

CROSS-CULTURAL NEGOTIATION IN INDIA

India has become the world's most populous country and the world's fifth largest economy. However, its traditions and cultural factors -very different from those of Western countries- continue to profoundly affect the way it does business. In other words, it is a clear example of the importance of intercultural negotiation.

This article offers 10 cross-cultural guidelines for India that should be taken into account when doing business with Indian executives and managers.

Family

Individuals in India are profoundly loyal to their extended family. Family relationships are highly valued, and the parent-child relationship remains strong throughout a person's lifetime. Traditionally, several generations of a family would live in one house, but this is less the case in more urban areas. Among the more educated levels of society, people often take jobs and establish households in cities far from their parents. Still, the emotional ties of responsibility and obligation remain strong. A common pattern is for retired parents to join the households of married children.

Relationships

Within India, people know one another through a large network of relationships including the extended family, different levels of school and college, and other community ties. Business relationships both add to this network and are built upon it. Indians do not separate home life and professional life. Business colleagues are invited home and the family is invited into one's business life through picnics, dinners, and other events.

Status

In India, credibility is often linked with status. One form of status comes from having attended a recognised and respected educational institution. Education is very highly respected in India and is thus an extremely important way to establish authority and credentials. Titles, educational degrees, and positions indicate the achievements and contributions of an individual, and Indians always acknowledge the status conveyed by these accomplishments. Another indicator of status is the position one holds within a company and, in turn, the status of the company itself. Name recognition, international reputation, and high-quality goods all contribute to creating a high-status image for a company, and in turn, bestow status on employees of that company. If, for some reason, status positions are ambiguous in a business environment (something more informal cultures often cultivate), Indian colleagues may feel uncomfortable until the status positions are clarified.

Education

Education is highly valued by Indian families, and they will sacrifice a lot to enable their children to have the best possible education. A good education is of course a passport to a good job and salary in the new service industries of IT, outsourcing and call centres. Pune University is a highly regarded university throughout India, which partly explains why Pune has become a big centre in the outsourcing and offshoring business.

Respect for hierarchy and for elders

India is a very hierarchical society, both socially and professionally. Older people are deemed to have superior wisdom and so are treated with reverence and respect. In companies, employees expect clear instructions from their superiors, and tend not to act on their own initiative or outside their defined job role.

Humility

Humility and modesty are highly valued in India. Unlike in many Western countries, it is not appropriate, for example, to describe one's accomplishments too openly. When a compliment is paid to you, it is best to refuse the praise and attempt to turn the conversation toward recognising the accomplishments of the person doing the flattering.

Spirituality

Religion is deeply infused into the Indian mind and society. Indians regularly visit the temple to receive blessings from the priest, and often have a small shrine at home, where they do *pujas* or acts of reverence to a god, a spirit, or another aspect of the divine through invocations, prayers, songs, and rituals. An essential part of *puja* for the Hindu devotee is making a spiritual connection with the divine.

Karma

Karma is what gives Indians both an equanimity and an acceptance of how things are. The doctrine of karma includes both action and the result of the action. A person's thoughts, words and deeds have repercussions, the effects of which will follow them throughout their life. Karma is also linked to reincarnation. Actions in a past life secured fortune in this one; similarly, actions in this life will affect future reincarnations.

Hospitality

There is a Sanskrit saying: 'A guest is like God'. This means that the host must do all they can to please their guest. This concept of pleasing others also influences the way Indians behave with each other – they generally wish to please a person and avoid giving bad news, so they will often say 'yes, I can do that' when it is clearly not possible. At the back of their mind is

the thought that somehow they will be able to do it. This is at the basis of the so-called 'yes culture'.

Care for Others

Linked to their sense of spirituality and humility is a concern for others. This is particularly the case with elderly or sick family members, who will be looked after by the family. Indians are very group minded rather than individualists, which is the case with most western European cultures. They like having community and company events, like picnics, to which they bring their families.

Extensive information on doing business in Asia can be found in the following Business Negotiation Guides:



[Business Negotiation Guide in China: Culture & Etiquette](#)

[Business Negotiation Guide in India: Culture & Etiquette](#)

[Business Negotiation Guide in Indonesia: Culture & Etiquette](#)

[Business Negotiation Guide in Japan: Culture & Etiquette](#)

[Business Negotiation Guide in Malaysia: Culture & Etiquette](#)

[Business Negotiation Guide in South Korea: Culture and Etiquette](#)



[Pack 10 Business Negotiation Guides in Asia](#)

[How to Negotiate Successfully in 50 Countries \(eBook\)](#)



MODEL CONTRACTS

INTERNATIONAL CONTRACTS (ENGLISH, SPANISH, FRENCH, GERMAN & PORTUGUESE)

- International Sale Contract
- International Distribution Contract
- International Commercial Agency Contract
- International Sales Representative Agreement
- Intermediary Contract for Trade Operations
- International Joint Venture Contract
- International Strategic Alliance Agreement
- International Franchise Contract
- International Services Contract
- International Consulting Contract
- International Technology Transfer Agreement
- International Trademark License Agreement
- International Supply Contract
- International Manufacturing Contract
- International Buying Agent Contract
- Logistics Services Contract
- Export Contract
- Confidentiality Agreement
- Expatriate Contract of Employment
- Memorandum of Understanding for International Distribution
- Memorandum of Understanding for Joint Venture
- **Pack 10 Contracts in English**
- **Pack All Contracts in English**

BUSINESS CONTRACTS (ENGLISH, SPANISH, FRENCH, GERMAN & PORTUGUESE)

- Distribution Contract
- Commercial Agency Contract
- Sales Representative Agreement
- Commission Contract
- Joint Venture Contract
- Services Provider Contract
- Consulting Contract
- Strategic Alliance Agreement
- Franchise Contract
- Supply Contract
- **Pack 12 Commercial Contracts (Premium)**

CHINA CONTRACTS (ENGLISH-CHINESE DUAL VERSION)

- Distribution Contract China
- Agency Contract China
- Commission Contract China
- Supply Contract China
- Manufacturing Contract China
- Confidentiality Contract China
- Memorandum of Understanding for Distribution Contract China
- Memorandum of Understanding for Joint Venture China

LETTERS OF INTENT (ENGLISH & SPANISH)

- Letter of Intent for International Sale
- Letter of Intent for International Distribution
- Letter of Intent for International Joint Venture
- **Pack 3 Letters on Intent**

LETTERS FOR EXPORTERS (ENGLISH & SPANISH) LETTERS FOR IMPORTERS

- Presentation to potential client
- Proposal for agent/distributor
- Proposal to form a strategic alliance
- Invitation to a trade fair
- Making a commercial offer
- Preparation of a contract
- Reminder of payment pending
- **Pack 15 Letters for Exporters**
- Request for information to an overseas supplier
- Offering as agent/distributor
- Reply to proposal for strategic alliance
- Making contact after a trade fair
- Renegotiation of a contract
- Complaint about delivery of faulty goods
- **Pack 15 Letters for Importers**
- **Pack 30 Letters for Exporters and Importers**

