

Part 6 – final conclusion

Business strategies in dealing with cultural diversity¹

When planning strategically how to integrate other companies businesses have a few patterns of action at hand. The following model was worked out for the cross-cultural context; however, we can also use it for the challenges diverse business cultures pose.²

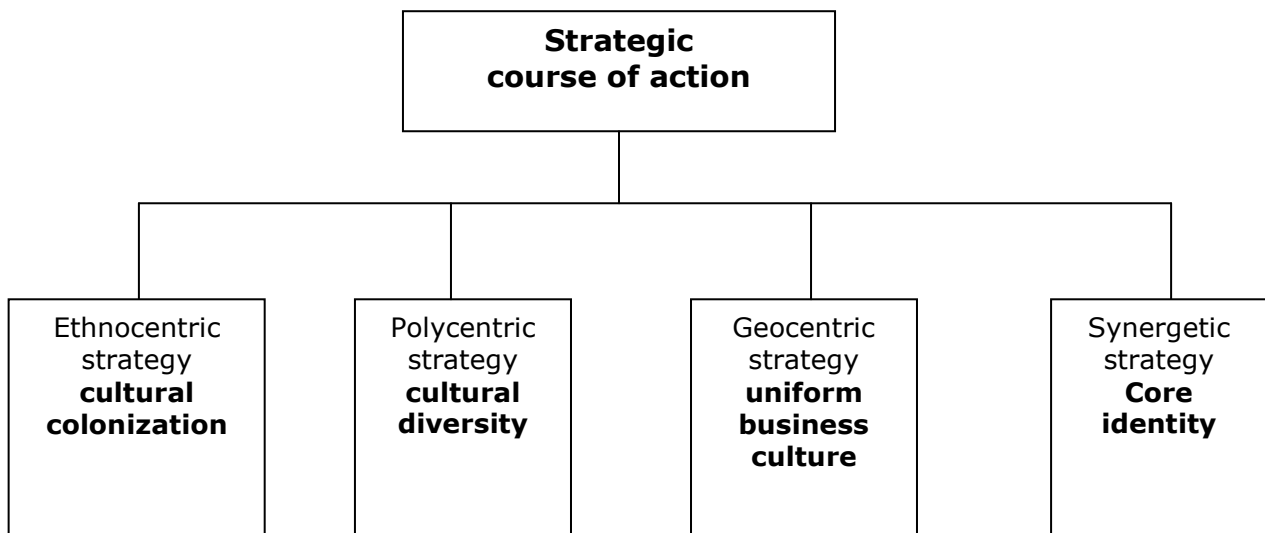


fig. 6 strategic courses of action³

3.4.1 Ethnocentric strategy = "cultural colonization"

The mother company tries to impose its own set of values and standards, its decision making and other processes as well as courses of action upon the other system. This 'cultural colonization' mostly fails because it neither takes micro nor macro requirements into consideration.

¹ cf. Reinke (1989).

² e.g. Schmid/Messmer/Weidner (2005).

³ cf. Reinke (1989).

3.4.2 Polycentric strategy = cultural diversity

All companies of the organization can keep their own sets of values and norms almost unconditionally. The advantage of this is a good accommodation in the own market. Disadvantage: coordination problems within the organization. The 'roof' organization has no own identity.⁴

3.4.3 Geocentric strategy = uniform business culture

A uniform business culture is formed across the respective macro cultures and companies. The objective is to supply orientation worldwide, to allow employees to outgrow their particular native business culture, and to strengthen identification with the concern.⁵

3.4.4 Synergetic strategy = core identity

Core elements of the culture of the mother company and local requirements are interlaced utilizing globalization and localization advantages. In this approach the mother company transfers those orientation, decision making, and behavioral processes, that are considered essential, as core culture onto all units within and outside the country. The latter have the freedom to integrate their own micro cultures.⁶

Conclusion and perspective

In our series of articles we presented 3 established models and a summary, all of which describe culture. We have seen how communication and cooperation come into 'culture' of an organization and in how far the individual person plays a role. When looking at strategic courses of action it becomes evident that we can cluster possible patterns.

⁴ e.g.: Procter & Gamble – the individual companies act largely independently.

⁵ e.g.: IBM, HSBC – the business culture creates staff retention and flexible staff assignment.

⁶ e.g.: Continental AG, Lufthansa AG - the core identity is transferred in trainings and through replacement of executive management.

Models for strategic course of action show how companies can deal with cultural diversity either internally when integrating acquired companies or externally when aligning business units abroad.

The articles remain descriptive. It would be interesting to research if and how it is possible to strategically shape culture and what we have to take into consideration. However, the articles describe cornerstones of (inter)cultural work and can thus be used as starting point for strategic considerations. At large we can say that diversity originating from different sets of values and norms will remain an interesting interdisciplinary field of research for another while yet with lots to discover.

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