

What is served for breakfast?

An empirical analysis of CRE strategies and organizational culture

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BOOK OF ABSTRACTS



EUROPEAN REAL ESTATE SOCIETY
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75 What is Served for Breakfast? An empirical analysis of corporate real estate strategies and organizational culture

The quote Culture eats strategy for breakfast was made famous by Mark Field, president at Ford, in 2006 and has ever since been a guiding principle in management practice of corporations operating across the globe. General management profession has widely embraced culture as a key factor in strategy design. However, in corporate real estate (CRE) management it appears to be implicit within organizational differences at best or lacking proper consideration at worst. Analyzing the interrelationships between corporate real estate strategies and organizational culture is essential for delivering value to multinationals.

This research empirically investigates the link between CRE strategies and organizational culture through quantitative analysis of data from a worldwide survey with 231 corporate real estate managers. The empirical analysis is based on two well-established frameworks in each of the constituent fields. The CRE strategies framework originates from the work of Nourse and Roulac (1993), further developed by Gibler and Lindholm (2012). It is particularly selected because it has been empirically tested with a similar pool of CRE managers. For the assignment of organizational culture we use the Competing Values Framework developed by Cameron and Quinn (1999, 2006). The choice of this framework is based on its extensive use across a wide variety of industry sectors.

The findings indicate strong patterns of association between preferred strategies and cultural groupings based on the attributes of each culture. First, organizational culture effectiveness criteria emphasizing flexibility and discretion as opposed to those that focus on stability and control provide a clear dividing line in strategy preference of survey respondents. Strategies that have employees as their core target are prioritized by the 'Clan' and 'Adhocracy' cultures while Reducing real estate costs was the main concern among respondents identifying with 'Market' and 'Hierarchy' cultures. Second, compared to the previous 'CRE Strategy' survey of 2010 (Gibler and Lindholm 2012) there were very little changes in the importance that managers responding in 2016 place to CRE strategies in supporting core business. Third, expected outcomes were observed in the association of certain cultural profiles with particular industry sectors. Finally, factor analysis indicates two clearly distinguishable groupings based on the scope of each strategy namely real estate and non-real estate related.

KEYWORDS: strategic corporate real estate management, , corporate real estate strategies, , organizational culture