

# *Seidman Business Review*

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*Volume 11, Issue 1*

2005

*Article 9*

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## Crossing the Cultural Divide: How West Michigan Companies can Confront Cultural Issues in India

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# Crossing the Cultural Divide: How West Michigan Companies can Confront Cultural Issues in India

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## **Abstract**

India's vast market of more than a billion people and a burgeoning middle class plays a siren song to American businesses. Many companies, including several from the West Michigan area such as Alticor and Steelcase, have been attracted by the vast potential of India and have invested in operations there. As is common to companies going to a new land, several people management issues have surfaced, pointing out the challenges of running a successful operation in India. How can West Michigan companies surmount the people problems in India? Help is available — help in the form of a major international research project that looks at cultural differences around the world.

**KEYWORDS:** Cross-cultural studies – India

# Crossing the Cultural Divide: How West Michigan Companies can Confront Cultural Issues in India<sup>1</sup>

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India's vast market of more than a billion people and a burgeoning middle class plays a siren song to American businesses.

Many companies, including several from the West Michigan area such as Alticor and Steelcase, have been attracted by the vast potential of India and have invested in operations there. As is common to companies going to a new land, several people management issues have surfaced, pointing out the challenges of running a successful operation in India. How can West Michigan companies surmount the people problems in India? Help is available — help in the form of a major international research project that looks at cultural differences around the world.

Seidman faculty member, Professor Vipin Gupta, is part of a team of scholars who spearheads the GLOBE project. GLOBE is an acronym for Global Leadership and Organizational Effectiveness and is a long-term project to study several people-related issues across the globe. One aspect of the GLOBE project is to look at cultural differences that affect work-related behavior and cause problems due to a lack of understanding. The cultural problems that West Michigan companies may face in India can be looked at through the lens of the various cultural dimensions studied by GLOBE.

We present a short vignette that summarizes a typical problem that may arise when managers from the American culture interact with an Indian employee. Then, with the help of GLOBE's cultural dimensions, we uncover several layers of problems, all of which can be solved by understanding and working through fundamental misconceptions.

Sally Peters (age 28), Global Sales Manager, and her brother Nick Peters (age 48), Global Operations Manager of the family-owned Peters Company, met with Nitin Desai (age 33, male), the production supervisor of the Indian unit of the company. Customer complaints had increased in recent times about a particular product manufactured by Nitin's unit. Hence, Sally and Nick had convened a meeting with Nitin. During the meeting, Nitin made no eye contact at all with Sally and physically turned his head in the direction of Nick. He mumbled replies to Sally's various questions while he answered in fluent English to Nick's queries. At the end of the meeting, where several suggestions for improvements in product quality were agreed upon, Sally was puzzled and frustrated. Could Nitin be trusted to implement the suggestions? She was not too sure.

Of the several dimensions of culture identified by the GLOBE study, five are important to understand the situation faced by Sally and Nick Peters. They are: power distance, family collectivism, gender egalitarianism, assertiveness, and performance orientation. The table below presents the differences in these dimensions between the U.S. and Indian cultures.

## Global Cultural Snapshot

(Scale of 1 to 100)

| Cultural Practices      | U.S. | India |
|-------------------------|------|-------|
| Power Distance          | 58   | 85    |
| Family Collectivism     | 34   | 86    |
| Gender Egalitarianism   | 53   | 26    |
| Assertiveness           | 78   | 24    |
| Performance Orientation | 74   | 60    |

Let's try to understand and solve Sally and Nick's predicament using these dimensions. On the face of it, this situation appears to suggest that the problem lay in the masculine culture of India. However, on a deeper analysis, one finds several cultural factors that need to be considered by the managers which would allow them to function effectively in India. In fact, for all you know, Nitin Desai may be a person who greatly respects women, and who may be very comfortable working with women; however, there may be other issues in the situation that complicate the situation for Nitin, causing him to behave in a typically stereotypical fashion. These other factors may be the following:

**Power Distance:** India is higher on power distance practices, than is the U.S. In high power distance cultures, people tend to respect authority and tend to associate authority with males and with age. They are more comfortable being part of an initiative, rather than taking the initiative.

An understanding of the concept of power distance leads to the following analysis. Sally is a woman and is younger than Nitin; therefore, there is dissonance in the mind of Nitin when dealing with Sally. Nick is a man and is older than Nitin; therefore, it is natural for Nitin to accept Nick in a position of authority. The dialogue is one way: the managers are asking questions, and the supervisor is responding. This may occur in a high power distance culture. There is an agreement on several suggestions for improvements in product quality. In a high power distance culture, the agreement does not imply an endorsement of belief that those suggestions are the best; it just reflects the willingness of the person to go along with the recommended suggestions. If those suggestions don't work, the person may pass the buck.

Given the above analysis, what can Sally and Nick do? Here are a few alternatives. Seek a written analysis of Nitin's views on the source of product quality problems, before the meeting.

This will mitigate the salience of power distance implicit in the face-to-face contact. Seek a written analysis of Nitin's views on the various suggestions made, and his ideas on complementary or alternative suggestions, and then encourage him to take the ownership of the specific course(s) of action to be followed. Don't force an agreement in the meeting, since Nitin would agree to whatever the managers are saying, given the high power distance salience in the face-to-face meeting context.

**Family Collectivism:** India is higher on family collectivism practices than is the U.S. In high family collective cultures people tend to attribute greater decision-making authority to the father figures and expect women to play a more nurturing role. They perceive community as part of the family and deem community service as their spiritual obligation.

Sally is expected to play a nurturing role, but she is also asking questions, as is her brother Nick. Nitin is evidently confused about the role of Sally and how he should relate to her. Nitin expects one person to be a father figure. Since both Sally and Nick have the same hierarchical position, he attributes that father figure role to Nick — who happens to be male and is older. Nitin sees the organization as a community of which he is a part. However, he sees a greater affinity with Nick, who is responsible for operations, than with Sally, who is responsible for marketing. If Sally does not communicate her complete trust in Nitin, then he may be even less committed to considering Sally as part of his family, and may seek to demonstrate that the recommendations of Sally are infeasible or inappropriate.

The alternative is to rotate the roles between Sally and Nick. Initially, Sally may ask questions, while Nick seeks to invite questions and be responsive. Later, Nick may ask questions, while Sally seeks to be responsive. This will help establish two-way communication and a relationship of trust. Then, Nitin may be more comfortable responding to and interacting with Sally and Nick simultaneously. If Nitin still fumbles while responding to Sally, try to put him at ease and ask him to take his time. Try building a rapport with him by asking questions with which he is more comfortable, before asking questions that are more complex. Sally should recognize that her area is marketing, while Nitin is an expert in the production area. Nitin may be fearful that Sally will be unable to understand the production-oriented communication. Sally may need to demonstrate her grasp of production issues, such as building upon or drawing from what Nitin is saying before asking him direct questions.

**Gender Egalitarianism:** India is lower on gender egalitarian practices than is the U.S. In low gender egalitarian cultures, people consider women as a rescuer of last resort.

Nitin is unclear why Sally is at the meeting. He is a production person, and if the problem is production related, only the operations in-charge needs to talk to him. Sally, being a woman,

should be a rescuer of last resort, and here she is interfering where she doesn't even need to be. Nitin is uncomfortable with recognizing and responding to a woman in the position of authority. Nitin is alarmed by Sally's direct questioning approach, since women in a low gender egalitarian culture are expected to be patient and demanding only when they are deeply concerned about some issues. Nitin is wondering whether the company trusts him to work in the best possible way, given the constraints faced, or is trying to make a scape-goat of him by putting him in an embarrassing position in front of a woman who has no business communicating with him.

As a proactive international strategy, train Nitin to deal with people from other functions and build his communication skills by creating more regular channels for communication outside his own functional area. Conduct the meeting in a more informal atmosphere, so that Nitin is not alarmed and so that his trust in the company is not put at risk.

**Assertiveness:** India is lower on assertiveness practices than is the U.S. In less assertive cultures, people tend to lack inter-personal negotiation and communication competence — especially in relation to issues perceived to be outside their expertise.

Nitin, being a production person, lacks inter-personal communication competence to interact with Sally — a marketing person. Nitin interprets the questions of Nick, because of his age and experience, as non-assertive, but may interpret the questions of Sally, because of her age and limited experience, as assertive. Nitin may be knowledgeable about the true sources of quality problems, e.g., lack of advanced testing bed or quality testing equipment, but may be reluctant to assert demand for that. Since only Nick may have the authority to sanction the relevant bottleneck resource, Nitin may be focused on trying to non-assertively communicate the true source of the problem to Nick. The meeting may have a time constraint, and so he may fumble whenever Sally intervenes. Women in general tend to show non-assertive behaviors, and men in general tend to show assertive behaviors. In the parent company, people have come to understand Sally as a no-nonsense manager. But Nitin has little knowledge of Sally's background.

The alternative is to provide a note on Sally's background to Nitin before the meeting, and clarify the reason for her presence. Cut the ice through some socializing before getting into the meeting, so that communication can transcend the boundaries of function and get to the personal level.

**Performance Orientation:** India is lower on performance orientation than is the US. In less performance-oriented cultures, people tend to respond less to concrete improvement goals that require them to be an expert in the concerned area; people are more responsive when given an opportunity to use their talents as resources for adding unique value.

<sup>1</sup> This article is based on a presentation made by the authors at the "Access India" symposium conducted by the Van Andel Global Trade Institute.

Nitin may not recognize quality to be a problem. In his view, the Indian operations may be delivering the best-in-class quality. Is he aware of the standards of quality demanded by the customers? Does he get the complaints from the customers? Nitin may not see himself as an expert and, therefore, may not take ownership of the recommended suggestions for quality improvement. He is just a resource who would try to implement the suggestions, in the best possible way. Nitin may not be as much concerned about fixing the quality problems or implementing the suggestions. He may be interested in being given larger opportunities and may not perceive this to be a big enough opportunity. He may in fact be getting ready to jump the boat before it is too late.

Nitin may be wondering why the American company that always claims to emphasize employee participation is now doing nothing but putting him in the court for questioning as if he is at fault. He may be getting ready to tell his co-workers that this company can't be trusted to follow through on its core values.

Share full information from customers about the quality problems with Nitin (or with the general manager of Indian

operations) and let him (them) fix the problems, rather than sending your managers there. This may be more cost-effective, more time-efficient, and less confrontational. If you must send your managers over for a quick correction of the problem, then try to seek an invitation from Indian operations for the visit of your managers. Let Indian employees appreciate that they need support from a marketing person and from an operations person, and then they will be receptive to the suggestions irrespective of the gender, age, functional expertise, and other factors.

The salient issue that both Sally and Nick (and also Nitin) must consider is that cultures differ and that no one culture is better than the others. Rather than argue as to which one is better, it is important to understand that cultural differences exist and that these differences may lead to inter-personal conflicts. Cultural understanding and cultural sensitivity go a long way in providing amicable solutions to everyday problems. West Michigan companies embarking on the Indian adventure may be well served by being proactive in understanding these differences.