



Sainsbury's

Establishing a management office in Germany: Cultural considerations and strategic recommendations

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Cultural differences between the UK and Germany



Language

- **UK:** English is the primary language.
- **Germany:** The official language is German. While many Germans speak English (31.93%), they prefer communication in their native language. (Language Knowledge.eu, 2024)



Ethnic makeup of people and social structures

- **UK:** Highly diverse population with significant multicultural influences from Africa, Asia, Caribbeans, India and Europe. (GOV.UK, 2024)
- **Germany:** Predominantly ethnic Germans (86.3%). The country is increasing its diversity due to immigration (Turkish 1.8%, Polish 1%, Syrian 1% and Romanian 1%) (Migration Policy Institute, 2024)



Religious values

- **UK:** Christianity is the official religion. However, more than a third of the population is agnostic, non-theistic and non-affiliated with any religion. (ONS, 2021)
- **Germany:** Predominantly Christian (Protestant and Catholic) with a secular approach in business settings. There are many other religious practices such as Islam, Judaism, Buddhism, and Hinduism that are popular. (Deutschland.de, 2017)



Business and work-related attitudes

- **UK:** Innovative, flexible, taking risks. There are clear hierarchies within companies, but with an approachable senior management and leadership team.
- **Germany:** Methodical, structured and detail-oriented. The hierarchical structures are well-defined and respected.



Intercultural communication theories: Hofstede's cultural dimensions

Power distance: The UK has a low acceptance of inequality, reflecting a cultural belief in minimising disparities despite the historical class system, driven by a sense of fair play and the notion that one's birth should not limit their life opportunities.

Individualism vs. Collectivism: Highly individualist society where people prioritise self-reliance and personal fulfillment, teaching children to find their unique purpose, a trend amplified by increasing affluence and consumerism.

Uncertainty Avoidance: Comfortable with ambiguity and flexible in planning, embracing a 'muddling through' approach that fosters creativity and innovation, reflected in its dynamic industries and cultural adaptability.

Masculinity vs. Femininity: Both countries score high on masculinity, valuing competitiveness and achievement.

Long-Term Orientation: Britain is a pragmatic culture where people believe that truth depends on context, showing flexibility in adapting traditions to changing conditions, and demonstrating a strong propensity for thriftiness and perseverance in achieving results.



Intercultural communication theories: Hofstede's cultural dimensions

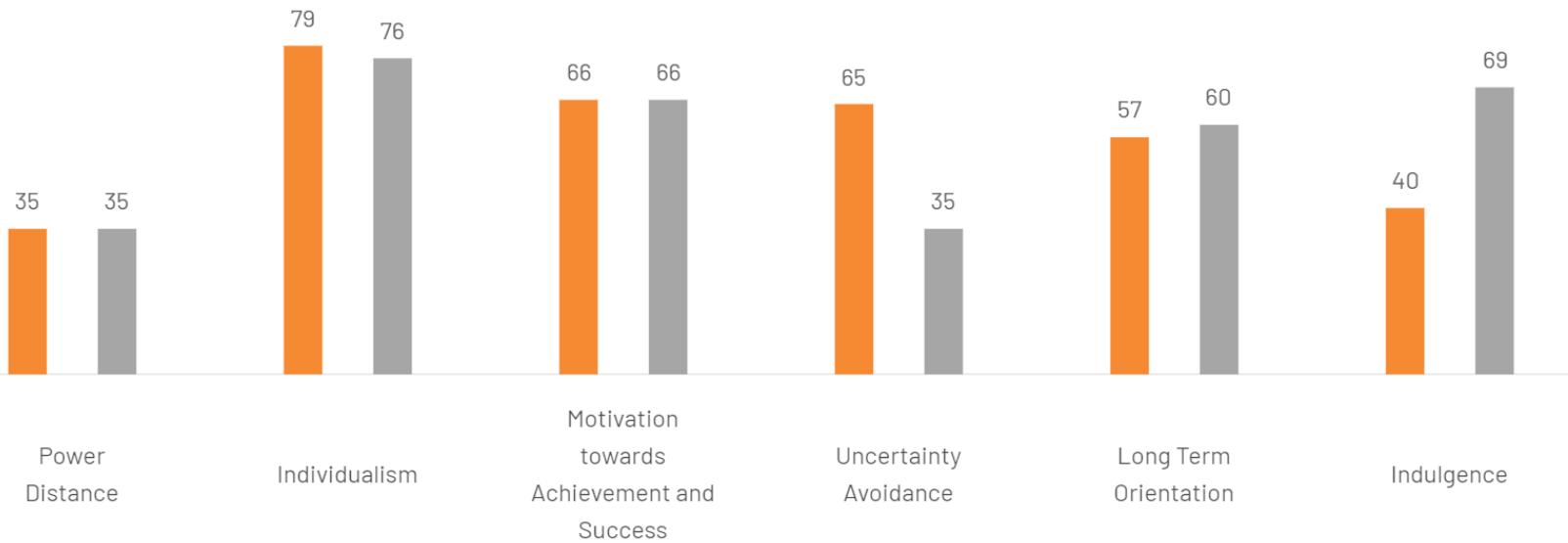
Power Distance: Germany features a decentralised structure with extensive co-determination rights, favoring direct and participative communication, minimal control, and leadership based on expertise.

Individualism vs Collectivism: German society values self-actualisation and small family units, with loyalty based on personal preferences and a strong sense of duty, and communication that is direct and honest, even if it is hurtful.

Uncertainty Avoidance: With a high Uncertainty Avoidance, Germany prefers to minimise ambiguity through detailed planning and systematic approaches, emphasising expertise and thorough consideration of details, consistent with its philosophical heritage and legal system.

Masculinity vs Femininity: Both countries score high on masculinity, valuing competitiveness and achievement.

Long-Term Orientation: Germany is a pragmatic country where people adapt traditions to changing conditions, and prioritise thrift, investment, and perseverance in achieving results.



Germany

United kingdom

Hofstede's
cultural
dimensions: UK
and Germany
(Hofstede
Insights, 2024)

Intercultural communication theories:

Trompenaars' seven dimensions of culture

Universalism / Particularism

Although people from the UK are a little more relationship-oriented than the average from Germany, in many respects they have a similar orientation on this dimension. Germany is scoring higher towards rules.

Neutral / Affective

Although people from the UK display emotions more than the average from Germany, in many respects their approach to displaying or concealing emotion is relatively similar.

Specific / Diffuse

People from the UK adopt a lower rather than higher involvement in business.

People from Germany tend to adopt a very low personal involvement towards business on this dimension.

Personal / Society

People from the UK have a high achievement orientation (what they do).

People from Germany tend to adopt a very high achievement orientation (what they do).

Although people from the UK tend to rely more on who they are than the average from Germany, in many respects their approach to acquiring and utilising their status is relatively similar. (Trompenaars Hampden-Turner, 2024)



Cultural challenges. The UK vs Germany

Communication

- ❖ In Germany, communication tends to be direct and explicit, whereas in the UK, it is often more indirect and polite.
- ❖ Proficiency in the German language and an understanding of local business etiquette are essential when considering opening a business. (Ulijn, 2017)

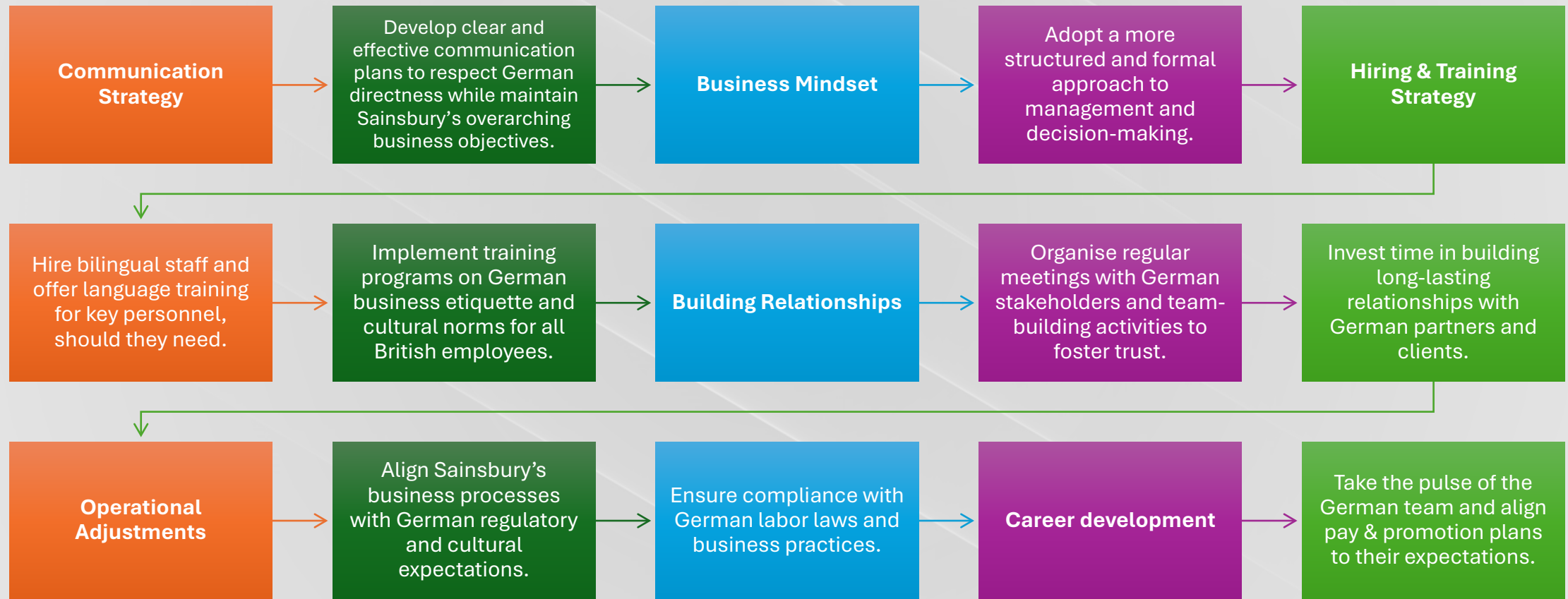
Decision-making processes

- ❖ Germany typically follows a consensus-based and methodical approach to decision-making, while the UK favors quicker and more flexible methods. (Business Culture, 2024)

Management styles

- ❖ Management in Germany is generally hierarchical and structured, in contrast to the more approachable and flexible style seen in the UK.
- ❖ Demonstrating respect for authority and formal titles is particularly important in Germany. (Al-Alawi & Alkhodari, 2016)

Roadmap to success



Conclusion

Establishing the first management office in Germany presents significant opportunities for growth for Sainsbury's.

Understanding and addressing cultural differences is crucial to ensuring success for the new branch.

By implementing the recommended strategies, Sainsbury's can ensure a smooth and effective expansion into the German market.

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