Dutch companies entering the Indian market

Cross-cultural communication in Indian business from a Dutch perspective

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Executive summary

In international business it is of frequent occurrence that business partners clash due to cultural differences. This study focuses on the cultural differences between the Dutch and Indian business culture. Without assuming that Dutch companies encounter cultural impediments when collaborating with Indian business partners, the research question: ‘How can Dutch companies prevent cross-cultural clashes when collaborating with Indian business partners?’ provides an answer that can support Dutch companies in their operations in India.

This examination practices a functionalist and interpretive approach to cultural understanding. Firstly, the functionalist approach, an approach which indicates an examination of the Indian and Dutch culture based on predefined concepts performed by theorists, is applied. One of the interesting findings was that theorist Gesteland ranks the Indian business culture as relationship-focused, high-context, hierarchical, polychronic and variably reserved. This is in contrast to the Dutch business culture which Gesteland ranks as deal-focused, low-context, egalitarian, monochronic and reserved. Also the index taxonomy and the cultural classifications of theorists Hofstede and Mole show contrasting results.

Subsequently, the interpretive approach, an approach which pursues real life experience, dialogue and the importance of individual interpretation, is applied. An interview with native Indian and expert Gokhale provides new insight of the Indian business culture; his advice is to acquire foreknowledge but to avoid gross-simplification and remain open-minded in every new situation.

When the results of the theories and the interview were compared, it was concluded that both the functionalist and interpretive approach contain advantages and disadvantages. To prevent cross-cultural clashes with Indian business partners, Dutch companies should combine the functionalist and interpretive approach. Dutch companies should first practice the functionalist approach by studying the Indian business culture from the outside. This signifies studying the prescriptive handbooks of the theorists, which show a pragmatic and clear overview.

However, as Gokhale advised in his interview, gross-simplification should be avoided. Therefore the interpretive approach should follow the functionalist approach. Signifying that, when dominant trends are identified, personal experiences and insight should follow. The Dutch companies should now practice the interpretive approach by studying the Indian business culture from the inside.

Furthermore, it is recommended to enter the Indian market with a modest attitude, prosocial behavior and patience.
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Preface

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1. Theoretical framework

1.1 Introduction

Internationalization connects business cultures worldwide; it is the process which comprises the increased involvement of companies on the international market (Maclean, n.d., p. 3). Companies seek the newest trends and developments, expand their business to foreign countries and collaborate with foreigners. However, in international business it is of frequent occurrence that business partners clash due to cultural differences; when approaching or bargaining with foreigners it is of importance to understand their business culture (Gesteland, 2012, p. 13). Awareness of cross-cultural differences is important in the establishment of trade relations, and knowledge of the do’s and don’ts can be of great value. Culture is dynamic and so are business cultures; they change and therefore it is essential that business strategies are kept updated on a regular basis (Gesteland, 2012, p. 9).

In setting up a proper business plan, the business culture of the country of interest must be studied, information about cultural differences should be collected and knowledge should be gained. Insights, gained through the application of theoretical classification methods like ‘the five patterns of cross-cultural business behavior’ and ‘the index scores’ proposed by theorists Gesteland and Hofstede, can be used to set up a solid foundation for a healthy business strategy.

The aforementioned methods and observations are valid for all cases in which Dutch companies explore international markets. To refine this study from general to specific, this study focuses on the cultural differences between the Dutch and Indian business culture. Without assuming that Dutch companies encounter cultural impediments when collaborating with Indian business partners, the research question: ‘How can Dutch companies prevent cross-cultural clashes when collaborating with Indian business partners?’ provides an answer that can support Dutch companies in their operations in India.

The research will describe possible impediments in cross-cultural communication and enable Dutch companies to anticipate to the Indian business culture. The aim of the research is to offer Dutch companies an instructive guideline that supports their process of implementing a business strategy that suits the Indian market.
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The Indian business culture was chosen because India is one of the rising markets; it has one of the largest economies in the world and provides a fast growing consumption market (Arora, 2013, p. 1). India has a strategic location with convenient access to the South-Asian market. Also, India operates large mineral and agriculture industries, and, as an advantage, the English language is often used, especially in business (Amritt Ventures, n.d., p. 1). These facts stimulate Dutch companies to expand their business to India.

Due to different conceptions of mutual human relationships and difference in culture, Indian companies operate according to a different strategy than Dutch companies. In other words, when implementing a business strategy awareness of cultural differences is crucial. What will work on the Dutch market may not work on the Indian market. Avoiding cultural clashes and maintaining strong relationships with Indian business partners will stimulate business deals, contracts and sales in India.

It is of importance to enlarge the Dutch knowledge of the Indian business culture in order to develop business opportunities in India. To discover possible impediments in cross-cultural communication, the Dutch and Indian business culture will be compared by means of theoretical classification methods. The methods used are: Gesteland’s five patterns of cross-cultural business behavior; Hofstede’s index scores and five cultural dimensions and the Mole map of theorist Mole. Furthermore, this research includes the perception of an expert and native Indian. An interview with Paulo Gokhale was implemented to gain knowledge based on real life stories and experiences.

This research reached a conclusion with the use of several sub questions which are:

- What should Dutch companies take into account before entering the international market?
- What are the main characteristics of the Indian culture?
- What are the theoretical characteristics of the Indian and Dutch business culture according to Gesteland?
- What are the theoretical characteristics of the Indian and Dutch business culture according to Hofstede?
- What are the differences between the Indian and the Dutch business culture?
- What is the perception of an expert and native Indian? (Interview)

Finally, the research compared the results of the theories with the results of the interview and presents a conclusion and recommendation.
1.2 Justification
Although cross-cultural communication researches are numerous and prescriptive handbooks about India already exist, this examination faces the topic from a different angle. For example, besides his book 'Cross-cultural Business Behavior: A Guide for Global Management', Gesteland provides the book 'India-Cross-Cultural business behavior'. The purpose of this book is to enable business people, expatriates and scholars to gain foreknowledge and anticipate to the Indian business culture.

However, this examination is more specific because it studies the Indian business culture from a Dutch perspective. Furthermore, this examination adds new information and insight by including and examining other scholars and their cross-cultural theories, interviewing an expert and examining and combining two approaches to cultural understanding. With these two approaches, explained later in the methodology, this examination discovers new answers and insights that can support Dutch companies in their operations in India.

1.3 Methodology
This examination practices a functionalist and interpretive approach to cultural understanding. Both approaches are implemented and examined because both are criticized and have their strong and weak points (Askehave & Norlyk, 2006, p. 10). The central question ‘How can Dutch companies prevent cross-cultural clashes when collaborating with Indian business partners?’ will finally suggest which approach should be followed in order to succeed.

Firstly, desk research was conducted and applied as follows:
- In chapter 2 the sub question ‘What should a Dutch company take into account before entering the international market?’ is answered. Desk research was conducted to discover the important elements of international business. Furthermore, Desk research was conducted to elucidate and explain the relationship between a business strategy and business culture. This chapter supports the relevance and importance of this examination.

- In chapter 3 the sub question ‘what are the main characteristics of the Indian culture?’ is answered. This chapter describes the Indian culture in general. Desk research was conducted to discover facts, figures and numbers regarding the Indian culture. Desk

\[\text{Appendix 1}\] A prescriptive list that provides a clear overview of the do’s and don’ts when collaborating with Indian business partners is composed and presented in the appendices of this examination.
research was also conducted to explain important elements, such as the Indian caste system. In this chapter India is generally introduced in order to transfer and link the examination logically into the next chapters which include the theoretical characteristics of the Indian business culture.

Secondly, this examination practices a functionalist approach to cultural understanding. The functionalist approach indicates an examination of the Indian and Dutch culture based on predefined concepts performed by theorists and their prescriptive handbooks. Although this approach is criticized to be ethnocentric and Western deterministic (Askehave & Norlyk, 2006, pp. 10,11), this examination supports the strong points of the functionalist approach: it enables to prepare, is practical, pragmatic and identifies dominant trends. The functionalist approach is applied as follows:

- In chapter 4 and 5 the sub questions ‘What are the theoretical characteristics of the Indian and Dutch business culture according to Gesteland and Hofstede?’ are answered. In these chapters the main characteristics of the Indian and Dutch business culture are described with the use of the theoretical classification methods performed by theorists R.Gesteland and G.Hofstede. In this manner, the functionalist approach was applied to highlight dominant trends and provide practical instructions. This information is used to uncover the contrast between the Indian and Dutch business culture.

- In chapter 6 the sub question ‘What are the differences between the Indian and the Dutch business culture?’ is answered. In this chapter the Indian and Dutch business culture are compared with Gesteland’s and Hofstede’s theoretical classifications and a new introduced theorist: J.Mole. Mole’s theory is introduced to provide one last clear overview. This chapter exposes the great gap between the two business cultures and functions as the final outcome of the functionalist approach.

Subsequently, the examination includes the interpretive approach, an approach which pursues real life experience and dialogue and focuses on the importance of individual interpretation (Askehave & Norlyk, 2006, pp. 11,12). Although this approach is criticized to be time consuming, vague and intangible, the interpretive approach avoids preconceived ideas and takes many aspects into account. The interpretive approach is applied as follows:
- In chapter 7 the sub question ‘What is the perception of an expert in this field?’ is answered. Field research was implemented by a conducted interview with an expert in the field of international business. The conducted interview with native Indian Paulo Gokhale, partner in EASIA (a company that offers business services to Dutch companies who wish to establish in India), provides practical information based on real life stories and experiences. This enables the examination to compare the answers of Gokhale with the results of the theoretical classifications presented in chapter 4, 5 and 6.

Thereafter, in chapter 8, the examination compares the functionalist (the results of the theories) and interpretive (the results of the interview) approach in order to discover to which extent these results match and which approach Dutch companies should apply.

Finally, these results lead to a conclusion and recommendation which are presented in chapter 9.
2. Important elements of International business

2.1 International business from a Dutch perspective

With its advantageous position as a gateway for goods being imported into the European Union, The Netherlands is considered as one of the top trading nations in the world. Eighty percent of the Dutch export goes to other nations within the European Union and 70% of goods imported into the Netherlands comes from the European Union (Encyclopedia of the Nations, n.d., para 1). These high statistics show that the Netherlands, as a broker, plays a major role in international trade. As a gateway to Europe, the Netherlands hosts many multinational companies, and many Dutch companies orientate themselves on foreign markets (Europese centrale bank, 2014, p. 19).

International business comprises the production and distribution of goods and services across national borders (Carpenter & Dunung, 2011, p. 1). Before a Dutch company decides to enter the international market, it is recommended to be familiar with elements of international business; like a visitor in another country is expected to understand and adapt to the host culture (Gesteland, 2012, p. 22). To achieve a convenient position on the international market, awareness and knowledge of cross-cultural communication is strongly advised.

2.1.1 Service and Support

The Dutch government stimulates international business and supports Dutch companies to develop and retain strong positions on foreign markets. The Dutch government provides specialized agencies that assist companies in their international operations. One of these agencies is ‘Rijksdienst voor Ondernemend Nederland’ (Rijksdienst voor Ondernemend Nederland [RVO], n.d.). Rijksdienst voor Ondernemend Nederland, former Agentschap NL, offers services on behalf of the Dutch government regarding sustainability, innovation and international ambitions. RVO serves their clients by informing them on economic issues, politics, legislation and important authorities in the specific country. In addition, RVO provides access to databases concerning consumer behavior, economic and political indicators.

Besides the Dutch government there are many organizations and stakeholders that offer services to support Dutch companies on foreign markets. For example, the organization EASIA, introduced in chapter 7, supports Dutch companies in their operations in India.
2.2 Defining culture and business culture

To elaborate on the concept of cross-cultural communication the definitions of culture and business culture are given. Culture is described by Dutch theorist Fons Trompenaars as ‘A way a group of people solves problems and reconciles dilemmas’ (Trompenaars & Turner, 2011, p. 6). Dutch social psychologist Geert Hofstede defines culture as ‘The collective programming of the mind that distinguishes one person from another’ (Hofstede, Hofstede, & Minkov, 2010, p. 6). In general, culture is defined as a system of shared human behavior, norms, values, beliefs and rules of living. In contrast to personality and human nature, culture is learned and specific to a group.

According to Gesteland (2012), the concept of business culture is ‘A unique set of expectations and assumptions about how to do business’ (p. 21). A business culture refers to the behavior and attitude of persons operating in a company. It identifies the norms, values and visions of employers and employees, and defines the language use, the systems and symbols in which the company believes and their habits. These set of expectations and assumptions are automatically taught to new members. The business culture of a company has an impact on the way the members in a company interact with each other but also influences their interaction with clients and stakeholders.

2.2.1 The impact of a business culture on a business strategy

The business culture defines how a company operates and therefore has an automatic influence on the business strategy. For instance, a factor that is defined by culture and can have an impact on the business strategy is ‘incentive pay’ (Root, n.d., p. 1). Business cultures that are class-conscious tend to withhold information from their employees and not participate in incentive pay because they believe in individual leadership. Whereas business cultures that are not class-conscious tend to share information with their employees and stimulate them with incentive pay because they believe in group leadership. This example exposes the impact of a business culture on a business strategy.

2.3 What should a Dutch company take into account?

When a company provides a business strategy that suits the business culture, the company creates a business strategy that is recognizable and understandable for its employees. This enables the employees to adopt and work towards the desired long-term goals. It will also enable the employees to act according to the guidelines of the company in a uniform manner and interpretation.
In answering the sub question ‘What should a Dutch company take into account before entering the international market?’, it can be concluded that a Dutch company should take the cultural differences on the global market into account and make an effort to gain knowledge of the specific foreign business culture, and lastly, adjust to the foreign business culture. The right knowledge or support can be gained by Dutch governmental agencies or by consulting a specialized organization that offers services regarding international operations. Gaining knowledge or support can also be achieved by reading books or studies providing information about cross-cultural communication and the specific business culture, as this examination does.
3. A general description of the Indian culture

With approximate 1.2 billion inhabitants, India is, after China, the most populous country in the world (Daily Mail reporter, 2011, p. 1). The Indian culture is known for its great diversity. The Indian population speaks 418 languages, of which 407 languages are listed as living languages and 11 are extinct; however, only 15 languages are listed as official languages (Embassy of India, Luanda Angola, 2009, p. 1). India has a wide range of religions; Hinduism, Islam, Christianity and Sikhism are the main religions in India (India online pages, n.d., p. 1). The Indian culture is known for its relatively strict social hierarchy. Traditionally, the Indian society is divided into a specific social system, the Caste system, explained further on in this chapter. Although the Indian population copes with growing modernization, religion and spiritual beliefs remain the key elements of the Indian lifestyle.

Officially, India is divided into 29 states and six union territories. The union territories are administrative units which are directly governed by the central Indian government from the capital city New Delhi. The state Delhi is considered as the national capital territory. Because the division of the 29 states is based on productive potential and type of industry, India copes with regional disparity (Kapoor, 2009, p. 1). New Delhi and Mumbai are considered as the most touristic places and Bangalore is ranked as the best business destination (Rediff Business, 2013, p. 1).

Due to the vast region there are many languages, religions and traditions which makes it hard to provide a concise overview. Therefore only the dominant trends are explained in this chapter.
3.1 Religion

As mentioned in the introduction of this chapter, the main religions in India are Hinduism, Islam, Christianity and Sikhism. A small part of the population is influenced by Buddhism and Jainism. The Indian population refers to religion with symbols and rituals on a daily basis. However, the ways rituals are observed differ from regions, villages and individuals. The Hindu religion predominates in India. Due to the fact that Hinduism is followed by 80 percent of the Indian population, it will be the only religion to be explained in this chapter (India online pages, n.d., p. 1). Hinduism is known as the oldest religion in the world. Because 80 percent of the Indian population consider themselves as a Hindu, Hinduism can be found in almost every Indian city (Overgaard, 2010, p. 9). One of the aspects of Hinduism is Dharma. Dharma is a prescription of how people should properly behave.
Dharma describes specific life rules and how to behave regarding to the Indian Caste system, another aspect of Hinduism (Overgaard, 2010, p. 10).

3.2 The Caste system

India is a country of contradictions between rich and poor, ancient and modern and urban and rural areas. The Indian Caste system was officially proscribed by the Constitution of India in 1950 (Overgaard, 2010, p. 11). Despite the prohibition, the caste system is still adhered in India, especially in the rural areas. However, in the big city the caste system starts to lose its popularity. The hierarchical Caste system, visualized in figure 2, can be described as follows:

The upper caste consists out of the Brahmins: the caste of the priests and academics (scholars and teachers). They are considered as the most important and influential people within the society. The second caste are the Kshatriya’s: the warriors and kings (administrators and law enforcers), followed by the Viashya’s, the merchants and landowners (traders). The Shudra’s are ranked as the lowest caste; these are the commoners, peasants and servants. They serve the upper castes. The caste not visualized in figure 2, is the Panchama, Panchama literally means ‘fifth’. This group of people is also known as the untouchables. They are considered as the poorest people, the outcast, who take care of the dirty jobs (street sweepers and latrine cleaners) (Pruthi, 2004, p. 5).

As the castes strongly differ from each other, and rituals, beliefs and customs dominate daily life, it is impossible to live closely and harmonically in society. Only the middle castes (Kshatriya’s & Vaishya’s) are able to keep the society together. The Indian Caste system is a historical and traditional system. Since international trade plays a more prominent role in India, the middle castes are considered of greater importance. This issue is later addressed in chapter 7.

Figure 2: The Indian cast system.
3.3 Customs / etiquette
Since India is known for its great diversity and many languages and religion divided population groups, customs and etiquette are numerous. It will be impossible to recognize all of them. When visiting India, it is advised to be familiar with the customs and etiquette that predominate and are important to know, keeping in mind that urban areas are more modernized and western-oriented than rural areas.

- India is a traditional hierarchical country, where men and women are treated differently. When greeting, many Indians prefer the ‘Namaste’ a hand gesture which places both hands together with a slight bow. Men may shakes hands when meeting or leaving, women however, may shake hands with other women but usually not with men.

- It is strongly recommended to use the right hand to touch someone or someone’s property. The left hand is considered as unclean.

- As Indians have other meanings for them, Western hand gestures are mostly wrongly interpreted.

- Politeness and saving face is high valued and open display of anger is not appreciated.

- The Indian society is a group society; family and friendship come first, not the individual.

- The Indians do not value time, expect and accept that Indians will probably show up late at appointments or meetings.

(Gesteland, 2012, pp. 135-139)

3.4 The Indian economy
India is a country with an abundance of economic opportunities, and bears the title of one of the largest economies in the world. Estimated is that the fast growing consumption market will grow with 8% to 12% a year (‘India: 17 argumenten om te investeren’, n.d., p. 1). Besides a fast growing consumption market and a strategic location with convenient access to the South-Asian market (Amritt Ventures, n.d., p. 1), India has more to offer. For example, India offers high-educated IT professionals. These IT professionals are of great importance for American and European companies, not only do they fulfil assignments but they also offer new business solutions (Reubsaet, 2008, p. 1). The opportunity to benefit from such low-cost, high-quality performances causes foreign companies to outsource their business to India. As already indicated, India operates large mineral and agricultural industries, and, as an advantage, the English language is often used, especially in business (Amritt Ventures, n.d., p. 1).
4. The Indian & Dutch business culture according to Gesteland

This chapter describes and discusses the Indian and Dutch business culture by applying the patterns of cross-cultural business behavior proposed by Gesteland.

Gesteland’s book, ‘Cross-Cultural Business Behavior: A Guide for Global Management’, is a practical guide that helps business people to comprehend their own expectations and assumptions in global management, as well as those of their international business partners. Gesteland circumscribes business culture as “a unique set of expectations and assumptions about how to do business” (Gesteland, 2012, p. 21). Gesteland’s theory includes five patterns of cross-cultural business behavior. To avoid stereotyping and generalization, Gesteland specifically talks about cultural tendencies when he describes business cultures.

It is observed that when Gesteland wants to indicate that a cultural pattern is not of major influence on the specific business culture, he refers to adverbs such as ‘moderate’ and ‘variably’. For example, a business culture can be moderately deal-focused or variably reserved (Gesteland, 2012, p. 135). It can be stated that whenever Gesteland does not refer to these adverbs, the cultural pattern is of major influence on the specific business culture. Gesteland’s five patterns of cross-cultural business behavior are explained in chronological order by describing the Indian and Dutch business culture.

4.1 The Indian business culture according to Gesteland

The first pattern introduced is the relationship-focused vs. deal-focused pattern, ‘the great divide’ as Gesteland mentions in his book (Gesteland, 2012, p. 23). The Indian business culture is classified in ‘group A’ of Gesteland’s negotiator profiles. Group A comprises Asian cultures that are relationship-focused, formal, polychronic and reserved (Gesteland, 2012, p. 133). Gesteland ranks the Indian business culture as being very relationship-focused (Gesteland, 2012, p. 135). In contrast to deal-focused cultures, relationship-focused cultures feel uncomfortable when collaborating with strangers. Indians value personal business relationships, they will only practice business with those who can be trusted. As most relationship-focused cultures, Indians prefer to practice business with family, friends or acquaintances. Business behavior such as getting straight to the point or rushing through an appointment will not be appreciated by the Indians. In the Indian business culture, it is essential to first build rapport and establish strong relationships before business deals can be made.
Secondly, Gesteland distinguishes direct (low-context) and indirect (high-context)\(^2\) communication. Indians communicate with indirect language using high-context. Being relationship-focused, Indians prioritize the maintenance of relationships and harmony. This signifies that Indians tend to use vague, indirect language in order not to offend or embarrass their counterparts. Especially when it comes to delivering negative news, Indians will use a polite, kinder way to deliver the news. Indians will also try to avoid the straightforward word “no” and replace it by using sentences such as “that will be difficult” or “we will need more time to think about it”. Even when Indians reply with a weak “yes”, smile and remain silent, it often means “no”. When doing business with Indians, awareness of their body language is crucial as this will help to understand their verbal messages. However, because of generational change, young Indians tend to communicate less indirect than the old generation.

Thirdly, Gesteland introduces informal (egalitarian) vs. formal (hierarchical) business behavior. A well-known system in India is the hierarchical caste system. Although this system only applies to the Hindu religion and is officially proscribed, status-consciousness is crucial when doing business in India. The Indians operate according a formal, hierarchical business structure. Indians have great respect for the old generation; differences in status and power are defined by the age. Young business people should always be formal, show respect and give power to the old generation. As 80% of the Indian population lives according to Hinduism, they behave according to the cast which they are born into. In addition, bureaucratic obstructionism is still a problem in India. This obstacle may withhold foreigners from collaborating with Indians business partners.

The fourth pattern of Gesteland is rigid-time (monochronic) vs. fluid-time (polychronic). Because Indians value relationships, much time and effort is put in establishing trust and friendship and the concept of rapidity is not valued. This makes Indians polychronic which means that Indians are called unpunctual. Moreover, the Indians are unlikely to keep tight schedules and structured routines and will often show up late to an appointment. When having a meeting with an Indian business partner, interruption will probably occur as the Indians are used to take care of different tasks at the same time. Long waiting hours are to be expected and when operating with Indians it is also important to be prepared for possible delivery delays.

\(^2\) The terms high-context and low-context are created by anthropologist E.T. Hall. High-context signifies: implicitly, the speaker does not actually say what he wants to express but stores a lot of information surrounding the words. Low-context signifies: explicitly, everything is verbally expressed (Neuliep, 2009, p. 52).
The last pattern of Gesteland regards to non-verbal communication and body language: emotionally expressive vs. emotionally reserved business behavior. As Indians are variably reserved communicators, they speak softly, reticent and are comfortable with silence. Indians feel uncomfortable with people that speak loud and are loquacious. Indians communicate with low contact which signifies that touching except for a soft handshake is not appreciated. As mentioned in chapter 3, Indians use the hand gesture ‘the Namaste’ when greeting, especially women will opt for the Namaste instead of a handshake. When communicating with Indians it is important to use the right hand when presenting objects, the left hand is traditionally seen as unclean.

4.2 The Dutch business culture according to Gesteland

The Netherlands belongs to group G of Gesteland’s negotiator profiles, which means that the Dutch business culture is deal-focused, moderately formal (egalitarian), monochronic and reserved (Gesteland, 2012, p. 311). Deal-focused cultures are known for their task-oriented behavior. Directly approaching foreign counterparts is not considered as uncomfortable by the Dutch. The Dutch have high trust in strangers and are therefore open to collaborate with foreigners. The Dutch do not invest time in building relationships and come straight to the point in business meetings. In addition, the Dutch do not value establishing further personal relationships with their counterparts, once the deal is made the case can be closed.

The Dutch culture is known as one of the most direct cultures in the world. It goes without saying that the Dutch communicate with direct language using low context in business meetings. Meaning what you say comes natural for the Dutch; their aim is to be clearly understood in a conversation. The Dutch will not spare their counterparts’ feeling; they perceive ideas as objective and independent of the people that present them. The Dutch will easily say what they have in mind without paying attention to possibly offending the person in the matter. Typical characteristics of Dutch communication are: straightforwardness, getting to the point quickly and avoiding polite verbiage.

As the Dutch business culture is moderately formal, egalitarian business structures are more valued than hierarchical business structures. While it remains important to approach the Dutch formally at first meetings, The Dutch feel uncomfortable with strict hierarchical systems. Working in teams is high valued in the Dutch business, the boss is viewed as a collaborator and is most of the time obliged to first consult the subordinates before taking actions or decisions. Expectations and assumptions regarding status determined by family background or level of education are unfamiliar nor appreciated within the Dutch business culture.
Punctuality is one of the key business rules in the Dutch business. The Dutch live according to rigid-time and are monochronic. Obsessed by the clock and true worshippers of schedule and time, the Dutch abominate business partners that arrive late at an appointment. The Dutch are likely to keep tight schedules and structured routines. Arriving late at an appointment, or missing an appointment, is considered as inconvenient and creates untrustworthiness. Dutch business meetings follow a structured chronological order and are rarely interrupted. The Dutch do also not appreciate missed deadlines or delivery delays of their counterparts.

The Dutch are known for a reserved and sometimes a cold, detached attitude during business meetings. The Dutch will not make effort to come across as friendly; they prefer to maintain a certain polite reserved attitude when meeting their counterparts. As low contact is accustomed in Dutch business, physical touching except shaking hands is not appreciated. However, the Dutch will give you a firm handshake and do appreciate steady eye-contact while communicating.
5. The Indian & Dutch business culture according to Hofstede

This chapter describes and discusses the Indian and Dutch business culture by applying the conceptual taxonomy and index scores proposed by Hofstede.

Hofstede defines culture as the software of the mind ‘The collective programming of the mind that distinguishes one group from another’ (Hofstede, Hofstede, & Minkov, 2010, p. 6). Hofstede provides five dimensions in which he ranks countries using index scores. The five dimensions are: power distance, individualism vs. collectivism, masculinity vs. femininity, uncertainty avoidance and time orientation. The higher the index score, the more relevant the dimension is to a country’s culture. Chosen was to implement Hofstede’s five dimensions of national culture because national culture shapes business culture. In addition, links and comparisons with Gesteland’s business behaviour patterns can be made.

5.1 The Indian business culture according to Hofstede

Figure 3 represents Hofstede’s cultural taxonomy exposing the index scores of India.

![Figure 3: Cultural taxonomy according to Hofstede. Shown are the Indian index scores for power distance (PDI), individualism (IDV), masculinity (MAS), uncertainty avoidance (UAI) and long-term orientation (LTO). (The Hofstede Centre, n.d.)](image)

India shows a high power distance (PDI) score of 77. The power distance dimension describes to which extent the subordinates of an organization expect and accept unequal distributed power. The dimension indicates the attitude of a culture towards inequality in relationships. As discussed in Gesteland’s cultural pattern of informal vs. formal business behavior, Indians are used to live according to hierarchical business structures. The PDI score of India confirms this behavior. Indians respect and appreciate a top-down structure in society and business. Typical aspects of Indian behavior towards power distance are:
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depending on the boss for direction or approval, acceptance of unequal rights, control and security within organizations and limited participation of the subordinates in decision-making processes (The Hofstede Centre, n.d., p. 1)

In the second dimension, individualism vs. collectivism (IDV), India shows a moderate index score of 48. This dimension determines the degree of independence within a culture. The individualism vs. collectivism dimension of Hofstede can be compared with the deal-focused vs. relationship-focused pattern of Gesteland. Although these classifications are not exactly the same, both focus on the “we” or “I” spirit of a culture. The Indian culture is collectivistic. Indians prefer to belong to a group of people and act correspondingly to the group. This confirms why Indians are rather relationship-focused than deal-focused. Key characteristics of collectivistic behavior are: constantly seeking for approval and consent of the group, easy to influence by the opinion of the group, appreciation and respect for the opinions of the group, and putting others first (The Hofstede Centre, n.d., p. 1).

In the masculinity vs. femininity dimension (MAS), India scores an index of 56. This dimension describes masculinity as a society that motivates competition, achievement and success. Being the winner or have the best performance is high valued. On the other hand, femininity is described as a society that motivates taking care of each other and puts quality above quantity. In a feminine society is it unnecessary to be the best; enjoying life is perceived as more important. With a MAS score of 56, masculinity predominates in India. Displaying success and power is important in the Indian culture and creates regard. However, being a spiritual country where live lessons such as the value of humility are taught, the Indian culture can also be considered as feminine (The Hofstede Centre, n.d., p. 1).

In the fourth dimension, uncertainty avoidance (UAI), India scores relatively low with a score of 40. The uncertainty avoidance dimension determines the degree to which people can take risks, accept conflict and stress and work without rules. The uncertainty avoidance dimension determines the level of the unpredictability of a culture. As India has an UAI score of 40, Indians are unlikely to avoid uncertainty. As this dimension also has a connection with time, a comparison with the fluid time (polychronic) vs. rigid time (monochronic) pattern of Gesteland can be made. Indians are not slaved by the clock, do not value structured routines and live by patience. Other characteristics of this dimension are: acceptance and tolerance for the unexpected, space for imperfections, adapting to the circumstances and no desire for instant initiatives (The Hofstede Centre, n.d., p. 1).
In the last dimension, long-term orientation (LTO), India scores an index score of 61. This dimension determines the degree to which people have a short- or long-term view of their work and life, accept convention, persevere with a job, spend or invest. In which long-term cultures desire persistence and are conservative whereas short-term cultures prefer changing events and are future-oriented. With a relatively high LTO score of 61, India is a culture that believes in long-term orientation. As already discussed, time is not of primary importance to the Indians. Religion and philosophy play an important role in the Indian society and Indians tend to hold on to history. Furthermore, Indians will not look in the future or plan ahead, they believe that faith will lead them through life. In addition, Indians believe that the truth is established by time and depends on the situation (The Hofstede Centre, n.d., p. 1).

5.2 The Dutch business culture according to Hofstede

As described with Gesteland's informal vs. formal business behavior pattern and shown in Figure 4, the Dutch are unaccustomed to hierarchical systems and therefore score low on Hofstede’s dimension of power distance (PDI). In a Dutch company, managers expect their employees to be involved in the decision-making process. Equal rights within an organization are customary. Furthermore, managers decentralize their power and often consult their employees. The boss is not perceived as the courageous leader which should be in charge, solve problems and know all the answers to the questions. Instead, the boss can be approached on a first-name basis and active participation of the subordinates is highly appreciated (The Hofstede Centre, n.d., p. 1).

Figure 4: cultural taxonomy according Hofstede. Shown are the Dutch index scores for power distance (PDI), individualism (IDV), masculinity (MAS), uncertainty avoidance (UAI) and long-term orientation (LTO). (The Hofstede Centre, n.d.).
With a high IDV score of 80, the Netherlands is considered as an individualistic society. As Gesteland’s pattern discusses, the Dutch operate deal-focused. They do not invest in building strong relationships, and therefore also value the “I” spirit in society. The Dutch tend to want to give in return only. Self-protection and assertiveness are also important elements within the Dutch society. Other key characteristics of Dutch individualistic behavior are: putting yourself and your family first, mutual benefit and reciprocation (The Hofstede Centre, n.d., p. 1).

The Dutch do not put work and success in the centre of their lives and therefore score low on the MAS dimension with a score of 14, indicating that the Dutch live by a feminine society. Enjoyment is more valued than achievement; the Dutch are likely to keep their personal and work life in balance. The Dutch believe in support, participation and consensus. As noticed in the power distance dimension, the Dutch treasure equality and solidarity in business. In case of conflicts, long discussions until compromises are made and consensus is reached are customary for the Dutch (The Hofstede Centre, n.d., p. 1).

With an UAI score of 53, the Dutch prefer to avoid uncertainty in daily life. As Gesteland’s time pattern reveals, the well-organized Dutch are likely to plan and schedule their lives. The Dutch tend to hold on to rigid codes of belief and behavior, indicating that the Dutch depend on the rules of life. Punctuality, security and future planning are highly valued. The Dutch will always try to control the future, work according to strict rules and are not fond of intolerance and imperfections (The Hofstede Centre, n.d., p. 1).

With a relatively low LTO score of 44, the Dutch believe in short-term orientation. Because the Dutch perceive time as an important aspect in life they are impatient people. The Dutch respect traditions, are social pressured and do not like to stand out. Furthermore, the Dutch think according to normative standards and have high concerns with establishing the truth. In addition, The Dutch will always take tomorrow into account and have the tendency to create blueprints to survival (The Hofstede Centre, n.d., p. 1).
6. A comparison of the Indian and Dutch business culture

This chapter provides a comparison of the Indian and Dutch business culture. The chapter is divided into three parts. Firstly, the two business cultures are compared with the use of the aforementioned five patterns of cross-cultural business behavior of theorist Gesteland. Subsequently, the Indian and Dutch cultures are compared by Hofstede’s index scores. Lastly, this chapter concludes by introducing a new theorist, John Mole. Mole’s cultural taxonomy will only be used in chapter 6 and is implemented to provide a confirmation and one last structured overview of the Indian and Dutch business culture by placing them accurately in ‘The Mole map’.

Moreover, this chapter functions as the final outcome of the functionalist approach. A prescriptive list that provides a clear overview of the do’s and don’ts when collaborating with Indian business partners is composed and presented in the appendices of this examination.

6.1 Classification of the Indian and Dutch business culture

As explained in chapter 4&5, the Indian business culture is classified as relationship-focused, hierarchical, polychronic and variably reserved, whereas the Dutch business culture is classified as deal-focused, egalitarian, monochronic and reserved (Gesteland, 2012, pp. 135, 363). These results are classified by Gesteland; however, the same contrasting pattern is found at Hofstede’s taxonomy. According to Hofstede’s taxonomy, Indians do accept power distance, live by collectivistic standards, accept uncertainty and lastly, believe in long-term orientation (The Hofstede centre, n.d., p. 1). On the other hand, the Dutch according to Hofstede, do not accept power distance, live by individualistic standards, are likely to avoid uncertainty and believe in short-term orientation (The Hofstede centre, n.d., p. 1). To conclude, the Indian and Dutch cultures contradict in Gesteland’s and Hofstede’s theoretic classifications. Firstly, a look at Gesteland’s cultural patterns is taken.

6.1.1 (Gesteland) Deal-focused vs. Relationship-focused

Relationship-focused cultures such as the Indian have low trust in strangers. In business this signifies that they are unlikely to collaborate with strangers, especially foreigners. When approaching an Indian business partner, it is recommended to be introduced by an intermediary and first take time to build rapport before doing business. However, such business behavior can be perceived as negligent, obscure, vague, unfathomable and dishonest for their deal-focused counterparts. On the other side, the Dutch deal-focused behavior can be perceived as aggressive, obtrusive and offensively blunt. Indians might be shocked of the ‘getting right to the point’ approach of the Dutch. Whereas the Dutch
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will find their Indian partners indistinct and may get annoyed as the Dutch are task-oriented and not people-oriented. This contradiction can cause serious problems in the beginning. There may not even be place and time for business if the two cultures discourage each other before meeting.

6.1.2 (Gesteland) Direct (low-context) vs. Indirect (high-context) communication

Indians will communicate using high-context across the negotiating table; the exact meaning of their words is not contained within the words themselves. The meaning of their words lies surrounding the words. It is up to their counterparts to notice their nonverbally expressions and body language. Silences and polite smiling will be used when the Indians disagree. When communicating with an Indian business partner, it is recommended to be aware of their indirect language and observe their body language and verbal messages. The use of indirect communication can be misleading for those who are unfamiliar with it and interpret every word for its exact meaning, the Dutch may not understand an Indian business partner when a smile is used in order to disagree. The Dutch will interpret a polite smile as a confirmation and this can lead to serious misunderstandings. The Dutch will communicate using low-context. Their purpose is to avoid equivocation, be clearly understood and not beat around the bush. On the other hand, the language use of the Dutch can be interpreted as offending, immature and clumsy. This contradiction can lead to misunderstanding and irritations across the negotiating table.

6.1.3 (Gesteland) Informal (egalitarian) vs. Formal (hierarchical) business behavior

In Gesteland’s division, the Indians are classified as formal (hierarchical) and the Dutch are classified as moderately formal (egalitarian). Indicating that the Dutch do value formality in business for instance, the Dutch will not use first names until suggested otherwise. However, the Dutch are unaccustomed to status differences regarding age, gender or hierarchical structures. The Dutch are used to an egalitarian business structure which comprises small differences in status and power. Egalitarian business structures contradict to the Indian norms, values and beliefs. Indians are used to major differences in status and power and are obliged to show a lot respect to a superior person. In this case the Dutch are able to easily offend a high-status Indian business partner. A great example is when an Indian business partner of high status visits the Netherlands. Agreed is that someone of the office will pick him up. As status is important in India, the Indian business partner expects to be greeted by an equal high-ranked business partner. If this is the secretary of the boss in an average car, the Indian business partner will be highly offended. When doing business with Indians it is recommended to be status-conscious.
6.1.4 (Gesteland) Rigid-time (monochronic) vs. Fluid-time (polychronic)
This contradiction can lead to frustration and irritations during meetings between the Indian and Dutch business partners. The Dutch value time greatly, they will be on time or even arrive too early at an appointment. During meetings, the Dutch will follow a fixed outline, logical structure and strict orders. This can be interpreted as rushing through the meeting by their Indian counterparts. However, the Dutch prefer to come straight to the point and not waste time. The Indians can perceive them as martinet enslaved by clocks and deadlines, stressed and impatient. The Indians will take time to get to know their counterpart personally. Moreover, the Indians will use illogical orders and the meeting will probably be interrupted. Interrupted meetings can be perceived as rude by the Dutch business partner. Furthermore, the Dutch will perceive their Indian business partner as lazy and undisciplined. When doing business with Indians it is recommended to be prepared for and expect long waiting hours and delays.

6.1.5 (Gesteland) Emotionally expressive vs. Emotionally reserved business behavior
This is the only cultural pattern that comprises a similarity between the Indian and Dutch business culture. Both of them operate according a reserved business behavior, however; the Indians are categorized as being variably reserved. Except for shaking hands, both cultures do not appreciate touching in business. The Dutch prefer a firm handshake with strong eye contact, whereas the Indians prefer a light handshake or the Namaste (to avoid the handshake, especially by women). Maintaining strong eye contact in India can be misleading as it is considered as rude to look someone from a higher status directly in the eye. Looking someone directly in the eye can be perceived as considering yourself equal, outbrave or in worst scenarios deride someone. On the other hand, the Dutch will consider avoiding eye contact as dishonesty. Furthermore, symbols as for example, taking of shoes before entering someone’s home, are highly valued in India but not in the Netherlands. In addition, it is possible that hand gestures and nonverbally expressions have different meanings in both cultures. When approaching Indians it is recommended to be aware of their traditions and symbols regarding physical communication.

6.2 Hofstede, comparison with index scores
The comparison of the Indian and Dutch index scores are presented in figure 5. Remarkable is the difference in power distance (PDI): the Indians are more accustomed to power distance (PDI) than the Dutch. The IDV scores expose that the Dutch society is driven by individualism whereas the Indian society is driven by collectivism. Also a great difference at the MAS dimension is observed: the Dutch society is driven by femininity and the Indians live by masculine standards. In the uncertainty avoidance dimension (UAI), a smaller difference is noticed. However, the Indians score a lower score, indicating
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that their uncertainty avoidance is less than in the Netherlands. The last dimension indicates the Indian preference of long-term orientation opposing the Dutch preference of short-term orientation.

![India in comparison with the below](image)

6.3 Mole, The Mole map

Finally, a look at John Mole’s theory of business culture is taken. Mole focuses on corporate culture; he highlights the cultural differences that have an impact on the way we do business. Therefore he uses a so called ‘cultural triangle’ with three categories of business behavior that predominate, which are: communication, organization and leadership (figure 6). According to Mole culture should be perceived as a spiral; it is dynamic and it changes (Mole, 2003, p. 8).

![Mole’s Cultural Triangle](image)

Figure 5: cultural taxonomy according Hofstede. Shown is the comparison of index scores of the Indian (blue) and Dutch (red) culture. (The Hofstede Centre, n.d.)

Figure 6: Mole’s Cultural Triangle. Shown are the three categories of business behavior that predominate (Mole, 2003, p. 10).
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The dimensions can be graphically plotted as shown in figure 6. In the first dimension, Mole divides oral styles commonly as Gesteland into direct and indirect communication (high context vs. low context). As this dimension is already discussed in chapter 4 and 6, this chapter does not further explore Mole’s communication dimension but takes an in-depth look at The Mole map which only includes the leadership and organization dimension.

In the leadership dimension, Mole divides individual leadership and group leadership. This dimension can be compared with Gesteland’s cultural pattern of formal (hierarchical) vs. informal (egalitarian) business behavior and Hofstede’s power distance dimension. Individual leadership refers to hierarchical structures where the boss is perceived as the most important person in a company. Decisions are only made by a few key individuals at the top of the hierarchical structure. Group leadership refers to egalitarian structures, where working in teams is more valued and the boss is perceived as an equal collaborator. As this examination discovered, the Indian business culture is accustomed to individual leadership and the Dutch business culture is accustomed to group leadership.

In the organization dimension, Mole divides organic and systematic business behavior. As the Dutch are, according to Gesteland, deal-focused and monochronic, they work according to systematic business behavior. This comprises: strict rules, high value of time, logical orders, tight schedules and structured routines. Whereas the Indians are relationship-focused and polychronic, they work according organic business behavior which is more chaotic, disordered and focuses on building personal relations.

Figure 7: The Mole map. Shown is the positioning of European countries along the leadership and organization dimension. (Mole, 2003, p. 40).
Because Mole focuses on European countries, India is originally not included in the map. Especially for this examination, to provide a confirmation and one last structured overview, India is inserted in the map between Russia and Ukraine. The aim is to uncover the contrast between the Indian and Dutch business culture. The two cultures are plainly not situated within each other’s overlapping area. Although generalization should be taken into account, this clarifies and confirms that there exists great difference between the Indian and Dutch business culture.
7. Interview with partner in EASIA, Paulo Gokhale

To elaborate on the research method and insert field research, Paulo Gokhale was interviewed. Gokhale is from Indian ancestry and is a partner in EASIA, an organization that stimulates business between the Netherlands and India.

Gokhale's personal life

Paulo Gokhale was born and raised in India with his Dutch mother and Indian father. He followed an education at the Bombay international school and moved to the Netherlands at the age of 18. Having a Dutch mother and a father who worked for a British multinational, Gokhale was brought up with a Western touch to the Indian culture. Because of that, he did not experience his migration to the Netherlands as a big culture shock. Before moving to the Netherlands, he regularly visited the Netherlands during the holidays. During one of those holidays, Gokhale encountered an unexpected cultural difference. As he offered to help his friend at a Dutch disco, he was requested by his Dutch colleagues to clean the dirty beer coasters after closing time. Coming from a culture where throwing used material directly into the garbage is not customary because people are used to reuse material, Gokhale took his task very serious and did what he was asked to do. After a while, he noticed that his colleagues where laughing at him, not understanding why. But then he understood that the Dutch are not as provident as the Indians and throw such used material directly into the garbage. Gokhale used this example to explain that when you did not specifically study differences between cultures, you learn and perceive the differences along the way. Acclimating to a different culture without foreknowledge takes more time and requires patience.

Gokhale's expertise

Gokhale noticed the cultural gap between the Dutch and Indian business partners. Therefore Gokhale and his partner decided to set up EASIA and offer their expertise to Dutch companies that wish to cooperate successfully with Indian business partners. Through the use of social networks of acquaintances, for example old classmates, EASIA can operate as an intermediary in contact with professional and reliable Indian business partners. Gokhale indicates that, depending of the attitude, it might require more effort to create such a network as a Dutchman. In order to explain, Gokhale refers to two extreme categories. The first category visits India for their own sake, is only concerned to benefit

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3 The elaborated version of the description of EASIA and the interview with Paulo Gokhale can be found in the appendices.
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and is unwilling to give. Whereas the other group visits India with a modest attitude, a prosocial behavior and is willing to be patient and wait for what is yet to come. Gokhale’s aim is not to generalize as he knows that not every Dutch company acts according to the first approach; when it comes to operating in India, he strongly recommends the last approach.

When EASIA connects a Dutch company to an Indian business partner, EASIA assures that they attend the business meetings in order to offer accompaniment. As mediators, they hold themselves responsible for maintaining stable and regular contact between the Dutch company and the Indian business partner. Gokhale explains that Dutch business people tend to come straight to the point immediately and set up regulations to ensure that business is done accurately. Whereas the Indian business people do not appreciate this, value building strong relationships, perceive each other as friends and first will take you out for dinner before deals are made.

**Gokhale’s recommendation**

Gokhale does not want to claim that without EASIA’s help a company will not succeed on the Indian market. Not being advised by an expert does not automatically mean that a company will fail, but it will lower the chances and opportunities. Gokhale: “You can be a great company with a great product, without foreknowledge, and still find a professional and reliable Indian business partner.” Gokhale recommends the prescriptive handbooks about India, according to him, you can learn from everything and every aid that is available will get you closer to understanding.

However, Gokhale warns for stereo-typing and gross-simplification: “In every assumption you make about India eventually the truth can be the complete opposite.” For example, Dutch people assuming that India is a poor country, while in some aspects India is even richer than the Netherlands. In addition, there are also regional differences that exclude generalization. For these differences tailor-made advice is needed. According to Gokhale not every situation is the same, there will always be nuances.

Gokhale explains that it is of importance to know that Indian business people changed their behavior in global business. The Indians are known for their polychronic behavior, they tend to think that everyone has plenty of time. But also the Indians do realize that this attitude is no longer appropriate in the present global market. Gokhale explains that also in this situation it is important not to generalize: “There are Indians that have been operating in the Western business world for years, they strongly prefer and easily adapt to a Western business approach”.

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Furthermore, Gokhale explains that it also depends on how quick-witted and travelled the business person is. If someone is accustomed to operate in foreign countries such as Japan and China, it goes without saying that this person is already prepared for the unexpected.

**The caste system overrated**

Another assumption that is overrated, is the Indian caste system (explained in chapter 3). Gokhale does not totally preclude the caste system but indicates that foreigners highly overrate it. He explains that the caste system is originally based on profession. The Brahmins, the priests and teachers, are part of the highest caste. In history, they played an important role within the society but nowadays economically, they do not. On the other hand, for example, the third caste the tradesmen, are in today’s business more appreciated. Although achievement within Indian companies can still be ruled by the Indian caste system; when it comes to international business, the caste system is not as relevant as foreigners think.

**Conclusion**

To conclude, Gokhale confirms that acclimating to the Indian business culture without foreknowledge takes more time and requires patience. Gaining foreknowledge will enhance the opportunities and chances. Gokhale does recommend the prescriptive handbooks of the theorists. On the other hand, even when Gokhale confirms prescriptive business behavior of the Indians, he will always recommend to not to generate and take every small nuance into account.
8. Comparison of the functionalist and interpretive approach of the research

As mentioned and explained in the methodology of this examination, this research practices a functionalist and interpretive approach to cultural understanding. The functionalist approach was applied in chapter 4, 5 and 6 by describing and comparing the Indian and Dutch business culture with the use of the cultural taxonomies performed by theorists Gesteland, Hofstede and Mole. As Mole was only implemented in chapter 6 to provide a confirmation and one last structured overview, Mole does not participate in this chapter. Subsequently, the interpretive approach was applied in chapter 7 by implementing an interview with the expert, Paulo Gokhale. In this chapter the results of the theories (functionalist approach) and the results of the interview (interpretive approach) are compared to discover which approach is more convenient.4

8.1 Results of the functionalist approach

The Indian and Dutch business cultures are compared in chapter 6. It was observed noted that the Indian and Dutch culture contradict each other in Gesteland’s and Hofstede’s theoretic classifications. However, the way Gesteland describes the Indian and Dutch culture slightly differs from Hofstede’s description. Because this examination focuses on collaborating with Indian business partners, only a look at the description of the Indian business culture is taken.

In chapter 4 the Indian business culture is described by the theoretical classification method of Gesteland. As observed and explained in chapter 4, Gesteland does not rank the Indian business culture in four of his five cultural patterns as ‘moderately’ or ‘variably’. It can be concluded that Gesteland indicates that the Indian business culture is strongly relationship-focused, high-context, formal, and polychronic. According to Gesteland the Indian business culture is only ‘variably reserved’ (Gesteland, 2012, p. 135). Another deviation Gesteland makes is explained in his description of indirect communication. Gesteland states that, due to generational change, young Indians tend to communicate less indirect than the old generation.

Hofstede’s index scores, applied and explained in chapter 5, show that the Indian culture has a high power distance (PDI) index score of 77, a moderate individualism vs. collectivism (IDV) index score of 48, a masculinity vs. femininity (MAS) index score of 56, a relatively low uncertainty avoidance (UAI) index score of 40 and a long-term orientation

4 This chapter does not compare the theoretic patterns/dimensions of Gesteland and Hofstede but only focuses on the results of their cultural descriptions.
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(LTO) index score of 61 (The Hofstede Centre, n.d.). Because of the high PDI index score of 77, it can be concluded that Hofstede, like Gesteland, states that Indians are very hierarchical, and strongly value power distance in daily life. However, the other Indian index scores show more middling results than the Indian PDI index score.

It can be stated that Hofstede ranks the Indian culture less determinative than Gesteland. Even if Gesteland would have referred to adverbs such as ‘moderate’ and ‘variably’, it still would be hard to indicate to which extent the cultural pattern predominates. Hofstede visual index scores create a more explicit perception of the Indian culture.

8.2 Results of the interpretive approach

The outcome of Gokhale’s interview can simply be summarized. It was observed that Gokhale confirms the prescriptive relationship-focused and deal-focused behavior of the Indians and Dutch during business meetings. This is one of the reasons why EASIA assures that they attend the business meetings in order to offer accompaniment to Dutch companies.

On the other hand, Gokhale refers to the changing attitude of Indians regarding the global market. He explains that Indians do realize that their polychronic behavior, their strict traditions towards time, are not pragmatic when operating with Western business partners. He also states that Indians, who have a career on the global market, are obviously aware of adapting to the Western business etiquettes. In addition, Gokhale explains the irrelevance of the Caste system in today’s business.

This example confirms why Gokhale recommends the cultural classification methods of theorists but warns for stereo-typing and gross-simplification. Therefore Gokhale’s advice is to take prescriptive handbooks into account; however, referring to the aforementioned misconceptions and nuances, one should always stay open-minded and avoid generalization.

8.3 A comparison

The results of the theories provided a clear overview and structured framework. It was observed that Hofstede’s index scores lead to a clearer description of the Indian culture than Gesteland’s description. However, the provided theories enabled this research to identify dominant trends, which is a positive aspect of the functionalist approach. Reading chapter 4, 5 and 6 may enable Dutch companies to gain foreknowledge and be prepared for the Indian business culture. On the other hand, expert Gokhale warns for gross-simplification during his interview. Gokhale explains that not every prescription made by theorists is precisely appropriate to the Indian business culture because of nuances. This
indicates the negative aspects of the functionalist approach, the outcome of the theories tend to exclude individual differences, generalize and may even stereo-type.

The interview with Gokhale provides practical information based on real life experiences. This may enable Dutch companies to gain insight and new answers, avoid preconceived ideas and take differences into account, which are some positive aspects of the interpretive approach. However, the interpretive approach is complex, taking every different situation into account is not pragmatic and can be time-consuming. Furthermore, the outcome of the interview can be perceived as intangible, devious and vague.

To conclude, the results of the theories (functionalist approach) and the interview (interpretive approach) can be profitable for Dutch companies; however, both results contain disadvantages. Neither approaches seem to be more convenient.
9. Conclusion

India is a country of contradictions between rich and poor, ancient and modern. India is known for its great diversity and many languages and religion divided populations groups. Customs and etiquette are numerous; when visiting India, it is advised to be familiar with the customs and etiquette that predominate and are important to know, keeping in mind that urban areas are more modernized and western-oriented than rural areas.

One of the findings of this examination is the importance of cross-cultural communication when entering the global market. As explained in chapter 2, a business culture affects the business strategy, therefore Dutch companies should put effort in understanding the Indian business culture in order to anticipate and adjust their business strategy.

To answer the research question 'how can Dutch companies prevent cross-cultural clashes when collaborating with Indian business partners?' the functionalist and interpretive approach were applied.

The functionalist approach, applied in chapter 4, 5 and 6, showed that Gesteland ranks the Indian business culture as relationship-focused, high-context, hierarchical, polychronic and variably reserved. This is in contrast to the Dutch business culture which Gesteland's ranks as deal-focused, low-context, egalitarian, monochronic and reserved. Hofstede's index scores showed a comparison with contrasting scores of the two cultures in the power distance, individualism vs. collectivism and masculinity vs. femininity dimension. Although the discrepancy of the uncertainty avoidance and time orientation dimension is less, still no similarities are found. In addition, the Indian and Dutch business culture did not overlap each other in the Mole map, they were positioned in far afield areas.

The interpretive approach, an interview with expert and native Indian Gokhale, chapter 7, provides new answers and insight to the Indian business culture. Gokhale's advice is to acquire foreknowledge but to avoid gross-simplification and remain open-minded to every new situation. Concluded is, in chapter 8, that both the functionalist and interpretive approach contains advantages and disadvantages.

To prevent cross-cultural clashes with Indian business partners, Dutch companies should combine the functionalist and interpretive approach. The theoretical classifications of theorists Gesteland, Hofstede and Mole showed a pragmatic and clear overview of the cultural differences between the Indian and Dutch business culture. Therefore Dutch companies should first practice the functionalist (ethic) approach by studying the Indian business culture from the outside. Dutch companies may use the functionalist approach to set up the foundation of their business strategy.
As Gokhale advised in his interview, gross-simplification should be avoided. Therefore the interpretive approach should follow the functionalist approach, signifying, that when dominant trends are identified, personal experiences and insight should follow. Dutch companies should now practice the interpretive (emic) approach by studying the Indian business culture from the inside.

Finally, it is advised to divide the Dutch business strategy into two steps. The functionalist approach should be applied in order to prepare and create a structured framework of the Indian business culture. The interpretive approach should be applied to avoid preconceived ideas and focus on cultural understanding by real life experiences. Advised is to enter the Indian market open minded, observe and reinterpret.

This instructive guideline enables Dutch companies to prevent cross-cultural clashes. With foreknowledge and an open attitude, pleasant collaborations in India can take place.

9.1 Recommendation
As Gokhale suggested in his interview, it is advised that the Dutch companies should enter the Indian market with a modest attitude, a giving behavior and patience. The Dutch companies should, before entering the Indian market, ensure that they studied and understood the Indian business culture. Foreknowledge enables Dutch companies to create a solid business strategy that can prevent cross-cultural clashes. Studying the Indian business culture can be done by reading prescriptive handbooks performed by theorists specialized in cross-cultural communication. Although most prescriptions and classifications made by theorists do not preclude generalization, it is effectual to be at least prepared.

Another way to gain knowledge of the Indian business culture is to consult specialized agencies or organizations such as EASIA. Such organizations can offer Dutch companies accompaniment and support during their operations in India. As Gokhale mentioned in his interview, this will increase the opportunities on the Indian market.

Furthermore, it is recommended to send a small group of Dutch employees to India before starting the major operation. After their visit, the small group will report and lecture about their Indian business experiences. This will enable the Dutch company to preclude generalization and reinterpret the Indian culture by real life experiences.
10. List of References


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11. Appendices

11.1 Prescriptive list

This prescriptive list provides a clear overview of the do's and don'ts when a Dutch company wishes to enter the Indian market and collaborate with an Indian business partner. The list is composed by using Gesteland theoretical classification method\(^5\).

- Keep in mind that Indians are unlikely to practice business with strangers, especially with foreigners. It is recommended to be introduced by an intermediary, build rapport and establish strong relationships before talking business.

**Avoid:** Business behavior such as getting straight to the point and rushing through meetings.

- Keep in mind that when communicating with Indian business partners it is recommended to be aware of their indirect language, observe their body language and verbal messages in order to avoid misinterpretation of their words.

**Avoid:** Offending, cause loss of face by the Indian business partner by using direct language.

- Keep in mind that when operating with Indian business partners it is recommended to be aware of their hierarchical (caste) system. Status-consciousness is crucial.

**Avoid:** Offending a high-ranked Indian business partner by not approaching him appropriate.

- Keep in mind that Indians are unlikely to keep tight schedules and structured routines and will often show up late to an appointment. It is recommended to be prepared for and expect long waiting hours and delays.

**Avoid:** Being upset when the Indian business partner shows up late to an appointment as this has nothing to do with impoliteness.

- Keep in mind that Indians do not appreciate touching in business. When approaching Indians it is recommended to be aware of it and respect their traditions and symbols

**Avoid:** Using Western hand gestures or symbols as these will mostly be wrongly interpreted.

\(^5\) As this examination showed, only following these guidelines will not automatically result in good performance. Always expect and take little nuances into account. Avoid generalization and stereo-typing. Remain open-minded to new experiences.
11.2 Elaborated version interview

An introduction to EASIA

EASIA is a Dutch partnership founded in 2010 by Paulo Gokhale and Gert Jan Oosterwijk. In order to support and stimulate Dutch companies that desire to do business in India, the logo of EASIA stands for 'India Associates' with the last letters IA covered in red. EASIA offers business services such as, research of the Indian market, finding a reliable Indian partner, establishment in India through start-up or acquisition and the purchase of engineering products and materials. EASIA offers personal support to Dutch companies that would like to invest, export or produce in India but are not quite sure on how to start. Because of the fact that partner in EASIA, Paulo Gokhale, is from Indian ancestry, EASIA is in the possession of in-depth and practical knowledge of the Indian market. Furthermore, EASIA has a great network of Indian business partners, acquired through Paulo Gokhale’s social network.

Paulo Gokhale’s upbringing in India has led to the specialized expertise of EASIA. Which enables EASIA to offer support in exploring and developing opportunities in India. EASIA noticed the cultural gap between the Dutch and Indian business partners. Through years of experience, EASIA watched Dutch companies often think too breezy of operating within the Indian market. Although this is a positive attitude, when it is times for practical implementation, a lot of companies face disappointment as the Indian market is not easy to enter without any foreknowledge. EASIA has been approached by companies that worked for years in the Indian market and discovered after all that some help and knowledge from experts would improve the company’s business. EASIA accompanies the Dutch companies during meetings with the Indian business partners and preferably maintain as long as possible contact with the Dutch companies. Through the years, EASIA acquired a customer base of inter alia, IT, environmental packaging and cooling companies.

Interview with partner in EASIA, Paulo Gokhale (elaborated version)

To elaborate on the research method and insert field research, chosen was for an interview with partner in EASIA, Paulo Gokhale. Paulo Gokhale is from Indian ancestry and works for EASIA, an organization that stimulates business between the Netherlands and India. The interview provides an in-depth analyze, veritable and practical information
from an expert in this field. The interview enables the research to check and reinterpret the aforementioned theoretical characteristics of the Indian business culture.

Paulo Gokhale was born and raised in India with his Dutch mother and Indian father. He followed an education at the Bombay international school and moved to the Netherlands at the age of 18. Having a Dutch mother and a father who worked for a British multinational, Gokhale was brought up with a Western touch to the Indian culture. Because of that, he did not experience his migration to the Netherlands as a big culture shock. Before moving to the Netherlands, he regularly visited the Netherlands during the holidays. During one of those holidays, Gokhale encountered an unexpected cultural difference. As he offered to help his friend at a Dutch disco, he was requested by his Dutch colleagues to clean the dirty beer coasters after closing time. Coming from a culture where throwing used material directly into the garbage is not customary because people are used to reuse material, Gokhale took his task very serious and did what he was asked to do. After a while, he noticed that his colleagues were laughing at him, not understanding why. But then he understood that the Dutch are not as provident as the Indians and throw such used material directly into the garbage. Gokhale used this example to explain that when you did not specifically study differences between cultures, you learn and perceive the differences along the way. Acclimating to a different culture without foreknowledge takes more time and requires patience.

Gokhale noticed the cultural gap between the Dutch and Indian business partners. Therefore Gokhale and his partner decided to set up EASIA and offer their expertise to Dutch companies that wish to cooperate successfully with Indian business partners. Through the use of social networks of acquaintances, for example, old classmates, EASIA can operate as an intermediary in contact with professional and reliable Indian business partners. Gokhale indicates that, depending of the attitude, it might require more effort to create such a network as a Dutchman. In order to explain, Gokhale refers to two extreme categories. The first category visits India only for their own sake, is only concerned to benefit and is unwilling to give. Whereas the other group visits India with a modest attitude, a giving behavior and is willing to be patient and wait for what is yet to come. Gokhale’s aim is not to generalize as he knows that not every Dutch company acts according the first approach; when it comes to operating in India, he strongly recommends the last approach.

Gokhale does not want to claim that without EASIA’s help a company will not succeed on the Indian market. Not being advised by an expert does not automatically mean that a company will fail, but it will lower the chances and opportunities. Gokhale: “You can be a
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great company with a great product and have no foreknowledge, and still find a professional and reliable Indian business partner." Gokhale recommends the prescriptive handbooks about India, according to him, you can learn from everything and every aid that is available will get you closer to understanding. However, Gokhale warns for stereotyping and gross-simplification: “In every assumption you make about India eventually the truth can be the complete opposite.” For example, Dutch people assuming that India is a poor country, while in some aspects India is even richer than the Netherlands. In addition, there are also regional differences that exclude generalization. For these differences tailor-made advice is needed. According to Gokhale is not every situation the same, there will always be nuances. Gokhale explains that it also depends on how quick-witted and travelled the business person is. If someone is accustomed to operate in foreign countries such as Japan and China, it goes without saying that this person is already prepared for the unexpected.

When EASIA connects a Dutch company to an Indian business partner, EASIA assures that they attend the business meetings in order to offer accompaniment. As mediators, they hold themselves responsible for maintaining stable and regular contact between the Dutch company and the Indian business partner. Gokhale explains that Dutch business people tend to immediately come straight to the point and set up regulations to ensure that the business is done accurately. Whereas the Indian business people do not appreciate this, value building strong relationships, perceive each other as friends and first will take you out for dinner before deals are made.

An example that Gokhale gave, is a story of a Dutch sales manager operating in Italy during the times that Gokhale worked for Hollindia. The sales manager asked to Gokhale and his brother if he could take the Italian business partner out for dinner after the Italian gave him a business order. As business dining is an activity where the Dutch are not accustomed to, the sales manager did not know what to do. Gokhale and his brother explained to the sales manager that since he was not operating at a fully Dutch company, things were done differently. The sales manager was requested to invite the Italian business partner to several dinners and wait until the Italian decided to give him the order. In other words, the sales manager was not expected to see the dinner as part of the deal. A mistake of many Dutch managers: being unable to see business apart from building a relationship. Gokhale explains that this has also to do with business intelligence. When you have such intelligence, it goes without saying that you should be aware of reciprocity, you should give something in order to get something what you want.
Gokhale explains that it is of importance to know that Indian business people changed their behavior in global business. The Indians are known for their polychronic behavior, they tend to think that everyone has plenty of time. But also the Indians do realize that this attitude is no longer appropriate in the present global market. Gokhale explains that also in this situation it is important not to generalize: “There are Indians that have been operating in the Western business world for years, they strongly prefer and easily adapt to a Western business approach”. However, when starting a project in India and when your project requires a lot material that has to come from different producers, patience is required. But not only the Western business people dislike the slow Indian process, it are also the Indians that wish for faster progression.

Another assumption that is overrated, is the Indian caste system (explained in chapter 3). Gokhale does not totally preclude the caste system but indicates that foreigners highly overrate it. He explains that the caste system is originally based on profession. The Brahmins, the priests and teachers, are part of the highest caste. In history, they played an important role within the society but nowadays economically, they do not. On the other hand, for example, the third caste the tradesmen, are in today’s business more appreciated. Although achievement within Indian companies can still be ruled by the Indian caste system; when it comes to international business, the caste system is not as relevant as foreigners think.

Furthermore, Gokhale confirms that the Indian market is growing and offers a lot economic opportunities on the global market. People were always tend to think that Europe was the place for endless success but after all discovered places such as India. Gokhale refers to the success Dutch companies always had on the Indian market but never actually revealed. “Why not? Well maybe it was not their task do that, if you would have read their annual reports you would have known and if you did not that’s your problem”.

Lastly, Gokhale was willing to give away some useful tips and recommendations. Gokhale states that it is of importance to be careful when finding the right business partner in India. However, he also points out that the Dutch should not hold on to corporate social responsibility too much. Gokhale explains that it is important to take it into account but the right attitude will be: seeking for business and if business can be done, applying corporate social responsibility and ensuring that business is done genuinely. “It should not be the other way around, that is the task of NGO’s”.

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When Gokhale presents his business presentations there are four elements that he applies. A strategy of four A’s which includes:

1. **Acceptance**: taste and culture. Keep cultural norms, values and beliefs always in mind in order to let your product be accepted in the Indian market.

2. **Affordability**: adjust your prices to the purchasing power of the Indian market.

3. **Availability**: keep your distribution in check, realize your promotion and make sure it reaches every consumer in India.

4. **Attitude**: A negative attitude, thinking that you already know everything and inflexibility will get you nowhere.
11.3 Forms