

## ΜΕ ΑΠΟΨΗ

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# Strategic Utilization of Corporate Culture & ESG



by **George Karlaftis**

Small and Medium Enterprises (SMEs) have many problems to overcome in order to enter development tracks and succeed in their business course. One aspect of this is culture, especially when employees at various levels have different cultural traits. Because this fact is usually ignored by the management and remains

untapped, an aggressive approach is required to overcome the cultural barriers for a revised market penetration strategy that for its part constitutes a relatively multi-cultural system, while also involving enormous growth potential having with the aim of implementing a multi-level extroversion.

At the same time, the restructuring of SMEs must foster cultural integration projects to facilitate cohesion and coordination within the enterprise, thereby promoting smooth cooperation of human resources. Owing to the fact that the above are included in new contexts in the strategies with a social imprint (Social) of ESG, it would be an opportunity to consider more globally the new requirements from ESG which give new dynamics to the business while especially SMEs could take advantage of them "smart" and flexible for sustainable development.

Small and medium-sized enterprises are often family-owned, and some have evolved from a close-knit family structure to an organized structure. However, this structure is very centralized and relatively rigid, following the management principles of the founders and their identity, in other words, the culture they instilled from the first step. This affects the flexibility of SMEs in adopting new development practices beyond the stereotypical "business-as-usual" motto and exploiting new market perspectives. However, with a careful and proactive approach, cultural barriers can be transformed into valuable business advantages by leveraging them to improve operations and transformation. An aggressive approach involves integrating diverse cultural parameters and perspectives into design, as well as leveraging their diversity within the organization to drive innovation, efficiency and success.

Initiatives include the alignment of corporate values with those that characterize the diversity of people and extend to corresponding conclusions for the customer base and the market, such as continuous and targeted training in understanding multiculturalism, access to language and terminology learning for those who have different primary languages, and if necessary, activation of translation services to facilitate communication.

Create an environment where employees from different cultural backgrounds can contribute their unique perspectives to solve problems and promote innovation. Create cross-functional teams that bring together people with different skills and backgrounds to form more effective action teams.

Develop and promote executive leadership that embraces inclusion and can effectively manage diverse groups. Creating a work environment where all employees feel that there is mutual respect, regardless of their cultural background and their role in the company. Acknowledge and embrace differences in working practices and preferences. Implement flexible arrangements that respect cultural holidays, religious traditions and other cultural factors.

Last but not least, recognize and reward those who contribute to cultural understanding and convergence of performance indicators (KPIs) to understand and enhance collaboration.

Cultural Integration in Strategic planning which includes understanding the culture and cultural nuances of the target market, suppliers and customers requires:

- Differentiated customer engagement (Customer Centricity & Market Engagement)
- Understanding the cultural preferences and expectations of the target customer base and redesigning go-to-market policy
- Adapting marketing strategies to product offerings and customer service approaches to align with different cultural and sometimes religious needs. A sense of respect for the specific identity of a customer group is a powerful motivator for increasing demand and maintaining customers (customer retention).

Within the framework of the SME interventions, the timing and ESG imperatives are an additional challenge that "hides" and important opportunities that need careful planning to capitalize and fuel the goal of "sustainable path" by upgrading SMEs to stronger business entities. This approach has wider application when analyzed in conjunction with the above cultural elements to incorporate into the corporate dynamics.

Harnessing cultural barriers to improve Environmental, Social and Governance (ESG) practices for SMEs involves understanding and leveraging cultural factors to drive a positive change. Indicative interventions refer to actions such as:

Highlighting how alignment with ESG values can strengthen companies' brand and reputation, build trust and uncover new business opportunities.

Encourage collaboration with local organizations, NGOs or ESG community leaders who can influence SMEs to connect in diverse networks and bring benefits through the implementation of ESG practices, especially in the context of corporate culture and the market.

The development of tailored ESG strategies that are culturally relevant and responsive to the specific values and codes of the communities in which SMEs operate commercially.

Creating narratives from the specific actions that combine ESG and Culture and publishing them in Events, Claiming Awards, Road Shows with a direct offer of services, can upgrade the brand and bring the benefits of market recognition and differentiated agreements or synergies. Take care to gain compliance based on regulatory rules by legitimizing the initiatives in standard practices.

Incentives to reward SMEs for their innovative spirit and targeted communications to target markets.

The key factors in maintaining the value of the new strategic model for SMEs are to establish feedback mechanisms on the effectiveness of cultural integration efforts and to explore perspectives from environmental, social and transparent governance.

By adopting, leveraging, and implementing cultural diversity practices and ESG imperatives, SMEs can create a more dynamic and innovative work environment, better respond to a diverse and multifaceted marketplace, and improve overall organizational and operational performance. This approach, although it may be considered excessive based on the capabilities of SMEs, can be applied on a case-by-case basis. Not only does it enhance internal operations, it can also help companies project a positive, inclusive image, bringing commercial and rebranding benefits.

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Το άρθρο έχει 1 σχόλια

ΓΡΑΨΤΕ ΤΟ ΣΧΟΛΙΟ ΣΑΣ