

## Excerpt: Managing Across Cultures

This feature enables you to compare and contrast critical management differences between national cultures and identify key differences in processes and practices.

Select a country and click on 'Compare' to compare management characteristics between countries.

**Disclaimer: The information in Managing Across Cultures is general in nature and is intended only as a starting point. It is incumbent on the reader to be open and receptive to the particular preferences of each individual he/she works with regardless of their nationality.**

China	▼	India	▼	Compare
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Characteristics of a good manager	China	India
	<p>Managers in the private and foreign sectors are expected to be entrepreneurial, pragmatic, flexible and fluent in both their native culture and the culture of the foreign investor. Many of these managers are young and have experience working or studying abroad and have technical degrees rather than MBAs. Managers across all sectors are likely to be "benevolent authoritarians." Employees expect managers to lead by example, and managers who are involved and hard-working earn their employees' respect and compliance.</p>	<p>Indian managers tend to build strong emotional bonds with their subordinates, peers, and superiors. Recruitment and promotion are based largely on connections and loyalty. While relationships are very important in India, managers are also chosen on the basis of intellectual capability and knowledge. Managers are expected to know more than their subordinates, both in terms of expertise and privileged company information.</p>
<b>Loyalty</b>	<p><b>China</b> Loyalty has traditionally been to family or group, but this is changing rapidly, particularly in the private sector. Labor mobility has increased dramatically, especially in foreign firms. Once an employee has some experience, their employment options open up broadly, especially in the large coastal cities of Guangzhou, Shanghai and Beijing.</p>	<p><b>India</b> Loyalty and compliance are desired traits of Indian employees. The Indian being, future, and harmony orientations emphasize the value of stable, long-term company/employee relationships, and the Indian collectivistic orientation dictates that employees put company interests before their own. At the same time, the Indian hierarchy orientation to power recognizes the importance of employees who accept their position in a business hierarchy and show their superiors respect, demonstrated by unquestioning acceptance of directives, particularly when they are made in public.</p>
<b>Hiring</b>	<p><b>China</b> Employees are often hired because of personal connections. In state-owned enterprises and government, political appointments or danwei – work groups – decide on hiring and promotions. At the same time, China has a long tradition of respect and reverence for education. A prospective</p>	<p><b>India</b> A person's position in Indian society is determined not only by their caste, but by a combination of attributed and achieved forms of status, with both equally important. Attributed status results from caste, age, gender, family origin and background, regional and linguistic identity and skin color. Achieved</p>

	employee with a technical background, experience abroad or a degree from a renowned Chinese or foreign university will be courted by many firms even if he or she has few connections.	status is derived from education, rank in one's company and profession, and recognition for any civic contribution.
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**Motivation**

**China**

Employees in China are generally motivated through group rather than individual achievement. Since productivity and profits have become increasingly important, there has been a turn toward motivation based on personal achievement. This is particularly true among younger workers. Performance management is increasingly common as a source of reform.

**India**

Due to Indians' cooperative and competitive orientations as well as their collectivistic orientation to individualism, they are motivated both by individual and group achievement. Indians strive to be individually exceptional as they compete for coveted positions in universities and in the highly competitive job market.

**Compensation**

**China**

In the past, employers paid relatively low salaries but provided many benefits, such as housing, meals, transportation, clothing, etc. These practices still exist, especially in state-owned firms and in contract manufacturing sites where employees are housed on-site, but foreign firms tend to emphasize salary over benefits. In the transition to a market economy, high salaries and bonuses are becoming common for the most widely sought after managers, particularly English speakers.

**India**

Indians strive to ensure that they have enough money to maintain their desired standard of living if they should become unemployed or encounter some other loss of income. Historically, civil service jobs were some of the highest-paying and therefore most desirable jobs in India. However, recently, soaring salaries and benefits of India's high-tech market has now made jobs in the private sector more desirable and increasingly harder to obtain.

**Decision Making**

**China**

Decision-making is extremely centralized and strongly hierarchical. Lower level managers are usually not trusted to make decisions, nor do they expect to. Decisions are made according to pragmatic considerations and past experiences. Their inductive and systemic approach means that the decision-making process can be drawn-out and vague.

**India**

In India, the highest-ranking officials make decisions. Since many companies are family-run, this often includes only family members. The most powerful decision makers may include a father and his oldest son(s) while other family members play lesser roles in the negotiation process.

**Source of Authority**

**China**

In companies, the power relationship is hierarchical. As a result, the power dynamics of the relationship matter greatly. A Chinese individual in a subordinate position would find it very difficult to persuade or question a superior. Title, position, expertise and connections are highly valued sources of authority.

**India**

Management style in India is often authoritarian and autocratic. Managers, who are usually better educated than their subordinates, make a point of displaying their influence by directing their employees without explaining their motives or actions, and do not expect employees to question them. They emphasize their privileged place in the business hierarchy by allowing subordinates to serve them and fraternize only with those of equal status.

**Delegation**

**China**

Employees are clearly assigned their duties and tasks. Individual initiative is typically not

**India**

In Indian business, the style of delegation varies according to a manager's taste. While

encouraged or even allowed. Projects are designed at the top, and lower level employees are delegated particular tasks to execute.

some managers are comfortable delegating duties to select employees, others are not. After ages of Indian feudalism in which lords measured their power in terms of the number of vassals they owned, many Indian managers prefer to retain as much power as possible.

<b>Information Sharing</b>	<p><b>China</b> The Chinese see information as a form of power. The importance of informal networks and personal connections also means that information is a precious commodity to be shared among one's group but not necessarily with others. This mindset is heightened by the government's tendency to withhold information.</p>	<p><b>India</b> In addition to relationships with contacts outside the firm, an Indian employee is expected to maintain harmonious relationships within the company. He or she must respect his or her supervisors and unquestioningly accept his or her place in the business hierarchy.</p>
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<b>Structuring of Tasks</b>	<p><b>China</b> The Chinese enterprise is well equipped with a body of formalized regulations and rules about how things should be done, and tasks are highly structured. Due to the rapid pace of change, however, the gap between formal rules and actual practices is quite wide. With the new emphasis on productivity, managers have received an increasing degree of autonomy over decision making. They have the power to decide how far practices may diverge from formal rules.</p>	<p><b>India</b> Indian companies are not accustomed to providing formal job descriptions for their workforce. Due to the Indian flexibility orientation, a manager assigns tasks according to his or her understanding of the task and their assessment of an employee's skills. On any given project, the manager is free to utilize all of the resources available among the members of his or her staff.</p>
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<b>Teams</b>	<p><b>China</b> The strong egalitarian tradition in China tends to encourage a collectivistic mentality and the organization of teams within a company. Working in a close group of peers is comfortable and motivating for most Chinese. With the advent of market reform, many enterprises have attempted to move away from a team orientation in order to promote competitiveness and individual efficiency and innovation. This process has met with limited success.</p>	<p><b>India</b> Teamwork in India is common and Indians tend to be effective team members. As a result of their competitive and cooperative orientations, reinforced by their educational backgrounds and work environments, Indians cooperate well and generally enjoy working together as they are adept at showing their individual creativity within a team setting. Since teams, like individual employees, often lack detailed guidance from their managers, they rely on creativity, innovation and self-direction in order to accomplish assigned tasks.</p>
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<b>Timelines</b>	<p><b>China</b> The Chinese have a fluid and multi-focused approach to time. Managers see targets and goals as influenced by many factors, some internal but many external to the firm itself. Deadlines are generally flexible due to these uncontrollable external considerations. The strong hierarchy orientation in Chinese organizations means, however, that strict deadlines set by superiors are unlikely to be ignored or relaxed.</p>	<p><b>India</b> The Indian fluid orientation to time allows for deadlines to be fairly flexible. When a project is assigned, it is more important to get the project done well than to get it done on time. Because of their multi-focus orientation, Indians are willing to work on several tasks at once since the number of responsibilities communicates one's importance.</p>
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<b>Planning</b>	<p><b>China</b>  Planning is generally a short-term process with strong past and future orientations. Because of the likelihood of unforeseen events, long-term planning is generally considered futile. The rapidly changing economic environment means that innovation and creativity are increasingly important to the planning process.</p>	<p><b>India</b>  India's past, present and future orientations to time indicate that both short-term and long-term planning based on past success is important. In accordance with their being orientation, Indians expect to cultivate long-term business relationships. Fostering such relationships is crucial to launching business ventures in India.</p>
<b>Feedback</b>	<p><b>China</b>  Feedback is delivered in an indirect manner; often the actual problem or conflict is not explicitly mentioned. A manager relies on his or her subordinates' abilities to read into his/her nonverbal cues and indirect language. Third party intervention is also common. Negative feedback, in particular, is often communicated indirectly so as to minimize open conflict.</p>	<p><b>India</b>  Indians value indirect communication and do their best to avoid personal confrontation. They are sensitive to criticism and to losing face in public. Most commonly, managers offer criticism indirectly and in private. In exchange, a manager expects that an employee will reciprocate with loyalty.</p>
<b>Follow Up</b>	<p><b>China</b>  Follow-up is an important way for managers to check that performance is adequate and that instructions are being followed since Chinese employees are generally not accustomed to bringing problems or obstacles to the attention of managers. Follow-up is implemented in a way that preserves the pride and respect of the employees. It would be counterproductive to cause an employee to lose face.</p>	<p><b>India</b>  Follow-up is sometimes perceived as a sign that a manager lacks confidence in his or her employee's abilities or understanding. Follow-up may even be perceived as harassment, particularly if only one individual is targeted. Managers should approach their follow-up duties collectively rather than individually in order to avoid this perception.</p>
<b>Performance Appraisal</b>	<p><b>China</b>  Under the new market economy, regularized performance appraisal is becoming more common. The work unit group is responsible for providing performance appraisal. There has been a shift from subjective measures to objective ones. Some employees accustomed to the old system resent the new measurements with their strict standards and targets. However, younger employees tend to appreciate the objective system.</p>	<p><b>India</b>  Regular employee performance evaluations are a relatively new concept in Indian business. Due to the Indian collectivistic orientation, individual performance appraisals can have an adverse effect on team performance. For example, one Indian employee was praised so highly above the rest of his team that he became embarrassed and the quality of his work declined. Consequently, the morale of the entire team suffered.</p>
<b>Conflict Management</b>	<p><b>China</b>  Chinese culture generally encourages conflict-avoidance and indirect communication of difficult or critical opinions. There has traditionally been great deference to hierarchy and power in any conflict situation, and people would not use overt methods to signal disagreement. Saving face by using indirect communication is still important with traditional colleagues and partners. However, in more progressive organizations and amongst peers, open disagreement is common.</p>	<p><b>India</b>  Indians prefer to avoid conflict but will typically participate enthusiastically in intellectual debates. While they have strong opinions and are willing to voice them, they shy away from serious confrontation about the most important issues regarding the business at hand. In a team setting, Indians rarely express personal opinions, and in consonance with their cooperative and hierarchical orientations, they allow team leaders to make decisions for the team as a whole.</p>

**Organizational Structure**

**China**

The Chinese generally believe that an established system is the best guard against the instability and conflict that can arise from unforeseen events. But, the Chinese also have a flexibility orientation toward structure, demonstrating the ability to adapt when things do not occur as expected. As the Chinese economy grows more diverse and new private and foreign-run firms become increasingly common, the organizational structure of firms have tended to become more flexible and decentralized.

**India**

Indian corporations are rigidly organized and hierarchical, and they maintain a highly centralized power structure. Most private companies are family-owned, and power rests in the hands of family members who often outnumber others on the board of directors.

**Job Mobility**

**China**

In the pre-reform period, mobility within Chinese companies was based more on one's political qualifications rather than one's performance on the job. This is changing rapidly, both within companies and between companies, and it is easier and more common to see managers change jobs and companies. However, education and seniority are still highly valued. The lack of either or both can inhibit an employee's career path.

**India**

Mobility between companies is not as common as it is in some other nations. Indians have traditionally valued loyalty, and an employee is expected to stay with one company for life. Due to the advent of increasing global competition, however, younger Indians are more willing to take risks in order to obtain better jobs.

**Company Size**

**China**

Chinese firms range in size from large state-run firms with tens of thousands of workers to small, family-run enterprises with only a few dozen workers. The trend in China is toward small to medium-sized firms as China's collectivistic mentality is complementary to the small firm system. Foreign firms range from small representative offices to fully resourced subsidiaries.

**India**

While most Indian companies are small family-run businesses, they are also some very large companies with a global presence in manufacturing, tourism and IT.