

# The Workforce in Indian Organizations. An Analysis Based Upon the Dimensions of Hofstede's Model

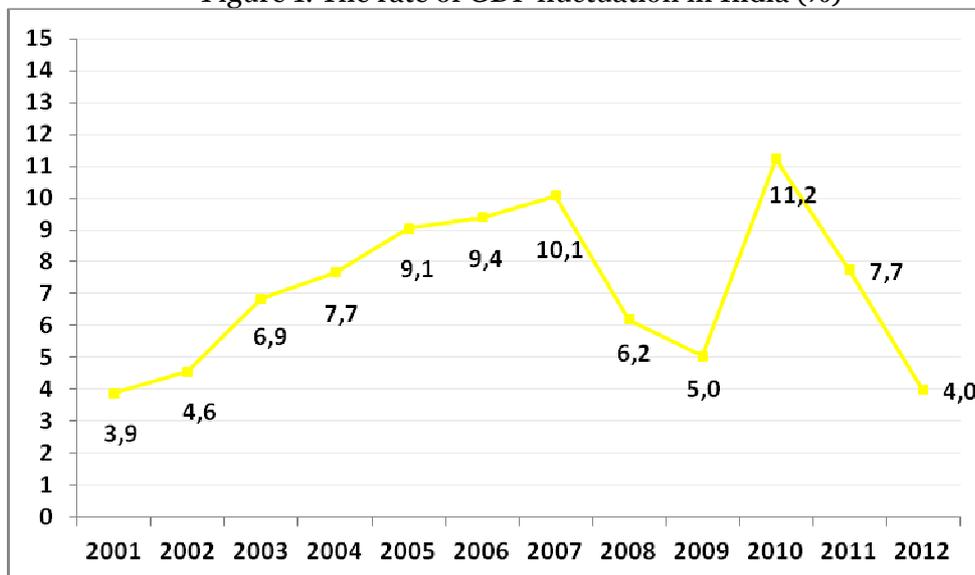
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India's global economic role is unquestionable, and at the same time inevitable. This essay aims to explore what kind of cultural particulars the employees have got in this country, which has such a huge potential workforce. Moreover, what kind of special cultural values Indian employees have, how they use it in their workplaces and, maybe the most important question: how could they be motivated for higher efficiency by their leaders?

Today, India is a fast growing economy, which is still in a developing phase. According to this fact, many Western companies are expanding, and establishing production units there nowadays. When expanding to foreign markets and foreign cultures, adapting to the local values is something which needs to be considered by foreign managers (and other employees). A vital aspect is how to motivate the employees. The way employees want to be motivated may differ a lot from one country to another due to cultural differences (Lemoine & Jansson, 2010). The economic expansion of the previous years in India is remarkable, even though this growth was fluctuating in recent years (Figure 1).

Figure 1. The rate of GDP fluctuation in India (%)



Source: Author's processing of data provided by IMF (2013)

Moreover, the changing of India's population figures cannot be overlooked as according to IMF figures it numbered at 1,223 billion in 2012. (IMF, 2013). India's workforce is preponderantly young. Large numbers are entering the professional workforce at a time of rapid economic expansion that provides increased opportunity for the well-qualified and well-connected (Thakur, 2010).

Next, I would like to introduce some interesting new pieces of research about motivation of the workforce in Indian organizations. I think this choice of theme is very topical. I would like to share some research results, like the 5 dimensions of Hofstede to understand this nation and this workforce. Having presented the respective data I would like to provide some conclusions.

### *The Five Dimensions of Hofstede's model*

What did Hofstede examine? *"To put it simply: Is the culture of a multinational organization dominant on the local level against the impact of the local international-ethnic cultures, or due to the dominance of the receptive environment, a unified culture cannot be developed not even in the totality of the multinational organization. Hofstede's investigations were also motivated by answering the question whether the so successful management methods and/or the receipts of 'strong' company cultures can be adapted and used in a different cultural environment"* (Klein, 2007:482.). Due to the ideas above, I have chosen Hofstede and his work, who was the first to examine the differences of cultures from the aspect of motivation.

Hofstede's webpage summarizes his respective achievements: Geert Hofstede analyzed a large data base of employee values scores collected by IBM between 1967 and 1973 covering more than 70 countries, from which he first used the 40 largest only and afterwards extended the analysis to 50 countries and 3 regions. In the editions of Hofstede's work since 2001, scores are listed for 74 countries and regions, partly based on replications and extensions of the IBM study on different international populations.

Subsequent studies validating the earlier results have included commercial airline pilots and students in 23 countries, civil service managers in 14 countries, "up-market" consumers in 15 countries and "elites" in 19 countries.

From the initial results, and later additions, Hofstede developed a model that identifies four primary dimensions to assist in differentiating cultures: Power Distance, Individualism, Masculinity, and Uncertainty Avoidance. After conducting an additional international study with a survey instrument developed with Chinese employees and managers Hofstede added a fifth dimension. That dimension is Long-Term Orientation. Hofstede (1980) defines his self-constructed dimensions in the following way:

1. *Power Distance*. The first dimension of national culture is called Power Distance. It indicates the extent to which a society accepts the fact that power in institutions and organizations is distributed unequally. It's reflected in the values of the less powerful members of society as well as in those of the more powerful ones.
2. *Individualism – Collectivism*. The second dimension encompasses Individualism and its opposite, Collectivism. Individualism implies a loosely knit social framework in which people are supposed to take care of themselves and of their immediate families only, while collectivism is characterized by a tight social framework in which people distinguish between in-groups and out-groups; they expect their in-group (relatives, clan, organizations) to look after them, and in exchange they feel they owe absolute loyalty to it.
3. *Masculinity – Femininity*. The third dimension is called Masculinity even though, in concept, it encompasses its opposite pole, Femininity. Measurement in terms of this dimension expresses the extent to which the dominant values in society are "masculine" – that is, assertiveness, the acquisition of money and things, and not

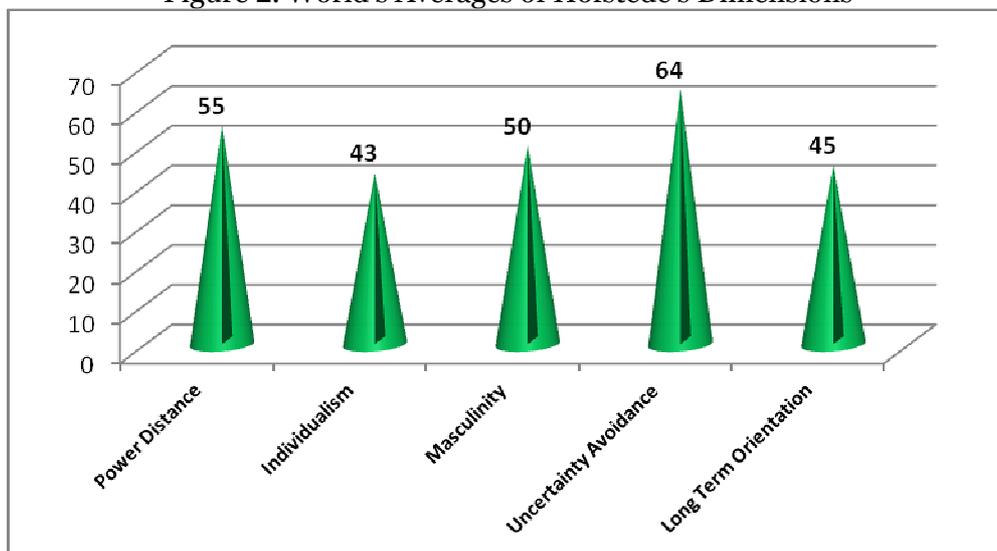
cares for others, the quality of life, or people. These values were labelled “masculine” because, within nearly all societies, men scored higher in terms of the values’ positive sense than of their negative sense (in terms of assertiveness, for example, rather than its lack) – even though the society as a whole might veer toward the “feminine” pole. Interestingly, the more an entire society scores on the masculine side, the wider the gap becomes between its “men’s” and “women’s” values.

4. *Uncertainty Avoidance*. The fourth dimension, Uncertainty Avoidance, indicates the extent to which a society feels threatened by uncertain and ambiguous situations and tries to avoid these situations by providing greater career stability, establishing more formal rules, not tolerating deviant ideas and behaviours, and believing in absolute truths and the attainment of expertise. Nevertheless, societies in which uncertainty avoidance is strong are also characterized by a higher level of anxiety and aggressiveness that creates, among other things, a strong inner urge in people to work hard.
5. *Long or Short Term Orientation*. This fifth dimension, which compared to the previous four ones was created later, is defined by the author as follows (Hofstede, 2010): “This fifth dimension was found in a study among students in 23 countries around the world, using a questionnaire designed by Chinese scholars. It can be said to deal with Virtue regardless of Truth. Values associated with Long Term Orientation are thrift and perseverance; values associated with Short Term Orientation are respect for tradition, fulfilling social obligations, and protecting one’s ‘face’. Both the positively and the negatively rated values of this dimension are found in the teachings of Confucius, the most influential Chinese philosopher who lived around 500 B.C.; however, the dimension also applies to countries without a Confucian heritage.”

## Hofstede’s Dimensions in India

The next data and explanation come from Hofstede (2010). World averages of these dimensions are: Power Distance: 55; Individualism: 43; Masculinity: 50; Uncertainty Avoidance: 64; Long-Term Orientation: 45. Figure 2 displays these data.

Figure 2. World's Averages of Hofstede's Dimensions



Source: Author’s analysis based on Hofstede’s model (2010)

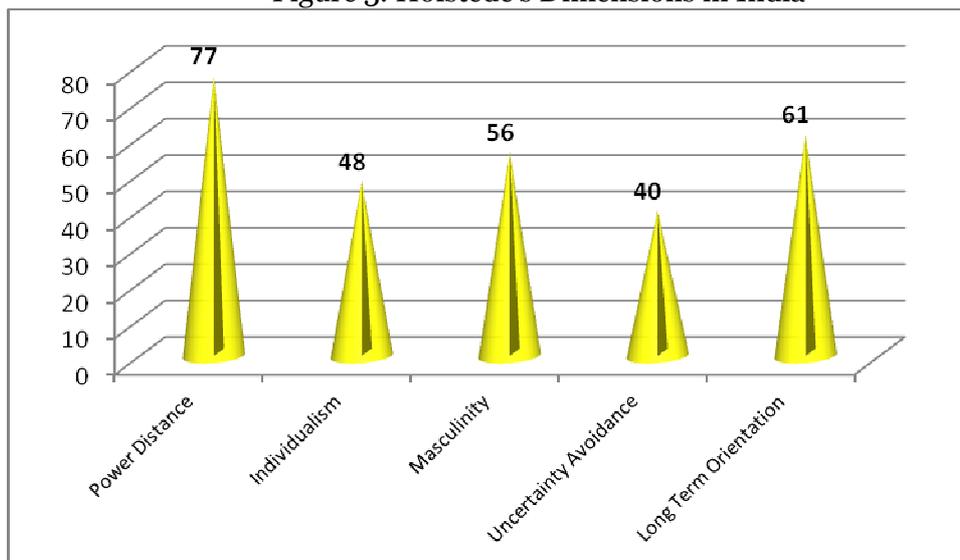
India has Power Distance as the highest Hofstede dimension for the culture, with a ranking of 77 compared to a world average of 56.5 (Figure 3.). This Power Distance score for India indicates a high level of inequality of power and wealth within the society. This condition is not necessarily imposed upon the population, but rather accepted as a cultural norm.

India's Long Term Orientation dimension rank is 61, with the world average at 48. A higher Long Term Orientation score can be indicative of a culture that is perseverant and parsimonious.

India has Masculinity as the third highest ranking Hofstede dimension at 56, with the world average just slightly lower at 51. The higher the country ranks in this dimension, the greater the gap is between values of men and women. It may also generate a more competitive and assertive female population, although still at a slower rate as compared to the male population.

India's lowest ranking dimension is Uncertainty Avoidance at 40, compared to the world average of 65. On the lower end of this ranking, the culture may be more open to unstructured ideas and situations. The population may have fewer rules and regulations with which it attempts to control every unknown and unexpected event or situation, as it is the case with high Uncertainty Avoidance countries (Hofstede, 2010).

Figure 3. Hofstede's Dimensions in India



Source: Author's analysis based on Hofstede's model (2010a)

**Power Distance.** The Hofstede analysis for India suggests a large power distance society and all other measures are relatively moderate. This would be indicative of the fact that India is in the midst of change. While the traditional caste systems have been outlawed, the large power distance score indicates that the attitudes still remain. India's Power Distance score was very high for culture, with a ranking of 77 compared to a world average of 56.5. This Power Distance score for India indicates a high level of inequality of power and wealth within the society. This condition is not necessarily imposed upon the population, but rather accepted by the society as a cultural norm. In India, social hierarchies are very much in place and even at work it is not easy to be friendly with one's boss in most organizations. Calling one's boss by his first name is rare in India. In fact abuse by seniors is also common and usually the employee is helpless and his only recourse is to leave the job. It has been found that

in most cultures there is a correlation between a country's religion and the respective Hofstede dimension ranking. The Hofstede dimension that correlates most with the Hindu religion is Power Distance, same being the case with Atheists in China and Muslims. All three exhibit a high level of Power Distance as the highest correlating cultural dimension with their religions (Thakur, 2010).

Asakawa and Som (2008) made a research about internationalization, between scientists and engineers in India. In their view the balance between autonomy and control is also important in India, but the desired level of local autonomy is different from that in the West as in the West granting local autonomy enhances motivation of local scientists and engineers. At the same time, India's research environment has been traditionally isolated from the business community so that granting local autonomy may not generate much locally driven entrepreneurship as to what can be expected in the West. In that sense, infusing a sense of business mindset through the active involvement of the Western multinationals might be productive. Companies such as Google are bringing in their entrepreneurial models while respecting local autonomy in research activities.

Thakur (2010) asserts, that Indian people are very sensitive to the rank/position of people, and such awareness shapes their behaviour towards it. They are used to a system of hierarchy in the workplace as senior colleagues are obeyed and respected. Discussion is almost always led by the most senior person. Supervisors are expected to monitor individual work and take the responsibility of meeting the deadlines. Espoused Values: The harmony of society is based on the order of social status, to follow this order is valued. Basic assumption: Everyone is ranked in the society. People believe in the differences of social status within all organizations. A person with higher rank in the organization should be obeyed and respected, even though he may not always make a wise decision. Hierarchy is indispensable to maintaining the organizational structure.

*Individualism / Collectivism.* In India there is no standard for rewarding employees proactive in their career advancement. This concept is traditional in an individualistic culture, and India cannot be categorized that way. This means that we cannot expect managers in India to ask for decisions from an employee of a company without contacting someone having authority first. According to our research, religion is not the reason for individualism. Some religions have a greater set of rules that need to be followed. Doing business in India involves building relationships. Indian people only deal favourably with those they know and trust - even at the expense of lucrative deals. It is vital for a good working relationship with any prospective partner. This must take place even at business level, i.e. demonstrating strong business acumen, and at personal level, i.e. relating to your partner and showing the positive traits of trustworthiness and honour. If business dealings in India involve negotiations, always bear in mind that they can be slow. If trust has not been established yet, then efforts must be made toward building a rapport. Decisions are always made at the highest level. If the owner or director of the Indian company is not present, it is supposed that these are early-stage negotiations (Thakur, 2010).

According to a research comparing the motivational elements of Indian and American workplaces (Tripathi & Cervone, 2008) the Indian interdependent self defines itself beyond the boundaries of self and immediate family, so a seemingly personal motive, such as "my success or failure in my work" contains concerns for co-workers, extended family, and community. The concern for the self co-exists with the concern for others among Indian professionals, highlighting the holistic manner with which they construe personal achievement. As a result, Indians, more than

Americans, endorse achievement items emphasizing the connection of the self with others.

*Feminity / Masculinity.* India has Masculinity as the third highest ranking Hofstede dimension at 56, with the world average just slightly lower at 51. The higher the country ranks in this dimension, the greater the gap is formed between values of men and women. It may also generate a more competitive and assertive female population, although still at a lower rate than the male population (Thakur, 2010).

*Uncertainty Avoidance.* India's rank in the Uncertainty Avoidance dimension is 40, compared to the world average of 65. On the lower end of this ranking, the culture may be more open to unstructured ideas and situations. The population may have fewer rules and regulations controlling every unknown and unexpected event or situation, as it is the case in high Uncertainty Avoidance countries. Normally a low score is 'good', as it means that the society has fewer rules and does not attempt to control all outcomes and results. It also means a greater level of tolerance for a variety of ideas, thoughts, and beliefs and a high tolerance for ambiguity (Thakur, 2010).

*Tripathi and Cervone (2008)* found that "In their motivation for achievement at work, Indian corporate professionals were significantly more likely to include concerns for the emotional and financial well-being of the extended family, co-workers, and community members than Americans."

For the Indians personal place and the importance of the individual play a smaller role. These are the expressions of the communal social tradition. People do not seek, but rather forbear conflicts, communication is more indirect than open and direct. Religion and spirituality are highly respected within society (Csath, 2008:53-54.).

*Long / Short Term Orientation.* India's Long Term Orientation dimension rank is 61, with the world average at 48. A higher Long Term Orientation score can be indicative of a culture that is perseverant and parsimonious. India has a very high score meaning that their culture is more persistent and thrifty. Indians' have a sense of shame that is shared amongst a group of people and relationships are viewed by order of status. It is expected that the Indian businessperson will provide detailed business plans because of their need for Long-Term Orientations. It's interesting to note that even when Indians travel abroad they work very hard and sacrifice a lot for long-term benefit, which is the education of their children. Remaining in one job is also an indication of long term orientation and this once very common feature is changing due to economic growth (Thakur, 2010).

Table Nr 1. summarizes Walker's findings on the values in Indian workplaces Accordingly the Indian workforce "assumes that the deadline is flexible".

Table 1: Values in Workplaces of India

<i>Value</i>	<i>India</i>
<i>Motivation</i>	Indians are motivated by both group and individual achievements.
<i>Decision Making</i>	While decision making may appear to involve group consensus, the final decision ultimately falls on a single top decision maker.
<i>Source of Authority</i>	Caste, title, age, and position.
<i>Timelines</i>	Deadlines are fairly open. Unless it is specified that the deadline is critical, Indians assume that the deadline is flexible.
<i>Conflict Management</i>	Indians prefer to avoid conflict, and they usually engage in intellectual debate, using emotion to emphasize a point.
<i>Organizational Structure</i>	Indian corporations are rigidly organized and hierarchical, and they maintain a highly centralized power structure.

*Source: Walker, 2010*

In order to meet the schedule of business operation, we need to keep track of the business process and always confirm the schedule with Indian workers. To make an appointment with a major client, it is acceptable to allow some flexibility in the time arrangement. In order to get everything on schedule, we should plan in advance and set up some allowance in the project management system (Thakur, 2010).

## *Conclusion*

Can the Indian workforce be motivated enough? If I were an executive of an international company, would I choose Indian employees for a job? This is a good question. But what is the answer? I think, it is very hard to give a good answer to this question. Why? Because it depends on many circumstances including the given project, conditions of work, working alone or in a team, location of the project, etc., and last but not least, the personality and the nationality of the workplace and the employee.

So, what about the Indian workforce? In all probability, an Indian employee uses time, as a framework for orientation and he or she works hard only when needed, and will have tolerance of deviant and innovative ideas (Heidrich, 2006). Indian people gave one of the highest ranks of the Power Distance answers on the Hofstede questionnaire (score 77), so they think that skills, wealth, power, and status should go together. The Indian workforce does not attempt to control all outcomes and results (low score in Uncertainty Avoidance).

India has a very high score in Long Term Orientation, meaning that their culture is more persistent and thrifty. Indians have a sense of shame that is shared amongst a group of people and relationships are viewed by order of status. It is expected that the Indian businessperson will have to provide detailed business plans because of their need for Long-Term Orientations (Thakur, 2010). So they would be motivated by making plans for the future.

India's workforce is preponderantly young and the young and talented workforce wants to learn more and more. So I can motivate my young colleagues with the opportunity of learning (i.e. IT sector). People in Aid Organization (Frontera, 2007) motivate their peers in the following way: show respect to all members of staff and listen to staff, and resolve their issues quickly. I think these are very important in

every company, but in a company where Indian people work the observation of such guidelines is essential. So the question is: would I employ Indian workforce? I do not know the right answer, but I know the United States and Europe have to count on the young, hard-working, and creative Indian workers in the future. And if they want to employ them, they should become familiar with the respective culture.

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