INTERNATIONAL BUSINESS COMMUNICATIONS
LCBB6001
COMPONENT 2: INDIVIDUAL PRESENTATION





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- PRESENTATION DATE: 22ND OF NOVEMBER 2023

INTRODUCTION

- This presentation will be conducted from the perspective of a management consultant representing Tesco, a British multinational corporation that is considering the opening of a management office in Germany. The primary motivations for undertaking such actions are to enhance global trading capabilities and establish a management office within the European Union.

- Furthermore, an assessment will be conducted on the cultural commonalities and variances between the United Kingdom and Germany, and their potential to facilitate the preparatory stages of the expansion.



ABOUT TESCO AND IT'S INDUSTRY



Tesco is a renowned and massive retail chain in the United Kingdom that is widely recognized for its presence in the supermarket industry. Jack Cohen founded the company in 1919, and over time, it has grown in size and reach, expanding its presence within the UK and around the world to establish itself as a leading international retailer.



Currently, Tesco is present in numerous nations and provides an extensive array of goods and services which encompass groceries, apparel, electronics, as well as financial services. The company has expanded its operations to include industries like banking and insurance, thus diversifying its business.

Source: Tesco (2023)

TESCO'S CODE OF CONDUCT



Image: Tesco's cultural values (Tesco,2016)

According to Tesco (2016),reputable worldwide company, Tesco is recognized for its outstanding goods and services. They consistently strive to achieve optimal outcomes for the organization, maximum profits for their shareholders, and the most advantageous services for their customers.

Behaving in a morally upright and admirable manner is referred to as ethical behaviour. For maintaining their prestigious reputation and amplifying their accomplishments, the company continuously tries to improve their image and take advantage of opportunities. They must conduct business in a morally and legally sound manner if they want to succeed. The Code of Business Conduct and Ethics that Tesco has established explains its commitment to maintaining moral business practices.



THE ROLE OF A MANAGEMENT CONSULTANT

- According to Kipping & Clark (2014), the role of a management consultant is to help organizations improve performance, efficiency, and overall operations by providing strategic advice, problem-solving assistance, and guidance. Management consultants use their expertise to analyze complex business problems, plan strategies, and implement solutions that benefit their customers.

- A few studies have provided insights into the reasons and ways in which planning, and performance vary across cultures. Managers' perception and response towards environmental uncertainty are important for strategy making as it enables the firm to adapt to its surroundings. Hence why, the intervention of a management consultant is extremely important in achieving the mentioned goal. (Hoffman, 2007)



EXPANSION

A major decision such as expanding a multinational corporation into a new market necessitates a thorough analysis of several variables. There are numerous strong arguments for a multinational corporation based in the UK to deliberately extend its operations into Germany:

EXPANSION



Germany has a large and prosperous market, being one of the biggest economy in Europe. It provides a strong consumer market with a high standard of living. Expanding into Germany allows a UK multinational company to tap into a population of more than 83 million people. This presents abundant possibilities for market expansion, potentially leading to higher sales and profits. (World Bank, 2021)

Germany's convenient position in Europe allows easy entry to other profitable markets in the European Union. This will make it easier for the UK multinational company to distribute and manage its supply chain, allowing them to reach more customers throughout the continent.

Germany provides a stable and favourable environment for businesses, supported by efficient legal institutions, adequate infrastructure, and clear regulatory policies. A UK multinational company can feel secure and confident when operating in Germany thanks to this.

INTERCULTURAL MANAGEMENT

- Intercultural management, as per Hofstede (2023), effectively deals with individuals from different cultures to reduce misunderstandings and conflicts, while promoting better communication and collaboration. Today, in our increasingly connected global society, organizations of all sizes are more prone to have employees hailing from diverse cultural backgrounds. Managing diversity effectively is crucial, as it can lead to numerous advantages but also pose challenges if not handled well. Lack of proper management can result in miscommunication, conflict, and even hostility due to cultural differences. Effective intercultural management can harness these differences to cultivate an innovative and productive workforce.



CULTURAL SIMILARITIES IN UK AND GERMANY



- Both British and German work cultures have clear hierarchies that are followed by everyone. Everyone in the ranking has specific roles and duties. The hierarchy is formed according to experience and qualifications. The top positions are held by employees who have more experience and higher qualifications, while the bottom positions are occupied by those who have lesser qualifications.
- In Britain and Germany, appointments and meetings are well-planned and consistently begin on time. In both countries, being late is seen as impolite and a sign of being unorganized in the workplace.
- Both German and British work cultures prioritize straightforward and transparent communication, emphasizing honesty in professional relationships. This is evident in how feedback is given, and conflicts are handled at work.

CULTURAL DIFFERENCES BETWEEN UK AND GERMANY

- Cultural communication differences can affect different aspects of interaction, such as business negotiations, resolving conflicts, and social relationships. In a business environment, people from high-context cultures like Germany tend to value establishing relationships and trust before getting into detailed discussions. On the other hand, individuals from low-context cultures like the UK prioritize sharing clear information and reaching explicit agreements right away. (Baskerville, 2003)

DIFFERENCES	UK	GERMANY
Communication	The British tend to be more courteous and choose their words carefully when interacting with others. In order to effectively communicate with the British, it is advisable to exercise some tact rather than being overly forthright.	Germans communicate directly and honestly, prioritizing transparency over building relationships or considering emotions.
Punctuality	Being punctual is not a strict requirement for the British; it is more of a preference.	In Germany, being late is highly frowned upon and creates a negative impression.
Socialization	British citizens are recognized for their reputation of being diligent and dedicated workers who also know how to have a good time. During breaks, colleagues often come together for a cup of tea or a beverage, fostering more social interaction among coworkers beyond the office environment.	German work culture is quite formal, with a clear distinction between professional and personal life.

Table: Cultural differences between UK and Germany (Created by student,2023)

HOFSTEDE'S CULTURAL DIMENSIONS THEORY

- Hofstede's Cultural Dimensions Theory is a significant model used to comprehend and contrast cultures worldwide. The theory is an effective tool for comprehending and forecasting differences in human behaviour across cultures. It covers a wide range of aspects including decision-making, leadership styles, values, and attitudes towards authority and uncertainty.

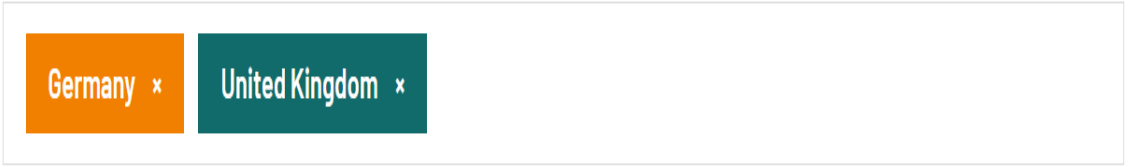
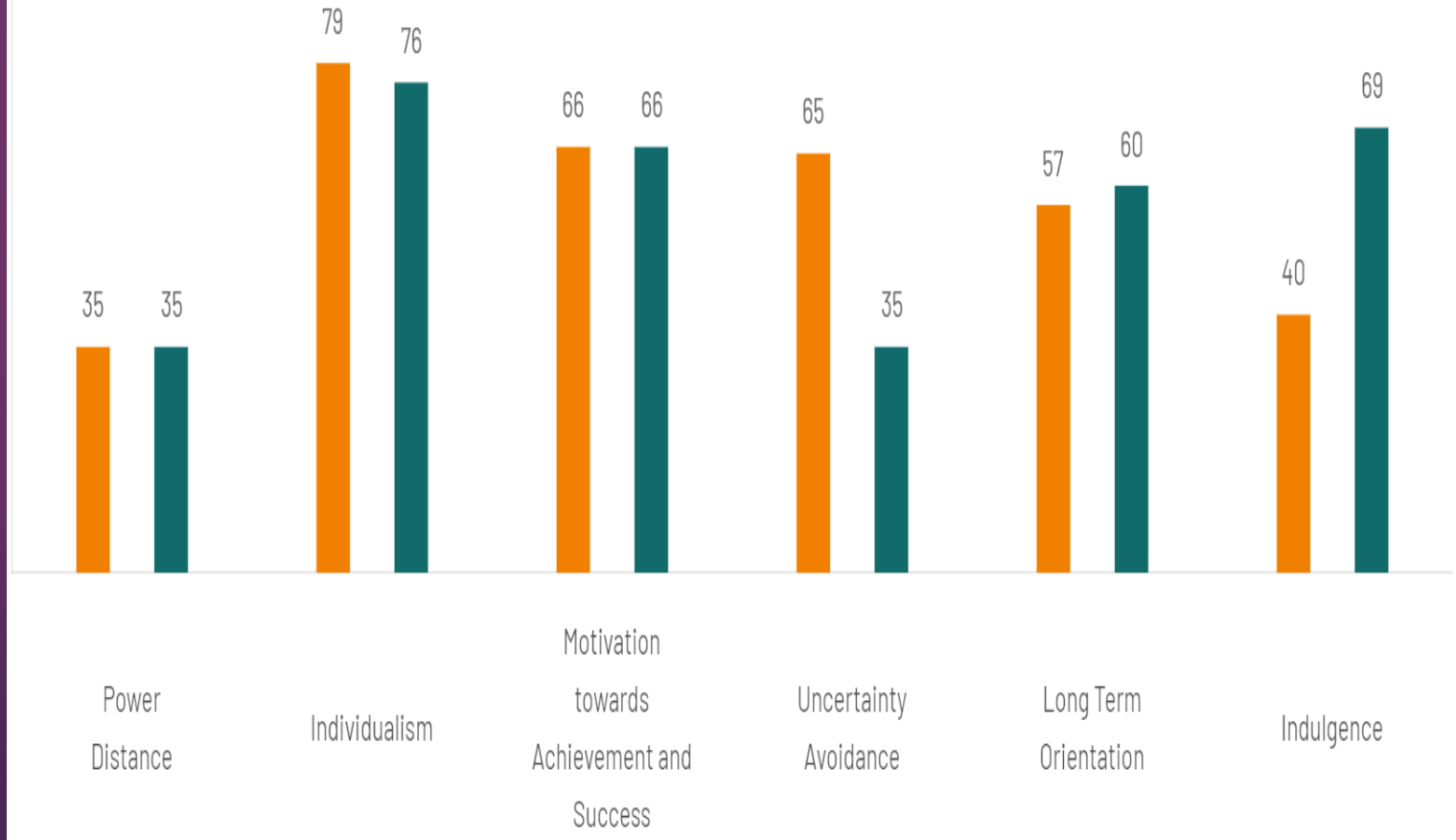


Figure: Germany and UK comparison (Hofstede, 2023)



DIMENSIONS: UK VS GERMANY

DIMENSION	UK	GERMANY
Uncertainty Avoidance	The UK, with a score of 35, has a minimal concern for uncertainty. This implies that as a country, they are content with facing each day without knowing what it holds, and they are open to adapting their plans as new information arises.	Germany falls under the category of uncertainty avoidant nations with a score of 65, indicating a relatively high preference for avoiding uncertainty. In thinking, presenting, and planning, a clear preference exists for deductive approaches over inductive ones. It is necessary to provide a systematic overview before proceeding.
Indulgence	British culture is classified as indulgent with a score of 69. In societies with high indulgence scores, individuals are generally inclined to freely pursue their desires and enjoy life to the fullest. They have a positive mindset and tend to be optimistic.	The German culture is characterized as being restrained, as evidenced by the low score of 40 on this dimension. Low-scoring societies tend to exhibit cynicism and pessimism. Unlike Indulgent societies, restrained societies do not prioritize leisure time and exercise self-control in fulfilling their desires.

Table: The most different dimensions between UK and Germany (Hofstede,2023)

HIGH VS LOW CONTEXT



LOW-CONTEXT

The communication style in the UK is often straightforward and explicit, where people use clear and direct language to express their thoughts and opinions, emphasizing individualism. In the UK, the message's content is typically prioritized over its underlying context. It is further emphasized that there is little context in UK communication by using standardized English and direct verbal communication. Baskerville (2003)



HIGH-CONTEXT

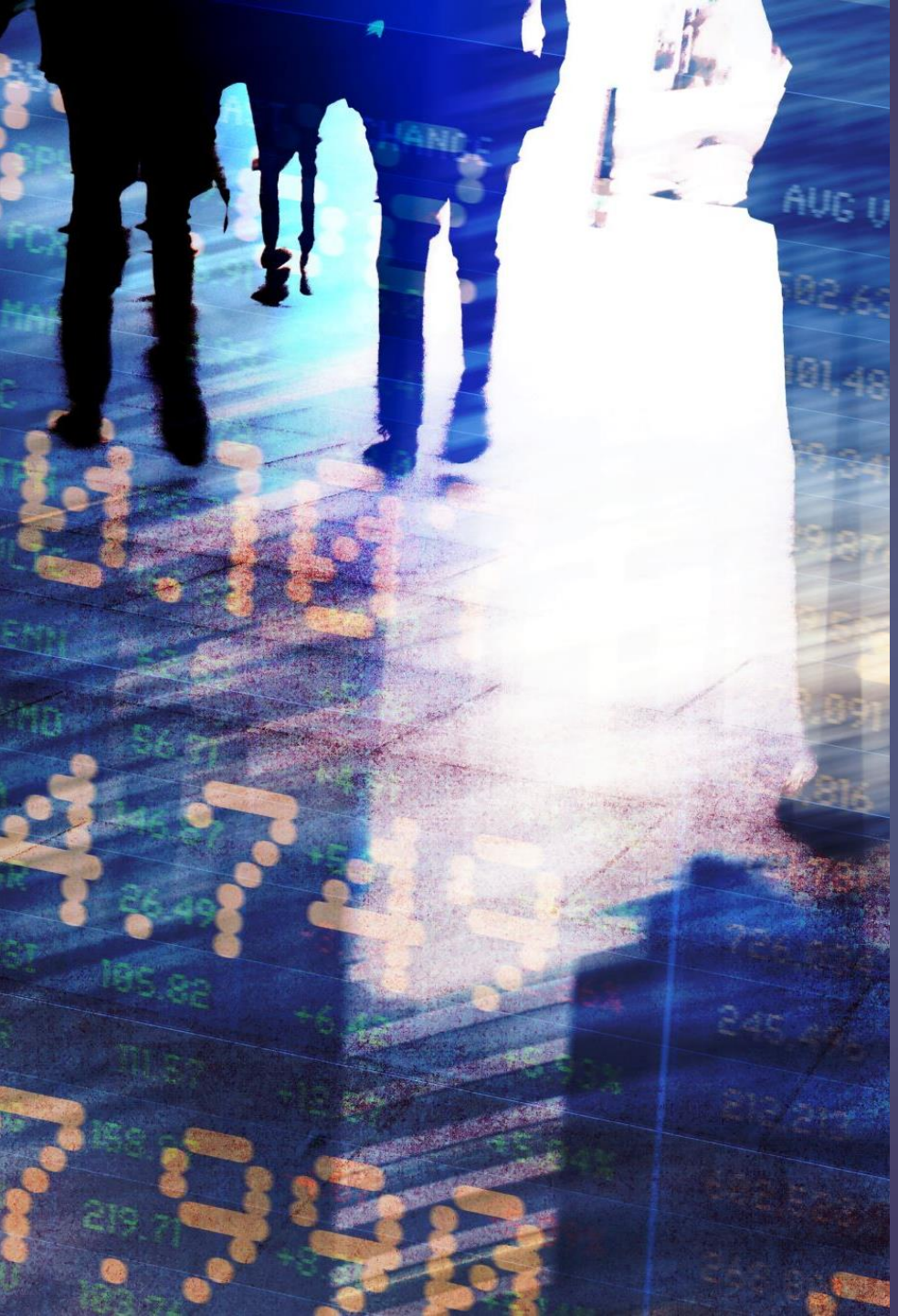
In Germany, people typically rely on implicit understanding derived from common cultural and historical contexts, and they place a great value on enduring relationships and communication confidence. This is evident in the way that messages are expressed through subliminal clues, nuanced gestures, and indirect language. Additionally, the wide use of regional accents and nonverbal forms serves to emphasize the implicit nature of communication in Germany. Baskerville (2003)

MANAGEMENT APPROACHES FOR IMPROVING INTERCULTURAL TEAMWORK

- Managers can apply different strategies based on Hofstede's cultural dimensions theory to enhance cross-cultural collaboration. One way to tackle this is by recognizing and effectively dealing with the cultural disparities among team members. Using Hofstede's six cultural dimensions can help identify the distinct cultural traits and values of team members, ultimately achieving this goal. Managers can adapt their communication styles, leadership approaches, and team dynamics to meet the diverse cultural perspectives within the team by recognizing these differences. (Hofstede,2001)



- There is another approach that could be used to help the team become more sensitive and aware of other cultures. Managers who provide training and educational materials on Hofstede's cultural dimensions can help their team members better understand cultural differences. Increased empathy, tolerance, and effective cross-cultural communication may arise from this, which will ultimately strengthen teamwork. (Hofstede,2001)



CONCLUSION AND RECOMMENDATIONS

- In conclusion, Germany remains an attractive location for business activities, even with a slight decline in foreign investment following the global recession and Eurozone crisis. The economy is strong due to a dependable infrastructure, skilled workers, a supportive social environment, stable laws, and a history of outstanding research and development. (Kluwer, 2020)

- Understanding and acknowledging the cultural differences that exist in the host country is crucial for successful international business transactions. Germans value structure, order, and attention to detail highly. For effective project management, a company must thoroughly analyse every aspect of a project in collaboration with its contacts. Unforeseen surprises are not well-received. Last-minute changes, regardless of their potential to enhance results, will not be appreciated. Although many Germans are proficient in English, they would value any attempt to translate crucial documents beforehand for use in meetings. (Kluwer, 2020)

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