

Tesco's Expansion into Germany

By:



Introduction: Expansion Benefits

- Market Expansion and access to the EU market
- Strategic positioning for Brexit
- Efficient Supply Chain Management

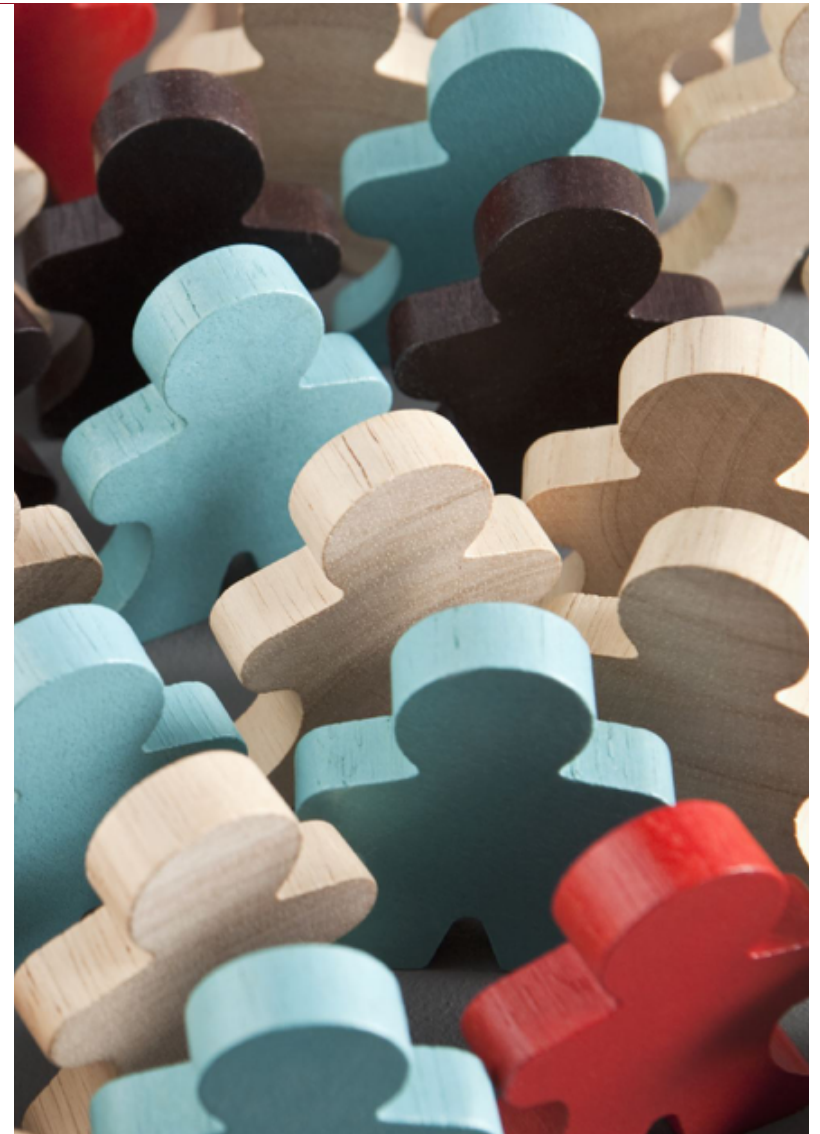
Cultural Differences: Hofstede's Framework

Power Distance :

- Germany has higher power distance than the UK
- Greater acceptance of authority and hierarchical structures
- Tesco- Centralized decision-making approach compared to the UK relatively flat organizational hierarchy

Individualism vs Collectivism:

- The UK more individualistic than Germany
- E.g, UK employees preference of individual tasks, personal success and autonomy, German employees preference of team work hence a more cohesive and collaborative team dynamic.



Cultural Differences: Trompenaar's Cultural Dimensions

Universalism vs Particularism

- UK leans towards universalism while Germany is more particular
- I.e UK promotes adherence to rules, standardized practices and procedures while Germany prioritizes relationships and context.

Achievement Vs Ascription

- UK emphasizes personal achievement and meritocracy while Germany age, experience and qualifications in attributing status and authority



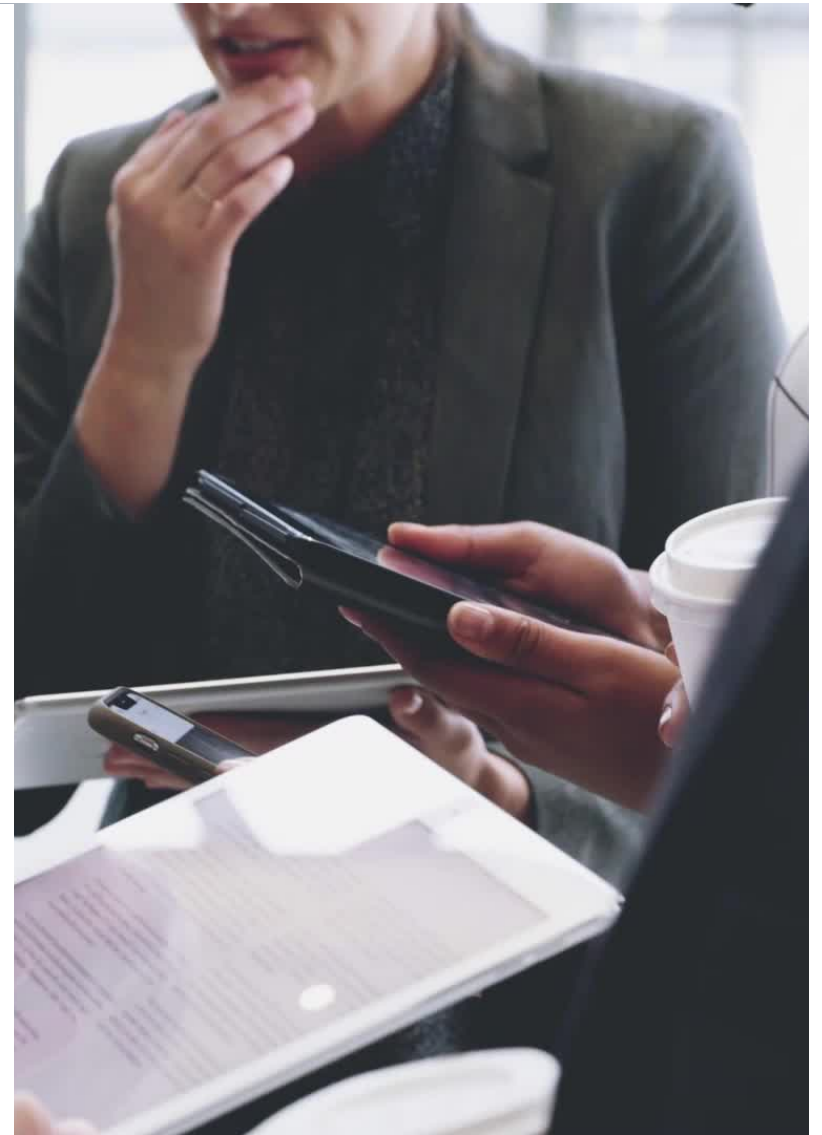
Cultural Differences: Language, Religion and Ethnic Makeup

- Language: German is the official language in Germany while both countries speak English
- Religion: Christianity is the predominant religious influence in Germany, with a significant protestant and catholic population. Respect for religious holidays and customs is mandatory
- Ethnic makeup: more homogenous population in Germany compared to the UK which is more diverse.



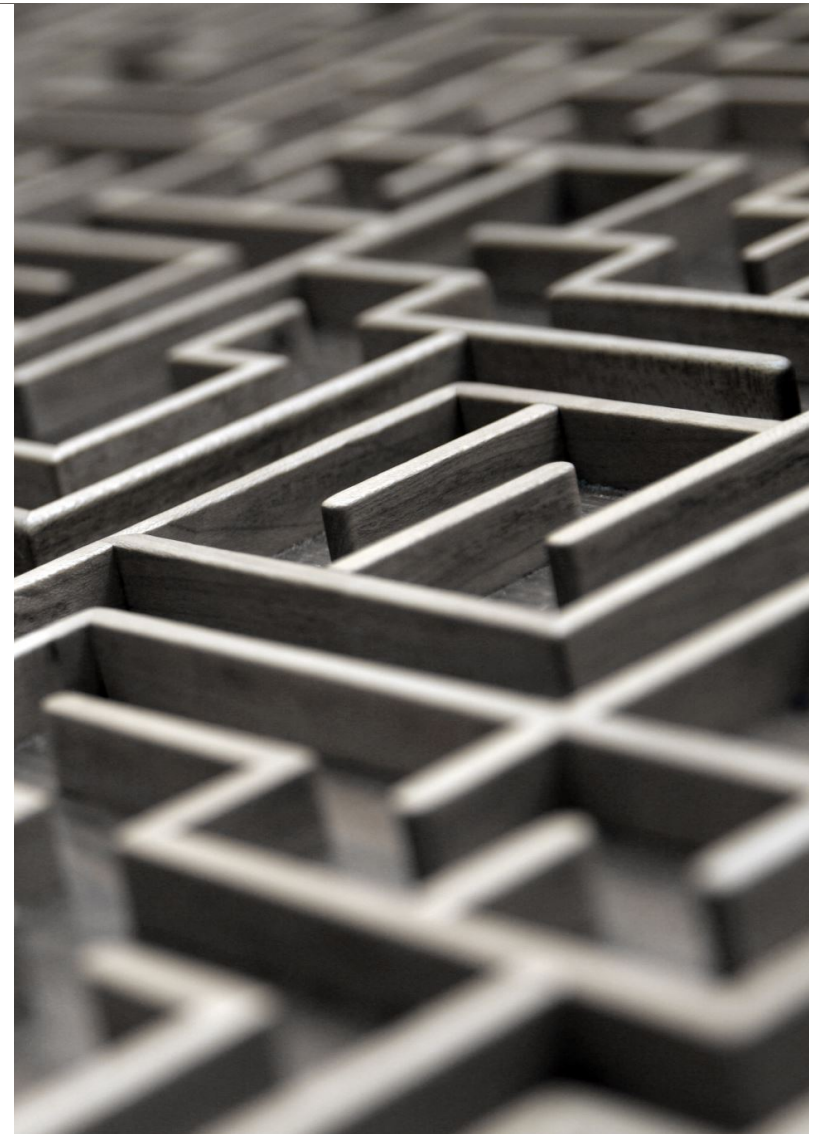
Cultural Differences: Communication

- Germans favor direct and clear communication while Britons often use cues and implications.
- German business culture emphasizes formality and protocol while British interactions tend to be more casual
- Germans have a structured approach to meetings with clear agendas and timeframes while in the UK meetings might be more flexible



Challenges

- Language Barrier
- Resistance to change and unfamiliar practices.
- Misinterpretation of cultural norms and values
- Potential conflict arising from different approaches to decision making and problem solving.



Recommendations

- Cultural Awareness Training
- Language proficiency through language training programs
- Management style adaptation
- Relationship building in Germany.
- Flexibility and Adaptability.
- Cultural Liaison Role



References

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