

The Cultural Dilemma in Indian Management

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The management concept in the west developed as a result of evolutionary process, based on the changing values systems of the people - the social, political, and economic environment as well as educational and cultural milieu. However, in India, historically we never evolved our own concepts, keeping the Indian scenario in view. We found it convenient to transfer management technology, just as scientific technology. As a result of these grafting process of management, we have created more confusion in management thinking. However, due to success of the Japanese methods of management, even the western countries have started doubting their own concepts and are trying to emulate the Japanese lessons. This has further confused the Indian managers as well as the management experts, who all along were following as a gospel truth whatever the westerners had developed.

Is management universal or culture specific?

The broad concepts of management and administration are in a sense universal. The culture specificity obtains to the extent to which these are applied. The concepts of planning, recruitment, training, financial systems and control, etc., are there in any culture, but the specificity is in how they are run and implemented. In India, too, down the ages there have been the existence of these universal principles and concepts of management and administration. But the difference in Indian administration and management lies in the subtle variation in how planning is carried out, how much is implemented, how recruitment takes place, what are the considerations, how are the financial controls effected and so on. The differences that manifest in Indian management and administrative practices are the result of the norms and expectations of the people through their history.

What is wrong with western management

The western management concepts got evolved when there was proprietary ownership and was based on the decision making process of organizing, planning, directing, coordinating, controlling etc and the manager having the right and prerogative to plan, organize, direct and control. However, over the years the ownership patterns of the organization changed from proprietary ownership to public ownership (including diffused share holding). In due course various interest groups emerged which acted as countervailing forces. These are trade unions, public audit and accountability, consumer forums, governmental norms, national and international forums like WTO, which drastically limit the exercise of managerial rights and prerogatives. The managers find

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that though on paper they have the prerogatives, but in reality they cannot use these powers due to strong countervailing forces of various interest groups. The management fads still keep on talking of managerial prerogative and rights, empowerment etc which in many cases the manager is unable to use fully resulting in frustration and disenchantment with the so called theories of management.

The western management is passing through a confused state of evolutionary process where the past management concepts based on managerial rights and prerogatives are dead due to various countervailing forces, and the new concepts are yet to be born. Periodically the management gurus and consultants try to evolve new concepts which emerge as latest fads every now and then but do not last long because the western management specially American management find it difficult to give up their traditional thinking of managerial powers, rights and prerogatives.

Personality Orientation in Management

There is a strong perception in western management that entire change process in the organization has to be brought in by the man at the top. Examples have been quoted of some of the most successful managers or top executives like Lee I coca or Jack Welch who were responsible for bringing in substantial change and making the organization healthy and vibrant during their tenure. Many such organizations collapsed when the top man left as seen in the case of Lee I cocas after his exit from Chrysler. The model organizations is not the one which, as widely believed in west and in India, where one man runs a spectacular show while he is there, to see it crumble after his exit.

Why organizations fail?

One of the studies in America indicated that in spite of new management concepts emerging in the last few decades, only one third of the leading companies identified in 1970's still existed today. In their book "In Search of Excellence", Peters and Waterman identified eight properties of successful companies, which appealed to the managers to move their organization ahead. Yet of the forty-three organizations identified as excellent, two thirds had fallen from the list within five years.

The problem with western management and business schools appears to be that management systems, education and training in management are geared to achieve short-term quick results. The yard sticks of performance management and appraisal systems in most organizations are based on how much results have been achieved in the immediate past ignoring the long range planning. Even the compensation and reward systems are based on immediate short-term results. All these structures and systems pressurize the employees to produce quick results, in the process de-emphasizing the long term planning. The result is that with the change in technology, innovation of new products and processes gets a subsidiary treatment. In the mean time new organizations, with latest technology, new products, new processes and the systems emerge and the existing, once



prosperous organizations, fail to respond to the new challenges and gradually start decaying.

Faddism in Western management and its implications for Indian Managers

Though there is periodic number of management theories emerging every now and then, but they remain as fads and die in short span of time. The proliferation of management theories and prescriptions are driven by two human instincts. (1) A greed to make fast bucks (2) Fear of becoming bankrupt. (Mickletwait and Woodridge, 2001)

Practitioners are more influenced by management writings in the popular or business press rather than objective analysis of the “fads”. For example, Total Quality Management (TQM) was one of the recent themes, which captured the interest of practitioners and became a Mantra of the fashionable business managers in the 80’s and the 90’s. Today even TQM is considered passive by many practicing managers.

Another recent fad has been the “Business Process Re-engineering” which according to some is resurrection of F W Taylor’s Scientific Management. However, there is a backlash against “Re-engineering” as some consider that it ignores the human side of the organization.

Another fad relates to the terminology of managing people in organizations. The Western Management professionals specially the American are unable to decide about the nomenclature for the Management of people. They went on changing from Labour Management to Personnel Management, Human Resource Management (HRM), Human Resource Development (HRD), Human Potential Development and the latest fad is that separate Human Resource (HR) function in an organization itself is redundant and same could be outsourced. The Indian organizations also are not far behind in moving with these fads.

Thus when the western management itself is passing through a confused stage of evolutionary process, and do not find many of their fads workable, transplanting the same to Indian situations where environment, values and historical background is quite different results in further confusion leading to “dualism” in Indian management. This dualism gets reflected in wide gap between stated policies and practices and actual policies followed in reality, though often denied formally. This dualism eventually results in conflict as the management blames the employees for not allowing them to follow the “modern” concepts of management while the employees blame the management for being “hypocrite” i.e. not following what they preach.

The four types of organizations in India

On the face of it, there are four types of Indian organizations- multinational, public sector, the traditional family owned and the government department- with enough similarities so as to club them all together. At the same time there are dissimilarities in



certain areas that set them apart from each other. There is no fine line that separates certain policies or norms as typical of one type of organization. In each there is a derived strength and, in some cases, an inherent weakness. As a composite whole, it is not as if one is qualitatively better than the other but are patently “Indian”.

One thing does stand out, and that is that differences among the different types of Indian organizations are only perceived differences. These are the cumulative effect of subtle variations in the degree of importance and applicability of various factors affecting the organization. Within the different areas of management, ranging from instruments of delegation and planning to personnel policies and finance, the concerns in all four types of organizations are similar.

Dualism in Indian management – The “Somehow” management

Most of the management practices in India have been borrowed from the West. The Indian manager today, educated either in the West or tutored in western management literature attempts to manage and administer the Indian industrial structure on western principles. This, he finds, does not work. Compromises results, often accompanied by frustration, work does not proceed as planned. Goals are however, achieved. Management is “somehow” effected.

There is a distinct hiatus between the professed policies and the practices followed in the Indian environment as a result of these compromises. Assuming that foreign management practices will work equally well in Indian conditions, policies are evolved and plans made. Since goals set in this way are largely achieved, there is a perception that management practices in India are similar to the foreign ones. This may not be always true. Based on the study of over forty organizations of various types in India (Virmani & Guptan, 1991; Virmani, 2000) we found that management in India is characterized by peculiar dualism. There is a distinct hiatus between the professed policies and the actual practices followed in the Indian organizations. This is due to the conflict that arises from having alien Western systems thrust on resident Indian practices and expectations.

What works and what does not in Indian management

With the enthusiasm to run the organization on “modern”/ “professional” management principles many a times the consultants specially the foreign/western recommend management techniques based on their models and latest fads on the precepts that all those techniques could be applied in Indian environment, which they discover later that they could not be implemented resulting in further frustration and acrimonious debates on the value of such advises. This is primarily because of the lack of thorough and intrinsic research on Indian management i.e. what works in India and what does not work.

Organizations have been investing huge resources on various borrowed concepts of management emanating from west and other countries, such as Management by Objective



(MBO); Business Process Reengineering (BPR); Total Quality Management (TQM); Just In Time (JIT); Strategic Management, Target Oriented or 360 Degree Appraisal System, Balanced Score Card etc. Our research indicate these concepts in the long run get abandoned or just remain on paper though what actually happens is quite different resulting in frustration due to dualism in management.

In Indian Context, to bring about a change, it is important that the dynamics of Indian environment included familial culture, is not completely separated from the organization holding purely by the dictates of alien management principles. However efficient they may be projected as without allowing it the influence of “Indianess” will mean adding to an already existing state of confusion in Indian Management.

Indian management needs to move away from short-term profitability to long-term institution building. If as it is at present, the personality of the leader overwhelms the institution, it should be his responsibility to build tradition and practices that are conducive to long-term institution building.

Little attention is paid to career planning. This will only lead to discontent. Organizations must have systematic career planning for employees from the time they join.

Indian management should move towards institutionalisation and standardization of practices across organizations. This has to be done over a long term. Any attempt to hasten the process will result in its outright rejection or gradual phasing out.

Peculiarities of Indian management

The socio-cultural environment in India is unique; its peculiarities mould the personality of the management practitioners and influence management practices. Some of the salient features of Indian management is the emphasis on the personality of the top leader in the organization. Our studies indicate that the expectation of the people in India is more towards paternalism. The essential requisite for paternalism appears to be unity in the leadership, and single, identifiable source of power. Duality in this regard spawns patronage. The line of succession, if not clear leads to people lobbying for the position and in the process subtly divides the organization in to cliques. Another unique feature of Indian management is the “familial feeling” perceived by the employees because of the parental attitude adopted by the superiors and colleagues which gives a sense of security and belongingness among the employees. We also found among the organizations studied that harmony is easier achieved when due deference is given to the familiarity, seniority, age and open door communication, be it among the multinational, public sector, the traditional family-owned company or the government department.

Indian management can absorb principles alien to it. But these principles should be modified to suit Indian conditions. If such a blending is not done then the dualism in Indian Management could flare up into conflicts, and the compromises in policies and principles may fail to work.

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