

Project Dissertation
on
“CROSS CULTURAL TRAINING”



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Jan -May 2015

ABSTRACT

Understanding the values, attitudes and behaviors of people in various countries is the key to knowing how to do business with them. So often, we take for granted that everyone's culture is similar to ours. To help companies gain a competitive advantage in the global marketplace by understanding and learning about other cultures, training organizations, such as Windham International, offer cross-cultural training. With this type of training, work can go more quickly and smoothly and companies avoid costly mistakes.

Cross-cultural and intercultural training, a marginal idea 30 years ago, has boomed into mainstream acceptance in the past 10 years with international businesses tapping into a large and sometimes expensive array of cross and intercultural training programs for their employees. Trying to do international business without prior cross-cultural training is a recipe for disaster. When organizations become cross-border entities, cross-cultural factors start affecting every aspect of the business. Whether in multi-cultural teams or in business interactions, the variants of cultural nuances eventually end up affecting the business.

The report deals with the following:

- ❖ Globalization and its effects.
- ❖ Culture and its elements.
- ❖ Hofstede's Cultural Dimensions
 - China
 - India
 - Malaysia
 - Germany
 - Japan
- ❖ Expatriation
- ❖ Designing training program

CHAPTER 1: INTRODUCTION

The trend of globalization is providing opportunities for Indian firms to reach foreign markets. The business model of many upcoming industries like the information technology sector is dependent heavily on the foreign markets. This increases the need of professionals working in foreign cultural settings. The merger and acquisition activity especially the cross-border acquisitions have reached much higher levels. The trend of acquisitions is not only restricted to the new sectors like Information Technology, Telecom and Business Process Outsourcing, but core sector companies like Manufacturing and Mining (For Example: Sterlite group acquiring mines in Australia) have observed spurt in such activities too. The sheer size of certain deals in the range of 200-300 Million dollars indicates global aspirations of the Indian firms. The Pharmaceutical companies have widened their reach in world market with examples like Ranbaxy and DRL having presence in many countries.

The globalization dreams present a new challenge for the Indian firms; the challenge to develop competent managers who would be able to work in new environments efficiently and will act as a bridge between the parent company and its subsidiaries. The globalization will also bring new employees to the Indian firms, the ones with different origin, language and national culture adding complexities to the culture of Indian organizations. The firms thus need to develop systems and processes not only to train managers for expatriate assignments but also to handle cultural diversity. This task can be achieved by well designed cross-cultural training programs which will help employees in coping up with the stress and cultural shock while dealing with a new culture. The need for cross-cultural training will be for both: Indian expatriates and employees dealing with expatriates of other origins. The cross-cultural training will also be required for the Indian companies getting into Business Process Outsourcing as the clients belong to culturally different environments.

1.1 Introduction of the project

Working effectively in cross-cultural context is becoming vital competence for aspiring managers. The report attempts to define the possible sources of cross-cultural differences, its impact on business practices, competencies required for the

expatriates, evolution of cross-cultural training, issues to be considered while developing cross-cultural training, different ways of training the employees and examples of a few countries to provide a birds eye view.

1.1.1 The World Is *Not* Flat

National borders still matter a lot for business strategists. While identifying similarities from one place to the next is essential, effective cross-border strategies will take careful stock of differences as well. Thomas Friedman, author of "The World Is Flat: A Brief History of the Twenty-first Century", opines that a number of events ranging from the fall of the Berlin Wall to the rise of the Internet have flattened the competitive landscape worldwide by increasing globalization and reducing the power of states.

But the world is not flat, argues HBS professor Pankaj Ghemawat. Think of it as partly globalized, or "semi-globalized."

While identifying similarities from one place to the next is essential, effective cross-border strategies will take careful stock of differences as well. He groups the differences into 4 areas: those related to cultural (language, customs, religion, ethnicities, etc.), administrative/political (laws, trading blocs, colonial ties, currency, etc.), geographic (physical distance, lack of land border, time zones, climates, etc.), and economic (income levels, cost of natural resources, financial resources, human resources, infrastructure, information, etc.). It is important to take a broad view of such differences, to figure out the ones that matter the most in your industry, and to look at them not just as difficulties to be overcome but also as potential sources of value creation.

1.1.2 Globalization

Globalization is the phenomenon in which the boundaries between nations and regions are blurred. People and together with them goods, information and culture can travel from one land to another without much difficulty. Globalization has been reshaping the world irresistibly and every individual can feel effects.

Globalization is commonly used as a shorthand way of describing the spread and connectedness of production, communication and technologies across the world.

That spread has involved the interlacing of economic and cultural activity. Globalization, thus, has powerful economic, political, cultural and social dimensions. The "modern" values such as the desire for independence, wealth and success have become increasingly prevalent among the younger generations who are in direct contact with the globalization process. However, there is also the rising wave of "counter-globalization". The greatest effect of globalization is its ability to "activate" life.

1.1.3 Globalization and HR

The hiring process today has changed into a more dynamic and widespread process. It involves a mix of newspaper advertisements, web based job postings, and internet based headhunting, widespread use of consultants and such. HR Managers should develop the following competencies in order to succeed in the current changing times:

- Change Management (the ability to deal with uncertainty and change),
- Maturity (the stability of performance under stress),
- Openness (being open to new ideas and different practices),
- Flexibility/Adaptability and
- Contextual Thinking (the ability to see the bigger picture)

Tele conferencing, video conferencing are being used for interviewing candidates across the globe and this reduces delay and quickens the hiring process.

1.1.4 The Value of Culture

Corporate culture is defined by a shared set of beliefs, myths and practices. As in any other social system, this shared culture binds people together. Culture is a metaphor which can be used to explore the identity of a business. It is about how others see the business, but also how the individuals who work there understand it. Culture offers us a powerful insight into the business and what it is like to work within it. The cultural perspective has become popular in business studies because it offers a way of explaining performance and understanding difference. It is only one way of analyzing business, but it is an interesting one as it focuses particularly on the insider

point of view, or on what it is 'really' like to work in an organization. The strength of an organization's culture can and does affect a company's bottom line. A strong corporate culture stabilizes performance. Performance is more stable for strong-culture firms in highly competitive markets like motor vehicles, airlines, technology, textiles and apparel. The shared beliefs that define a corporate culture function as an informal control mechanism that coordinates employee effort. Employees also work harder and for longer hours in an organization with a strong corporate culture.

In the global marketplace, knowledge and skills not only mean power, it can also mean your survival. Understanding the need for cultural awareness and sensitivity is just the ante to get into the game of global business. How well you play depends upon your level of cultural savvy. It is estimated that more than half of all international joint ventures fail within two or three years. The reason most often given is cultural myopia and lack of cultural competency - not the lack of technical or professional expertise. Developing global cultural competency is one of the most challenging aspects of working globally.

The common mistakes Indians make:

- ❖ Failure to understand the sense of time management that other cultures have.
- ❖ Lack of documentation—most things are kept in the head.
- ❖ Lack of e-mail etiquette.
- ❖ Not communicating in a precise manner.
- ❖ Addressing people by first name does not come naturally.
- ❖ Awkwardness while dealing with women clients / colleagues. Use of 'Miss.' or 'Mrs.' is not appreciated by American women—they consider it an intrusion into their personal life.
- ❖ Shaking of head is not understood by others.
- ❖ The habit of communicating with other Indians in a regional language; this is misinterpreted by clients / colleagues abroad as a sign of mistrust.
- ❖ Not asking questions to clarify all doubts in the initial meeting, and then coming up with a whole list of questions later.

1.1.5 Determinants of cultural differences

There have been many attempts to define cultures and what differentiates them. The study by Hofstede defined and differentiated between cultures on various dimensions – viz. collectivism vs. individualism, power distance, uncertainty avoidance, masculinity vs. femininity and long vs. short term orientation. The author classified a number of countries on these parameters. These parameters can be defined as:

1. *Power distance*: degree of inequality in power between a less powerful individual and a more powerful one in which they belong to same social system.
2. *Masculinity vs. femininity*: refers to the distribution of emotional roles between the genders. It opposes a tough masculine to tender feminine society.
3. *Uncertainty avoidance*: is the extent to which a culture programs its members to feel either comfortable or uncomfortable in unstructured situations.
4. *Individualism vs. collectivism*: is the degree to which individuals are supposed to look after themselves or remain integrated into groups usually around the family
5. Long term vs. short-term orientation: refers to the extent to which a culture programs its members to accept delayed gratification of their material, social and emotional needs.

The differences in cultural values were shown by the study of Hofstede (2001), which involves 60, plus countries where each one of them was classified on these parameters. These cultural differences may effect motivational factors, collectivism at work place, organizational structure design etc. Various studies have tried to study these differences. The difference in cultures has been associated with perceptions and paradoxes. The cultural differences and varying approaches lead to significant difference in business practices which must be recognized by the trainers and employees receiving expatriate assignment.

1.1.6 How do people and practices differ across cultures?

The differences in cultures lead to significant differences in the way people react to a stimulus. The motivational needs of the managers and executives vary across the

cultures. The motivational factors that work in India may not be relevant in China, hence the expatriates will need to understand the basic differences in the employee behavior. The production facilities of firms may be similar across all the subsidiaries but the employee behavior in these facilities may not remain the same. One of the relevant examples in this context is failure of Japanese management technique like Quality Circles in India. The culture differences effect the managerial decisions related to performance appraisals in multicultural workplaces and decisions in international business context.

1.1.6 Impact of dealing with a different culture

The cultural change leads to cultural shock, which is a mental state of stress caused by acute changes in the culture. The expatriates tend to feel lonely because all of a sudden everything changes including the work environment, peers, processes and to an extent organizational culture and value system. The employees react by comparing the new culture to their own values and beliefs and at times are unable to accept the vast difference between the two. The process of encountering and accepting the new changes or in other words process of acculturation can be classified in four stages:

1. *Initial stage of elation and optimism*
2. *Period of frustration, depression and confusion*
3. *Gradual improvement of mood leading to optimism and satisfaction*
4. *Mastery stage*

1.2 Objectives of the study

1. To Understand the values, attitudes and behaviors of people in various countries that help companies to gain a competitive advantage in the global marketplace
2. To find out the impact of dealing with a different culture in today's competitive environment.
3. To understand the objectives and benefits of cross cultural training to overcome the cross border differences

CHAPTER 3:LITERATURE REVIEW

The term cross-cultural training hence is broad enough to include differences in areas like language abilities, business etiquettes, beliefs and values, social system, negotiating styles etc. of any culture.

3.1 Defining Cross-cultural training and its objectives

The cross-cultural training in general can be defined as “Any intervention aimed at increasing an individual’s capability to cope with and work in foreign environment” (Tung, 1981, in Zakaria, 2000). Hence cross-cultural training involves all the methods like lectures, simulation etc. used to make the person familiar with a different culture. The cross-cultural has also been defined as “Formal methods to prepare people for more effective interpersonal relations and job success when they interact extensively with individuals from cultures other than their own” (Brislin and Yoshida, 1994). The term job success here seems to be slightly ambiguous, as the factors defining success on an expatriate assignment can include organizational values, earning respect from peers and subordinates, technical skills, interpersonal and relationship management skills etc. The advantages from cross-cultural training have been listed as following:

1. A means for constant switching from an automatic, home culture international management mode to a culturally adaptable and acceptable one
2. An aid to improve coping with unexpected events and cultural shock in a new culture
3. A means to reduce uncertainty of interactions with foreign nationals
4. A means for enhancing expatriates coping abilities

Hence cross-cultural training can be seen as a tool for improving the corporate culture and practices by constantly learning through induction of foreign nationals in the organizations. Further the cross-cultural training will help to reduce the psychological stress and cultural shock which often lead to failure of expatriates.

3.2 Benefits of Cross Cultural Training

How can cross cultural training positively impact individuals and teams? Cross cultural differences can and do impede upon communication and interpersonal relationships. In the business world this occurs daily, where people from different cultures interact and are expected to perform and make decisions. Cross cultural training aims to develop awareness between people where a common cultural framework does not exist in order to promote clear lines of communication and better relationships.

Cross cultural training has many benefits to be gained by both participants and businesses. For participants in cross cultural training, the 10 main benefits are that it helps:

- *People Learn About Themselves:*
Through cross cultural training, people are exposed to facts and information about their own cultures, preconceptions, mentalities and worldviews that they may otherwise not have contemplated. Cross cultural training helps people learn more about themselves through learning about others.
- *Encourage Confidence:*
Cross cultural training promotes self-confidence in individuals and teams through empowering them with a sense of control over previously difficult challenges in the workplace.
- *Break Down Barriers:*
All of us have certain barriers such as preconceptions, prejudices and stereotypes that obstruct our understanding of other people. Cross cultural training demystifies other cultures through presenting them under an objective light. Through learning about other cultures, barriers are slowly chipped away thus allowing for more open relationships and dialogue.
- *Build Trust:*
When people's barriers are lowered, mutual understanding ensues, which results in greater trust. Once trust is established altruistic tendencies naturally manifest allowing for greater co-operation and a more productive workplace.

- *Motivate:*
One of the outcomes of cross cultural training is that people begin to see their roles within the workplace more clearly. Through self-analysis people begin to recognize areas in which they need to improve and become motivated to develop and progress.
- *Open Horizons:*
Cross cultural training addresses problems in the workplace at a very different angle to traditional methods. Its innovative, alternative and motivating way of analyzing and resolving problems helps people to adopt a similarly creative strategy when approaching challenges in their work or personal lives.
- *Develop Interpersonal Skills:*
Through cross cultural training participants develop great 'people skills' that can be applied in all walks of life. By learning about the influence of culture, i.e. the hidden factors upon people's behaviors, those who undertake cross cultural training begin to deal with people with a sensitivity and understanding that may have previously been lacking.
- *Develop Listening Skills:*
Listening is an integral element of effective and productive communication. Cross Cultural training helps people to understand how to listen, what to listen for and how to interpret what they hear within a much broader framework of understanding. By becoming good listeners, people naturally become good communicators.
- *People Use Common Ground:*
In the workplace people have a tendency to focus on differences. When cross cultural communication problems arise the natural inclination is to withdraw to opposing sides and to highlight the negative aspects of the other. Cross cultural training assists in developing a sense of mutual understanding between people by highlighting common

ground. Once spaces of mutual understanding are established, people begin to use them to overcome culturally challenging situations.

- *Career Development:*
Cross cultural training enhances people's skills and therefore future employment opportunities. Having cross cultural awareness gives people a competitive edge over others especially when applying for positions in international companies with a large multi-cultural staff base.

Misinterpretations on account of cultural factors can be damaging to a company's business. The need is for greater understanding and adaptability. Not surprisingly, most organizations now consider the adaptability of candidate's right from the recruitment stage. Indeed, adaptability is an essential factor in today's global business environment.

3.3 Design of cross-cultural training

In recent years, more trainers are completing doctorate programs giving them a base in intercultural communication theory, but successful trainers could just as easily be expat spouses who have knowledge on the ground experience.

Now many of these small businesses have been bought out by larger relocation firms. Trainers worry that these larger groups do not always take into account the individual needs of the client. The issues or focus points are very important in the cross-cultural as it is required to choose between culture specific or culture general training, which areas of the culture to focus upon and what are the personal requirements of the person who might have to deal with a situation like this or who is shifting to a different culture for work. Following are some issues for the cross-cultural training:

- **Different aspects of time like punctuality-** The time factor here involve two dimensions that are punctuality and relationship dimension. While in some cultures like USA starting and ending on time are very important in others like

South American countries that may be considered exceptional. Some cultures prefer to take time for relationship building, which may not be acceptable at all in others. Hence cross-cultural barriers related to time need to be taken care of.

- **Linguistic barriers-** The English is being used for most transactions but then usage of English tends to change with the country contexts. For example the pronunciation in India is significantly different from the American way. Secondly certain terms may have different meaning in different languages; hence context also plays an important role. In case of countries with different language the expatriates must be trained in opening dialogues and discussions with the help of translators.
- **Different business practices** like conduct in meeting and unstructured and open discussion. Hofstede's (2001) dimensions like power distance can play an important role in situations like conduct during the meetings. In cultures with lower power distance the employees may tend to call their bosses with their first names while this may be impossible in cultures with higher power distances. Hence developing a first hand knowledge about the practices is very important.
- **Cultural stress** (ambiguity and difference of perceptions)- The training should also involve methods to counter stress and to interpret situations. The expatriates will have to understand the situations on their own and then form perceptions. The training should avoid any kind of stereotyping where trainees may be lead to believe certain things about any culture. The culture may broadly explain value system of a community or country but every individual is different. Hence any individual with a pre-formed notion about the culture will be shocked to see people different from his beliefs leading to lot of confusion and stress.

- **Body language and greetings-** The way emotions are expressed in the various cultures may differ, for example the face expressions and hand gestures may convey different meanings in different culture.

The cross-cultural training should have components related to both general orientation and specific skill development. The component of general orientation here consists of self assessment (dealing with change, stress management and identifying attributes) and cultural awareness (general dimensions, national values and work place incidents). The specific development on the other hand consists of knowledge acquisition (area studies, language studies and host attitudes) and skills training (case studies, area simulation and behavior modeling). Hence the training should focus on providing trainee the knowledge about national cultures and attitudes in the host country in the first phase while in second phase the trainee should be made to go through a rigorous process of handling the situations in a simulated environment. This will help the trainee to acquire hands-on experience. The paper by Nicola (1993) suggests following issues for cross-cultural training:

- Feed back
- Getting beyond culturally determined stereotypes
- How to raise and deal with cultural stereotype
- How to counsel employees
- Coaching and team building
- Resolving conflicts (those including various ethnic groups at work place)
- Counseling so as to go beyond all kinds of stereotypes and perceptions.

After the internet revolution things have vastly changed for various organizations. For example many firms use internet as a medium to coordinate between different employees working in different locations as a team like one of the team members would be in India, other one might be in Europe and third one in North America. The group dynamics in these situations becomes very important; hence the employees must also be trained at handling people from diverse cultures at the same time

ensuring equal treatment and opportunities for all. One of the most important factors that is often forgotten while designing the training programs is the requirement of the employees, the design of training program should be made keeping in mind the length of stay in the host country, type of function he will have to perform, degree of socialization required by the employee and the personal characteristics of the employees (extraversion, interpersonal skills etc.). Hence cross-cultural training program should be customized for each employee to certain extend.

3.4 The Training Methods

The cross-cultural training evolved with usage of lecture method (originated from university of Illinois- as referred by Bhawuk and Brislin, 2000). This development was followed by usage of contrast American method which was named as this method was used to train for contrasting cultural experiences. The scenarios and cultural assimilators were later additions to the methods. The self reference criterion method was developed from cultural analysis system developed in 1966. The first usage of the cultural assimilators was on the American soldiers in 1972. The existence of cultural general assimilator is relatively new with usage starting in 1986. The experiential and area simulation were developed in 70's.

The various cross-cultural training methods can be explained as follows (as described by Bhawuk and Brislin, 2000):

1. *Cultural assimilator*: The cultural assimilator is a tool that consists of a number of real life scenarios describing puzzling cross-cultural interactions and expectations. The scenarios here can be defined as critical incidents which describe interactions between host and expatriates which involve misunderstanding related to cultural differences.
2. *Contrast American method*: This method involves demonstration of behaviors that are completely opposed to what is seen in the current context of culture. This was used by Stewart in America to train people going abroad hence was named contrast American.

3. *Self reference criterion (SRC)*: Unconscious reference to one's own cultural values in communication with people who are from other cultures. This method was developed by Lee (1966), who proposed 4 step procedure to overcome self reference criteria. The first step involves defining any problem of situation in terms of the expatriate's own culture, followed by definition in the terms of host culture. The bias created by SRC is analyzed and removed in third stage which is followed by solution of the simplified business problem.
4. *Area simulation*: The simulation is creating natural situation of interaction with people from other culture. This can be achieved using some actors who will interact with the trainee according to some predefined script.
5. *Cultural self awareness model*: The cultural awareness model includes usage of video tapes with themes and role plays. If the trainee is able to understand how his culture is different he would be able to accept the differences encountered in the real life interactions in a better manner.

3.5 Defining Expatriate Competencies

The expatriates need to perform the same set of functions but in a completely different environment which can cause lot of stress to the person. The cultural stress will have significant impact on various aspects of the job related behavior. Most of the expatriate failures are related lack of adjustment in new culture. Hence while defining the competencies for the expatriates human resource professionals also need to assess the soft skills of employees which will be handy in the new environment like tolerance of cultural difference, ability to adapt new culture and interpersonal relationships. The cross-cultural skills required for successful expatriate assignment can be listed broadly as (Hofstede, 2001):

1. The capacity to communicate respect
2. The capacity to be non judgmental
3. The capacity to understand relativity of one's own knowledge and perception

4. The capacity to display empathy
5. The capacity to be flexible
6. Tolerance for ambiguity

The focus is clearly on the soft skills and emotional maturity. The people undertaking foreign assignments must be mature and stable enough to accept the existence of cultural differences. They should also be able to understand the context of various situations and happening, which calls for objective evaluation of a situation without bringing in one's own biases and perceptions. The cross-cultural competencies have can be viewed as combination of three different dimensions that are self-maintenance dimension (mental health, psychological well-being, stress reduction and self confidence), relationship dimension (ability to foster relationship with the people of host nations and perceptual dimension (perceptions of host nation's culture and its social systems. Thus perceptions have been given an important role in defining competencies. Most often employees tend to make perceptions based little information they receive through the media or stories. This leads to general stereotyping causing formation of wrong notions about the host culture. The employee should instead form opinions and beliefs related to the host nation only after spending considerable amount of time over there. The events which are used to form these perceptions should be seen in depth using the back ground information like social value system, political system and cultural values. Only then a clear picture of host nation culture will emerge. The employees on expatriate assignments must be able to decode various verbal and non-verbal ways of communication used in the new culture and work in unstructured and ambiguous situations

Hence the employees should have the ability to question the perceptions and resolve conflicts arising out of the cultural differences. The stress management skills have been given importance because the cultural differences and lack of proper socialization along with cultural shock causes stress on the expatriates. The stress might also arise from living at a distance from the family.

3.6 Business Gift Giving

Throughout the year you have worked to develop strong business relationships. The holiday season offers an appropriate time for saying thank you and enhancing these relationships.

Holiday gift giving has become a tradition in the business world. More and more businesses are realizing the importance of such a gesture. A seasonal "thank you" gift can convey goodwill as well as acknowledge and express your appreciation to clients, customers and associates. Handled appropriately, the impact for your business can be very beneficial.

Gift giving should be done only if you currently do business with the organization. Sending a gift when you are in the bidding process, or in negotiations on a contract may be misinterpreted as bribery or an attempt to gain inappropriate influence.

1. Your relationship with the recipient should play an important part in the gift giving decision. If your client is distant or not particularly friendly, do not assume the gift will strengthen the relationship.
2. Avoid alcohol unless you know the recipient on a close personal basis. Many people have religious and/or personal issues with alcohol.
3. If you have contact with many people in the company, consider sending a gift suitable for sharing within an office setting. A food basket or other gourmet food gift is appropriate. Make certain the items do not require preparation, are non-perishable, and are securely packaged if shipment is required.
4. If the gift is for an individual, try to tailor the gift to the individual's hobbies or interests. Make certain the gift cannot in any way be misconstrued as "too personal", especially across gender lines.
5. Keep logo on gift items small & discreet so as not to appear as an advertisement. Do not put a logo on a gift if you want to create the impression that the gift is coming from you personally.

6. When possible, personal or messenger delivery is preferable. When this is not practical, make certain that gifts are accompanied by a brief, personalized, handwritten note or signature.
7. Make your gift stand out from the rest by sending it as a Thanksgiving or New Year's gift.
 - a. Thanksgiving: Yours will be the first gift to arrive, Thanksgiving has no religious connotations, and what better time to say "Thank You."
 - b. New Year's: After all the excitement and partying has ended, and everyone is back to work, your gift, with a note wishing "A Happy, Healthy & Prosperous New Year!" will be a nice surprise.
8. Check the corporate policy. Large companies may have a no gift policy. Phone the Personnel Dept. of a company for their guidelines.

If you have any concerns about the appropriateness of giving a gift, or how it might be construed, reconsider. Choose a beautiful card and write a personal note. Send a donation to charity. Always guard against even the appearance of impropriety. It can only hurt a business relationship...it will never help.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Type of Research

Exploratory Research

3.2 Data sources:

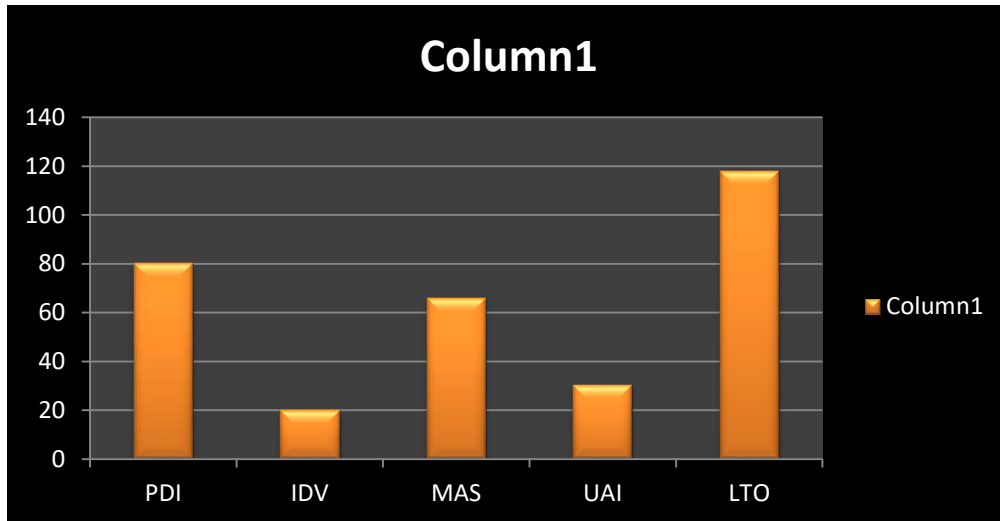
The research is based on secondary data and the data is collected from various websites, Journals, Magazines, Articles and Research Paper.

3.3 Data Analysis:

The report basically deals with the cultural differences that may affect motivational factors, collectivism at work place, organizational structure design etc. When organizations become cross-border entities, cross-cultural factors start affecting every aspect of the business. The cross-cultural training can be seen as a tool for improving the corporate culture and practices by constantly learning through induction of foreign nationals in the organizations. The study include the various training methods, International business etiquette tips by Lydia Ramsey Hofstede's Cultural Dimensions of understanding the language abilities, beliefs and values, social system, business etiquettes in terms of making appointments, guidelines for business dress, welcome topics of conversations, selecting and presenting an appropriate business gifts by taking examples of various countries like China, India, Malaysia, Germany and Japan that help the companies in reducing the psychological stress and cultural shock which often lead to failure of expatriates and gain a competitive advantage in the global marketplace by understanding and learning about other cultures

CHAPTER 4: DATA ANALYSIS

4.1 China



Country	PDI	IDV	MAS	UAI	LTO
China *	80	20	66	30	118

Geert Hofstede analysis for China has Long-term Orientation (LTO) the highest-ranking factor (118), which is true for all Asian cultures. This Dimension indicates a society's time perspective and an attitude of persevering; that is, overcoming obstacles with time, if not with will and strength.

The Chinese rank lower than any other Asian country in the Individualism (IDV) ranking, at 20 compared to an average of 24. This may be attributed, in part, to the high level of emphasis on a Collectivist society by the Communist rule, as compared to one of Individualism.

The low Individualism ranking is manifest in a close and committed member 'group', be that a family, extended family, or extended relationships. Loyalty in a collectivist culture is paramount. The society fosters strong relationships where everyone takes responsibility for fellow members of their group.

China's religion is officially designated as Atheist by the State, although the concepts and teachings of the ancient Chinese philosopher Confucius (500BC) are woven into

the society at large. Some religious practice is acceptable in China; however, the government sets rigid limits.

4.1.1 Making appointments

- Being late for an appointment is considered a serious insult in Chinese business culture.
- The best times for scheduling appointments are April to June and September to October.
- Business and government hours are 8:00 a.m. to 5:00 p.m., Monday through Saturday. There is, however, a five-day work week in larger cities. Do avoid plans to visit government offices on Friday afternoon, because this is sometimes reserved for 'political studying' of the officials.
- Most Chinese workers take a break between 12:00 p.m.- 2:00 p.m. Practically everything "shuts down" during this period, including elevator and phone services.
- When scheduling your appointments, be sensitive to holidays such as Chinese New Year. During May Day, or the National Day, many businesses will be closed for up to a week during this period. The date of this occasion varies from year to year due to an official advisory to allow the long holidays.

4.1.2 Guidelines for business dress

- In Chinese business culture, conservative suits and ties in subdued colors are the norm. Bright colors of any kind are considered inappropriate.
- Women should wear conservative suits or dresses; a blouse or other kind of top should have a high neckline. Stick with subdued, neutral, colors such as beige and brown. Because of the emphasis on conservative, modest, dress in Chinese business culture, flat shoes or very low heels are the main footwear options for women. This is true especially if you are relatively much taller than your hosts. High heels are acceptable only at a formal reception hosted by a foreign diplomat.
- Men should wear suits and ties to formal events; tuxedos are not a part of Chinese business culture.

- Jeans are acceptable casual wear for both men and women.
- Shorts are reserved for exercise.

Before your visit, it will be a good idea to prepare yourself by studying aspects of Chinese culture, history, and geography. Your hosts will appreciate your initiative.

- Negative replies are considered impolite. Instead of saying 'no', answer 'maybe', 'I'll think about it', or 'We'll see' and get into specifics later.
- You may be asked intrusive questions concerning your age, income, and marital status. If you don't want to reveal this information, remain polite and give an unspecific answer.
- Make an effort to learn and use at least a few words in Chinese; your initiative will be noticed and appreciated. Make sure you know the meaning and appropriate occasions for what you say.
- During a meal, expressing enthusiasm about the food you are eating is a welcome, and usually expected, topic of conversation.
- 'Small talk' is considered especially important at the beginning of a meeting; any of the topics suggested in the next set of points will be appropriate for this occasion.

4.1.3 Addressing others with respect

Chinese names appear in a different order than Western names. Each person has, in this order, a family, generational, and first name. Generational and given names can be separated by a space or a hyphen, but are frequently written as one word. The generational designation is usually the first word of a two-worded first name. Most modern Chinese first names are single worded. Most people should be addressed with a title and their last name. If a person does not have a professional title, use "Mr.", "Madam", "Miss", plus the last name. A married Chinese woman usually retains her maiden name; she will use her husband's last name on occasions for formal addressing only.

Many Chinese adopt an English first name to make it easier for North Americans and other Westerners to address them. You can expect to hear some rather odd and rare

English names as they try hard to be different from others. Unless you're a Communist, never refer to someone as “Comrade.”

4.1.4 Selecting and presenting an appropriate business gift

- Lavish gift giving was an important part of Chinese culture in the past. Today, official policy in Chinese business culture forbids giving gifts; this gesture is considered bribery, an illegal act in this country. Consequently, your gift may be declined.
- If you wish to give a gift to an individual, you must do it privately, in the context of friendship, not business.
- The Chinese will decline a gift three times before finally accepting, so as not to appear greedy. You will have to continue to insist. Once the gift is accepted, express gratitude. You will be expected to go through the same routine if you are offered a gift.
- In the presence of other people, never present a valuable gift to one person. This gesture will cause only embarrassment, and possibly even problems for the recipient, given the strict rules against bribery in Chinese business culture.
- Giving a gift to the entire company, rather than an individual, can be acceptable in Chinese business culture as long as you adhere to the following rules:
 - All business negotiations should be concluded before gifts are exchanged.
 - Specify that the gift is from the company you represent. If you can, explain the meaning of the gift to the receiver.
 - Present the gift to the leader of the Chinese negotiating team.
 - Do not get anything that is obviously expensive, so that the company will not feel obliged to reciprocate.

4.1.5 What you should know before negotiating

- You'll find it beneficial to bring your own interpreter, if possible, to help you understand the subtleties of everything being said during meetings.

- Speak in short, simple, sentences free of jargon and slang. Pause frequently, so that people will be able to understand everything you've said.
- You will have to make presentations to different levels of the organization.
- Before you arrive, have at least 20 copies of your proposal ready for distribution.
- Printed presentation materials of any kind should be only in black and white.
- Generally, the Chinese treat “outside” information with caution.
- Belief in the Communist party line will be a dominant influence in all negotiations.
- Empirical evidence and other objective facts will be accepted only if they do not contradict Communist party doctrine and one's feelings.
- The Chinese are very keen about exchanging business cards, so be sure to bring a plentiful supply. Ensure that one side is in English and the other is in Chinese, preferably in the local dialect. Include your professional title on your business card, especially if you have the seniority to make decisions. In Chinese business culture, the main point of exchanging business cards is to determine who will be the key decision-makers on your side.
- If your company is the oldest or largest in your country, or has another prestigious distinction, ensure that this is stated on your card.
- It's an asset to have your business cards printed in gold ink. In Chinese business culture, gold is the colour of prestige, prosperity.
- Present your card with two hands, and ensure that the Chinese side is facing the recipient. When receiving a business card, make a show of examining it carefully for a few moments; then, carefully place it into your card case or on the table, if you are seated at one. Not reading a business card that has been presented to you, then stuffing it directly into your back pocket, will be a breach of protocol.
- Only the senior members of your group are expected to lead the discussion. Interruptions of any kind from subordinates are considered shocking by the Chinese.
- In Chinese business culture, humility is a virtue. Exaggerated claims are regarded with suspicion and, in most instances, will be investigated.

- The Chinese will not directly say “no” to you. Instead, ambivalent answers such as “perhaps”, “I’m not sure”, “I’ll think about it”, or “We’ll see” usually mean “no.”
- The Chinese tend to extend negotiations well beyond the official deadline to gain advantage. On the final day of your visit, they even may try to renegotiate everything.
- At the end of a meeting, you are expected to leave before your Chinese counterparts.
- You may have to make several trips to China to achieve your objectives. Chinese businesspeople prefer to establish a strong relationship before closing a deal.

4.1.5 Entertaining for business success

- Business lunches are growing in popularity here. Business breakfasts, however, are not a part of Chinese business culture, except in Guangdong, Hangzhou and Fujian province where the 'Morning Tea' is very popular.
- Banquets are hosted with varying degrees of extravagance, usually in a restaurant. Wait to be seated, as there is a seating etiquette based on hierarchy in Chinese business culture.
- Business is not discussed during the meal.
- It is not uncommon for a host to order enough food for ten people at a table of five. During a meal, as many as 20-30 courses can be served, so try not to eat too much at once. The best policy is to lightly sample each dish.
- Leaving a 'clean plate' is perceived to mean that you were not given enough food--a terrible insult here.
- One important part of Chinese business entertaining is a tea drinking ritual known as 'yum cha.' It is used to establish rapport before a meeting or during meals.
- It will be appreciated if you use chopsticks. When you are finished eating, place your chopsticks on the table or a chopstick rest. Placing your chopsticks parallel on top of your bowl is believed to bring bad luck. Sticking your chopsticks straight up in your rice bowl is considered rude because in this position, they resemble the joss sticks that are used in Chinese religious

rituals. Do not put the end of the chopstick in your mouth. Try not to drop your chopsticks, as this is considered a sign of bad luck. When eating rice, follow Chinese custom by holding the bowl close to your mouth.

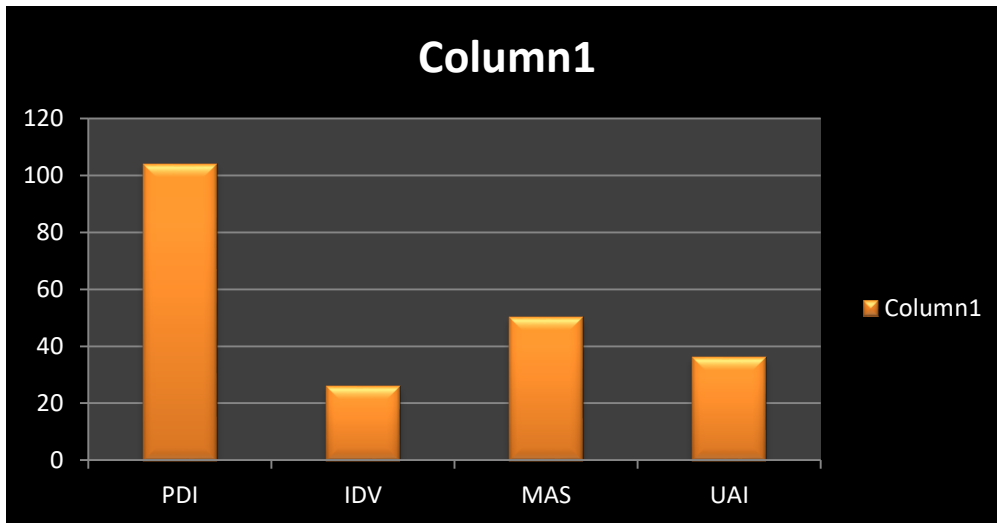
- Toothpicks are usually offered between courses and at the conclusion of a meal. When using a toothpick, cover your mouth with your free hand for concealment.
- Before smoking, it's polite to offer cigarettes to those in your company.
- In accordance with Chinese business etiquette, the host will not initiate the guests' departure.
- Tipping is generally considered an insult in China. Most government operated hotels and restaurants prohibit acceptance of tips.

Follow Chinese business protocol and reciprocate with a banquet of the same value; never surpass your host by arranging a more lavish gathering.

4.1.6 Acceptable public conduct

- The Chinese will sometimes nod as an initial greeting. Bowing is seldom used except in ceremonies. Handshakes are also popular; wait, however, for your Chinese counterpart to initiate the gesture.
- Avoid making expansive gestures and using unusual facial expressions.
- The Chinese do not use their hands when speaking, and will only become annoyed with a speaker who does.
- The Chinese, especially those who are older and in positions of authority, dislike being touched by strangers.
- Smiling is not as noticeable in China, since there is a heavy emphasis on repressing emotion.

4.2 Malaysia



Country	PDI	IDV	MAS	UAI
Malaysia	104	26	50	36

Malaysia is a constitutional monarchy with an elected federal parliamentary government. The country is comprised of 13 states, 11 on the Malay Peninsula and two, Sabah and Sarawak, on the island of Borneo. There is also a federal district, which contains the capital city of Kuala Lumpur, the administrative center of Putrajaya, and the island of Labuan (located off the southwest coast of Sabah). Malaysia is a multi-ethnic country of 27 million people. Malays form the predominant ethnic group. The two other large ethnic groups in Malaysia are Chinese and Indians. Islam is the national religion. Bahasa Malaysia is the official language, although English is widely spoken.

Malaysia has one of the highest ranks on the PDI which shows high divide between the rich and the poor. The combination of these two high scores (UAI) and (PDI) create societies that are highly rule-oriented with laws, rules, regulations, and controls in order to reduce the amount of uncertainty, while inequalities of power and wealth have been allowed to grow within the society. These cultures are more likely to follow a caste system that does not allow significant upward mobility of its citizens.

When these two Dimensions are combined, it creates a situation where leaders have virtually ultimate power and authority, and the rules, laws and regulations developed by those in power, reinforce their own leadership and control. It is not unusual for new leadership to arise from armed insurrection – the ultimate power, rather than from diplomatic or democratic change.

4.2.1 Making appointments

- All correspondence with government officials must be in the language of Bahasa Malaysia. If you wish, provide an accompanying translation in English.
- Although most Malays are Muslim, not all of Malaysia follows the traditional Islamic working week in which Friday is the Islamic holy day and the weekend takes place on Thursday and Friday.
- The Malaysian capital city, Kuala Lumpur, is in the state of Selangor, where the working week is Monday through Friday.
- Standard business hours are 8:00 a.m. to 5:00 p.m. Monday through Friday; offices are sometimes open half a day on Saturday, usually in the morning.
- Since most of the country is Muslim, it would be sensible to schedule meetings around prayer times. For example, Friday at noon is a particularly busy time for prayers. Moreover, many companies close their offices on Friday afternoons.
- Try to schedule appointments at least two weeks in advance. If you have not yet arrived in Malaysia, it's a good policy to schedule them a month ahead of time. Malaysian executives tend to travel frequently, mainly to conferences in their area of professional interest.
- Government office hours are typically 8:30 a.m. to 4:45 p.m. Also, government offices are open on Saturdays from 8:30 a.m. until 12:00 p.m.; in the more observant Muslim states, they are open Thursday from 8:30 a.m. to noon.
- Store hours vary. Most stores open five or six days a week, from 9:00 a.m. or 10:00 a.m., and will close at 6:00 p.m. or 7:00 p.m.

- Holidays in Malaysia vary from state to state. The observant Muslim states do not celebrate any non-Islamic holidays such as Christmas and Easter.
- The majority of Malaysian businesspeople are Chinese; you can expect them to be punctual. Most government officials, however, are ethnic Malays who have more of a relaxed attitude toward time. Although business travelers are expected to be on time, an ethnic Malay may not necessarily do the same.

4.2.2 Making appointments

The Indian minority's perspective on time is similar to that of the Malays. Nevertheless, the Indian professionals you may encounter will expect punctuality.

Although punctuality is not always a priority in Malaysia, you should still arrive on time for appointments. Even if you know you are going to be kept waiting, make an effort to arrive on time. Moreover, making a Malaysian executive wait can result in “loss of face,” which has negative consequences in this culture.

Alcohol will not be served at any social event hosted by observant Muslims. Since there won't be a “cocktail hour” on these occasions, expect that the meal will be served close to the time given on the invitation.

4.2.3 Guidelines for business dress

Malaysia is incredibly hot and humid throughout the year. The temperature ranges from 75-95 F and humidity between 60 and 70%. The monsoon season runs from September through December, but sudden showers occur all year long. Many people carry an umbrella every day.

- Be sure to pack light weight fabrics.
- Avoid wearing yellow because it is the color reserved for Malaysian royalty.
- As a foreigner, you should dress more conservatively until you are sure certain of the degree of formality expected.
- Because of the heat and humidity, business dress in Malaysia is often casual. Standard formal office wear for men is dark trousers and a light-coloured

long-sleeved shirt and tie, without a jacket. Many businessmen wear a short-sleeved shirt with no tie. The safest option for a male business traveler is to wear a suit jacket and tie, and remove them if it seems appropriate.

- Standard business attire for women includes dresses and light-coloured, long-sleeved blouses and skirts.
- Women must be sensitive to Muslim and Hindu beliefs, and, consequently, wear blouses that cover at least their upper arms. Skirts should be knee-length or longer. In Malaysia, clothing styles for businesswomen tend to be frilly and ornamental.
- Shorts should be avoided.
- Regardless of what you choose to wear, make the effort to maintain a clean, well-groomed appearance. Moreover, bathe several times a day if necessary.

4.2.4 Welcome topics of conversation

Be aware that in Malaysia, it's perfectly acceptable to ask people questions about their weight, income, marital status, and related subjects. Moreover, you may even be subjected to these questions! If you don't wish to answer personal inquiries, side-step these questions as graciously as possible. Regardless, do not express annoyance, outrage, or similar feelings that will cause the questioner to “lose face.”

4.2.5 Respectfully addressing others

Addressing Malaysians properly can be difficult, especially for Westerners unfamiliar with the naming patterns of the country's various ethnic groups. During an introduction, make a point of repeating the title and name of the person; afterwards, ask if you are pronouncing everything correctly.

When you ask a Malaysian what you should call him or her, directly state what he or she should call you. Your Malaysian counterpart may be unsure as to which of your names is your surname. Follow the Malaysian's lead as to the degree of formality.

Most businesspeople you meet should be addressed with a title and name. If a person does not have a professional title [i.e., “Professor”, “Doctor”, “Engineer”], a Westerner may use courtesy titles such as “Mr.” or “Mrs.”, plus the name. Be aware,

however, that you may be omitting other titles that are important to both the person and to your understanding of that person.

Malaysia is a constitutional monarchy with nine royal houses. With so many royals, foreigners are likely to encounter one eventually. Titles and forms of address vary. The best strategy is to ask a native how a particular royal should be addressed.

4.2.6 Selecting and presenting an appropriate business gift

- Gifts are usually reserved for friends. Before giving a gift of any kind, you must first establish a personal relationship with the recipient. Otherwise, the gift may very well be perceived as a bribe.
- The Malaysian Anti-Corruption Agency has exceptionally strict laws against bribery. Moreover, giving a gift that seems too generous may be interpreted as a bribe and could get you in trouble with the authorities.
- A gift should be received in both hands, palms facing upwards.
- Recommended business gifts include quality pens, desk accessories, and items representative of your country or city.
- Recommended social gifts include something representative of your country or a food that may be considered a delicacy.

4.2.7 What you should know before negotiating

- Business cards should be printed--preferably embossed--in English. Since a high proportion of Malaysian businesspeople are Chinese, it will be an asset to have the reverse side of your card translated into Chinese. Moreover, gold ink is the most prestigious colour for Chinese characters. Ensure that your business card outlines your education, professional qualifications, and business title. You'll find that Malaysians include many of these details on their card.
- After the necessary introductions are made, offer your card to everyone present.

- Present your card with both hands. Another option is to present your card using your right hand, with the left hand gently supporting your right.
- Give your card to the recipient with the print facing him or her.
- The recipient will accept your card with both hands, then carefully examine it for a few moments before putting it away in a card case or pocket. When a card is presented to you, you will also be expected to go through this procedure.
- After receiving a card, never hastily stuff it into your back pocket. Moreover, do not write on another person's business card.
- You will have to be prepared to make several trips to Malaysia before the decision-making stage. Just as in other cultures, establishing a productive business relationship requires a long-term commitment.
- Expect negotiations to be slow and protracted.
- Getting acquainted is the main purpose of the first meeting.
- It is important for foreign business executives to develop a personal relationship with their Malaysian counterparts.
- Before your presentation, ensure that you have carefully thought through all aspects of your proposal.

Ethnic Malays tend to be subjective, associative thinkers. They will often involve themselves personally in problem-solving, rather than seek guidance from a specific set of laws or rules.

Subjective feelings, combined with the Islamic faith, tend to guide perceptions of the truth among ethnic Malays. Keep your cool and refrain from showing that you are upset. By remaining calm at all times, you will be perceived as being able to control your emotions, rather than allowing them to control you.

Before answering a question, Malaysian business protocol demands that the respondent allow for a respectful pause--lasting as long as 10 to 15 seconds. Westerners will sometimes mistakenly assume that they have an agreement and resume talking before a Malaysian has a chance to give a genuine response.

Since Malaysians--particularly the Chinese--often consult astrologers, signing a contract may be delayed until a “lucky” day arrives. Understand that in Malaysian business culture, it is commonplace for negotiations to continue after a contract has been signed.

4.2.8 Entertaining for business success

You should think of business entertaining in Malaysia as a kind of test. Your Malay hosts will be monitoring you closely; they will do business with you only if they are confident that you want to establish a personal relationship with them.

In the early stages of your visit, you may not receive many social invitations. Nevertheless, remain patient and allow your Malaysian counterparts to initiate these necessary first invitations. Moreover, there is a prevailing belief that you cannot properly host a social event until you have been a guest at a Malaysian event. Accept social invitations of any kind; these occasions are an important part of doing business here. If you must decline, give a plausible excuse so that you do not cause the invitee to “lose face.”

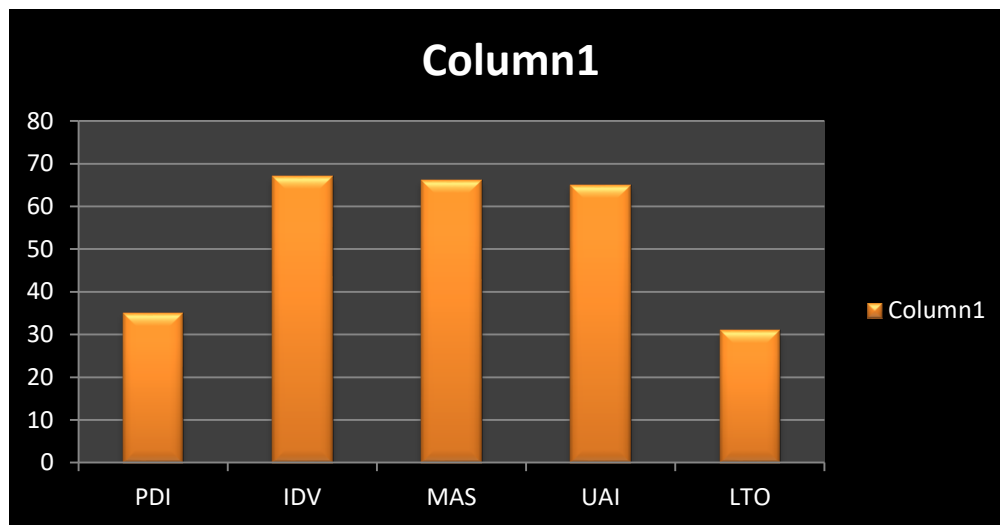
Follow Malaysian business etiquette and respond to any invitations you receive in writing. As a general rule, spouses may be invited to dinners but not to lunch. Business will not, however, be discussed on occasions where spouses are present.

Always wait to be seated; the highest Malaysian officer in attendance or the host is usually in charge of the seating arrangements.

Hotel restaurants are the safest dining option for women traveling alone.

Before entering a home or mosque, remove your shoes and sunglasses.

4.3 Germany



	PDI	IDV	MAS	UAI	LTO
Germany	35	67	66	65	31

4.3.1 Making appointments

- Never underestimate the importance of punctuality in German business culture.
- Be prepared to make an appointment for most things. Germans don't usually feel comfortable discussing especially serious things "on the go", so don't expect to be able to just drop into the office unannounced for any detailed discussions. Make your appointments well in advance. If you must be late for any reason, it's important that you call and notify the person who is expecting you. Moreover, you should give a plausible explanation for the delay.
- The preferred times for business appointments are between 10:00 a.m. and 1:00 p.m. or between 3:00 p.m. and 5:00 p.m. Avoid scheduling appointments on Friday afternoons, as some offices close by 2:00 p.m. or 3:00 p.m. on Fridays.

- Casually changing the time and place of an appointment is not appreciated. Allow for at least 24 hrs, if you can, to change or cancel appointments. Be prepared to offer a plausible explanation.
- Be sensitive to vacation and festival periods here. Germans generally have six weeks of paid vacation, which means someone is almost always “in Urlaub” [“on holiday”]. For instance, Germans commonly take long vacations during July, August, December and Easter, when schools break.

4.3.2 Guidelines for business dress

- Dress in corporate business and banking is generally formal, dark and conservative suits for both men and women. Otherwise, business dress is relatively casual. Dress codes in the IT sector are very casual.
- Khakis with a simple jacket/blazer would be inappropriate, especially for first meetings or contacts.
- Germans tend to dress in more conservative, muted colors, both in business and social environments. Dress shoes worn with jeans and a tastefully-coordinated ensemble is quite normal for adult men and women.
- Women should also avoid excessively ornate jewelry or displaying items of conspicuous wealth, especially in the former East Germany.
- When you receive an invitation stating “informal” dress, don't assume you'll be welcome arriving in a T-shirt and sweatpants. For a social gathering, informal more often than not means tastefully coordinated clothes.
- Most restaurants do not require a tie for men, although the upscale establishments expect both men and women to arrive well dressed.

4.3.3 Welcome topics of conversation

- “Small talk” with strangers does not have a significant social function in German culture as it does in very relationship-oriented cultures [e.g. Mediterranean, South American, African, Middle Eastern countries] or the large immigration countries.

- Be prepared to take the first step as the newcomer to introduce yourself to an established group when you arrive in a new environment [e.g. office, student dormitory, social gathering, new neighborhood, etc.]. Unless you are specifically invited to join a group, do not automatically expect the established group to send out the “welcome wagon”. There is a recognizable difference in the communication behavior extended to “friends” [“Freunde”] and “acquaintances” [“Bekannte”]. Be prepared for unsolicited attempts to start a conversation with a complete stranger in a new environment to be awkward, often taking the form of very stilted Qs & As.
- The concept of “mingling” doesn't really exist in the German culture.
- Giving compliments is not part of German business protocol and can often cause embarrassment and awkwardness. Employees would, of course, be appreciative of praise from superiors, but do not expect it. Compliments, especially from strangers or very casual acquaintances can, in fact, be taken with suspicion [“What does he/she really mean to say or want?”].
- Germans traditionally use “Wie geht es Ihnen?” [“How are you?”] as a literal question that expects a literal answer, in contrast to the common English usage of “How's it going?” to simply meaning “Hi”.
- Even if you are staying for several days, do not expect German colleagues to take you out every evening for meals and an evening program, as they will assume that you will want to have time to yourself after business hours, since this has high priority for them in their culture. If you are hosting German guests, keep in mind that it may not be necessary to arrange a full program for them. It is very likely that they will want some time for themselves to pursue their own interests or simply to relax a bit away from business.

4.3.4 Overview of German management and practices

German management, as it has evolved over the centuries and has established itself since World War II, has a distinct style and culture. Like so many things German, it goes back to the medieval guild and merchant tradition, but it also has a sense of the future and of the long term.

The German style of competition is rigorous but not ruinous. Although companies might compete for the same general market, as Daimler-Benz and BMW do, they generally seek market share rather than market domination. Many compete for a specific niche. German companies despise price competition. Instead, they engage in what German managers describe as Leistungswettbewerb, competition on the basis of excellence in their products and services. They compete on a price basis only when it is necessary, as in the sale of bulk materials like chemicals or steel.

The German manager concentrates intensely on two objectives: product quality and product service. A German manager believes deeply that a good-quality production line and a good-quality product will do more for the bottom line than anything else. Relations between German managers and workers are often close, because they believe that they are working together to create a good product.

If there is a third objective beyond quality and service, it is cooperation--or at least coordination--with government. German industry works closely with government.

The German management style is not litigious. Neither the government, the trade unions, nor the business community encourages litigation if there is no clear sign of genuine and deliberate injury. Firms do not maintain large legal staffs. Disagreements are often talked out, sometimes over a conference table, sometimes over a beer, and sometimes in a gathering called by a chamber of commerce or an industrial association. Differences are usually settled quietly, often privately. Frequent litigation is regarded as reflecting more on the accuser than on the accused. Because of these attitudes, Germany has comparatively few lawyers.

A German management style can be referred, with the following characteristics: collegial, consensual, product- and quality-oriented, export-conscious, and loyal to one company and committed to its long-term prospects

4.3.5 Addressing others with respect

- First names are usually reserved for family members, as well as friends and close colleagues.

- Moreover, in German business culture, it's not uncommon for colleagues who have worked together for years to remain on a formal, last name basis.
- In accordance with German business protocol, in very formal business meetings, the highest ranking person enters the room first, regardless of gender or age.
- When shopping or approaching a customer service provider, it's common courtesy here to say “Guten Tag” [“hello”] upon entering an establishment, and later “Vielen Dank, auf Wiedersehen” [“thank you, goodbye”] to the presiding store clerk when leaving.
- Telephone etiquette expects the person who answers the phone to identify himself to the caller with his last name, in the home as well as in the office.

Any effort, small or large, to learn and use some basic expression of courtesy will be appreciated.

Note that if you are planning a long-term stay in Germany, you would be well-advised to attend German language courses and acquire functional skills as soon as possible. German bureaucracy alone, for instance, requires even native speakers of German to be on top of their language. As a long-term or permanent foreign resident without the language you will be severely handicapped, especially if you reside anywhere except in the largest cities.

4.3.6 Selecting and presenting an appropriate business gift

In Germany, a small gift is polite, especially when contacts are made for the first time. Substantial gifts are not usual, and certainly not before a deal has been reached if you don't want your intentions to be misinterpreted. Even small souvenir-style gifts to thank local staff for their assistance and hospitality during your stay at a company will not be expected but will always be appreciated. Avoid giving substantial gifts in private. The larger the gift, the more official and public the giving should be.

Gifts are expected for social events, especially to express your thanks after you have been invited to a dinner party at a home. Avoid selecting anything obviously expensive, as this may make the other person feel “obligated” to your generosity. A

lovely bouquet of flowers [though not red roses] for the lady of the house is a typical gift. When purchasing this at the flower shop, ask the florist to wrap it up as a gift.

Upon returning home, remember to send a hand-written thank you card to your hosts for their invitation.

4.3.7 What you should know before negotiating

- Bring plenty of business cards.
- When designing your card, keep in mind that German businesspeople will want to learn as much about your background and qualifications as possible.
- Do not think that this would put your host in any uncomfortable or awkward position; neither should you yourself feel embarrassed about having to ask. Germans are very straightforward and direct, especially in the business environment. It is part of their normal communication behavior for someone to openly ask for clarification.
- The German side will arrive at the meeting well-informed, and will expect the same from you.
- Expect the Germans to address issues, problems and facts through very technical communication behavior.
- Because Germans are schedule-oriented for a most efficient management of business time, expect their business communication behavior to be very agenda-based. Contracts, therefore, if not holy, are certainly final after signing. Maneuvering for further concessions is not possible, unless both sides agree on it.
- Tone down the “hype” and provide lots of logical argumentation and concrete examples to back up your proposal based on much more facts and data than you would use in your home culture.
- Similarly, flexibility and spontaneity are not prominent traits in German business culture. The bigger and older the institution, the more slow-moving internal management will tend to be. Risk-taking, or challenging rules and traditional authority are not considered desirable, partly because of

institutional hierarchy, but also, why change something that has proven itself through time?

Having said all that, ensure you have plenty of data and other empirical evidence to support your proposals and arguments. If you are conducting the meeting in German, keep the language simple and direct. Even when you think you sound much more direct than you would ever be in your own native language, keep in mind that this will not likely be the case for German ears.

When you are preparing promotional or presentation material, be aware that German businesspeople are traditionally less impressed by glitzy advertising, illustrations, and memorable slogans.

Germans will sometimes look for deficiencies in your products or services and will quite openly draw your attention to them if they in any way do not correspond to your claims. This is one of the toughest aspects of German communication behavior you will encounter, in personal or professional contact with Germans. This form of direct disagreement and criticism is possible in social interactions, not because people don't feel uncomfortable when they hear it, but because such a statement is based on objective, impersonal truths.

Similarly, Germans have no problems saying “no”, “I can't”, or “This is impossible” if that is what they mean.

Interestingly enough, having said all that, Germans can be quite sensitive to criticism themselves. As theirs is a *more individualist-oriented culture*, they are more sensitive to their own public “face”. Therefore, you should be especially aware of unintentionally saying or doing anything to embarrass them publicly. German businesspeople will not make concessions easily. Germans, generally, are very private people. Therefore, do not discuss personal matters during business negotiations. Nonetheless, despite their value of keeping business and private relations separate, it is not at all impossible to cultivate relationships on more personal terms with your business partner. Simply realize that Germans need more time to form relationships on a personal level. In German culture, rules of any kind are meant to be taken seriously. Moreover, if

you break the rules, you will be reprimanded. At the end of a meeting or presentation, Germans often signal their approval or thanks by gently rapping their knuckles on the tabletop instead of applauding.

4.3.7 Entertaining for business success

Breakfast meetings are not part of German business culture. However, when Germans get together for dinners after business, talk often remains about business; especially as Germans generally find it difficult to do small talk with people they don't know well. Business talk mixed with a pinch or two of general personal conversation tends to be the mix with which many German businesspeople are most comfortable. German businesspeople, as a rule, do not make business decisions during mealtimes. Follow the example of your German dining companions and wait for them to initiate any discussions about business.

Lunch is the primary meal for business discussions and is usually served from 12:00 to 1:00 p.m. Except for a few official dinners, do not expect your German hosts to entertain you with an evening program every day. They will expect you to want to have some time to yourself. This is because Germans themselves clearly separate private time from their professional duties. Etiquette regarding who should pay at the end of a meal is quite different in German culture. The person who extends the invitation will be the person who pays. Don't forget: Germans are likely to take your insistence literally!

Dinner is usually served from 7:00 p.m. to 8:30 p.m., and this is also the customary time for dinner parties to begin. Consequently, dinner parties usually end at around midnight or later.

A very important note: if a German colleague or friend merely suggests that you go out together to get something to eat, this is not to be taken as an invitation! In other words, he will not be offering to pay. Therefore, an important point to remember for members of very relationship-oriented countries, who are culturally-conditioned to symbolically offer to pay or “fight” for the bill, this will not be expected from the German, and if your intention is only symbolic, the chances are very good that he/she will take it literally.

German cuisine is traditionally heavy on the meats and sauces. This may present problems for people with special diets [health reasons, religious beliefs, vegetarians, allergies, etc.]. However, the important point here is that it will not cause irritation or embarrassment for your German hosts if you inform them of these restrictions directly. Do not always expect Germans to ask you if there is anything you do not eat. Because Germans are *direct communicators*, they will expect someone to speak up if they want something, disagree about or don't like something.

For restaurants and taxis, a tip of 10% or slightly less will be sufficient.

4.4 Japan

Japan is an island in Asia with about 120 million people, but yet not much larger than Italy or the state of Montana in geographical size. Because it is such a mountainous country, you will find most of the population centered in specific areas, mainly Tokyo, Yokohama, Osaka, and Nagoya in that order.

4.4.1 Appointment Alert

- Normal business hours might be 9-5, but most people don't follow this, and meetings can frequently go later. Today, making appointments through email or phone is the most common practice. Most morning meetings will start at 10am or later, and afternoons usually begin at 1:30pm or sometime later. Lunchtime is generally 12-1.
- When showing up at meetings, do try to be punctual.
- Don't expect the meeting to end on time, but at least you have some parameters in which to work, as it's as possible to have a one hour meeting as it is to have a five hour meeting.

4.4.2 Business Dress

- There is an appreciation for variations in material and color and fashion overall.
- For women making visits to Japan, it would be wise to stick with a formal outfit in order to try to win over respect. Don't wear too much jewelry or makeup. Dressing too casually might catch the other party's eye, but it won't have him respecting you, which is a challenge in itself in the Japanese culture. You want your Japanese counterpart to take you seriously, so dress as you would at a board meeting.
- For social events, it totally depends on what kind of gathering and where it is. A formal party will have you sticking with the suggestions above. For a non-formal outing, dress conservatively, but relate your choice to the destination.

4.4.3 Conversation

- There are many types of conversation in which that you can engage. As with any other individual, you need to gauge what interests and knowledge your

counterpart has or, for that matter, if what you choose to share garners a response or not. Generally speaking, most people tend to stay away from past war history and politics.

- In talking about family, it will totally depend on the person.
- Talking about the success of the Japanese baseball players (Suzuki, Matsui, Matsuzaka) in the US, or asking about the status of sumo stars (Hakuho, Kaio, Asashoryu, Baruto) would be a good alternative.
- You can compliment people as often as you like. They will usually respond that they don't deserve the compliment. It's a good idea for you, too, if you receive a compliment to perhaps say thank you, but then you should suggest you don't deserve it, as well. It's a modest response of denial and not showing off.
- If your conversation takes place when you are sober, everything above applies. If people are becoming drunk, you'll be surprised where the conversations could head, so just be aware. Sometimes you'll even hear surprisingly good English language skills once people are drunk!
- Tone of voice should generally not be boisterous. Keep a steady tone in speaking with people, as this mimics the monotone nature of the Japanese language.

There is not too much physical interaction, but very often today you will still get offered a handshake because you are a foreigner. When Japanese greet each other, they usually just bow. If you are a foreigner speaking Japanese, it will be 50-50.

4.4.4 First Name or Title

It is the general norm to add '-san' to the end of the last name for all people you meet. First names are rarely used except when people become very good friends. The only problem is it wouldn't be strange to have several Suzuki-san's in the same room. Then it's up to you to keep it straight by remembering who is who, but still not using their first names.

4.4.5 Gift Giving

- At business meetings, it's not uncommon for each of us to present each other with a company gift or something that represents our culture. This exchange can take place at the beginning or sometimes even at the end of the meetings.
- Try to wrap it if possible in a modest wrapping. It's the thought that counts.
- As when receiving business cards, receive the gift with two hands. Also present the gift to your counterpart with two hands.
- Just in case some day, though, you end up getting invited to a wedding, please remember to make sure the tie/bow on the present doesn't open too easily. If it does, it signals the potential for a quick divorce. So yes, various superstitions still do exist.

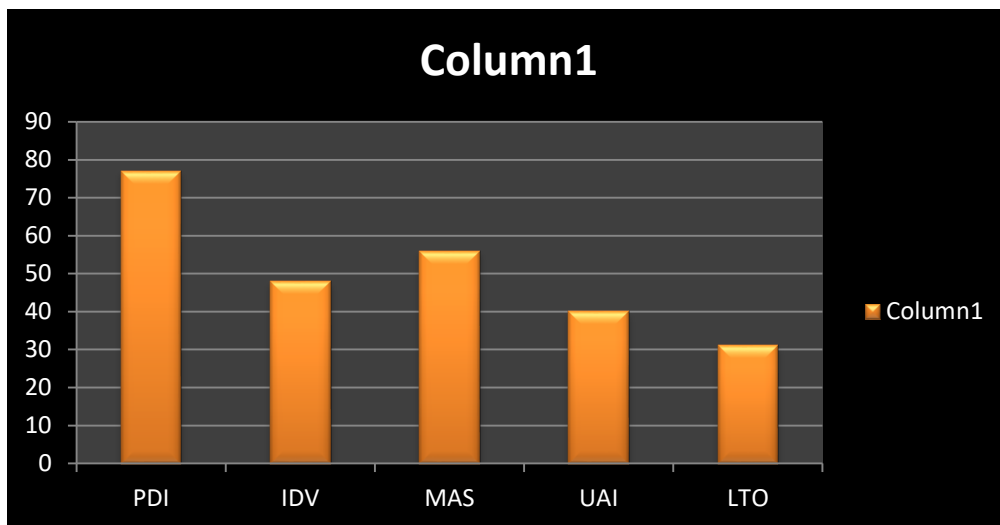
4.4.6 Prosperous Entertaining

- Lunchtime is generally the usual 12-1. Restaurants can get pretty crowded, but it's not uncommon to find seats opening up already by 12:30 pm or so. Most business people are heading to places where they can eat fast, and not too expensively.
- Dinner tends to have two rounds, similar to the evening rush hour. Normal dinner time occurs around 5:30-8pm or so, with most restaurants busy then, while the businessman hangouts for the later dinners and drinks run more like 9-11pm. Of course many businessmen do also head out to eat during the earlier round, then head for drinks or possibly head home, especially the younger crowd these days.
- Beyond food, of course, there is golf, but that won't happen from the start. As your negotiating of a deal progresses, a golf outing together, provided the Japanese counterparts do like to play, can go a long way in cementing the relationship still further.
- When having dinner with your counterparts, it wouldn't hurt to be aware of a few customs at the table. Most likely you will be in a restaurant and they will give you chopsticks. If you can't use them, then simply ask for a fork. If using your chopsticks, just remember one thing as you are eating your rice. Never stick your chopsticks upright in the rice - it's a sign of death! Just lay the chopsticks down if you are going to put them down.

- According to tradition, alcohol does help create relationships.
- A pleasant reminder to everyone - there is no tipping in Japan!

4.5 India

India, the world's largest democratic republic, has a very diverse population, geography and climate. India is the world's second most populous country, and the world's seventh largest country in area.



Country	PDI	IDV	MAS	UAI	LTO
India	77	48	56	40	61

India has **Power Distance** (PDI) as the highest Hofstede Dimension for the culture, with a ranking of 77 compared to a world average of 56.5. This Power Distance score for India indicates a high level of inequality of power and wealth within the society. This condition is not necessarily subverted upon the population, but rather accepted by the population as a cultural norm.

India's **Long Term Orientation** (LTO) Dimension rank is 61, with the world average at 48. A higher LTO score can be indicative of a culture that is perseverant and parsimonious.

India has **Masculinity** as the third highest ranking Hofstede Dimension at 56, with the world average just slightly lower at 51. The higher the country ranks in this

Dimension, the greater the gap between values of men and women. It may also generate a more competitive and assertive female population, although still less than the male population.

India's lowest ranking Dimension is **Uncertainty Avoidance** (UAI) at 40, compared to the world average of 65. On the lower end of this ranking, the culture may be more open to unstructured ideas and situations. The population may have fewer rules and regulations with which to attempt control of every unknown and unexpected event or situation, as is the case in high Uncertainty Avoidance countries.

4.5.1 Demographic Profile

Contrary to its image, India is a surprisingly young country, with a median age of 24. Around 40% of its population falls in the range of 20-44 years. Compared to the older generation, this younger generation is more confident, has more liberal and consumerist values, and is more ambitious. This is a quite recent change in the country's demographics, and has implications for changes in cultural values. There is a wide urban-rural divide in India. Indian society is primarily agrarian. More than 70% of India's population lives in villages, and subsists on agriculture. However, the contribution of agriculture is only 23%. India has one of the largest populations of technically qualified manpower, comprising around 15 million doctors, engineers and scientists. On the other hand, the literacy rate in the country is just over 50%. India has a large linguistic diversity. It has 18 constitutionally recognized major languages, in addition to around 1,600 other languages and dialects. There is no single language which is spoken by all Indians. According to the constitution, Hindi is the official national language. However, less than 40% of people in India can speak or understand Hindi. English is the co-official language, since it is spoken by most of the educated Indian class, and is the common language used in business situations.

4.5.2 Making appointments

- Indians appreciate punctuality and keeping one's commitments. However, many visitors to India find it very disconcerting that often Indians themselves

are quite casual in keeping their time commitments. Rather, for most Indians, the plans and schedules are contingent on other people and events, and therefore can--and do--get changed.

- It is advisable to schedule your appointment at least a couple of months in advance. If you are making your appointments before coming to India, do emphasize that you will be in India for a short period of time, if this is the case. It is also useful to reconfirm your meeting a few days before the agreed upon date.
- There is a distinct difference in the cultures of the government departments and business organizations. Compared to a business organization, it is normally more difficult to get an appointment with officials in a government department.
- Do be prepared for last minute changes in the time and place of your meeting. It is useful to leave your contact details with the secretary of the person, so that, in case there are changes, you can be informed.
- Indian addresses can be confusing. This is so because the pattern of numbering the buildings varies across different places, even in the same city.
- Normal office hours are 10:00 a.m. to 5:00 p.m.
- Lunch is for one hour, between 12:00 p.m. and 2:00 p.m.
- In recent years, there is a trend towards luncheon meetings and 'power breakfasts', which are often the times when business is discussed.
- Dinner appointments for business purposes are rare. Official dinners are mostly hosted as large gatherings, and are mainly meant for socializing and getting to know each other.
- The work-week differs across organizations and sectors.
- The business and official work in India are done using the western 'Christian' calendar. The convention for writing dates is dd/mm/yy, e.g., December 25th, 2004 will be written as 25/12/04.
- India has a long list of holidays.

4.5.3 Guidelines for business dress

In recent years, the dress code in Indian business settings has undergone a transformation. Moreover, it also differs widely across regions and business sectors. Therefore, it is difficult to make a generalization about the most appropriate way to dress that will be valid across India. However, the following points should assist you in making the right decision.

- Normal business dress for men is a suit and tie. However, since India has a warm climate, often just a full-sleeved shirt with a tie is also acceptable. It is also important to select neutral colors, which are subdued and not very bright.
- For foreign women, pant-suits or long skirts, which cover the knees, are more acceptable to wear. The neckline of the blouse or the top should be high. For women, a salwar-suit is also acceptable for business dress.
- Jeans with a T-shirt or short-sleeved shirt are acceptable as casual wear in informal situations for both men and women.
- You can wear casual dress if invited to a social gathering. However, if a foreigner wears an Indian costume [kurta-pajama for men, and sari or salwar-suit for women], this kind of dress is also appreciated, and often seen as a gesture of friendship.

Most Indians enjoy good conversation on a variety of topics. Even in business meetings, it is common and normal to start discussions with 'small talk' on other unrelated issues. In fact, this is seen as a way of building rapport and trust. In general, Indians are open and friendly, and compared to many countries in the West, have a lesser sense of privacy. It is not unusual for a stranger to start up a conversation with you on a flight or a train journey.

However, one must remember that discussing one's family and personal life is normal among Indians. In fact, often enquiring about the other person's family is seen as a sign of friendliness.

Indians seldom express their disagreement in a direct manner; open disagreement is likely to be interpreted as being hostile and aggressive [though expression of disagreement by someone who is superior or elder is, by and large, acceptable].

4.5.4 Addressing others with respect

- When addressing a person, it is advisable to prefix the name with a 'Mr.', 'Mrs'. or 'Miss', or the professional title of the person ['Doctor' or 'Professor'] unless the person asks you to refer to him by his/her first name.
- In general, people are addressed by their name [without the prefix] only by close acquaintances, family members, or by someone who is older or superior in authority.
- In North India, most people have a family name [e.g., Sharma, Patel, Singh, etc.], and the names are written in the western style--first name followed by the surname. Sometimes, there may also be a middle name, such as 'Chandra', 'Kumar', 'Prasad', etc. For instance, Mr. Praveen Chandra Kulkarni will be addressed as Mr. Kulkarni--or as Praveen, if the relationship is informal.
- In contrast, in southern states, men do not have a family name. Instead, the name of one's father and/or the ancestral village/town is used for the purpose. These are normally abbreviated and prefixed before the first name. For instance, a south Indian name 'Kamundari Ranganthan Gurumurthy' will be written as 'K. R. Gurumurthy', signifying that the person's ancestral place is 'Kamundari', father's name is 'Ranganathan', and his first name is 'Gurumurthy'. He will be addressed as Mr. Gurumurthy--or if the relationship is informal, as just Gurumurthy.

4.5.5 Selecting and presenting an appropriate business gift

- Gift giving is customary in India, and is seen as a sign of friendship. However, it is generally not expected at the first meeting.
- It is advisable not to give expensive gifts, unless you are very close to the person. Normally, large and expensive gifts are given only by family friends and close relatives--and for specific family occasions, such as a wedding. Since Indians try to reciprocate a gift, if it is too expensive, it can cause embarrassment for the recipient.
- If you are visiting an Indian during a festival, it is customary to carry a box of sweets.

- If you are giving money as a gift, do remember that 11, 51, 101, 501, etc. are considered auspicious numbers. Your gift would be more appreciated if it is in these denominations.
- Drinking alcohol is culturally not accepted in most parts of India. Many Indians do not drink at home. However, if your host drinks and keeps drinks at home, a bottle of scotch whisky or wine will be appreciated.

4.5.6 What you should know before you negotiate?

Like the rest of India, Indian business culture is also very diverse and heterogeneous. While the following points would help in negotiating a deal, it is important to be sensitive to, and appreciate, the diversity of Indian business culture, which varies across regions, sectors, and ownership patterns.

- A large part of Indian businesses are family-owned or 'owned' by members of different social communities. Among these, Parsi, Marwari, Gujarati and Chettiar communities are the prominent ones, and have controlling interests in some of the largest Indian business houses. Though many of these business houses are quite modern/western in their working and operations, and follow the international norms for doing business - nevertheless, it is useful to understand their specific community culture.
- In addition, there are differences between the government-owned public sector companies, which are more often bureaucratic and hierarchical, compared to many of their private sector counterparts, and the 'new economy' service sector companies [IT, telecom, insurance, etc.], which are in turn more egalitarian and flexible than the traditional manufacturing-sector firms.
- There are also regional differences in business etiquette. For instance, broadly speaking, the southern Indian companies are more conservative when compared to the north, or the western part of the country. These sectors, in turn, tend to be more individualistic and assertive than the eastern portion of India.

- Presenting and exchanging business cards are a necessary part of doing business in India. You must bring plenty since people exchange business cards even in non-business situations.
- English is the common language for conducting business, and therefore, it is not necessary to get your card translated into any Indian language.

4.5.7 Intermediaries, protocols, and the negotiating process

- Indians are comfortable and open to negotiation, and an intermediary is not required to establish one's credentials. If, however, you are representing a lesser known country or a small company, it will help to get some referrals from your other clients/partners in India.
- Indian laws and bureaucracy are quite intricate and cumbersome. Besides the statutes of the Central government, there are numerous pieces of legislation which differ considerably across the states. It is, therefore, advisable to hire an Indian lawyer or liaison person, who can help you to maneuver through these intricacies.
- Hierarchy matters in India.
- Try to get your first appointment with the person who is high in authority in the concerned department/organization.
- You will often find that, as a sign of respect, the subordinates stand up when the boss enters the meeting room. The best option is to get up from your seat and greet him/her personally.
- Despite gradual changes in societal values, respect for age, loyalty to one's family, community or group, and practice of certain religious rituals are still observed in Indian work-settings, in varying degrees.
- The pace of business meetings in India is comparatively far more relaxed than in some of the western countries, such as the United States.
- Indians are somewhat lax about time. Even if you arrive on time, it is likely that the scheduled meeting may start with some delay, or that you are kept waiting.

- Indians do not directly jump into business negotiations; in fact, that may be seen as rude. Building a relationship is often considered a prerequisite to doing business.
- Meetings normally start with small talk about non-work-related topics [ranging from weather to whether your journey was comfortable], before people start talking about business issues. Do not feel surprised if you are asked some 'personal' questions about your family, children, etc.
- Similarly, showing hospitality is part of the negotiation process. Often meetings start by offering tea/coffee and snacks. It is courteous to accept the offer. Compared to many other cultures, relationships and feelings play a larger role in decisions in India. In general, Indians tend to take larger risks with a person whose intentions they trust. Thus, one's credibility and trustworthiness are critical in negotiating a deal.
- Indians are 'polychronic' people, i.e., they tend to deal with more than one task at the same time. One must appreciate that such behaviour/occurrences do not show a lack of interest or attention.
- One should be prepared for questions and enquiries, which may not seem to be directly related to the subject. To people coming from more deductive cultures, this behaviour often appears to indicate a lack of focus and digression.
- PowerPoint presentations are generally accepted to start the discussion. It is necessary, however, to send a more detailed proposal in advance.
- In general, Indians are cautious in accepting a new idea or proposal. Openness to a new idea depends not only on its quality, but also on its source and endorsement. That is, information about who else has implemented it or who has proposed it has a major influence on the decision about a new idea. In making a proposal, you must include such details accordingly.
- Bargaining for the price or additional concessions is normal in India.
- Do not insist on commitment in the first meeting. Making a decision, in Indian organizations, is often a long-drawn out process. This is not only because of the bureaucratic nature of many Indian organizations, but also

because a decision may have to be ratified by people who may not be present at the negotiating table.

4.5.8 General tips, eating and drinking

- Hospitality is a key value in Indian culture, and the guest is considered the equivalent to a god. Indians normally go out of their way to accommodate the requirements of the guests. Any breach of etiquette by the guest is normally ignored and never brought to his or her attention.
- A foreigner visiting India is likely to receive social invitations from even minor acquaintances. This is mostly because Indians like to make a visitor feel welcome.
- It is normal among Indians to 'drop in' for a social visit.
- A direct refusal to an invitation [e.g., 'sorry, I will not be able to come'] is likely to be seen as impolite, or even arrogant. If you have to decline an invitation, it is more acceptable to give a somewhat vague and open-ended answer such as 'I'll try' or 'I will confirm with you later', etc.
- It is common practice in India to offer beverages [tea, coffee or soft-drink] with some light snacks/ refreshments to a guest, even in business settings.
- Traditional Indian women, regardless of their religion, don't smoke or drink. Among urban elite Indians, however, some women do drink wine or beer, and also smoke.

4.5.9 Business Entertaining

Business lunches are preferable to dinners in India. However, in recent times, business dinners and 'power breakfasts' are also becoming popular. Mostly, business meals are organized in either high-class restaurants or in five-star hotels. Some of these places are very much in demand, and you will need to book your table in advance.

Most Indian dishes are quite spicy to the western palate. While ordering Indian food you might want to ask the waiter/steward how spicy a given dish will be.

Businesswomen can take Indian businessmen out for a meal without causing awkwardness or embarrassment. A male guest, however, may insist on paying for the meal. Conversely, if you are a male, and are invited for a meal by an Indian businesswoman, it is expected that you will offer to pay [which, though, may be politely declined].

4.6 Findings & Recommendations

- ❖ The business model of many upcoming industries like the information technology sector, Telecom and Business Process Outsourcing, core sector companies like Manufacturing and Mining is dependent heavily on the foreign markets.
- ❖ This increases the need of professionals working in foreign cultural settings.
- ❖ The merger and acquisition activity especially the cross-border acquisitions have reached much higher levels
- ❖ China is a collectivist society and focuses on strong relationships while Germany is an Individual oriented Society.
- ❖ Small talk is not appreciated in Germany while it is common in India. Business is fact based in Germany and Communism influenced in China.
- ❖ Physical interactions are avoided in China and Japan.
- ❖ In Japan more impetus is on connections and relations, in India it is on hospitability, in Germany it is on direct communication, in Malaysia it is on specific set of rules and in China it's on collectivism.
- ❖ Thus it is not easy to form business relationships in the vast pool of cultures.

A thorough training procedure is a must for a win-win situation.

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