

Culture & Ethics - A Perspective on Indian Business Values

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“Without ethics, man has no future. This is to say, mankind without them cannot be itself. Ethics determine choices and actions and suggest difficult priorities.”

Introduction:-

Indians are generally accommodating and will make great efforts to adapt to the cultural preferences of expatriates. This is not to say that expatriates will not need to adapt their work and communication styles in order to succeed. Expatriates doing business in India have often remarked on the following cultural influences.

1. Value of personal relationships :-

In Indian society and business, trust is established more through personal relationships and connections than through legal contracts or a company's reputation. As a result it is very difficult to establish a strong business relationship without first forming a personal relationship. Sharing information about your family, engaging in discussions about personal hobbies and interests, and spending time with your Indian partner out of the office will build the necessary relational capital and trust to sustain the relationship when business demands and negotiations heat up.

2. Indirect communication style:-

A hallmark of Indian communication is the desire to maintain harmony in relationships. Although many have adapted to the direct style of their western business partners, most Indians prefer to communicate bad news in an indirect manner. This is especially true when communicating with a superior or with a client. Expatriates unused to indirect communication will often misunderstand their Indian counterparts by failing to read between the lines. For example, Indians will rarely express a negative response by directly saying “no”. Responses such as, “yes, but it will be a bit difficult,” or, “that may be possible – what do you think?” are more common and should be considered the same as a “no”. Asking open-ended questions, inquiring into the potential problems of a proposal, and actively listening for subtle clues are a few tactics which go a long way in avoiding miscommunication.

3. Hierarchy:-

Most Indian organizations are run from the top down. Indians are very astute in negotiating power in business relationships and maintain a fairly rigid hierarchy. This is demonstrated in the Hindi language, which has four forms of addressing someone based on their relative status to you. Status is highly valued in Indian society and those in positions of power are often given greater leeway than the average Indian citizen. Expatriates are encouraged to partner with the highest possible level of an organization and to anticipate delays from both internal and external politics. Expatriates who are able to demonstrate patience when facing bureaucracy and who respect Indian values which differ from their own will discover that almost nothing is impossible in India.

Ethics and culture are two sides of the same coin called moral. Much of our modern financial literature is silent about the moral aspects of doing business. We believe that a financial model that adheres to the feasibility tests is sound and will enrich a society irrespective of its mala-fide side-effects. We force moral acceptance into such models and in retrospect try to prove their authenticity in good times. Our models appeal people at large who are indeed trained to look for an accurate rather than an acceptable result. Ethics is not about finding accuracy or reporting it in the context of an established framework. Nor is it a justification of your integrity to an outsider.

It is a reflection of our morals which we hold for ourselves. If there is one prominent reason why the East stood this test of time during days of financial turbulence that reason lies in its ability to reflect and introspect. It is this unique culture of self-evaluation that makes people in east and India in particular less prone to actions that expose common public to severe risks.

The moral resilience of a country comes from its deep rooted ideology towards personal and social welfare. Culture that embeds values for reciprocities is self-sustaining. Wealth that is aimed at expansion of limited number of individuals or groups success diverts money towards narrow goals. These eventually become counterproductive to growth. You may look into the history of corporate developments and find that organizations which did not divert their resources from larger goal of success for many towards that of few, have actually survived the odds. Ones that were narrowly shaped to squeeze benefits for select few have vanished. Ethics does not always means sustenance because what is moral today may soon turn out to be an unethical act of tomorrow. Sum of parts is greater than the whole when we sit back to measure long term impacts of our actions.

Let's look at case in point from the apex bank of India. The RBI is conventionally know as an institution which has been following conservative banking for the nation which itself is on a growth track. This belief became more prominent when the RBI declined to relax credit policies in the wake of global exuberance in financial markets. So also it was criticized by private players in the banking industry to have shied away from opening up of the credit derivatives market. This was seen by many as underutilization of India's Strengths as a savings driven economy which would have empowered the investors with Complex products in their hands. To the surprise of critics this denial worked exactly in the favor of the nation. The vision of conservative architects who were at the helm of affairs proved to be benign. There were compliments for this approach and there was a steady march towards recovery from indirect effects of global financial turbulence. We all have seen how India is poised for a double digit growth keeping this sound foundation of its fundamental values towards equity and welfare. No wonder the collapses in the west have triggered interest and evoked respect for these values.

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