

Acculturation

Understanding the Business Culture of India



Prepared for:

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ABSTRACT

The purpose of this proposal is to further ones understanding of the cultural and business practices of India, which are essential to one's success in business relationships with India. The economy of India is consistently growing. With English as the primary business language of India, it can lead one into a false sense of security. Centuries of British rule have left a deep impact on Indian customs. The consumer market of India is similar to that of the United States, just with different priorities. Social life in India is a driving force for all of their activities and decisions. There are many diverse religious holidays throughout the year. Understanding the beliefs of a region of India help with scheduling and showing respect despite differences. Indian children begin with similar school to what an American child experiences. The quality of education in colleges is much lower than is given in America. Gestures are vastly different from those in Western cultures and can show great respect or disrespect depending on how they are given. The centuries old caste system has a prominent role in business relationships and it is similar to military rank. A member of a caste will only engage in practices suitable for their position. Business relationships are superior to business transactions. Contracts are a starting point for business not an ending. Indian clothing has significant meaning to its wearer, revealing much about their beliefs. Women and men generally have different but professional clothing. As one recognizes and respects the culture differences between India and Western culture, they will have greater success from their business relationships in India.



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INTRODUCTION

To establish a proper business relationship with another country, individuals must first understand the culture and beliefs of the people they plan to work with. This proposal has been prepared on the culture and business practices of India. India has a very unique and diverse culture. As this culture is understood proper communication can take place enabling the best business practices to take place. This report discusses the impact of the British empire, educational systems, prevalent beliefs, the business caste system and gender in the work place, social consumerism, business relationships, dress codes, and gestures. As these important pieces of India culture are more thoroughly understood, success will come as business is conducted with India.



CURRENT CONDITIONS

As India emerges onto the world stage as a major business power and consumer market, no company with its eye towards a global presence can afford to overlook this market. In a 2012 report, PricewaterhouseCoopers predicts that India will match (or exceed) the United States in economic power by 2050 (Hume, 2012).

It is easy to be lulled into a false sense of security upon entering the Indian marketplace. The Queen's English is spoken fluently in most metropolitan areas and many of their business executives graduated from prestigious Western seats of higher education such as Harvard, Yale, or MIT. (Hume, 2012). The use of a common tongue readily misleads many businesspeople into overlooking just how much the “Indian Way” of doing business differs from the “Western Way” — much to their own inevitable dismay.



PROJECT PLAN

GROUP FORMATION

Members of Team India had minimal exposure to working with one another prior to their appointment by Professor Kathy Mercurio. Whether by chance or design, it has proven to be an exceptional collaboration in working towards this project.

INFORMATION GATHERING

Prior to this project, team members possessed little to no practical knowledge of India's culture or business practices. Owing to each member's considerable skills in navigating the internet, however, the team quickly accumulated far more and in-depth information than can be covered adequately within the scope of this single report.

In order to do address the scope of information required for this project within the given time constraints, each team member was assigned different topics to research.

- Braden — History and Educational System
- Tanasha — Prevalent Beliefs and “Business Caste”
- Shelia — Consumer Trends and Business Relationships
- Son — Business Attire and Non-Verbal Communications

The findings were shared amongst the team during weekly meetings to distill results into a concise yet comprehensive primer on the business culture of India.

INTERVIEW WITH ALEX SMITH

In addition to internet research, Braden Scothern was able to interview Alex Smith — a prominent businessman who has travelled to India at least nine times to conduct business for prominent industries such as GE Healthcare System and Symantec.



QUALIFICATIONS

SON NGUYEN

Son Nguyen is the team's Leader and Research Lead, chosen for his natural and amiable style of leadership which instills confidence and promotes dedication in those with whom he interacts. In addition to his work experience, immigration to the United States from Vietnam grants him considerable insight into the vast and often unexpected differences between Western and Asian cultures.

TANASHA BOONE

Tanasha Boone is the team's Recorder and PowerPoint Lead, chosen for her notation skills and attention to details. Three years as a student at SLCC has honed her attentiveness and employment as a personal banker for Wells Fargo has given her direct experience in conducting business with a diverse range of cultures.

SHELIA CLARK

Shelia Clark is the team's Monitor and Typography Lead, chosen for her proficiency with desktop publishing and extremely diverse range of personal experiences. Having grown up as an Air Force BRAT, she has had considerable first-hand experience with several of the variegated cultures of Asia — including Thailand, Okinawa, and the Philippines.

BRADEN SCOTHERN

Braden Scothern is the team's Spokesman and Presentation Lead, chosen for his many experiences performing and presenting subjects in front of small or large groups. Some of his experiences that qualify him for these responsibilities are his participation in Utah's high school state battle of the bands competition and giving trainings to missionaries from The Church of Jesus Christ of Latter-day Saints for 2 years. The confidence that these activities have instilled makes him a reliable source for guiding a team in their creation of a composed presentation.

PROCESS

Coupled with the extensive information provided by the interview with Alex Smith, each member's considerable skills in navigating the internet quickly accumulated far more and in-depth information than could be covered adequately within the scope of this single report. Such an extensive wealth of information proved itself resistant to the group's efforts towards a brief manner of presentation.

ORGANIZATION

Information from the initial research was organized into rudimentary classifications, but this quickly proved to be something of an awkward mess. During the weekly meetings, the group decided the most effective way to organize this report was to begin with information which encompasses Indian culture as a whole then work towards information exclusive to conducting business.

REVISION

With the more formal "Plan of Attack", the group reorganized their information accordingly. Redundancies were consolidated and situated according to the breadth of applicability. Emphasis was further distilled based upon the severity of social infraction and likelihood of occurrence. Brief recommendations regarding these aspects were then compiled.





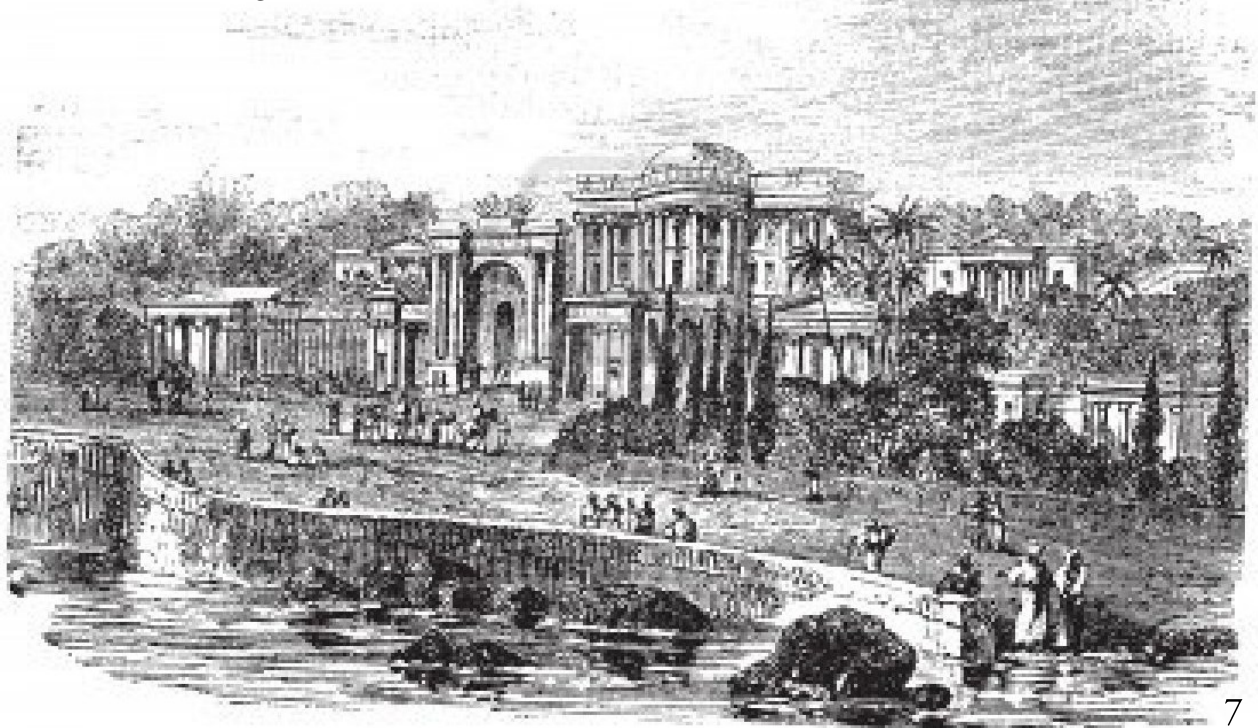
FINDINGS and RECOMMENDATIONS

INDIA AS A BRITISH PROTECTORATE

India has a long history of diverse civilizations ruling and controlling its economy. Each had its rise to power and eventual collapse. One of the societies that has had a lasting influence on India's business culture and economy is the nation of Great Britain. The English came to India for the first time in the 1600s and they began to reap the benefits of India's prosperous opportunities. It wasn't until the middle of the 1700s that the East India Company gained the power they desired though, when they finally achieved this they began to establish systems of communication. In 1858 the British "Raj" became the head of Indian government. They remained in control until 1947. Over these years, the culture of India was greatly impacted. The English spoken in India still has a heavy British influence.

RECOMMENDATIONS

The prevalence of "English", tea time, and other remnant influences from India's time as a British protectorate makes it extremely easy to assume that other aspects of the local culture adhere to Western norms. One must often make deliberate efforts to disregard these assumptions, as many are considered highly offensive.



SOCIAL CONSUMERISM

The consumer market in India is not entirely unlike that of the United States – though their priorities are often radically different. One example which clearly illustrates this difference is the automobile market. Cars are fairly rare in India, and owning even the most basic econobox confers high status. That same status, however, also infers having a chauffeur, which is inexpensive due to the local labor markets. This means that a car-buyer in India is far more concerned with room and appointments in the back seat and cares little for driver comforts. (Hume, 2013).

Another example involves consumer electronics. People in India place immense priority on socialization among their peers and families, and products which contribute towards that goal are highly prized. Smartphones are immensely popular, owing largely to their social media functions. Entertainment systems are potent status symbols, as owning a huge widescreen TV with a quality sound system enables one to host large entertainment gatherings. (Dash, 2012).

RECOMMENDATIONS

Social relationships are ubiquitous throughout India and are a dominant influence in virtually every aspect of their culture. One should always keep in mind that the local population will almost always base their decisions on whom they are interacting with rather than on the Western concept of advantage.



PREVALENT BELIEFS

India has over 60 unique holidays that are more commonly acknowledged. The majority of these holidays and festivals are connected to the dominant religions of Hinduism, Islam, Christianity and Sikhism. Because of the high religious aspect of holidays many are considered restricted holidays — similar to Valentine's Day or Halloween in the United States. Religious beliefs in India are highly localized and each region makes its own determinations in how these holidays are to be observed.

They also observe three “Gazetted” holidays: Republic Day (January 26th), Independence Day (August 15th), and Mahatma Gandhi's Birthday (October 2nd). Regardless of religious affiliations or other localized customs, these holidays are observed in much the same manner as bank holidays in the United States.

RECOMMENDATIONS

It is recommended that one determine the dominant religion of a business associates' state before any scheduling takes place. Once the dominate religion is known, the holidays and festivals of that religion can be respected and all business activities can be scheduled accordingly. Observing this practice will show how the culture and traditions of associates are valued, which will increase mutual respect and understanding despite cultural differences.



EDUCATIONAL SYSTEM

The typical education for an Indian child begins at age 6 and initially is similar to the American public schooling system with a wider subject matter being taught, this program continues until they are age 18. At this point a student will then go on to undergraduate programs and then possibly graduate programs just as we do here in America (Kumar, 2009), but they will then be focused on a particular field disregarding most topics considered general education in America (Smith, 2013, Personal Correspondence). The primary difference is in the quality of the education being given.

The average literacy rate is 88% for males and 74% for females between ages 15 and 24. (UNICEF, 2012). While this is higher than many other countries it still does not account for the low comprehension that is often prevalent among those with higher education in India. Cheating is widespread in many universities because of the very relaxed approach to gaining a formal education that has long been a part of Indian history. The rote, repetitive, non-critical thinking, approach has created a lack of comprehension and real life application of skills that should be acquired in school. (Anand, 2011).

RECOMMENDATIONS

India's style of educational system creates a paradoxical situation. Despite their high level of technical prowess, most graduates lack a great deal of the more generalized knowledge expected by Western businesspeople. One should tailor their expectations to account for the time Indian employees will need to acclimate and develop the skills necessary to operate efficiently in a business environment.

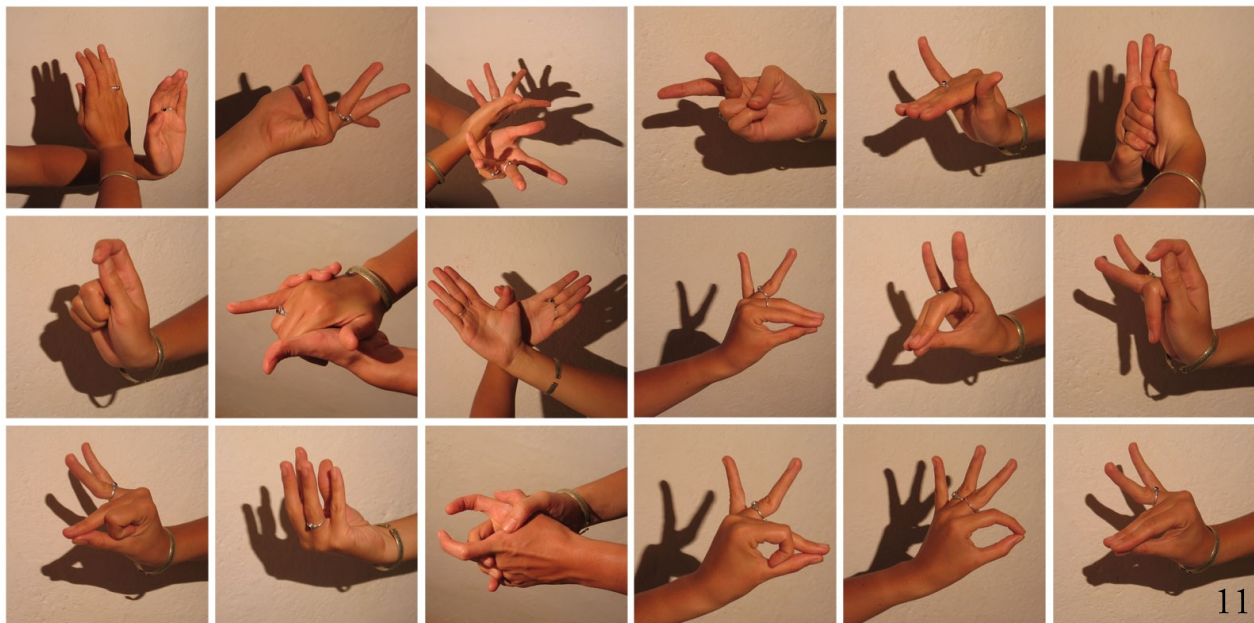


NON-VERBAL COMMUNICATIONS

Mudras (hand gestures) are an integral part of the Indian culture. While they are most commonly used in traditional dances, they are a dialect unto themselves and each possesses a specific meaning. Excessive hand gestures or verbal articulation is considered impolite and suspicious. Indians often make a gesture with their palm turned down and point with their chin. In northern India, the right hand is used for passing objects, eating, and shaking hands. The left hand is used for personal hygiene. In India, touching one's ear expresses signs of repentance. When walking around, a person's shoe should never touch someone else's shoe. An immediate apology must be given in this instance. Whistling or winking is very impolite and is usually considered unladylike for women. When Indians are in public, displaying affection for someone is highly inappropriate. ("Culture Grams," 2013)

RECOMMENDATIONS

Gestures in India are substantially different from western cultures. One should take care to avoid most of the casual hand gestures common to the Western world, as most of them have deliberate and/or offensive meaning within the culture of India. Coupled with their less-formal business practices, one ill-timed hand gesture could commit to an unfavorable agreement or ruin months of negotiations.



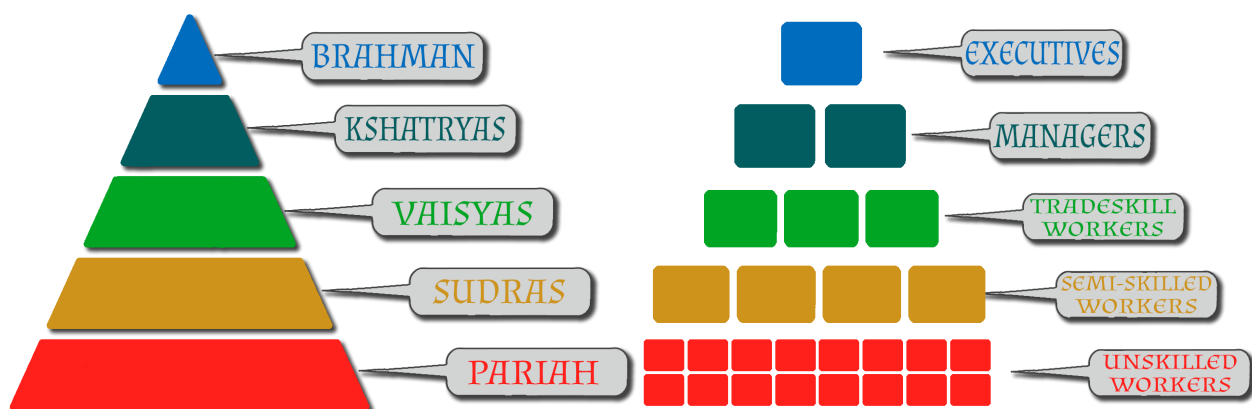
BUSINESS CASTE & GENDER

Many business attitudes in India are influenced by their centuries-old Caste system, which trumps many of their conventional biases. They will presume that an executive has earned their rank and pay little heed to the person's gender or ethnicity. They automatically assume a person to have rightly earned their position, treating men and women with virtually identical courtesy.

They are, however, fairly rigid in their expectations as to how businesspeople should act. An executive does not engage in activities which can be delegated to a subordinate, nor does a subordinate make decisions reserved for their superiors. (Warburton, 2013). It is recommended that all communication be clear, simple, and direct. One should expect only that which was understood to be accomplished, as understood by the individual completing the task, to be completed (Smith, 2013, Personal Correspondence).

RECOMMENDATIONS

When doing business in India, one should observe the business hierarchy in much the same manner as they would military rank. Communication from one rank to another should be concise, and one should never expect someone of lower standing to take the initiative in performing associated tasks which were not explicitly specified.



BUSINESS RELATIONSHIPS

While Western markets focus almost exclusively upon business transactions, India's market is focused almost exclusively on the relationships with business partners. (Hume, 2013). A business relationship in India frequently begins with the exchange of small gifts which are to be taken home unwrapped – it is considered an insult to unwrap a gift in public or in the presence of the gifter. (Warburton, 2013). Meetings are relatively informal affairs, and it is not uncommon to conduct multiple meetings on a wide range of topics simultaneously. (Warburton, 2013).

Businesspeople in India view contracts as a starting point for negotiations – what each partner perceives to be the ideal result. (Warburton, 2013). They also expect that those with whom they are dealing will have the authority to agree with differing terms and resent negotiating with subordinates.

RECOMMENDATIONS

One should never expect business dealings in India to be as direct as in Western practice. Business relationships in India are less about the business and more about the relationship. Emphasis should be placed on mutual respect and prospects for a long association rather than the supposed advantages of the immediate deal.



BUSINESS DRESS CODES

People from India wear clothing that has certain meanings. Most of the men from India wear western-style suits, especially in the business environment. Some men wear more traditional clothing such as a dhoti, a large piece of cloth wrapped around the waist of the body. Sikhs like to take the traditional route and wear a kanga, a wooden comb in the hair. They also wear a kaach (undershorts), kara (an iron bracelet), and kirpan (a ceremonial sword). Not all, but Sikhs generally wear turbans.

Women generally wear a saree, a long length fabric draped in different forms. Depending on how the women drape their fabric, it can be represented as socio-economic status and religious affiliation. Some women opt for a pantsuit with a knee length shirt, the combination of which is typically very colorful. Women from India often wear a significant amount of jewelry. To show a sign of gracefulness, femininity, and marital status, women also often wear a bindi — a dot on the women's foreheads, traditionally red though modern women select a color that matches their outfit. ("Culture Grams," 2013)

RECOMMENDATIONS

Business attire in India draws heavily from their immense cultural heritage. Those seeking to do business in India are advised to familiarize themselves with the status accorded by traditional garb. As women in particular are expected to adhere to traditional fashions, one should take care in assessing their business standing.



CONCLUSIONS

In conclusion, India is an exceptionally diverse country. They have a unique history with centuries of British rules and customs that become a part of their culture. They are intelligent and well trained in their disciplines, if they have thoroughly applied themselves to their schooling and not taken advantage of the system they have in place. The prevalent beliefs of an area will play a major role in scheduling business activities. Understanding and respecting the business caste system and roles of different genders in the work place creates greater understanding and mutual respect among business partners. Social consumerism drives their economy. Strong business relationships are essential to furthering business goals in India. A fairly formal and very religious dress code has developed in India. A proper understanding of gestures practiced in India will show great respect enabling better communication. As one recognizes and respects the culture differences between India and Western culture, they will have greater success from their business relationships in India.



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