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Econ

**Ulrike Reisach**

## **Globalization of American Management Styles**

### **New Lessons for a New World**

*Business/Economics*

For many German managers, business strategies imported from America are seen as a miracle cure. However, it has not at all been proven that this push for Americanization helps either the German economy or its position in the global competition for capital and jobs.

Ulrike Reisach compares the economic, societal and cultural frameworks of companies in the United States and Germany. Using concrete examples, she shows why many US models collapse when applied in Germany: "German companies that incorporate American management methods one-to-one deny their own strength and identity". German companies tend to be in industries – infrastructure and high tech, for instance – exemplified by quality, reliability and lasting partnership with highly qualified employees and long-term customers.

Identification with "their" companies has always been crucial for German employees and many employees think and act in the interests of the company as a whole. But the outsourcing of core businesses, the buying and selling of assets, as well as the growing insecurity and internal competition destroy corporate coherence – the traditional heart of the German business model. Orientation towards shareholder values and quarterly assets mean that short term planning is valued over duration. Similar to the trend in the United States, knowledge networks, trust and long-term business relations are becoming relics of the past: both personnel and companies are becoming interchangeable. Whereas mobility and the frequent change of jobs and positions has become normal for most American employees, the situation is very different in Germany. Cultural obstacles, such as traditions and strong connections to local roots and family, as well as other social and political structures make it difficult for German employees to adapt the flexibility Americanized employers take for normal and required.

Employees, customers and the public have a hard time recognizing the companies they've seen for generations as reliable partners, suppliers, safe haven employers and representatives of the German economy. Where before people identified with their companies, the new, sometimes purely monetary values, the rapid change, restructuring and outsourcing phenomena is weakening this alliance. A schism is growing between corporate ideals of financial success and individuals' perception of a company's success in

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terms of credibility and public responsibility. This perception that companies are moving in a direction that contradicts traditions and widespread values easily results in an identification crisis, de-motivation of employees, and sometimes even criticism against the American model of capitalism.

In her book, the author pleads for careful study of the risks and side effects of US management methods, and to not abandon the established strengths of German business, such as expert knowledge, long-term planning, quality sensitivity and dependability. Reisach proposes recognizing and harnessing these qualities to ensure that the push towards Americanization doesn't become a trap.

**The Author:**

**Ulrike Reisach** holds a doctorate in economics and has received multiple awards for her research in corporate culture in 1994 and 1995. Since 1988, she has worked in leadership positions in the credit service and industry sectors. As director of the strategy department in a large German company, she's aware of the enthusiasm for US models, countered with the difficulties and doubts managers and employees have about their integration.

Reisach is the author of many research articles and books, some of them also translated and published in license editions. One which addresses economic, societal and cultural differences and their relevance for business is *China – Economic Partner Between Dream and Reality* (1997, 2003 and 2007).

**Target Groups:**

- the business community - who are critical of, concerned about criticism of, the current American corporate model
- decision makers and managers of US companies engaged in Germany and affiliates of US-companies in Germany
- investors, law companies, consultants and M&A experts targeting the German market
- managers and employees of German companies investing in and cooperating with the US as well as US-managers working for German companies
- managers, marketing and HR directors interested in corporate image
- academia: American students/professors of international business, economics, sociology, European/German studies

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