



Greggs PLC UK, expansion in China

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Introduction

- ▶ Founded by John Gregg, Gosforth, Newcastle upon Tyne, England 1939
- ▶ Number of location: 2,300 stores
- ▶ Food-on-go retailer in the UK
- ▶ Performing well sales keep increasing
- ▶ Good organizational structure and operations

Culture differentiation at working place

United Kingdom

- ▶ Fixed working hours, usually overtime is paid
- ▶ Management style is democratic and participative
- ▶ Financial reward
- ▶ Duration of employment is changes often
- ▶ Non-hierarchical

China

- ▶ Employee staying beyond their contracted hours and not paid is very common
- ▶ Authoritative management style
- ▶ Recognition of failure or success as a group
- ▶ duration of employment is very long or lifetime
- ▶ Strong hierarchical is based on age and position

Culture differences between UK and China

China

- ▶ Prefer slower negotiation
- ▶ gratification over long term
- ▶ Prefer gift at the end of the meeting, as symbol of good future business
- ▶ Contract lies in the relationship between the parties, very detailed is lack of trust
- ▶ Cultural process valued more than product

UK

- ▶ Time is more, rush to conclude the deal
- ▶ Instant gratification, short term
- ▶ Very detailed law contract, to anticipate any risk
- ▶ Product is more valued than the process

Success and failure factors of joint ventures

- ▶ 2nd the largest economic entity in the world (GDP)
- ▶ Invested only 1,15% high-tech, compare to 11.01% UK
- ▶ Not home for globally competitive group (Nolan, 2004)
- ▶ China is an export-oriented economy
- ▶ Main preferred dishes: Peking Roasted Duck, Kung Pao Chicken, Sweet and Sour Pork, Hot Pot, Dim Sum, Dumplings



Cultural sensitivity of China

- ▶ Heavily influenced by Confucianism
- ▶ Strict system of norms and propriety
- ▶ Hierarchy
- ▶ 'Guanxi' – deeply system of relationship, personal connection, contacts and networks
- ▶ 'Mianzi' concept of face-broadly, prestige and one's position in a hierarchy
- ▶ 'Renqing' reciprocal favour

Hofstede cultural Dimension: UK and China

► UK are a highly individualist. Children are taught to think for themselves and to find out what their purpose of life, with desires and enjoying live.

► China with Power score high due to hierarchy and the center government and military. The tradition value promote strict system and belonging with group.



Recommendations

Training programs for its employees to better understand these cultural differences between China and UK, which involving in values, norms and behaviours

Language training

Communication-In, an effective communication mechanism is important for the process of company operation.

Add or change substantially the food according to the country preferences.

Conclusion



► In conclusion a business open in China, it has to be considered different factors which will drive the success. Being a post communist country for almost 100 years it should be taken in consideration the difference culture, tradition, values, the language barriers and food preferences. Secondly, to remove barriers to leadership style, communication models, performance appraisal and social security benefits.

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