



METU Dept. of Business Administration
MARC Seminar Series

**Objectives and Management Styles
of US and German Companies Compared**

Guest Lecture by Prof. Dr. Ulrike Reisach

Wednesday May 9th, 14:45-16:00: MARC seminar for doctoral students and faculty member

Abstract

In the USA the general picture of a businessman is that of a manager. He wants to make money with whatever business seems to be profitable. They are prepared to take risks and design their products and services according to the customer's desires. The customer gets exactly what he wants – not more, not less. If other businesses look more attractive than the old ones they are flexible enough to switch to that new opportunity. Therefore, US companies are in a steady process of change in their portfolio, organization and management.

Entrepreneurs are flexible, employees as well. The job is a source of money, the fluctuation rate is high. Companies are experts in marketing. They know how to make their products and companies look good. Most US citizens see companies as great brand names for consumer products and a profitable investment.

In Germany the entrepreneur is rather an engineer, an inventor of something which he wants to bring 1st to perfection and 2nd to the market. His objective is to improve something, i.e. a machine, to make it faster, more efficient and less environmentally harmful. Those persons are passionate for their product, they strive for technical excellence and perfection and they won't stop before they have reached it. The product excels through the best quality possible and they hope the market will appreciate it. Companies are often founded as small and medium sized businesses, often family owned, around a product or technology. Founders invest in the best machines available, the latest technologies, and the best professionals who share their passion. They invest in the vocational and life-long training of their employees. Employees spend their lifetime in those companies and also send their children to work there as well. Expertise and knowledge increase and are forwarded from generation to generation. This implies a certain expectation regarding the management and leadership style. People aren't seen as mere "human resources", they are co-entrepreneurs who think and work with a strong intrinsic motivation in order to make their company successful.

Many of the German big and successful companies have started like this: Bosch, Daimler, MAN, Siemens. They all have more than a century long tradition. There is a strong identification with those companies. It goes along with the feeling of responsibility for the companies' long-term success. Companies have been seen as a big family where everyone is responsible for the other and proud to work there. This was fading in the 80ies or 90ies with the outsourcing of parts of the production and the strong M&A wave. But since the US business model has shown its weaknesses, especially regarding risk-taking and sometimes short-term thinking, the formerly called old-fashioned German business model seems to resurge. German companies go back to their roots with their history of partnership and long-term orientation. They usually engage in an accurate corporate foresight and long-term strategy and plan everything ahead, sometimes very much in detail. This allows well planned and coordinated actions and processes which is good for complicated tasks and potentially risky issues. They can thus avoid surprises and unforeseen damages or losses. It makes them

also pretty reliable – for business partners (suppliers, clients, customers) as well as for employees, for the region and sector where they are active and for the society as a whole. You can trust in those companies, they are predictable and built on long-term partnership with all their stakeholders.

Prof. Dr. **Ulrike Reisach** is a full-time professor at the Neu-Ulm University of Applied Sciences, Bavaria/Germany. With a Ph.D. from Ludwig-Maximilian's-University of Munich and several academic awards she has been working as an analyst and expert on international business strategies for leading international banks and industries for 20 years. During this time she published her analyses and experience in 10 books and several articles on international management, corporate communications and corporate culture. Being Director at Siemens Corporate Communication and Government Affairs she accomplished numerous projects in the USA and Asia. Her research interests include the management styles and internationalization strategies of global companies as well as corporate culture, governance and communication. For publications and more information please refer to: www.ulrike-reisach.de/en/.