

Corporate Cultures in Global Interaction

People, Strategies, and Success

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Leadership and responsibility in a globalized world: Integrating people and respecting their cultures

Executives and employees are nowadays confronted with challenges which only a few decades ago would have been difficult to predict and hard to imagine. In addition to the development of new technologies, globalization in particular has led to serious upheavals in the economies and societies of both industrialized countries and the emerging economies.

Thus we living neither in a European nor in an American century, nor, for that matter, in an Asian century. We are living in a globalized century! The consequences of this are that competitive international pressure, dynamic environmental conditions, highly complex patterns of interaction in the economy and society, and constantly changing forms of work call for new kinds of competence, not only on the leadership level, but throughout the corporation as a whole.

Yet how can corporations and their employees cope with these challenges? Which strategies will survive in the midst of global competition? What are the consequences when it comes to selecting locations and organizing cooperation between different cultures? How can we prepare employees for the flexibility and mobility of a modern working environment in which one's colleagues are in Bombay, New York, Hong Kong or Rio de Janeiro?

To this day corporations generally resort to fusions and acquisitions in order to make faster growth possible, to achieve synergies and competitive advantages, and to open up new markets. However, in future cooperation with partner corporations and the utilization of inter-

national networks in which synergies can be exploited as and when needed and even on a temporary basis in the case of specific products, customers or markets will become increasingly important. Innovative technologies and forms of communication will contribute to this process and help to accelerate it. However, they will not only facilitate international cooperation and bring together colleagues around the globe. They will also lead to a situation where, in view of the speed and the scale of the changes, many people will feel increasingly insecure and fearful. In a global context the frequently expressed calls for corporate social responsibility, if they are to be more than empty phrases, add up to the idea that we should integrate people and that we ought not to destroy other cultures.

Whether or not a corporation is a success in the global economy as a result of this and other measures which are still in the pipeline will not only depend on the corporate leadership and its decisions relating to strategy, structure and processes. It is up to every single employee. It will also be imperative for globally active corporations to base their operations on a transparent and understandable model. This will make it possible to define basic common values relating to how people interact—though these values must always be adapted to the local circumstances, traditions and cultures.

In this context it is crucially important for the leadership to serve as a model, since corporate culture needs to be defined “right at the top.” However, the global reach of a corporation should not only be defined and imbued with

meaning on the leadership level. Ideally it should permeate the whole organization and the thinking of each employee. On an international level it is not only corporations, divisions or departments which engage in cooperation. First and foremost it is people from different cultures.

In order to understand other people, to respect their values and convictions, and to interact and work together with them in a successful kind of way there is a need for a special type of sensitivity, tolerance, respect and modesty. This intercultural competence is becoming more and more important as the globalization of the economy and society proceeds apace. The fact is that we are only at the start of a process which will enable more and more people to participate in the unfolding of a globalized world.

Globalization should be construed as an opportunity which we can seize together. Corporations cannot abstract themselves from the patterns of international trade. On the contrary, they depend on them in order to achieve entrepreneurial success. For this they need motivated and creative employees who are willing to work hard and embrace change, employees who identify themselves with the corporation, its goals, and with its tasks—no matter what the location or the country happens to be.

An important building block is the creation of a partnership-based corporate culture which reflects intercultural thinking and action, and prompts employees to strive to achieve their goals and celebrate innovation on a global basis. In this way it will be possible to build bridges between people, and across languages, borders, and workplaces. For this reason special technical abilities will no longer be the only or indeed the decisive factor. They will have to be complemented by social, emotional and intercultural competences.

An enormous challenge for both the leadership and the employees is to create a successful future for their corporation and to do so in a



responsible way. We will succeed if we bear one thing in mind: communications technologies can make it easier to cooperate, but they cannot replace a personal conversation. People first get to know each other, and then may find much to admire. Trust evolves on the basis of conversations—and that is where friendships have their origin. ■

Lis Wokke

Vice-Chair of the Bertelsmann Stiftung Executive Board, Gütersloh

Corporate Cultures in Global Interaction

An Introduction

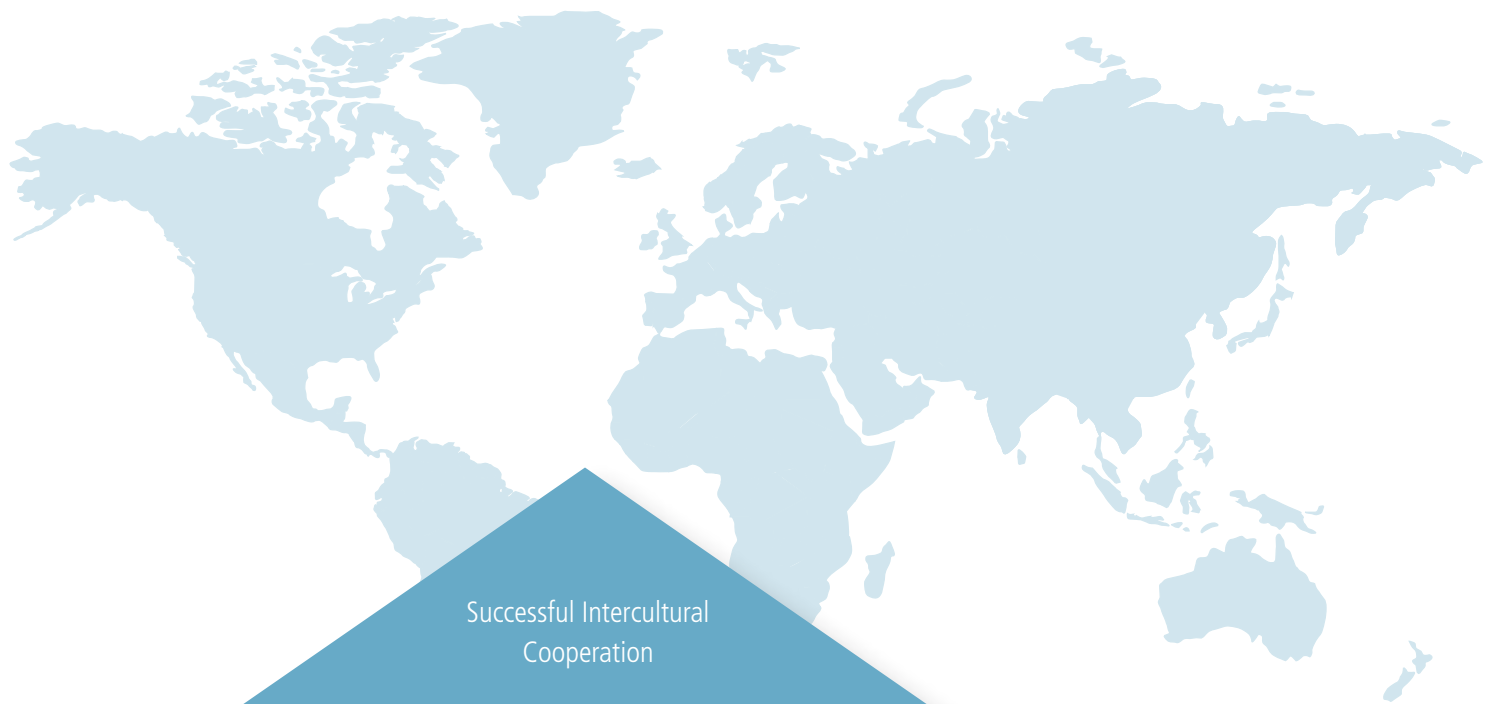
Markets and environmental conditions are in a continual state of flux, put growing pressure on corporations, and forcing them to adapt. New technologies are being created, new markets are emerging, and large new corporations are being founded on almost a daily basis. Furthermore, the emerging economies are already producing corporations which are operating on a global scale. This internationalization of the markets goes hand in hand with the increasingly transnational activities of corporations and thus with the enhanced cooperation between them and their employees and partners, competitors and colleagues from completely different cultures. Corporate culture is influenced by regional, national and international elements, so that the diversity and complexity of the action space in which a corporation operates are continually on the increase and need to be managed in an active manner at the executive level.

In this complex environment corporate culture can function as a leitmotif and provide orientation for work processes and behavioural patterns for all those who play a part in a corporation. It is a factor which has a significant influence on everything which happens in the corporation and in the final analysis is crucial to its success. Although the term corporate culture has become something of a catchword, the constituent elements usually remain unclear, whereas the

idea on which it is based seems rather abstract. In order to make corporate culture easier to understand and thus to facilitate its use it as a management tool, it seems apposite to divide it into different areas which range from structure via the way one deals with processes to the development of competences and attitudes.

One of the biggest challenges facing executives who have been entrusted with the strategic management of large international corporations is how to deal with the challenges of global value chains. New consumer, supplier and labour markets, not to mention the increasing dynamism of existing markets, require the establishment and the management of corporate structures which can face up to international competition. Corporations from western countries are not the only ones which are expanding on a global scale. The emerging markets are also coming up with global players who are pursuing internationalization strategies and have begun to invest in Germany. The presence of Chinese companies in this country is a fairly recent development. It brings with it chances and challenges for both sides which can be turned to good use and mastered by means of effective intercultural cooperation and thus lead to economic success.

Crossborder processes and activities, e.g., the establishment of partnerships within strategic



Successful Intercultural
Cooperation

Corporate Culture

Module III

Sino-German
Business
Relations

Case Study
Post-merger
Integration

Module II

International
Cooperation

Case Study
Virtual
Cooperation

Module IV

Diversity
Management

Module I

Corporate Governance and International Value Chains

alliances or supplier networks, should be organized in such a way that culturally discrete actors can cooperate and participate successfully. Similarly, in merger processes the corporate cultures of the entities involved should be harmonized within the framework of organizational development and human resources, and adapted whenever the various strategies make it seem desirable. Yet this in itself is not enough: the informal part—the nature of mutual interaction—also needs to be taken into account. This will require a change in attitude on the part of both executives and employees. In the globalized world diversity should be recognized as a resource and treated as such.

Furthermore, a new form of cooperation which is currently becoming more and more important are virtual entities, the members of which perform their tasks with the help of various kinds of telecommunications which transcend corporations, national borders, continents and time zones. This constitutes another challenging type of complexity which needs to be kept under control with new kinds of leadership and novel competences.

A corporation and its executives and employees need to face up to such challenges if they want to find the right way in which to interact with their international partners and to deal successfully with ever more complex tasks. The Bertelsmann Stiftung's "Corporate Cultures in Global Interaction" project is devoted to the promotion of international and intercultural cooperation by and within corporations with global operations. It suggests ways of achieving greater economic and social productivity. The focus is on human beings, for they determine the strategy and the culture of a corporation that in the final analysis are responsible for its success or failure. The project is divided into a number of modules: "Corporate Governance and International Value Chains," "International Cooperation," "Sino-German Business Relations" and "Diversity Management." It also examines the areas of "Post-merger Integration" and "Virtual Cooperation". The results of this research work, which may well be of practical use, are described below. There are also recommendations on how to implement some of the findings. ■



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Project Information

Duration: 2006–2008

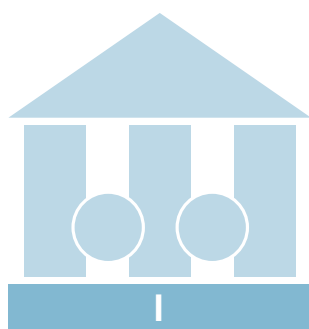
Aim: Promoting international and intercultural cooperation

Topics:

- _ Corporate governance and international value chains
- _ International cooperation
- _ Sino-German business relations
- _ Diversity management
- _ Post-merger integration
- _ Virtual cooperation

Corporate Governance and International Value Chains

Project Module I

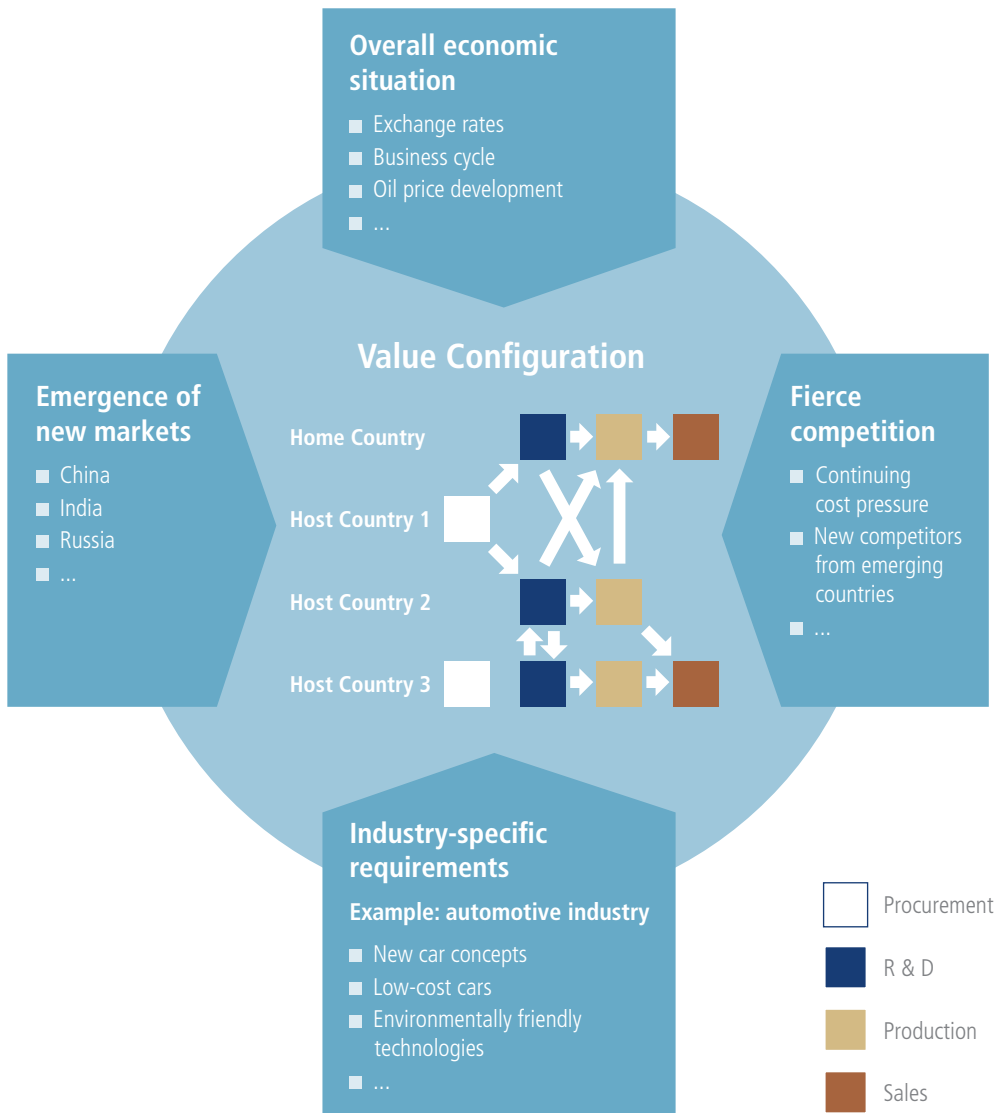


The management of global value chains plays a central role in international business. A study carried out during the first phase of this project module demonstrated that management and supervisory boards of DAX 30 corporations are far less international in character than their companies' business activities. Since the performance of international corporations depends to a large extent on the appropriate international configuration of value activities, the value chain was examined in the second project phase with reference to three selected corporations in the automotive industry. The results show where there is a need for action in the structure of international value chains, and with regard to the options which ought to be pursued in order to increase competitiveness in the global context.

Profound changes in value chains

In many corporations foreign turnover has exceeded domestic turnover for a long time. Although the international configuration of value activities has thus advanced to become a central challenge, internationality has not as yet made its way into management and supervisory

boards and the value creation process as a whole in all sectors of industry. The subject is especially topical in the automotive industry, which is increasingly setting up plants abroad and which is pursuing more and more value activities across borders that were formerly located at home. How should corporations configure these activities globally in order to continue to be successful in the face of global competition?



Value configuration and influencing factors

Case Studies and Best Practices

In order to shed light on this question, we examined three selected corporations in the European automotive industry. The emphasis was placed on the global distribution of the local value activities of a company, and the way in which they were integrated into the corporate network. In the process we identified best practices and the necessity for action, and developed recommendations with regard to the future value configuration.

The study was based on the following questions:

- _ What needs to be borne in mind when relocating value activities abroad in order to generate positive effects for domestic plants and the corporation as a whole?
- _ Which value configuration can be recommended in order to deal successfully with new market segments with high cost pressure?
- _ How can corporations sell their products globally and yet respond to customer needs locally?

Growth at home and abroad through foreign competence centres

Transferring value activities abroad is often associated with negative side effects—for example, the loss of domestic employment. Yet foreign subsidiaries can in fact function as growth centres for the whole corporation—and thus also for domestic activities. A precondition for this is that the foreign subsidiaries are allowed to develop into competence centres, thus applying their specific strengths to generate competitive advantages for the whole corporation. How this works in practice is demonstrated by a success story from the German automotive industry.

Building a successful global corporation by decentralizing development activities

On the one hand, companies in many sectors have come to the conclusion that the idea of selling completely standardized products on a global scale is not feasible. On the other hand, certain requirements—such as the pressure to achieve “economies of scale”—make a certain standardization imperative. For example, in the automotive industry it is possible to offer customers car models adapted to local requirements on the basis of a standardized global platform. Here one key to success is the decentralization of development activities in the various local markets. Thus models which are country-specific or region-specific are designed directly on the spot. The local developers are in a better position to understand the wishes of the local buyers and can tailor cars to fit this customer segment.

| | Traditional View | Modern View |
|----------------------------------|--|---|
| Type of corporation | Strictly hierarchical corporation | Network Organization |
| Decisions | Centralization at headquarters | Decentralized centralization |
| Approach to coordination | Top down | Top down and bottom up |
| Role of subsidiary | Implementation | Important strategic contributions, centers of competence |
| Source of competitive advantages | Country of origin | Country of origin and host countries |
| Responsibility of Subsidiary | Domestic market | Transcending domestic market (product, process, function) |
| Corporate Culture | Ethnocentric, moulded by country of origin | Elements from country of origin and host countries |

Change of perspective in the management of international value chains

Value configuration for new market segments – more than “configuration to cost”

New market segments in the low-price range are a major future growth opportunity for many companies. Low-cost cars represent just such an opportunity for established automotive corporations from industrialized nations as well as for aspiring manufacturers from emerging markets. But a low-cost product concept is not all that is required to serve these new market segments successfully. The goal underlying the entire value configuration must be to produce products that are both low in price and in line with the market. From research and development to procurement, production and sales—the entire value chain is impacted by this. The cost aspect is by no means the only criterion in the shifting of value activities to foreign countries: Emerging markets will no longer merely serve an “extended workbench” function in the worldwide value-added process; instead, important innovations will come from them—ranging from product functions to processes. An analysis of the value chain among the pioneers in the low-cost segment provides best practices for the configuration of value activities and offers other companies important new ideas.

“Managing International Value Chains in the Automotive Industry—Strategy, Structure, and Culture,” a publication based on this project module, identifies a need to change the current value configurations and presents possible options for the structure of competitive value chains. The cases analyzed are successful examples of value configuration which other corporations—including those from other sectors—can use in order to get their bearings. The publication contains suggestions on how to formulate strategies and implement structures, and how to manage in the context of global competition. ■

Action Points

- **Make the most of your subsidiaries. If you conceive them as competence centres, you will be able to generate competitive advantages for the whole corporation.**
- **Decentralize a part of your development activities. In this way you can secure the advantages of both global standardization and adaptation to local customer needs.**
- **Every international strategy requires an appropriate structure of the whole value chain—not only of single value activities. Therefore, analyze all parts of the value chain!**
- **Internationalize your top management. International value creation calls for international executives.**

Academic Partner



Prof. Dr. Stefan Schmid

Is Professor for International Management and Strategic Management at ESCP-EAP European School of Management in Berlin. His research interests include internationalization strategies, headquarters-subsidary relationships in multinational corporations, and international corporate governance. He teaches in Master-, MBA-, PhD- and executive education programs. At ESCP-EAP Professor Schmid is Academic Dean of the MEB program (Master in European Business); currently he is also Chairman of the International Management Division within the German Academic Association for Business Research (VHB).

Publications

Stefan Schmid and Andrea Daniel. Die Internationalität der Vorstände und Aufsichtsräte in Deutschland. Bertelsmann Stiftung, Gütersloh 2007.

Internationality index of management and supervisory boards of DAX 30 corporations. Available in German from the Bertelsmann Stiftung or downloadable at www.bertelsmann-stiftung.de



Stefan Schmid and Philipp Grosche. Managing the International Value Chain in the Automotive Industry—Strategy, Structure and Culture. Bertelsmann Stiftung, Gütersloh 2008.

Case studies and options for the management of competitive value chains. Available in German and English from the Bertelsmann Stiftung or downloadable at www.bertelsmann-stiftung.de



Events

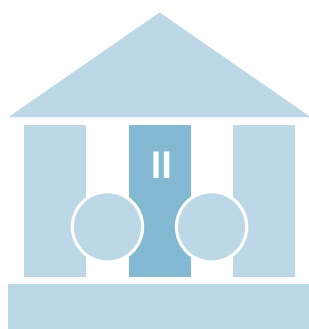
Conference on „Globalization – Corporate Culture – Business Success“. March 2007, ESCP-EAP European School of Management in Berlin.

Bertelsmann Stiftung conference. Lectures and discussions with representatives of the business and academic worlds, and Liz Mohn, Vice-Chair of the Bertelsmann Stiftung Executive Board, Gütersloh.



Cooperation Competence— Improving Cooperation between International Corporations

Project Module II



On the basis of a study involving more than 50 cooperation experts from 17 international companies, the “cooperation competence” project module provides the cooperation manager with a set of practical tools which he or she can use to successfully shape and develop the collaboration with partnering companies. The toolbox provides comprehensive practical help ranging from an assessment of cooperation-related strengths and weaknesses to the planning of cooperation and the identification of the reasons for problems and appropriate ways of solving them.

“At the beginning I did not have a clue!”

Globally active corporations are engaging in cooperation on an international level more frequently than in the past. They need partners in order to be successful, but have come to realize that it does not make sense to buy up every partner as soon as they see one. Cooperation competence or the ability to manage cooperation between two or more companies has thus become a decisive competitive advantage.

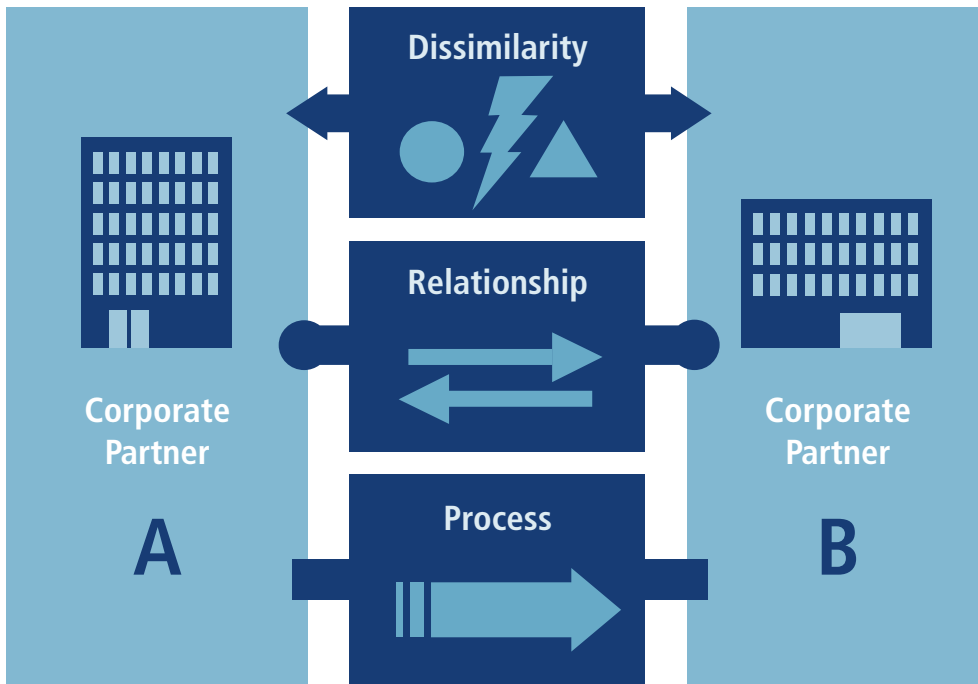
However, all this not infrequently confronts executives with well-nigh insoluble challenges. “Here we have not been prepared for the work in the cooperation project. At the beginning I did not have a clue!”

As a result numerous attempts to cooperate on a corporate level turn out to be a failure “because people simply did not get on with each other.”

The toolbox gives a helping hand

Thus the goal of this project module was the development of a toolbox which can give cooperation managers practical advice on how to make cooperation a success. To this end the experiences of more than 50 cooperation experts from seven international companies and their cooperation partners were assembled and evaluated within the framework of the module. The following questions took pride of place:

- _ Are there general principles of conduct and competences (must-have profile) which every cooperation manager should espouse or develop?
- _ Are there any typically problematical areas in the field of international cooperation?
- _ How can one measure the quality of cooperation in a project that is up and running?
- _ How, in the case of conflicts, can the reasons



Universal preconditions for cooperation projects

for problems be tracked down in a systematic manner?

- _ What appropriate counter-measures can be deployed in order to save a cooperation project or to improve it?

“Seen one, seen ‘em all!”

Although each cooperation project is unique with regard to aims, functional area, duration, intensity, risk, etc., the study shows that the problems which occur in the course of a cooperation project apply equally to all similar projects.

In order to cope with them, every project has to face up to three fundamental challenges:

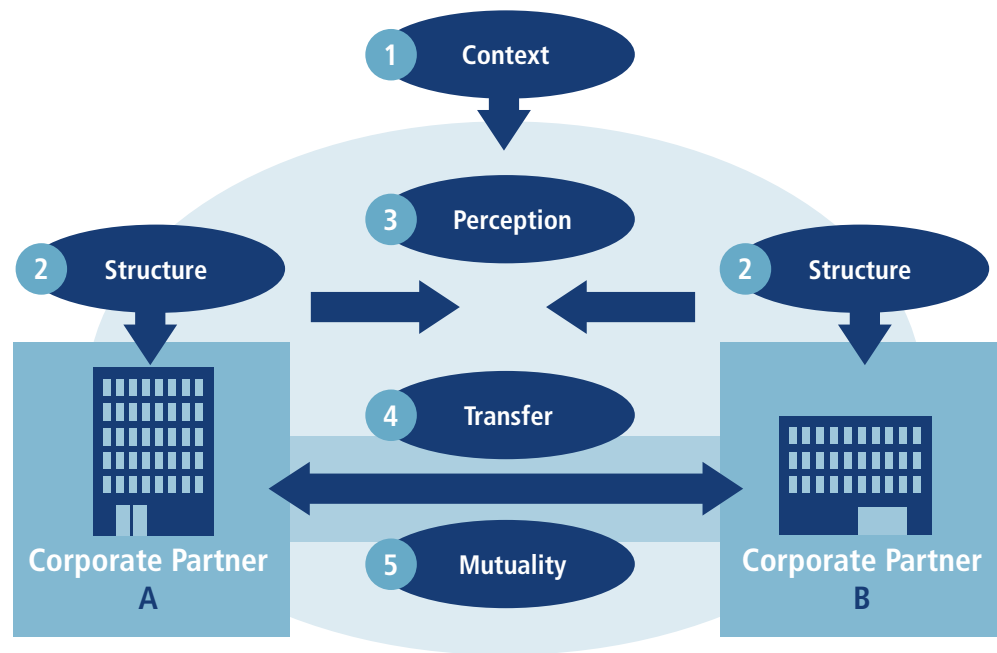
- _ Dealing with the dissimilarity of the cooperation partner (difference)
- _ Establishing and nurturing a sustainable

relationship with the cooperation partner (relationship)

- _ Organizing temporary cooperation with the cooperation partner (process)

Every cooperation project has to learn to deal with these three basic preconditions. In order to facilitate the learning process, a must-have profile of principles of conduct which embody excellent cooperation competence was developed on the basis of the observation of corporations engaged in successful cooperation.

With the help of the toolbox developed on the basis of these insights, cooperation managers will find it easier to evaluate their own cooperation competence and that of their team, and to develop it in a systematic manner.



- **Context**
Basic conditions cannot be influenced
- **Structure**
Organizational structure of partner companies or the structure of the project
- **Perception**
Perception of the cooperation partner
- **Transfer**
Exchange process / information flow between cooperation partners
- **Mutuality**
Mutuality of cooperation relationship

Problematical areas in international corporate cooperation

“How are we going to get them back into the boat?”

If the basic principles of successful cooperation are flouted, conflicts may well emerge, and these can lead to the termination of the cooperation project. The study shows that symptoms of conflict can surface in all areas of cooperation with no direct link to what caused them. However, the underlying problems can be assigned to five different problem areas, each of which requires specific counter-measures.

The research results suggest that cooperation managers, as a result of insufficient preparatory work, often trace symptoms of conflict back to the wrong reasons and, acting under pressure, tend to adopt measures which do not in fact solve the real problem and can actually exacerbate it. The toolbox makes it possible to identify the causes of cooperation problems and is in a position to provide appropriate solutions for what can or ought to be done.

The aim of the toolbox is to place at the disposal of cooperation managers a set of practical tools which can help them to deal with the day-to-day challenges posed by cooperation. These tools can be used in a variety of ways, for example, for self-evaluation and reflection, within the framework of team development measures, or as an element in cooperation-related meetings with a partner company.



Contents:

- _ Cooperation competence handbook
- _ Instructions on how to use the tools
- _ Two software tools with which to evaluate cooperation competence and cooperation quality
- _ Two moderation tools (foldable game boards with action cards) with which to determine the causes of problems and the development of counter-measures
- _ Checklist for cooperation planning. ■

Action Points

- _ **A good strategy is not enough. Prepare your team in a systematic way to meet the challenges of cooperation.**
- _ **Dos and don'ts. In a cooperation project, do not forget the 18 fundamental principles of successful interaction!**
- _ **No hasty reactions. In cooperation projects, learn to distinguish between symptoms of conflict and the root causes of problems.**

Academic Partner



Prof. Dr. Stefanie Rathje

After majoring in Communications Studies in Berlin and Business Administration (MBA) in Chicago, Stefanie Rathje worked for six years for an international strategy consultancy. After gaining a doctorate, she was appointed to the post of Assistant Professor for Intercultural Business Communications at the Friedrich-Schiller University in Jena. Her research interests include intercultural corporate management and communications, the management of intercultural cooperation, intercultural competence, and international marketing and branding.

Corporate Partners



Publications

Stefanie Rathje. Cooperation Competence – Toolbox to enhance the success of international business cooperation. Bertelsmann Stiftung, Gütersloh 2008.

Tools with which to organize successful cooperation between international corporations in the form of a media box with handbook, instructions for use, checklists, electronic questionnaire tools and moderation materials (German/English). Obtainable from the Bertelsmann Stiftung or any good bookshop.



Susann Juch, Stefanie Rathje and Petra Köppel. Cultural fit oder fit for culture? Ansätze für ein effizientes und effektives Instrumentarium zur kulturellen Gestaltung der Zusammenarbeit in internationalen Unternehmenskooperationen. Arbeit – Zeitschrift für Arbeitsforschung, Arbeitsgestaltung und Arbeitspolitik 2 2007.

Scholarly report on the theoretical background and methods of the study (In German). Obtainable from www.zeitschriftarbeit.de or downloadable at http://www.bertelsmann-stiftung.de/bst/de/media/xcms_bst_dms_21334_2.pdf

Events

Customizing-Workshop Cooperation Competence March 2007, ESCP-EAP European School of Management Berlin.

One-day workshop with cooperation experts of the partner corporations in order to elucidate practical aspects of the Toolbox.



Toolbox Cooperation Competence March 2008, IBM-Forum Stuttgart.

One-day Workshop with cooperation experts of the partner companies and intensive pre-tests (functions, user-friendliness, reality check) of all the tools that have been developed.



Discussing Corporate Culture:

Dr. Jürgen Hambrecht

Chairman of BASF SE

Mister Hambrecht, BASF stands for a value-oriented corporate culture. What does this corporate culture look like, and how is it influenced by globalization?

Values create value. That is why a value-oriented corporate culture is absolutely essential. It has to be a self-evident part of the daily routine. This is the only way in which employees can identify with the company and the values it represents, and spur themselves on to do their best.

The BASF culture is built on performance, integrity, respect and esteem in our dealings with one another, and on responsible action. These values are shared by all and exemplified by the actions of the corporate leadership. This creates a high degree of trust. On top of this we have a clear strategy and implement it in a resolute manner.

Responsibility is writ large at BASF. We lead the way with regard to safety, the environment and health. We do a lot for education and to increase living standards in the vicinity of our plants, and we do so around the world.

Our cultural roots are in Ludwigshafen, where our headquarters are to this day. People from almost 200 countries now work for BASF. They contribute different ways of looking at things,

and different convictions. We see diversity as something that enriches us, and we want to have more of it. What we have in common are our shared basic values and leadership guidelines.

International value chains as in the case of BASF make special demands on the management. What role does corporate culture play in the establishment and management of decentralized sites throughout the world?

One of the strengths of BASF is the integrated system we call "Verbund". Substances and spare energy which are produced in one step of the production process are put to good use elsewhere in the value-adding chain. We have developed the principle of intelligent horizontal and vertical networking so that it now goes beyond production and is applied to our research and knowledge systems, and acts as a philosophy for our global corporate leadership.

The idea of Verbund also determines our strategic decisions and the organization of our plants. Here, group interests always take precedence over individual interests. This is absolutely essential if we want to be in a position to manage our complex international value-adding structures efficiently in the future, and if we want to maintain good relations with our customers.

Cooperation within global networks which transcend the borders and limits of countries and companies is an important building block in your company, one which promotes innovation and competitiveness. What is the role of international cooperation?

Partnership has been a BASF trademark from the very beginning. By cooperating with our partners, we gained access to global markets at an early stage—and that is the way it still is today. There are various quite dissimilar kinds of partnership. In some cases the main issue is raw materials, and in others the joint operation of production plants. But above all our partnerships focus on the customers and suppliers throughout the world with whom we develop solutions for our mutual success. And last but not least we are working with academic institutions and industrial partners throughout the world in more than 1,800 research and development projects in order to solve the problems of the future.

Partnership is and will be the success story of the future. The fact is that today's complex issues and the questions which lie ahead can only be solved by means of international and interdisciplinary cooperation.



Dr. Jürgen Hambrecht, Chairman of BASF SE

BASF is very active in emerging economies, especially in China. What are the opportunities inherent in this cooperation and what do they mean for the culture and the company's leadership?

Asia is the largest growth market of the future. We have production plants in all the major emerging economies. In this way we help our local customers to be more successful—with our products, system solutions and range of services. There are of course great cultural differences. That is why we have to know what makes people tick, how they see the world, and what experiences and needs they have. We can learn a lot from each other and make use of the strengths of other cultures. Here, management needs to act as a role model to generate new ideas and market opportunities.

How can diversity contribute to the company's success, and how can it be managed?

We are active on all five continents, and our markets are correspondingly diverse. The diversity in the company—with regard to nationalities, cultures and competences—helps us to understand these differences better and to make use of them. That is a huge advantage in terms of global competition. That is why we are very keen on getting our top executives to gain experience and develop intercultural competence in various functions and countries.

Mutual respect and sensitivity are absolutely essential in order to promote diversity and to use it as a strength. However, it also needs to be clearly understood that common values take precedence over individual differences, and that all of our employees have a common goal—the success of the company. ■

Jürgen Hambrecht

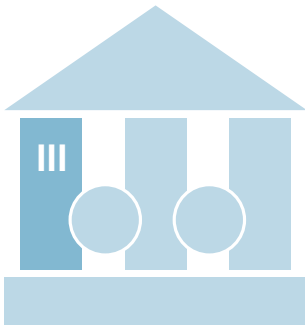
Dr. rer. nat. Jürgen Hambrecht was born in Reutlingen in 1946. He is married, has four children, and gained his doctorate in chemistry at the University of Tübingen in 1975. Hambrecht has been chairman of "BASF–The Chemical Company" since 2003. Prior to this he worked for the corporation for almost 30 years in various areas in different parts of the world. Among other things he is a member of the supervisory board of Daimler AG and Lufthansa AG, and is also vice-president of the Confederation of German Industry e.V. (BDI) and chairman of German industry's Asia-Pacific Committee (APA).

BASF SE

"BASF–The Chemical Company" is the world's foremost chemical corporation. In its market segments it attained a turnover amounting to € 58 billion in 2007. It has more than 95,000 employees in 170 countries, deals with customers in more than 200 countries and possesses more than 150 production plants throughout the world. On 14 January 2008 BASF AG was transformed into a European Company (Societas Europaea) and has since been called BASF SE.

Chinese Companies in Germany— Chances and Challenges

Project Module III



Sino-German cooperation certainly gives corporations new opportunities, but also confronts their executives and employees with challenges relating to transcultural management and intercultural cooperation. This project module brings together the experiences of more than 50 Chinese and German employees, executives and consultants, provides background information and gives recommendations on how Sino-German cooperation can be successfully implemented on the ground in Germany.

As one of the most important of the rising economic powers, China is spawning corporations which are already operating on a global scale, and, as they pursue the path of internationalization, are also beginning to invest in Germany. They are active on the German market as customers, suppliers, cooperation partners, and as employers. This rather recent set of developments opens up the prospect of new kinds of Sino-German cooperation, and both sides can profit from its potential.

“Both sides need to develop sensitivity with regard to intercultural management”

The project module examines how Chinese corporations—examples being the computer maker Lenovo, the machine tools factory Waldrich Coburg, the steel giant Baosteel and the Chinese financial institution Bank of Communications—operate in Germany, how they deal with the challenges of international management

and intercultural understanding which confront them, and how they have seized certain opportunities. In our research and interviews with corporations and experts we were guided by the following questions:

- _ What is the motivation and the strategy with which Chinese corporations come to Germany, and what do they do after they have arrived?
- _ What challenges confront Chinese corporations in the German market?
- _ How does intercultural cooperation work among mixed teams, employees and executives?
- _ What recommendations can be deduced from these experiences for corporations and employees?

The results show that in essence there are four areas which confront Chinese corporations and their German business partners with certain challenges and in which there is room for improvement.



“Confucius says that one should try to find out about prohibitions, customs and taboos when one crosses a border”

Knowledge

Information about the legal, economic and cultural background of the other side.

Chinese corporations are only just beginning to embark on internationalization, frequently have very little experience of foreign countries, and sometimes underestimate the cultural, economic and legal differences which obtain in foreign markets. Germans generally find it difficult to understand the way in which Chinese corporations operate. In the final analysis this is also due to the fact that the motives for and effects of the internationalization of Chinese corporations are unclear or seen in a prejudiced way. Furthermore, few people know anything about the history of Chinese corporations.

Marketing

Taste, quality expectations and brand awareness.

It is hardly surprising that the product expectations of potential customers are clearly different in the two cultures. Market research is still a young discipline as far as Chinese corporations are concerned, and truly intercultural marketing

can only emerge if there is intercultural cooperation.

Human resources management

The selection of staff and the crafting of employment conditions.

Different qualifications and working methods rub up against each other as soon as a Chinese corporation staffs its German subsidiary with local employees or takes over a German workforce, and at the same time sends over employees and executives from China. A corporate culture moulded by intercultural competence in which both Chinese and Germans are at ease and where their abilities complement each other is of fundamental importance for the success of the corporation and the contentment of the employees.

Communication

Understanding other people within and without the corporation.

Communication is a challenge not only within the corporation and as a result of linguistic barriers. Chinese corporations keep finding it difficult to communicate with both business partners and the general public. They have insufficient international experience, and to some extent are up against prejudiced opinions and sweeping media generalizations about China.

The publication “Chinese Corporations in Germany–Chances and Challenges” provides recommendations on how Chinese corporations can work together in a successful way with their German business partners, customers and employees. Case studies devoted to specific corporations describe practical difficulties and ways in which they might be solved. Experts share their knowledge and experiences in interviews. ■

Action Points

- _ **Chinese corporations are investing more and more in Germany–learn to understand this at an early stage as a new potential customer, supplier, cooperation partner and employer.**
- _ **Knowledge creates understanding–get to know the economic, legal and cultural background of your Chinese or German business partner.**
- _ **Intercultural cooperation has to be implemented by both sides–join forces to look for challenges and possible solutions in the four areas.**

Academic Partners



Dr. Bernd Michael Linke

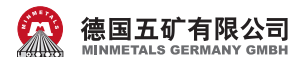
Since 1998 has taught at the Department of Intercultural Business Communication at Friedrich Schiller University in Jena, where his target culture is East Asia. He spent many years doing research and working in East Asia. His research interests, in addition to East Asian Modern History and Economic History, are intercultural management, cultural anthropology and comparative religious studies.



Dr. Andreas Klossek

Has worked since 2003 at the Department of Business Administration at the Freiberg University of Mining and Technology, and is particularly interested in the area of international management and human resources. His research work is devoted to the success of international joint ventures and alliances with a special focus on China.

Corporate Partners



Publications

Stefanie Sohm, Bernd Michael Linke and Andreas Klossek. **Chinese Companies in Germany – Chances and Challenges.** Bertelsmann Stiftung, Gütersloh 2008.

Available in paperback in German and Chinese from the Bertelsmann Stiftung and downloadable in English at www.bertelsmann-stiftung.de



Events

Experts' Workshop with corporations and experts on Sino-German business relations. March 2007, Berlin.

Workshop devoted to identifying the difficulties in trans-cultural cooperation.



Workshop with corporations and experts on Sino-German business relations. May 2007, Stuttgart.

Workshop devoted to producing recommendations for the successful implementation of transcultural cooperation.



Corporate Culture and Business Success–Sino-German cooperation in the age of globalization. Conference, July 2007, Beijing.

Lectures and discussions with business and political representatives from China and Germany. The papers given on this occasion are downloadable at www.bertelsmann-stiftung.de

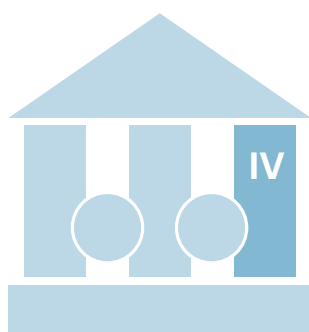


Diversity Management as a critical success factor in globally operating corporations— Synergy by Diversity

Project Module IV

“I can’t think of one area—from accounting to marketing—that doesn’t benefit from diversity”

Michael Schmidt, member of the board of directors, Deutsche BP



The “Synergy by Diversity” initiative has shown quite clearly that German corporations value, encourage and make use of cultural diversity, even if in many areas there is still room for improvement. The spectrum of measures is wide, and the economic advantages are considerable.

“Cultural diversity means much more than the mere coexistence of different cultures and nationalities,” Carlson Wagonlit Travel

The conditions under which corporations, public organizations and non-profit organizations (NPOs) operate are in a state of flux. These changes both encourage and favour diversity with regard to gender, age, ethnic origins, sexual orientation, handicap/illness, religion, world view, career prospects and lifestyle. If properly managed, such diversity has considerable potential. Diversity (also) makes sense in terms of economic performance. This was demonstrated by the study “Cultural Diversity Management in Germany is Lagging Behind.” 72 per cent of German corporations are convinced that cultural diversity leads to an improved image, and as many as 41 per cent believe that cultural diversity leads to an increase in corporate profits. Yet despite this a systematic approach to diversity has been implemented in only a few corporations. Only 44 per cent of German corporations have stated that they practice cultural diversity

management, whereas the figure is 92 per cent in the United Kingdom and the U.S., and 75 per cent in other European countries.

“Diversity management is a task for the future,” Metro AG

Diversity management is not an end in itself, but a management tool with which one can underpin a business strategy, be it international expansion or the generation of competitive advantages through innovation.

Diversity management provides the orientation and the tools with which to create conditions under which all employees are in a better position to develop their talents and abilities and to integrate them into the work process. It initially promotes perception, understanding, and esteem, and subsequently successful intercultural action.

It is also important to look at the resources which are embedded in the employees’ personal and cultural diversity. This goes far beyond lin-

guistic skills, and, in addition to culture-specific knowledge about other regions, countries and ethnic groups, includes different ways of looking at things, experiences and methods. In product development, in talking to customers from different cultures, or in the ongoing development of corporate culture these are crucial competences. Migrants or people who have lived for a longer period of time in different cultural surroundings have become bicultural and can act as mediators.

In order to underline its own commitment to the issue, the Bertelsmann Stiftung has signed the Charter of Diversity, an initiative for the promotion of cultural diversity supported by well-known German corporations, and became its 250th member on 11 February 2008.

“We understand interculturality in the corporation as a source of strength and as an opportunity for creativity and value creation,” ThyssenKrupp Steel AG

How one can leverage and use the potential of differences and common interests in one’s workforce is shown, for example, in our publication “Synergy by Diversity. Practical Examples of Cultural Diversity in Corporations”. The corporations Aramark, Bankamiz, Ay Yildiz, IKEA, Festo,



Signing the Charter of Diversity –
State minister Prof. Dr. Maria Böhmer and Liz Mohn

Siemens, ThyssenKrupp, Media Consulta, Deutsche BP, Daimler, Carlson Wagonlit, Metro, Western Union and IBM show how cultural diversity has contributed to their corporate success. In addition to this diversity pioneer Taylor Cox provides recommendations on how to implement the idea on team and organizational levels.

In these corporations we were able to pinpoint the following synergies associated with cultural diversity:

- _ Fewer intercultural conflicts, since it is possible to talk about cultural differences and their effects on cooperation, and deal with them when talking to customers.
- _ Improved access to markets, since culturally discrete employees are specialists when one is dealing with international markets and ethno-marketing.
- _ Increased ability to innovate, since differences in the workforce bring with them different ways of looking at creative solutions for specific problems. ■

Action Points

- _ **Diversity management must be based on a strategic approach**
- _ **Diversity management needs structures**
- _ **Cultural diversity management functions only if cultural diversity is valued as a resource**
- _ **Small and medium-sized companies profit from diversity by arranging for the training, deployment and schooling of their employees in intercultural terms**
- _ **Synergies must be shaped and structured**

Academic Partners

prove Corporate Consultancy– diversityworks, Vienna

diversityworks is the Gender & Diversity Training and Consultancy Department of prove Corporate Consultancy GmbH. It concentrates on Diversity Management, Consultancy for Private Companies, Public Organizations and NPOs of various sizes, and Diversity Sensitivity and Skill Training.



Peter Grundner

Consultant and managing director of prove Corporate Consultancy GmbH. Project management, specialist for measures associated with socially acceptable staff reduction, diversity management, and services procurement.

Corporate Partners



Dominik Sandner

Business research specialist, systemic organization developer and trainer and advisor for diversity management at prove Corporate Consultancy GmbH. Responsible for the study and lecture series "Synergy by Diversity."



bp



BANKAMIZ

Deutsche Bank



Carlson Wagonlit Travel

DAIMLER



FESTO



METRO Group

NOVARTIS

SIEMENS

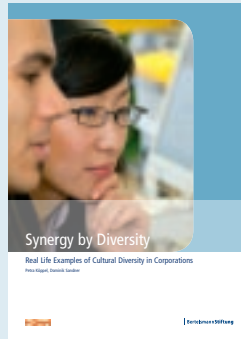
ThyssenKrupp



Publications

Petra Köppel and Dominik Sandner, Synergie by Diversity. Real Life Examples of Cultural Diversity in Corporations. Bertelsmann Stiftung, Gütersloh 2008.

A set of examples from 13 corporations in which cultural diversity has led to economic advantages. Available in German and English from good bookshops or downloadable at www.synergy-by-diversity.de



Taylor Cox. An Update on the Relationship between Workforce Diversity and Organizational Performance. Berlin 2008.

Paper by the diversity pioneer on the current state of research devoted to the influence of diversity on corporate success. Available in English at www.synergy-by-diversity.de



Carolyn Krislin and Petra Köppel. Diversity Management durch die Hintertür. Über das wirtschaftliche Potenzial von kultureller Vielfalt im Mittelstand. Bertelsmann Stiftung, Gütersloh 2008.

Article on the use of diversity in small and medium-sized companies consonant with market requirements. Available in German at the Bertelsmann Stiftung or downloadable at www.synergy-by-diversity.de



Petra Köppel. "The Business Case for Cultural Diversity: Satisfaction, Market Orientation and International Success". The International Journal of Diversity in ORGANISATIONS, COMMUNITIES & NATIONS, Vol. 7, No. 6, 2008.

Paper on the prospects for cultural diversity in the business world. Available in English at www.diversity-journal.com



Ján Figel'. Diversity, its Benefits and the Year of Intercultural Dialogue, Berlin 2008.

Paper of the EU Commissioner for Education, Training, Culture and Youth on the use of diversity in the European Union. Available in English www.synergy-by-diversity.de



Petra Köppel, Yan Junchen and Jörg Lüdicke. The International Status Quo of Cultural Diversity Management. Bertelsmann Stiftung, Gütersloh 2007.

Survey on the dissemination and the advantages of diversity management in German corporations compared to other countries. Available in German and English from the Bertelsmann Stiftung or downloadable at www.synergie-durch-vielfalt.de.



Maria Böhmer. Vielfalt als Chance – Herausforderungen für Politik und Wirtschaft. Die demographische Entwicklung in der berufstätigen Bevölkerung, Berlin 2008.

Paper given by the Minister of State with responsibility for migration, refugees and integration. Available in German at www.synergy-by-diversity.de



Petra Köppel. "Diversität als Ressource nutzen" Personal. Issue 01/2007.

Article on the integration of diversity in a corporate culture based on esteem. Available in German at www.synergy-by-diversity.de

Events

“Synergy by Diversity”

Panel discussion in February 2008, Bertelsmann Representative Office in Berlin.

Lectures and discussion with EU Commissioner Figel’, Minister of State Böhmer, Vice-Chair of the Executive Board Mohn (Bertelsmann Stiftung), Member of the Board Schmidt (Deutsche BP), Executive Advisor Montes (Siemens), and Taylor Cox.



“Diversity as a Resource”

Open Forum, July 2008, Frankfurt am Main.

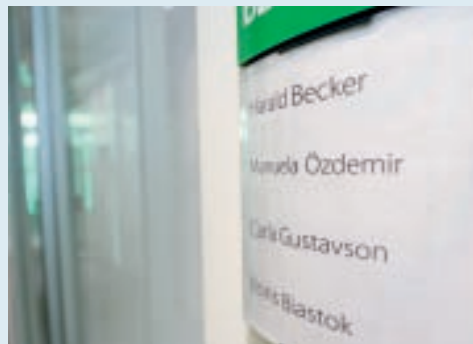
Definition and development of diversity tools with Hans Jablonski, Sylvia Stange (Deutsche Telekom), Anika Dietze (IBM) and 80 human resources and diversity representatives.



“Diversity & Innovation”

Experts’ workshop, September 2008, Novartis Basel.

Ideas on how to organize innovation through diversity formulated together with representatives from Novartis, Robert Bosch, ABB und BASF.



“Diversity & Market Access”

Experts’ workshop, October 2008, Western Union, Vienna.

Ideas on how to enter markets successfully with the help of diversity formulated together with representatives from Western Union, Ay Yıldız, Wien Tourismus, and Völklinger Kreis.



The reports on the various events can be downloaded free of charge at www.synergy-by-diversity.de

Discussing Corporate Culture: Franz Fehrenbach

Chairman of the Board of Management of Robert Bosch GmbH

Mister Fehrenbach, the Bosch Group is a richly traditional corporation which is very much the work of its founder. How would you describe the corporate culture of Bosch as it exists today? What kind of impact does globalization have on you?

We possess a strong corporate culture which has emerged over the course of more than a century, and is rich in history. In essence it can be traced back to our founder, and it finds visible expression in our values. Robert Bosch gave his name to the corporation and created a set of priorities which remains valid to this day. He construed success not only as economic growth, but also as an improvement in living conditions. Today we sum up this goal in our slogan “Invented for Life.” Robert Bosch formulated principles and guidelines which continue to be meaningful even today. They will continue to accompany us in the years ahead and lead us into the future. And whatever the future holds, it has its origins at an earlier point in time. Our corporation has a deep respect for both tradition and modernity, and this is what enables it to forge ahead throughout the world.

Reliability, credibility and legality are at the heart of our corporate culture, a firmly entrenched part of which is a responsibility for social issues and societal concerns. Equally important

is our pronounced cohesion, which is based on the trust and fairness with which we approach each other, and our employees’ strong attachment to the corporation, and the pride they take in it. The motto “Invented for life” brings together people who are excited about technology.

However, our corporate culture is certainly not monolithic, and internally there are in fact cultural differences between business divisions, regional organizations and the various different countries. We attach a great deal of importance to these differences, and we make good use of them.

We are becoming increasingly diverse, partly as a result of economic globalization. We are acquiring new firms and are cooperating with others, we are developing new products and are opening up new markets in all sorts of different regions in order to reach our growth targets. Thus it is extremely important to provide people with a sense of direction. We do this with the help of our “House of Orientation”. It is a way of providing employees with answers to three fundamental questions. What motivates us? What do we have in common? What do we stand for? We can also learn from globalization, and we can think about our corporate culture, and our habits and behavioural patterns, and modify them in

the context of dynamic markets and in line with market requirements.

We are a German company, and we are proud of it. At the same time we are perfectly well aware of the fact that we cannot simply take German values and models and transfer them to other countries, and that it is incumbent on us to develop appropriate ways of thinking and acting in conjunction with our customers in the context of their markets and cultures. As we become more and more international, it is and will be increasingly difficult to presuppose that each of our employees will automatically espouse and act on the basis of our traditional values and convictions. However, in addition to other important elements, a distinct corporate culture based on unvarying basic principles is an essential precondition for entrepreneurial success and the ability to embrace change in the context of the international markets.

International value chains as in the case of Bosch Group make special demands on the management. What role does corporate culture play in the establishment and operation of decentralized sites?

When setting up decentralized sites we provide the necessary know-how and then establish our core processes. At the same time we have



Franz Fehrenbach, Chairman of the Board of Management of Robert Bosch GmbH

to take into account the local circumstances. We need local employees, products adapted to local needs, and efficient local development and manufacturing. Our strength is the combination of German and local know-how. And here our corporate culture enhances our cohesion. In fact, our vision statement states that “We derive additional power from cultural diversity.” We do this in order to be able to provide our customers with a very high level of service. Our executives and employees personify Bosch values even in very challenging situations, and this is something we take for granted.

Cooperation in global networks which transcend national and corporate borders is an important module within your corporation which encourages innovation and promotes competitiveness. How do you provide support for international cooperation with corporate partners who are either suppliers or part of a strategic alliance?

By means of an intensive exchange of ideas. The most recent example is the joint venture with Samsung in Korea. We contribute our know-how with the help of experienced executives. The alliance with Samsung has grown over the course of a number of years, and in the area of electric tools, for example, we have been cooperating for quite a long time. The high degree of trust which is a much-needed prerequisite keeps growing, and as a result we have become valued partners.

Robert Bosch is already very active in the countries which are up-and-coming economic powers. What are the opportunities which derive from cooperation between companies in industrialized nations and those in emerging economies, especially China, and what challenges does this pose for the executive leadership and the corporate culture of a company?

The principal opportunities in the emerging markets are associated with greater internationalization and securing the future of the corporation. The challenge is to strike the right balance between Bosch values and Bosch corporate culture on the one hand, and on the other the ability to understand these markets and their people. For this we need local executives who are able to fit in with our culture and have local expert knowledge. Thus we employ mainly young executives of local origin and train them for a number of years within the corporation. This enables them to acquire an intimate knowledge of the corporation, its culture and its employees. And thus as time goes on they develop into “global leaders” who also come from countries such as China.

Your corporation now employs about 280,000 workers with a variety of nationalities, cultures and religious convictions in more than 50 countries. How can this diversity make a contribution to the success of the corporation and how can it be shaped in a proactive manner?

We are growing primarily as a result of innovation. This is clearly visible, for example, in the Power Tools division, in which more than 50 % of all the products sold are less than two years old. We are able to do this by getting people from different cultures to sit around a table and engage in a constructive dialogue. This is especially visible in the case of Nano, the tiny car manufactured by Tata in India. Here we were able to combine the excellence and competence of European developers and manufacturers with the striking abilities of Indian developers and makers and their understanding of the customer.

In other words, Bosch quality products at the requisite market prices are attained through the diversity of cultures. It is impossible to make use of the potential for growth in the “emerging markets” in any other way. On a day-to-day

basis it is a matter of giving local employees the opportunity to say what they think. Furthermore, it is important to seize on ideas from local markets, to listen, to build bridges between people and cultures, and by doing so to integrate different working styles which are the result of a specific cultural background. We have been trying to encourage all these things for many years, for example, with the help of intercultural coaching, training sessions, and workshops. ■

Franz Fehrenbach

Franz Fehrenbach has been chairman of the management of Robert Bosch GmbH since 1 July 2003, and sits on the board of the Automotive Industry Association (VDA), on the U.S. committee of the Presidential Board of the Confederation of German Industry e.V. (BDI) and on German industry's Asia-Pacific Committee.

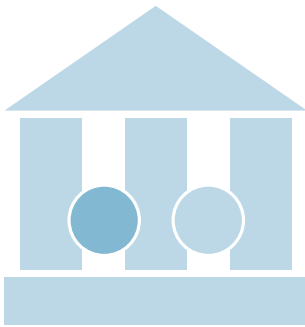
After studying industrial engineering he joined the Bosch Group as a trainee. In the course of his career he gained international experience as facility manager at the Robert Bosch Corporation, became a member of the management in the U.S. and was in charge of the start of the company's operations in India. He was responsible for the successful integration of Rexroth, the manufacturer of electric drives and controls, into the industrial technology division and its transformation into Bosch Rexroth AG.

Bosch Group

The Bosch Group is a leading global supplier of technology and services. In the areas of automotive and industrial technology, consumer goods, and building technology, some 271,000 associates generated sales of € 46.3 billion in fiscal 2007. The Bosch Group comprises Robert Bosch GmbH and its roughly 300 subsidiary and regional companies in over 50 countries. 228 of the 292 production locations are in countries other than Germany.

Post-merger Integration and Corporate Culture

Case Study: BP acquires Veba Oel and Aral



Fusions and takeovers dominate the economic landscape and are a clear sign of international competition. However, if mergers and acquisitions (M&As) are to be a success, integration needs to be planned and implemented in a circumspect manner. The conscious use of corporate culture(s) is of decisive importance, since they can make a contribution of their own to encouraging executives and employees to give their support to the fusion or acquisition and to creating a framework for the new corporation. The case study explains in an exemplary fashion the approach adopted by BP when taking over Veba Oel and Aral.

BP was faced with the challenge of bringing together German and British corporate entities to form a new and highly effective corporation capable of unlocking new revenues, but without losing markets as a result of failing brands and identities. Integration began shortly after the

formal takeover, above all through an active and open communication policy and tailor-made measures for the various target groups. At the heart of these activities were the internal communication measures, which in this integration process were of crucial importance for the success of the project. The management conceded that the merger was not simply going to last a few days or weeks, and that it was a long-term and dynamic matter. BP was prepared for this, and is now proud, after a period of time in which it certainly had its ups and downs, to be able to report that it has been successful, and that it is willing to pass on what it has learnt in the process.

The results demonstrate that it makes sense to link economically based decisions with specific integration measures in the strategic, structural, cultural and human resources areas. ■

Academic Partner

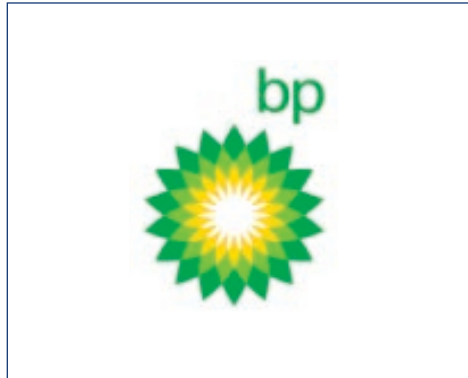


Dr. Achim Weiand

Professor for Human Resources and Organization in International Corporations at the Fachhochschule Hof.

Prior to this he worked in the field of human resources, latterly as the Director of Human Resources at Viterro AG. His research interests are in the areas of human resources and organizational development, mergers and acquisitions, knowledge management, intercultural management and leadership.

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Publications

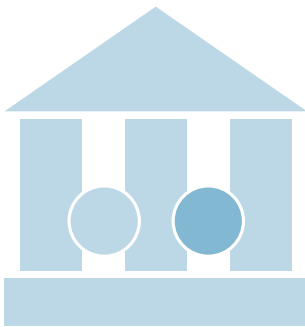
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Critical success factors in Virtual Cooperation

Case Study: Best practices from Microsoft Germany GmbH and Telefónica o2 Germany



Crossborder cooperation within and between corporations with the help of modern information and communications technologies places new demands on work organization and the management of employees. The present case study based on Microsoft and Telefónica o2 identifies the requirements of virtual cooperation with reference to typical problem areas and documents success factors. It demonstrates the defining characteristics of successful virtual teams with regard to planning, initiation, regulation, optimization and dissolution. In addition it examines executive techniques which make a contribution to the success of virtual cooperation.

Interviews with experienced international executives show that virtual cooperation places very great demands on project management and

on the flexibility of all the members of a team. Performance and approval problems in virtual teams are primarily due to the largely non-existent social contacts and the insufficient ability of the team leader to exert his disciplinary influence. Potential problems tend to be exacerbated as a result of certain intercultural constellations, so that ill-prepared and inexperienced employees are often unable to cope and fail to become fully involved. On the other hand, virtual cooperation also has its advantages, which become apparent in the formation of networks which transcend a particular location, in task-related synergy effects, and in the establishment of more comprehensive knowledge management. The results lead to solutions and practical instructions which are capable of helping international executives to develop and improve approaches suited to a specific corporation. ■

Academic Partner



Dr. Udo Konradt

Professor for Work, Organizational and Market Psychology at the Institute for Psychology at Christian-Albrecht University in Kiel.

The emphasis of his study is on internet-based human resources work and telecooperation, including the effects and form of telework, e-cruiting, the internet-based selection of staff, and the management of virtual teams.

Corporate Partners

Microsoft®



Publications

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Corporate Cultures in Global Interaction

The Way Ahead

At the start of the “Corporate Cultures in Global Interaction” project there was a term which initially seemed abstract and unwieldy, all-embracing and imprecise: corporate culture. The connections between corporate culture, the action patterns and structures of and within corporations and their increasingly global context are frequently overlooked and thus the potential for active management remains unused. Yet how corporations position themselves globally and how they hope to achieve their goals is determined by specific ideas of value. They also determine with which cultures and partners the corporations are willing to cooperate and in what form. Cooperation which transcends cultural divides and makes use of new types of working methods requires individual employees to possess certain abilities and ways of thinking and acting. The corporate leadership and its executives can support the development of such qualities by shaping the corporate culture in an active manner. It was the purpose of the project to provide insights and recommendations to corporations and their executives and employees which can help and support them as they devise a corporate culture which is capable of functioning in a global context.

The division into four project modules—“Corporate Governance and International Value Chains,” “International Cooperation,” “Sino-Ger-

man Business Relations,” and “Diversity Management”—and the inclusion of additional topics, “Post-merger Integration” and “Virtual Cooperation,” makes it possible to concentrate on certain important aspects of corporate culture. It makes them easier to understand without at the same time losing sight of the subject as a whole. The decision to deal with questions on different levels—from strategic corporate leadership to daily work processes on the level of the individual employee—and in different contexts—from individual sectors via cultural ambience to special types of work—demonstrates the multifaceted significance and structure of corporate culture.

In the course of this three-year project it became apparent that corporations needed and were very interested in a specific and practice-oriented discourse on corporate cultures in the global context. The pacesetting corporations which participated in this project are already involved in international cooperation on a corporate level, make use of new forms of work such as virtual cooperation, or have already established Sino-German business links. Their willingness to share their experiences means that they have made an important contribution to ensuring that each project module achieved specific results, and that practical recommendations were distilled from what actually happens on the ground.



However, transferring well-tried models to corporations which operate under different conditions and pursue other goals—in other words, which have a different corporate culture—requires adaptation to internal and external circumstances. The results of the project were made available in publications, at workshops and at various meetings. Participants from the business and academic worlds were invited to comment on and discuss these results in the light of their personal needs and difficulties. With the wealth of practical examples, the distillation of the results into the form of general orientation and the formulation of specific suggestions for action it has been possible to create a new knowledge base for corporations and organizations which wish expand and use their potential for success through intercultural understanding and the enhancement of corporate culture.

At the end of the “Corporate Cultures in Global Interaction” project we hope that executives and employees will use these practice-orientated results, adopt some of the proposed approaches, and implement some of the models in the places where they work. Their goal should be to promote the development of corporate culture in the global context. The project team would like to motivate corporations to interact with people within and without the organization and, with a new-found understanding of corporate culture and interculturality, to develop common strategies with them, and in this way to achieve common success. ■

Petra Köppel
Project manager

Stefanie Sohm
Project manager

Resources

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