivistic Cultures:

Documentation may or may not be necessary as trust in the one with whom the action is done is the effective factor to the transaction's success.

Conceptual Differences

Statements from the "Transparency and Accountability" document:

1. Being accountable means that a leader…
2. The processes through which a leader is held accountable are …
3. Leaders who demonstrate accountability will…
4. Transparency requires members of committees to…
5. When a mistake is made or things go wrong, transparency means…

Building Trust

"Trust is possibly the most important trait in the leadership of voluntary organizations. It is built on two perceptions-character and competence. The quickest way to decrease trust is to violate a behavior of character. The quickest way to increase trust is to demonstrate a behavior of competence."

Lowell Cooper

Retired VP of the General Conference

Building Trust

"A trustworthy God is never made known by an untrustworthy representative."

Lowell Cooper

Retired VP of the General Conference

Building Trust

Individualistic Cultures:

Trust is built by achievement; being reliable.

Trust is scientific, based on facts and figures.

Trust relates to the situation; quickly given.

If the situation changes, trust may be dropped.

Building Trust

Collectivistic Cultures of Southern Europe, Africa and the Middle East:

Trust is built on demonstrated compassion and empathy, rather than on achievement.

Complete trust is given to family and close, life-long friends. It is built slowly.

Once given, trust is very lasting.

Building Trust

Collectivistic Cultures of Asia:

Trust is built on loyalty, respectful behavior, protecting the other's face.

Trust is built slowly, based on deep, emotional connections.

Once given, trust is very lasting; trusted friends will be protected from losing face.

Building Trust

Behaviors that build trust:

1. Talk straight; clarify expectations.

2. Demonstrate respect.

3. Be trustworthy and reliable.

4. Principle-based decisions in moments of crisis; be willing to do the right thing because it is right.

5. Show loyalty; don't exploit another's weakness; maintain confidentiality.

6. Keep commitments.

Building Trust

Mentally make a list of 5-6 people that you trust—people from different areas of your life.

How was trust built with this individual?

What events led you to trust them?

Is the trust based on skills and knowledge, or on feeling of closeness and empathy?

Discussion Questions

1. How does my culture affect, positively or negatively, the practices of transparency and accountability in my leadership role in the church?

2. How does a Christian perspective of transparency (trust) and accountability (responsibility) challenge or confront my culture's views of these practices?

3. Does my culture lead me to "assume" that people from certain cultures cannot be trusted?

References

Cooper, Lowell. (2016). "Effective Boards/Committees." Presented at the ADRA Board Retreat, 2016. March 30, 2016.

Cooper, Lowell. (2014). "Church Organization and Governance." Presented at the Franco-Belgian Union Leadership Seminar, September, 2014.

Cooper, Lowell. (2013). "A Leader's Code of Conduct." Presented at "Beyond the Bottom Line," March 26, 2013.

Cooper, Lowell. (2010). "Seventh-day Adventist Officers' Core Leadership Responsibilities." January, 2010.

Hofsted, G. (2001). *Culture's consequences: Comparing values, behaviors, institutions, and organizations across nations* (2nd ed). Thousand Oaks, CA: Sage.

Jennings, Marianne. (2006). *The Seven Signs of Ethical Collapse*. NY: St. Martin's Press

SHAPING the FUTURE

SEVENTH-DAY ADVENTIST CHURCH

References

Lewis, Richard D. (2006). *When Cultures Collide: Leading Across Cultures*. 3rd edition. Boston, MA: Nicholas Brealey International.

Maranz, D. (2001). *African Friends and Money Matters*. Dallas, TX: SIL International and International Museum of Culture.

McCoy, Bowen H. (2003). "The Parable of the Sadhu." Reprinted in *Harvard Business Review on Corporate Ethics*. Boston, MA: HBS Press. pp. 165-181.

Meyer, Erin. (2014). *The Culture Map*. NY BBS Public Affairs.

Moberg, Dennis. "When Good People Do Bad Things at Work." (accessed December 1, 2015). www.scu.edu/ethicspublications/iie/v10n2/peopleatwork.html

Mutero, Gideon. (2016). Interview with Ann Gibson (notes on file).

SHAPING the
FUTURE

SEVENTH-DAY
ADVENTIST
CHURCH

References

Shulevitz, Judith. (2010) *The Sabbath World*. NY: Random House.

Transparency and Accountability: A Global Commitment of the Seventh-day Adventist Church Leaders. Editor: Paul H. Douglas.

White, E. G. (1948) *Testimonies to the Church, vol. 3*. Washington DC: Review & Herald Publishing Association. pp. 492-509.

SHAPING the FUTURE

SEVENTH-DAY ADVENTIST CHURCH