**CHAPTER 1: INTRODUCTION**

Globalization provides a big gateway for Indian firms to establish themselves in the foreign markets. Today, the business model of more and more startup organizations, such as IT organizations, heavily considers the global market. The professionals need to work in a cross-cultural setting. The acquisitions on the global front have increased. The process of acquisition is expanding. It is widespread to industries like Information Technology, Manufacturing, Business Process Outsourcing, etc , and also has expanded to industries like Manufacturing and Mines. The Pharmaceutical industry has widened its reach in the global market too. Best examples are Ranbaxy and DRL.

There is a new challenge for the firms in India- it is to develop managers competent enough who can work in global market effectively plus can serve like a connecting node among both the main organization and subsidiary. It thus brings different people to the organization, people with contrasting origin and culture which is an addition to the complexities in the organization culture.

Thus, systems need to be developed to provide training to managers for global assignments and to take care of the diversity in the culture. The work needs to be targeted by inter-culture training sessions that support people in handling tension and differences in culture and at the same time adaption to a new culture. The training for different cultures is required for: expatriate and people handling employees of cross border culture. Such sessions are also wanted for organizations in India working into BPO sector as the clients can be from various cultures.

**1.1 Introduction of the project**

To work efficiently in global context- an important compositing point for aspiring managers. This report is an attempt to define the elements that are responsible for inter-culture variations, its effect on organization practices, the competency skills imperative for employees, importance of inter-culture training, the challenges that are taken into account when designing such trainings, the various methods of training the employees and example of some countries for this purpose.

**1.1.1 The World Is *Not* Flat**

National borders still hold importance for businesses at a big level. Although identification of similarities from one nation to other is important, good cross-cultural strategies will also take care of the different aspects. Thomas Friedman, the author of “The World Is Flat: A Brief History of the Twenty-first Century”, says that various events starting from the fall of the Berlin Wall to the rise of the Internet have loosened the competition over the world, thereby increased globalization and this reduces the state power.

But HBS professor Pankaj Ghemawat says that the world is not flat. Consider it half-globalized, or "semi-globalized."

While it is important to identify similar traits from one area to other, efficient inter-culture strategies will be taking proper consideration of the non-similarities also. He groups the differences into 4 areas: culture (language, thinking, ethnicities, religion, etc.), politics (law, trading bloc, colonial tie, currency, etc.), geographic (actual distance, time zones, climate, etc.), plus economy (earning level, price of resources, human resource, infrastructure, information, financial resource, etc.). There is very essential need for consideration of a large picture regarding such different aspects, thereby finding out what is essential in the industry, to see them not just as difficult situations that need to be overcome, but as an important source of creation of value.

**1.1.2 Globalization**

Globalization is a kind of global concentration that has taken birth from the exchange of world views, ideas, products and other aspects of culture. People from different culture and along with them products, information and culture can intermix with ease with each other. Globalization is changing the globe and its implications can be seen in everywhere.

Globalization is a short way of description of the expansion and type of connection in producing, communicating and technologies around the globe. This expansion has involved the intermixing of economic and culture aspects. Globalization has a power on economic, political, cultural and social elements. The "modern" values like the wish for freedom, money and successful feelings are becoming more dominant in the present generation that is directly involved with the globalization scenario. However, there is also an upcoming word of "counter-globalization".

**1.1.3 Globalization and HR**

The recruitment process today is a more expanded and dynamic process. It includes a mixture of internet based job portals, and web based employee hunting, newspaper advertisements, increasing use of consulting firms. HR Managers must have the given competencies so as to become successful in the current changing scenario:

* Managing Change(ability to handle uncertain situations and change),
* Maturity (stability to perform under stressful conditions),
* Openness (being acceptable to new ideas and various techniques),
* Flexibility
* Contextual Thinking (idea to look at the big view)

Video calling, telephonic-interviews are being used for hiring candidates across the world and this reduces any late hiring and fastens the pace.

**1.1.4 The Importance of Culture**

Corporate culture is said to be a collection of shared thinking, ideas and practices. In every social system, this shared culture binds people together. The business can be identified by its culture. Culture offers everyone a good insight into the organization and gives an idea of working within it. It is not only about how others see the business, but also about how the individuals working there understand it. The culture dimension has become important in studying of business as it gives a way to understand the differences and explain performances. It is a way of looking at business, and an important one as it focus is on the employee view point, or on how it feels to work in a particular organization. The power of an organization's culture affects a company's from all respects. The ideas that define a corporate culture are basically a control technique which takes care of employee performance. A strong corporate culture leads to stable performance. Performance is better in powerful-cultural organizations example bigger market such as automobiles, IT, aerospace, clothing, etc. People work better plus for better time with a firm that has a powerful business culture.

With the international market, power is not only power plus skills; it is also a means of surviving. Your culture level determines your organization. Development of international culture competition skills is the best power aspect for any organization. To understand requirement of culture diversity and sensitive issues is the start of getting in international businesses. We estimate that above 40 percent of global start-ups close in three or four annuls. The responsible factor is culture myopia and reduced culture competent skills.

Some common blunders made by people of India are:

* Failure in making right idea of management of time incorporated by various cultures.
* Not documenting—maximum things are not written down.
* No sense of e-mail behavior.
* Communication isn’t done in correct way.
* Calling randomly by initial name is not always acceptable.
* Moving of head isn’t always understandable by various cultures.
* Communication with others in local language is misunderstood by people of different cultures as a notion of less trust.
* Questions are not asked in the first meeting, after that bringing a lot of doubts afterwards.

**1.1.5 Determinants of cultural differences**

There are several studies for culture definition and to find the differences between them. The attempt by Hofstede defines and differentiates among cultures on the basis of various dimensions – these are collectivist vs. individualist, power distance, masculine vs. feminine, avoidance of uncertainty and long vs. short term orientation. Various different countries have been arranged on the basis of such dimensions. The elements are enumerated as:

1. *Power distance:* level of equality of power in a small individual and bigger individual on the basis of power where both are from same society.
2. *Masculine vs. feminine:* it is the scattering of emotion parts among identities. Masculine is tough and feminine society is tender.
3. *Individualism vs. collectivism:* the degree up to what people are expected to see through them or stay within or inside a group.
4. *Uncertainty avoidance:* measure to that a society makes the people feels either comfortable or uncomfortable in various different situations.
5. *Long term and. short-term orientation*: the measure to that a society makes the people to take care of their social and emotion needs.”

The non-similarities in culture had been given by Hofstede (2001) that included more than 60 nations in which each of them had been differentiated on these dimensions. The culture non-similarities may affect factor of motivation, organizational structure design and the collectivist nature of work. The culture difference has been combined along with paradoxes plus perceptions.

**1.1.6 Differences among people and practices**

Variations among how people react to a something is all because of cultural differences. The factors of motivation for the managers and employees vary across cultures. The factors for motivating employees in China are not effective in Japan, so there is a problem to understand the behavioral similarities. The manufacturing facility in organizations might be same among different branches even though the human attitude might differ. Quality Circles in India in this context is a good example of failure of Japanese management technique. The culture differences effect decision making in global scenario and deciding evaluation plus appraisals at cross culture places.

**1.1.6 Effect of deal with a another culture**

These culture differences can lead to a mental condition of exhaustion effected by sudden drifts in environment called stress. The outside employees generally feel alone coz all changes, including the mechanisms, work culture, colleagues plus with that environment and system of value changes happen. People tend to compare both the new society to its own ideas and thinking thus sometimes does not take variations into account. The mechanism to encounter and acceptance of the variations is thus taken in 4 stages:

1. *Starting period of excitement and optimism*
2. *Time of frustration, exhaustion and stress*
3. *Slow improving leads to positive attitude and mental satisfaction*
4. *Mastery stage*

**1.2 Objectives of the study**

1. To understand the values, attitudes and behaviors of people in the countries taken for study.
2. To find out the impact of dealing with a different culture in today’s competitive environment from an organization point of view.
3. To understand the objectives and benefits of cross cultural training to overcome the cross border differences
4. To design the training program according to the different countries under study, i.e, which factors need to be taken into consideration?

**CHAPTER 2: 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.

**2.1 Defining Cross-cultural training and its objectives**

The cross-cultural training can be 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). Cross-cultural training involves all the methods like lectures, simulation etc. used to make the person familiar with a different culture. 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. A means to reduce uncertainty of interactions with foreign nationals
3. A means for enhancing expatriates coping abilities
4. An aid to improve coping with unexpected events and cultural shock in a new culture

Further the cross-cultural training will help to reduce the psychological stress and cultural shock which often lead to failure of expatriates. 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.

**2.2 Benefits of Cross Cultural Training**

Cross cultural differences can 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 has many benefits to be gained by both participants and businesses. 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.

For participants in cross cultural training, the 10 main benefits are that it helps:

* *People Learn About Themselves:*

Cross cultural training helps people learn more about themselves through learning about others. 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.

* *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. 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.

* *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:*

The 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:*

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. Through cross cultural training participants develop great ‘people skills’ that can be applied in all walks of life.

* *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.

* *People Use Common Ground:*

In the workplace people have a tendency to focus on differences. 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:*

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.

The need is for greater understanding and adaptability. Misinterpretations on account of cultural factors can be damaging to a company’s business. Not surprisingly, most organizations now consider the adaptability of candidate’s right from the recruitment stage.

**2.3 Design of cross-cultural training**

Now many of these small businesses have been bought out by larger relocation firms. 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:

* **Linguistic barriers**- . In case of countries with different language the expatriates must be trained in opening dialogues and discussions with the help of translators. 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.
* **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. Hence cross-cultural barriers related to time need to be taken care of.
* **Different business practices** like conduct in meeting and unstructured and open discussion. 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 knowledge about the practices is very important.
* **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.
* **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 cross-cultural training should have components related to both general orientation and specific skill development. The following should be elements of cross-cultural training:

* Feed back
* How to counsel employees
* Coaching and team building
* Getting beyond culturally determined stereotypes
* How to raise and deal with cultural stereotype
* Resolving conflicts (those including various ethnic groups at work place)

After the internet revolution things have vastly changed for various organizations. 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 US. The group dynamics in these situations becomes very important.

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, degree of socialization required by the employee, type of function he will have to perform and the personal characteristics of the employees (interpersonal skills, extraversion, etc.). Hence cross-cultural training program should be customized for each employee to certain extend.

**2.4 The Training Methods**

The various cross-cultural training methods can be explained as follows:

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. *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.
3. *Area simulation:* The simulation is creating natural situation of interaction with people from other culture. This can be done using some actors who will interact with the trainee according to some predefined script.
4. *Cultural self awareness model:* 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. The cultural awareness model includes usage of video tapes with themes and role plays.
5. *Contrast American method:* This was used by Stewart in America to train people going abroad hence was named contrast American. This method involves demonstration of behaviors that are completely opposed to what is seen in the current context of culture.

**2.5 Defining Expatriate Competencies**

The cultural stress will have significant impact on various aspects of the job related behavior. 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. Most of the expatriate failures are related lack of adjustment in new culture. Thus, 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. The cross-cultural skills required for successful expatriate assignment can be listed broadly as:

1. The capacity to communicate respect
2. Tolerance for ambiguity
3. The capacity to display empathy
4. The capacity to be non judgmental
5. The capacity to be flexible
6. The capacity to understand relativity of one’s own knowledge and perception

The people undertaking foreign assignments must be mature and stable enough to accept the existence of cultural differences. The cross-cultural competencies have can be viewed as combination of three different dimensions that are self-maintenance dimension (mental health, stress reduction, psychological well-being 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. 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.

**2.6 Business Gift Giving**

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

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. 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.
3. Keep logo on gift items small & discreet so as not to appear as an advertisement. Do not put a logo if you want to create the impression that the gift is coming from you personally.
4. If the gift is for an individual, try to tailor the gift to the individual's hobbies or interests.
5. Check the corporate policy. Large companies may have a no gift policy.
6. Avoid alcohol unless you know the recipient on a close personal basis. Many people have religious and/or personal issues with alcohol.
7. 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.
8. Make your gift stand out from the rest by sending it as a Thanksgiving or New Year's gift.

**CHAPTER 3: RESEARCH METHODOLOGY**

The problems in life call for acceptable and effective solutions and for this purpose, research is required and a methodology to be applied for the solutions can be found out. The methodology should be effective enough to obtain the correct solution to the problem.

**3.1 Significance of Study**

The significance of this study can be enumerated as:

* This study will help to understand the values, attitudes and behaviors of people in the countries under study, i.e, China, Malaysia, Germany, India and Japan.
* One can see the expected result of dealing with a different culture in today’s competitive environment from organization point of view.
* Learn to define the objectives and advantages of cross cultural trainings to overcome the cross border differences.
* To design the training program according to the different countries under study(China, Germany, Malaysia, India and Japan), i.e, which factors need to be taken into priority for which country.

**3.2 Scope of the Study**

The scope of this study is to understand the values, attitudes and behaviors of people in China, Germany, Malaysia, India and Japan. It also takes into account the impact of dealing with different cultures in today’s competitive environment.

This study gives an insight on what priorities should be taken for which country and to design a training program according to the values and behaviors of people.

The sample size taken was 66. The respondents were f managerial level working in different countries taken into consideration.

**3.3 Data Collection**

**Primary data:**

The study contains fresh data which has been collected for the first time through a questionnaire.

**Secondary data:**

To supplement the primary data, secondary data is required.

This was obtained from various websites, journals, magazines, articles and research papers.

**CHAPTER 4: DATA ANALYSIS**

**4.1 China**

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

**Figure 1. Hofstede Dimensions for China**

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.

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

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

**4.1.1 Making appointments**

* April to June and September to October are the best times to schedule appointments.
* If you are late for an appointment, it will be considered a serious insult by the Chinese.
* Normally the working hours are 8:00 a.m. to 5:00 p.m., Monday to Saturday. There is, however, a five-day work week in larger cities.
* Most Chinese take a break between 12:00 p.m.- 2:00 p.m.
* When scheduling your appointments, be sensitive to holidays such as Chinese New Year.

**4.1.2 Guidelines for business dress**

* Business suits and ties in dark colors are the trend in Chinese business. Colors that are bright are considered inappropriate.
* Women should wear conservative suits or dresses; a blouse or other kind of top should have a high neckline. Subdued, neutral, colors such as beige and brown are preferred. 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. High heels are acceptable only at a formal reception hosted by a foreign diplomat.
* Men should wear suits and ties to formal events; tuxedoes are not a part of Chinese culture.
* Shorts are reserved for exercise.
* Jeans are a casual wear for both men and women.

**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. Most modern Chinese first names are single worded. The generational designation is usually the first word of a two-worded first name. 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.

**4.1.4 Selecting and presenting an appropriate business gift**

* Giving a gift to an individual must be done in private, in the context of friendship and not business.
* The official policy of China does not give permission to give gifts as it is considered bribery, an illegal act in this country. “The gift may get declined.
* 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.
* 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.
* 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:
	+ Specify that the gift is from the company you represent. If you can, explain the meaning of the gift to the receiver.
	+ All business negotiations should be concluded before gifts are exchanged.
	+ Present the gift to the leader of the Chinese negotiating team.

**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.
* “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.”
* Speak in short, simple, sentences free of jargon and slang. Pause frequently, so that people will be able to understand everything you've said.
* Belief in the Communist party line will be a dominant influence in all negotiations.
* Generally, the Chinese treat “outside” information with caution.
* 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.
* It's an asset to have your business cards printed in gold ink. In Chinese business culture, gold is the colour of prestige, prosperity.
* If your company is the oldest or largest in your country, or has another prestigious distinction, ensure that this is stated on your card.
* 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.
* In Chinese business culture, humility is a virtue. Exaggerated claims are regarded with suspicion and, in most instances, will be investigated.
* 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.
* 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.”
* At the end of a meeting, you are expected to leave before your Chinese counterparts.

**4.1.5 Entertaining for business success**

* Banquets are hosted with varying degrees of extravagance, usually in a restaurant. 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.
* It will be appreciated if you use chopsticks. When you are finished eating, place your chopsticks on the table or a chopstick rest.
* 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.”
* 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.
* Before smoking, it's polite to offer cigarettes to those in your company.

**4.1.6 Acceptable public conduct**

* The Chinese will sometimes nod as an initial greeting. Bowing is seldom used except in ceremonies.
* “The Chinese do not use their hands when speaking, and will only become annoyed with a speaker who does.
* Avoid making expansive gestures and using unusual facial expressions.
* 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.

**4.1.7 Training Design**

The main key elements that need to be kept in mind while designing a training program for China are as follows:

* Language Training
* Area Specific Training
* Skill Training
* Culture Specific Training
* Others(e.g. sensitivity, dress etc)

The importance of each has been found through this study. The result was as follows:

|  |  |
| --- | --- |
| **TRAINING ELEMENT** | **IMPORTANCE (IN %)** |
| 1. Language Training | 17.66 |
| 2. Area Specific Training | 35.29 |
| 3. Skill Training | 14.70 |
| 4. Culture Specific Training | 20.59 |
| 5. Others | 11.76 |

It can also be represented in the form of following chart:

**Figure 2 Training Elements for China**

**4.2 Malaysia**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Country** | **PDI** | **IDV** | **MAS** | **UAI** |
| [**Malaysia**](http://www.geert-hofstede.com/hofstede_malaysia.shtml) | 104 | 26 | 50 | 36 |

**Figure 3. Hofstede Dimensions for Malaysia**

Malaysia is a constitutional monarchy with an elected federal parliamentary government.  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.

Malaysia has one of the highest ranks on the PDI which shows high divide between the rich and the poor. . These cultures are more likely to follow a caste system that does not allow significant upward mobility of its citizens. 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.

**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.
* 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.
* 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 travel frequently, mainly to conferences in their area of professional interest.
* 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.
* 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.
* Holidays in Malaysia vary from state to state. The observant Muslim states do not celebrate any non-Islamic holidays such as Christmas and Easter.

**4.2.2 Making appointments**

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

**4.2.3 Guidelines for business dress**

* Avoid wearing yellow because it is the color reserved for Malaysian royalty.
* 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.
* Standard business attire for women includes dresses and light-coloured, long-sleeved blouses and skirts.
* As a foreigner, you should dress more conservatively until you are sure certain of the degree of formality expected.”
* 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..
* Shorts should be avoided. .

**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. If you don’t wish to answer personal inquiries, side-step these questions as graciously as possible.

**4.2.5 Respectfully addressing others**

During an introduction, make a point of repeating the title and name of the person; afterwards, ask if you are pronouncing everything correctly.

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. “Malaysia is a constitutional monarchy with nine royal houses. Titles and forms of address vary. With so many royals, foreigners are likely to encounter one eventually. 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**

* The Malaysian Anti-Corruption Agency has exceptionally strict laws against bribery. So, giving a gift that seems too generous may be interpreted as a bribe.
* 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.
* 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.

**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.
* After the necessary introductions are made, offer your card to everyone present.
* Give your card to the recipient with the print facing him or her.
* 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.
* After receiving a card, never hastily stuff it into your back pocket
* It is important for foreign business executives to develop a personal relationship with their Malaysian counterparts. Expect negotiations to be slow and protracted.
* Getting acquainted is the main purpose of the first meeting.

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.

**4.2.8 Entertaining for business success**

* Business entertaining in Malaysia is a kind of test. Malay hosts will be monitoring closely; they will do business only if they are confident that you want to establish a personal relationship with them.
* There is a belief that you cannot properly host a social event until you have been a guest at a Malaysian event. Social invitations of any kind should be accepted as these occasions are an important part of doing business here.
* Always wait to be seated; the highest Malaysian officer in attendance or the host is usually in charge of the seating arrangements.

**4.2.8 Training Design**

The main key elements that need to be kept in mind while designing a training program for Malaysia are as follows:

* Language Training
* Area Specific Training
* Culture Specific Training
* Non Verbal Communication
* Others(e.g. skills, sensitivity, etc)

The importance of each has been found through this study. The result was as follows:

|  |  |
| --- | --- |
| **TRAINING ELEMENT** | **IMPORTANCE (IN %)** |
| 1. Language Training | 27.78 |
| 2. Area Specific Training | 5.56 |
| 3. Non Verbal Communication | 38.89 |
| 4. Culture Specific Training | 16.66 |
| 5. Others | 11.11 |

It can also be represented in the form of following chart:

**Figure 4. Training Elements for Malaysia**

**4.3 Germany**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **PDI** | **IDV** | **MAS** | **UAI** | **LTO** |
| [**Germany**](http://www.geert-hofstede.com/hofstede_germany.shtml) | **35** | **67** | **66** | **65** | **31** |

**Figure 5. Hofstede Dimensions for Germany**

**4.3.1 Making appointments**

* Be prepared to make an appointment for most things. Make 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.
* 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.
* Casually changing the time and place of an appointment is not appreciated.
* Never underestimate the importance of punctuality in German business culture.
* Be sensitive to vacation and festival periods here.

**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.
* Germans tend to dress in more conservative, muted colors, both in business and social environments.
* 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**

* Be prepared to take the first step as the newcomer to introduce yourself to an established group when you arrive in a new environment
* “Small talk” with strangers does not have a significant social function in German culture as it does in very relationship-oriented cultures .
* The concept of “mingling” doesn't really exist in the German culture.
* 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.
* While 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 Addressing others with respect**

* In accordance with German business protocol, in very formal business meetings, the highest ranking person enters the room first, regardless of gender or age.
* First names are usually reserved for family members, as well as friends and close colleagues.
* “In German business culture, it's not uncommon for colleagues who have worked together for years to remain on a formal, last name basis.
* 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.”
* 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.

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

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

**4.3.6 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.
* The German side will arrive at the meeting well-informed, and will expect the same from you.
* 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.
* While preparing promotional or presentation material, be aware that German businesspeople are traditionally less impressed by glitzy advertising, illustrations, and memorable slogans.
* Germans have no problems saying “no”, “I can't”, or “This is impossible” if that is what they mean.

**4.3.7 Entertaining for business success**

Germans don’t prefer breakfasts for business interactions. But post meeting dinners generally have business talks as the point of conversation. Meal time is not a time t make business decisions according to Germans. Any discussion about business should be initiated by the German.

The mail meal is lunch that is usually taken between 12 to 1. There are some basic rules as to who should pay. Payment is generally done by the host.

Dinner timings are from 7:00 p.m. to 8:30 p.m., dinner parties start around this time.

**4.3.8 Training Design**

The main key elements that need to be kept in mind while designing a training program for Germany are as follows:

* Language Training
* Area Specific Training
* Culture Specific Training
* Skill Training
* Others(e.g. skills, sensitivity, etc)

The importance of each has been found through this study. The result was as follows:

|  |  |
| --- | --- |
| **TRAINING ELEMENT** | **IMPORTANCE (IN %)** |
| 1. Language Training | 12.50 |
| 2. Area Specific Training | 8.33 |
| 3. Skill Training | 29.17 |
| 4. Culture Specific Training | 33.33 |
| 5. Others | 16.67 |

It can also be represented in the form of following chart:

**Figure 6. Training elements for Germany**

**4.4 Japan**

Japan is an island in Asia with a population of 120 million, but still not large in geographic size.

**4.4.1 Retrieved from "**[**http://www.executiveplanet.com/index.php?title=Japan:\_About\_Japan**](http://www.executiveplanet.com/index.php?title=Japan:_About_Japan)**"**

**Appointment Alert**

* Mail or telephone is the best way to make appointments.
* Working hours are 9-5 but the meetings and such interactions can extend in Japan.
* Punctuality is important for Japanese.
* Meetings in morning start at 10 and then after lunch at 1.30.
* Don't expect the meeting to end on time, but at least you have some perimeters 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 Retrieved from "**[**http://www.executiveplanet.com/index.php?title=Japan:\_Appointment\_Alert%21**](http://www.executiveplanet.com/index.php?title=Japan:_Appointment_Alert%21)**"**

**Business Dress**

* Formal dress for women is very important. Light jewellery and make up should be put.
* Difference in material and colour sense would be appreciated overall.
* Dresses for social events depend on the gathering.

**4.4.3 Retrieved from "**[**http://www.executiveplanet.com/index.php?title=Japan:\_Conversation**](http://www.executiveplanet.com/index.php?title=Japan:_Conversation)**"**

**First Name or Title**

Japanese tend to suffix '-san' to the ending of the last name of everyone. Initial names are only used by very close friends.

The only problem is it wouldn't be strange to have several Suzuki-san's in the same room. Then you are responsible to remember everyone by face without using their initial names.

**4.4.4 Retrieved from "**[**http://www.executiveplanet.com/index.php?title=Japan:\_First\_Name\_or\_Title%3F**](http://www.executiveplanet.com/index.php?title=Japan:_First_Name_or_Title%3F)**"**

**Gift Giving**

* People generally tend to greet each other with gifts representing one’s culture. Such a gesture can take place before or after the interaction has taken place.
* Business cards should be received with both hands. Similarly gift should be given with both hands.
* Try to wrap it if possible in a modest wrapping. It's the thought that counts.

**4.4.5 Retrieved from "**[**http://www.executiveplanet.com/index.php?title=Japan:\_Let%27s\_Make\_a\_Deal%21**](http://www.executiveplanet.com/index.php?title=Japan:_Let%27s_Make_a_Deal%21)**"**

**Prosperous Entertaining**

* Timings for lunch are from 12-1. People prefer fast and cheap services while going out for food.
* Dinner takes place in two rounds.
* Learn a few customs while having dinner with your counterparts. They might offer you chopsticks to eat with. Ask for a fork if you are not comfortable with the chopsticks.
* Japanese like golf. A golf outing can go a long way in strengthening relationships

**4.4.6 Training Design**

The main key elements that need to be kept in mind while designing a training program for Japan are as follows:

* Language Training
* Area Specific Training
* Culture Specific Training
* Skill Training
* Others(e.g. skills, sensitivity, etc)

The importance of each has been found through this study. The result was as follows:

|  |  |
| --- | --- |
| **TRAINING ELEMENT** | **IMPORTANCE (IN %)** |
| 1. Language Training | 14.28 |
| 2. Area Specific Training | 7.14 |
| 3. Skill Training | 14.28 |
| 4. Culture Specific Training | 50.02 |
| 5. Others | 14.28 |

It can also be represented in the form of following chart:

**Figure 8. Training Elements for Japan**

Retrieved from "<http://www.executiveplanet.com/index.php?title=Japan:_Public_Behaviour>"

**4.5 India**

India is the largest democracy in the world, with a big population, geographical outlook and climatic conditions.

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

**Figure 9. Hofstede Dimensions for India**

Power Distance (PDI) ranking in India is the highest Hofstede Dimension, with a rank of 77 comparing to the global average of 56.5. Population is not the only reason, other factors contribute to the same. This means there is high inequality in wealth in India.

Long Term Orientation (LTO) Dimension ranking of India is 61, whereas the global avg is 48. This means that the culture is perseverant and parsimonious.

The lowest rank Dimension for India is the Uncertainty Avoidance (UAI) at 40, comparing with the global average at 65. This means that Indian culture is open to new ideas and thinking.

India Hofstede Dimension at 56 indicates a masculine society, with the average of globe just lower than 51. Having a high rank in this dimension means there is large difference among males and females.

**4.5.1 Appointment Making**

* One should set up appointments beforehand, even some months before. Better to confirm the interaction some prior days to the date.
* Changes in the time and venue of interaction can take place at the last moment.
* Working time is 9:00 a.m. to 5:00 p.m.
* Now there are ideas to lunch meeting and 'power breakfasts’ that are useful time to discuss business.
* The working days can vary among firms and industries.
* Dinner appointment is rare for business purpose. Office dinner generally happen at a large scale, the purpose basically meaning to socialize with other people.

**4.5.2 Guidelines for business dress**

* The business wear for males is business suit. Neutral colors should be chosen, that are not too bright.
* Western wear is accepted as casual dressing if it is an informal situation for both males and females.
* Casual dresses can be worn on a social gathering.

Indians like to converse. Discussions can be started off with casual unrelated talks in a business setting. It is said to build relations and mutual trust. Never be shocked if a stranger starts conversing with you while travelling.

**4.5.3 Addressing others with respect**

* While calling someone, do prefix a 'Mr.', 'Mrs'. or 'Miss', or the professional title of the person ['Doctor' or 'Professor'].
* In Northern part of India, almost all have a family’s name [e.g., Verma, Sehgal, Kapoor, etc.], These names should be addressed in west way—surname after the first name.

**4.5.4 Selecting and presenting an appropriate business gift**

* Giving gifts is a custom in India.
* Festivals are the most appropriate time for presenting gifts to Indians. It is customary.
* Better not to give expensive gifts. Generally, huge gifts are only by close family and relatives—plus only for specific family events, like a wedding.
* If gift is in cash, then give it in the denomination of 11, 51, 101, 501, etc. as they are lucky numbers for Indians.

**4.5.5 What you should know before you negotiate?**

* Indian businesses are cogmalarates or family-run. They might be quite modern in the work and operating, plus take international laws and norms into consideration.
* Plus, there is variation among public and private organizations in India.
* Business attitudes vary across different regions. Example is that south India organizations are traditional than the north India organizations, or west organizations.
* Basic language for interactions in business is English.

**4.5.6 General tips, eating and drinking**

* Hospitality is a notion in Indian cultural setting, also the guest will be considered as a god.
* Indians like to have social visits.
* An expatriate in India is bound to get social invites by colleagues. Indians make a visitor feel home.
* 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.
* Traditional females in India, irrespective of which religion they are, neither smoke nor drink. Some urban women however drink wine or/and beer, plus also smoke.
* Indians generally offer tea, coffee or soft drink along lighter refreshments to the guest, even if it is a business setting.

**4.5.7 Business Entertaining**

Business lunches are preferred over dinners in Indian society. But now dinners and “power breakfasts” are also coming into limelight

Western people feel Indian dishes are too spicy. Talk to the waiter to make it less spicy.

Businesswomen can take business men from India outside for lunch or dinner without any issues arriving from culture. A male person should offer paying for the meal.

**4.5.8 Training Design**

The main key elements that need to be kept in mind while designing a training program for India are as follows:

* Language Training
* Area Specific Training
* Culture Specific Training
* Skill Training
* Others(e.g. skills, sensitivity, etc)

The importance of each has been found through this study. The result was as follows:

|  |  |
| --- | --- |
| **TRAINING ELEMENT** | **IMPORTANCE (IN %)** |
| 1. Language Training | 9.52 |
| 2. Area Specific Training | 16.67 |
| 3. Skill Training | 35.72 |
| 4. Culture Specific Training | 33.33 |
| 5. Others | 4.76 |

It can also be represented in the form of following chart:

**Figure 10. Training Elements for India**

**4.6 Findings & Recommendations**

* The strategic orientation of upcoming organization in industries like IT sector, Telecommunication and Business Process Outsourcing, core sector companies like Manufacturing and Mining is mostly dependent on global market.
* There is increased need of employees that can work in other cultural settings.
* China is a society based on collectivism and gives importance to powerful relationship. On the other hand, Germany has an Individualist culture.
* 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.

**CHAPTER 5: REFERENCES**

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**Annexure**

The questionnaire that had been given to the respondents was as follows:

Country:\_\_\_\_\_\_\_\_\_\_\_\_\_

Designation:\_\_\_\_\_\_\_\_\_\_

Q.1 Which of the following countries do you deal with?

* China
* India
* Malaysia
* Germany
* Japan
* None
* Others. Please specify\_\_\_\_\_\_

Q.2 What is the foremost reason to employ expatriates?

* Translating
* Global Marketing
* Global Logistics Management
* Global Finance Management
* Global HRM
* Engineering
* Others. Please specify\_\_\_\_\_\_\_\_

Q.3 Please rate the importance of the following business practices for your organization: (5-highest, 1-lowest)

* Negotiation
* Formal and Informal (e.g. using initial name, business dress vs. casual dress, etc.)
* Direct v. Indirect style of communication
* Punctuality
* Others. Please specify\_\_\_\_\_\_\_\_\_\_\_

Q.4 Please rate about the cultural differences a person from other culture should be aware of prior to any business interaction with your organization:

(5-highest, 1-lowest)

* Personal Concerns (e.g. money, schooling, transport, accommodation, etc.)
* Knowledge about the area (e.g. historical, geographical, political, economical scenario)
* Cultural Know-how (e.g. identities, groupism v. individualism, beliefs and ideas)
* Informal Communication (e.g. expression, contact through eyes, smell, and touch)
* Sensitivity towards culture (e.g. stress, ethnocentric approach, etc.)
* Skills Acquisition (e.g. simulations, case studies, role playing, etc.)
* Other cultural differences. Specify\_\_\_\_\_\_\_\_\_\_\_

Q.5 What type of training is preferred?

* In-house
* By outside organization

Q.6 Which of the following trainings are already being practiced in your organization?

* Linguistic Training
* Personal Concerns (e.g. money, schooling, transport, accommodation, etc.)
* Knowledge about the area (e.g. historical, geographical, political, economical scenario)
* Cultural Know-how (e.g. identities, groupism v. individualism, beliefs and ideas)
* Informal Communication (e.g. expression, contact through eyes, smell, touches, etc.)
* Sensitivity to culture (e.g. stress, ethnocentric approach, etc.)
* Emotion Reaction (e.g. stress, longing for home)
* Acquisition of skills (e.g. simulate, study cases, role play)
* Others. Specify\_\_\_\_\_\_\_\_\_\_\_\_