REDUCING TENSIONS IN DECENTRALIZED BUSINESS GROUPS USING OPERANT CONDITIONING AS A MANAGEMENT STYLE

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Abstract

As US-based companies are increasingly branching operations into India, it is of utmost importance to understand the unique problems faced by diverse, decentralized business groups and it is in the best interest of all to find the ideal, yet practical, method for overcoming them. This paper seeks to provide a functional guide for US managers and builds on the author's firsthand, anecdotal experience as an entry level employee at a multinational company whose business group is in the process of sharing work with coworkers living in India. Problems that have risen and increased tension during the merger will be identified. Then, a method for managers to employ for overcoming these obstacles will be proposed. In conclusion, the following yields a starting point for managers in the midst of incorporating Indian employees into US business culture.

Reducing Tensions in Decentralized Business Groups Using Operant Conditioning as a Management Style

It comes as no surprise that there is growing demand for cross-cultural psychology with practical, organizational applications. By now, nearly everyone has heard buzz terms such as "global market," "diversification," and "off-shoring," as national companies and economies become increasingly intertwined – gone are the days of truly independent national economies. This should come as no surprise to the modern world that is accustomed to international business travel. International business is no longer groundbreaking, but instead, has become necessary for a company to be profitable. To cut costs and facilitate around-the-clock operations that international business demands, companies have learned the importance of having corporate backup plans, i.e. satellite locations.

Domestic satellite and foreign, off-shore locations allow for the disbursement of work to maintain uninterrupted service in the event a primary site be unable to function, such as New York City in the Hurricane Sandy aftermath. For these locations to take on the work of the "primary" location, backup locations must be trained to understand and complete the tasks. Methods for training are varied, but and frequently entail the merger of different locations under one business group; while there is a primary location and a secondary location, the daily work is completed interdependently so that there are not completely novel tasks in the event the "secondary" location needs to take over. Frequently, the secondary location of choice is India.

The growing demand among global-minded companies to have part of a business line in India, regardless of the reason, provides the impetus for closer examination of available literature; it is to the benefit of all to make the merger of cultures as smooth as possible. As a result, this paper builds on the author's firsthand, anecdotal experience as an entry level

employee at a multinational company whose business group is in the process of sharing work with coworkers living in India. First, problems that have risen and perpetuated tension during the merger will be identified. Then, a method for managers to employ for overcoming these obstacles will be proposed.

The Problems Facing the Integration of Indian, Off-Shore Locations

Decentralized, dispersed business groups face unique problems. Businesses have taken note of these challenges, as indicated by the many slideshows and e-learning courses most offer on the subject, but many have not incorporated relevant literature into practice to preempt potential areas of tension. As the noted psychologist Skinner (1963) emphasized, "a narrative account of *how* animals behave must be supplemented by a consideration of *why*. What is required is an analysis of the conditions which govern the probability that a given response will occur at a given time" (p. 505). Currently, the general trend to have employees take a course on differences to acknowledge there may be some non-specific problems that may arise due to cultural differences and then assume employees can extrapolate that information. This approach leaves a great deal of uncertainty and responsibility with entry level business groups and its manager.

This section explores the most notable problem areas faced by business groups facing the integration of Indian, off-shore locations. At the core, the problems unique to the unification of domestic and Indian locations into a single operational business group are a result of differing locations. Poor handling of the merger results in a detrimental interaction between ethnocentricity and the biased sharing of information. Salience of difference along geographical and therefore cultural lines leads to enhanced subgroup polarity. The effect of this polarity reduces the contextual information shared between locations that collocated teams are able to

gather through casual, in-person encounters. Reduction of shared information between locations, which is furthered by the decentralized group's reliance on technology-mediated communication, is then attributed to cultural difference and continues the cycle. In sum, the following describes the ways location can and will promote tension and restrict the intended goal of the cohesion of the decentralized group.

Ethnocentrism

It is understandable for US-based operations to struggle to adjust to daily cooperation with the cultures of off-shore locations, particularly in light of the minimal importance given to familiarizing oneself with cultural differences. To state the obvious, the US is a very large country that shares the continent with just two others. While this affords US citizens with a variety of conveniences, most US citizens do not get to experience much cultural diversity as a result of the geography of the US. Often-cited differences between East and West, North and South, urban and rural, etc. may be felt, but in the grand scheme, are very minor. The fact remains all US citizens share a commonality. Through constant interaction with each other and a shared national history, we have developed a national culture that dictates appropriate behavior, particularly in the workplace. "Culture," as noted researcher Geert Hofstede (1991) defines it, "is the collective programming of the mind which distinguishes the members of one group or category of people from another."

It is important to note that the present paper examines "culture" based on general characteristics at the national level. The work of Hofstede (1991) provides valuable information on relative culture differences and their potential functioning within an organization. Hofstede (1991) asserts that anthropology has previously identified basic relationships across cultures – relationships with authority, other groups and/or group members, gender, and the unknown –

which can be used as dimensions through which meaning and context to a culture's behavior is understood. The corresponding cultural dimensions to the relationships are (1) *power distance*, (2) *collectivism versus individualism*, (3) *femininity versus masculinity*, and (4) *uncertainty avoidance* (Hofstede 1991). These dimensions describe the practices of a culture by way of examining its values (Hofstede 1991).

With respect to a culture's functioning within an organization, Hofestede (1991) stresses the key roles of the *power distance* and *uncertainty avoidance* dimensions. The two countries at the focus of the present paper, US and India, score similarly weak in *uncertainty avoidance*, indicating both countries are accepting of novel situations and not overly concerned with structured decision-making to adapt to novel situations (Hofstede & Hofstede). Conversely, the US and India score quite differently in terms of *power distance.* India's high score in this dimension signifies a large disparity in power between levels of authority, especially in comparison to the US (Hofstede & Hofstede). This difference is seen in the distribution of tasks and acceptance or responsibility – Indian managers employ a greater degree of discipline and are less likely to delegate important tasks to subordinates than their US counterparts (Hofstede 1991).

The implications of the differential scores in *power distance* and the experience of the author are the same – as a result of a lessened sense of importance and competence associated with the way work is delegated in India, Indian subordinates and others working in cultures of high power distance are less likely to accept responsibility. When peers in areas of lower power distance, such as the US, do not understand this often non-verbalized cultural difference and do not have the ability to gain familiarity from casual, in-person contact, it adds to the salience of difference and increases subgroup tensions.

Crampton and Hinds (2005) hypothesize that subgroup tensions arise out of ethnocentrism, or deference for one's own group over others, and subgroups are formed as a result of the poorly managed merger of two or more groups. From a high-level perspective, subgroups develop as a result of geographical separation, but the separation goes further. The geographic difference also suggests demographical and thus cultural differences which can be felt in the daily practices and values of groups (Crampton & Hinds 2005; Hofstede 1991). As with the current case in point of the US and India teams working as a single business unit, "subgroups" with distinctive "us versus them" mentality can quickly develop.

Ethnocentrism, a consequence of the heightened perception of cultural difference, leads to the biased sharing of work-related information where more information is shared with the subgroup of which one is a member and lessened communication of contextual information that collocated groups. Both forms of prejudiced distribution of information serve to enhance the perception of difference, reduce group cohesiveness, and perpetuate the cycle (Crampton 2001; Crampton & Hinds 2005).

Reduced Information

Ignorance of cultural differences, and therefore culturally-biased context clues, is not the only problem faced by the geographically separated US and India teams. The necessity of technology mediated communication due to physical separation also serves to exacerbate the problematic tensions. Though technology mediates much of the communication of the modern world where interdependent organizational groups located at the same site frequently exploit email, instant messaging, and telephones to communicate, the negative effects of the reduction of shared knowledge are augmented in decentralized groups.

The reasoning Crampton (2001) uses largely supports this model of the development of tension and is of particular use in the understanding of how and what information is shared. Crampton (2001) attributes the absence of "mutual knowledge," a consequence of technology mediation, to the worsening of the problematic cycle. "Mutual knowledge" is the information that collocated teams share that unconsciously provide context via a shared history to all interactions (Crampton 2001). Context allows for the common assumptions that may lead to the biased interpretation of communication, disproportionate perceived importance of information, and even partiality in what information is shared (Crampton 2001). These effects are simply made worse by the bottleneck effect technology has on the transfer of information, as all communication platform that involve typing are slower, more prone to misinterpretation, and suppress the communication of information that would otherwise be acknowledged had the communication been in person (Crampton 2001).

In traditional, collocated groups, casual encounters with other group members are frequent and the effects are additive. For example, the author and her domestic coworkers frequently provided verbal updates on daily progress and discussed problems in-person, allowing for better distribution of group work that otherwise is a source of tension in any group format. The contextual information allowed for relative judgments of other members' daily progress, workload, urgency of requests for assistance, and areas of expertise which develop group unity through the daily re-distribution of work to achieve the common goal of completing all work in a timely manner.

The merger of locations underscored the influence the overlooked effects of mutual knowledge and technology mediated communication. Whereas the domestic team functioned as usual with other domestic group members, interactions with group members in India were often

prudent and devoid of contextual information which was filled by conjecture. Initially, errors and misunderstandings were contributed to the novelty of tasks, but persisted after extensive training which the domestic team had only previously experienced with new, collocated coworkers later deemed to be an unsuitable fit for the position. Since the problem appeared pervasive in the Indian team, the domestic team concluded that the Indian team lacked the skills the jobs require, an unjust attribution along the salient difference that was also observed in Crampton (2001).

However, the author's domestic group members later found there are cultural differences in the sharing of information at the other location – verbally conferring with collocated group members is not common practice for the author's Indian counterparts, so it was not a behavior that was extended to interactions with domestic group members. What had been negatively attributed to an entire location was actually a function of culture. As Crampton and Hinds (2005) explain:

> [Physical separation of subgroups] can result in members having different information, assumptions, preferences and constraints. Because of the absence of contextual information, group members are likely to notice, but not fully understand, patterns of preferences and behavior within their ranks that correlate with location. (p. 236)

The assumption of similar communication practices by the domestic team, the absence of mutual knowledge, and technology's hampering of information presumed to be extraneous had been at fault.

A Solution for Managing Decentralized Groups

The cost-effectiveness and the risk reduction that the interdependence of domestic and Indian locations in a single group afford signal that the use of this practice will only increase.

Luckily, with an understanding of how tensions can rise between domestic and Indian locations, as described earlier, selecting a management method to reduce tensions and disrupt the development of conflict can be a significantly easier process.

First, the parameters for selecting an effective method must take into account the natural limitations of decentralized groups and the relationships that inhibit unification and cohesion. The limitations are obvious - decentralization mandates that the method be applicable to the interdependence of two or more locations under the same business group and for the foreseeable future; though the impacts of differences in cultural values may be lessened, the core values themselves are not appropriate subjects for modification; and a degree of technology-mediated communication will always be required.

Next, the chosen method must include a solution to the cycle of tension that inhibits the goal of group unification and cohesiveness across locations. The relationships that are in need of address are: the increased salience of difference and the resulting ethnocentrism leading to the biased sharing of information, the biased sharing of information increasing the salience of difference between groups, and the culturally influenced behaviors leading to reduced information sharing, not the values from which those behaviors stem. Ideally, a management method addresses all of the relationships of the cycle, but even if only one is addressed, it is a step forward from an uninformed decision.

While the author's experience with the tensions and conflicts previously described are yet to be resolved, research does indicate a management method that could potentially lessen them, particularly if it had been employed at the start of the merger process. The criteria described and the value of practicality within organizations implore an argument for the use of behaviorism,

specifically operant conditioning, as a framework with which an ideal management method can be developed to successfully merge two locations into a single operational group.

Operant Conditioning and the Workplace

Behaviorism posits that while internal processes exist, such as thoughts and feelings, they are not observable and thus out of the scope of empirical research (Watson 1913; Skinner 1963). Since job performance, at least at entry level, is determined in relation to quantifiable behaviors, the basic logic of the behaviorist perspective is in place and simply requires refinement. More specifically, the behavior modification technique conceptualized by heralded behaviorist B.F. Skinner (1963), known as "operant conditioning," is widely used in organizations since the advent of industry and enhances the viability of a solution modeled in congruity with this researched technique.

Operational conditioning is a contingency theory in which all behavior is said to be changed by a particular pattern: a stimulus is given, a response is elicited, and a consequence is presented as a condition of the response, with emphasis applied to the parameters for responses and the use of consequences (Skinner 1963). With each fulfilled contingency sequence, reinforcing consequences will have a cumulative effect of increasing the frequency of the behavior and punishing consequences will decrease it (Skinner 1963). Human behavior is certainly more complex, but employment fundamentally adheres to the contingency of operant behavior: the presentation of a task (stimulus), the completion of work to the designated specifications (response), and the reception of money (rewarding consequence). Invaluable to achieving the desired behavior of employees, hence unifying decentralized groups, are the ability of widely used performance goals and job specifications to exert control over behavior (Skinner 1963).

Performance Goals and Task Procedures Exert Control

Large companies, akin to the ones at which the author works, generally require performance goals and task procedures which serve as identification of the expected behavior (response) of an employee to ensure continued employment. An ideal performance goal or task procedure details the objective parameters that are under the employee's control which can and will be monitored with some frequency for the goal to be designated as "achieved" or "met" – essentially, the typography of the response required to fulfill the contingency is outlined (Komaki 1998; Skinner 1963). While the advantage of having the parameters directly relate to the critical functions of a goal or task was identified by Komaki (1998), there is no point to modify the parameter as long as it is exerting control over the targeted, response behavior and producing the desired behavior (Skinner 1963). Skinner (1963) says in regards to this manner, "the ultimate test of uniformity or reproducibility is not to be found in method, but in degree of control achieved" (p. 508) and an initial effect of holding all employees to similar standards, perhaps as a reduction in perceived differential treatment, is the increased effectiveness of behavior change (Taylor, Tracy, Renard, Harrison, & Carroll 1995).

Skinner (1963), however, cautions relying on even the most well constructed goals and procedures, however, as they simply describe the contingency. For behavior to be modified, the reinforcing contingencies must be fulfilled with the presentation of the reward; if reward is truly reinforcing, it is why the participant (employee) is performing the tasks. "Extinction" is a basic concept of operant conditioning in which a reinforcer is no longer presented after the completion of the response in an established response-reward pairing and results in the decreased frequency of a behavior (Skinner 1963). The reinforcing consequence need not to be enacted immediately for the contingency to be strengthened, however. In addition to it being impractical to constantly

hand out money to employees, if seemingly all behaviors are rewarded, the link between a specific behavior and the reinforce is weakened, reducing the effectiveness (Skinner 1963).

A problem with selecting a reinforcement schedule is that incentives and incentive distribution, beyond the evaluation of performance, are largely out of the control of most managers. There is research dedicated to modifying and applying the schedules outlined by Skinner (1963) to the workplace that hypothesize modifications leading to optimal performance (see Johnson 1975; Honeywell-Johnson & Dickinson 1999; Honeywell-Johnson, McGee, Culig, & Dickinson 2002). Because much of the research would require corporate policy changes, it is outside of the scope of the current endeavor and closer examination of other ways to achieve the desired behavior modifications.

Performance Monitoring and Feedback to Shape Behavior

Although a discussion of the distribution of monetary incentives is not applicable to the current objective, there are other advantageous ways to refine operant conditioning to modify performance. The clear standards described earlier have another purpose – requiring observable, measurable behaviors enable the ease of monitoring performance and allow for the use of frequent feedback. New employees and employees handling novel goals or tasks cannot be expected to perform the expected behavior to specifications on the first try since they are devoid of a contingency history in relation to the precise performance of the goal or task. To ultimately achieve the required typography of a response in a contingency, behavior must be shaped through sub-contingencies, or "baby steps" (Skinner 1963).

Training new employees and employees on new procedures is not a fresh idea in the business world. The process of training typically begins with the trainee receiving written or verbal instructions and expectations that deconstruct how to complete the expected behavior.

Instructions, as noted earlier, cannot replace a contingency, but findings by Baron, Kaufman, and Stauber (1969) show that the inclusion of instructions can aid in acquiring a selected behavior. After reviewing instructions, he trainee then watches her or his trainer complete the task before attempting to precisely replicate the behavior while any questions or necessary adjustments are addressed throughout the process. In other words, "training" is the gradual change in response typography until the typography fulfills the requirements of the contingency.

Casual, yet relevant feedback on performance, en lieu of monetary incentives, serves as perpetual consequences for continual, intermediary contingencies. The repetition and feedback of sub-contingencies builds a history of behavior to achieve performance goals and tasks (Skinner 1963). These "baby steps" must be monitored to ensure proper, modifying controls are in place (Skinner 1963). Performance goals are the ultimate response behavior in an overall contingency, but without sub-contingencies and feedback on them, performance data is only reviewed twice per year in most cases.

Conclusion

Working with other cultures in decentralized groups is a reality of the average worker for the foreseeable future and possesses the potential for tensions and conflicts to arise. The problems that this growing practice instigates may be best conceptualized through social and cognitive perspectives, but doing so presents a daunting task for managers. Having to consider the thoughts, feelings, and emotions of individual employees, in addition to the unknown ways that cultural differences may manifest, unnecessarily complicates the goal of group unification across locations without the beneficial trade-off of more than a mere prediction.

In response to this difficulty, this paper overcame these problems by focusing on the highly structuring expected behaviors and reinforcing the successful completion of the

overarching performance-salary contingency. The socio-cognitive problems were not directly manipulated. Instead, the identified areas of tension are hypothesized to be eliminated through the application of known operant conditioning techniques. Specificity of expected behavior, the application of these standards to *all* group members domestically and abroad, and the use of feedback on monitored performance to shape response behaviors serve to exact a controlling manipulation. If effectively manipulated to produce the desired performance and tasks, the unity of the decentralized business group will be achieved through the reinforcement of the interactions between groups that completion of the contingency requires.

Experimental research to prove this method is effective is suggested, but in conclusion, the interdependence of domestic and Indian teams need not be as intimidating to managers. While the identification of tension inducing cycles of interaction is certainly good to know, using the principles of operant conditioning as a management style draws on logic already in place and provides a strong manipulation, even if the controls are not directly related to the behavior, when carried out effectively.

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