

# The dancom



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The Dancom case study report reveals the challenges involved in cross cultural management and how the theories of motivation are useful in understanding the contrasting attitudes and behaviors of the insider and outsider group within Dancom. The basic cultural differences and the influence of these differences on the individual employee reflect in the attitudes and perceptions of employees. Cross-cultural management is therefore challenging and critical to the growth of a large organization with people from different cultural backgrounds.

In an age of expanding businesses where multi- national operations are part of many business units, it is important for companies to understand, respect and learn to appreciate the cultural differences and develop an effective cross-cultural management process to ensure growth and success. The individual and group perceptions play a vital role in defining the employee responses to different stimuli and influences people's behavior in an organization.

These perceptions therefore can contribute either positively or negatively to the individual performance and thereby the organizational performance as a whole. It is therefore imperative to manage and synergize perceptions in a cross-cultural work environment to achieve optimal or excellent productivity. ' People's behavior as a function of their perceived world, as opposed to the objective world, is especially significant in a cross cultural organizational setting' (Gooderham & Nordhaug 2003, page 153).

In Dancom case, a Danish company operating from Russia, these perceptions lead to an internal categorization of the employees as an ' insider' and ' outsider' and their behaviors, contribution, social involvement and attitudes

at work are based on the individual's identification that fits into this broad classification and vice versa. The 'insider' and 'outsider' group within Dancom - An understanding of the contrasting attitudes and behaviors Inclusion or a sense of belongingness can be crucial to an employee's performance in an organization.

The Dancom case study enumerates the differences in perception amongst employees, the Russian middle level managers and specialist in the Danish company, and identifies clearly the factors that lead to these differences and the effects on the organization. The insiders refers to the 'individual's perception of belonging to the organization' and outsiders feel as though 'they are not really being included in the company's life' (Gooderham & Nordhaug 2003, p. 155). This perception leads to differences in their behavior and attitudes at work.

The key differences in the insider vs. outsider attitudes and behaviors as identified by the study are listed as below: Perceptions: Insiders sense friendliness in work atmosphere whereas outsiders while identifying the company as peaceful are still indifferent Identification: Insiders identify strongly with the organization while outsider's don't Motivation: Insiders are self-motivated and contribute happily whereas outsiders are motivated only by money. Internal relationships: Insiders enjoy better inter personal relationship with their superiors and appreciate an informal work relationship while outsiders are happy to confine themselves to formal communication Participation in social events: Insiders participate enthusiastically in company's social events while outsiders tend to leave company parties early and stick to strict work relationship. The cultural differences between

Russians and Danish people, lack of understanding of these basic differences, differences in employee expectations and lack of opportunities for a close collaboration are key causes for this internal categorization of employees. Relevance of theories of motivation in understanding the contrasting attitudes and behavior of the insider and outsider groups within Dancom

Russians in the Danish company are motivated by an informal relationship with their superiors. 'Close and informal relations with superiors are often seen by Russians as an additional reward from the organization' (Gooderham & Nordhaug 2003, p. 155). The 'insiders' in this case are self motivated and are willing to work longer hours. This motivation mainly comes from a sense of belongingness. The 'outsiders' are motivated by money and feel more like outsiders within the company. This feeling of being let out can have a negative impact on their motivation level.

Researchers and management scholars agree that 'Cultural differences can have a profound impact on work motivation and job attitudes' (Gannon & Newman 2002, p. 191) An understanding and appreciation of the cultural differences and employee expectations can be a powerful motivator. Key differences observed in Russian and Danish style of work, cultural differences and style of management Relationships: Community culture is prevalent in Russia and Russians are less private by nature.

Russians enjoy an informal work relationship with their superiors than a strictly formal encounter and expect to be treated in a friendly way. They respect personal relationships at work to a large extent and are less formal in their approach. It is observed that 'close relationships and friendships are

highly valued in the Russian context' (Gooderham & Nordhaug 2003, p. 156). Russians perceive close and informal relationship with superiors as an additional incentive and reward. They are opposed to formal communication protocols and standardization of procedures and technology.

Danish people work in a highly formalized style where every aspect of work is based on standardization. Russians may find this limiting and restrictive. Information sharing: Russians are secretive by nature and a typical Russian manager holds back information from his subordinates. Information is viewed as power by Russians. Danish managers are transparent and share information more easily with their subordinates. Decision making process: Danish managers involve their subordinates at early stages of decision making while Russians are more individualistic in their decision making process.

Danish manager's decision making process involves team work. Management style: Russian managers are relationship oriented in their management style and Danish managers are process oriented. Planning: Danes believe in long-term planning as a key management tool. Danes planning process is extensive and they are open to revisions in plans based on organizational needs and progress. They believe in planning as a strategic tool for success. For Russians long-term planning does not hold any importance. They believe in situational decision making.

For Russians planning is a strong commitment and they work based on short term plans and strive to achieve them, Russians are critical about deviations from plans and therefore do not advocate long term planning in organizational terms. The benefits and importance of managing these

differences effectively. An early identification and acknowledgement of these differences and appropriate organizational measures to build a hybrid organization where the diversities are merged and managed effectively is critical to organizational growth.

' The two worlds of work and community may be reconciled through managing these opposites by developing appropriate hybrid organizational forms and processes' (Terence Jackson 2002, page 12) Multi - Cultural Organizations In large businesses with multinational operations people from different cultural background work together as a team to achieve the organizational goals. ' It is in the context of globalization that the field of cross-cultural management has emerged to guide the development of organizations that involve and inspire people of diverse values' (Tjosvold & Leung 2003, P. 2) the differences in the cultural background may fuel differences in opinion in a work environment and it is crucial for a multi-cultural organization to emphasize cross-cultural communication.

Encouraging Cross-cultural communication is viewed as a crucial human resource and management practice to ensure each employee functions to their maximum potential. Socio cultural differences The social practices of a community are deeply rooted in the individual and ' culture can be deeply embedded in an individual's and society's consciousness' (Earley and Singh 2000, p. 314) determining their perceptions and forming the basis of their behavior.

' Despite the complex socio-cultural antecedents to these concepts of people in organizations, an understanding of the way people are seen, and see themselves, in organizations, is fundamental to effective people

management across different cultures. This is particularly relevant to management in transitional and newly industrialized economies where conflicts between indigenous and foreign practices (based on conflicting views of human beings) may come to the fore'. (Jackson 2002, p. 7)

The Cross cultural suitability of employees is crucial to their success, ' Cultural environment in which the expatriate operate is an important factor in determining successful performance' (Dowling et al 2008, p. 120) National culture and organizational culture variations The prevalent national culture reflects largely in organizational culture due to the influence of national culture in people's mind.

In a nation where women are considered inferior, managers tend to view their women co-workers as less talented. ' The behavior of manager is influenced by both national culture and organizational culture' (Carroll & Gannon 1996, p. 96) However larger organizations like Sony rise above the influence of national culture and successfully build an organizational culture, that transcends the limited cultural influence of a nation, where equality of employee treatment and fair dealings are established at every level.

In such organizations ' Although organizational culture will reflect national culture to some degree, there is a great deal of variation within a national culture' (Carroll & Gannon 1996, p. 95) Culture and Managerial behavior The influence of culture is evident in managerial behavior across nations. Russian managers are relationship oriented, Danes are data and process oriented, Japanese managers tend to treat their women co-workers in a slighting manner, and the influence of a national culture is observable in managerial behavior.

' Culture is associated with behavior indirectly, by influencing the weight of variables that predict behavior rather than by influencing behavior directly'. (Gannon & Newman 2002, p. 21) Building an organizational culture that reflects the positive aspects of a national culture and neutralizes the negative influences by providing cross-cultural management training and developmental programs for their employees is a key differentiator in an organizational framework.

' Organizational cultures with a higher respect for people should have fewer ethical problems in personal matters than their counterparts' (Carroll & Gannon 1996, p. 98). The impact of culture on management is a well researched subject and both researchers and management scholars agree that ' culture can have a powerful impact on management and organization behavior. The challenge for management scholars is to determine what practices will work where and how much cultural adaption is necessary' (Warner & Joynt 2002, p. 6) Gender differences in different cultures

Nations across the world are marked by clearly distinguishable gender variations. Japanese women are expected to undertake domestic responsibilities by their men. In Saudi Arabia Women are restricted and prohibited from travelling with men and sharing offices with foreigners. In places like US and Sweden women are considered more as equals in almost all area of business. ' What is considered to be acceptable and ethical treatment for a woman in some nations is viewed as reprehensible in others' (Carroll & Gannon 1996, p. 29) Promoting gender equality, where equal growth opportunities are provided for men and women alike , within an organization ensures equality of treatment at work.



This provides motivation to women and promotes a broader perspective amongst men building a productive work environment. Cross-Cultural Management practices In the wake of globalization and the emergence of mergers and acquisitions in business environments across the world cross-cultural management is a challenging and crucial aspect of management that has a profound impact on the organizational performance.

The importance of cross-cultural management is recognized by organizations across the world and managers are provided specific training in cross-cultural management. With the growing need for organizations 'to think globally and act locally' (Warner & Joynt, 2002, p. 21) cross-cultural communications are encouraged across organizations in an effort to build a positive work environment and to improve interpersonal communication among employees.

'Multinational businesses seek to socialize their employees to operate within a global organizational culture' (Harzing & Ruysseveldt 2003, p. 2) Hofstede, based on his extensive research on cross cultural organizational dynamics classifies work-related cultural values based on five factors; power distance, uncertainty avoidance, masculinity-feminism, individualism - collectivism, Confucian work dynamics. His research and reports forms basic guideline for researchers and management scholars in the field of cross cultural studies especially those applicable in work places.

Studies by cross-cultural psychologist contribute to an understanding of 'social development, personality, social cognition, interpersonal relations and organizational psychology' (Smith et al 2006, p. 9) in the cultural context and their findings provide useful insight into the psychological aspects of cultural

variation both at individual level and collective level. The various studies and research reports from psychological, social and management perspectives forms the basic framework for cross-cultural management strategies across organizations.