

Facing diversity in Eastern Europe: the challenges for transnational companies

Paper

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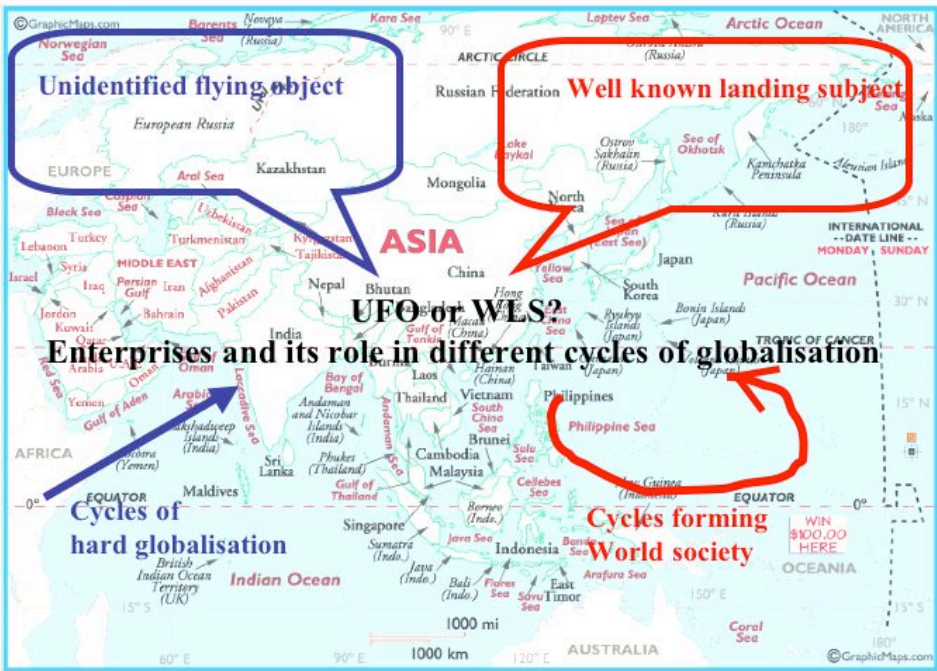


Figure 1: The role of enterprises in face of the different cycles of globalisation

INTRODUCTORY REMARK

The paper emanates from a deficit in social research concerning the sociology of enterprises. It concentrates on a sociological and contextual approach and enlarges the knowledge and management theories emphasising diversities or social responsibility within the firms. Through its lenses the concept of diversity is focused on cultural, social, institutional and mental factors of the societal context where firms are located. The companies are considered as actors faced by such contextual diversities in post-socialist countries. Diversity is an essential dimension of the interactions between the firm's culture and its country-, region- and local specific contexts: the mentality, conducts and behaviour of native people and stakeholders. The conclusion of the paper is that the more firms migrate across the world's cultures the more this sociological and contextual research should be promoted. Without the knowledge about the contextual diverse mentalities, a firm will be confronted with much more difficulties. This will be made evident by the comparison of different post-socialist countries.

UFO OR WLS?

Companies are facing globalisation all over in the world. This common statement becomes today the experience of stressing situations that are felt through all levels of enterprises from the top to the bottom. The stress generated by the high-speed economy multiplies to the experience of boundlessness, a feeling that enterprises loose its bottom. How to find the corporate identity (CI) under this pressure? It seems that a polarisation between two extreme responses is visible in many symptoms: One group shows the UFO syndromes. Companies behave like unknown flying objects; they land at a location like astronauts – isolated, protected and secured – in face of an environment, which is perceived as strange, anonymous or hostile. At the first glance, the UFO's seem to be a very successful response, because they facilitate the fast landing on a chaotic point of the world as well as the starting to a new destination. The other extreme group of companies is the WLS, the well known landing subjects, which try to treat the destination as a "host" context. The enterprise is installed as an organisation, which interacts intensively with the societal and cultural context. It invests a lot of time and energy into the understanding of the diversity and the peculiarities of a context. However, how to cope with an economy of high speed where all stable instalments are challenged by change and better locations anywhere in the world?

Even the UFO like enterprise has to invest into learning from diversity. The crews are multicultural teams; they need training for optimal cooperation. The WLS units are not satisfied with this chiefly internal strategy. They look in depth to the societal diversities of the territories. They behave as "explorers"; learning from diversities means to become better, more creative and adaptive. Their behaviour corresponds to the group of creators. These "recognize, nurture and leverage differences to create outstanding results and innovative solutions. To achieve this requires good communications skills."¹ The UFOs are less ambitious; they prefer the "destroyers" and or the "equalizers": Both of these have negative or indifferent attitudes to diversities, differences and variety within the local context.

Social sciences differentiate between two cycles of worldwide developments. The one cycle embraces the hard globalisation understood as the high-speed economy multiplied by the delocalisation of production. It is evident that this cycle is linked to the UFO enterprises, which perceive and treat it as a progressive line. It seems predominant today. How to identify the other cycle? The proponents² emphasise the forming of world society; they describe the process behind the surface of hard globalisation; the worldwide society has a deep structure, which is much more recurrent than the economic globalisation suggests. The world society is shaped by contradicting trends; instead of a linear progression line different influences, developments and scenarios become obvious. Evidently the WLS enterprises are rather oriented to this cycle of globalisation as well as they are shaped by its factors, logics and ethical norms. Both types of enterprise articulate opposing societal models of what means a good company, good governance and society. The competition between the two fractions is a fascinating outlook: who will win?

I would like to give some inputs looking to the Eastern European arena. What is its specific difference between Western Europe and the Eurasian range (together with Russia) included into the Shanghai Convention?

¹ Human_Factors, Cultural Diversity, www.human-factors.no.

² See the research stream initiated by Boli, Hartsuijker (2001), Boli, Lechner (2001), Ruggie (2002), Fukuyama (2004).