The emergence of India as a major player in the world economic scene has now begun to attract increasing attention. Multinational firms, policy makers in both the developed as well as developing countries are now beginning to take notice of the economic transformation currently ongoing in India. Scholars are now increasingly debating whether India can match China in its economic performance and indeed some have begun to suggest that India may hold certain advantages vis a vis China (Huang & Khanna, 2003). India’s success in the economic realm is only one of recent making. Even as late as 1991, the Indian economy was a restrictive one, and it was clearly not that easy for foreign investors to operate in India. The initiation of economic reforms in 1991, the rapid growth of the software industry, and the saliency of investment potentialities in the infrastructural area have all propelled India to the world stage.

Jai Sinha’s book articulates the cultural challenges faced by multinational firms in doing business in India. It needs to be mentioned that the cultural challenges which Sinha explicitly focuses on relate to issues of leadership, motivation, and decision making, and more broadly the hybrid culture that emerges within the organization. His book is a noteworthy contribution to the literature in comparative and cross cultural management for a number of different reasons. First of all, there is a scarcity of empirical literature that rigorously delineates the challenges faced by multinational firms in India. His book represents one of the very few studies that documents these challenges empirically. Secondly, this is also one of the very few studies that looks at the dynamics of cross cultural interaction in the Indian socio cultural context. In general such studies are sparse, and especially so in the case of India where empirical work in the management area has been rather limited. This is especially puzzling given the fact that India is very much unlike other Confucian based societies in Asia. India is a country that demonstrates both individualistic as well as collectivistic tendencies. This sets it apart from Confucian Asia which is essentially collectivistic in orientation. One of the interesting implications of this is that Indians are often highly context sensitive with their behavior straddling both ends of this cultural dichotomy (Sinha & Kanungo, 1997). Explaining and/or predicting Indian managerial behaviour, is therefore, somewhat of a challenge and an examination of Indian cultural nuances is therefore long overdue. In exploring the dynamics of cross cultural interaction, Sinha in a study of British, Swedish, Danish, Japanese, and South Korean multinationals attempts to show how Indian managerial values interact with the values emanating from the institutional environment of these parent firms. In particular, he explores the different hybrid cultures that emerge in these different interactions. This documentation is useful not only from the Indian perspective, but also from the perspective of foreign firms, for it illustrates the fundamental point that even in the Indian sociocultural context investors from different nationalities use different approaches for dealing with the differences that they have encountered. The key implication of this is that even within the Indian cultural orthodoxy, foreign investors have a certain latitude of freedom, in how they seek to cope with the cultural challenge. This is, I believe, an important point for it argues against viewing culture in an overly deterministic fashion, which is all but inevitable if one views culture using predefined categories (Hofstede, 2001). The book draws on empirical material gathered through participant observation and questionnaire based surveys and this exhaustive analysis provides the
reader with a wealth of useful insights in each of the cases outlined in the book. Finally, while the book certainly presents the readers with some useful insights, it also raises provocative questions that are worthy of further exploration. For example, one of the consistent themes that emerges from the case study is that Indians had much more positive perceptions of Western expatriate managers than they did of their Indian colleagues. Although there are a number of factors that can explain this reality (Gupta, 2002), the speculative question remains as to whether these perceptions will change over time as more and more Indian firms embrace the reality of globalization? Similarly, while the Indians have a positive perception of the expatriates they are also attuned towards a personalized relationship with their superiors and the lingering question remains if any degree of substitution is possible between the perceived fairness of the Western expatriate and a lack of relationship with the local Indian employee? Any attentive reader of the book may come up with additional issues that deserve further exploration.

Chapters 1 and 2 describe the evolution of the Indian economy after independence and the role played by multinationals in shaping Indian development. Chapter 3 is devoted to the examination of the Indian culture and the home country cultural characteristics of the multinational firms which Sinha studied. Chapters 4-8 describe the different case studies, with Chapter 9 being the final concluding chapter.

As I have said earlier the book does represent an important contribution to the literature in cross cultural management. That said, there are a few issue areas that are not dealt with in the book. First, is the issue of negotiation and conflict resolution. The book does not explore the dynamics of negotiations in these ventures or how contentious issues are resolved or dealt with. I would suspect that an examination of the negotiation processes may have uncovered other useful insights into the dynamics of cross cultural interaction. Secondly, while the author does describe in great detail the interactional dynamics within the hybrid organization, what seems to be missing is a discussion about strategic level issues either between the partners of the joint venture or between the parent firm and the subsidiary.

Overall, this is an important contribution to the literature. The book should be of interest to academic scholars who are engaged in researching and teaching cross cultural management and to practitioners who are grappling with the complexities of the Indian culture. A worthwhile contribution, indeed!

References


