

SOME EMPIRICAL INSIGHTS INTO CULTURAL DIFFERENCES AND MANAGEMENT PRACTICES: THE CASE OF DENMARK AND SLOVENIA

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Abstract

This paper presents field research on differences in managers' practices and behaviour in two EU countries: Denmark and Slovenia. The theoretical foundation of the research is based on cultural dimensions proposed by Hofstede and Hall. We combined the quantitative part of the research, which was based on surveys between Danish and Slovenian managers with semi-structured interviews. We confirmed many significant differences between Danish and Slovenian management practices and values that were predominantly consequence of two of Hofstede's cultural dimensions: Power Distance and Uncertainty Avoidance. The emphasis of the research was on the presumption that these differences are even more articulated in extreme situations, such as the current economic crises. We also implicitly sought the answer to the question of what can Slovenian managers learn from the Danish experience. The main scientific contribution of the research is the methodological platform for further research on the effects of cultural characteristics on management practices and business efficiency within the main clusters of the EU countries.

Keywords: management practices, national culture, economic crises, Denmark, Slovenia.

1. INTRODUCTION

Economic globalisation, international cooperation, and global competition have put the topic of management and particularly leadership into the centre of interest of many researchers and practitioners (Bass, 1990, House et al, 1999, Pučko, 1998, Gulev, 2006, Mihelič and Lipičnik, 2010). Researchers quickly realised that national cultures (Hofstede, 1980; Newman and Nollen, 1996) and even economic ideologies (Ralston et al, 2008) significantly shape the way managers behave and operate in different cultural environments. The analysis of the

cultural aspects has resulted in various models based on different national cultural characteristics or dimensions (Morden, 1999, Ekanayake, 2004). Regardless of some criticism (McSweeney, 2002), Hofstede's (1980) national cultural dimensions are still the most popular and practically applicable for managers' needs. We view the term 'management' as organisational leadership, taking the definition of leadership from the GLOBE research group, which defines it as 'the ability of an individual to influence, motivate and enable others to contribute toward the effectiveness and success of the organisations of which they are members' (House et al, 1999:13).

For example, anthropologist Edward T. Hall (1981) classified cultures according to communication into high-context (the information is mostly implicit) and low-context (explicit information). Cultures determined by high context require established social trust, value personal relations and goodwill, and take more time in starting business partnerships and negotiations. In contrast, for low-context cultures that value expertise and performance at work, based on agreements via legal contracts, there is no need for rituals or time-consuming introductions before getting down to business (Kreitner and Kinicki, 2007). Jung, Bass and Sosik (1995) claimed that the central position of work in life and the high level of group orientation are more likely to promote transformational leadership in which the followers are inspired by the leader whom they see as a model and motivator, in contrast to transactional leadership (Den Hartog, Van Muijen and Koopman, 1997) by which leaders motivate followers with rewards and fear of punishment.

Strong Uncertainty Avoidance cultures (Hofstede, 1980) with emphasis on rules, procedures, and traditions may place quite different demands on management that would be expected in cultures with weak Uncertainty Avoidance. In environments that are comfortable with uncertainty, we can expect more innovative behaviours and less need for organisational formalisation (House et al, 1999). According to Hofstede, organisations that focus on improving the means by which organisational goals are achieved are likely to be aware of the risk. Individuals tend to be more comfortable in unfamiliar circumstances and look forward to challenging situations as opposed to those that focus on the attainment of goals (Holsapple, 2003). For job-oriented cultures, it is typical to assume responsibility for nothing but the job performance of the employees, while employee-oriented cultures assume a wide range of responsibilities for the welfare of the members of the organisation.

Furthermore, less negative attitudes towards authoritarian leadership will likely be found in large Power Distance (Hofstede, 1980) societies in which leaders are supposed to show dominance and ostentatiously display power. In more egalitarian societies, leaders would emphasise an egalitarian

approach (Jung, Bass and Sosik, 1995). In Hofstede's (2011) research on the Netherlands and Denmark, he developed the concepts of Process versus Results, and Job versus Employee orientation. Process-oriented cultures are dominated by procedural and rigid techniques, while the results-oriented cultures focus on the common concern and are determined by the importance they put on the outcome.

These are just a few examples of the research and concepts that illustrate the relationship between different national cultures and consequently different management behaviours and practices. There are also other factors that influence management: particularly economic and government surroundings (Bavec, 2009; Ralston et al, 2008). Competent and efficient management also contributes to the competitiveness of the individual organisation and the entire country. The competitiveness of a country is determined by many factors, including the country's culture and value system. How values and attitudes influence peoples' behaviour and consequently success was first analysed and presented by Weber in 1905, who studied the relation between culture (mainly religion) and the economic development of nations. He claimed that nations not only competed with products and services but also with education and value systems.

One aspect of the national culture and value system is also the attitude towards the role of the State or national government. The intensity and the content of this relationship differ across cultures. According to Garelli (2006), the role of the State has been changing drastically in recent years, but in the eyes of the public it remains the ultimate guarantor of integrity in their country. The people still perceive the State as being responsible for their protection and well-being, regardless of all laws or recommendations coming from international and transnational organisations and institutions. However, the societies and economies that rely more on the State are generally less competitive, and vice versa.

In the presented context, we observe mutual relationships in the triangle: *national culture*, *management practices* and *competitiveness*. Through the study, we expose relationships as a condition of being connected and having relevance one to an-

other. In our research, we concentrated on these three interconnected issues: national culture presented by Hofstede's dimensions, management practices that we investigated in the research, and the perception of the role of the government. The cultural dimensions presented by Hofstede result from researching a large database of employee values scores collected in the 1960s and '70s in more than 70 countries and three regions in an attempt to explain how values in the workplace are influenced by culture (Hofstede, 2012).

2. THE MAIN RESEARCH GOALS AND METHODOLOGY

The main goal of the research was focused on some aspects of managers' behaviour in two countries: Denmark and Slovenia. The basic research idea (Cotič, 2012) is to compare two relatively small EU countries with significant differences in cultural heritage and economic power. Denmark belongs to the Scandinavian cultural tradition and is economically highly developed. On the other side, Slovenia belongs to the Eastern European group (Jagdeep et al, 2007) of post-socialist countries and is still below the EU average economically. We have attempted to understand the impacts of national culture on management behaviour and practices in specific circumstances intensified by the global economic crisis (Bocian, 2009). Both countries were affected by the economic recession in different ways, with different impacts and consequences (Jørgensen and Ingvill, 2009, Rojec, 2009). While the recession in Denmark ended very quickly, Slovenia still faces serious consequences of the crisis.

The research of management practices in Denmark and Slovenia is based on Hofstede's studies (1980, 2011, and 2012), which were the source of data on national cultures. The research thesis presumes that management practices and policies are significantly influenced by national cultural characteristics. The focus of the research was based on the further presumption that these differences are even more articulated in extreme situations, such as the current economic crisis.

We were particularly interested in the differences in management perception of:

- manager-employee relationship,
- work environment – motivation and trust,
- managers' priorities in times of crisis.

In order to understand how managers deal with the crisis, based on cultural differences, we concentrated on the following research questions:

- How did the economic crisis in Denmark and Slovenia affect the managerial methods?
- To what extent are the employees included in the decision-making process in times of crisis?
- During a crises situation, are managers oriented more towards proactive approaches (investments, staff training, etc.) or reactive ones (saving, cuts on staff training, etc.)?
- Do managers expect any substantial aid from the State?
- What are the general priorities of the managers in a crisis situation?

National cultural dimensions for Denmark and Slovenia were taken from Hofstede's website (2012). For the interpretation of the results, we also used Hall's Context Cultural Dimensions (1981). The field research was conducted by gathering data with semi-structured interviews and questionnaires distributed to managers in Danish and Slovenian companies. They were selected on the basis of the convenient sample of managers ready to answer the questionnaire. We also took care to survey similar business sectors in Denmark and Slovenia in order to collect comparable data, in order to prevent dependencies correlating in a specific way not based on cultural characteristics and values. The industries that we focused on included: Mechanical and Construction Engineering, IT, Services (including pharmaceutical equipment and textile and clothing), Electro Engineering and Research.

The field research was conducted in two waves. In the first two months of data collection we gathered 57 replies through the online questionnaire. The low response rate from the first wave was later improved with a secondary call for cooperation, especially among Danish companies, resulting in 87 completed questionnaires in total for both countries (18 Danes and 69 Slovenians). The questionnaire included 85 questions and claims with the level of

agreements on a scale from 1 to 7. In the research, we used the word 'manager' as it was presented in the BENC questionnaire, meaning: 'Employer/manager of establishment - supervising at least one person directly responsible to him'. To obtain a more in-depth interpretation of the results, we also conducted four semi-structured interviews with two Danish and two Slovenian managers.

In this paper, we present only the part of the research that mainly illustrates the most conspicuous differences between managers in Denmark and Slovenia.

3. PRESENTATION OF RESULTS

3.1 Some results in the perspective of Hofstede's dimensions

Our comparative research on management behaviour in Denmark and Slovenia and particularly the interpretation of the results are primarily linked to Hofstede's studies of national cultural dimensions (1980; 2012). As we can see in Figure 1, there are significant cultural differences between Denmark and Slovenia in the Power Distance Index (PDI), the Individualism Index (IDV) and the Uncertainty Avoidance Index (UAI) but not in the Masculinity Index

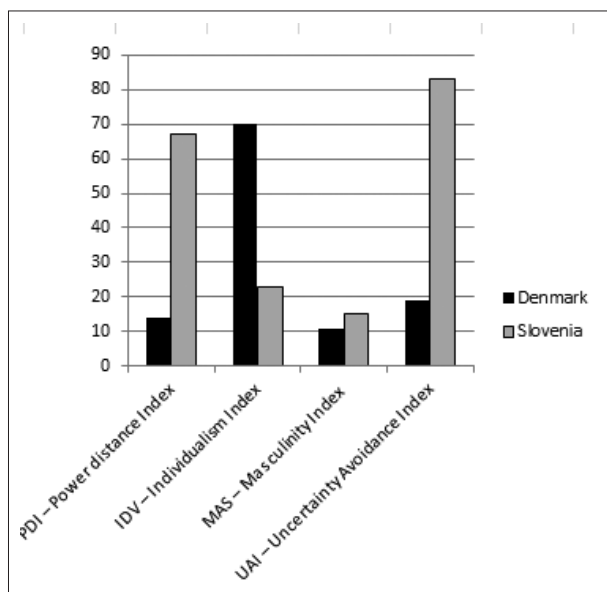
(MAS). This is the rationale behind our expectation that there are also significant differences in management behaviour and practices.

Denmark, as a member of the Nordic cluster of European countries in terms of cultural dimensions, is determined by a weak UAI and small PDI, and it also ranks low on in-group collectivism, while it ranks high on institutional collectivism and gender egalitarianism (Jagdeep, Brodbeck and House, 2007). The Nordic countries are remarkably similar according to the positions on the mentioned scales of cultural dimensions, although there are some differences among them.

Slovenia is a member of the Eastern European cluster of countries (Bakacsi et al, 2002) and has a strong UAI and large PDI, and it ranks high on collectivism. Therefore, a more authoritative leadership can be expected. More detailed insights revealed significantly higher differences in cultural dimensions among Eastern European countries than in the case of Nordic countries. It means that the results of our research for Slovenia are not directly transferable to other Eastern countries (Pučko and Čater, 2011). In the following graphs, we will demonstrate some of the differences between Danish and Slovenian managers in the light of Hofstede's dimensions of national cultures.

The majority of Danish managers claimed that their decisions could be questioned because managers can make mistakes, but mostly because the crisis needs new solutions and employees can bring fresh ideas. On the other side, the majority of Slovenian managers argued that managers could not share their decision-making responsibilities. They also claimed that the current economic crisis was a consequence of poor managerial decisions and practices because the managers had lost contact with reality, not to mention the influences of their private interests, and ineffectual leadership. This difference in attitudes is a direct consequence of significant differences in Power Distance, which Hofstede defined as the 'extent to which the less powerful members of organisations and institutions accept and expect that power is distributed unequally'. This inequality is accepted by the employees and is not dictated by managers and could arise from both, large UAI and strong PDI

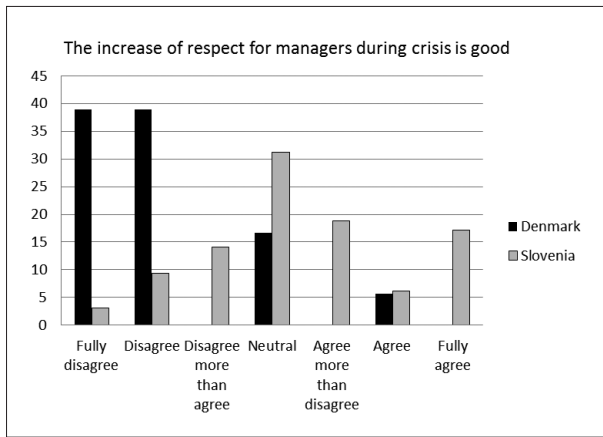
Figure 1: Denmark and Slovenia – Cultural Dimensions



Source: Hofstede's Home Page, 2012

where employees believe that managers are entrusted with the decision-making power for being managers (comes with the position). At the same time, the higher level of trust that Slovenian managers receive from the employees than their Scandinavian counterparts (Andersen and Kovač, 2012) could be connected to other aspects, not only socio-cultural ones.

Figure 2: Respect for managers during the crisis

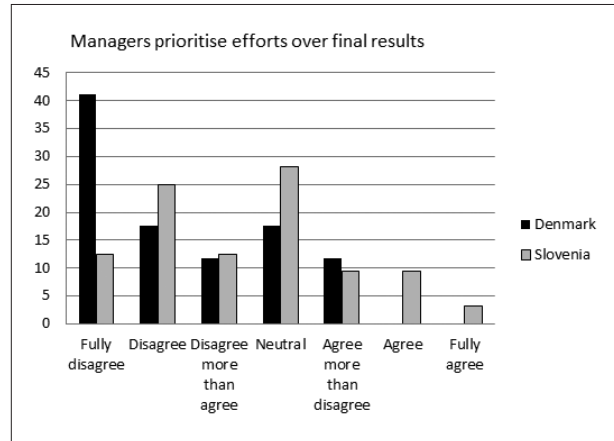


Source: our research

In the research, we were interested in how managers would appreciate the increase of managers' respect during the crisis. We anticipated that the crisis would sharpen and expose some managerial characteristics, particularly in the area of decision making. As expected, Danish managers overwhelmingly disagree with the claim that increased respect is a beneficial thing during the crisis (Figure 2). On the other side, Slovenian managers readily accept the idea that they should be more respected and consequently are more autocratic and use centralised decision making in critical times. They essentially claimed that Power Distance should be rising.

Of all of Hofstede's dimensions, Masculinity is the most difficult to interpret from the management point of view. Usually it is seen as an 'orientation toward activity' (Newman and Nollen, 1996). We demonstrated this dimension testing the claim that managers prioritise efforts over results. As we can see in Figure 1, there is no significant difference between Danes and Slovenians in the Masculinity cultural dimension. So we could expect their similar reaction to this claim (Figure 3).

Figure 3: Managers rank effort over the final result



Source: our research

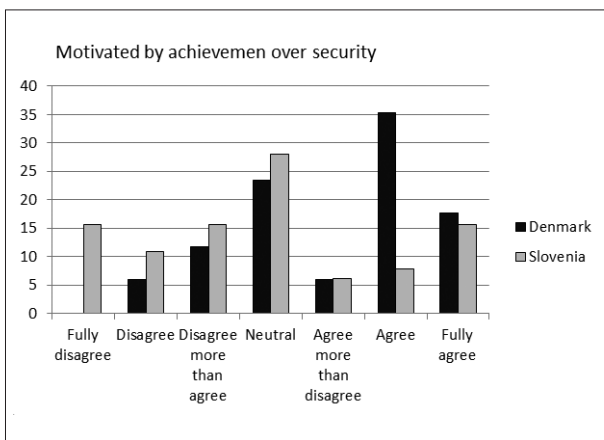
However, we can see a disagreement between Danish and Slovenian managers about the idea that efforts should be more important than results. For Slovenian managers, effort alone is an urgent priority; on the other side, Danish managers clearly prioritise final results over pure effort. We interpreted this result that in both cases managers are 'oriented toward activity', but for Danish managers the activity is evaluated mainly by results, while for Slovenian managers results are significant but they also appreciate employees' efforts. As consequence, Danish managers tend to use performance targets and regular meetings, while Slovenian managers use goal achievement and indirect personal supervision.

The issue can be connected to Individualism vs. Collectivism or the 'degree of interdependence a society maintains among its members' (Hofstede, 2012). The Danish, as members of an individualistic culture (Figure 1), emphasise the importance of self-image as defined in terms of 'I' in which the importance goes to the person and his/her direct family only. Thus, Danish managers expect each member to work as an individual entity, achieving his/her goals that will benefit the system as a whole. In contrast, in collectivistic societies, individuals form groups that take care of them in exchange for loyalty, being more valuable than most other rules, so managers also feel responsible for the employees as group members, understanding and promoting their efforts over the final result.

More than half of the Danish managers agreed that they are motivated by achievement over security.

They are willing to take risks to achieve higher goals. In Slovenia, half of the managers favour security even on the expense of achievement (Figure 4). The large percentage of neutral answers indicates that there were some hesitations on both sides and that the division was not black and white. Nevertheless, we can conclude that extremely high differences in Hofstede's Uncertainty Avoidance between Danes and Slovenians (Figure 1) are also reflected in how managers balance achievement and security.

Figure 4: Managers are motivated by achievement over security

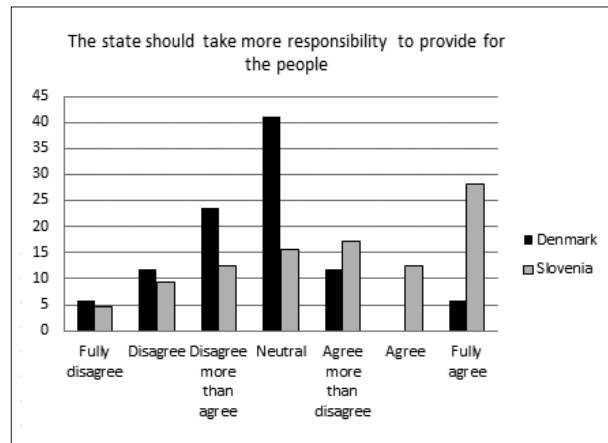


Source: our research

Differences are also observed in managers' perception of the role of government. The rationale behind this issue is not just cultural differences but also a national economic philosophy. In highly developed market economies with a long tradition, such as Denmark's, the State is seen as regulator with few direct links to economy. In Slovenia and other Eastern European countries, the transition from the former political and economic system has formally ended, but in the national consciousness the role of the State is still near paramount. We can see that more than half of Slovenian managers supported the claim that the State should take more responsibility for the people, while only the minority of Danes shared the same opinion (Figure 5).

A similar situation is seen in Figure 6, showing that Danish managers again strongly oppose the idea that the State should control companies more efficiently. Slovenian managers, however, mainly agree with that idea, showing that they do not fully trust market forces and still believe that the State should

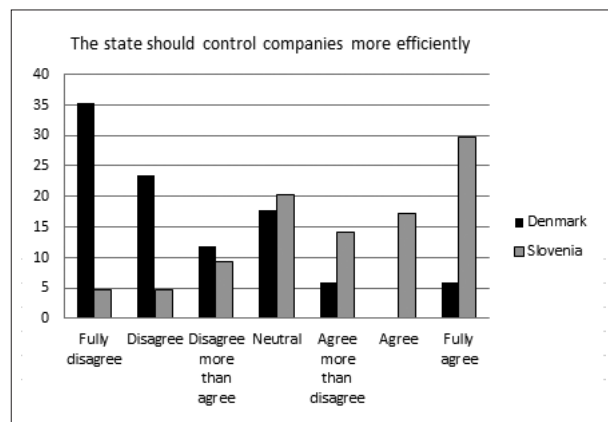
Figure 5: Managers' opinion on the role of the State in providing for the people



Source: our research

have a more prominent role in business affairs. One understandable reason for such a perception is the fact that Slovenia still faces many unresolved problems with the market-oriented economy. We also associated this result with the differences in Hofstede's cultural dimension of Individualism. It is obvious that Slovenian managers express a significantly higher level of collectivism, relying on the wider society (in this case, the government).

Figure 6: Managers opinion on the role of the State in controlling companies



Source: our research

In the further research, we noticed and analysed many other differences between Danish and Slovenian managers that we could not directly link to national cultures. However, we could argue that Uncertainty Avoidance is the cultural dimension that has the most profound influence on manage-

ment behaviour and practices, at least in the case of Denmark and Slovenia. With an exceptionally strong Uncertainty Avoidance level, Slovenian managers attempt to avoid uncertain situations by setting strict organisational rules, codes, and hierarchies. In Denmark, however, Danish managers are significantly more comfortable in uncertain situations that characterise the current economic crisis, and are consequently more efficient.

3.2 Testing the hypotheses

The research also focused on four hypotheses that reflected our perception of the impact of cultural differences on management practices in Denmark and Slovenia. The hypotheses targeted the reactions of managers in times of crisis and are focused on three areas of research: manager-employee relationship, work environment and priorities in times of crisis. Due to the relatively small sample of Danish managers, we also included the information gathered with unstructured interviews among Danish and Slovenian managers into hypotheses testing and interpretation. We used interviews and some secondary data sources to place the hypotheses into a broader context of national cultures and economic efficiency.

Hypothesis 1: Danish managers focus more on shareholders' and owners' priorities and needs and less on employees' priorities and needs than Slovenian managers.

The rationale behind this hypothesis is an indication from the interviews that Danish managers focus on shareholders more than Slovenian ones do, and this could contribute to higher business efficiency in Danish companies. In Slovenia, there is a general public perception that managers often have their own priorities that are not always in accordance with shareholders' and employees' needs. This anomaly is the result of a loosely controlled privatisation of formerly publicly-owned companies, and takeovers by managers. We were interested if these differences are significant, and if they consequently play a role in management practices.

Danish managers place higher attention on shareholders' and owners' needs than on employ-

ees' needs, similarly as Slovenian managers do. However, Slovenian managers are much less enthusiastic in both cases (Table 1). In particular, their care about employees' needs was low, far below average. Nevertheless, we have to reject this hypothesis as the ANOVA F-test showed that there is no statistically significant difference at $p < 0.05$ between these claims (Table 1).

Table 1: Managers' focus

	Managers focus on shareholders' and owners' priorities and needs	Managers focus on employees' priorities and needs
Denmark (Mean)	4.88	3.47
Slovenia (Mean)	4.39	2.95
ANOVA (Sig)	0.264	0.221

Hypothesis 2: Danish managers are more likely to include employees in the decision-making process and not only the management as managers in Slovenia.

This hypothesis relates to Hofstede's Power Distance and is composed of two parts: Danish managers are more likely to include employees in decision making while Slovenian managers are more likely to rely on management. As already mentioned in the previous chapter, Danish managers do not believe that increased respect for managers is advantageous because it suggests centralised decision making and one-way information flow. Slovenian managers starkly oppose this view (Table 2). The Large Power Distance in Slovenia prevents employees from being more involved in the 'life' and decision-making of the company. Consequently, their knowledge is not fully exploited and they are not terribly motivated in looking for solutions; it makes them passive.

Table 2: Inclusion in the decision-making process

Country	The increase of respect for managers is not a good thing	The knowledge flows both ways
Denmark (%)	78	94
Slovenia (%)	25	71
ANOVA (Sig)	0.000	0.039

We confirm the hypothesis that Danish managers are more likely to include employees in critical decision making and not just top managers as the ANOVA test shows that there are statistically significant differences at $p < 0.05$ between these claims (Table 2).

Hypothesis 3: In a crisis situation, Danish managers cut operational expenses, while managers in Slovenia cut back on staff training.

The hypothesis is based on the indications from the interviews, supported by the general beliefs that developed European countries made their way through the economic crisis with lower cuts on operational expenses, maintaining investments in human resources. The result (Table 3) was quite surprising because the prioritisation of cuts was actually higher in Denmark, but the focus on training was higher in Slovenia. However, formally we reject this hypothesis as the ANOVA F-test showed that there is no statistically significant difference at $p < 0.05$ between these claims (Table 3). It means that there is no significant difference between Danish and Slovenian managers concerning the prioritisation on cutting expenses and investing in employees' training.

Table 3: Reaction to the crisis

Country	Managers prioritise cutting expenses	Managers prioritise trainings
Denmark (mean)	5.94	3.18
Slovenia (mean)	5.09	3.88
ANOVA (Sig)	0.064	0.192

Hypothesis 4: The priority for Danish managers is that the company survives the crises while Slovenian managers focus more on keeping a certain level of employment.

The rationale behind the hypothesis is a significant difference in Hofstede's Uncertainty Avoidance between Denmark and Slovenia. We anticipated that Danish managers would be more willing to take bold and radical actions to improve the long-term position of their companies. Slovenian managers, in contrast, are less comfortable in tough and less predictable situations, particularly in times of crisis.

Table 4: Priorities in times of crisis

Country	Dismissing people is understandable in order to maintain competitiveness	People should be cautious about major changes that include taking risks
Denmark (mean)	5.78	3.60
Slovenia (mean)	4.86	4.75
ANOVA (Sig)	0.028	0.008

This hypothesis addresses the flexibility of the business environment and is based on two management positions. The first is their readiness to dismiss employees to maintain the company's competitiveness. The second is managers' attitude towards significant changes in the organisation in distinctly uncertain situations. We assumed that both issues represent particularly difficult decisions for Slovenian managers.

We can see (Table 4) a higher readiness to dismiss people and maintain competitiveness among Danish managers and significantly higher opposition towards major changes among Slovenian managers. Both differences are statistically significant at $p < 0.05$; therefore based on the ANOVA test we can accept the hypothesis that Danish managers prioritise the survival of the company during the crisis, including employment reduction and risk-taking actions, while managers in Slovenia focus more on keeping a certain level of employment and avoid too much risk taking.

4. DISCUSSION AND CONCLUSIONS

Assessing national cultures is a delicate challenge. Regardless of the objective research methodologies, it is often difficult to separate facts from stereotypes. We based our research questions and hypotheses on the assumption that the Dane is a self-sufficient, adaptable, consensus-seeking, easy-going and informal individual, believing that he/she knows better than others and works to feel achievement, but not to step out of society. Meanwhile, the Slovene is a hardworking, authority-respecting and professional employee, feeling that he/she is working for somebody else. What Slovenians have in common with Danes is a strong communitarian

character that can help in building a more efficient society as a whole, by working as a team and by establishing a system of composite trust; trust between individuals, trust between co-workers and trust in the system (Bavec, 2007). We used these combinations of facts based on Hofstede's cultural dimensions (2012) and very likely some stereotypes to develop our research questions and hypotheses. We tested the assumptions and hypotheses questioning and interviewing Danish and Slovenian managers. We confirmed many significant differences between Danish and Slovenian management practices and values, but also some similarities. We do not need to emphasise that our findings are on the statistical level, and that we are dealing with statistical averages. This means that there are companies that are remarkably similar in Denmark and Slovenia. In general, however, there are significant differences.

The key cultural differences between Danish and Slovenian managers, which influence their practice and behaviour, are Power Distance and Uncertainty Avoidance. An unusually large Power Distance, which is a characteristic of all Eastern European countries, leads to a more autocratic style of decision making and communication with subordinates. These characteristics are clearly demonstrated by Slovenian managers. Consequently, they adopt hierarchical and tall organisational structures while Danish managers prefer flat structures combined with two-way communications. This gives Danish subordinate managers and employees greater freedom and opportunity to make suggestions and to take initiative in solving organisational problems in more creative ways. This leadership style based on trust and teamwork results from better inclusion, less stress, higher motivation and strengthens employees' and managers' affiliation to the organisation. We could jump to the conclusion that Slovenian managers and organisations should implement or copy the 'Danish style'. However, because of the large Power Distance and strong Uncertainty Avoidance of Slovenian managers and employees, they would not feel comfortable in such an environment. Or it will take time and a great deal of effort to make this Danish style widely accepted among Slovenians. As other research indicates, national cultural patterns are highly resistant and slowly change over time.

Particularly noteworthy are the differences in Uncertainty Avoidance, because they lead to some significant consequences for management practices. Our research confirms that Slovenian managers are extremely cautious about making risky decisions in uncertain situations. In times of crisis, it has an even more negative effect as it prevents fast and efficient seeking for innovative solutions to the current challenges and problems. We proved that Slovenian managers value security over achievement much more than Danish ones do. Another aspect of Uncertainty Avoidance is associated with the flexibility of the labour market. Slovenian uncertainty avoidance character resists change, including the change of job. Dismissing employees to maintain competitiveness is more acceptable for Danish managers than for Slovenian ones. The difference is not terribly high, but it still confirms that losing a job or position in Slovenia leads to an uncertain future. For Slovenians, loss of jobs is something that has to be avoided at any cost, regardless of diminishing the company's competitiveness. This characteristic is also confirmed by the fact that Slovenian managers put less focus on final results and are quite happy with employees' efforts. Our research also indicates that risk management and crisis prevention are not a highly valued priority in Slovenian companies compared to Danish ones.

The research reveals many expectations and disappointments in Slovenia, related to the State's assistance during the crisis. As mentioned, the role of the State has been changing in recent years, which is particularly true for Slovenia. Twenty-two years ago, Slovenia had a state economy. Officially, the system has been transformed to a market economy, but in reality Slovenia faces many remnants of the past and the transition to a real market economy is far from finished, on both the legal level and in the mentality of the people. We can observe a significantly different perception of the role of the State between Danish and Slovenian managers. Slovenians still feel that the State should help and control. Very likely, this is also a result of the current crisis, in which companies in deep trouble look to the State for help.

In our research, we also implicitly searched for the answer to the question of what Slovenian managers can learn from the Danish experience. We

do not have a definite answer, but we have come to conclusions that are similar to Hofstede's findings. There are some cultural characteristics that inevitably lead to particular management practices that are acceptable and expected for managers and employees in a certain cultural environment. We claim that two main characteristics are Power Distance and Uncertainty Avoidance. We proved that to be so on the statistical level by analysing managers' claims in questionnaires, but we also confirmed the link between culture and management practices in personal interviews, in which managers made it abundantly clear that cultural differences matter.

We have to state that Hofstede's cultural dimensions might not be sufficient as the sole factor explaining the lower productivity and efficiency of Slovenian companies. Some researchers (McSweeney, 2002) have criticised the dimensions for being 'old' and not valid for the countries that arose from confederations of countries in the end of the previous century. Furthermore, different standings on the cultural dimensions scales might be influenced more by age than by culture itself. Moreover, due to a different transition period, it would be difficult to align the conclusions on the Slovenian sample with the Central European Cluster of countries (see Pučko and Čater, 2012). Our research has shown that the impacts of the exposed dimensions could be considered as having an influence on business efficiency, but they are probably not the sole reason for a weaker position of Slovenian companies. We omitted the analysis of the hard macroeconomic background that could result in several structural liabilities and investment shortages disadvantageous for Slovenian companies and organisations.

Finally, we have to emphasise that our discussion of management practices and conduct in Denmark and Slovenia were focused solely on cultural issues. Nevertheless, there are also other relevant factors that influence these differences that were not part of this study; for example, there are some notable differences in corporate governance or capital structure, and even differences in the corporate legislation. To take into account these issues would broaden the discussion beyond our research goals.

The main scientific contribution of our study is the methodological platform for further research on the effects of cultural characteristics on management practices and business efficiency within the main clusters of the EU countries. We compared two countries and their cultural specifics to explain their reactions to the economic crisis and to understand the cause of different competitiveness. However, the selected managers might not be representative of the whole population, particularly in the smaller Danish sample. One of the directions for supplementary research is therefore an analysis of the same dimensions with a larger number of managers in both countries. In the same way, we could continue with the analysis of various levels of management and employees.

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