

Main Business Culture aspects from 'Doing Business in India' - <http://www.worldbusinessculture.com/Business-in-India.html>

Indian Business Structures

In many ways, business structures mirror Indian society. Both are extremely hierarchical in nature, where people have an allotted position which they do not attempt to overturn. It is absolutely essential to understand how deeply these hierarchical thought-processes impact on Indian attitudes to business. If overlooked, this simple fact can make working into India much more costly and inefficient.

Thus, companies tend to be run by one very strong individual (especially in the ubiquitous family companies) who will issue direct instructions down the chain of command. Everybody expects that these instructions will be given in a fairly authoritarian manner and that they will be followed unquestioningly by those further down the chain. People do not question either their position within the organisation or the validity of decisions taken - greater forces (karma and dharma) prescribe all of these.

As the boss is respected, his instructions must be correct and it is unlikely that they will be questioned even if it might appear that the instructions are wrong. Even raising a 'red flag' could be seen as disrespectful behaviour.

This hierarchical approach means that when doing business in India it is usually necessary to liaise as near to the top as possible. A great deal of time can be wasted dealing with middle management who may have very little impact on the final decision. If dealing in the middle, try to deal with those who have some influence over the real decision-maker.

Many MNC's try to introduce a flatter, more egalitarian structure to their Indian subsidiary in order to align it with other offices in the group. This may prove difficult in a country where hierarchy is unquestioningly accepted. It may not be impossible to take this approach but it is certain to require a great deal of explanation, retraining and patience.

Indian Management Style

As has already been stated, India is an enormously hierarchical society (arguably the most hierarchical in the world) and this, obviously, has an impact on management style. It is imperative that there is a boss and that the manager acts like a boss. The position of manager demands a certain amount of role-playing from the boss and a certain amount of deferential behaviour from his subordinates. The boss is definitely not expected to perform any seemingly 'menial' tasks such as making coffee for everybody or moving chairs in a meeting room! Anglo-Saxon concepts of egalitarianism where the boss is the *primus inter pares* are virtually incomprehensible in a society still dominated by the historical conventions of the caste system.

Therefore, the boss is expected to give explicit instructions which will be followed to the letter - even if everybody knows full well that the instruction is incorrect. Vague requests for action, with the expectation that staff will show the necessary level of initiative are likely to end in inaction, as staff will be left confused as to the wishes of the manager. Managing people in India requires a level of micro-management which many western business people feel extremely uncomfortable with but, which is likely to bring the best results.

It is also worth bearing in mind that many off-shore centres in India are staffed by recent graduates who, although highly educated, intelligent and motivated, will lack

basic commercial experience. Any office where all the managers are 25 years old and the team-members are 23 years-old will lack a degree of experience. Inexperience does not equate to incompetence and this needs to be borne in mind at all times.

Indian Meetings

Meeting styles will be heavily dependent upon the type of organisation with which you are engaged in business. Many of the emergent and highly successful hi-tech, naking and bio-science industries are actively pursuing western-style business methodology and this will result in meetings following familiar patterns with agendas, a chairperson and reasonable time keeping. More traditional Indian companies will, however, retain more local approaches to meetings and these may cause the international business traveller more concerns.

Meetings with more traditional Indian organisations are likely to seem very informal with the possibility of interruptions where unknown people enter the room and start to converse about other, disconnected issues or where your contact breaks off to answer the phone. Do not show irritation should you find yourself in this situation - just accept it as part of the nature of life on the sub-continent.

As a heavily relationship-oriented society, meetings may initially centre around seemingly non-business-focused discussions. This is an important part of the cycle of business and should not be rushed or dismissed as time wasting. Show that you are a person to be taken seriously by engaging in the necessary small talk. Only when you have convinced your contacts of your personal worthiness, is business likely to flow smoothly.

Gift giving is an endemic part of life in India and it is thought that the gift giver is the one who should thank the receiver. (The gifts given during life being an aid to a better after-life.)

Gifts need not be large or expensive but should always be wrapped. Traditionally, gifts are wrapped and not opened in front of the giver. When wrapping gifts, avoid black or white paper which is considered unlucky.

Try to be thoughtful about the religious conventions and sensitivities of the receiver - do not give alcohol to a Muslim or beef to a Hindu.

Indian Teams

Team working, as understood in the Anglo-Saxon world is alien to the Indian approach to business. A team expects to be given exact and complete instructions by the team-leader or boss and then to follow those instructions exactly. Team members would not be expected to query the instructions passed down to them and would expect to follow them even when it became apparent that things were going wrong.

Therefore, the team leader takes complete responsibility for the success or failure of a project and needs to be constantly on top of progress and looking out for problems. If anything goes awry, the team leader is expected to sort it out personally. Once again, micro-management is the key.

Indian team-members love to get positive feedback on work done (especially if that feedback is cc'd to the boss) but find negative feedback very difficult to handle. Negative feedback can be seen as detrimental to future promotion prospects and the western concept of welcoming mistakes as a positive learning experience is a non-Indian reaction.

At the extreme, over-use of negative feedback can increase attrition rates within off-shore centres (attrition rates which are already usually very high.)

Indian Communication Styles

English is one of the fifteen official languages in India and is the only one which is universally spoken by the educated sections of society. English is deemed to be neutral and does not carry any of the regional connotations which cause so much friction in Indian political life. Therefore, many Indians speak excellent, almost perfect English and it would be unusual to meet any business person engaged in international trade who was unable to converse in the language.

As with many Asians, Indians find it very difficult to say 'no' - feeling that to do so would be offensive and lead to difficult ongoing relationships. Thus, when faced with disagreement, you are likely to encounter vagueness and lack of commitment. Answers such as, 'We'll try' or 'Yes, but it may prove difficult' should be viewed with great suspicion and will probably mean 'no'. The danger is that you will be told what people think you want to hear, rather than any unpalatable truths. Do not attempt to force your Indian contacts to be more direct and forthright than they feel comfortable with otherwise you may frighten them away.

Always try to be specific in your question -asking. If you ask the question 'We are OK for the deadline on Friday, aren't we?', the answer will probably be 'yes'. A better question would be, 'Can you tell me exactly when we are in the process right now.'

As Indians are highly family-oriented, do not be surprised if many meetings begin with questions about your family. Such small talk is considered to be highly civilised behaviour and a good way to establish meaningful dialogue later in the proceedings. Do not be over-eager to move things onto an empirical business basis too quickly.

Women in Business in India

Foreign women seem to have little difficulty being accepted in an Indian organisation. It would appear that the rank of an individual supersedes any notions of gender inequality which may be inherent in Indian society. If a woman has the position of manager, she must be there for a reason and her instructions will be followed just as diligently as those of a male manager.

Although the vast majority of senior managers in India are men, there is a growing cadre of women who are working their way up the corporate ladder and this trend is expected to grow along with the increasing levels of women's education and the influence of western MNCs in the business landscape of the country.

It is important that women managers act at all times in a formal manner with male subordinates, as any overt signs of friendship or affection could be misconstrued.

Tips

- India is one of the most diverse countries in the world and therefore all generalisations about Indian culture should be treated with caution. Try to research each client thoroughly before entering into any negotiations. Is it a traditional, family-run business or a more modern hi-tech operation working with western business methodology?
- India, more than most other countries, places great value on the quality of interpersonal relationships. Do not try to push things along too quickly in the early stages - take the time to develop relationships.
- Both society and business are extremely hierarchically arranged and many Indians find it extremely difficult to work in a non-hierarchical structure.
- Trying to introduce a flatter, more egalitarian approach into a society in which the caste system still flourishes can prove extremely difficult and painful for all concerned.

- Most decisions are made at the top of an organisation and it can, therefore, be a waste of time and resource to spend too much time negotiating at the middle levels of a company if top level approval has not already been given.
- The boss is definitely the boss in India and is expected to 'play the part.' Senior managers are not expected to engage in work which could be undertaken by somebody lower down the organisation.
- Managers are expected to give direct and specific instructions to subordinates - and subordinates are expected to carry out the instructions unquestioningly.
- Do not expect too much initiative from subordinates, contractors etc. Plan in great detail and explain exactly what needs to be done.
- Meetings can seem very informal and it is possible for several meetings to be conducted by one person at the same time and in the same room. Try not to become irritated by this informal approach.
- Time is fairly fluid. Be prepared for meetings to start and finish late and for interruptions to occur on a regular basis.
- As relationships are important, many meetings will begin with fairly lengthy small talk. Take the time to engage in this process - it is very important to the development of solid, long-term relationships.
- Contracts should be viewed as a starting point rather than as fixed agreements. A contract is a statement of the best set of circumstances at a given point in time.
- Teams expect to perform closely defined tasks under the strong control of a leader. It is not considered intrusive for the leader to take a detailed interest in the work of individuals within the team.
- English language levels are, on the whole, very high in India and amongst the educated classes, several other (non-Indian) languages might also be spoken.
- Do not be surprised if people seem ready to agree to most things - it is difficult for Indians to show direct disagreement. People will tend to tell you what they think you want to hear. Always seek detailed clarification of any agreements reached.
- Small gifts are often given and received - this is usually part of the relationship building process and should not be taken as attempted bribery.
- Gifts should be wrapped and not opened in front of the giver.
- Women will be respected in business situations if they have a position of authority. People show respect to the hierarchical level rather than being affected by any gender issues.
- Try to be sensitive to local religious conventions. Don't offer alcohol to a Muslim or beef to a Hindu.
- Before travelling to India on business check the calendar for local festivals, public holidays etc. - there are lots of them.