

# India



## *Republic of India*

### **Cultural Note**

India's government is determined to achieve self-sufficiency, and for decades has declined offers of outside help. In fact, after the tragic Boxing Day tsunami of 2004, not only did India decline outside aid, it provided assistance to its neighbors.

Indians tend to be very patriotic, and most support their government's efforts to increase their country's prestige. They believe that India should take its rightful place as one of the world's leading nations and as the leading military power in South Asia.

## ▶ **WHAT'S YOUR CULTURAL IQ?**

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1. In 2004, a new prime minister of India was sworn in. **TRUE or FALSE: He was the first Sikh to hold this position.**

ANSWER: TRUE. Prime Minister Manmohan Singh was a former International Monetary Fund official and finance minister. His priorities included better relations with Pakistan.

2. Many countries have decided to eradicate "colonial" or westernized versions of their cities' names. This movement began in western India in the 1990s and resulted in many changes all across India. Match the current city title with its former name.

- |            |             |
|------------|-------------|
| a. Mumbai  | 1. Calcutta |
| b. Chennai | 2. Bombay   |
| c. Kolkata | 3. Madras   |

ANSWER: a. 2; b. 3; c. 1

3. “Civilization is the encouragement of differences” is a quote by:
- Jawaharlal Nehru
  - George W. Bush
  - Mahatma Gandhi

ANSWER: c. Mahatma Gandhi’s dreams for a peaceful India have been buffeted by harsh realities in recent history, but his views are available online. One site is [www.mahatma.org.in](http://www.mahatma.org.in).

## TIPS ON DOING BUSINESS IN INDIA

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- The workplace in India has changed drastically in the last few decades—from high-tech booms to Bollywood—the pace of decision making has sped up in many industry segments. However, traditional elements of doing business essentially remain the same. Networking, face-to-face meetings, and building relationships are still the means to success in India.
- Because some institutions have kept the old city names (for example, the Bombay Stock Exchange, the University of Madras, etc.) executives may keep two versions of their business cards. The one with the newer city names are for governmental officials, and the others are for international meetings with specific companies.
- Be aware that inadvertently supporting India’s colonial past can generate serious repercussions with nationals. That past includes Portuguese and French terminology as well as English. Use one of India’s 15 official languages for your advertisements and marketing materials whenever possible, and customize your products for Indian consumers. Also, be sure to contract with local agencies to verify that the subtleties of your promotional materials are not offensive.
- Highly educated Indians enjoy heated debates and feel strongly about defending their country’s viewpoints. Keep an open mind, and never criticize India’s poverty, belief systems, politics, caste system, or any business practices you may not understand or appreciate.
- Bargaining and negotiating is a continual lifestyle in India. Be prepared for multiple contract iterations.

## ► COUNTRY BACKGROUND

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### Demographics

India celebrated the birth of its billionth citizen in May of 2000. By 2006 the population figure was estimated at 1.1 billion, which encompasses dozens of different cultures, hundreds of holidays, languages, and belief systems. Its population is exceeded only by China.

### History

The Indian subcontinent was home to advanced civilizations since before recorded history. It has also known its share of invaders. The Aryans (predecessors of the Hindus) conquered most of the subcontinent before 1500 B.C. The Muslim Moghuls ruled much of India until the advent of the European invaders. The Portuguese first arrived in 1489. French, Dutch, and English traders followed. The British East India Company became ascendant, essentially ruling India from 1760 to 1858, when India was formally transferred to the British Crown.

After long years of struggle and nonviolent resistance to British colonialism under Mohandas Gandhi and Jawaharlal Nehru, India became an independent country on August 15, 1947.

When the British left in 1947, British India was partitioned into primarily Hindu India and mostly Muslim Pakistan. The centuries-old antagonism between Hindus and Muslims has repeatedly erupted into open warfare between India and Pakistan since independence.

### Type of Government

The Republic of India is a multiparty federal republic. The head of government is the prime minister, while the president is the chief of state. There are two multiparty legislative houses: the Council of States and the House of the People.

In the 1920s, Mahatma Gandhi made the Indian National Congress into India's leading political force. Its successor, the Congress Party, has ruled India for most of the years since independence.

India's first prime minister was Mahatma Gandhi's compatriot Jawaharlal Nehru. Power remained with the Congress Party until 1977, when Prime Minister Indira Gandhi (Nehru's daughter) was

voted out of office. Janata Party leader Morarji Desai became prime minister, but his Janata coalition broke up in 1979. An interim government called new elections, and Indira Gandhi returned to power in 1980. She was assassinated by her own Sikh bodyguards in 1984, and she was succeeded by her son, Rajiv Gandhi. He attempted to steer the country toward a more market-oriented economy, but was defeated in the 1989 elections by another Janata coalition, and Vishwanath Pratap Singh became prime minister.

V. P. Singh's minority government's most serious crisis resulted from its determination to reserve some 49 percent of government jobs for lower castes (which make up 54 percent of India's 890 million people). Insurgencies in Punjab, Kashmir, and Assam further weakened the government. The Singh government fell in November 1990.

Rajiv Gandhi was assassinated during the elections of May 1991. In 1998 the Hindu nationalist BJP party formed a coalition under Prime Minister Atal Behari Vajpayee, and India performed their first nuclear tests. President Abdul Kalam, the former architect of India's missile program, was elected in 2002, and Manmohan Singh was sworn in as prime minister in a surprise victory for the Congress Party in 2004.

For current government data, visit the Embassy of India [www.indianembassy.org](http://www.indianembassy.org).

### Cultural Note

On March 12, 1930, Mahatma Gandhi began a 240-mile march, on foot, from Sabarmati to the coastal village of Dandi, in order to gather salt from the sea. The Salt March was in direct violation of British law, because the sale or production of salt by anyone but the British government was a criminal offense. However, up to one-fifth of a peasant's annual income could be consumed by the tax because salt was critical to the vegetarian diet of many Indians (particularly in India's intensely hot and humid climate). The twenty-three-day Salt March ultimately proved to be one of the major steps in India's fight for independence.

### Language

Hindi is the national language, and English is an associate official language (widely used for business and political communications),

but there are 14 other official languages and almost 400 others acknowledged by linguists. The 14 additional official languages are:

Assamese, Bengali, Gujarati, Kannada, Kashmiri, Malayalam, Marathi, Oriya, Panjabi, Sanskrit, Sindhi, Tamil, Telugu, and Urdu. Hindustani is a popular variant of Hindi/Urdu which is spoken widely throughout northern India but it is not an official language. The literacy rate is listed at approximately 60 percent.

More information on the languages of India can be found at [www.ethnologue.com](http://www.ethnologue.com).

### **The Indian View**

Religion plays a major role in the daily lives of most Indians, and two of the world's great religions—Buddhism and Hinduism—were born here.

The majority of Indians are Hindu. Unlike many religions that are traced to a particular founder, Hinduism grew out of Indian mythology. Hinduism has many variants and lacks a single, authoritative text (like the Christian Bible or the Muslim Koran). It is a religion with multiple gods, and it teaches a belief in karma and reincarnation. To escape the cycles of reincarnation and achieve nirvana, one must stop committing both bad deeds and good deeds—a difficult process which requires virtual nonintervention with humanity. India's caste system is supported by most variants of Hinduism. Many Hindus venerate cows and neither eat beef nor wear leather. Many Hindus are vegetarians.

Interestingly, Hinduism is still an evolving, dynamic religion. In some Hindu variants, new gods continue to be added to the pantheon. Indian film stars sometimes find themselves added to the Hindu pantheon!

A minority of Indians are Muslim. Islam is a monotheistic religion with ties to both Judaism and Christianity. Shiite Muslims outnumber Sunni Muslims by about three to one in India. Surrender to the will of Allah is a central belief. Pork and alcohol are prohibited to observant Muslims. While the majority of Hindus and Muslims coexist peacefully in India, violence does sometimes break out. Hundreds of people in both religions have died in religious conflicts.

About 2 percent of Indians are Sikhs. Sikhism combines tenets of both Hinduism and Islam. Sikhs believe in reincarnation but do not recognize caste distinctions. Unlike Hindus, Sikhs reject nonintervention with the world as cowardly.

India also has Christians, Buddhists, Jains, and Zoroastrians. The Republic of India has no official religion.

The origins of the caste system are unclear, but it has existed in India for thousands of years. Even though the government has outlawed discrimination on the basis of caste, castes still play a significant role in the politics and business of the country. Although there are only four traditional castes, these are broken down into thousands of subcastes.

### **Know Before You Go**

India has suffered everything from cyclones (in 1999 at least 10,000 died in the eastern state of Orissa) to massive earthquakes (approximately 30,000 dead in Gujarat during 2001) to the devastation of the tsunami in southern India in 2004. Additional hazards include droughts, flash floods from monsoons, and extreme weather changes in the Himalayas.

Stay healthy on your trip. Listen to your doctor's advice prior to your visit (and take your vaccinations against hepatitis A, cholera, etc.). Many travelers fall ill because of indulging in spicy foods or eating raw fruits or vegetables that have been contaminated. Drink bottled water, wear sunscreen, and be certain to bring any required medications with you.

## **CULTURAL ORIENTATION**

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### **Cognitive Styles: How Indians Organize and Process Information**

In India information is accepted openly as long as it does not challenge religious and social structures. Because of rote learning and tradition, most thinking is associative. However, highly educated Indians are more abstractive and analytical. Although universal rules of behavior exist within the social structure, immediate situations and people are of major concern, but always within the constructs of the caste system.

### **Negotiation Strategies: What Indians Accept as Evidence**

Personal feelings form the basis for the truth, but a strong faith in religious ideologies is always present. The use of objective facts is less persuasive than a combination of feelings and faith.

### **Value Systems: The Basis for Behavior**

Although it is constantly being challenged by younger citizens, India still has an attachment to the caste system, with all of its social structure and liabilities. The following three sections identify the Value Systems in the predominant culture—their mode of dividing right from wrong, good from evil, and so forth.

#### *Locus of Decision-Making*

India is a moderately collectivistic culture in which an individual's decisions must be in harmony with the family, group, and social structure. Success and failure are often attributed to environmental factors. Friendships and kinships are more important than expertise, although diplomas and certificates are coveted. One must build a relationship with other participants in the negotiation process by discussing friends and family. Indians may often be too polite to say "no."

#### *Sources of Anxiety Reduction*

With such a strong social structure, there is little anxiety about life because individuals know and accept their place in the society or organization. Behaviors contrary to religious traditions are not easily tolerated. There is a strong sense of what Westerners call "fatalism," so time is not a major source of anxiety, and passivity is a virtue. Emotions can be shown, and assertiveness is expected.

#### *Issues of Equality/Inequality*

There is a very rigid structure of inequality, even though there is equality under the law (seldom enforced). The belief that there are qualitative differences between the castes is ingrained. Traditional male chauvinism is strong, and women do not have equal privileges. The abundant sexual symbols in society do not translate into an acceptance of public intimacy.

**Cultural Note**

Tipping in India is more than just a reward for good service; it is often the way to ensure that things get done. The term *baksheesh* encompasses both these meanings. Judicious (and discreet) use of *baksheesh* will often open closed doors, such as getting a seat on a “sold-out” train.

**► BUSINESS PRACTICES**

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**Punctuality, Appointments, and Local Time**

- Business hours vary all over India, but generally they are from 9:30 A.M. to 5:00 P.M., Monday through Friday (lunch is usually from 1:00 to 2:00 P.M.). Government office hours may be shorter, but they are open on some Saturdays.
- Indians appreciate punctuality but do not always practice it themselves. Keep your schedule loose enough for last-minute rescheduling of meetings.
- Request appointments as far ahead as possible. Advances in communication systems have made it far easier to schedule meetings, but it is still appropriate to get on the schedule of executives as early as possible.
- Be aware that your Indian contacts may request impromptu meetings at late hours.
- Make sure that you are fully equipped with the latest wireless and telecom devices before you arrive in India—your prospects will want multiple ways to contact you and will expect you to invest in technology.
- Although they usually do not make final decisions, middle managers do have input. A middle manager on your side can forward your proposal. Often they are more accessible, and they are willing to meet at any time of the day.
- Go to the top of the company for major decisions.
- Indian executives generally prefer late morning or early afternoon appointments, between 11:00 A.M. and 4:00 P.M.
- The best time of year to visit India is between October and March, bypassing the seasons of extreme heat and monsoons.

- Business is not conducted during religious holidays, which are numerous. Dates for these holidays change from year to year, so confirm your schedule with local contacts, and check for current holidays at [www.kissboworshakehands.com](http://www.kissboworshakehands.com).
- India is five and a half hours ahead of Greenwich Mean Time (G.M.T. + 5½), or ten and a half hours ahead of Eastern Standard Time (E.S.T. + 10½ hours).
- India operates in one time zone, and although it does not observe daylight-saving time, many visitors have mentioned their use of IST (Indian Stretchable Time).

### **Negotiating**

- Indians have a less hurried attitude toward time than North Americans. The concept “time is money” is alien to many Indians.
- While you should get sound legal and tax advice before negotiating any agreement, it is important to be flexible and not appear too legalistic during negotiations.
- Be prepared to offer competitive technology packages with close technical follow-up. The technical assistance you can provide and how effective your training support is will be critical factors in the decision.
- Expect delays; they are inevitable. The Indian government moves at its own pace, and communication within India may still be somewhat difficult. Be patient, and make a realistic assessment of the steps and time involved in finalizing any agreements.
- Always present your business card. It is not necessary to have it translated into an Indian language.
- Business in India is highly personal. A great amount of hospitality is associated with doing business. Tea and small talk are preludes to most discussions.
- When refreshments are offered, it is customary to refuse the first offer, but to accept the second or third. To completely refuse any refreshment is an insult. Drink slowly if you wish to limit your intake of the sugary, milky Indian tea.
- The word “no” has harsh implications in India. Evasive refusals are more common, and are considered more polite. Never directly

refuse an invitation—just be vague and avoid a time commitment. “I’ll try” is an acceptable refusal.

### **Cultural Note**

In a monetary transaction, your change is simply placed in your hand, without explanation of the amount. If you remain standing with your hand outstretched, you may receive more change.

Be sure to keep lots of small change on hand, because street merchants and taxi drivers often claim they do not have change.

## **► BUSINESS ENTERTAINING**

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- Business lunches are preferred to dinners.
- Remember that Hindus do not eat beef and Muslims do not eat pork.
- Businesswomen may host Indian businessmen at a meal without embarrassing the men, although the men may try to pay at the end of the meal. Female executives should arrange with the waiter to pay the bill before the meal.
- If you are invited to dinner, be a few minutes late unless it is an official function. If the dinner is in a home, you may arrive fifteen to thirty minutes late.
- Eat only with the right hand, because the left hand was traditionally used for hygienic purposes and is considered unclean.
- Touching a communal dish with your hands may cause fellow diners to avoid it.
- Never offer another person (even a spouse) food from your plate, as it is considered “polluted” as soon as it is placed on your plate.
- Washing your hands both before and after a meal is important. In Hindu homes, you are expected to rinse your mouth out as well.
- Do not thank your hosts at the end of a meal. Saying “thank you” for a meal is insulting because the thanks are considered a form of payment. Returning the meal by inviting your hosts to dinner shows that you value the relationship.
- India’s two major religions abjure beef and pork, so it is not surprising that Indian cuisine uses mostly chicken, lamb, or vegetables.

### Cultural Note

Here's one rude move you should be especially aware of in India. If you must share a bottle of water, tilt your head back and pour it into your mouth from above . . . without touching your lips. Don't put your mouth on the bottle and then try to pass it to the next parched soul. That would be *jootha*. The term "jootha" refers to a breach of conduct where your germs are being spread around, rather than your goodwill. Sharing is not always a virtue!

## ▶ PROTOCOL

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### Greetings

- In large cities, men and very westernized Indian women will offer to shake hands with foreign men and sometimes with foreign women. Western women should not initiate handshaking with Indian men.
- There are numerous ethnic, linguistic, and religious groups in India, each with its own traditions.
- The majority of Indians are Hindu. Most Hindus avoid public contact between men and women. Men may shake hands with men, and women with women, but only westernized Hindus will shake hands with the opposite sex.
- A minority of Indians are Muslim. Traditionally, there is no physical contact between Muslim men and women. Indeed, if an orthodox Muslim male is touched by a woman, he must ritually cleanse himself before he prays again. Because of this, women should not offer to shake hands with Muslim men (nor should men offer to shake hands with Muslim women). Of course, if a westernized Indian offers to shake hands, do so. Other Indian religious groups, such as Sikhs, also avoid public contact between the sexes.
- The traditional Indian greeting is the *namaste*. To perform the *namaste*, press the palms of your hands together (as if praying) below the chin, near the heart, and gently nod or bow slightly. There are many Web sites that describe the meaning of the *namaste*, and how this peaceful greeting can be appropriate for individuals or for large meetings.

- A namaste is useful for foreigners in any situation where a handshake might not be acceptable. It is also a good alternative to a handshake when a Western businesswoman greets an Indian man.
- Indians of all ethnic groups disapprove of public displays of affection between people of the opposite sex. Do not touch (except in handshaking), hug, or kiss in greeting.

### **Cultural Note**

Giving money to a beggar will result in your being besieged by dozens of them. Unless you wish to distribute alms to many of India's poor, avoid even making eye contact.

When walking past an Indian temple, keep your hands in your pockets. If your hand is free, a stranger may offer to shake your hand. They are often street merchants who quickly slap a temple bracelet on your outstretched arm. Then you are expected to pay for the bracelet.

### **Titles/Forms of Address**

- It is important to note that India's naming conventions are changing. For example, the Southern region of India seems to be gradually moving toward the naming customs of the North, and professional females are starting to keep their maiden names.
- Titles are highly valued by Indians. Always use professional titles, such as "Professor" and "Doctor." Don't address someone by his or her first name unless you are asked to or you are close friends; use "Mr.," "Mrs.," or "Miss."
- For a full discussion of titles and forms of address in India, see Appendix A.

### **Cultural Note**

Among Indians, a side-to-side toss of the head indicates agreement, although Westerners may interpret it as meaning "no." Watch carefully; the Indian head toss is not quite the same as the Western negative nod (which leads with the jaw).

On the other hand, the North American up-and-down head nod (used to signify "yes") can be confusing to Indians, because a form of that gesture can imply "no" in India.

## **Gestures**

- Many Indians consider the head to be the seat of the soul. Never touch someone else's head, not even to pat the hair of a child.
- As in much of the world, to beckon someone, you hold your hand out, palm downward, and make a scooping motion with the fingers. Beckoning someone with the palm up and wagging one finger can be construed as an insult.
- Standing tall with your hands on your hips—the “arms akimbo” position (also the gesture for “Offsides!” in soccer)—will be interpreted as an angry, aggressive posture.
- The comfortable standing distance between two people in India varies with the culture. In general, Hindu Indians tend to stand about three or three and a half feet apart.
- Pointing with a finger is rude; Indians point with the chin.
- Whistling under any circumstances is considered impolite.
- Winking may be misinterpreted as either an insult or a sexual proposition.
- Grasping your ears designates sincerity or repentance. Ears are considered sacred appendages; to pull or box someone's ears is a great insult.
- Never point your feet at a person. Feet are considered unclean. If your shoes or feet touch another person, apologize.

## **Gifts**

- Gifts are not opened in the presence of the giver. If you receive a wrapped gift, set it aside until the giver leaves.
- If you are invited to an Indian's home for dinner, bring a small gift of chocolates or flowers. Don't give frangipani blossoms, however—they are associated with funerals.
- Don't wrap gifts in black or white, which are considered unlucky colors; green, red, and yellow are lucky colors.
- If you know that your Indian counterpart drinks alcohol, bring imported whiskey. High taxes can be avoided by purchasing the liquor on the airline or at the duty-free shop before arriving.
- Muslims consider dogs unclean. Do not give toy dogs or gifts with pictures of dogs to Indian Muslims.

- Should you give money to an Indian, make sure it is an odd number. Usually this is done by adding a single dollar; for example, give \$11 instead of \$10.
- For more guidelines on culturally correct gifts in India, visit [www.kissboworshakehands.com](http://www.kissboworshakehands.com).

### **Dress**

- For business dress, men should wear a suit and tie, although the jacket may be removed in the summer. Businesswomen should wear conservative dresses or pantsuits.
- For casual wear, short-sleeved shirts and long trousers are preferred for men; shorts are acceptable only while jogging. Women must keep their upper arms, chest, back, and legs covered at all times. Women who jog should wear long pants.
- Note that wearing leather (including belts, handbags, or purses) may be considered offensive, especially in temples. Hindus revere cows, and do not use leather products.