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GENERAL ELECTRIC AND SUEZ: dEAL or no deal?[[1]](#endnote-1)

Bertrand Guillotin wrote this case solely to provide material for class discussion. The author does not intend to illustrate either effective or ineffective handling of a managerial situation. The author may have disguised certain names and other identifying information to protect confidentiality.

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On March 1, 2017, Jean-Louis Chaussade, chief executive officer (CEO) of Suez SA (Suez), a French utility company that primarily operated in water and waste management, had been discussing the possible billion-dollar acquisition of General Electric Water & Process Technologies (GE Water) with Jeffrey R. Immelt, CEO of General Electric Company (GE), since late February.[[2]](#endnote-2) The dilemma for Chaussade was to quickly assess the risks and opportunities of that acquisition amid a shifting and unprecedented business environment.

During their negotiations, there had been many drastic changes, including the January 2017 inauguration of a US president with no political experience and an agenda that indicated he was not in favour of international co-operation—e.g., through his America First foreign policy, the exit of the United States from the Trans-Pacific Partnership (TPP), and a promise to pull out of the Paris Agreement, a historic climate change deal between 200 nations.[[3]](#endnote-3) Uncertainty had become the new normal, and business was a lot more complex than expected; CEOs were on edge, fearing any negative presidential tweet that would thrust them “into the news cycle with no warning.”[[4]](#endnote-4) From a corporate perspective, while Suez had been experiencing a very tough macroeconomic environment in Europe, its international division was growing, for example, at a double-digit rate in Asia and at 6.3 per cent in North America.[[5]](#endnote-5)

Should the CEO of Suez buy GE Water, finishing his career on top with the acquisition of a strategic asset in a world where urbanization and drinking water were so vital?[[6]](#endnote-6) Or should he kill this risky deal? How could he, the CEO of a French utility company much smaller than GE, extract good terms from Immelt, who was known as a powerful and seasoned dealmaker? Would the French and American executives get along, or would their cultural differences be irreconcilable? In a new global context rife with uncertainty, volatility, and protectionism,[[7]](#endnote-7) it was also fair to wonder whether the White House would block such a strategic deal between France and the United States. Meanwhile, Chaussade knew that Suez’s stock was trading at around 14 euros on that day—a 25 per cent decline from its high of 18.73 euros on May 8, 2015, and the euro–US dollar exchange rate had also decreased from a high of 1.11 to a low of 1.06 for that period.[[8]](#endnote-8) If this twofold trend were to continue, a deal in US dollars would cost him even more euros or more stocks. Regardless, it was decision time: deal or no deal?

BACKGROUND ON SUEZ AND ITS CEO

Suez SA, a primarily French water and waste management utility company, was established in 1997 as the result of a merger between the Compagnie de Suez and Lyonnaise des Eaux. Its roots could be traced to the 19th century and the construction of the Suez Canal in Egypt. Throughout its long and prestigious history, the company had helped support the rapid development of cities through the building of water and sanitation networks during the industrial revolution, ensuring that clean sources of water were provided to homes in the period of rapid urbanization.[[9]](#endnote-9)

Since the 1950s, Suez had constantly been investing in the research and development of new technologies that improved water drinkability and waste management.[[10]](#endnote-10) Recently, Suez had been committed to becoming the leader in sustainable resource management by transforming its activities to focus on a circular economy and smart solutions, opening up to new markets by supporting environmental transitions across the globe and developing integrated solutions for the industry.[[11]](#endnote-11) Its corporate culture could be characterized as generally conservative and risk-averse; due to the strategic nature of its business (i.e., reliable access to clean water), which fostered urbanization and economic growth, Suez dealt with governments in a highly regulated sector.[[12]](#endnote-12)

Key Business Categories

With all of its lines of business, Suez had worked with both municipal and state governments and organizations around the world to reach the goals of governments and organizations. Although the company had operations around the world, 32 per cent of its 2016 revenue was generated by France and another 34 per cent by the rest of Europe.[[13]](#endnote-13) The company had three key divisions: Water Europe, Resource & Recovery, and International. More specifically, Water Europe included solutions that optimized and protected water resources while adhering to regulations, and Resource & Recovery focused on developing solutions and services that turned waste into resources.[[14]](#endnote-14)

Suez’s Financial Position

Between 2015 and 2017, the French and European macroeconomic environments remained lacklustre, with growth slow at around 1 to 2 per cent and structurally high unemployment—especially in the 2016 post-Brexit era.[[15]](#endnote-15) Such an environment would make it very difficult for Suez to raise the price of its services to European clients, either individual or institutional, in order to boost revenue and profits. On the other hand, the US economy was recovering much faster from the 2008–2010 global financial crisis and growing at close to 3 per cent per year in 2016.[[16]](#endnote-16) In early 2017, the newly inaugurated US president was also promising economic growth at 4 per cent through tax cuts and deregulation.[[17]](#endnote-17)

In terms of financial performance, Suez’s 2016 revenue was €15 billion (US$15.9 billion), growing organically (internally) at 1.1 per cent. Earnings before interest and taxes equalled €1.2 billion ($1.27 billion).[[18]](#endnote-18)

Its 2017 outlook of “slight organic growth in revenue and Earnings Before Interest and Taxes and free cash flow: around 1 billion euros (USD 1.1 billion)”[[19]](#endnote-19) seemed to indicate that Suez had to grow inorganically (by acquisition) if it wished to increase such an anaemic growth rate—provided that any opportunity to be considered would outweigh the risks. In regard to its global footprint, in 2016, Suez was mostly focused in Europe, which was 66 per cent of its total revenue (see Exhibit 1).[[20]](#endnote-20)

Jean-Louis Chaussade

Since 2008, Chaussade had been the CEO of Suez. Mostly unknown in the United States, Chaussade, a product of the French elite system, had an engineering degree from the Ecole Spéciale des Travaux Publics (1976), a master’s degree in Economics from Sorbonne University (1976), and a diploma from the Paris Institute of Political Studies (1980). He had gone through Harvard Business School’s advanced management program in 1988 and started his international career in Bilbao, Spain, in 1989, when he was CEO of Degrémont.[[21]](#endnote-21)

Due to French laws on term limits and retirement age, Chaussade’s tenure as CEO of Suez had to end in May 2019.[[22]](#endnote-22) After more than ten years at the helm of Suez, and having survived the 2008–2010 global financial crisis, he could be proud of his tenure and keep a close eye on the financial standing of his company. His Harvard experience gave him a de facto alumnus-to-alumnus connection with GE’s CEO.[[23]](#endnote-23)

GE Water AND CEO JEFF Immelt

In 2016, GE, an industrial conglomerate founded in 1892, operating in 130 countries and focused on manufacturing and services, had revenue of $113.2 billion (almost 10 times more than Suez), which was growing at 4 per cent, and a margin of 11.4 per cent. The company operated several business divisions, such as GE Healthcare and GE Power, which included GE Water.[[24]](#endnote-24)

GE Water, a $2 billion company headquartered in Pennsylvania, employed approximately 7,500 people worldwide.[[25]](#endnote-25) GE Water focused on water technology solutions and had vast knowledge related to water management. As one of six units within the GE Power division, it operated 45 global manufacturing sites and had been investing in many product launches, as well as targeting reuse opportunities.[[26]](#endnote-26)

GE Water was involved in desalination, recycling, reclaiming, waste treatment, and many other water management activities. According to Ralph Exton, GE Water’s chief marketing officer, GE Water’s assets included chemicals, equipment supply, and water production assets. “Water & Process Technologies had technology in operation at hundreds of desalination plants globally,” said Exton, adding that it also had more than 30 build-own-operate contracts on sea water desalination plants in the Caribbean.[[27]](#endnote-27)

As valuable as these assets may have been, the strategic fit between them and the rest of GE had been questioned within the conglomerate. In November 2016, GE announced that it was looking to sell GE Water in its entirety within the next six months. Exton had also made it clear that GE Water might be an appealing prospect to a number of desalination operators, a buyer from the Far East, or a private equity firm such as Advent International (which was in discussion to sign a deal to buy US water treatment company Culligan International), XPV Capital Corporation, Apax Partners LLP, or even Castik Capital Partners GmbH (which bought water cooler company Waterlogic in 2015).[[28]](#endnote-28)

At the end of 2016, GE Water represented approximately 1.5 to 2.0 per cent of GE’s total revenue and was investing in digital solutions and application development capabilities (e.g., WaterSmart Software and Smart Earth Technologies). In short, GE Water was forging ahead to be attractive to any serious buyer and was marketing its assets and innovations to position the company favourably for the future while leveraging its history as an industry leader.[[29]](#endnote-29)

In 2014, the company was named “Water Company of the Year” for developing innovative products for advanced water treatment.[[30]](#endnote-30) This achievement was an example of the driven GE culture that Immelt, GE’s CEO, epitomized.

Immelt, a Harvard-educated executive, was the hand-picked successor of Jack Welch, who had led the company for 20 years.[[31]](#endnote-31) Whereas Immelt did not benefit from the same stellar reputation as his predecessor, since taking the helm as chairman and CEO of GE in 2001, he had had the support of his board of directors to close many strategic deals amid two US recessions and during a 25 per cent decline in GE’s stock price.[[32]](#endnote-32) In 2011, he also became the chairman of the prestigious President’s Council on Jobs and Competitiveness, created by President Obama.[[33]](#endnote-33)

Within ten years, Immelt had had to manage in the tumultuous environment of economic recessions (the post-9/11 recession of 2001–2002 and the 2008–2010 global financial crisis), digitization, and growing uncertainty (the 2016 Brexit vote and the rise of protectionism around the world). He knew that he had to transform the GE culture. To that end, his approach had departed from the old “promote-from-within policies,” and he had welcomed outsiders into executive circles, pushing for a more global workforce to manage GE’s business around the world, instead of relying on US expatriates.[[34]](#endnote-34)

Whereas his predecessor had personally evaluated the performance of top executives annually, Immelt formed the Commercial Council and expected business leaders to submit at least three “Imagination Breakthroughs” per year, which would be reviewed by Immelt and the council. The right ideas—those that would generate additional growth of at least $100 million—could get billions of dollars in funding. Pushing the boundaries and going beyond the six-sigma mantra established by Welch, which measured defects and mistakes to remove them from processes, Immelt was allowing people to fail when taking big risks. He was focused on the long term and had big ideas, investing in GE’s global research facilities (e.g., in Bangalore, India; Shanghai, China; and Munich, Germany) and overhauling the outdated centre in Niskayuna, New York.[[35]](#endnote-35)

The Strategic Rationale for the Deal

Water was understood as a basic need, and a reliable supply of drinkable water was a vital and crucial element of our modern society. It facilitated urbanization and economic growth, especially in a world where 50 per cent of the population lived in cities (3.7 billion people).With a population of more than 300 million (almost five times that of France), the United States represented a very sizeable market for Suez, whose US presence was minimal. This geographic synergy was also accompanied by operational synergies: GE Water was more diversified and had desalination and digital capabilities that could be deployed by Suez, which had focused on drinkable water and waste management. Moreover, both companies were more than 100 years old and had withstood the test of time, with GE enjoying a global brand equity and some worldwide prestige. A possible deal with GE Water could entail many advantages, but also some daunting obstacles, for Suez.[[36]](#endnote-36)

Advantages for Suez

The possible billion-dollar acquisition of GE Water by Suez would be a game changer with few redundancies. Suez would truly become a global leader in the industrial water services market by strengthening its global footprint and very modest North American presence, which represented only 7.9 per cent of its 2016 revenue (see Exhibit 1), and adding innovative capabilities.[[37]](#endnote-37)

In early 2017, 66 per cent of Suez’s 2016 revenue came from Europe (see Exhibit 1), and the company was anchored in the European Union (EU) markets and the corresponding macroeconomic environment, which was typically growing more slowly than those in North America. A greater North American presence could also mean greater revenue and profits in US dollars. This could be a currency exchange advantage if the US dollar continued to strengthen against the euro, as it had been doing since May 2015.[[38]](#endnote-38)

Last but not least, while negotiations with a giant like GE may have been intimidating for the CEO of a company that made a fraction of the conglomerate’s revenue, and Chaussade’s international mergers and acquisitions experience may have been limited in comparison to Immelt’s, he did have such experience—e.g., the acquisition of a majority equity stake in Driplex, India, and the $87 million acquisition of Perthwaste, Australia, in 2016.[[39]](#endnote-39) In short, a possible GE Water acquisition could enable Suez to balance its financial future between two powerful continents, escaping its dependency on the EU in a post-Brexit environment with a limited growth forecast. On the other hand, these advantages could hide some potential obstacles that he would need to carefully consider before making an educated decision under great uncertainty.[[40]](#endnote-40)

Obstacles for Suez

First and foremost, the cost of the acquisition would be in billions of US dollars. GE Water was valued at approximately $2.5 billion—an amount large enough to scare away Suez’s main competitor, Veolia Environnement SA, during the bidding process.[[41]](#endnote-41) Due to Suez’s debt load (see Exhibit 1), a deal with GE would require external financing and a clear ability to repay a US-dollar loan, plus interest. This was especially concerning amid a downward trend for the euro against the US dollar, assuming an all-cash deal. If the deal were to include stocks, Chaussade would face the challenge associated with the 25 per cent decline of his company’s stock in less than two years, compared with an upward trend of the US stock market (13 per cent), using the S&P 500 index as a benchmark.[[42]](#endnote-42) Moreover, water and waste management were heavily regulated by different government agencies. A new US government would increase uncertainty and could lead to more or fewer regulations. In addition, a transatlantic acquisition would be fraught with cultural differences and possible misunderstandings, including tensions between the French and the Americans during negotiations and implementation. Chaussade would clearly be negotiating from a position of weakness from the perspective of both the companies themselves and the perspective of the key negotiators—whose cultures entailed more differences than similarities.[[43]](#endnote-43)

Cultural Differences

Several challenges and opportunities pertaining to cultural differences awaited Chaussade as he negotiated with Immelt and pondered the possible impact of the acquisition on GE Water’s largely American workforce. Hofstede Insight’s Country Comparison tool (see Exhibits 2 and 3) indicated that a high degree of individualism was inherent in US culture (with a score of 91), whereas the French were more collectivist (with a score of 71). On the other hand, a low uncertainty avoidance score (46) indicated that US culture was more flexible about new ideas, less rigid, and more comfortable with uncertainty and ambiguity than the French (86). For Chaussade, a critical question was whether the largely American company could transition smoothly and overcome any cultural differences to produce further innovations and deliver revenue and profits for Suez. In 2017, Suez, headquartered in the centre of Paris, with close ties to the French government, was still a truly French company, with a board and committees that included only a few European directors and no Americans.[[44]](#endnote-44) In early 2017, the overall political climate in both countries also contributed to the complexity of the negotiations.[[45]](#endnote-45)

The Political Climate

France

Mired in a scandal concerning the misuse of public funds by the front-running candidate, François Fillon,[[46]](#endnote-46) the French presidential campaign took a new twist when a 38-year-old, independent political outsider by the name of Emmanuel Macron announced that he would “make France daring again.”[[47]](#endnote-47) Uncertainty was becoming the *plat du jour* (dish of the day) for political news enthusiasts and strategists. However, for CEOs like Chaussade, this new uncertainty was not only unprecedented in modern history but also associated with increased political risk and possible social unrest (e.g., strikes) that could further damage the slow economic recovery in France and Europe.[[48]](#endnote-48) Adding complexity to this uncertainty, the relationship between France and the United States was becoming tense: French President Hollande criticized Trump,[[49]](#endnote-49) and Macron, the presidential hopeful, characterized the United States as a destabilizing force in the world with Trump as president, deeming Trump’s first acts as “serious and worrying.”[[50]](#endnote-50)

The United States

As mentioned previously, the United States had elected a new president in November 2016. By the end of February 2017, the aftermath of the drastic policy changes announced by President Trump made it clear that more uncertainty was to be reckoned with. Indeed, in a matter of weeks, the United States exited the TPP, which had required years of negotiations, announced a protectionist agenda in regard to global trade (i.e., the America First foreign policy), and promised to pull out of the Paris Agreement, which had been signed by 200 nations.

The implications of these drastic changes were numerous for the United States and the world, as the US economy represented approximately a quarter of the global economy.[[51]](#endnote-51) For Chaussade, was this the chance of a lifetime for him to connect Suez with the “land of opportunities,” or was it a set of red flags?

Financial Considerations

For Suez, the main financial consideration was that, even in a low-interest rate environment (3–5 per cent over 30 years), the principal amount plus the interest (compounded annually) always had to be repaid. Suez would need a billion-dollar (USD) loan from Caisse de dépôt et placement du Québec to complete the deal. If the macroeconomic environment were to deteriorate further in Europe, the United States, or both, such a large loan, estimated between $2 billion to $3 billion,[[52]](#endnote-52) would put an additional and significant burden on Suez—especially if it used euros to repay it, given a decreasing euro against the US dollar. However, with the US economy performing well and promises of deregulation and corporate tax cuts made by President Trump,[[53]](#endnote-53) the deal could translate into greater profits for Suez. Would these benefits outweigh the costs?

The macroeconomic environment of the United States was not only different than that of Europe but also changing rapidly.[[54]](#endnote-54)

The Timing

On March 1, 2017, Immelt had been the chairman and CEO of GE for more than 15 years and had been through many billion-dollar deals. On the other hand, Chaussade had limited experience in that area and would finish his term in 2019.[[55]](#endnote-55)

Each expected a lot from the other and the promised business-friendly policies of the Trump administration. However, both Immelt and Chaussade were increasingly concerned about both the rising tensions pertaining to global trade and the increased risks associated with Trump’s punitive tweets targeting CEOs whose agendas were not aligned with his.[[56]](#endnote-56) In other words, if water supply and access to drinkable water were of strategic value for urbanization and economic growth, would the US president block this transatlantic billion-dollar deal? Or was he too busy explaining his recent policy shifts and trying to get some quick wins on other fronts?

Time was of the essence, and Chaussade was short of it. Acquiring GE Water was a very complex opportunity and a possible game changer for both Suez and Chaussade. If the deal went through, it would clearly be a unique chance for him to end his career on a very high note and for Suez to finally be taken seriously with a solid North American presence. On the other hand, it could also lead to an unprecedented financial disaster for Suez and destroy both Chaussade’s reputation and his stellar career.

Exhibit 1: Financial Data for Suez SA (2016 Annual Results, as of March 1, 2017)

Revenue Highlights

* FY 2016 revenue: €15.3 billion
* FY 2016/2015 revenue growth: 1.2 per cent, driven by international (4.7 per cent)
* Revenue growth was mostly organic (1.1 per cent)
* International:
  + Solid momentum in main regions
  + FY 2016 revenue: €4.2 billion
  + Strong activity in Asia: New contracts and 17 per cent growth in waste volumes in Hong Kong
  + Waste volumes up 7.5 per cent in Australia (contribution of Perthwaste)
  + Very dynamic growth in Africa, the Middle East, and India (construction activity)

Revenue by Division (in EUR millions)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **FY 2015** | **FY 2016** | **% Total** | **16/15 Δ (%)** | **Organic Δ (%)** |
| **WATER EUROPE** | 4,677 | 4,703 | 30.7 | +0.5 | −1.3 |
| France, Italy, and Central Europe | 2,260 | 2,216 | 14.5 | −2.0 | −5.0 |
| Spain and Chile | 2,417 | 2,487 | 16.2 | +2.9 | +2.1 |
| **RECYCLING & RECOVERY** | 6,357 | 6,302 | 41.1 | −0.9 | +0.6 |
| France | 3,341 | 3,319 | 21.7 | −0.7 | −1.7 |
| United Kingdom/Scandinavia | 1,375 | 1,314 | 8.6 | −4.4 | +4.6 |
| Benelux/Germany | 1,447 | 1,470 | 9.6 | +1.6 | +1.7 |
| Central Europe | 194 | 198 | 1.3 | +1.9 | +4.6 |
| **INTERNATIONAL** | 3,998 | 4,217 | 27.5 | +5.5 | +4.7 |
| Europe-Latam | 662 | 589 | 3.8 | −11.0 | −8.4 |
| North America | 959 | 962 | 6.3 | +0.4 | +0.2 |
| Asia | 392 | 472 | 3.1 | +20.4 | +20.5 |
| Australia | 976 | 1,021 | 6.7 | +4.6 | +2.9 |
| Africa, the Middle East, and India | 1,009 | 1,173 | 7.7 | +16.2 | +13.1 |
| **OTHER** (mainly Suez Consulting) | 103 | 100 | 0.7 | −2.9 | −2.9 |
| **TOTAL** | 15,135 | 15,322 | 100.0 | +1.2 | +1.1 |

Revenue by Geographies (in EUR millions)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **FY 2015** | **FY 2016** | **% in FY 2016** | **16/15 Δ (%)** |
| **FRANCE** | **5,119** | **5,023** | **32.8** | **−1.9** |
| Spain | 1,769 | 1,753 | 11.4 | −0.9 |
| United Kingdom | 1,133 | 1,071 | 7.0 | −5.4 |
| Other (Europe) | 2,449 | 2,488 | 16.2 | +1.6 |
| **EUROPE** (excluding France) | **5,351** | **5,312** | **34.7** | **−0.7** |
| North America | 1,138 | 1,210 | 7.9 | +6.3 |
| South America | 892 | 896 | 5.8 | +0.4 |
| Oceania | 1,004 | 1,083 | 7.1 | +7.9 |
| Asia | 497 | 615 | 4.0 | +23.6 |
| Other (International) | 1,133 | 1,182 | 7.7 | +4.3 |
| **INTERNATIONAL** (excluding Europe) | **4,665** | **4,986** | **32.5** | **+6.9** |
| **TOTAL** | **15,135** | **15,322** | **100.0** | **+1.2** |

EXHIBIT 1 (CONTINUED)

NET DEBT HIGHLIGHTS

* Financial discipline to monitor debt
* Cost of net debt decreasing: 5.19 per cent (2011) versus 3.67 per cent (2016)
* Cost of gross debt decreasing: 4.36 per cent (2011) versus 2.97 per cent (2016)
* Average duration of gross and net debt: 6.4 years
* A3 rating, stable outlook according to Moody’s Investor Service
* Total debt: €8.08 billion (December 31, 2015) versus €8.04 billion (December 31, 2016)

Notes: FY = fiscal year; Δ = amount of change; Benelux = Belgium, the Netherlands, and Luxembourg; Latam = Latin America; € = EUR = euro; US$1 = €0.95 on March 1, 2017.

Source:Created by the case author based on Suez, *2016 Full-Year Results*, March 1, 2017, www.suez.com/en/Finance/Financial-information/Results-and-key-figures.

EXHIBIT 2: Culture and the Hofstede Framework

Culture could be described as a set of deep-rooted beliefs, values, and habits that people shared and had learned from various environments—for example, home, school, and religious institutions. These values and beliefs were often transferred from one generation to another and could apply to a corporation as well (as corporate or organizational culture). Many respected researchers, such as Hofstede, Lewis, and Javidan, contributed to the vast body of research that addressed these differences. These differences affected how people did business, processed information, made decisions, communicated, and generally behaved. Professor Geert Hofstede invented a framework that contained the following dimensions to better understand national cultures. Within each dimension, a score of 100 was the maximum.

Power distance index (PDI): This index measured the inequalities of power in society. A high PDI was synonymous with a clear and strict hierarchy between members of that society, where business was often conducted using titles and last names (e.g., France), as opposed to a low or lower PDI society (e.g., the United States) where business was conducted on a first-name basis and without many formalities.

Individualism versus collectivism: This concept described how connected the members of a society were with one another. A high degree of individualism was associated with self-interest (personal and family), as opposed to collectivism, where the interest of the group (corporation or country) mattered most, and the social connections were tighter and stronger (close-knit community).

Masculinity versus femininity: Masculinity indicated a preference for competition, assertiveness, and the rewards associated with any success, where the means often justified the ends (e.g., the United States), whereas femininity emphasized collaboration, modesty, and quality of life within a given society (e.g., France).

Uncertainty avoidance index (UAI): This index measured the level to which people accepted change and uncertainty—both in general and in regard to the future. Therefore, countries with a high UAI level tended to reject radical changes and ideas and had rigid codes of behaviours (e.g., France). A low UAI indicated risk taking and change acceptance (e.g., the United States).

Long-term orientation versus short-term normative orientation: This concept addressed how societies saw their past, present, and future. A long-term orientation prioritized the future, whereas a society with a short-term normative orientation prioritized its past and present. In business, this concept was helpful to better understand people’s motivations and time horizons when they made decisions.

Indulgence versus restraint: A society with a high degree of indulgence prioritized having fun and focusing on gratification, whereas a society with restraint would regulate gratification through strict codes of conduct and norms.

Source: Created by the case author based on “The 6 Dimensions of National Culture,” Hofstede Insights, accessed April 2, 2019,www.hofstede-insights.com/models/national-culture/.

Exhibit 3: Comparison of French and US Cultures

|  |  |  |
| --- | --- | --- |
| **Cultural Dimension / National Culture** | **FRANCE** | **UNITED STATES** |
| Power distance | 68 | 40 |
| Individualism | 71 | 91 |
| Masculinity | 43 | 62 |
| Uncertainty avoidance | 86 | 46 |
| Long-term orientation | 63 | 26 |
| Indulgence | 48 | 68 |

Source:Created by the author based on “Country Comparison,” Hofstede Insights,accessed April 2, 2019,www.hofstede-insights.com/country-comparison/france,the-usa/.

ENDNOTES

1. This case has been written on the basis of published sources only. Consequently, the interpretation and perspectives presented in this case are not necessarily those of General Electric Company, Suez SA, or any of their employees. [↑](#endnote-ref-1)
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