

# **The Influence of the Global Leadership and Organizational Behavior Effectiveness Project's Cultural Dimensions on Strategy Execution: The Example of German Companies in India and Indian Companies in Germany**

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**Attestation of Authorship**

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgments), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.

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## **Abstract**

As globalization has changed the way we live and the way we work, a wide array of research has examined its effects on business. Many researchers have discussed the influence of cultural variables, with the Global Leadership and Organizational Behavior Effectiveness (GLOBE) project being one of the cornerstones in this field. The GLOBE project proves that countries are culturally different and that these differences influence the preferred leadership approaches. However, the study does not reveal if and how these differences influence organizational and managerial behavior when expanding into a culturally distant country. The research objective of this research therefore is to examine how differing cultural variables affect the strategy of a company expanding from one country into a culturally distant country. The study focuses on the example of German companies expanding into India and vice versa. Due to significant differences in cultural dimensions disclosed by the GLOBE project, one would expect business collaborations between Germans and Indians to face many obstacles. It was furthermore assumed that the host country's culture would be anticipated and adopted to a high degree within the expanding companies. However, a qualitative case study based on in-depth interviews could not confirm this. German managers in India and Indian managers in Germany were interviewed and asked about their perceptions and experiences with working in the respective host country. Although participants are aware of the cultural differences and learn to cope with them, their managerial behavior and their organization's culture strongly reflect the cultural norms of their country of origin. Furthermore, local employees from the host country adapt to the foreign organization's culture. As expatriate managers learn to partially anticipate the host country's culture over time and since it is impossible for local employees to abandon their own culture, a new patchwork culture influenced by both countries emerges within organizations. Nonetheless, the company's original culture dominates the host country's culture in this convergence. Additionally, certain governances and policies prevail in large multinational organizations, which set a global framework for business decision making. Furthermore, this suppresses cultural influences on decision making. This research thus shows by the example of Germany and India that, although countries might be culturally distant, these differences do not have strong implications for strategy execution in companies expanding from one country to another.



# 1 Introduction

## 1.1 Research background

Modern globalization has changed the way we live. Fundamental progresses in technology and communication allow us nowadays to cross borders in several aspects of life (Levitt, 1983; Saxenian, 2002). Travelling across continents, keeping in touch with family and friends on the other side of the world, accessing information anytime and anywhere at minimal costs and many more possibilities are now ordinary. New technologies, especially the Internet and mass media, play a major role in this development. Naturally, this progress also implies new opportunities for businesses. Multinational companies (MNCs) expand into overseas countries in order to access new markets and exploit newly developed capabilities (Calza, Aliane, & Cannavale, 2010; Levitt, 1983). But the fact that the world is getting more and more connected does not imply that differences between societies are vanishing (Javidan & House, 2001).

People from different countries are increasingly coming into contact with each other, but bringing people and cultures together is not always a successful venture. However fast and close the world coalesces, certain differences remain (Javidan & House, 2001). Every nation, every culture is different from another (Hofstede, 1980). Even those close in proximity have distinctive features that differ them (Koopman, Hartog, Konrad, & 1999; Laurent, 1983; Martin, Resick, Keating, & Dickson, 2009). These cultural differences might lead to misunderstandings. Thus globalization does not only offer opportunities but also implies challenges (Javidan & House, 2001). In today's advanced society, people have to cope with cultural differences in everyday life. This obstacle also affects companies doing business abroad. Not only are they unable to produce standardized products or services in most cases due to different consumer demands (Rugman & Verbeke, 2004), but entering and working in a new country is also challenging. Organizations must be aware of this and address differing cultural needs. In particular, this has crucial implications for those managers of multinational companies that work in an overseas subsidiary. They must be familiar with the foreign country and need to be able to understand the implications of working abroad (Brodbeck et al., 2000).

In the past, many researchers have dealt a great deal with globalization in regard to business, in areas such as leadership and negotiations (Brodbeck et al., 2000; House, Wright, & Aditya, 1997). One of the most interesting aspects is the influence of cultural differences, the so-called cultural variables, on doing business overseas. The two outstanding studies in this area are Hofstede's 'Culture's Consequences' (Hofstede, 1980) and the Global Leadership and Organizational Behavior Effectiveness (GLOBE) study (House, Hanges, Javidan, Dorfman & Gupta, 2004) conducted by a group of more than 160 researchers (House, Javidan, Hanges, & Dorfman, 2002). Both studies have had a great impact on academic and practical discussions about cultural differences in business matters and thus are cornerstones for successive research. The GLOBE project follows a similar approach to Hofstede's research but is a more recent and extensive study. The GLOBE project was conducted in 62 countries, with more than 17,000 middle managers participating (House et al., 2002). Through elaborate questionnaires, the researchers were able to derive nine cultural variables: Power Distance, Uncertainty Avoidance, Humane Orientation, Gender Egalitarianism, In-Group/Family Collectivism, Institutional Collectivism, Assertiveness, Future Orientation, and Performance Orientation. Based on data collected from participating local middle managers of local companies, societal mean scores were derived for each country's cultural dimensions. Additionally, in contrast to Hofstede's approach, the GLOBE project analyzes both the status quo, 'as is'-scores, and the desirable condition, 'should be'-scores, for every nation (House et al., 2004).

The GLOBE project proposes that a nation's culture is highly likely to influence organizational cultures in the country (Brodbeck, Frese, & Javidan, 2002). Cultural dimensions influence implicit (cognitive) and explicit (observable) behavior. Both the GLOBE project and Hofstede's study have derived a comprehensive set of cultural dimensions in order to explain cultural differences in various societies. The findings demonstrate the existence of inequalities among the dimensions that affect organizational form and practices, as well as managerial leadership practice (Hofstede, 1980). Knowledge of cultural differences is certainly helpful for managers going for an overseas job appointment. Not only does it indicate what to expect from the new work environment, but, in addition, how possible issues that may arise due to cultural differences can be anticipated and prevented. Furthermore, cultural heterogeneity among countries also implies challenges and adjustments in product

specifications and managerial approaches. Moreover, it may affect a company's strategy execution overseas. Certain management styles may be more accepted by local employees whereas others may impede successful management of an overseas subsidiary. In order to efficiently approach a different work environment it is therefore crucial to understand foreign cultures. The more knowledge one has about a foreign culture, the more successful an overseas appointment will be (Brodbeck et al., 2000).

## **1.2 Research objective**

Working in a foreign country implies adapting to a different business and societal culture (Calza et al., 2010). Given the variations in cultural environments and, therefore, the perception of different managerial approaches, the aim of this research is to contribute to the understanding of how cultural variables affect the strategy of a company expanding from one country into a culturally different market in another country.

Due to their having generally opposite means on cultural value dimensions, this study focuses on the Indian and German economies. These countries differ significantly in several of the GLOBE project's cultural variables, which is why multinational companies from these nations presumably face greater challenges in expanding into the respective other country. Thus the questions arise – what role does cultural diversity play in a company's strategy execution and what does this imply for expatriate managers? The research objective is to understand how differences in the GLOBE cultural variables affect the strategy execution of German companies expanding into India and of Indian companies expanding into Germany. In particular, the researcher aims to understand if and how differences in those variables are perceived by managers of one of these countries who work for their home company in the respective other country and how these differences influence their execution of the organizational strategy.

## **1.3 Justification of the research**

A large amount of the current body of research regarding business targets globalization and its impact on business practice. Cultural dimensions, as employed

by the GLOBE project, play a significant role in the difficulties in doing business across national borders related to globalization. A main focus has been on leadership behavior and management styles (e.g. Brodbeck et al., 2002; Den Hartog, House, Hanges, Ruiz-Quintanilla, & Dorfman, 1999; Gupta, Surie, Javidan, & Chhokar, 2002). Many studies examine which leadership or managerial styles are desirable in certain cultures, and which can be impediments (e.g. Brodbeck et al., 2002). However, so far little research has been conducted specifically on the influence of cultural variables on business strategy planning and execution in a foreign host country.

The findings of the GLOBE project will be adopted for this study. The GLOBE research data is more recent and extensive. Data has been gathered from various middle managers of different local organizations in different cultures, as opposed to Hofstede's initial research, which has only been conducted in one single international organization. Additionally, the GLOBE analysis covers both the status quo and the desirable condition of the cultural dimensions. These distinctions are particularly important for this research approach.

Germany and India are chosen as their dimension scores in the GLOBE study fall at opposite ends of the scale for most cultural variables. Furthermore, both are thriving economies and play significant roles in today's global business environment. Hence the effects of cultural variety on strategy execution are of particular interest.

The findings of the study may benefit the business community by disclosing both obstacles and opportunities associated with expanding into a foreign country. As discussed above, more academic research in this field is needed. Thus this study contributes to the body of knowledge as it adds to existing theory by disclosing how cultural differences identified by GLOBE affect organizational strategies when entering a culturally distant country. It is an in-depth analysis of phenomena disclosed in the GLOBE study.

#### **1.4 Methodology**

This present study is conducted as qualitative research since intangible experiences and perceived differences are evaluated. A qualitative approach is appropriate as it facilitates a more descriptive analysis. Case studies provide the required settings for this analysis. In particular, these are of German managers

working for a German company in India and, comparatively, of Indian managers working for an Indian company in Germany. The consideration of cultural variety in strategic planning and execution are examined. Further, it is examined how managers cope with these differences. Data for the analysis is collected through in-depth interviews. Due to long distances (the researcher is situated in New Zealand and participants in Germany and India) telephone interviews are conducted. Managers are interviewed according to a semi-structured questionnaire, which leaves possibilities for new questions to emerge. Furthermore, the research is conducted with a positivist and deductive approach. A more comprehensive description of the methodology is given in the appropriate section of this research.

## **1.5 Outline of the dissertation**

The above introduction gave an overview over the topic of the dissertation, outlining the research background and research aim, the justification of the research and the employed methodology. The following section provides a literature review of the theory on which this dissertation is based. The third section deals with the extensive description of the applied methodology. In the fourth section findings from the case studies and research are presented. The fifth section discusses the findings and provides an interpretation of these by relating them to the research question. This is followed by a discussion of this research's limitations and further research possibilities. The last section displays the conclusions from the study.

## **2 Literature review**

Globalization is increasing and affects various aspects of life. It brings people into closer contact with other cultures. Even with greater familiarity, misunderstandings due to cultural differences still exist and there are no indications that this will change in the near future. People now have to cope with cultural differences in everyday life, including the business environment. As speed of travel and communication are continually increasing, markets are affected. A lot of research has been done on the topic of globalization in regards to business. One of the most interesting aspects is the influence of cultural variables on business. Many researchers have examined their effects on business aspects such as leadership and negotiation. However, there is only a small body of literature, particularly concerning the GLOBE dimensions, on how cultural variables influence business strategy execution in a foreign host country. This research therefore aims to examine how cultural influences affect the way a company from one country expands into a culturally different country. The study focuses on expansions of German organizations into India and of an Indian companies into Germany.

The following literature review provides a theoretical background for this research.

### **2.1 Globalization and the implications of cultural diversity on business**

Some of the effects of globalization on business have been proposed by Levitt (1983). In his work he asserts that in the long-term it will be global companies who will have the greatest success in the growing markets. Levitt (1983) claims that the driving force behind cultural convergence lies in the rapid development of technology. Furthermore, he talks about a “new commercial reality” (p. 92), which is the formation of international markets. In his early approach, he states that “the world’s needs and desires have been irrevocably homogenized” (p. 96) and hence demand for standardized products and services increases. Additionally, he mentions that a particular market segment in one country has a similar equivalent in another country, thus opening up new possibilities for organizations to expand with their product or service into other countries and, therefore exploit economies of scale.

Levitt emphasizes that in the near future global organizations will be the ones to have superior chances of surviving in an increasingly competitive environment. In his elaboration, he thus strongly advises companies to expand globally in order to maximize opportunities for success. Indeed, in the past two decades, international mergers and acquisitions and investments – especially in developing countries – have increased (Javidan & House, 2001). Levitt's main emphasis, however, focuses on the standardization of products and services and the exploitation of economies of scale. He argues that “cultural preferences, national tastes...are vestiges of the past” and that “Cosmopolitanism...breaks down the wall of economic insularity, nationalism, and chauvinism” (Levitt, 1983, p. 101), meaning that cultures are moving closer together and becoming more and more similar. However, he points out that there are differences between nations, which are rigid: although nations are merging, certain cultural differences will not vanish. Javidan and House (2001) take this thought a step further: “When cultures come into contact, they may converge on some aspects, but their idiosyncrasies will likely amplify” (p. 291). As they point out “Globalization opens many opportunities for business, but it also creates major challenges” (p. 289). Probably the most important challenge is to understand and accept other cultures and their different beliefs and values. Their implications for a nation's actual behavior are of great significance. It is comprehensively proven that organizational practices are mainly reflections of their country's culture (Kopelmann, Brief, & Guzzo, 1990; Smith, Dugan, & Trompenaars, 1996). For businesses, this implies having competent leaders that respect, and can adapt to, foreign cultures (Brodbeck et al., 2000; Calori & de Woot, 1994). Additionally, globalization makes companies face “increasingly global employees, customers, suppliers, competitors, and creditors” (Javidan & House, 2001, p. 291). Javidan and House emphasize that managers need to “be open to others' ideas and opinions” (p. 292), that they not only need to know about “where to do business” but also about ‘how’ (p. 292). Hence, it is necessary to develop theories for exceeding national borders in order to disclose how to approach culturally different societies (Triandis, 1993). It is essential to understand possible outcomes of these differences and to account for them. Javidan and House's understanding of culture is that it “is a set of beliefs and values about what is desirable and undesirable in a community of people, and a set of formal or informal practices to support the values” (p. 292). They see “effective cross-cultural communications” (p. 302) as one of the most crucial aspects when it comes to

business on an international level. This implies being able to listen, correctly framing a message and accepting and valuing feedback. Being willing to compromise is highly important in cultural matters.

## **2.2 The GLOBE study**

These persistent inequalities are the subject of the GLOBE project, a research on the relative magnitude of average scores on cultural variables in different countries (House et al., 2004). The aim of that research is to support global managers by providing “cultural understanding and sensitivity” (Javidan & House, 2001, p. 293). The GLOBE researchers have collected over 17,000 questionnaires from middle managers of roughly 825 companies in 62 different countries (House et al., 2004). In this regards, the researchers answer the question whether behaviors and practices exist that are accepted globally or in some societies only. The cultural dimensions studied by the GLOBE researchers are Uncertainty Avoidance, Power Distance, In-Group/Family Collectivism, Institutional Collectivism, Gender Egalitarianism, Assertiveness, Future Orientation, Performance Orientation and Humane Orientation (House et al., 2004). Their definitions according to the GLOBE researchers are as follows.

Uncertainty Avoidance:	Uncertainty avoidance describes the magnitude to which people rely on “social norms and procedures” (Javidan & House, 2001, p. 295) and bureaucracy in order to decrease the unpredictability of events.
Power Distance:	Power Distance describes the magnitude to which people accept the inequality in the share of power. This includes, amongst others, authority and differences in status.
In-Group/Family Collectivism:	In-Group/Family Collectivism describes the magnitude to which people take pride in being part of smaller groups, such as families and



friends or “the organizations in which they are employed” (Javidan & House, 2001, p. 297)

Institutional Collectivism:

This dimension describes the magnitude to which people are encouraged to be part of a group whether in societal or organizational environments. It further states the degree to which group achievements are given preference over individual goals (House et al., 2004) and to which extent “collective distribution of resources and collective action” (House et al. 2002, p. 6) are rewarded.

Gender Egalitarianism:

This describes the magnitude to which the gender role in a society is balanced and to which people are indifferent to specific genders (no preferences of one gender over the other).

Assertiveness:

Assertiveness describes the magnitude to which people are assertive and do not recoil to be confrontational and tough in their behavior.

Future Orientation:

Future Orientation describes the magnitude to which people plan for the future and behave accordingly.

Performance Orientation:

This dimension describes the magnitude to which people are rewarded in relation to their performance and to which performance plays a significant role.

Humane Orientation:

This dimension describes the magnitude to which people are “fair, altruistic, generous, caring, and kind to others” (Javidan & House, 2001, p. 300).

Of these dimensions, the first six were adopted from Hofstede's approach (1980). However, where GLOBE uses Gender Egalitarianism and Assertiveness, Hofstede joined these two under Masculinity. The Future Orientation dimension originates from Kluckhohn & Strodtbeck's (1961) approach, Performance Orientation from McClelland's (1985) research. The mentioned researchers all account for the Humane Orientation dimension.

In their study, House, Javidan, Hanges and Dorfman (2002) acknowledge that societies have "distinguishable characteristics that set them apart from other human communities" (p. 3). They emphasize that it is important for managers to learn about different cultural values in order to better understand how to conduct business with foreign cultures. They argue that there is an "interrelationship between societal culture, organizational culture, and organizational leadership" (p. 4; also in Brodbeck et al., 2000; House et al., 1997). The extensive set of data of their study provides the basis of their theory and dimensions. The researchers of the GLOBE project have extracted different values for each country's cultural dimensions, and demonstrated the existence of inequalities amongst these dimensions that not only affect an individual's behavior but also organizational form and practices, and leadership approaches.

Long before the GLOBE project originated, Hofstede conducted similar research on cultural values of different countries (Hofstede, 1980). In a more recent article, Hofstede points out distinctive differences between his and the GLOBE study (Hofstede, 2006). For instance, although Hofstede has conducted a further analysis on this subject, he has re-used the existing data whereas GLOBE collected new, more current data. Furthermore, the respondents for Hofstede's source of data were employees of a single international organization, which operated in several countries (though the results have been replicated in many other countries and organizations). The respondents for the GLOBE study by contrast are middle managers of different local organizations in different cultures. Items in Hofstede's survey were focused and straightforward, whereas the GLOBE researchers "measure(d) cultural values and cultural practices separately" (Taras, Kirkman, & Steel, 2010, p. 1331) and thus analyze both the status quo ('as is') and the desirable condition ('should be') (Hofstede, 2006). The latter is a very unique approach among research on cultural influences on business matters and, therefore, enables additional insight and a

framework for further studies. Additionally, in contrast to Hofstede's research the GLOBE analysis is theory-driven. The author of this study has deliberately chosen the GLOBE culture dimensions for further research because of the aforementioned distinctions. The GLOBE research project offers an extensive and comprehensive framework. The assessment of cultural dimensions through managers, the current nature of the data and use of the status quo and desired conditions are particularly important for the underlying research approach.

In further research conducted on leadership qualities, several of the GLOBE researchers developed leadership dimensions and used the GLOBE data to extract differences in perceptions (Javidan, Dorfman, de Luque, & House, 2006). The researchers argue that cultural environment has a distinct effect on leadership. Furthermore, there is a lack of specific advice that could be offered to global managers because practices that are "effective in one country" can be "ineffective in another" (Javidan, Dorfman, et al., 2006, p. 70). Differences in culture can thus lead to different perceptions of leadership, which in the worst case implies a hindrance of the success in another country (Brodbeck et al., 2000; Gerstner & Day, 1994). Javidan et al. (2006) define the following six leadership dimensions: Charismatic/Transformational, Team Oriented, Participative, Humane Oriented, Autonomous, and Self-Protective. Furthermore, they categorize certain countries into social clusters, e.g. Germanic Europe and Southern Asia. Their results suggest that different countries/clusters have different perceptions of which leadership style is the best. Out of the six dimensions some are seen as conducive whereas others obstruct effective leadership. Interestingly, the obstructive profile in one society might be favorable in another society. Hence there are indeed attributes that are welcomed in one culture but which can be alienating in another. If a manager acts in accordance with the prevailing leadership approaches of a culture, it is very likely that they will be accepted by the subordinates of that host country (Lord & Maher, 1991). As Lord and Maher (1991) explain, people form perceptions of leadership traits, which subconsciously let them distinguish whether a person is a leader or not. This categorization process has been confirmed in several studies (Cronshaw & Lord, 1987; Lord, Foti, & De Vader, 1984). At the same time, if someone matches the prevailing leadership type, they will be seen as person of authority and subordinates will consequently comply in acting accordingly (Bargh, Chen, & Burrows, 1996; Cronshaw & Lord, 1987). As Brodbeck et al. (2000) state, "individuals behave as

followers when their leadership prototypes or schemata are activated” (p. 3). It is thus shown that not only does the cultural environment and background affect practices and leadership but also that certain practices that work in one society might not be accepted under different cultural circumstances. Generally speaking, every country’s prototype for outstanding leadership is different; however, if the leadership style of a manager fits closely to the foreign country’s cultural dimensions, the work assignment will be more successful as colleagues and subordinates are more motivated and “willing to be led” (Brodbeck et al., 2002, p. 26). The relationship is then “characterized by trust, motivation and high performance” (Brodbeck et al., 2000, p. 3).

Javidan, Dorfman, de Luque and House (2006) have identified certain culture clusters, as already mentioned. Since this research intends to particularly examine the strategy execution of German and Indian companies, the focus is on these societies. In common parlance, these cultures are often labeled as Western and non-Western economies, respectively. Regarding Western cultures, there is a prevailing opinion that they are similar in their cultural dimensions. However, Laurent (1983) examined several French, Italian, German, British, Danish, Swiss and other managers regarding differences in similarities in their management styles. His primary findings are that there are large differences between these groups. For example, regarding authority, Laurent reveals that French managers prefer a ‘personal and social concept of authority’ whereas neighboring Germany has “a more rational and instrumental view of authority” (p. 83). Brodbeck et al. (2000) have conducted a similar study of the leadership approaches of 22 European countries. Almost two decades later, after the modern globalization has set in and changed the world, their outcomes still supports Laurent’s thesis irrespective of societies growing closer. These findings are in spite of the close geographical proximity and the allegedly similar cultural environment of both countries. Brodbeck et al. (2000) and Laurent (1983) conclude that “a homogenizing effect of a large multinational corporation toward standardization of managerial concepts across national cultures” (Laurent, 1983, p. 94) cannot be proven. Koopman et al. (1999) have also examined relations and similarities within and between European countries. Their findings confirm Laurent’s thesis as they point out that it is difficult to “speak of a typical European culture” since they have identified “large differences within Europe” (p. 515). Furthermore, the authors mention that differences in languages, religions, and topography and proximity

influence distances in cultures. In addition to this, Dorfman (1996) and Redding, Norman, and Schlander (1994) enumerate history, political systems, and ethnic background. Thus two bordering countries are likely to have different cultural values when they do not share spoken language, history, politics or the predominant religion. As Martin, Resick, Keating, and Dickinson (2009) point out, “Contextual factors such as cultural norms and values create expectations of acceptable or unacceptable leader behavior” (p. 131).

These findings strengthen this study’s purpose to examine one particular country of the Western cluster since they evidently differ from each other and thus generalizations across Western cultures cannot be supported. The first country examined in this study is the Federal Republic of Germany. Typically, Germany is associated with the Western cluster. But, as prior readings disclose, although Germany shares many similarities with this cluster, especially regarding economical development and a ‘Western mindset’, it is vital to clearly distinguish between the countries as they evidently differ from each other. As Brodbeck et al. (2002) outline, a deeper understanding of the German culture will help managers from other countries in working and managing in Germany and in negotiating and allying.

### **2.3. Germany: Technical versus social skills**

#### **2.3.1 The economical and historical background of Germany**

The Federal Republic of Germany lies in the middle of Western Europe. With roughly 82 million inhabitants (Statistisches Bundesamt Deutschland, 2011c) Germany has the largest population of any country in the European Union. According to the German Federal Bureau of Statistics, Germany generated a nominal gross domestic product (GDP) of \$3,315 trillion (US-Dollar) in 2010 (Statistisches Bundesamt Deutschland, 2011d) and thus is the fourth largest economy by GDP, after the United States of America, China, and Japan. It is also the strongest economy in Europe and among the wealthiest nations worldwide (Szabo et al., 2002), as can be seen in its United Nations Human Development Index of 0.885 (United Nations Development Programme, 2010). The German economy comprises of a very strong industrial sector, with particularly thriving areas being “automobiles, heavy engineering, electronics and chemicals” (Szabo et al., 2002, p. 58). Compared to

other highly industrialized countries, in which the service sector accounts by far for the largest share of the GDP, Germany operates a prosperous industry sector and the secondary sector accounts for a relatively large share of the GDP

As to its natural resources, Germany only has coal, oil, tin, salt, nickel, potash, and salt (Szabo et al., 2002). However, deposits of these resources are very limited and compared to international cost standards their exploitation is very expensive. Therefore, the economy is heavily dependent on imports from other countries (Brodbeck & Frese, 2007). Despite being a country with a high level of imports, Germany is also one of the biggest exporting nations (World Trade Organization, n.d.), mainly exporting goods to France, the Netherlands, and China (Statistisches Bundesamt Deutschland, 2011b). Germany has been the top exporter of goods globally for many consecutive years, but in 2010 the country ranked third, after China and the United States of America. Goods exported predominantly include those produced in the industry sector (Statistisches Bundesamt Deutschland, 2011a). Furthermore, Germany both receives a considerable amount of foreign direct investments (FDI) and, at the same time, also invests a large amount in other countries.

Germany's recent history has had significant implications for the nation and its culture that is known today. The foundation of its democracy was established after World War I, when Germany and neighboring Austria accepted the Treaty of Versailles (Szabo et al., 2002). The events of the Second World War are commonly known; in 1949 these led to the division of Germany into what was then known as East and West Germany. The two parts were completely independent from each other. In fact, they were experiencing the four decades long Cold War, with West Germany being part of the North Atlantic Treaty Organization (NATO) and East Germany being part of the Communist Economic System (COMCON) and later of the Warsaw Pact (Brodbeck & Frese, 2007). Consequently, the two parts of Germany were exposed to different political and economical systems, which influenced their socialization and thus their culture. It was not until late 1989 that Germany was reunified. Meanwhile, West Germany had recovered successfully according to the Marshall Plan and became a member of several international organizations, such as the Organization for Economic Co-Operation and Development (OECD).

When the reunification finally took place, it was not an equal but an asymmetric merger of the two countries (Brodbeck & Frese, 2007). Former East Germany had to adapt former West Germany's social, political and economical system, thus leading to a "cultural break" (Brodbeck & Frese, 2007, p. 153). As Brodbeck et al. (2002) explain, this caused a "modernization shock" (p. 22). Furthermore, today there are still cultural imbalances and conflicts between the eastern and western parts of Germany, mostly in the form of prejudices, prevailing between the reunited parts. This is also reflected in the differing cultural variables as shown later in this section. However, generally seen, the cultural values for former West and former East Germany do not differ as much as could be expected due to the considerably diverging developments.

Today's Germany centers on a social market economy, which "defines obligations of government, trade unions and companies to maintain public welfare, social justice, and cooperative industrial relations" (Szabo et al., 2002, p. 60). The German constitution makes it a highly social responsible and fair country (Brodbeck & Frese, 2007). For example, supervisory boards advocate employees' rights in an organization. These are co-determined, i.e. half of the member of the boards must be from the workers' side, the other half from the employer's side. A workers' council, whose members are elected by the work force, further represents workers and has close ties to unions (Brodbeck & Frese, 2007). As Szabo et al. (2002) outlines, workers' councils have "the right of information, the right of consultation, and the right of consent" (p. 60). As has already been mentioned, this system protects employees in Germany and also stabilizes the economy; thus it can be counted as a contributing factor in the country's economical success. This is also in line with Germany's high score for Uncertainty Avoidance, which is explained further down. However, these institutions are quite bureaucratic and formal. It needs to be considered whether they might not impede Germany's performance in the future, considering the fast pace with which other countries are developing and internalizing the possibilities which globalization has to offer. As Brodbeck and Frese (2007) say, "the free-market capitalist system is constrained by the principle of social responsibility" (p. 148); the latter therefore impedes the country's economic development.

The stereotypical German manager is often described as highly skilled, formal, straightforward and “a specialist rather than a generalist” (Brodbeck et al., 2002; Windieck, 1990). This is confirmed by various studies. Szabo et al. (2002) have conducted research into this area, particularly focusing on the Germanic Europe cluster as it is defined by the GLOBE project: Germany (differentiated by former West and East Germany), Austria, German-speaking Switzerland, and The Netherlands. While the first three countries share a common language (with German being one of the official languages spoken in Switzerland), neighboring Holland also presents similar attitudes regarding leadership prototypes (Szabo et al., 2002).

### **2.3.2 The GLOBE cultural scores for Germany – ‘Tough on the issue, tough on the person’**

The GLOBE data for the Germanic Europe cluster includes a total of 1,233 questionnaires, of which 471 (417 in former West Germany; 54 in former East Germany) were conducted by German middle managers in 18 organizations (Brodbeck & Frese, 2007). The average age of all participants in this country is 43 years; only 14% of participants were female managers and 87% of participants are from former West Germany. Participants are employed in the finance, telecommunication or food processing industries. After a comprehensive introduction into the history and current economic and political situation of the four countries within this cluster, the researchers present the following findings, of which this study mainly concentrates on the German part.

In general, the Germanic cluster incorporates a “strong tendency for standardization and rules, hierarchy, assertiveness, and gender inequality” (Szabo et al., 2002, p. 66) which is reflected by high Uncertainty Avoidance, Power Distance and Assertiveness (Brodbeck et al., 2002). On the other hand, scores for any type of collectivism, Gender Egalitarianism, and Humane Orientation are considerably lower (Szabo et al., 2002). Apart from the Power Distance variable, for which Germany ranks at a middle level compared to other countries, the scores for the above mentioned dimensions for Germany and the Germanic cluster significantly differ from the other nine clusters (Gupta, Hanges, & Dorfman, 2002). Thus, the Germanic cluster comprises a very distinct set of characteristics and, therefore, may be



particularly challenging for foreign managers to work in. The following tables depict the GLOBE project's cultural scores for Germany on a scale from 1 to 7 with scores under 3.5 being considered as low and scores above 4.5 as high.

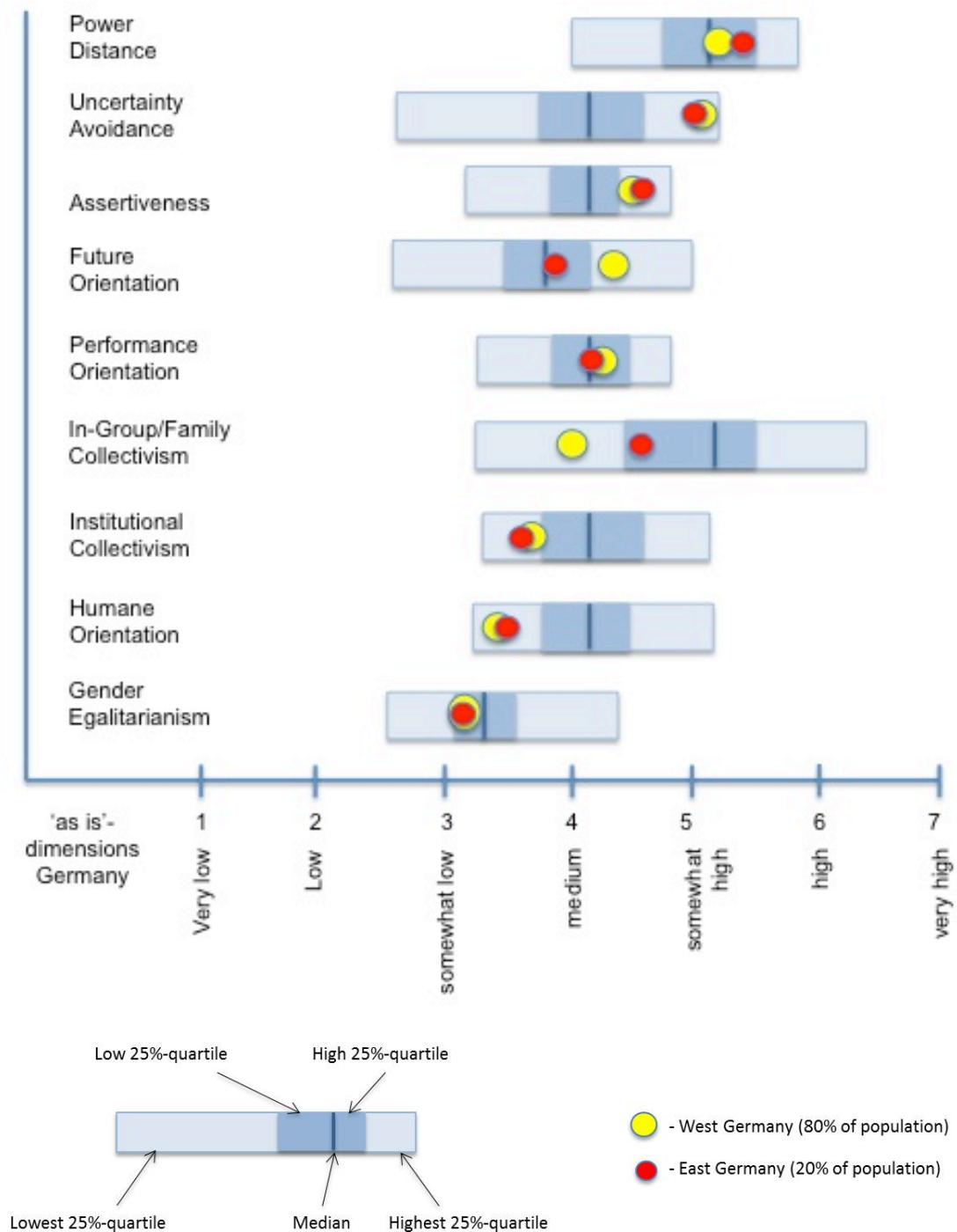
**Table 1: German 'as is'-dimensions (based on Brodbeck & Frese, 2007)**

German Dimensions Society 'As Is'	Score		Rank	
	West	East	West	East
Power Distance	5.25	5.54	29	13
Uncertainty Avoidance	5.22	5.16	5	7
Assertiveness	4.55	4.73	10	4
Future Orientation	4.27	3.95	13	25
Performance Orientation	4.25	4.09	22	33
Institutional Collectivism	3.79	3.56	54	59
In-Group/Family Collectivism	4.02	4.52	54	46
Humane Orientation	3.18	3.40	61	56
Gender Egalitarianism	3.10	3.06	44	47

This table shows that the German society currently scores particularly high for Uncertainty Avoidance (former West: 5.22; former East: 5.16), Power Distance (former West: 5.25; former East: 5.54) and Assertiveness (former West: 4.55; former East: 4.73). Gender Egalitarianism (former West: 3.10; former East 3.06) and Humane Orientation (former West: 3.18; former East 3.40) score particularly low. The box-plot statistic shows the German cultural dimensions in comparison with other countries.

As can be seen in figure 1, the 'as is'-cultural dimensions in Germany are rather exceptional compared to those of other cultures. Only Performance Orientation and former East Germany's perception of Future Orientation are in the median of the entire sample's results. Particularly pronounced dimensions are Uncertainty Avoidance (highest quartile; West Germany ranks 5<sup>th</sup>, East Germany ranks 7<sup>th</sup>) Assertiveness (highest quartile; West Germany: rank 10; East Germany: rank 4), Institutional Collectivism (lowest quartile; West Germany: rank 54; East Germany: rank 59), Humane Orientation (lowest quartile; West Germany: rank 61; East Germany: rank 56), former East Germany's perception of Power Distance (highest quartile; rank 13) and former West Germany's score for In-Group/Family Collectivism (lowest quartile; rank 54).

**Figure 1: German 'as is'-dimension box-plot diagram (based on Brodbeck & Frese, 2007)**



Former West Germany scores in the second highest quartile and former East Germany in the highest quartile for Power Distance compared to other countries, however, ranking only 29<sup>th</sup> and 13<sup>th</sup>, respectively. Still, the level of Power Distance is rather high. As Brodbeck and Frese (2007) say, this is in line with Germany's history, which "reinforced a strong state orientation with traditional Power Distance" (p. 159).

The high scores for Uncertainty Avoidance indicate a strong desire for a structured way of life, including high standardization and rules and regulatory principles (Szabo et al., 2002). Germans “have a strong(er) tendency toward orderliness and consistency, structured lifestyles, clear specifications of social expectations, and rules and laws to cover situations” (Javidan & House, 2001, p. 295). Rules and regulations are highly engaged in order to “reduce stress and anxiety when facing ambiguity and uncertainty” (Brodbeck et al., 2002, p. 20). This may also imply that Germans are less willing to take risks compared to people from other cultures. Regarding the everyday business routine, high Uncertainty Avoidance implies the requirement of e.g. clear and explicit communication and explicit agenda for meetings (Javidan & House, 2001). Brodbeck & Frese (2007) assume that the high Uncertainty Avoidance results from the country being “torn apart in history several times and, therefore, has a history of division.” (p. 151).

Germans are considered as straightforward and stern, which is reflected in high scores for Assertiveness. Confrontational and controversial means of communication are accepted in the German culture. It is common for Germans to communicate their point of view determinately and confrontationally, which can be seen as rather aggressive or inappropriate and conflict-inducing in other cultures. Due to these highly assertive characteristics, conflicts can easily arise in business matters; however, they are acceptable in German business and are also believed to increase productivity (Brodbeck et al., 2002). Germany’s scores for both Uncertainty Avoidance and Assertiveness are among the highest in the global sample (former West Germany ranking 5<sup>th</sup> and 10<sup>th</sup>, respectively; former East Germany 7<sup>th</sup> and 4<sup>th</sup>). As Javidan & House (2001) observe, cultures high on the Assertiveness dimension have a “‘can do’ attitude” and “value competition” (p. 293). Furthermore, they say that assertive societies “have sympathy for the strong and the winner” (p. 294).

The stereotypical German manager would always be described as performance-oriented. However, as can be seen from figure 1, Germany’s ‘as is’-dimensions for Performance Orientation only score in the middle-range compared to other cultures.

Somewhat in line with the following findings for Humane Orientation, Germans are quite individualistic, which is also reflected in their low scores for both Institutional and In-Group/Family Collectivism. Being an autonomous individualist

is highly valued in Germany and this is also reflected in the work-life, where “resources and rewards tend to be distributed on the basis of individual rather than collective achievements” (Brodbeck et al., 2002, p. 19). Furthermore, although Germans value their families and friends, they are not as interdependent as it is the case in many other countries as is shown by the relatively low scores for In-Group/Family Collectivism.

Germany scores very low on Humane Orientation – in fact it ranks last compared to other countries (rank 61; lowest quartile) – which is in line with the high scores for Assertiveness. German managers are low on compassion and “interpersonal relations are straightforward and stern” (Brodbeck et al., 2002, p. 16). Both in business and private matters people are generally quite harsh in their attitude and expression, however, at the same time, they are not too easily offended either. Communication is rather direct and “less focused on being...caring” (Javidan & House, 2001, p. 303). Social interactions at work are most often task-oriented. The stereotypical German is not overly sensitive towards others, particularly people they do not know, and the patience and threshold for tolerance of errors are quite low. However, it is wrong to say that Germans do not care about their fellow citizen; quite the opposite is true, as Germany has “highly valued principles of social justice” (Brodbeck et al., 2002, p. 21). These can be seen in a very sophisticated idea of social welfare and justice, which is manifested in the doctrine of social market economy (Brodbeck et al., 2002). It implies that the collective has to care for disadvantaged people, for instance the redistribution of wealth between classes through taxes, compulsory membership with a health insurance, and contribution from the employer (or state in case of unemployment) (Brodbeck & Frese, 2007). It seems like German managers do not think that more humane orientation is required. These institutions are also in line with Germany’s high score for Uncertainty Avoidance. In this way, Germany experiences “high economic success and high standards in social welfare” (Brodbeck et al., 2002, p. 22) at the same time.

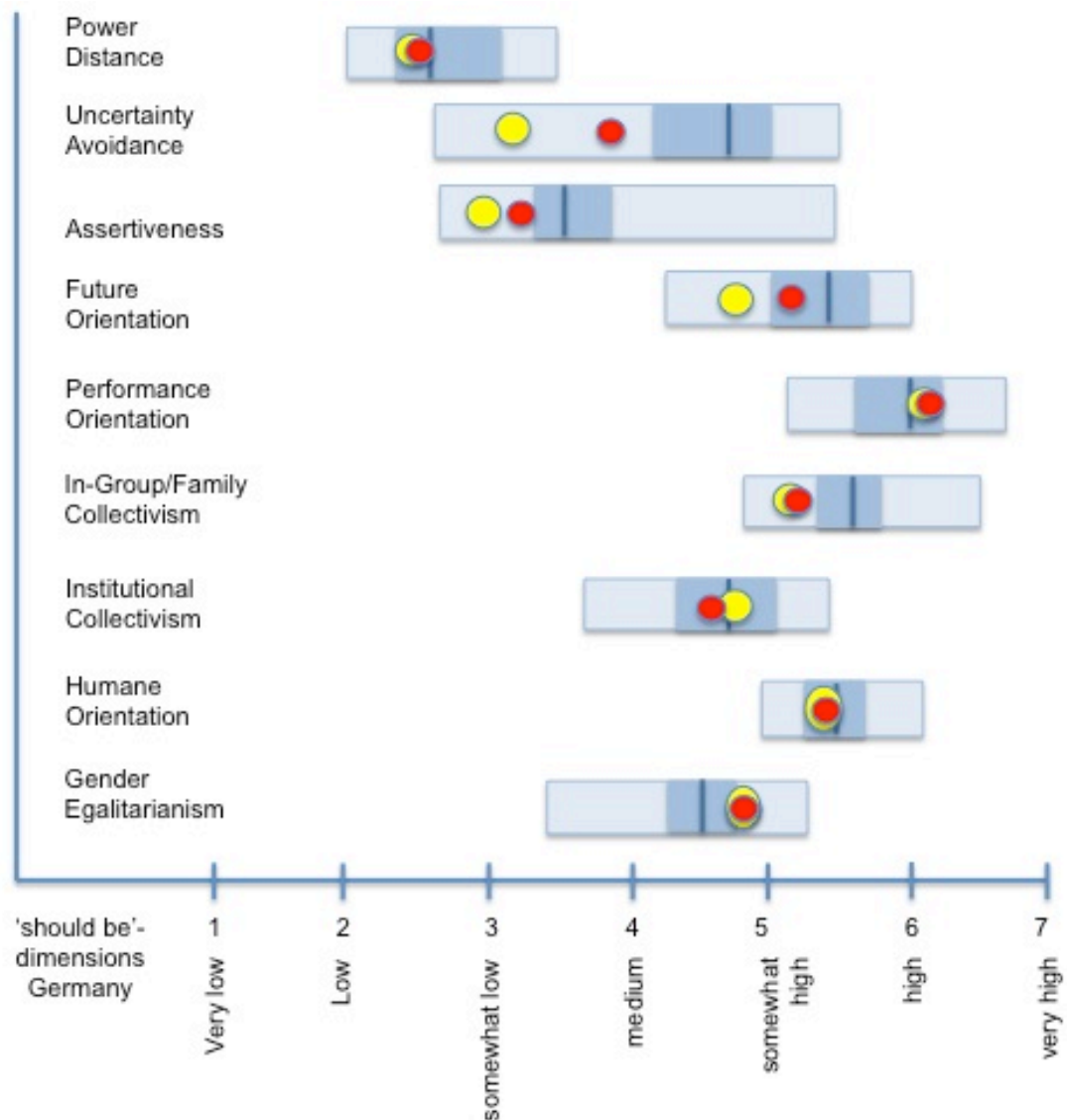
Regarding Gender Egalitarianism, surprisingly it must be said that although Germany is a sophisticated and highly developed culture in so many ways, it is more difficult for women to be successful managers than for to their male counterparts. The score for Gender Egalitarianism in Germany is quite low, even falling in the second lowest quartile of all cultures (Brodbeck et al., 2002).

**Table 2: German 'should be'-dimensions (based on Brodbeck & Frese, 2007)**

German Dimensions Society 'Should Be'	Score		Rank	
	West	East	West	East
Power Distance	2.54	2.69	44	34
Uncertainty Avoidance	3.32	3.94	59	52
Assertiveness	3.09	3.23	55	53
Future Orientation	4.85	5.23	57	42
Performance Orientation	6.01	6.09	29	22
Institutional Collectivism	4.82	4.68	28	34
In-Group/Family Collectivism	5.18	5.22	55	53
Humane Orientation	5.46	5.44	30	33
Gender Egalitarianism	4.89	4.9	15	14

A closer look at the scores of the 'should be' cultural dimensions reveals that German managers seek a change in their culture. Variables, which score high, are Future Orientation (former West: 4.85; former East: 5.23), Institutional Collectivism (former West: 4.82; former East: 4.68), Humane Orientation (former West: 5.46; former East: 5.44), Performance Orientation (former West: 6.01; former East: 6.09), In-Group/Family Collectivism (former West: 5.18; former East: 5.22), and Gender Egalitarianism (former West: 4.89; former East: 4.90). This may either indicate a desired change in values or reflect managers' perceptions of the "ideal society" (Szabo et al., 2002, p.64) without them actually wanting to change their culture. However, in the case of Germany, Innreiter-Moser (1999) has disclosed that the culture is slowly changing, especially concerning Gender Egalitarianism. It becomes obvious that, in particular those variables, which have scored low on the 'as is'-scales are high on the 'should be'-scales. The same occurs the other way around: Those dimensions that were high on the 'as is'-scales now score low on the 'should be'-scales, namely Uncertainty Avoidance (former West: 3.32; former East: 3.94), Power Distance (former West: 2.54; former East: 2.69) and Assertiveness (former West: 3.09; former East: 3.23). This occurrence is not only a phenomenon in the German variables but can be seen throughout the entire GLOBE project sample. It is explained at a later point in this section. Comparing the following box-plot statistic for the 'should be'-dimensions with the one for the 'as is'-dimensions (see table 1) highlights this effect.

**Figure 2: German 'should be'-dimension box-plot diagram (based on Brodbeck & Frese, 2007)**



Germany's 'should be'-scores for Power Distance dropped significantly compared to its 'as is'-score (West Germany: rank 29 to 44; East Germany: rank 13 to 24). Brodbeck and Frese (2007) state that there is a desire for "less privilege for people in position of power" (p. 159). Furthermore, the authors conclude that German managers long for a "more egalitarian approach to status" (p. 159) and hence for lower hierarchical levels.

The low scores for Uncertainty Avoidance (West Germany: rank 59; East Germany: rank 52) indicates that German managers desire to change the amount of rules and regulations in place (Brodbeck & Frese, 2007). This would definitely benefit the country, as the status quo seems to constraint the economy in many ways.

Further, Brodbeck and Frese (2007) report that these regulations are one of Germany's major sources of competitive disadvantages. A change in Uncertainty Avoidance, therefore, would support Germany in coping with the fast progress and developments in today's society.

Even though Germany ranks particularly high on the 'as is'-dimension for Assertiveness (highest quartile for both former West and former East Germany), it drops considerably low in its 'should be'-scores (lowest quartile: West Germany rank 55; East Germany: rank 53). This clearly indicates that Germans value a "less confrontational approach to interpersonal relations" (Brodbeck & Frese, 2007, p. 163).

Interestingly, although middle managers in Germany think that their culture should be more future-oriented ('should be'-scores compared to 'as is'-scores), it is only in the two lower half (former East Germany in the lowest quartile, former West in the second lowest quartile) when compared to other countries, dropping from the highest quartile regarding the 'as is'-scores. As Brodbeck et al. (2002) explain, the higher score on this dimension for former East Germany might be due to their hope of benefitting in the future, whereas managers from former West Germany are more cautious and "inclined to preserve the status quo" (p. 20).

In comparison to its 'as is'-scores, German managers value particularly high scores on the Performance Orientation dimension. It is the highest score among the entire German 'should be'-variables. Obviously, although it is said that Germans are very performance-oriented, German managers see a lot bigger scope for their country to improve in.

Both 'should be'-scores for the Collectivism dimensions increase compared to the 'as is'-scores. Germany ranks almost the same for In-Group/Family Collectivism in comparison to other countries but increases its ranking for Institutional Collectivism. However, the latter is only in the mid-range when compared to other cultures and the former still in the lowest quartile. German middle managers do not desire considerable changes on these dimensions.

The desired low scores for Assertiveness is in line with the considerably higher 'should be'-scores for Humane Orientation, in spite of the latter only increasing from the lowest to the second lowest quartile. A more humane touch in

business interactions is what German managers want in future. Additionally, Gender Egalitarianism now scores in the highest quartile, indicating Germany's strong desire for a change in this respect. As Gupta, Hanges, et al. (2002) have outlined, contrary to its status quo, German managers desire a higher level of Gender Egalitarianism than other cultures.

Due to their historical antecedents, the two samples of former Western and former Eastern Germany within the Germanic European cluster show some variances (Szabo et al. 2002), for example within the Future Orientation 'as is'-score. This is quite logical since with the reunification in 1989 the two parts did not merge as equals but former East Germany was rather 'taken over' by former West Germany. Western German characteristics were imposed on East Germany and thus might have led to confusion and probably even some degree of denial on the East German part. Still, one cannot say that the two parts can be seen as a symbiosis therefore the slightly different scores in the practices-values are consequential. In addition, due to different political and economical systems prior to the reunification it is logical that the scores demonstrate different values. Interestingly enough, the two parts hardly differ on the 'should be'-values. Further, as Brodbeck and Frese (2007) point it out "the societal cultural similarities found in this study of East and West German managers outweigh the differences" (p. 165). However, the authors assign varieties in the 'as is'-dimensions to the historical differences of the two sub-cultures, whereas it assumed that the minor differences in the 'should be'-dimensions are due to current West-East issues.

Interestingly, those variables which are particularly low or high in the 'as is'-evaluation turn out to be reversed in the 'should be'-dimensions. Several possible explanations for this are given in the following paragraph.

The negative relationship between most of the 'as is'-scores with the 'should be'-dimensions is quite surprising. It seems as though societies would want a drastic change in all dimensions, which they score either considerably high or low in. However, one would normally expect a positive relationship between these two sets. Many researchers have engaged in identifying this matter. Maseland and van Horn (2009), for instance, interpret the relationship as a matter of diminishing marginal preferences (more units of a good do not entail a proportional increase of utility). The GLOBE researchers' explanation is somewhat consistent with Maseland and van



Horn's. Javidan, House, Dorfman, Hanges and de Luque (2006) justify the negative correlation with the deprivation hypothesis, stating that at some point societies reach a satiation on the dimensions they are high on but they still strive for more of it. At the same time, the longing for improvement of the cultural variables they are short in is higher than for the ones they already score high in. Brewer and Venaik (2010) do not agree with these hypotheses, stating that the law of diminishing marginal utility is only applicable to material goods, not to cultural dimensions. Instead, they find that the self-response questionnaires conducted by the GLOBE project are not a valid means of measuring cultural values (i.e. 'should be'-dimensions). Taras, Steel and Kirkman (2010) have found further alternative explanations. One is a buyer's remorse effect, implying that societies tend to want more of what others have and "take for granted" (p. 1333) what they have which others might not. Another explanation, which is also proposed by Inglehart and Wetzel (2005), is the "degree of value internalization" (Taras et al., 2010, p. 1333), which implies that values cannot only cause practices but also the other way round. In this regard, Taras et al. (2010) and Inglehart and Wetzel (2005) also mention a modernization hypothesis, which might apply to the Indian dimensions. This conveys that after having experienced Western cultures values, these are adopted in the own country. Further, Taras et al. (2010) also suggest that an anchoring and priming phenomenon has occurred. Respondents in the GLOBE study were first asked to answer the questions regarding the 'as is'-dimensions, then the 'should be'-values. In this context, it is plausible that the evaluation of the 'should be'-dimensions ensued in relation to the prior given 'as is'-score. Another possible explanation given by Taras et al. (2010) is in relation to Maslow's hierarchy of needs. People primarily satisfy their basic needs and do not particularly care for higher-level needs. Only when basic needs are met, attention is given to higher-level needs. Concerning cultural dimensions this means that first values related to the basic needs have to be satisfied but then are given less attention, whereas the values for higher-level needs will become more important. So far, no generally accepted explanation for this unanticipated relationship has been offered.

### **2.3.3 The 'Humble Collaborator' – Leadership in Germany**

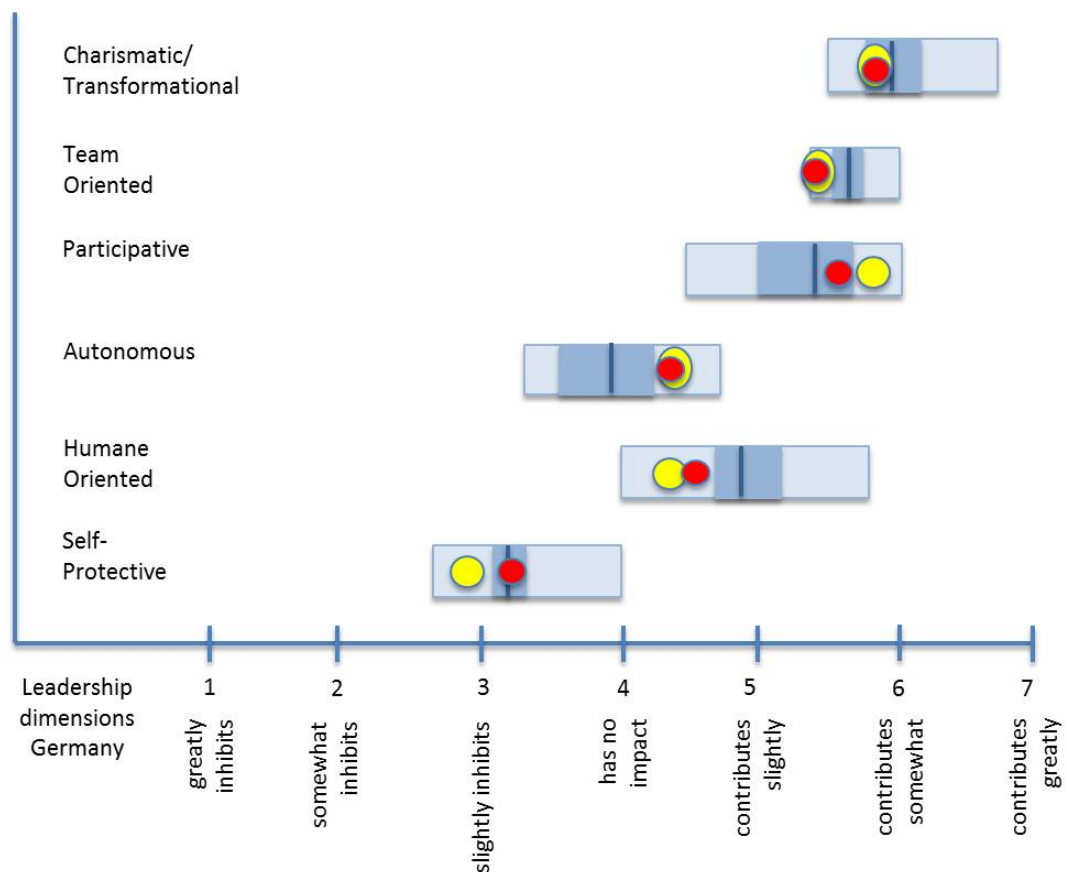
As has been discussed earlier, cultural dimensions indicate which management and leadership styles prevail in a country (Brodbeck et al., 2002; House

et al., 2004; Smith et al., 1996). The leadership scores and box-plot values for Germany disclosed by the GLOBE research are as follows.

**Table 3: German leadership dimensions (based on Brodbeck & Frese, 2007)**

German Leadership Dimensions	Score		Rank	
	West	East	West	East
Charismatic/Value Based	5.84	5.87	42	39
Team Oriented	5.49	5.51	56	55
Self-Protective	2.96	3.32	53	38
Participative	5.88	5.7	9	14
Humane	4.44	4.60	53	49
Autonomous	4.30	4.35	10	8

**Figure 3: Box-plot diagram of German leadership dimensions (based on Brodbeck & Frese, 2007)**



Characteristics that contribute to successful leadership in Germany are being team-oriented, charismatic, participative, and humane-oriented. The first two, however, are seen as contributing globally (Den Hartog et al., 1999). Interestingly enough, both these dimensions confirm the opinion that there are leadership aspects

that are globally and universally accepted (House et al., 2002; Yavas, 1995). Although they generally rank highly in Germany, compared to other countries, the scores for charismatic leadership are in the second lowest quartile, the ones for team-orientation in the lowest-quartile (Brodbeck & Frese, 2007). This also coincides with German managers being rather individualistic compared to other nations. Participative leadership is rather particular to the German culture and scores higher there in comparison to other countries (Brodbeck et al., 2000; Jago et al., 1993; Reber & Jago, 1997; Reber, Jago, Auer-Rizzi, & Szabo, 2000). Participative leadership implies that employees are given a voice (Brodbeck et al., 2002). Humane-oriented leadership by contrast is not seen as contributing to outstanding leadership in Germany. Another difference to most countries is the perception of autonomy being a slightly contributing characteristic to leadership though the scores here are not as high as for charisma and team-orientation. The scores for both Humane Oriented and Autonomous leadership correspond well with Germany's cultural dimension scores for Humane Orientation and Assertiveness.

On the other hand, being self-protective is seen as an inhibiting characteristic in Germany; however, for former East German managers it ranks just below the median when compared to other cultures. As Brodbeck and Frese (2007) state, being self-protective does not align with being open to "conflicts and controversy and thus would undermine true participation" (p. 172).

Brodbeck et al. (2002) take these characteristics a step further and state, "effective German leaders are characterized by high performance orientation, low compassion, low self-protection, low team orientation, high autonomy, and high participation" (p. 16). The same authors have derived a "semantic network of West German leadership concepts" (p. 25), which shows that the so-called "Transformational/Charismatic Leader" (p. 24) is perceived most positively, closely followed by the "Humble Collaborator" (p. 24). The former is characterized by being visionary, inspirational, performance-oriented, administratively competent, and a team integrator. The Humble Collaborator, on the other hand, encourages participation and "emphasizes on an equal work basis with followers" (p. 25). This leader is modest and humane-oriented. Brodbeck et al. (2002) have further identified the Individualist as positive a leader and the Bureaucrat and Oppressive as negative leaders in Germany. However, leaders cannot be purely attributed to one leadership

style, their styles rather overlap (Brodbeck et al., 2002). So the successful German leader is most likely team-oriented with an autocratic edge.

#### **2.3.4 Summary**

The above review gives a clear picture of the German business culture. Bureaucracy and assertiveness prevail, making German managerial leaders very hardheaded, rational and straightforward. Brodbeck and Frese (2007) state that the hallmark of Germany's cultural variables are "high levels of Performance Orientation, Uncertainty Avoidance, and Assertiveness, along with low levels of interpersonal Humane Orientation, all soothed by institutionalized participation and social welfare" (p. 173). Germans highly value team-oriented leaders who are performance-oriented, autonomous and visionary and low on self-protection.

However, there seems to be a tendency from German middle managers to desire to change this cultural environment and proceed towards a more collectivist and humane approach (Szabo et al., 2002). And indeed, as Innreiter-Moser (1999) points out, it seems as if Germany is slowly moving towards its desired values. Additionally, German managers are becoming aware that not only 'hard facts', such as specialist knowledge, are significant for success but that soft-skills, i.e. dealing with people, are growing more and more important. As Brodbeck and Frese (2007) outline, Germany has to change from a "tough on the issue, tough on the person" to a "tough on the issue, soft on the person"-approach (p. 190).

## **2.4 India – Where tradition meets modernization**

In the course of globalization it became possible for a number of countries to grow, such as the large emerging markets. Of particular interest are China and India with their thriving economies. Both cultures are considerably distant from the German culture. The researcher decided to focus on the Indian culture. From a very general view, Indians are often regarded as very kind and courteous people, who are reserved at first. A "group-oriented humane approach" (Gupta, Surie, et al., 2002, p. 23) is attributed to India and the Southern Asian cluster, comprising a rather non-assertive approach. At first glance, this seems quite contradictory to the more distant

and assertive Germans. Therefore it is of high interest to learn whether these differences are also reflected in a more professional business environment.

#### **2.4.1 The economical and historical background of India**

The Republic of India is – next to the People’s Republic of China – one of the largest thriving economies of the present. With a large pool of high-skilled labor and vast developments in technology and services provision, the country is on its way to becoming one of the strongest economies in the world. Interest in this economy and its enormous progress is steadily increasing; India and the region surrounding it are becoming more and more important in today’s global world. This is one of the reasons for including India in this study. Due to its different geographical location, language, religion and historical development, India’s culture can be expected to differ strongly from the German culture.

India being a country on the Asian sub-continent, comprises of roughly 1.210 billion inhabitants (Census of India, 2011) and hence is the second largest nation in the world after the People’s Republic of China. The economy generated a nominal gross domestic product of \$1.538 trillion (US-dollars) in 2010 (International Monetary Fund, n.d.); the tenth highest worldwide. However, the country ranks 119<sup>th</sup> on the Human Development Index with a score of 0.519 (United Nations Development Programme, 2010).

The history of India has been shaped by many outside forces and dates back long before the beginning of the Christian Era. Its culture has evolved over a great time span. It is “an outcome of the interplay between religious, historical, social and economic forces” (Gupta, Surie, et al., 2002, p. 17). To review the entirety of this evolution would stretch far beyond the scope of this research; hence, only a few details are discussed.

As in many other societies, kings have long ruled India and other countries in the region. A king was the *kulapati*, the head of the family, and thus the highest patriarch. His duty, among others, was to keep his people safe from wars (Gupta, Surie, et al., 2002).

With the advancement of technologies, the regional network merged together

this led to *rajasuya yagya*, “a concept of kingship based on territorial conquest” (Gupta, Surie, et al., 2002, p. 17). In the beginning, kings were elected by the people, however, the system changed to heredity through the eldest son (Chhokar, 2007). As a consequence, in order to obey the supreme emperor, the various kings had to marry one of the emperor’s daughters (the former would also receive a dowry in doing so). Thus, it was ensured that the power to rule would remain in the supreme emperor’s family. For this reason, male offspring were generally more favored than their sisters.

With the construction of the Great Wall of China many tribes were forced to move towards India and its neighboring countries in order to make for a living (Gupta, Surie, et al., 2002). In order to distinguish the various tribes, the caste system emerged. This comprised of rules determining which caste someone belonged to, depending on geographical origin and parental occupation. During lifetime, it was not possible to change caste. However, depending on religious belief, a promotion into a higher caste in the next life (the idea of rebirth was universal) was possible as consequence of one’s deeds and character in the current life (in Hinduism known as *Kharma* and *Darma*) (Chhokar, 2007).

Religion is an interesting field in India. Due to its many migrants through the course of its history, various religions have been established in the society: Hinduism, Buddhism, Islam, Christianity, Sikhism, Jainism, Judaism, and Zoroastrianism (Chhokar, 2007). Hinduism is, and has always been, the religion most practiced in India. However, in spite of these various ideologies, people respect others’ practicing a religion different from their own. To this day, religious holidays are celebrated jointly (Gupta, Surie, et al., 2002). With the diversity in religion and ethnical origin, also come a variety of cultures within India. The country consists of 28 states, which all have their own distinct culture; a strong indicator of this is that each state has its own language. Gupta, Surie, et al. (2002) even go so far as calling them “mini-nations” (p. 20). As Tirmizi (1993) points it, India is united in diversity.

In its more recent history, India has been colonialized by various countries, such as the Portuguese (in Goa) and Holland in the 16<sup>th</sup> century and – with a more lasting impact – by Great Britain in the 18<sup>th</sup> century that just ended in 1947 (Chhokar, 2007). India thus has long been occupied by foreign countries and cultures and was obliged to obey them. Clearly, this has had a great impact on the country as traditions,

languages and religions coexisted and shaped it into the society it is today (Chhokar, 2007).

India's economy has improved drastically in the past decade. In former times, agriculture represented a strong industry in this region (as well as in the other countries of the Southern Asian cluster), especially compared to other countries. However, nowadays it excels in technology development and service support. India's economy used to be a centrally planned economic system for the first few decades after the British colonialization, however, "restructuring and liberalization of the economy was undertaken from 1991 onward" (Chhokar, 2007, p. 976) and has led to significant changes.

Today, most India's largest companies are family businesses (such as Tata or Mahindra) and consequently controlled by members of the family (Chhokar, 2007). However, they only own small shares. Sons or grandsons of the company's founders usually are the today's leaders and other important positions are "held by members of the 'extended' family" (Chhokar, 2007, p. 992). As Chhokar further states, a dilution with managers from outside the family sets in with the "third generation after the founder" (p. 992).

#### **2.4.2 The GLOBE cultural scores for India – Asia's humane subcontinent**

Szabo et al. (2002) and Brodbeck et al. (2002) have conducted a comprehensive study of the Germanic Europe cluster and its leadership dimensions. Gupta, Surie, et al. (2002) have carried out similar research and analyzed the Southern Asian cluster in detail. This cluster consists of India, Indonesia, Iran, Malaysia, Philippines, and Thailand. Although these countries do not share the same language or religion – in fact there is great variation of faith – they share a common history that dates back to long before the Christian Era. However, since this research concentrates on the Indian culture only, this culture is discussed in further detail. It is, however, important to notice that India is a huge country, in which many varying cultures have emerged. Probably the most obvious indicators for this are the 22 differing languages spoken in this single country (Government of India, n.d.). Thus, it can be a problematic to generalize the Indian nation into a single culture.

Data for the Indian sample was collected from 214 middle managers in 10 organizations in the financial services and food processing industry (Chhokar, 2007). The average age was 38.36 years. Female managers accounted for 14% of the sample. Organizations were located in Western, Northern, and Southern parts of India.

The GLOBE researchers have conducted the same study with Indian middle managers as is explained in a previous paragraph. As Gupta, Surie, et al. (2002) have outlined, the Southern Asian cluster distinguishes itself from others by being “highly group-oriented, humane, male dominated, and hierarchical” (p. 20). This is also confirmed by a closer look at the different countries’ values of this cluster, as India’s scores are particularly high for Power Distance, Humane Orientation, and both In-Group/ Family Collectivism and Institutional Collectivism. At the other end, India is significantly low on Gender Egalitarianism.

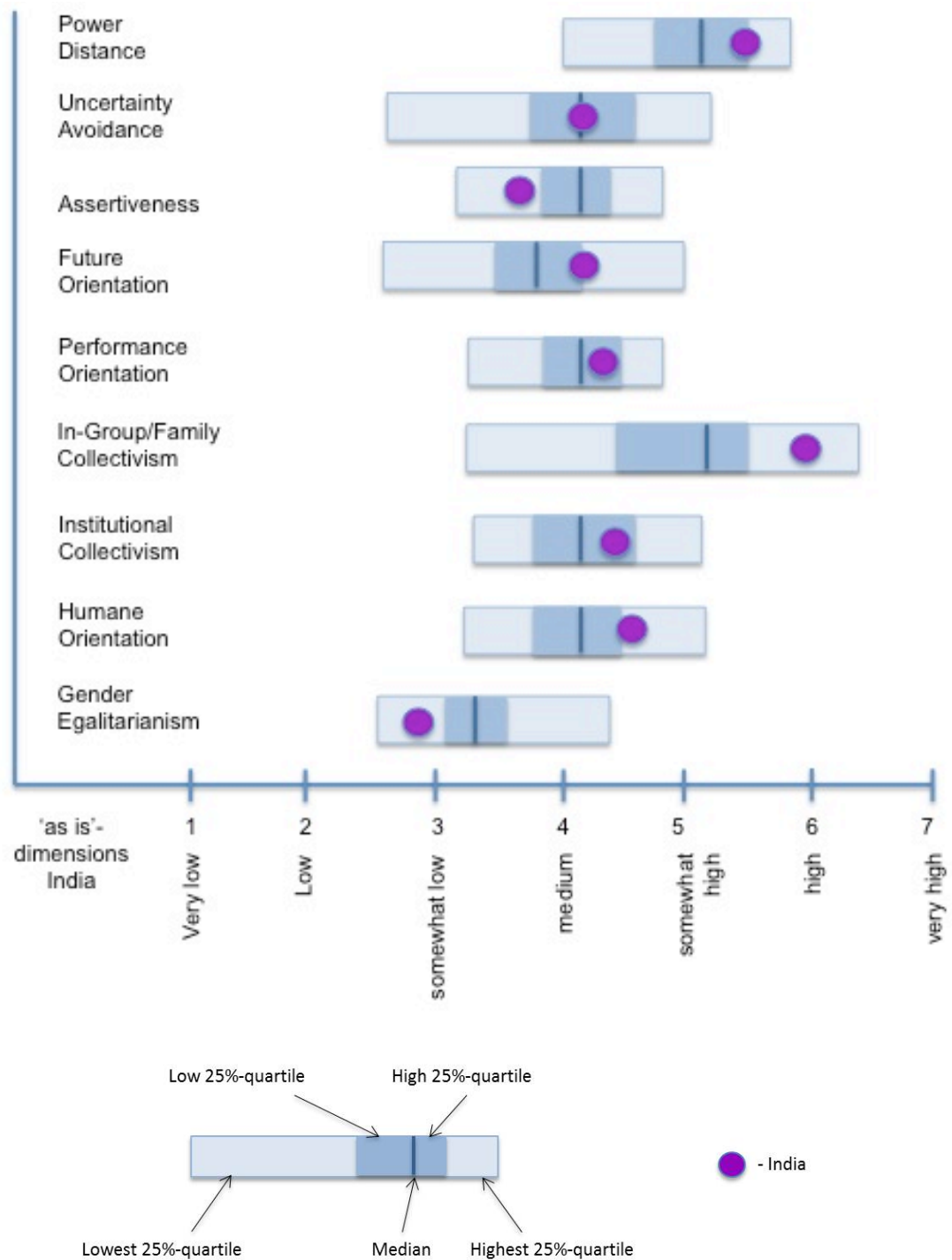
**Table 4: Indian 'as is'-dimensions (based on Chhokar, 2007)**

Indian Dimension Society 'As Is'	Score	Rank
Power Distance	5.47	16
Uncertainty Avoidance	4.15	23
Assertiveness	3.73	53
Future Orientation	4.19	15
Performance Orientation	4.25	23
Institutional Collectivism	4.38	25
In-Group/Family Collectivism	5.92	4
Humane Orientation	4.57	9
Gender Egalitarianism	2.90	55

As can be extracted from the 'as is'-scores in table 4, India’s managers evaluate their culture as having notably high Power Distance (5.47), In-Group/Family Collectivism (5.92) and also Humane Orientation (4.57). Additionally, Institutional Collectivism, with a score of 4.38, is on the verge to belong into the 'high'-bracket. On the other hand, India’s culture is very low on Gender Egalitarianism (2.90). With these cultural dimensions, India mainly differs from other countries in the collectivism variables, Humane Orientation, and Gender Egalitarianism.



**Figure 4: Indian 'as is'-dimensions box-plot diagram**



It seems it is not only those dimensions, which Indian managers have ranked their country as either high or low in, which are different from other cultures. As can be seen in figure 4, they seem to be more future-oriented than most other countries (rank 15; highest quartile) but far less assertive (rank 53; lowest quartile). Extracting India's cultural variables for the 'as is'-scores in this regard, it becomes apparent that India differs significantly from other countries in six out of nine dimensions. This

gap is most pronounced in the score for In-Group/Family Collectivism (rank 4; highest quartile) and Humane Orientation (rank 9; highest quartile). As has been discussed earlier, a great distance in cultural dimensions implies more challenges when entering a particular market.

Naturally, the scores can be explained by India's history. The colonialization of India by various countries has most likely greatly influenced its tendency today to submit to power and hierarchy, as can be seen in the high score for Power Distance (Gupta, Surie, et al., 2002). For instance, it facilitates power – or responsibility in the case of organizational structures – being granted to one person. This often leads to subordinates not taking responsibility for their actions but passing decisions on to the superior. In this context, approval is sought by the managing director, who again is likely to address the superior board (Gupta, Surie, et al., 2002). High hierarchies prevail. At the same time, this high tendency also reflects the Indian caste system, which was actively practiced in India until the 20<sup>th</sup> century and actually still prevails in some rural areas of the country. Chhokar (2007) states that in many operations today the hierarchical order is still according to the caste system – with social and political leaders being from the highest castes and business leaders from the lower castes. However, this tradition is continuously shifting to include members from the former lower castes in high political positions.

India's score for Uncertainty Avoidance is found in the mid-range when compared to other cultures (rank 23). Uncertainty avoidance certainly plays a role in India; however, its magnitude is not as great as to consider all possibilities in the minutest detail. As Chhokar (2007) states "Religious beliefs and practices arising out of them are a major source of attempts to reduce uncertainty of the future" (p. 991).

India ranks particularly low on Assertiveness (53<sup>rd</sup>). In line with its score for Humane Orientation, Indians prefer a non-assertive, more harmonic approach. Communication and dealing with others is said to be more courteous and confrontation is avoided. The concept of 'face saving' is very characteristic for Indians. It is tried to prevent to expose oneself or to put somebody else in a bad light.

As Chhokar (2007) outlines, India is generally future-oriented. The country ranks 15<sup>th</sup> on the Future Orientation dimensions. Chhokar further relates this to the country's history and tradition, in which 'the "hereafter" (is) in preference to the

“here and now” (p. 990). In accordance to *kharma*, this approach is often extended to provide for after death in order to improve in the following life.

India scores moderately on the Performance Orientation dimension. As Chhokar (2007) points it out, most organizations “have performance appraisal systems in place” (p. 989). He furthermore states that individual achievements are respected and recognized and that promotions are based on an individual’s performance but also on their “seniority, and suitability” (p. 989).

The hallmark of the Indian culture is its high scores on the collectivism dimensions, which are explicitly distinct. (Gupta, Surie, et al., 2002). Indians rely greatly on their family and friends, and on other group members such as work colleagues (Gupta, Surie, et al., 2002). It is thus important to be a member of a family or a group of friends, which also implies having “strong expectations from each other” (Javidan & House, 2001, p. 298). Communication in highly collectivist societies is rather indirect and conflicts are avoided (Javidan & House, 2001). Furthermore, India ranks in the second highest quartile regarding Institutional Collectivism, implying that collective goals are preferred over individual goals.

India’s ‘as is’-score for Humane Orientation is perfectly in line with the strong feeling of group affiliation. Being strongly humane-oriented is deeply rooted in the Indian culture. As Basham (1954/1967) points it in his elaboration of ancient Indian history “In no other early civilization were slaves so few in number, and in no other ancient law book are their rights so well protected as in the Arthasastra. ...The most striking feature of ancient India’s civilization is its humanity” (in Chhokar, 2007, p. 972). As Chhokar (2007) further states, “the preferred mode of settling personal disputes is conciliation or arbitration” (p. 990). In the Indian case, Humane Orientation is strongly linked to both In-Group/Family Collectivism and Future Orientation. Regarding the former, Indians tend to support their acquaintances in any case. Additionally, being altruistic is related to the concept of *kharma* and hence an improvement of the following life.

Again, history also explains the distinctly low score for Gender Egalitarianism in India. A woman’s role in her family has long been to be a subordinate to her father while growing up and to her husband after marriage (Kumar, 1991). Her sole task is then to take care of the household and look after her children.

Typically, she would observe her sons' commands after they have grown up (Gupta, Surie, et al., 2002). Although this is a common construct throughout India, it is often different in rural areas, where women contribute a great share to the family's income (Kumar, 1980). However, it is still difficult for women to gain a foothold in business nowadays. They often need a higher education than their male counterparts for the same job. Other than that, they have to rely on family ties and goodwill in order to be accepted for a job position (Wright & Tellei, 1993).

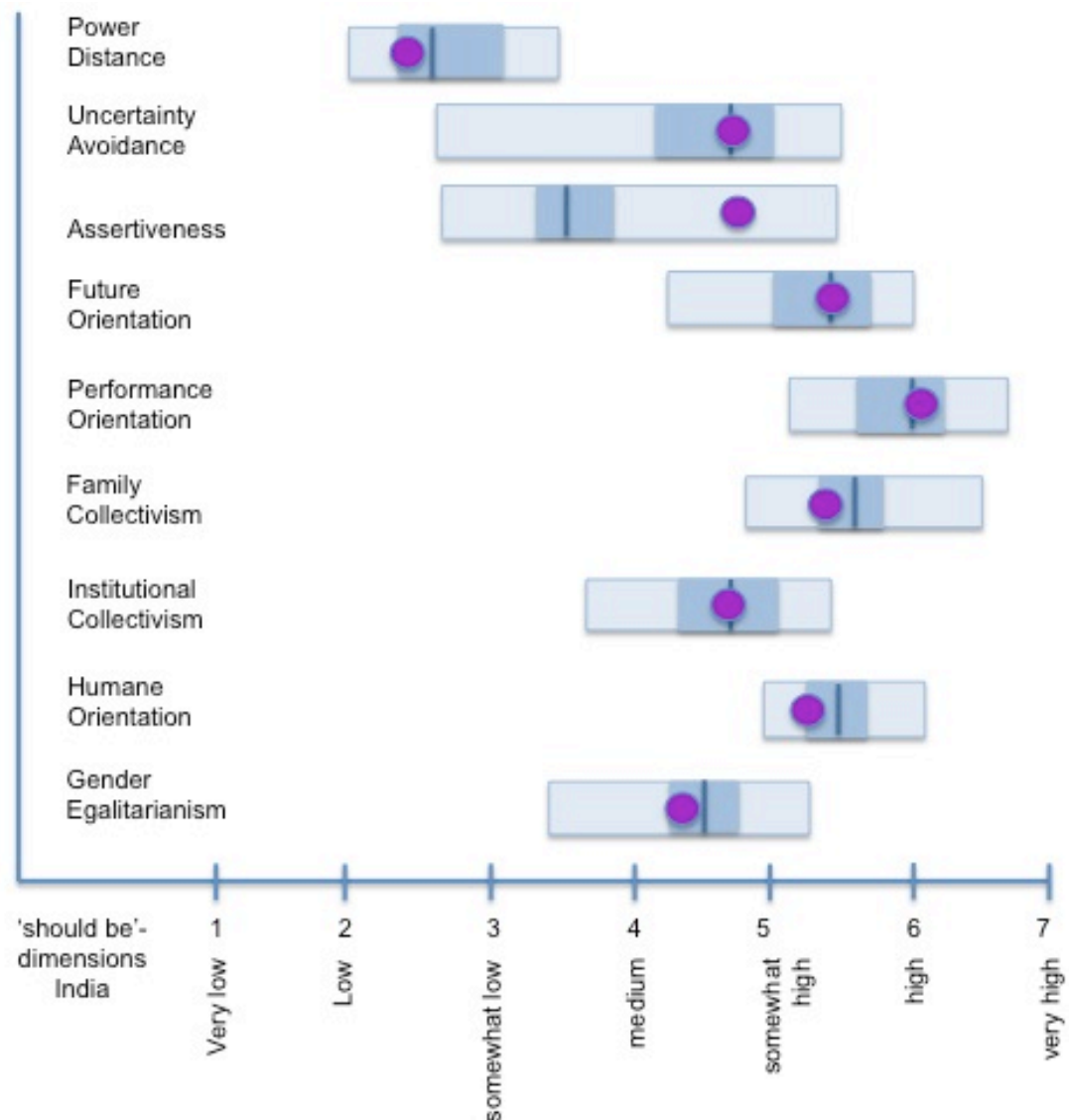
**Table 5: Indian 'should be'-dimensions (based on Chhokar, 2007)**

Indian Dimension Society 'Should Be'	Score	Rank
Power Distance	2.64	38
Uncertainty Avoidance	4.73	29
Assertiveness	4.76	7
Future Orientation	5.60	29
Performance Orientation	6.05	26
Institutional Collectivism	4.71	32
In-Group/Family Collectivism	5.32	50
Humane Orientation	5.28	44
Gender Egalitarianism	4.51	36

The 'values'-dimensions studied by the GLOBE researchers show that Indian middle managers – like German managers – long for a change in their culture. Thinking of India as a rather traditional culture with a strong affinity to its history, it is quite surprising to discover that the scores for virtually all dimensions shift drastically (see table 5). Many cultural variables for 'should be'-scores distinguish significantly from the 'as is'-scores. The greatest differences are found in the low score for Power Distance and the high scores for Performance Orientation, Gender Egalitarianism, Uncertainty Avoidance, Assertiveness, and Future Orientation.

India's 'should be'-score for Power Distance is significantly lower than its 'as is'-score. Apparently, Indian managers seek more social equality. This is in line with the before-mentioned shift in the caste system. Until recently, it was common that high political and social positions were held by people from higher castes; however, the current tendency is that more and more people from lower castes are found in these positions.

**Figure 5: Indian 'should be' dimensions box-plot diagram**



India's 'should be'-score for Uncertainty Avoidance has increased a little over the 'as is'-score, however, its rank dropped from 23<sup>rd</sup> to 29<sup>th</sup>. Although it plays a role in India, it is not as pronounced as in other countries.

A more assertive approach is desired by Indian managers, as can be seen in the increase of the Assertiveness score, changing the respective rank from 53<sup>rd</sup> ('as is') to 7<sup>th</sup> ('should be'). Conclusively, Indian middle managers strive for a more assertive approach than their counterparts in other countries. This preferred change might be due to trying to adopt more Western approaches as managers are increasingly exposed to Western cultures.

Although India's 'should be'-score for the Future Orientation dimension is high in itself, the countries rank compared to other cultures is in the mid-range (29<sup>th</sup>).

India's managers seek for more Future Orientation; however, they apparently do not perceive this as important as managers from other cultures. The same applies for the country's score for Performance Orientation. This dimension is assigned the highest score of all the country's dimensions, however, it only ranks 26<sup>th</sup> compared to other countries. As in most other countries in the GLOBE study, Indian managers want performance to play a more significant role and that rewards are further based on personal achievements.

Although both collectivism dimensions remain high in scores, with Institutional Collectivism increasing by a small margin, an interesting observation can be made regarding In-Group/Family Collectivism. Against the global trend, India's score for this dimension decreases, dropping its rank from 4 ('as is') to 50 ('should be'). Chhokar (2007) accounts this to "an increase in individualism in society" (p. 994).

Similar to other Indian dimensions that were high in their 'as is'-scores and further increased in their 'should be'-scores, the rank for Humane Orientation dropped from 9 to 44. However, India still is a highly humane-oriented culture. The reverse in the ranking is most probably due to Javidan, House, et al.'s (2006) deprivation hypothesis, which states that although the culture still strives for more of a dimension, a certain satiation sets in.

Another prevailing perception is the desire to grant women more rights and chances and promote a less male dominated society. However, although the Indian 'should be'-score for Gender Egalitarianism is high itself, it is still rather low compared to other cultures, ranking only 36<sup>th</sup>.

The dimension for Assertiveness in particular is considerably higher than the mean score for this variable across all other countries (7<sup>th</sup> rank). Apart from Assertiveness, India is well in the median-range compared to the other 55 societies. It is slightly higher for Uncertainty Avoidance and Future Orientation. More surprising, however, is its comparably lower score for In-Group/Family Collectivism (dropping 46 ranks to rank 50). India's current culture excels on this dimension but apparently group affiliation is growing more and more important for other countries, as well.

### 2.4.3 The charismatic visionary – Leadership in India

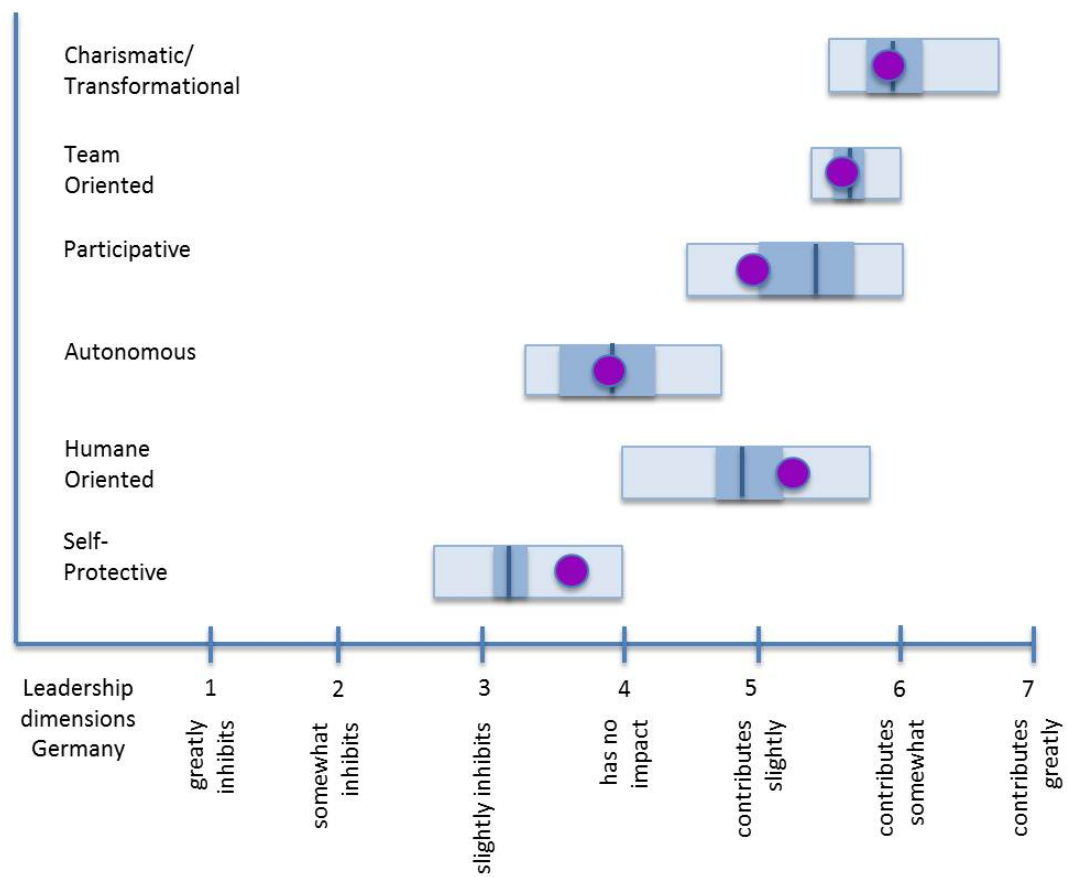
The researchers of the GLOBE project have additionally studied the preferred leadership types in India. Conforming with the majority of other cultures, the charismatic and team-oriented leadership approaches are perceived as most positive. Particularly business leaders are “considered to be visionaries and charismatic” (Chhokar, 2007, p. 984). Participative leadership is another approach globally acknowledged as supportive, though the score for India is not as high as in most other cultures. Further, being a humane leader is seen as more effective by Indian middle managers than by managers in other countries. Combining the positive scores, successful leaders in India have to be ‘decisive and performance oriented’ and must “have high levels of integrity and (must be) willing to make personal sacrifices” (Gupta, Surie, et al., 2002, p. 23). Furthermore, they have to be team builders and diplomats.

**Table 6: Indian leadership dimensions (based on Chhokar, 2007)**

<b>Indian Leadership Dimensions</b>	<b>Score</b>	<b>Rank</b>
Charismatic/Value Based	5.85	36
Team Oriented	5.72	41
Self-Protective	3.77	15
Participative	4.99	48
Humane	5.26	9
Autonomous	3.85	32

India’s leadership attributes perfectly complement their cultural dimensions as shown before. Collectivism, Power Distance and Humane Orientation play a significant role. As Gupta, Surie, et al. (2002) state, a leader also needs to be a “patriarch” (p. 23) and has to support subordinates and ensure that everybody works towards collective goals. Although leaders in India must be in a “strong position of authority”, they have to “allow for input from others” (p. 24). Chhokar (2007) discloses that Indian managers see an effective leader to combine “integrity, being organized, an action orientation, being a self-starter, charisma, and a collective orientation; with being a problem solver, a visionary, entrepreneurial, and inspirational” (p. 1004).

**Figure 6: Indian leadership dimensions box-plot diagram**



The above-mentioned findings are confirmed by Cappelli, Singh, Singh, and Useem's study (2010), which also found Indian leaders to be charismatic and transformational. They have observed that Indian managers are more modest than most of their Western counterparts. The authors say it is common for the latter to emphasize their own involvement and contribution to their company's success, whereas an Indian manager emphasizes their entire workforce's achievements. Corresponding to the high collectivism dimensions and preference for team-oriented leadership, the modern Indian manager places emphasis on the 'we' than the 'I' (Cappelli et al., 2010). In contrast to most Western countries, where managers state that they work for their companies stakeholders first and foremost, Indian managers emphasize "Employee first, customer second" (Cappelli et al., 2010, p. 91). Indian organizations see their "source of competitive advantage...deep inside their companies, in their people" (Cappelli et al., 2010, p. 92). Cappelli et al. (2010) also mention that Indian executive managers see themselves as a "keeper of organizational culture" and as a "guide, teacher, or role model for employees" (p. 92); not unlike a parental figure. Further, Indian organizations create a social mission



and a “sense of national purpose” (p. 94) so as to offer people a greater sense of importance in their employment. Cappelli et al. (2010) point out that there is a great emphasis on retaining employees because job-hopping is very common. “Aggressive investments in employee development” (p. 92) are made (such as training) and employees are empowered to be open and to take responsibility. Subsequently, Indian leaders anticipate high engagement and commitment from their employees. Compared to Germany, where leaders are highly authoritative, Indian managers expect to be evaluated by their subordinates (Cappelli et al., 2010). Naturally, an Indian leader is also seen as an authority figure. More respect is contributed to those of higher seniority (Chhokar, 2007). However, mean dimension levels, particularly for Humane Orientation and collectivism are much higher than their German counterparts. For example, there is an emphasis in India on corporate social responsibility, in relation to issues in their own society. Cappelli et al. (2010) state, that “inadequate scale of health and education systems have forced companies to develop and help care for their own talent” (p. 94). It is thus entrenched in people’s perception to care for their fellow countrymen and include them in their country’s prosperous development.

By quoting the anecdote of how the price for the Tata Nano was set (when asked by a reporter, Tata roughly guessed the price at 100,000 rupees; so the price was decided without actually knowing if it could be achieved), Cappelli et al. (2010) have made another interesting observation: Indians cannot say ‘no’ or deny anything although they might be unsure about how to fulfill the task. That is, instead of denying an assignment or conceding that it might be out of one’s ability, Indians instead consent to it. Presumably, this is because of face-saving and kind culture, where refusing something is considered unacceptable.

It is, however, noteworthy to mention, that the managers interviewed by Cappelli et al. (2010) are all executives of India’s biggest and most successful organizations; hence it must be assumed that they have been exposed to other cultures and leadership styles during their career. These leaders, as described by the researchers, seem to be of a new generation of modern Indian managers. Empowering employees, “pushing decision making down” (Cappelli et al., 2010, p. 93) would actually be against the norms of a highly hierarchical culture. However, the attitude described by the researchers corresponds with the desired change of the

score of the Power Distance ‘should be’-dimension. It seems a cultural development is evolving in India.

#### **2.4.4 Summary**

The above discussed literature leads to a clear picture of the Indian culture and its implication for business and management. In India, hierarchical structures, group affiliation, and male-dominance are prevailing. The hallmark of India’s culture is its high scores on both Institutional and In-Group/Family Collectivism and Humane Orientation. These approaches are deeply rooted in India’s history. Being part of and supporting a group, whether family and friends or organizational affiliation, is a high priority in this culture. However, high hierarchies still prevail as a result of the country’s former caste system and its occupation by various countries. However, the low scores for the Assertiveness dimension imply that Indians prefer a more kind and courteous approach. They highly value ‘face saving’ and avoid confrontation whenever possible. At the same time, it is still difficult for women to establish themselves outside the family, as can be seen by the country’s low score for gender egalitarianism. Similar to most other countries in the GLOBE study, Indians value a team-oriented and charismatic leader who furthermore is also highly humane-oriented.

However, as can be seen in India’s cultural scores of the ‘should be’-variables, Indian managers seek for a change in their culture. This is most pronounced in the high scores for Assertiveness, Future Orientation, Uncertainty Avoidance, and Performance Orientation as well as in the particularly low score for Power Distance. As has been outlined by Cappelli et al. (2010), a new generation of managers, which emphasize less on hierarchical orders, are now present in India’s most successful multinationals. Apparently, some of these desired changes have already taken place in India.

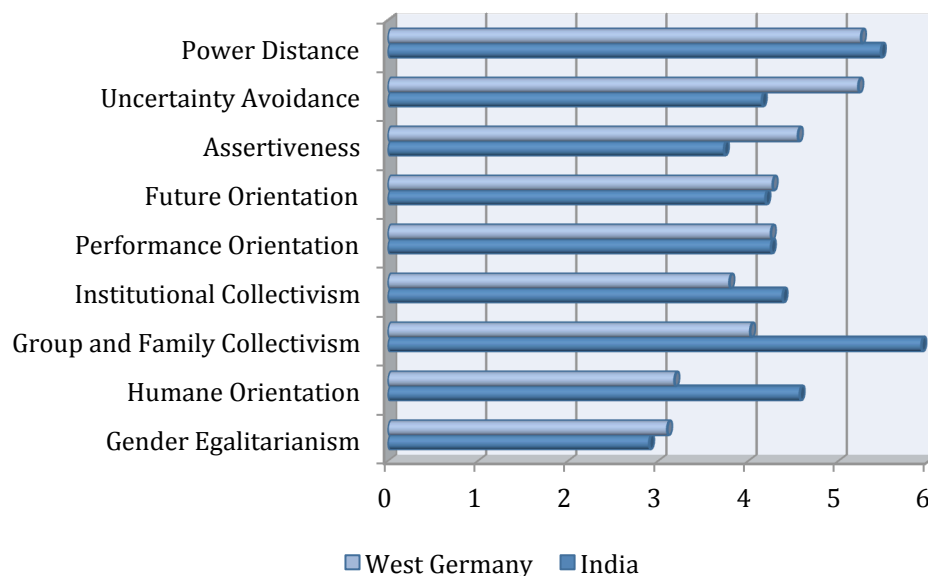
## 2.5 When East meets West

Since the German participants of this research were all born and raised in former West Germany and for reasons of clarity and comprehensibility the following table and bar diagram only show the cultural dimensions for West Germany.

**Table 7: Comparison of German and Indian 'as is'-dimensions; particularly distant dimensions highlighted**

Cultural dimensions 'as is'	Score		Rank	
	W. Germany	India	W. Germany	India
Power Distance	5.25	5.47	29	16
Uncertainty Avoidance	5.22	4.15	5	23
Assertiveness	4.55	3.73	10	53
Future Orientation	4.27	4.19	13	15
Performance Orientation	4.25	4.25	22	23
Institutional Collectivism	3.79	4.38	54	25
In-Group/Family Collectivism	4.02	5.92	54	4
Humane Orientation	3.18	4.57	61	9
Gender Egalitarianism	3.10	2.90	44	55

**Figure 7: Bar diagram of German and Indian 'as is'-cultural dimensions**



As can be seen in both table 7 and figure 7, the German and Indian culture differ significantly on several cultural dimensions, namely Uncertainty Avoidance, Assertiveness, both collectivism dimensions, and Humane Orientation. Different

historical backgrounds, languages, religions, and traditions have led to different cultures. As has been discussed earlier, differences in culture also result in different preferred leadership approaches, as is confirmed in the following table.

**Table 8: Comparison of German and Indian leadership dimensions**

Leadership Dimension	Score		Rank	
	W. Germany	India	W. Germany	India
Charismatic/Value Based	5.84	5.85	42	36
Team Oriented	5.49	5.72	56	41
Self-Protective	2.96	3.77	53	15
Participative	5.88	4.99	9	48
Humane	4.44	5.26	53	9
Autonomous	4.30	3.85	10	32

The GLOBE dimensions display that Germany and India are culturally distant countries and that this cultural variety is also reflected in the two countries preferred leadership approaches. Thus it is confirmed that cultural differences cause differing business approaches. It is hence assumed that business collaborations between these cultures face various culturally influenced obstacles. The great divergence on the Assertiveness dimension may negatively influence communication between the two parties as Germans are straightforward and accept controversy as means whereas Indians prefer a more courteous and harmonic approach. Similar to the difference in Assertiveness, the different scores on the Humane Orientation dimension imply that Indians are explicitly more caring and kind than Germans, which might be reflected in social intercourse. The gap in the collectivism dimensions might lead to additional problem in the work environment. Indians are said to be more group-oriented and less individualistic than Germans, which can play a significant role in collaboration. Further, the difference on the Uncertainty Avoidance scale may lead to different perceptions regarding risk affinity, which might be particularly hindering when making new acquisitions. It is expected that German managers are more risk avoiding and thus slower in decision-making than their Indian counterparts.

As mentioned above, these cultural differences are assumed to cause obstacles in the collaboration between Germans and Indians. This research aims to examine if this is the case and what implications result from it. For this purpose, the perceived differences and experiences of expatriates working for a home-country

organization in the respective foreign country (e.g. an Indian manager working for an Indian company which expanded to Germany) is evaluated, particularly on the significantly different dimensions. It is assumed that the company and its organizational culture adapt to its host-countries culture in order to successfully establish a branch in the foreign country. Furthermore, it is assumed that cultural differences are anticipated and that they are reflected in the company's strategy execution.

## **2.6 Summary**

This literature review begins by looking at the big picture – globalization – and its implication for our lives and particularly for business. In this regard, cultural values are introduced which distinctively vary between countries and affect our behavior in every aspect. A justification is given as to why the GLOBE project data is considered over Hofstede's approach. Cultural dimensions and their implications for leadership approaches are discussed, later with an emphasis on the German and Indian culture. A comparison of the two country's cultural dimensions indicates significant differences between the two societies. In particular, differences are evident in the areas of Assertiveness, Institutional and In-Group/Family Collectivism, Uncertainty Avoidance, and Humane Orientation; hence, for the following research, an emphasis is put on these dimensions.

### **3 Methodology**

As has been demonstrated in the literature review, the GLOBE study has developed an extensive overview of differences in culture. These cultural dimensions describe the attributes of a country and hence disclose the cultural preconditions that lead to people's attitudes in that country. Although the findings from the GLOBE research are important for achieving business in a foreign country, they are rather descriptive and superficial, and do not make reference to the particular implications of doing such business. The aim of this study now is to analyze what the GLOBE dimensions imply for the practical world, in particular for German organizations entering India and Indian organizations entering Germany. The following chapter will describe the methodology of this research. The approaches taken to conduct this study will be explained, i.e. the philosophical approach, the research method, how data was collected and how it was analyzed.

#### **3.1 Epistemology**

Research conducted in the GLOBE study uses a quantitative, comprising of roughly 17,000 surveys from middle managers of 62 countries (House et al., 2004). The authors have quantified their participants' responses regarding cultural perceptions in order to deliver tangible scores about what a country considers to be important cultural attributes. However, this present study deals with the implications of these attributes in a real business context. Thus personal experiences and perceptions are referred to in order to evaluate the actual influence of culture on business execution. A qualitative approach is therefore appropriate, in order to analyze intangible units such as cultural influences, experiences and their contexts.

Furthermore, this research follows a positivist approach. As Myers observes, "positivist studies generally attempt to test theory, in an attempt to increase the predictive understanding of phenomena" (2009, p. 37). The underlying study and main theoretical grounding for this research is the GLOBE project conducted by House et al. (2004). The cultural dimensions and scores disclosed by GLOBE researchers imply cultural distances between various countries. For this study, the attributes for Germany and India are particularly relevant, as has been explained in

the literature review. The procession for analysis of this data is explained under the ‘Secondary Data’ section of this chapter. In addition, this study tests the implications of the GLOBE project’s transferability to real life cases. The aim is to identify if and how cultural differences actually influence conducting business across borders.

The aforementioned approaches inevitably incur a deductive research approach. The grounding for the theory is given by the findings of the GLOBE researchers. The analysis of their data discloses certain assumptions regarding the interaction of German and Indian businesspeople. These assumptions are tested through the collection and analysis of primary data, which consists of first-hand experiences from practitioners. The analysis of the data eventually leads to the disclosure of how and to what extent cultural variation influences strategy execution. Thus, the structure of this research works from the general to the more specific; a classical attribute of a deductive approach.

**Figure 8: Process of a deductive research approach**



### **3.2 Research Method**

In order to gain primary data, several cases where managers of one country – either Germany or India – commenced a long-term appointment in the respective other country are studied. Case studies are the primary unit of analysis in this qualitative approach. They are of particular relevance as they include a wide array of personal experience and perceptions as a result of a long-term stay in a foreign country. As Yin states, a case study “investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident” (2003, p. 13). Myers notices, “research cases are used as empirical evidence to convince other researchers of the applicability (or inapplicability) of a particular theory or proposition” (2009, p. 71). He adds that “case studies can be used to test theory” (p. 72) in order to disclose relevant aspects. Additionally, case studies are extremely relevant as they ask ‘how’ and ‘why’ questions (Myers, 2009). Compared to the GLOBE study’s rather broad but

superficial approach of quantification, the case study approaches in this study allow the researcher to gain a greater understanding of a particular aspect. The objective is to take the differences in cultural dimension scores discussed by the GLOBE project and assess how these cultural differences are reflected in everyday business, why they evolve, and if and how they affect companies' decision making. Case studies can also be used to broaden the well-established research area and ideally enhance the outcomes of previous case studies. The researcher utilizes case studies in order to describe contemporary real life implications theorized in the GLOBE study and to take this theory a step further and draw general conclusions from its findings. A vital component of case studies are interviews (Myers, 2009). Primary data was collected from in-depth interviews with German managers working in India and Indian managers working in Germany. All interviews followed a semi-structured approach, i.e. questions are pre-formulated (see Appendix A); however, there is no necessity to strictly comply with these (Myer, 2009). The main purpose in this semi-structured approach is to give a certain consistency and guidance through the interview while leaving possibilities for extensive discussion (Diaz Andrade, 2010). An advantage of semi-structured interviews is that they allow for the emergence of new questions during the conversation (Myers, 2009), allowing for the possibility to modify the questionnaire according to newly emerged findings (Diaz Andrade, 2010).

### **3.3 Case study layout**

Several cases are displayed in this research. They all fulfill the same prerequisites and are all quite similar. Their main distinction is due to this research's purpose to analyze both sides of cultural implications: what the implications for German managers working in India are and how the work of Indian managers is influenced when working in Germany. As a result, two different requirements are formulated.

In the first set of cases, German companies and their employees in India are studied. Interview participants of this first set of cases are required to be of German origin, i.e. German citizens, raised in Germany. Furthermore, participants have to work for a German company in India. The participant's organization must be well established in India as to ensure that a certain level of exposure to the foreign culture



has occurred. The company's workforce in India must be comprised of both Germans and Indians. In addition, participants must have lived in India steadily for at least one year in order to exclude the novelty effects that occur when first moving to a new country.

The requirements for the second set of cases are equivalent to the first set, the only difference being that participants must be Indian citizens, working for an Indian company in Germany. The requirements mentioned in the previous paragraph also apply in this case.

### **3.4 Data Collection**

#### **3.4.1 Secondary Data**

As has been outlined throughout the study, the underlying theory for this research is to be found in the results of the GLOBE project. The main source of secondary data is the dimension scores for Germany and India disclosed in the GLOBE study. The researcher has first internalized the GLOBE project's approach and objectives by comprehensively studying the research. She then separately analyzed the scores of the cultural variables for both Germany and India. In doing so, attributes, on which the two countries are particularly distant, were disclosed. As a result of these findings, the researcher established assumptions about the effects of cultural distance on working in the respective different country. The findings of this secondary analysis were discussed in the literature review.

#### **3.4.2 Primary Data**

The primary data of this study is comprised of the interviews as described in section 3.3 'Case study layout'. As previously mentioned, in order to gain valuable data in-depth interviews were conducted with participants.

Participants were chosen according to the requirements earlier mentioned. First contacts were established via the Indo-German Chamber of Industry and Commerce and via personal contacts to the businesses. Initially, six German managers in India and eight Indian managers in Germany were contacted. These first

addresses took place over email, in which the research purpose was explained and the further procedure was described. The potential participant was invited to be part of the study and to express their interest by replying to the email. Of the German manager sample, three managers agreed to participate after receiving the initial email. The remaining three potential participants received a reminder email after one week; however, no response was received. Therefore, the response rate for German managers is 50%. In the case of Indian managers in Germany, two participants responded after the initial email, another one after the email reminder. This results in a response rate of 37.5%. All six participants were then sent the official information sheet of this research and a consent form, which needed to be read, signed and sent back to the researcher prior to the interview. Appointments for the interviews were agreed upon during this stage. Due to large distances, the researcher being located in New Zealand and the participants in either Germany or India, the interviews for this study were conducted via telephone. At the beginning of each interview, participants were asked permission for the interview to be recorded (using a voice recorder). All participants agreed to being recorded in these interviews.

Interviews lasted from 12 minutes to 42 minutes, with the total length of all interviews being 140 minutes and 44 seconds, of which the interviews with the German participants lasted for 81 minutes and 14 seconds and the interviews with the Indian participants 59 minutes and 30 seconds. All six interviews were conducted within three weeks. All three interviews with the German participants were conducted in German, the interviews with the Indian managers in English. The interviewees were encouraged to answer extensively to the guiding and emerging questions. The researcher did not interfere unless there was need for clarification. Due to the recording of the interview and a subsequent transcription, notes were mainly taken in regard to new questions emerging during the interview.

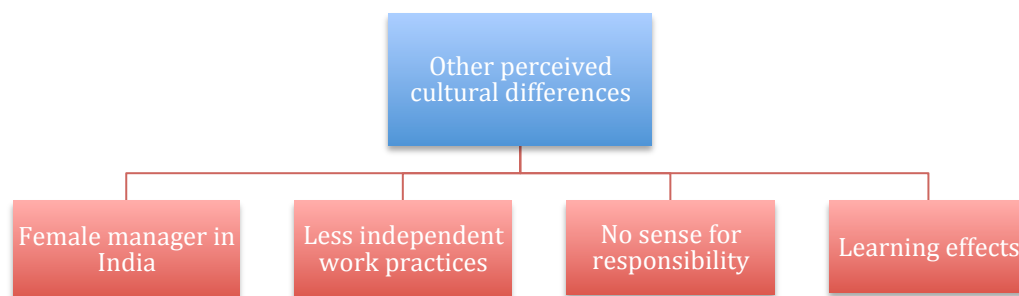
### **3.5 Data Analysis**

All interviews were transcribed after the interview was conducted. Interviews with German managers were transcribed in German, interviews with Indian managers in English (two examples of the interview transcriptions can be found in Appendix B and C). All transcriptions, translated or in their original language, are

available upon request).

After transcribing, the documents were re-read in order to internalize them and get a first overview of the outcomes. For the purpose of coding these items, the transcriptions were uploaded to an analysis software, i.e. Nvivo9. The author decided to apply the method of thematic coding to the transcripts (Bryman & Bell, 2007). This method allows the researcher to organize relevant data and cluster it into categories (Charmaz, 1983). Charmaz notes that coding items is a “shorthand device to...organize data” (1983, p. 186). This provides a clear overview and solid basis for further interpretation of the data. In this consequence, the author established appropriate themes after first studying the interview transcriptions and then assigned statements to their according themes. In a next step, statements within one theme were further coded into different sub-cues, to further narrow their categorization. Figure 9 displays an example of a theme and further cues.

**Figure 9: Sample of coding figure**



Since the questions for the semi-structured interview were established in regard to the assumptions made based on the GLOBE project, the general coding themes reflect the findings of the earlier study; i.e. Germany and India strongly differ on group collectivism, so managers were asked about their experiences on this subject. The coding theme is then accordingly labeled ‘Individualism vs. Collectivism’. As Myers (2009) states, a deductive coding approach implies that the data is coded by an already existing theoretical framework.

A total of 53 codes were established. Next, the codes were used as a basis for the researcher to interpret the statements and draw conclusions, which will be discussed in the following chapter.

## **4 Analysis**

In this section, the findings from the analysis of the in-depth interviews are given. First, the outcomes of the interviews with German managers in India are discussed, followed by an analysis of the experiences of Indian managers in Germany. An interpretation of these findings in regard to the research question is given in the discussion in the following chapter.

### **4.1 German managers in India**

#### **4.1.1 Participants' demographics and information about their companies**

##### ***4.1.1.1 Countries of origin***

All German participants stated that they are of German origin. More precisely, they were all raised in the western part of Germany. Being a German citizen and being raised in Germany is an essential requirement for the participants as it implies that they have been intensively exposed to German cultural values throughout their lives and hence have internalized these and tend to act accordingly.

##### ***4.1.1.2 Participants' age***

The age of research participants is of significant value as it is interesting to learn whether the age is a moderator for the perception of cultural differences, i.e. if younger managers react less strongly to cultural distances compared to older managers, since the former have grown up in a more global society than the latter. In this research, one participant is to be put in the age span of 25 – 34 years, the other two in the span of 35 – 49 years.

#### ***4.1.1.3 Time spent in India***

All participants have extensive experiences with living and working in India. Their time spent in India to this day is between three and five years. The prerequisite for this research is minimum of one year spent in India in order to guarantee that the participants have experienced the foreign culture and interacted with local managers.

#### ***4.1.1.4 Prior experiences in other foreign countries***

All German participants have professional experience in other foreign countries, such as Great Britain, France, Singapore, Hong Kong, and Russia. Prior experience in other countries – of which some are also culturally highly distant to Germany (e.g. Russia) – could act as a moderator regarding how distant the Indian culture is perceived to be from the German culture. It is assumed that prior experience leaves participants more broad-minded towards cultural varieties. Their perception therefore could be different compared to managers who have not worked in a foreign culture before.

#### ***4.1.1.5 Companies' industry and product or services***

Participants were asked which industry their company belonged in. Participant 1 and participant 2 work in the transportation industry, participant 3 in the thriving industry of renewable energy and resource management. The respective products or services provided are managing expertise, logistics, and consultation.

#### ***4.1.1.6 Duration of participants' companies' representation in India***

For similar reasons to those of the participants' who spent time in India, it is important to find out how long their organizations have been in the country. The aim is to disclose whether a learning effect regarding cultural distance takes place after some time, or if the companies continue to demonstrate only German business culture. Participants' companies have been in India for 3, 5 and 52 years. Participant

3 and participant 1, whose organizations entered India 3 and 5 years ago respectively, have been with their respective companies since the beginning of the expansions.

#### ***4.1.1.7 Expansion strategies***

One of the main aims of this research is to disclose whether German (or Indian) organizations anticipate cultural differences and demonstrate this through their expansion strategies. For this purpose, participants were asked about the exact procedure concerning their companies' expansion into India.

In two of the cases, namely participant 2's and participant 3's organizations, the German companies have entered India with their own subsidiaries and stayed as such ever since. In these cases no local business was consulted or involved when expanding into the country. In the case of participant 3's company, however, a lot of support was given by local acquaintances. Support was in the form of advice regarding local formalities and networking, i.e. bringing together prospects and the advancing business.

Participant 2's company entered India as a joint venture. In the first instance this happened due to regulations that imply that an Indian organization must be involved in this kind of expansion. In regard to the work execution of this joint venture, the German company is independently responsible for the provided service. The participant further added that the industry is highly interwoven with politics, so when expanding into a foreign country, having a business partner is extremely valuable.

Participants were further asked if this is their company's normal procession when expanding into a foreign country. This was confirmed by all participants. In two cases, participants' companies were represented in multiple countries. The expansion into those countries was the same as in the case of India. In the case of the company that expanded through a joint venture with a local business, the participant mentioned that they often experience difficulties due to their partner's lack of experience in the industry. However, he added that these difficulties mainly occur in the early stages of the collaboration, and that after some time working together a learning effect sets in on both sides of the cooperation.

The following tables depict the information gathered for both the participants and their organizations.

**Table 9: German participants' demographics**

	<b>Participant 1</b>	<b>Participant 2</b>	<b>Participant 3</b>
Origin	German	German	German
Position	Managing Director	Regional Director South Asia	Director
Age	35-49	35-49	25-34
Gender	Male	Male	Female
Time spent in India (in years)	5	3	3
Prior experience in other countries	Yes	Yes	Yes

**Table 10: Organizational characteristics of German companies**

	<b>Organization 1</b>	<b>Organization 2</b>	<b>Organization 3</b>
Participant	1	2	3
Headquarter in	Germany	Germany	Germany
Industry	Transportation	Transportation	Renewable energy
Products/Services	Managing expertise	Logistics	Consultation
Length of representation in India (in years)	5	52	3
Expanded through	Joint venture	Own subsidiary	Own subsidiary

#### **4.1.2 Assertiveness**

As disclosed by the GLOBE cultural dimensions scores for Germany and India, these two countries highly differ on Assertiveness, with Germany scoring extremely high on this dimension and India low. In this regard, the German participants were asked about their experience with their Indian colleagues in terms of assertiveness.

All participants agreed that in general Indians are less assertive than Germans, especially when it comes to directness. The main example, which was given by all three participants, is that Indians are usually rather polite in their communication and

that they tend to never say 'no'. Participant 3 assumed that this is owing to a 'Relationship first, then business' approach, which implies an agreeable and more pleasant social dealing with colleagues. According to participant 1 and participant 2, the latter is not only due to politeness, but also to 'face saving'. As they explained, Indian managers do not want to admit if they cannot meet certain expectations or if they are overstrained. This fact is frequently mentioned throughout the interviews. A more detailed analysis of this is given later in this chapter.

Participant 1 explicitly mentioned that the differences in assertiveness – in this case the directness – leads to difficulties in the work environment because it makes it impossible for him to work in the way he is used to, and often causes delays. However, he also admitted that it might be disconcerting for Indian colleagues when a German manager talks to them in a rather harsh manner, as he or she would do in Germany.

To further investigate the impact of the distant Assertiveness variables between both countries, participants answered questions about how determined they believed their Indian colleagues to be in the workplace. The participants stated that Indian managers are highly determined in their requests, significantly more than their German counterparts are. However, they also mentioned that this is especially evident when it comes to delegating – lesser in communication between equally ranked people. Participant 1 reported that he often perceived Indian managers' delegation as militarily. Participant 2 agreed that many managers publically treat their subordinates as such. Participant 3 explicitly stated that she does not subordinate herself to this hierarchical approach and that she in fact does not have to as she is not Indian. She added that Indians behave like this to one another, however, they do not do so towards their foreign colleagues.

These responses were somewhat surprising, as they do not correspond with the high distance in the Assertiveness dimension as disclosed by the GLOBE study. However, they correspond very well with India's high score on Power Distance.

Concerning the aforementioned experiences, all three participants added that a learning effect occurred. The difficulties were quite significant in the beginning of the expansion; however, over time the Indian staffs adopted more to the German way of working. Additionally, German managers started anticipating their Indian



colleagues' work attitude. Two-way accommodation occurred as a result.

Participant 1, whose organization entered a joint venture, interpreted the learning effect of their partner organization as a result of their growth. Initially, their partner was a South Indian based company with little global experiences. During the course of time the company's global exposure grew and it hired several expats. The participant assumed that, as a consequence, the Indian partner's work attitude became more 'westernized'.

Participant 3 mentioned that her employees were told from the very beginning to be assertive, i.e. to be active and straightforward. She added that they pushed their staff in this regard as to prepare them to work with international customers.

Participant 2 emphasized that he has mainly experienced difficulties outside his company, which has been in India for 52 years. Within his company he observed that the Indian staff's working approach is very similar to the German approach. The participant explicitly stressed that this is due to the company's organizational culture, which significantly differs from the host country's national culture, and in fact dominates it.

#### **4.1.3 Uncertainty Avoidance**

India's culture scored significantly lower on the GLOBE study's Uncertainty Avoidance dimension than Germany. In this regard, the participants were asked about their perceptions of Indians' risk affiliation.

The responses of all three participants confirm Indian's low score for Uncertainty Avoidance. They all see India's current economic growth as a moderator for a higher risk affiliation. Furthermore, participant 1 stated that Indian companies are additionally very innovative when it comes to their acquisitions and investments. Participant 3 emphasized the country's dynamic as a drive. According to her, Indian companies consider it very important that their investments quickly earn a positive return, "investments must yield good returns within two years; if they don't they won't even be considered". In further regard, this is in line with India's lower score for Future Orientation compared to Germany.

All three participants agreed that Indian managers are far more willing to take risks than their German counterparts and that German managers can learn from their Indian colleagues in this regard.

Interestingly, participant 1 has observed that this risk taking can only be projected to the organizational level and not to the individual Indian manager. He stated that generally, Indian managers are not willing to take responsibility but would leave important decisions to their superiors.

Again, participant 2 stated that these observations only apply to Indian companies. According to him, such approaches are regulated by a corporate governance in his organization and most other multinational companies, which aligns the degree of risk affiliation with general company rules and with a level typical for the company's country of origin.

#### **4.1.4 Collectivism**

According to the GLOBE study, India is a highly collectivist country regarding both In-Group/Family and Institutional Collectivism whereas Germany tends to be more individualistic.

Surprisingly, participants 1 and 2 did not confirm the GLOBE project's findings in regard to India's high score for Institutional Collectivism. Both participants say that their Indian colleagues are far more individualistic than their German counterparts, especially when it comes to the common work goal. Participant 2 stated that the first object is to promote oneself. Whereas participant 1 admitted that the same is true for German managers, he added that Indian managers are less interested in bringing their company forward, more precisely in achieving a common goal. He does not see that Indian managers increase their efforts but that they manage only their own tasks without anticipating what might be beneficial for the organization.

Participant 2, however, mentioned that Indian managers require a higher degree of harmony in the work environment, which might be associated with the cultures high score on In-Group/Family Collectivism, as well as high Humane Orientation and low Assertiveness. He furthermore outlined that his company has a

considerably low fluctuation rate in India. Many of the Indian employees have been with the company all their professional work life. This does not only indicate their satisfaction with the company but also their loyalty to their employer.

#### **4.1.5 Humane Orientation**

According to the findings of the GLOBE study, Indians are said to be far more humane-oriented than Germans. As Javidan and House (2001) outline, being humane-oriented implies being “fair, altruistic, generous, caring, and kind to others” (p. 300).

All participants’ responses in regard to Humane Orientation were all very similar. They all agreed that Indian managers are generally friendly and kind when interacting with colleagues and employees. They all said that they sense a great desire for harmony at the work place. This is particularly in regard to social interaction, which happens in a greater magnitude than what participants are used to in Germany.

However, they also mentioned that Indian managers tend to be rougher with their subordinates when delegating tasks or when something did not work out the way it should have. When asked if they (German participants) would have reacted the same way in those situations, all participants negated, however, pointing out that there are situations in which it is appropriate to let employees sense the discontent but that this has to happen in a different manner. Again, all participants outlined that it is different in their companies and that the behavior described was observed in local Indian companies.

#### **4.1.6 General differences in regard to business matters**

As a concluding question, the participants were asked to talk about other cultural differences they have experienced in India, which might lead to difficulties in collaboration. The following paragraphs depict the various responses.

All participants strongly agree that the biggest difficulty during their appointment is that Indian employees do not say 'no'. As participant 3 explained, "India is a land of talking, not a land of acting". Participant 1 and participant 2 stated that it is very strenuous as they often do not receive a clear response from their Indian employees. Participant 1 added that as a German manager he expects straightforward responses to his inquiries, which he can rely on. He is then often disappointed when the outcomes are not as he expected them to be. However, because he has begun to understand this behavior, he tries to read between the lines. He said it strengthens his nerves to interpret what his Indian employees are really stating. He further mentioned that Indian employees can be put in an awkward situation when German managers talk to them in, what he says is, "an undiplomatic manner" that can appear harsh to Indians. Participant 2 added that problems with this attitude especially invokes problems when something is not working the way it should be and the responsible Indian employee does not admit this. Difficulties that could have been resolved as they occurred might then become serious issues.

Participant 3 sees the root of this attitude in India's thriving economy. She said that due to its current dynamic and success, "everyone wants their share of the pie". According to her, a 'no' is simply not acceptable in times like these.

Participant 2 thinks the lack of responsibility of the Indian business people is a major obstacle for a successful collaboration. As he stated, people in India start working on a task but often do not feel the necessity to manage it to the best of their abilities or even to fulfill it at all. He said, "there is no sense of sustainability" with regard to work tasks. Follow-ups are a rare occurrence. He further stated that this is also evident in the Indian everyday life. He gave the example of road construction, which could suddenly stop and not resume or be considered again.

Participant 1 further sees a lack of independency as obstruction when working with Indians. According to his experience, Indian employees want a more thorough description of their task. Furthermore, in case of incomprehension, Indian employees are less likely to ask for help or support but rather finish the task to an inferior standard. Giving the example of two newly employed graduates, one Indian, one German, he said that the Indian graduate would need another six months of special training in order to manage tasks the way a German graduate would do immediately.

Indian gender roles can be an obstacle for collaboration as well. Participant 3 – the only female participant in this research – explicitly mentioned difficulties with being a female manager in India, especially when encountering older Indian male managers. She related the example of her and her male business partner sitting in a meeting with several older Indian managers of a smaller Indian organization. In the course of this meeting, she asked a question and instead of getting an answer she was met with silence. After regaining their composure, rather than addressing her directly one of the Indian managers referred to the participant's male business partner to answer the question.

Conclusively, participant 1, who is an active member of an association for expatriates in New Delhi, said that only a small part of his international acquaintances enjoy working in India and that the majority would prefer working in a different country. According to his fellow expatriates, which have also worked in other foreign countries, India is a particularly difficult country to work and live in. As participant 1 mentioned, "one simply has to accept that it is different here". Participant 3 agreed with this statement. She said that a certain commitment is required in order to enjoy working in India and further, to appreciate the country's culture.

#### **4.1.7 Cultural awareness training**

The researcher initially assumed that cultural awareness training would act as a moderator for the perception of foreign culture. Thus, participants were asked about their experience with training and their perception whether it was helpful for their overseas' appointments.

Participants 1 and 2 received cultural awareness training prior to their appointments in India. In both cases, their respective families were included in this training. These trainings are mandatory in the organizations of both participants. Participant 2 has had rather positive experiences with his training. Instead of listening to a lecture-like presentation, the training he received was held by someone who has personally lived in India and whose partner is Indian. The teacher's portrayal was thus very vivid and close to reality, which was particularly helpful for the participant's spouse. However, participant 1, who had worked in India before for

a different company, did not feel that the training he received was sufficient to prepare managers for their overseas appointments. As he stated, “the actual implications for everyday life are underestimated”. Participant 3, who did not receive training but had previously worked in India and who was already highly affiliated with the country during her studies, is not fond of the concept of cultural awareness training. Similar to participant 1, she perceives them to be too superficial.

Participants 2 and 3 both stated that training regarding business matters is not viable or even necessary. Both said that although the context is different, companies normally function the same way and have the same work atmosphere in the host country as they do in their home country.

## **4.2 Indian managers in Germany**

### **4.2.1 Participants’ demographics and information about their companies**

#### **4.2.1.1 *Countries of origin***

All Indian participants stated that they are of Indian origin. Being an Indian citizen and being raised in India is an essential requirement for the participants as it implies that they have been intensively exposed to Indian cultural values throughout their lives and have therefore internalized these and, in a broader sense, act according to them.

#### **4.2.1.2 *Participant’s age***

As has been explained above, the age of research participants is of significant importance, especially to discover whether there is a difference in perception of cultural differences between younger and older managers.

In this case, two participants in this group are in the age span of 25 – 35 years, and another one is in the age span of 50 – 65 years.

#### ***4.2.1.3 Time spent in Germany***

All participants claimed to have extensive experiences living and working in Germany and with interacting with German employees. Participants 4 and 5 came to Germany over one year ago; participant 6 has spent 32 years in the country. All three participants thus meet the requirement for this study.

#### ***4.2.1.4 Prior experiences in other foreign countries***

For all participants, their appointment in Germany is their first time working in a country other than India.

#### ***4.2.1.5 Companies' industry and product or services***

Participant 4 and participant 5 work in the IT industry, participant 6 in the transportation industry. Their services are consulting and infrastructure, business process outsourcing, and air transport, respectively.

#### ***4.2.1.6 Duration of organizations' representation in Germany***

As has been explained earlier, it is interesting to note how long the companies have been in Germany. This information implies how strongly the organization and its culture have been exposed to the foreign country.

In all three cases, the participants' companies have been in Germany for a considerable time. Both participant 4 and participant 5's organizations entered the German market 20 years ago in 1991. Participant 6's company came to Germany 58 years ago. All three companies are well established in Germany.

#### ***4.2.1.7 Expansion strategy***

The main objective of this research is to disclose whether Indian organizations anticipate cultural differences in a way that is also reflected in their expansion strategies. For this purpose, participants were asked about the exact

procedure in regard to their companies' expansion into Germany. The companies of all three participants entered Germany with a fully owned subsidiary. When asked if this is how their companies normally proceed when entering a new country, all three participants confirmed this.

The following tables again depict the information gathered from both the participants and their organizations.

**Table 11: Indian participants' demographics**

	<b>Participant 4</b>	<b>Participant 5</b>	<b>Participant 6</b>
Origin	India	India	India
Position	Business Development Manager	Business Development Manager	Regional Director
Age	25-34	25-34	50-65
Gender	Male	Male	Male
Time spent in Germany (in years)	1	1	32
Prior experience in other countries	No	No	No

**Table 12: Organizational characteristics of Indian companies**

	<b>Organization 4</b>	<b>Organization 5</b>	<b>Organization 6</b>
Participant	4	5	6
Headquarter in	India	India	India
Industry	IT	IT	Transportation
Products/Services	Consulting and infrastructure	Business process outsourcing	Air transport
Length of representation in Germany (in years)	20	20	58
Expanded through	Own subsidiary	Own subsidiary	Own subsidiary



#### **4.2.2. Assertiveness**

Equivalent to the German interviewees in this research, the Indian participants were asked about their experiences with German employees regarding assertiveness. Participant 5 stated that his German colleagues are far more direct than Indian managers. However, he does not perceive this as a strong difference that might cause difficulties in the work environment. Participant 6 strongly agreed that German managers are more straightforward than their Indian counterparts. He added that this had troubled him at the beginning of his appointment. He said that, not only did he become accustomed to this, but also he became more assertive himself as a result. On the contrary, participant 4 said that he does not perceive any difference between Indians and Germans regarding directness. According to his opinion, both are equally direct.

More information about perceived differences in assertiveness was disclosed in the interview, such as whether German managers are more determined. Again, participant 4 stated that he does not perceive any differences. Participant 5 agreed with participant 4 and said that he thinks, “determination depends on the individual” and not so much on the cultural background. He further said that many factors influence one’s determination but he did not think that assertiveness is something that is shaped by cultural backgrounds. Participant 6 was the only participant to say that he perceives a difference. In accordance with the responses of the German interviewees, he said that German employees are more determined and eager when it comes to their work, and that many Indian employees “have a somewhat laissez-faire attitude”. On the other hand, he mentioned that when it comes to delegating, Indian managers are more determined than their German counterparts.

#### **4.2.3 Uncertainty Avoidance**

All three participants agreed that Germans are generally more averse to taking risks than Indians. Participant 5 emphasized that Germans “want to understand a situation completely before getting head long into it”. He added that his German colleagues like to plan well ahead and that they want to know as many variables as possible. He said, “Germans always expect the planning to go to the last

level of detail”. Having to deal with international customers (e.g. U.S. Americans), he further stated that Germans are less flexible in their approach. This opinion is shared by participant 6 who said that the risk avoidance of Germans has, in some cases, slowed down the process of decision making and finding.

Participant 5 explained that the German approach might be useful in industries where planning ahead and knowing the variables for the next three to four years is possible. He mentioned the automotive industry as an example. He acknowledged that in those cases, the German approach might be superior. However, he said that in fast-moving industries assumptions change more rapidly, so detailed planning, as preferred by Germans, is not suitable. Here he referred to his own industry, IT consulting.

Similar to the responses of participant 5, participants 4 and 6 stated that they also have experienced delays in decision making because of Germans risk-aversion. However, these have been rather minor because at an organizational level, corporate governance dictates the standards for risk handling.

#### **4.2.4 Collectivism**

According to the GLOBE research, India and Germany are said to be quite different with regards to collectivism. In that study, Indians are taken as highly collectivistic, in both Institutional and In-Group/Family Collectivism, whereas Germans score considerably lower on these scales. However, the participants of the Indian sample do not agree with the findings from the GLOBE study.

All three participants stated that Germans are quite individualistic concerning Institutional Collectivism but that Indians in hardly lack behind in this regard. Participant 5 explicitly stated “Indian managers do not prefer group goals over individual goals”. Participant 6, however, admitted that he would not have answered the same way if he was asked 20 years ago. In the meantime, he said, Indian managers have changed to a certain degree in regards to their own development and success and thus have leveled with their German counterparts. As participant 4 outlined, “everybody does work for their own purpose today”. In this context, participant 5 added that Germans are definitely prouder of their individual achievements than Indians.

All participants agreed that their German colleagues are more socially distant than their Indian counterparts. As participant 5 outlined, this can be somehow felt in the work atmosphere, which is far less amicable than what he has experienced in India. He further stated that fewer friendships emerge between colleagues. In spite of this he explained that the work atmosphere is still pleasant. The difference in social commitment at work is also described in India's and Germany's differing scores for In-Group/Family Collectivism.

#### **4.2.5 Humane Orientation**

The GLOBE findings showed that Germany and India particularly differ on the Humane Orientation dimension with India ranking on 9<sup>th</sup> and Germany last (61<sup>st</sup>) in comparison to other cultures.

Participants 4 and 5 both stated that although they find their German colleagues to be more distant than their Indian colleagues – particularly in the beginning, when they just became acquainted with them – they cannot confirm that they are less fair or kind. Participant 4 mentioned that after getting to know each other his colleagues proved to be very open and that they were particularly helpful and generous during his first months in Germany. When asked about their age, participant 4 responded that they are around his age (under 30 years).

Participant 6, who, compared to participants 4 and 5, has spent the longest time in Germany, has made an interesting observation. As he explained, he experienced German managers to be very cold and distant when he first moved to Germany. He said that back then he found that very strange as he was used to different manners. He further stated that he got used to this quite quickly but also that he observed a change over the years. German managers today are not as cold and distant as they were 30 years back, he said. Although he still finds them to be more distant than Indians, he explained that he feels that Germans have become “softer and less stern”.

#### **4.2.6 General differences in regard to business matters**

Surprisingly, all three participants said that they have not experienced any severe difficulties at work, which might have emerged from cultural differences between India and Germany. They related this to the dominant Indian work atmosphere at their workplaces as they said that the majority of the workforce is Indian. They concluded that the German employees in their respective companies have adjusted well to the Indian practices. Only participant 6 acknowledged that Indian managers in his company have also had to adjust to certain German practices, and have met the German workforce halfway. The only concern mentioned by participants 5 and 6 is a slow decision making process due to Germans' strong risk aversion.

#### **4.2.7 Cultural awareness training**

None of the participants took part in mandatory cultural awareness training, although participant 5 mentioned that his company offered one. However, he claimed it was outdated so he chose not to participate.

All participants say that they collected information on their own. They admit that this approach was rather superficial and not comprehensive.

## 5 Discussion

The analysis of in-depth interviews disclosed several interesting findings, which will be discussed in this chapter. The researcher aims to link the assumptions made in the literature review to the findings from the analysis. An interpretation and implications for Germans working in India and Indians working in Germany are given.

### 5.1 Cultural differences – Not as distant as anticipated

According to the GLOBE study, Germany and India differ significantly on several levels. It is said that the cultures are particularly distant in Assertiveness, Uncertainty Avoidance, Humane Orientation and both Institutional and In-Group/Family Collectivism variables – all play a major role in business approaches. Actually, one would expect great difficulties in a conjoint work environment between these two cultures. However, the findings of this research do not confirm such assumptions.

Although problems were mentioned in the interviews – particularly by German participants of this study – these do not seem to be as severe as expected. For instance, as Germany scores considerably higher on the Uncertainty Avoidance dimension, one would expect that this has implications regarding business execution. However, although all participants confirmed this gap, not one mentioned any severe difficulties directly resulting therefrom. On the other side, German managers even appreciate the Indian approach and hope for a greater risk-taking attitude from their culture. This is in accordance with the GLOBE projects findings, in which German managers scored low on the ‘should be’-dimension for Uncertainty Avoidance. Indian participants of this study have also acknowledged a difference in risk taking. However, they consider this rather insignificant.

Surprisingly, the finding from the GLOBE project that the Indian culture is far more collectivistic than the German culture on the Institutional Collectivism dimension could not be confirmed. All participants of both samples agreed that Indian employees behave as individualistic as their German counterparts. Therefore, no issues in this regard should be anticipated, as both countries appear quite similar

on this account. This unexpected finding may be due to India's strong development in the last decade. It is to assume that the Indian culture has undergone some transformation towards its desired value as depicted by the GLOBE study. India's thriving economy and the resulting exposure to the culture and approaches of the Western world might have facilitated this progress. This circumstance is also mentioned in the limitations chapter. However, the different scores for the In-Group/Family Collectivism dimension was confirmed although the actual gap is not perceived to be as pronounced as outlined in the GLOBE study. Indian participants found their German colleagues to be generally more distant and less socially involved in the company. German participants at the same time stated that their Indian colleagues require a more harmonious work atmosphere than Germans. Although this difference exists it does not imply any difficulties in collaboration between these two cultures.

Similar findings were made regarding the great distance on the Humane Orientation dimension. In most cases, German participants confirmed the GLOBE study's finding that Indians are quite humane-oriented. However, Germany's low score on this dimension was not confirmed by the Indian participants. One participant outlined a change in the German culture in this regard. He stated that Germans are becoming more open and less stern and distant. This development is in line with the higher 'should be'-score for the German culture as displayed in the GLOBE study. German managers seem to become more aware of social aspects in business. Again, no particular difficulties are to be expected on from this dimension.

The only notable difficulties mentioned by the German participants regard assertiveness, more precisely directness. One would expect that the great gap in the Assertiveness dimensions would lead to significant misunderstandings on both sides, a perception of inappropriateness on the Indian side and impatience on the German side. However, only the German participants see this as hindering. It has led to misunderstandings in the initial phases of their overseas' appointment. After these first difficulties and disappointments, German managers have learnt to anticipate this matter. However, it is still stressful for them. The researcher concludes that differences in directness cause problems for German managers working in India. Furthermore, India's 'face saving' attitude and the inability to say 'no', which were mentioned in this regard, contradict with German needs to plan ahead and thus with their high score for Uncertainty Avoidance. Nonetheless, this seems to be a

reoccurring phenomenon when working with Indian managers of other companies, lesser with employees of their company. This is owing to the distinct organizational culture, which is discussed in a subsequent section.

Differences other than the cultural variables disclosed by the GLOBE researchers were mentioned by German participants of this study. These include a lack of responsibility, a lack of independency and the attitude towards female managers. Apart from the latter (Gender Egalitarianism), none of these differences are in direct association to one of the GLOBE project's cultural variables. However, the researcher would most likely link them to the Assertiveness dimensions, which again is the only dimension that causes difficulties in the collaboration of German and Indian managers.

The Indian interviewees did not mention any cultural differences that affect the collaboration.

Conclusively, it does not appear that differences in cultural backgrounds actually cause considerable difficulties that cannot be overcome. They do lead to misunderstandings, which in most cases are of minor significance. Participants got used to these insignificant issues after a while and started to anticipate them. A learning effect, or rather an acceptance, occurs which leads to the conversion of both cultures.

## **5.2 Standardized expansion strategies**

Most companies studied in this research entered the respective other country with their own subsidiary. Due to governmental regulations, one organization had to establish a joint venture with a local company.

One would assume that organizations consider the culturally different circumstances in regards to strategy when entering a new market. When asked whether these were the companies' normal procedure when expanding overseas, all participants responded positively, even the company entering India through a joint venture (as this is due to the company's industry). Even though some companies relied on local expertise, none of the studied organizations had experienced difficulties resulting from cultural differences critical enough to diverge from their

standard expansion procedures. It seems that multinational organizations of a certain size, which have been working globally for some time, have their settled approach when expanding into a foreign market. They seem to develop an organizational culture that – though influenced by the country of origin – is not dependent on the local culture. Furthermore, a company's governance seems to cater for some cultural differences and provides guidelines that help to avoid problems resulting from such differences. So a company's specifics and own organizational culture is superior to its cultural surroundings. This finding confirms Tihany, Griffith and Russell's study (2005) which states that cultural distance does not have any implications for neither international diversification nor performance.

### **5.3 Moderating cultural perception: age and prior experience**

It can be expected that prior experiences in other culturally distant countries would facilitate one's appointment in a culture particularly different from one's own culture. Participants of this study all seem to be well established in their respective foreign countries, although three of the participants have not had experience in another country before. No differences in the level of familiarization can be made. However, the findings for this assumption could be biased by a managers' age, which is another potential moderator. It is assumed that younger managers, who were raised in a globalized world, are more open towards different cultures. As a matter of fact, all three participants who are in the age bracket from 25-35 years evaluated the cultural differences more positively. According to their statements, they perceive fewer differences and see potential difficulties as less hindering. In regard to this, it is important to mention that the researcher perceived that the young German manager responded more openly and straightforward to questions than both young Indian managers, who seemed more reserved when interviewed. This aspect is further discussed in a subsequent section.

### **5.4 Adapting to new surroundings – Time as a moderator**

Having spent more time in a foreign country is expected to facilitate the adaption to a foreign country. Several participants in this study have spent a



considerable amount of time in their host country, and have been extensively exposed to its culture. In all of these cases, participants have mentioned difficulties when first commencing their appointments overseas. Furthermore, they state that they have become accustomed to these differences and that they are now not perceived as severe as they were originally thought. Hence, the amount of time spent in a foreign country is a moderator to the level of acceptance of the differing cultural variables, displayed by the positive relationship between the time spent in a country and the tolerance for its cultural differences.

### **5.5 A Patchwork: organizational culture in the host country**

As mentioned in a prior paragraph, against all assumptions cultural differences do not have significant implications for business collaboration. Although countries may be culturally quite distant to each other – as is the case of Germany and India – this does not imply greater difficulties in business routine. In the beginning of a work collaboration, or when expatriates begin their appointments in a new country, these differences are more strongly perceived than after the business people become attuned to one another. This is exemplified through the findings of this study: Instead of adopting the approaches of the other culture, companies develop their own organizational culture that crosses national boundaries. This is due to organizational governance and regulations that dictate a certain way of behavior and often also give direction in finalizing decisions. In such an environment, there is only little room for the dissemination of one culture. However, apart from these organizational regulations, cultural differences are, on some level, felt by employees. One could now assume that when expanding, the organization would rather adapt to its host country's culture, taking into account that the expansion takes place in order to create business in that country, and thus be exposed to its business approaches. As discovered through this research, the opposite is true. Local employees become accustomed to the culture of their company's country of origin. As stated by the participants, it is not a complete 'take over', but the company's original culture dominates the culture of its new country. In the interviews, managers said that they pursue their employees to maintain a work attitude according to the company's home culture. For instance, a German participant stated that they push their employees to

be as straightforward as German managers. However, at the same time all participants acknowledged that they also take a step towards their host country's cultural approach. As disclosed by this research, this is mainly in the form of acceptance of the cultural differences and patience in handling them. Only one participant admitted that he has adapted a lot to the foreign culture – however it is important to note that this participant has spent the longest time in the foreign country.

Apparently, organizations evoke their own culture, which is an unequal convergence of the home and host countries' cultures. For the most part, managers from the company's country of origin retain their way of doing business with only little concession to their host country's culture. Local managers by contrast adapt to the foreign culture at work. An organization-specific culture is created which dominates regional cultures and mediates between home and host cultures.

## **5.6 Ineffectiveness of cultural awareness training**

As for the findings of this research, the GLOBE cultural dimensions or cultural differences in general do not seem to be anticipated in a vast extent regarding business matters. This might be due to poor or even non-existent preparation for expatriates. Only two participants received cultural awareness training, both of which state that it was not sufficient. Participants mentioned that these trainings are generally superficial and often only cover the other country's stereotypes. One participant, however, said that the personal experiences of his cultural awareness coach were helpful, particularly when it came to adapting to everyday life in India. But there also seems to be a lack of preparation regarding business matters. However, it is questionable how beneficial this would be for multicultural business collaborations, as it seems that organizations establish their own culture, which functions well after some familiarization.

## **5.7 Are Indian managers too polite to be honest?**

Throughout the interviews, the researcher often sensed that the representatives of Indian companies were more reserved in their statements than their

German counterparts. While the German participants were quite extensive and straightforward in their observations, the Indian managers would hardly admit any difficulties in the work collaboration, even after repeat inquiries. This might be due to a cultural idiosyncrasy, namely ‘face saving’. This has also been mentioned by the German participants of this study, who observed that Indian colleagues hardly say ‘no’ or admit that there might be a problem. This is further discussed in the limitations section.

## **5.8 The GLOBE dimensions and their effect on business practices**

The GLOBE study has disclosed interesting findings regarding several countries’ cultures and how they differ from each other. Thanks to these findings, it is possible to compare various countries and compare the extremes in which they differ from each other. However, the assumption that cultural differences are explicitly anticipated in business execution overseas could not be confirmed. Naturally, managers are aware of differences. But instead of adapting to foreign business implications, they maintain their own approaches. At the same time, no relationship was found between cultural distance and expansion strategies on an organizational level. Companies have their way of expanding into a new country and cultural differences are not perceived as critical enough to diverge from this standard approach and adopt a more customized method – except when it comes to obeying governmental regulations. Within an organization, the company’s home culture dominates and local employees virtually adapt to these. However, expatriates also take a step towards their host country’s culture but they do not meet halfway.

## **6 Limitations and opportunities for further research**

The research described here has disclosed interesting findings regarding the practicability of the GLOBE study. However, there are some aspects that limit the generalizability of findings and which can be addressed in future research. These limitations lie beyond the scope of this research due to the constraints discussed below.

### **6.1 Data limitation**

Due to time constraints and rather poor response rates to the initial invitation to participate in the study, the researcher could only interview six participants, three German managers in India and three Indian managers in Germany. One could argue that findings are thus relatively exclusive. One of the goals of this research was to gain an in-depth understanding rather than to get a broad but superficial overview. Gaining an in-depth understanding has been noted as one of the advantages of this study compared to the GLOBE study. However this comes at the cost of not being able to rely on a broad sample. Due to time constraints, the researcher had to decide between conducting a few in-depth interviews, or more shorter, superficial interviews. The first approach was seen as more appropriate. Results were very consistent across interviews, which indicated a certain generalizability of results. However, a larger number of interviews might improve the foundation of results and lead to further findings. Future research could give more comprehensive findings by replicating the existing research with more participants.

Furthermore, this research included only one woman. As illustrated earlier, gender roles can cause intercultural problems – especially for female German managers in India. Gender issues have not been exhaustively explored in this research. It would be interesting to see whether new findings arise when more women are asked for their experiences.

It might be useful to extensively study differences between age groups. As globalization is a very contemporary phenomenon, nowadays managers have distinctively different backgrounds, particularly in regard to the societal

circumstances they were raised in. For instance, recent graduates grew up in a more global world than their 50 year old colleagues.

## **6.2 Diversity in company specifics**

Five of the six studied organizations are large multinational corporations that have been operating in foreign countries for several decades. They have had extensive experiences working in different cultures. Furthermore, organizational governances regulate various business aspects in order to guarantee a certain standard within their company. These have an impact on cultural idiosyncrasies as managers might not act the way they would according to their own cultural background but instead follow the company policies.

Organizations of a smaller magnitude might provide different findings. There may be fewer regulations and – maybe more importantly – fewer managers from the organization's home country and more local employees from the host country. Apparently, large multinationals tend to send many expatriates to operate their subsidiaries, who then dominate the organizational culture. As the interviews showed, founding an own subsidiary seems to be a very common form of market entry for this kind of organization. It might be interesting to see if one would arrive at different conclusions when analyzing companies that choose an expansion strategy different from founding a subsidiary. Although this study includes one joint venture, the findings may not be representative, as this joint venture was established due to governmental regulations. Furthermore, it might be interesting to expand the focus of this study to incorporate experiences from smaller, medium-size enterprises.

## **6.3 How to talk to Indian managers**

As mentioned before, the researcher sensed difficulties in gathering information from Indian participants. In contrast to German participants, Indian managers seemed to be more reserved and too polite to answer as straightforward and detailed as their German counterparts. The researcher assumes that this is due to 'face saving', meaning that Indians do not openly criticize other people or in this case other cultures. When comparing this to the responses of German participants, it

could also be explained by the perceived reluctance of Indians to admit that problems exist. It is likely that valuable insights – especially about Indians' experiences in Germany - can be gained through overcoming the initial reluctance of Indian participants to answer freely and straightforward.

#### **6.4 Taking other approaches into account**

This research showed that some points raised by the GLOBE findings are out of date. For instance, Indians are not perceived as collectivistic on the Institutional Collectivism dimension as assumed and not as low on Assertiveness in regard to their fellow citizens. However, data for the GLOBE study was collected over ten years ago, hence it might be possible that India has undergone a cultural change towards their desired 'should be'-dimensions since then. This is especially a valid explanation when considering India's great economic development, which could have facilitated this progress. The GLOBE scores for India's 'as is'-dimensions might thus have changed.

For further research, it would be interesting to consider other approaches regarding cultural differences. This research is solely based on the GLOBE findings and the semi-structured questionnaire resulted from the same. This approach and the resulting findings are hence quite specific. Further research possibilities would be to compare these findings with those of other cultural approaches.

#### **6.5 From a different perspective: interviewing local employees**

This research has investigated cultural implications for managers working overseas for a company from their home country. Indians working for an Indian company in Germany were investigated, as were Germans working for a German company in India.

Another interesting approach would be to interview local employees in these companies, e.g. Germans working for an Indian company in Germany, in order to outline their perceived cultural differences with their colleagues coming from outside the country. Comparing those findings and the ones from this research would help to analyze the phenomena from a different perspective.

## 7 Conclusion

The world has gone through some significant changes in the past decades. Globalization has changed our way of life in several aspects. We buy food and clothes produced in foreign countries, we travel to the other side of the world to visit friends and relatives, and political uncertainties 10,000 kilometers away may affect the economy of our own country. Naturally, globalization also poses challenges. In fact, although the world is converging more and more, some peculiarities persist. One of the most important of these is cultural idiosyncrasy. Borders open and nations blend, living side-by-side – but cultural differences are still obvious and most probably will never diminish entirely. Thus, this has implications for people moving to another country or organizations expanding into foreign markets.

The GLOBE project as a research conducted by several international researchers tries to shed light on these cultural differences. Various countries and managers were studied in order to derive specific cultural scores for each country. By evaluating managers' responses they were able to disclose both the 'as is'- and the 'should be'-scores of a country, meaning the contemporary perceived values and the desired values. The cultural variables are Humane Orientation, Assertiveness, Uncertainty Avoidance, Performance Orientation, Future Orientation, Institutional Collectivism, In-Group/Family Collectivism, Power Distance, and Gender Egalitarianism. The GLOBE researchers thus offer an extensive overview of cultural differences, which should support businesses in their understanding of a foreign country. The GLOBE project provided the underlying theory for this study.

The researcher of this study took the GLOBE approach a step further. While GLOBE provides an overview of cultural scores, it does not evaluate the implications of these differences between cultures. Thus, the research objective of this study was to identify how differences in these cultural variables actually affect the strategy execution of companies expanding into a culturally distant country. Therefore the German and Indian cultures were chosen as both are thriving and successful economies while their cultural dimensions are quite distant, particularly on the Uncertainty Avoidance, Assertiveness, Humane Orientation, Institutional Collectivism, and In-Group/Family Collectivism. Due to the large score differences these dimensions were of major interest for this study and the research focused on them. The researcher investigated how Indian and German managers working in the

respective other country for a company of their own home country perceive cultural differences (e.g. German managers working for a German company in India). The aim was to disclose if cultural differences are anticipated and whether they influence strategy execution. The assumption was that managers would adopt the foreign cultural approaches of their host country and adapt to their business style accordingly. Data for this study was gathered through in-depth interviews with participating managers in Germany and India. Interview participants were German managers working for German companies in India and Indian managers working for Indian companies in Germany.

Findings of the study are somewhat surprising. Contrary to assumptions, managers normally do not adapt to their host country's culture in regard to their business. In fact, the company's home country culture dominates and local employees from the host country adopt those business approaches. However, the research also revealed that after some familiarization, managers from the companies' home country start anticipating their host country's different culture to some extent, which could be described as acceptance and patience. Furthermore, when expanding to a culturally distant country, organizations do not significantly anticipate differences in culture. The decision, which expansion strategy to pursue, is generally made with no regard to the cultural distance. In the case of India and Germany, cultural differences are not perceived as critical enough to diverge from the company's standard expansion procedures. Additionally, in large multinational corporations policies and governance dictate the business approach and tend to suppress potential different decisions due to a single market's cultural background (e.g. regarding risk affinity).

All this leads to a cultural convergence. More particularly, in the case of Germany and India, the inequality of the combined cultures (the organization's home culture normally dominates the host country's culture) and the existence of organizational regulations lead to the emergence of a new company-specific culture.

The research thus reveals that in the India-German case cultural differences are hardly anticipated by organizations when expanding into a foreign country. Therefore the GLOBE variables only have small implications in regard to strategy execution within companies, as the latter tend to maintain their original culture. However, participants of this study do acknowledge that differences exist but state



that these do not play a significant role within their own company. Naturally, the same cannot be assumed in relation to interaction with other local companies, and particularly in regard to everyday life outside of the work environment. These, however, display interesting issues for further research.

Conclusively, this study has examined the GLOBE project's implications and practicability for real life business in the Indo-German context, in particular within organizations from these countries that expanded to the respective other country. Although it is confirmed that differences exist, this study discloses that they do not have further implications for strategy execution in these companies. Findings of this study provide a rich basis for further research. For example, it is worth examining whether business outcomes would be more positive if cultural differences were appropriately anticipated by companies. As is seen by the findings of this research, cultural awareness trainings are rated poorly. A company's human resource department could potentially improve these trainings by including the GLOBE cultural variables in the development of a plan, and explicitly relate them to business matters instead of stereotypical clichés.

In a globalized world business environment, companies should think twice if they can afford to miss the opportunity of embracing the host culture as a chance for organizational evolution. For what it is worth, it is time to start thinking outside the box.

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## Appendix A

### Indicative questions for interviews

#### Demographics

1. Which country are you from?
2. What industry is the company you work for in? E.g. finance, consultancy etc.
3. What products/services do you provide?
4. What is your position within the company?
5. When did you start working abroad
6. When did your company expand to India/Germany?
7. Have you worked in another overseas country?
8. How did your company expand?
9. Is this how your company normally proceeds?

#### Cultural differences

10. Have you experienced differences in directness in your employees from India/Germany?
11. Are businesspeople in India/Germany less/more determined? If yes, how do you cope with this?
12. Have you experienced differences regarding risk taking/risk avoidance on the part of your local German/Indian employees?
13. Do your local employees in India/Germany usually give priority in their work and lives to group goals over individual goals? (How is this different from your own attitude? To what extent does it affect the work process and/or atmosphere?)
14. Have cultural differences ever caused problems for your expansion or your work in India/Germany? Why and how?
15. Do you consider the expansion as successful? Why/Why not?

#### Training

16. After deciding to expand to India/Germany, which arrangements have been made to prepare employees for the foreign culture?
17. If there was a special training, in what way were cultural differences discussed?



## Appendix B

### Interview – German participant

N.S.: Sie sind aus Deutschland, ist das richtig?

PARTICIPANT: Das ist richtig, ja.

N.S.: Sind Sie denn in den neuen Bundesländern oder in den alten Bundesländern aufgewachsen?

PARTICIPANT: In den alten Bundesländern.

N.S.: Ok, wunderbar. Die Frage ist insofern wichtig, da es doch noch kulturelle Unterschiede zwischen Ost- und Westdeutschland gibt. In welcher Industrie ist Ihr Unternehmen tätig?

PARTICIPANT: Flughafen.

N.S.: Was würden Sie denn sagen, ist das Produkt oder der Service, den Ihre Firma bietet?

PARTICIPANT: Also das Produkt ist (*Branche*)-Expertise, (*Branche*)-betriebliche Expertise im Besonderen anzubieten, also effiziente Technologien und Prozesse im (*Branche*)-bereich weltweit anzubieten, das ist unser Produkt.

N.S.: Ok, wunderbar. Wann sind Sie denn nach Indien gekommen?

PARTICIPANT: Im Mai 2006.

N.S.: Schon eine Weile dann, 5 Jahre.

PARTICIPANT: Jaja, 5 Jahre.

N.S.: Das ist nicht kurz. Wann ist denn Ihr Unternehmen nach Indien gekommen? Zur selben Zeit, ist das richtig?

PARTICIPANT: Zum gleichen Zeitpunkt im Prinzip. Also wir haben uns für die Privatisierung des (*Branche*) in Delhi und Mumbai beworben, zusammen mit einem indischen Partner und haben dann eben im Mai 2006 den Zuschlag bekommen. D.h. effektiv sind wir seit Mai 2006 hier präsent und natürlich gab es da auch eine Vorlaufzeit, da kann man nochmal ein Jahr dazurechnen, wo man sich halt mit den möglichen Partnern auf den Bietungsprozess vorbereitet hat.

N.S.: Ok, Sie waren quasi von vornerein mit dabei?

PARTICIPANT: Ich war eigentlich erst...ich wurde hierher entsendet mit Beginn des Projekts. Also ich hatte mit der Bieterphase eigentlich gar nix zu tun.

N.S.: Sie haben gesagt, Sie sind haben zusammen mit einem indischen Partner den Zuschlag bekommen.

PARTICIPANT: Genau.

N.S.: Läuft es dann auch quasi als Joint Venture oder sind Sie schon selbständig als deutsches Unternehmen in Indien?

PARTICIPANT: Also beides. Wir haben ein Joint Venture gegründet, das ist die (*Firmenname*) an der wir einen 10%igen Anteil haben. Und wir sind in diesem Konsortium auch der (*Branche*)-Betreiber. Also das war Voraussetzung für den Bieterprozess, dass mindestens ein indisches Unternehmen präsent ist, das mindestens 49% der Anteile hält, aber auch ein renommierter (*Branche*)-betreiber mit präsent ist und eben diese Betreiberrolle dann ausfüllt. So sind wir hierher gekommen und so sind wir prinzipiell auch in Indien vertreten. Wir haben eine Repräsentanz in Indien und die Aufgabe der Repräsentanz ist natürlich die Interessen der (*Firmenname*) in der Region zu vertreten. Aber auch nach neuen Geschäftsmöglichkeiten im asiatischen Raum zu suchen.

N.S.: Das geschieht dann quasi von Delhi aus?

PARTICIPANT: Genau, das passiert von Delhi aus. Und dafür bin ich auch zuständig.

N.S.: Ok. Sehr interessant. Ist das denn die normale Vorgehensweise von der (*Firmenname*) ins Ausland zu gehen oder kommt es dann auch jeweils auf das Ausland an? Also ich meine, dass da noch ein nationaler Beteiligter dabei sein muss?

PARTICIPANT: Ja, das ist Gang und Gebe bei den großen (*Branche*)-projekten, dass man sich da mit nationalen Unternehmen zusammen tut, weil diese Dinge sind immer sehr sehr politisch auch betrieben sind. Es ist auch eine regulierte Industrie, d.h. die Kontakte in die Politik und die Regierung hinein sind schon außerordentlich wichtig. Und es ist halt einfach schwierig für ein deutsches Unternehmen, so etwas alleine zu stemmen.

N.S.: Ok. Das ist sehr interessant, das hätte ich gar nicht erwartet.

PARTICIPANT: Doch, wir machen die selben Erfahrungen eigentlich überall. Man hat natürlich die Schwierigkeit, dass man sich mit Unternehmen zusammentut, die überhaupt keine Industrieerfahrung haben. Und auf technischer Seite gibt es dann häufig auch Probleme, auch dem Partner klarzumachen, warum gewisse Entscheidungen eben besser sind als andere, einfach aufgrund der Industrieperspektive, die den Partnern halt fehlt. Das ist dann auch häufig ein langer Lernprozess für den Partner und auch für uns, um mit dem Partner entsprechen umzugehen.

N.S.: Ok. Noch eine kurze Frage zu Ihnen persönlich, haben Sie vorher schonmal in einem anderen Ausland gearbeitet?

PARTICIPANT: Ja, habe ich. Also ich habe in Großbritannien studiert und habe dort auch gearbeitet, bevor ich dann zur (*Firmenname*) kam.

N.S.: Dann würde ich jetzt gerne ein paar Fragen zu den kulturellen Unterschieden stellen. Und zwar die erste ist, wie beurteilen Sie denn die Direktheit Ihrer indischen Kollegen?

PARTICIPANT: Also die indischen Kollegen sagen Ihnen nie gerne ‚Nein‘ zu irgendwas, sondern wenn es ein Nein sein soll, kommt häufig überhaupt keine Antwort, so dass man zwischen den Zeilen lesen muss, wie denn die Lage ist und wie es der Partner zu einer gewissen Entscheidung tendiert, das ist nicht immer sehr einfach. Wobei die deutschen dann halt immer sehr direkt zu den Themen Stellung nehmen und sagen das ist so und so. Der eine macht es diplomatischer, der andere weniger diplomatisch. Da ist es doch immer sehr direkt, was natürlich für die indischen Kollegen auch etwas schroff wirken kann.

N.S.: Das ist so ziemlich das, was ich erwartet habe. Würden Sie denn auch sagen, dass das zu Verzögerungen führt?

PARTICIPANT: Ja, es kann schon zu Verzögerungen führen, weil man sich einfach auch häufig missversteht. Wenn ich eine Anfrage stelle oder einen Sachverhalt klären möchte und bekomme aus meiner Sicht keine klare Antwort oder eine Antwort, die ich eher positiv interpretiere, die aber negativ gemeint ist, dann warte ich natürlich, dass was passiert. Und das passiert dann eben nicht, so dass ich dann mehrfach nachhaken muss, frustriert werde und dann vielleicht auch wirklich unhöflich werde. Wobei für den Partner eigentlich klar ist ‚Hey was will der eigentlich, wir haben es ihm doch eigentlich klar mitgeteilt, dass das ein No-Go ist‘. Also das ist schon, war besonders anfangs etwas problematisch, aber man muss auch sagen, im Laufe der Zeit hat man sich dann auch schon besser verstanden und weiß, wie man in diesen Situationen umgeht. D.h. es war ein Anfangsproblem, dass sich dann aber im Laufe der Zeit gebessert hat, auch deshalb weil unser Partner anfangs ein rein Südindisches Unternehmen war und die sich von ihrem lokalen südindischen Mittelstand zu einem globalen Unternehmen herangewachsen sind, mit vielen Akquisitionen auch im Ausland. Und dadurch haben sie viel dazu gelernt, das muss man schon sagen. Ich würde sagen, heutzutage ist es weniger ein Problem aufgrund beidseitigem Verständnis.

N.S.: Sie würden auch sagen, dass Ihr Partner quasi einen Schritt auf unsere Kultur zugegangen ist oder ist es schon von beiden Seiten gleich viel?

PARTICIPANT: Nein, ich würde sagen, wir waren ja hier mit einer Gruppe von 5 Leuten präsent und die haben sich natürlich sehr schnell eingelebt und natürlich auch mit der Situation vertraut gemacht, wie man hier mit den Indern umgehen muss. Also ich glaube mal, von den Leuten die hier waren, war der Lernprozess ein schnellerer und steilerer als von Partners Seite. Aber auch von Partners Seite wurde doch einiges dazugelernt, vor allem, weil die eben auch viele Expats eingestellt haben. Weil in Indien eben der Markt an Leuten mit Flughafenexpertise relativ klein ist, suchen die

dann halt auch Leute aus Hongkong, aus Singapur, Malaysia und sonst wo, aus Australien, einkaufen und das hat dann auch schon einen Lernprozess mitgebracht.

N.S.: Gut. Würden Sie denn sagen, dass indische Mitarbeiter weniger bestimmend sind als deutsche?

PARTICIPANT: Nein, überhaupt nicht. Ich würde eher sagen, es ist eher genau umgekehrt. Die deutschen Manager erwarten natürlich schon, dass man gewisse Dinge umsetzt, wenn sie vom Manager angewiesen werden. Und da ist die Frustration eher, dass die Mitarbeiter immer ja sagen, weil man eben nicht Nein sagen möchte und sich auch keine Gedanken macht, ob man die Aufgabe jetzt wirklich verstanden hat oder ob auch vom Zeitaufwand, von der Expertise her bewältigen kann. Man sagt erstmal ‚ja‘ und dann muss man als Manager halt ständig nachhaken. Bei den indischen Managern ist es eher so, die delegieren alles gleich nach unten, also die machen selbst wenig Arbeit bis keine Arbeit, delegieren immer, aber eher militärischer Art, dulden relativ wenig Vorschläge. Da gibt es auch keine Diskussionen, wo man eine Entscheidung erarbeitet, sondern sowas passiert dann nur auf dem gleichen Level. Da gibt es schon Diskussionen, wenn sich gleichrangige gegenüberstehen. Aber gegenüber den Mitarbeitern wird einfach ein Befehl ausgegeben. Der muss dann auch erledigt werden und da fragen die Mitarbeiter auch nicht nach oder kommen mit ihren eigenen Erfahrungen, um bessere Vorschläge zu machen. Das passiert nicht.

N.S.: Bzgl. Risikobereitschaft, ist Ihnen da ein Unterschied aufgefallen? Würden Sie sagen, dass indische Manager weniger risikobereit sind? Vorsichtiger?

PARTICIPANT: Da würde ich mal zweispurig antworten. Auf der einen Seite ja, die Manager des Unternehmens sind weniger risikobereit. Es wird sehr gerne dann auch von unten nach oben delegiert, weil eben – wie gesagt – von oben kommt immer nur der Befehl, die (*Firmenname*)-Gruppe, unsere Partner, die sind ein Familienunternehmen, die eben sehr groß geworden sind. Aber im Prinzip bestimmen Vater und die zwei Söhne und der Schwiegersohn alles. Und man möchte hier keine Verantwortung übernehmen und kein Risiko eingehen, deswegen wird nach oben eskaliert. Auf der anderen Seite muss ich sagen, einige Entscheidungen, gerade im kommerziellen Bereich, die waren schon ziemlich riskobehaftet, waren innovativ, also nicht was, was man jetzt häufig bei anderen etablierten (*Branche*) findet. Und da muss ich sagen, sind sie doch schon bereit, mal was neues auszuprobieren. Wesentlich mehr, als es jetzt bei der (*Firmenname*) der Fall war.

N.S.: Würden Sie sagen, das hängt vielleicht auch mit dem enormen wirtschaftlichen Aufschwung zusammen?

PARTICIPANT: Indien boomt. Ich glaube, da gibt es zwei Gründe, und zwar das eine ist, man ist quasi zum Erfolg verdammt und muss einfach mal was Neues machen. Viele Dinge gehen einfach nicht so, wie es in Europa oder USA oder Australien oder Neuseeland funktionieren, einfach auch, weil die Prozesse nicht etabliert sind, weil die Gesetzgebung eine andere ist, weil die Experten nicht

vorhanden sind. Aber da sind sie auch einfach mal bereit, etwas ganz anderes zu versuchen. Und bei uns ist man dann schon sehr sehr viel vorsichtiger. Also da muss ich sagen, da könnten wir einiges von den Indern lernen.

N.S.: Würden Sie denn sagen, dass indische Kollegen, sowohl im Berufsleben als auch im Privatleben mehr Wert auf Gruppenerfolge legen oder sind sie auch Einzelkämpfer wie westliche Manager?

PARTICIPANT: Also ich würde sagen, sie sind sehr viel individueller geprägt als im Westen. Ich würde mal sagen, im Westen versucht man ja doch natürlich selber seine Karriere zu fördern, aber man versucht auch, im Sinne des Unternehmens zu handeln. Das, muss ich sagen, habe ich wesentlich weniger hier beobachtet, wo jeder nur danach bestrebt ist, sich selbst nach oben zu bringen.

N.S.: Das ist jetzt eine Antwort, die hätte ich nicht erwartet. Meine Masterarbeit beruht ja auf einer Studie, die vor 10 Jahren durchgeführt wurde, und die besagt eben auch, dass Inder sehr sehr viel mehr Gruppenbedürfnisse haben als die Deutschen insbesondere, sowohl in der Familie als auch bei der Arbeit.

PARTICIPANT: Ja, den Indern wird ja immer nachgesagt, das sind Familienmenschen. Das bedeutet aber für den Vater im Prinzip, seine Rolle ist Kohle ranzuschaffen und sich einen Status zu erarbeiten, da er mit diesem Status eben Anerkennung in der Gesellschaft hat. Er verbringt relativ wenig Zeit tatsächlich in der Familie, sondern verbringt die meiste Zeit eben damit zu arbeiten oder Dinge zu tun, die ihm Ansehen und Würdigung im Unternehmen schaffen. Von daher wird auch viel im Unternehmen selbst gemacht. Also da gibt's so Familientage und jetzt ganz populär sind Workshops und solche Dinge, wo man dann auch fast schon religiös behaftete Teamspirit und solche Dinge bekundet, die sich dann aber in Wirklichkeit überhaupt gar nicht auszeichnen. Jeder hat seine Rolle und macht genau was die Rolle vorsieht und nicht mehr. Wenn man dann mal jemanden hat, der über seine Rolle hinaus engagiert ist, ist das schon sehr ungewöhnlich. Man hat auch kein Interesse daran, man hat auch nicht den Gesamtblick ‚Ok, was ich jetzt hier mache bringt vielleicht meiner Abteilung nicht viel, aber es bringt das Unternehmen voran.‘ Das ist den Leuten vollkommen Wurscht, jeder macht halt, was er machen muss und darüber hinaus ist alles sekundär, außer es kommt von den Anweisungen von oben. Dann wird es natürlich gemacht. Aber sonst nicht. Also es ist deutlich extremer, in Deutschland spricht man auch immer von diesen Silos, so abgetrennt in einzelnen Silos arbeitet und den Gesamtüberblick gar nicht hat und auch kein großes Interesse, was in den anderen Silos passiert. Also man ist abgeschottet. Und das habe ich hier wesentlich stärker erlebt.

N.S.: Würden Sie sagen, Ihre indischen Mitarbeiter sind zuvorkommender? Oder offener?

PARTICIPANT: Ja, Inder sind generell schon offen und freundlich. Wahrscheinlich auch freundlicher als Deutsche. Aber wie gesagt, untereinander, insbesondere bei unterschiedlichen hierarchischen Positionen, können Inder schon ganz schön...ja,

sehr bestimmend sein und das ist dann nicht immer sehr freundlich. Aber nicht gegenüber Westlichen.

N.S.: Würden Sie sich in den entsprechenden Situationen anders verhalten?

PARTICIPANT: Ja, sicherlich. Weniger ‚militärisch‘.

N.S.: Dann zu den kulturellen Unterschieden abschließen, würden Sie denn sagen, dass Sie wirklich Probleme bereiten bei der Arbeit? Oder sind das Sachen, an die man sich alles gewöhnen kann? Einfach nur eingespielt werden muss?

PARTICIPANT: Also ich würde mal sagen, das ist eine sehr individuelle Geschichte. Ich bin hier auch sehr aktiv in der European Business Group, das ist eine Vereinigung der europäischen Firmen in Indien und kenne dadurch viele Expats aus verschiedenen europäischen Ländern. Und die Erfahrung ist eigentlich die, es gibt einen kleinen Teil von Expats, der sich sehr wohl fühlt in Indien und einen größeren Teil, der eigentlich kaum erwarten kann, eigentlich so schnell wie möglich woanders hinversetzt zu werden oder zurückzugehen. Und zwischendrin gibt es relativ wenig. Also ich denke, es ist schon ein Thema. Viele, die in verschiedenen Ländern aktiv waren, sagen Indien ist mit das schwierigste Land für sie und deshalb muss man schon sagen, es ist nicht einfach und ich denke, es hängt auch viel von der persönlichen Einstellung mit ab. Also man muss einfach akzeptieren, dass es hier halt anders ist. Nicht unbedingt schlechter, einfach anders. Und man muss darauf eingehen und man muss eben mit diesen Situationen umgehen lernen. Und das ist schon eine Herausforderung, gerade weil man als westlicher Manager in seinem Team was bespricht, Aufgaben verteilt und dann in aller Regel erwarten kann, dass es dann zum vereinbarten Zeitpunkt zurückkommt. Und wenn es dann nicht der Fall ist und dann ein Mitarbeiter kommt und sagt ‚Hallo, es klappt nicht. Ich habe das und das Problem, könnte mir jemand helfen oder kann ich einen Aufschub kriegen‘ das passiert hier halt überhaupt gar nicht. D.h. man verbringt sehr sehr viel Zeit damit, einfach nachzuhaken oder auch Dinge zu korrigieren, die die Mitarbeiter bringen, Dinge die einfach sehr schlecht gemacht sind. Und das ist anstrengend. Und unheimlich zeitraubend. Ja, es geht dann auch, also wenn ich da weiterdenke an viele Universitätsabgänger, die dann eingestellt werden. Wenn man dann jemanden aus Deutschland einstellt, dann kann ich dem richtig verantwortungsvolle Tätigkeiten geben und ich weiß, der wird einen relativ guten Job machen und wenn er Probleme hat, dann kommt er und fragt nach und arbeitet dann weiter. Und hier ist das dann absolut nicht der Fall. Es gibt hier sehr viele Uniabgänger mit einem Ingenieurstudium oder was vergleichbaren, die man einfach absolut nicht selbständig arbeiten lassen kann. Die einfach im Prinzip nochmal ein halbes Jahr Spezialtraining brauchen, bevor sie dann einigermaßen eingesetzt werden können. Und dann fehlt es weiterhin einfach an der Selbständigkeit, an der Initiative und auch am...was sie als gesunden Menschenverstand bezeichnen würden. Also, jemand der weiterdenkt, was hat das denn für Auswirkungen, hier habe ich eine bessere Lösung. Das passiert nicht, sondern es wird nur quasi ein Befehl umgesetzt.

N.S.: Ok. Gut. Dann noch drei kurze Fragen zum Training. Haben Sie denn Training erhalten, bevor Sie nach Indien gekommen sind?

PARTICIPANT: Wir hatten zwei Tage Cultural Awareness Workshop. Und wir hatten dann hier nochmal nach 6 Monaten zwei Tage CAW, so ein Nachhaken nochmal mit den erlebten Erfahrungen, um zu sehen, was habe ich gelernt, wie gehe ich damit um, wie kann ich mit verschiedenen Situationen umgehen. Also alles in einem waren es dann 4 Tage Training.

N.S.: Würden Sie sagen, es war ausreichend?

PARTICIPANT: Also ich würde mal sagen, für mich war es ausreichend, weil ich vorher schon relativ häufig in Indien unterwegs war, geschäftlich. Ich war im (*Branchen*)-Marketing und hatte mich da um indische (*Branchen*) gekümmert und deshalb war es nicht so neu für mich. Ich bin auch mit einer Inderin verheiratet, wodurch ich natürlich auch einen großen Vorteil hatte. Aber ansonsten würde ich mal sagen, ist es nicht unbedingt ausreichend. Man unterschätzt einfach, wie anders es auch sein kann und was es tatsächlich für das tägliche Leben bedeutet. Es kam dazu, wir haben hier quasi eine 6-Tage Woche, quasi Montag bis Samstag. Das ist natürlich auch was, was für einen selbst und für die Familie ein großes Thema ist. Ein weiterer Punkt ist, die meisten Expats, die ich hier kennen lerne, arbeiten wesentlich mehr, als sie das normalerweise zu Hause tun würden. Das ist natürlich auch eine Schwierigkeit dann auch für die Familie, die das nicht gewohnt sind, die ja auch in einer neuen Umgebung sind. Also es ist sehr sehr wichtig auch die Familien hier mitzunehmen, auch die Familien auf das Neue vorzubereiten.

N.S.: Ist das geschehen bei Ihnen?

PARTICIPANT: Ja, gut bei meiner Frau war das jetzt nicht so das Thema, aber man hat auch die Ehepartner zum CAW miteingeladen. Das wurde gemacht, das war auch sinnvoll.

N.S.: Wunderbar. Ich bedanke mich recht herzlich, Herr (*Name*). Es war ein tolles Interview, ich kann da sehr viele Informationen draus ziehen.

## Appendix C

### Interview – Indian participant

N.S.: So I have a few questions for you. Is it O.K. for you if I record the interview so it is easier for me to transcribe it later on?

PARTICIPANT: Yeah, perfect. Not a problem with me.

N.S.: Alright, great. So you are from India, is that right?

PARTICIPANT: Yes

N.S.: Which part of India is that?

PARTICIPANT: Bombay.

N.S.: What is your company's industry? What is the service you provide?

PARTICIPANT: Information technology. You could say business process outsourcing.

N.S.: Information technology. O.K. When did you start working in Germany?

PARTICIPANT: Last June, end of May. Let's say June.

N.S.: And do you know when your company first came to Germany?

PARTICIPANT: '91

N.S.: '91. So 20 years?

PARTICIPANT: Yeah roughly, there about.

N.S.: O.K. Great. Have you been working in another overseas country before you came to Germany?

PARTICIPANT: No.

N.S.: No. So this is your first time working abroad?

PARTICIPANT: Yes.

N.S.: O.K. Can you please tell me how your company expanded? How did they go to Germany? Was it a joint venture or was it your own subsidiary?

PARTICIPANT: So this is a complete subsidiary where I work.

N.S.: O.K. And it was like this from the very beginning?

PARTICIPANT: From the very beginning. Yes.



N.S.: O.K. Great. And do you know if this is – (*company* name) is in other parts of the world as well - is it the normal procedure to have an own subsidiary?

PARTICIPANT: Yeah. Very normal. Very standard procedure.

N.S.: O.K. Great. Regarding cultural differences. Have you experienced differences in directness in people from Germany? Would you say they are more direct and straightforward than Indian managers?

PARTICIPANT: Yes.

N.S.: Yes?

PARTICIPANT: Yeah. Definitely.

N.S.: Can you give me an example for it?

PARTICIPANT: So in my situation I had worked with two people: One is an Indian manager, the other one is a German manager. And in terms of expectations the German manager is very direct in terms of what he wants to be done. And with the Indian manager: I know what he wants because I worked for him longer but he will not state them very clear in unambiguous terms.

N.S.: Would you also say that German managers are more determined than Indian managers or rather the other way around?

PARTICIPANT: I don't think you can make a general statement out of such a ... Determination depends on the individual. I don't think there is a German or an Indian factor to it.

N.S.: O.K. So you don't think that is depending on the cultural background that someone has?

PARTICIPANT: Not at all, not at all. It is more dependent on the individual family ... what ever. Too many factors. Culture is a very small aspect according to me.

N.S.: O.K. Alright. So the same with risk-taking or risk-avoidance. Would you say that Germans are more risk-taking? Or less risk-taking?

PARTICIPANT: Germans are definitely less risk takers.

N.S.: I would agree on that. What is you experience with that?

PARTICIPANT: Now this is again a ... how do I put it ... this is how I feel from speaking to the customers, speaking with the other Germans, which I know. And there isn't a specific incident which I can that O.K. I was asking someone to bet 100 dollars and he didn't want, because that doesn't make any sense. I think Germans want more to plan well so they want to understand a situation completely before getting head long into it. But it is not necessarily the approach which I have seen

other people do that. I have worked with Americans before and British before. And definitely with Indians before. So the level of planning which all these different people expect is significantly different. The German would expect the planning to go to the last level of detail. And not so with others. The others are more flexible in their approach.

N.S.: Would you say that this is more positive or negative to be risk-taking? Business wise.

PARTICIPANT: I guess - I don't think you can make a common for all businesses: You need to be risk-averse or you need to be risk-takers. Because it depends on the business and the situation. Sometimes it is better to be ... So in some businesses maybe, where you know the future for the next three, four years, you can plan well and the German approach will be better, like the automotive industry. But in other industries where situations change every three months, like in IT or ... see, financial industry. Where things change very rapidly a detailed plan might not really help you if the assumptions behind it change.

N.S.: Right. Then, what do you think? Do people in India ... or Germans - in either way. Do Indians give more priority in their lives and work to group goals or individual goals?

PARTICIPANT: I don't think you can categorize this in a broad...like Indians prefer group goals over individual goals - no.

N.S.: O.K.

PARTICIPANT: It is very individual.

N.S.: O.K. I guess the same applies for the German managers then?

PARTICIPANT: Yes, absolutely. ... I keep on hearing that Germans are very individual or not group focused. I don't necessarily agree with that.

N.S.: O.K. But you didn't have any problems because of that? You wouldn't say - let's say it quite drastic - that Germans are too egoistic so that it would harm the group goal, in this case the business goal?

PARTICIPANT: In terms of egoistic, the Germans may be slightly more individualistic. But I think if you know which nerves to push, which buttons to push, they are as helpful as any other person.

N.S.: How do you judge your German colleagues attitude regarding social interaction? Would you say they are kind and friendly or rather harsh and distant?

PARTICIPANT: Yeah, it's a bit different from India. But I wouldn't say Germans are harsh or distant. After you get to know them a little better they are very friendly and kind. Maybe a little distant but only in the beginning. My colleagues are really friendly here.

N.S.: O.K. Alright, great. Have any cultural differences ever caused problems for you, for your expansion to work in Germany?

PARTICIPANT: Sorry. Can you repeat the question?

N.S.: Yes, sure. Have cultural differences ever caused problems for your expansion - for you expanding to Germany or for you working in Germany?

PARTICIPANT: For me working in Germany...yeah, slightly. But, a thing which you should remember is that the company I work for is more or less - I mean it is a global company - but it is run by Indians and most of the employees here are Indians.

N.S.: O.K. Interesting.

PARTICIPANT: So we have a German work force but compared to the number of Indians it is a very, very small number. And now, most of our clients are in the US. So the company is more geared to function in a style which the thing works in the US. Which necessarily does not work well in Germany.

N.S.: Correct, yes.

PARTICIPANT: And that does call us problems when it comes to rapid growth because the expectations are different and ... from the clients ... and the expectations from us as a service provider are different because we expect everything to be like the US which does not necessarily work. And so yes, it does slow it down.

N.S.: And regarding the German work force in your company: Would you say they have accustomed to your style of managing?

PARTICIPANT: Yeah. Sure.

N.S.: O.K. So there is no problem inside the company then?

PARTICIPANT: No. I think it is both ways. I think the Indian managers have also adapted a bit and Germans have also adopted a bit. It is not that one completely changed to the other side. I don't know whether both have met half way or if it is 70 - 30. But I can see differences.

N.S.: But you would say it is a learning process.

PARTICIPANT: Sure, yeah.

N.S.: Alright. Great. Regarding training. When you decided to come to Germany, which arrangements have been made for you to be prepared for the foreign country?

PARTICIPANT: Not so much, not so much. It was my own initiative that I did what ever I wanted to know.

N.S.: O.K. So you didn't receive any training before coming to Germany?

PARTICIPANT: I mean there was, there were some training modules but they were so outdated. I think they were done in '95.

N.S.: O.K. So they didn't really help you?

PARTICIPANT: No, not one bit. I did not take them.

N.S.: O.K. So what would you suggest? What would be good for Indians to know before they come to Germany?

PARTICIPANT: O.K. So I would put up two sets of buckets. One is the very practical side of which place you are going to stay in and, you know. It begins with something as basic as reading signs, how to find an apartment. You know, all of that. And the other one is more on cultural sensitivity issues such as... I think Germans are far more polite as a group of people than Indians are. I think we need to learn to say 'thank you', 'please' every time. I mean it is part of your culture and it is nice if people know about it. Small, small things like these.

N.S.: O.K.

PARTICIPANT: I could go on and on but you know what I am talking about.

N.S.: Yeah, I know what you mean. O.K. So this is the last question. What do you think is the biggest difference between Germans and Indians - in general, not business wise?

PARTICIPANT: Buff. It is hard to think about that.

N.S.: Yeah. Take your time please.

PARTICIPANT: [long pause] I think Germans are more proud in their more individual level. You know...I think they are far more...there is a lot of ...how do I put it? Far more individualistic, you know, very proud of themselves - very individualistic. [telephone is ringing] Hold on.

N.S.: Sure.

PARTICIPANT: You have to wait.

N.S.: Yes, that's O.K.

[long pause - announcement on the loud speaker]

PARTICIPANT: Sorry.

N.S.: That's O.K. Don't worry.

PARTICIPANT: So what was I saying. Yeah, they are far more individualistic. Yeah, and I think they are far more direct than Indians are.

N.S.: Is that acceptable? Or is it actually kind of...how do I say...not appropriate in your thinking?

PARTICIPANT: No, I don't judge appropriate. It is just a part of culture.

N.S.: Alright. That is great. Thank you very much for your time.

PARTICIPANT: O.K. Perfect.

N.S.: That was a really good interview, thank you.

PARTICIPANT: I hope it was helpful to you.

N.S.: It absolutely was. Thank you again.

PARTICIPANT: No problem.

N.S.: O.K. Great. Thank you very much and have a nice day. Bye bye.

PARTICIPANT: And schönes Wochenende to you.

N.S.: Danke schön. Bye bye.

PARTICIPANT: Bye.