

Differences in organizational strategies in asia, europe, and the usa



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Organizational strategy can be defined by examining: the analysis of the strategy, the choice of strategies and the realization of strategies. The analysis of the strategy: the process begins with the definition of the mission and the long-term objectives of the company. Any choice has to predict its future evolution and continuously follow the undergoing of the process. The analysis of the strategy points out: what is or what should be the strategic position of the company towards the competing companies and the environment; decides the actions for achieving company's goals and the relative times; chooses between the many options that present themselves; which competences and resources does the company have and how they can help to get a wide range of opportunities. After the analysis of the strategy, different options that could lead to the realization of the company's objective have to be valued and selected.

In order to be successful, the strategy has to be, first of all, based upon the capacities and the competences of the company and it has to carefully choose in which position to collocate the company towards its rivals. All this means to build and defend the competitive advantages of the company. To generate, value and select the best strategic solutions is the no. 1. management responsibility of any company.

But without the strategy the management would not have the principles capable of leading the organization, it would not have a plan for making competitive advantages and for responding at the expectations of the market. Each company has a unique culture and its own personality. Each company has its own folklore that reflects the company values, and its own ways of dealing with problems, making decisions, doing things. The definition <https://assignbuster.com/differences-in-organizational-strategies-in-asia-europe-and-the-usa/>

of culture in the corporate context would be: a system of values, norms and ideas shared by a group of people, that when taken together provide a design for thinking, living and potential acting. So corporate culture reflects the values of the founders, illustrates the vision and the mission of the firm, establishes the main operating orientation of the company and provides the basis for a shared identity for company members.

Its importance lies in the fact that not only does culture constitute a kind of inter-personal glue that holds an organization together, but also it can function as an informal control mechanism that may help coordinate employee efforts. Drawing from an international management sphere, a human resources manager from a global pharmaceutical company discovered that a major challenge in China, Korea and Taiwan was to persuade managers there to accept promotions. Among other things, their values were such that they did not wish to compete with their peers for career rewards and did not want to assume cross-national responsibilities. This example shows that national cultural values can affect company cultural values and policies. There are also several examples of companies who have a strong sense of shared values and this seems to lead them to better performance. In other words, there appear to be links between culture, strategy, and performance in the marketplace.

A key element in successful strategies to woo the global consumer is the understanding of cultural diversity and the ability to perceive the products, particularly consumer products, in a multicultural context. Three elements seem to contribute to the creation of a strong corporate culture: 1. a leader

who establishes strong values and practices, 2. company commitment to operating according to established principles, and 3.

concern for the well-being of employees, customers and shareholders. This leads us to the question of Corporate Social Responsibility. The European Commission defines CSR as “ a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”. Today enterprises are more and more aware that their business success does not depend only on a strategy of maximizing short-term profits, but on protecting the environment and on promoting their social responsibility, including the interests of consumers. In a recent book by business and public policy consultant Adrienne von Tunzelmann called “ Social Responsibility and the Company: A New Perspective on Governance, Strategy and the Community”, Ms. Tunzelmann argues that it is not necessary to suppose that companies face an inherent conflict in the choice between the pursuit of commercial success and contributing to the goals of society and the community in which they operate.

She suggests that incorporating CSR policy into business strategy offers a number of advantages. It may, for example: be a way of motivating and building pride in employees and managers, contribute to the development of a “ healthier” community, assist in identifying new markets, allow differentiation from competitors, maintain public confidence in the legitimacy of business operations, encourage a climate of trust and goodwill etc. Another important factor in an organizational strategy is the corporate values of a company. Values can be defined as “ a corporation’s institutional standards <https://assignbuster.com/differences-in-organizational-strategies-in-asia-europe-and-the-usa/>

of behavior. " Generally, companies articulate a set of corporate values and attempt to apply them in management practices, which they hope will reinforce behaviors that benefit the company and communities inside and outside the firm, and which in turn strengthen the institution's values. Most companies believe values influence two important strategic areas — relationships and reputation — but they do not always see the direct link to growth.

Companies that report superior financial results emphasize such values as commitment to employees, drive to succeed, and adaptability far more than their peers. They are also more successful in linking values to the way they run their companies Values practices vary significantly by region. Asian and European companies are more likely than North American firms to emphasize values related to the corporation's broader role in society, such as social and environmental responsibility.. North American companies, however, are significantly more likely to cite ethical behavior than firms in Europe and Asia.

The manner in which companies reinforce values and align them with company strategies also varies by region. Of particular interest is the discovery that some of the values most closely linked to growth and performance and conventionally associated with American culture are more esteemed outside the U. S. For example, almost three-quarters of European companies value innovativeness and entrepreneurship; only half of U.

S. companies articulate this principle. Companies have wasted millions of dollars and countless hours of employees' time agonizing over the wording

of statements that are inscribed on plaques and hung on walls. There is a clear assumption that people's behavior will change because the pronouncements on plaques are "inspirational" or certain words "integrate our strategy and values." For example, let's take Johnson & Johnson. The pharmaceutical company is famous for its Credo ("Our Credo"), which was written many years ago and reflected the sincere values of the leaders of the company at that time.

The J&J Credo could be considered rather quaint by today's standards. It contains several old-fashioned phrases, such as "must be good citizens — support good works and charities — and bear our fair share of taxes" and "maintain in good order the property that we are privileged to use". Yet, even with its less-powerful language and seemingly dated presentation, the J&J Credo works — primarily because over many years, the company's management has taken the values that it offers seriously. Companies that do the best job of living up to their values and developing ethical employees, including managers, recognize that the real cause of success — or failure — is always the people, not the words. The British mobile telecommunications company Vodafone considers its commitment to values as a first line of defense against risk.

The company believes in four primary values: "passion for customers," "passion for our people," "passion for results," and "passion for the world around us," underpinned by commitment to six primary business principles. More than any set of systems or processes, these rules of behavior can protect a company from harmful incidents that could potentially damage

performance or reputation, says Vodafone director Devin Brougham. “ By making values fundamental to your organization...

you can reduce risks in most situations”. The Asian-based company Nissan’s credo “ Diversity- is our Advantage ” wants to point out that Nissan is committed to diversity in order to ensure that they meet with the diverse needs of their customers and achieve sustainable growth for all stakeholders. Each and every employee will respect diversity and take full advantage of it. Diversity issues in Japan are different to those in other regions such as the U. S.

and Europe. Each region implements its own diversity action plans with a common goal i. e. to respect and take full advantage of diversity as a competitive strength for Nissan. Aligned with the Nissan Value-Up business plan, its most powerful management tool is Cross-functionality. Nissan’s employees are gathered in groups called CFT (cross-functionality teams) and they come from various regions, cultures, organizations and disciplines.

Their experiences and perspectives are often quite different. What seems perfectly logical to one CFT member may seem out of context to another. Not surprisingly, the interactions between these individuals often generate what we call “ healthy conflict. ” Many companies would view such internal tension as something to be avoided but instead, Nissan believes it produces the kind of energy and creative vision that sets a company above the rest. The way the company relates to others, both inside and outside Nissan, is based on mutual trust and respect. Nissan employees can access company

data and transmit what they know to their stakeholders, suppliers, the media and other interested parties using sophisticated communication channels.

Employees readily participate in the decision-making process because they know the management structure and feel confident in expressing their own opinions and ideas. Those are the elements of Nissan corporate philosophy.

We can notice that a great deal of pressure has been put in illustrating Nissan as a company who takes care of its employees, customers, stakeholders and other clients and in making it obvious to the interested parties that Nissan is a company who functions thanks to, not in spite of, diversity and cross-functionality in a multicultural context. Corporate governance is an important responsibility of the Company's management, and its most important role is to clarify the duties and responsibilities of the members of the management team. At the Company, clear management objectives and policies are published for the benefit of the shareholders and investors, and achievements and results are announced early and with as much transparency as possible. The enhancement of corporate governance by full and fair disclosure is the responsibility of management.

Ethics is also an important factor in the corporate strategy, but not as much as the strive for innovation and foreign investment. The American company Johnson & Johnson uses a decentralized management approach. They are big and small all at once. Each of their operating companies functions as its own small business. They are strongly entrepreneurial in character, and they know that their success depends on anticipating customers' needs and delivering meaningful, high-quality solutions.

While their employees operate in a small-company setting, they also have access to the know-how and resources of a big global company. Their operating model has helped them deal with the complexities of balancing both short-term results and long-term growth. The decentralized management approach encourages businesses to develop products and marketing strategies tuned to local cultures, enabling them to explore new product categories and even new business models. Key among J&J's growth priorities is development of a strong base of leadership and talent. , they are strongly committed to developing leaders with strong efforts to recruit, develop and retain the next generation of leadership at Johnson & Johnson.

As we can see, human resources play a big role at J&J. They also do their best in promoting environmental issues and making the world know that the company is aware of the dangers of emissions and global warming. In 2007, Johnson & Johnson was named the largest corporate user of on-site solar power in the United States by the World Resources Institute. And in the same year, Johnson & Johnson won a Green Power Leadership Award from the U. S. Environmental Protection Agency for the sixth consecutive year.

Today J&J competes in three important sectors that make up roughly 30 percent of the \$4 trillion global health care market. As big as Johnson & Johnson is, their sales represent only about 5 percent of total sales in those three sectors. And there is another 70 percent of the healthcare market where they currently do not compete. That big slice of the pie offers tremendous possibilities for them and they intend to use every opportunity of growth.

At Vodafone, business strategy and Corporate responsibility strategy are inseparable. CR has a great influence on making new opportunities for growing businesses. The company has a vision for 2010, to be one of the most trusted companies in the markets where they operate. It is therefore crucially important that the people can trust Vodafone. It is important for Vodafone to understand the stakeholders and to explain their perspectives. They have even developed a rare approach to engagement to focus on specific relevant issues with the stakeholders.

They call it “ CR dialogues”. Vodafone also operates a global Performance Dialogue process for every employee. The process ensures that employees can make a clear connection between their goals and the business objectives. Each individual’s performance is discussed with their manager and career development goals are set.

Vodafone is focused on continual improvement and values the feedback that the People Survey provides. In order to interact with the customers and in this way help define the approach the Group has created a Global Customer Value Management team to support operating companies with their aim to engage with customers directly through a data driven approach. Vodafone continues to use a customer measurement system called “ customer delight” to monitor and drive customer satisfaction in the Group’s controlled markets at a local and global level. The companies in Asia tend to appreciate the presence of the social, the spiritual and the collective in their organization. They are people inclined to experimentation, ambiguity, adaptability; they tend to learn from past mistakes and do not avoid ups and downs for the sole purpose of growing sustainable value and improving their performance <https://assignbuster.com/differences-in-organizational-strategies-in-asia-europe-and-the-usa/>

and credibility among clients. There is a great deal of effort made in order to make their employees comfortable and satisfied at the workplace.

Therefore, they are also great supporters of corporate social responsibility, along with the European companies. Quite interesting the discovery that most of the European companies value innovation and entrepreneurship more than their American competitors, which were brought up, shall we say, in that kind of environment. Successful companies are those that focus their efforts strategically. In order to meet and exceed customer satisfaction, the business team needs to follow an overall organizational strategy. A successful strategy adds value for the targeted customers over the long run by consistently meeting their needs better than the competition does.

Strategy is the way in which a company orients itself towards the market in which it operates and towards the other companies in the marketplace against which it competes. It is a plan an organization formulates to gain a sustainable advantage over the competition. The central strategic issue: why different companies, facing the same environment, perform differently? In such a competitive economic environment that we are living right now, the right strategy might as well be the only thing that makes one company sufficiently different from another in order to make it more attractive for the market. In the last couple of decades, companies compete strategically with one another trying to accomplish more, better and sooner than the others. In my opinion this, at first glance, leads to a kind of homogenization of the market in the strategic sense.

Now every big company promotes corporate responsibility, environmental engagement, good relationships with customers, employees and stakeholders, innovation and the broadening of their market. They all want to make their corporate values as convincing as they can be and they often are. However, if looked carefully, there are a couple of culturally based differences that can be seen between enterprises from different parts of the world. This kind of diversity is good, that creates competitiveness and that is, among other things, what makes the game more exciting.