

A CROSS-CULTURAL COMPARISON
OF ATTITUDES AND PRACTICES
OF MANAGERS:
INDIA AND THE UNITED STATES

Thesis for the Degree of Ph. D.
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PUTTI M. JOSEPH
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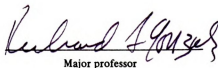
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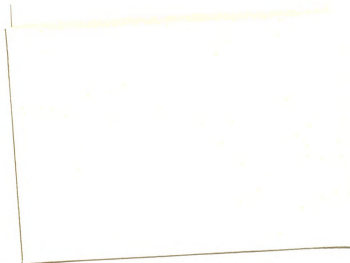
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ABSTRACT

A CROSS-CULTURAL COMPARISON OF ATTITUDES AND PRACTICES OF MANAGERS: INDIA AND THE UNITED STATES

By

Putti M. Joseph

The current study is an attempt to contribute to the field of Comparative Management which has already been studied and developed to a certain extent by many researchers. This study is focused on the attitudes and practices of U.S. and Indian managers. From the analysis it is proposed to establish whether the U.S. and the Indian managers are similar or dissimilar in their attitudes and managerial practices. In undertaking cross-cultural research, one must also have a common classification scheme which can be used for comparing the attitudes and management practices. For the purpose of this study, the attitudinal classification scheme includes sociological, educational, political and economic variables. The management practices classification scheme includes managerial functions of planning, organizing, staffing, directing and controlling. A number of practices under each of these functions are selected for comparison.

A sample of 120 U.S. managers and 120 Indian managers were selected for this study on the basis of the writer's judgment. These managers were chosen from firms that could be classified as being in the electrical and electronic industries. The managers included in the sample represented various levels of organizational hierarchies and functional areas. Using the technique devised by Likert, a survey questionnaire of 104 items was prepared and submitted to these managers. In addition, 20 per cent of the U.S. and 20 per cent of the Indian managers were interviewed personally.

The areas of inquiry of this study are stated in the form of questions. These questions are:

1. Are the U.S. and Indian managers similar or dissimilar in their attitudes derived from sociological, political, educational and economic variables?
2. Are the U.S. and Indian managers similar or dissimilar in their management practices in the planning, organizing, staffing, directing and controlling functions?
3. If there are differences in attitudes and management practices, what causes can be inferred from the data for these differences?

The following conclusions are drawn from the findings of this study to answer the above questions:

1. This study of managerial attitudes in India and in the United States, nations with distinctly different cultural heritage, reveals substantial similarity between the two countries. The cross-cultural comparison shows that attitudes of managers as derived from sociological, educational, political and economic variables are similar on most items surveyed.

2. General analysis shows a greater number of differences in management practices than similarities, between U.S. and Indian managerial samples.
3. More rigorous analysis shows that factors such as the type of ownership, size of the company, education and job training of the managers, and their attitudes, seem to make some difference in the practices among Indian managers. Other differences in management practices between U.S. and Indian managers may be explained in terms of sociological, economic, political and educational variables.

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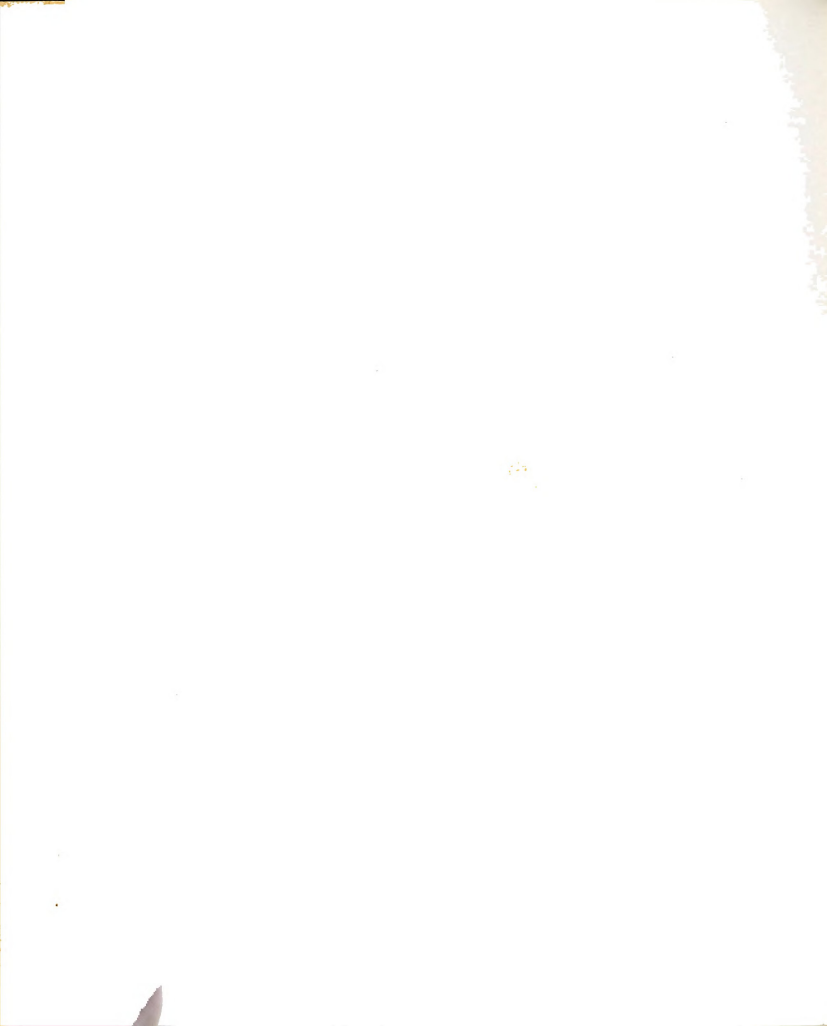
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To My Dear Parents

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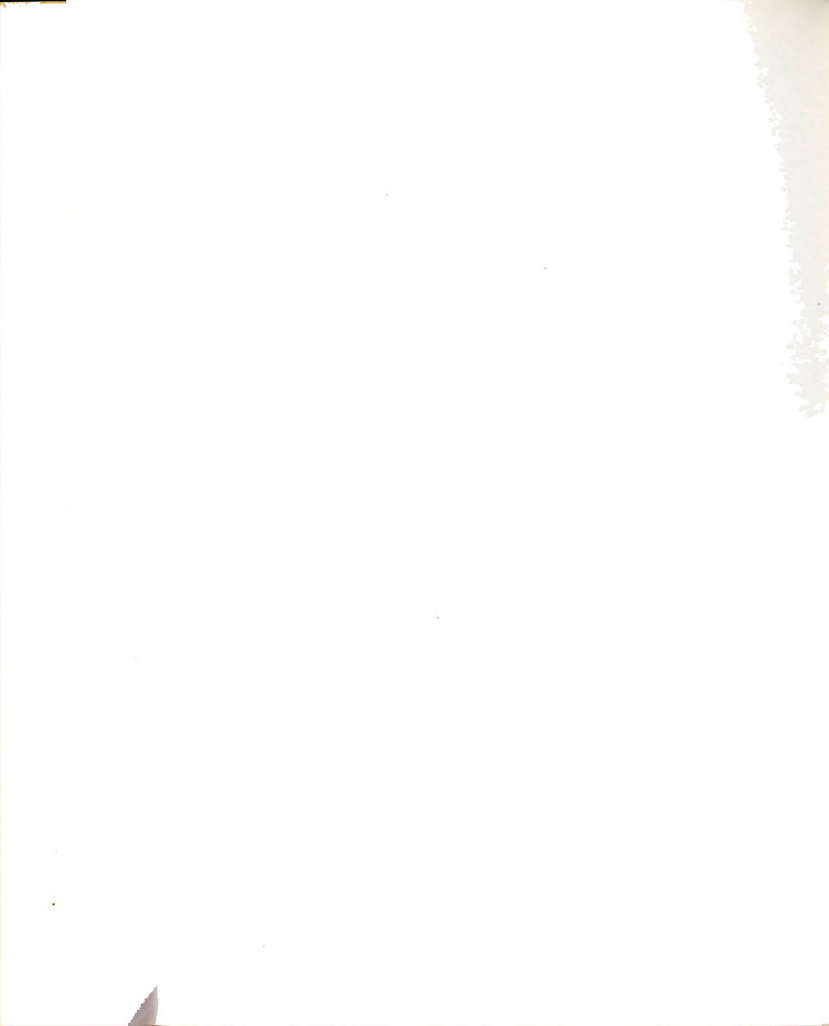


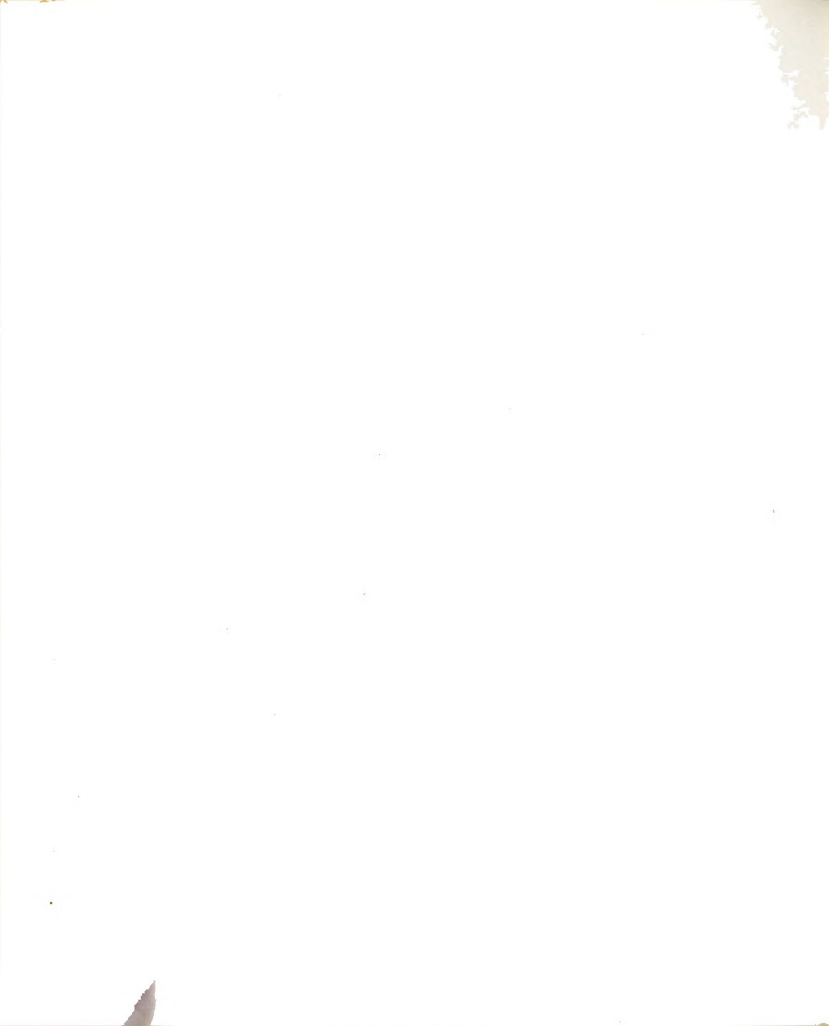
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CHAPTER I

INTRODUCTION

Purpose of the Research

The current study is an attempt to contribute to the field of Comparative Management which has already been studied and developed to a certain extent by many researchers. Comparative Management involves the study of managerial problems in different countries. "This field is of very recent origin; it emerged as a distinctive entity around 1960 and has since then experienced a very rapid development."¹ Some of the researchers who contributed to this field in its inception are: Haire, Ghiselli and Porter, Kerr and Dunlop, Harbison and Myers, Gonzalez and McMillan, and McClelland.²

¹Hans Schollhammer, "The Comparative Management Theory Jungle," Academy of Management Journal, Vol. 12, No. 1, (March, 1969), p. 82.

²Mason Haire, Edwin E. Ghiselli, and Lyman W. Porter, Managerial Thinking (New York: John Wiley & Sons, Inc., 1966); Clark Kerr, John T. Dunlop, et. al., Industrialism and Industrial Man (Cambridge, Mass: Harvard University Press, 1960); Frederick Harbison and Charles Myers, Management in the Industrial World (New York: McGraw-Hill Book Company, 1959); Richard F. Gonzalez and Claude McMillan, Jr., "The Universality of American Management Philosophy," Journal of Academy of Management, Vol. 4, No. 1 (April, 1961), pp. 33-41; David C. McClelland, The Achieving Society (Princeton, N.J.: D. Van Nostrand Co., 1958).

"The comparative management theory now commands the attention of an increasing number of scholars; many of them are attempting to build a conceptual foundation for the new field by providing a framework for the detection, identification, and evaluation of uniformities and differences of managerial problems in different countries or regions."³ Some of the researchers who attempted to build such a conceptual foundation for the field of comparative management are: Farmer and Richman, Negandhi and Estafen, and Schollhammer.⁴

The cross-cultural approach is one way of studying comparative management. The cross-cultural study of management involves the study of cultural variables which tend to have an impact on management practices in different cultures. Farmer and Richman identify these variables as sociological, educational, political and economic.⁵

The cross-cultural approach is used in the current study to compare the attitudes and management practices of

³Hans Schollhammer, op. cit., p. 82.

⁴Richard Farmer and Barry Richman, Comparative Management and Economic Progress (Homewood, Illinois: Richard D. Irwin, Inc., 1965); Anant R. Negandhi and Bernard D. Estafen, "A Research Model to determine the applicability of American Management Know-How in differing Cultures and/or Environments," Academy of Management Journal (December, 1965), pp. 309-318; Hans Schollhammer, "The Comparative Management Theory Jungle," Academy of Management Journal, Vol. 12, No. 1, (March, 1969), pp. 81-97.

⁵Richard Farmer and Barry Richman, op. cit., pp. 29-30.

U.S. and Indian managers. In undertaking cross-cultural research, one must also have a common classification scheme which can be used for comparing the attitudes and management practices. For the purposes of this study, the attitudinal classification scheme includes sociological, educational, political and economic variables. The management classification scheme includes managerial functions--planning, organizing, staffing, directing and controlling. A number of practices under each of these functions are selected for comparison.

Statement of the Problem

The study is focused on the attitudes and management practices of U.S. and Indian managers. From the analysis it is proposed to establish whether the U.S. and Indian managers are similar or dissimilar in their attitudes derived from sociological, educational, political and economic variables, and in their management practices. Further, the study is designed to investigate the causes for differences, if any, in the attitudes and management practices of these managers.

The research study is designed to answer the following questions: (1) Are the U.S. managers and Indian managers similar or dissimilar in their attitudes derived from sociological, educational, political and economic variables? (2) Are the U.S. managers and Indian managers similar or dissimilar in their management practices in



planning, organizing, staffing, directing and controlling functions? (3) If there are differences in attitudes and management practices, what causes can be inferred from the data for these differences?

Classification Scheme for Attitude Comparison

For the purposes of the current study, it is assumed that the attitudes derived from sociological, educational, political and economic variables constitute one's culture. The same view was expressed by the experts of the International Labor Organization. These experts indicate that culture is a reflection of the society and to understand one's culture, "it is necessary to have information of how the society maintains itself--the economy; how it distributes and organizes power--the political system; how it distributes status, prestige, position and wealth--the social system; and how it passes on the knowledge--the educational system."⁶

⁶International Labor Organization Experts, "Social and Cultural factors in Management Development: Extracts from the conclusions of a meeting of Experts," International Labor Review (August, 1966), p. 181.--This article is based on the conclusions of a meeting of experts convened by the I.L.O. in November, 1965.



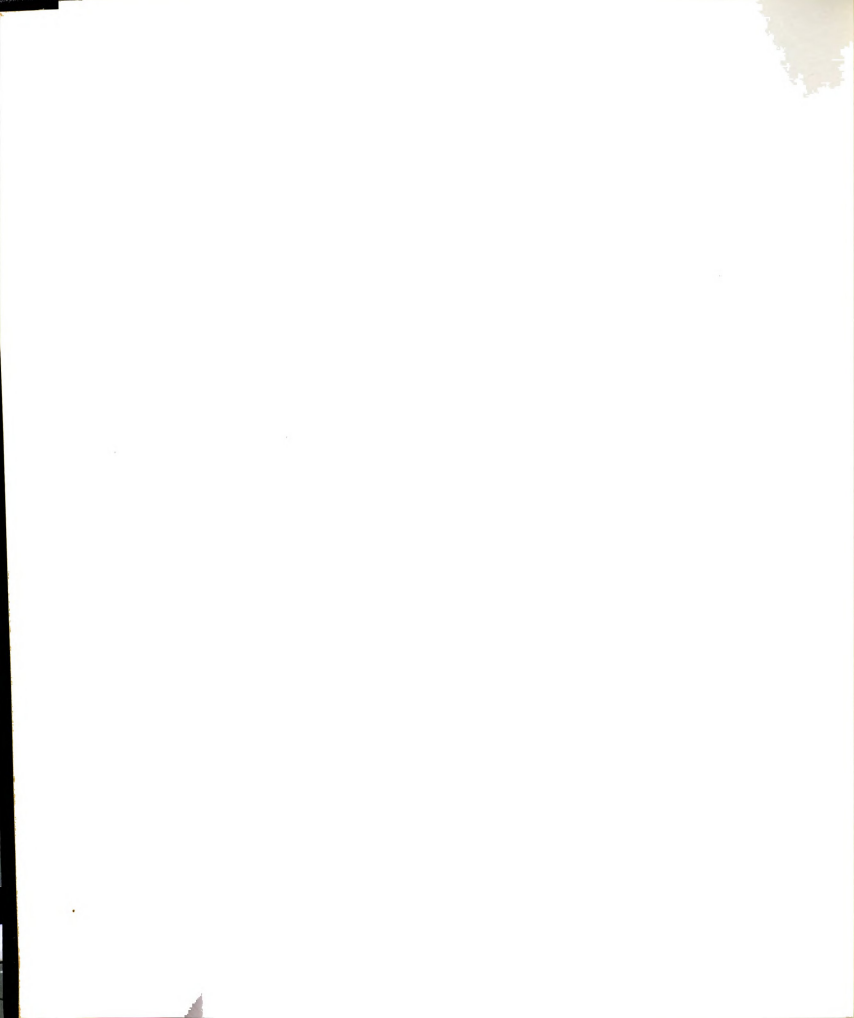
The attitudes used for comparison between the U.S. and Indian managers under each of these variables are:

The Sociological variables.--The attitudes included under this variable are derived from sources such as religion, family, and social institutions. These are the attitudes toward success, change, the basic concept of work, risk taking, scientific methods, competition, achievement motivation, time utility, authority, family considerations and luxury of life.

The Educational variable.--The attitudes included under this variable are the attitudes toward higher education, authoritarian and participative type of education, professional management and training programs.

The Political variable.--The attitudes compared under this variable are the attitudes toward the role of government in shaping competition, and exercising control over business, political participation of business leaders, social responsibility of business, the role of unions and the role of 'influence' with the government.

The Economic variable.--The attitudes included under this variable are the attitudes toward private ownership, socialized planning, the free-enterprise system, automation, labor disputes, labor unions, and corporate plans.



Classification Scheme for the Comparison
of Management Practices

A comparison is also made in the management practices of the U.S. managers and Indian managers. The management practices included for comparison under each of the managerial functions are as follows:

Planning function.--This function is defined as, "the analysis of relevant information from the present and the past and an assessment of probable future developments so that a course of action may be determined that enables the organization to meet its stated objectives."⁷ As such, this function involves the setting up of objectives, policies and programs, as well as the setting up of methods to accomplish these. In this study, the following elements of the planning function are compared between the U.S. and Indian managers:

1. Types of plans made
2. Time horizon of plans
3. Flexible nature of plans
4. Techniques and methods used in planning
5. Communication of plans
6. Participation in planning

Organizing function.--This function involves the structuring of the parts of the organization according to its activities necessary to accomplish the stated goals and the establishment of the authority--responsibility

⁷Henry L. Sisk, Principles of Management (Cincinnati, Ohio: Southwestern Publishing Co., 1969), p. 82.

relationships. A comparison of the following elements of this function is made between the U.S. and Indian managers:

1. Extent of centralization and decentralization of authority
2. Spans of management
3. Role of committees
4. Nature of departmentation
5. Nature of organization structure
6. Role of staff specialists

Staffing function.--The staffing function includes recruitment, selection, transfers, promotions, and training. The following practices under this function are selected for comparison between the U.S. and Indian managers:

1. Selection and recruitment methods
2. Training methods and types
3. Job descriptions
4. Performance appraisal techniques

Direction function.--This function includes all those activities which are designed to make employees work effectively and efficiently in the short and long run. The practices selected for comparison under this function are the following:

1. Extent of authoritarian vs. participative management
2. Type of supervision
3. Communication techniques
4. Motivation techniques
5. Labor relations

Control function.--This function involves the measurement of progress toward objectives in accordance with the established plan. Under this function, the



following practices are compared between the U.S. and Indian managers:

1. Setting of standards of performance
2. Expectations of performance
3. Feedback of deviations in standards of performance
4. Cost accounting techniques
5. Motion and time study techniques

Definitions of Key Terms

The following terms employed in this research study are operationally defined or identified as follows:

Culture.--A variety of definitions of the term Culture have been offered by anthropologists, psychologists, sociologists, historians and others. Tylor was the first one to define and make extensive use of the term. According to Tylor culture is a, "complex whole which includes knowledge, belief, art, law, morals, custom and other capabilities and habits acquired by man as a member of society."⁸ This definition emphasizes that culture is a social heritage. Culture is defined by Linton as "the configuration of learned behavior and results of behavior whose component elements are shared and transmitted by the members of a particular society."⁹ Ruth Benedict says, "culture consists essentially of the ideas and standards

⁸Edward B. Tylor, Primitive Culture (New York: Henry Holt & Co., 1873), Vol. 1, p. 1.

⁹Ralph Linton, The Cultural Background of Personality (New York: Appleton-Century Co., 1954), p. 32.



which men have in common."¹⁰ To synthesize, culture is the set of values, beliefs, norms, attitudes, habits, and generally the way of life of a group of people, ranging from a tribe to a nation. This set of attributes is derived from sociological, educational, political and economic variables. The term culture is used extensively in this study and in all contexts the foregoing description is to be understood.

Attitudes and Values.--"An attitude is an organization of concepts, beliefs, habits and motives associated with a particular object."¹¹ Rokeach defines an attitude as, "an organization of several beliefs focused on a specific object (physical or social, concrete or abstract) or situation, predisposing one to respond in some preferential manner."¹²

The distinction between an attitude and a value is unclear and still being debated today. Sometimes it is maintained that values have to do with modes of conduct and

¹⁰Ruth Benedict, Patterns of Culture (Boston, Mass: Houghton & Mifflin, 1934), p. 16.

¹¹W. J. McKeachie and Charlotte L. Doyle, Psychology (Reading, Mass: Addison-Wesley Publishing Company, Inc., 1966), p. 38.

¹²Milton Rokeach, "A Theory of Organization and Change within Value and Attitude Systems," Presidential address to the society for the psychological study of Social Issues, The American Psychological Association, Sept. 2, 1967, Michigan State University, Dept. of Psychology, reprint, pp. 2-3.

end-states of existence. To say that a person "has a value" is to say that he has a strong belief that a specific mode of conduct is personally and socially preferable for him to the available alternative modes of conduct. Rokeach distinguishes an attitude from a value by saying, "While an attitude represents several beliefs, focused on a specific object or situation, a value is a single belief which transcendentally guides action and judgements across specific objects and situations, and even beyond immediate goals to more ultimate end-states of existence."¹³

For the purposes of this study we will consider an attitude as an organization of beliefs or views focused on a specific variable or situation or object, predisposing one to respond in a preferential manner. We will also consider that attitudes and values are synonymous. The study of managerial attitudes is gaining importance because:

The manager's efforts to properly plan, organize, and control are directed and conditioned by his whole way of life--his attitudes toward the political organization of his state, toward the members of his family or associates, and toward the church in which he worships. All of these condition his managerial activities."¹⁴

¹³Ibid., p. 6.

¹⁴Tony H. Bonaparte, "Management in the Cultural Setting," Advanced Management Journal (October, 1966) p. 38.



In this study a comparison is made between the attitudes of the U.S. and Indian managers. The comparison includes the attitudes derived from sociological, educational, political and economic variables.

Managerial Practice and Effectiveness.--The managerial practice is defined here as the way in which the manager carries out his functions of planning, organizing, staffing, directing and controlling. Although these functions are common to all business organizations, the way they are carried out differs from organization to organization and from manager to manager. One of the purposes of this study is to identify the causes for such differences. Some researchers argue that these differences are due to effect on managers by the restrictions imposed by the environment in which an organization functions.

Managerial effectiveness is dependent upon various factors. It is ascertained from factors such as: net gross profit, percentage increase in profit, market share, percentage increase or decrease in market price of a company's stock, percentage increase in sales, employee morale and turnover, and evaluation of the company by consumers, employees and the general public.



Limitations of the Study

Although important in determining managerial behavior, values, norms and other cultural factors are nebulous to the point that they cannot be categorically defined or identified. This poses the difficulty of identifying causal relationships.

The study is, of course, also subject to the familiar limitations of the survey questionnaire type of research. These include the lack of opportunity to probe the respondent beyond the given answer in order to clarify an ambiguous one or to overcome unwillingness to answer a particular question or to appraise the validity of what a respondent said in the light of how he said it.

This study might have also suffered from the limitation that is generally attributed to inferential analysis. What the respondents stated they were doing might be different from what they were actually doing. The findings are based on what the respondents stated that they were doing.

In a developing country like India, it is difficult to get cooperation from managers in obtaining responses to the survey questionnaires or to secure appointments for personal interviews.



The subjective element of the researcher who makes the comparison is also a limitation of this study. "It will be seen that in all comparative processes, the subjective element of the comparator plays a leading role. Therefore, all purposeful management comparison will be in relation to the management-system of the person performing this comparison."¹⁵

¹⁵Narendra K. Sethi, "International Management of Tomorrow: A New Frontier of Administrative Thought," Advanced Management Journal (July, 1970), p. 40.



CHAPTER II

CROSS CULTURAL RESEARCH: A LITERATURE REVIEW

Many scholars consider that the field of management must be viewed in a broad perspective because of the influence of social, educational, economic and political variables on management practices.¹

This recognition has led to a number of cross-cultural studies. In spite of the recency of this field of research, there is already a considerable diversity in the approaches taken by scholars in studying management in various cultures and countries and comparing one with the other. Schollhammer² labels these approaches as, the socio-economic, the ecological, the behavioral and the eclectic-empirical. Scholars engaged in cross-cultural research are attempting to build a conceptual foundation by synthesizing various approaches to provide a framework for

¹See for example, Barry M. Richman, "Significance of Cultural Variables," Academy of Management Journal (Dec., 1965), pp. 292-308.

²Hans Schollhammer, "The Comparative Management Theory Jungle," Academy of Management Journal, Vol. 12, No. 1 (March, 1969), pp. 81-97.

identification and evaluation of similarities and differences in the attitudes and practices of managers and in the managerial problems in different countries and cultures.

In this chapter it is the intention of the writer to review some of the research studies and views of scholars in the field of comparative management that bear a significant relationship to the scope of this study. The studies are reviewed under the following titles:

1. Comparative studies involving values, attitudes, ideologies, and goals of managers.
2. Comparative studies involving management practices.

Comparative Studies Involving Managerial Values,
Attitudes, Ideologies, and Goals

The study by McCann involves a comparison of attitudes held by U.S. and Mexican managers. "The attitudes of managers toward such a basic concept as work vary from culture to culture. The Anglo-American culture has wrought attitudes toward work which are quite different from those developed in the Mexican culture."³ The attitude of Anglo-Americans toward work is that work is an important end in itself, that is, work can be and should be a psychologically satisfying experience. The attitude of Mexicans toward work is that it is a means one utilizes simply to provide the funds necessary for achieving a desired level of living.

³Eugene C. McCann, "Anglo-American and Mexican Management Philosophies," M.S.U. Business Topics (Summer, 1970), p. 29.

Mexican and American managers also differ in their attitude toward the scientific approach in decision making, authority, participation, communication, change and conformity. The scientific approach is the most valuable and the most frequently used tool in the U.S. management decisions, whereas Mexican managers do not have such a high regard for the scientific approach. The U.S. managers' attitude toward authority emphasizes decentralization, whereas, relatively speaking, the Mexican managers tend more towards centralization. The U.S. managers encourage their subordinates to participate in decision making while Mexican managers view participative management as a threat to their role and image. The directness and frankness found in communication in the United States is lacking in the Mexican method of communication. The Mexican manager is highly individualistic, on the other hand, while the American manager conforms to the group or team norms. The U.S. manager is not satisfied with the status quo and attempts to improve performance, whereas the Mexican manager desires to perpetuate present practices.

Carlisle⁴ examined the differences in attitudes toward institutions such as government, labor unions, the community and its customs, education, the church and the

⁴Arthur E. Carlisle, *Cultures in Collision* (Ann Arbor, Michigan: The University of Michigan, 1967).



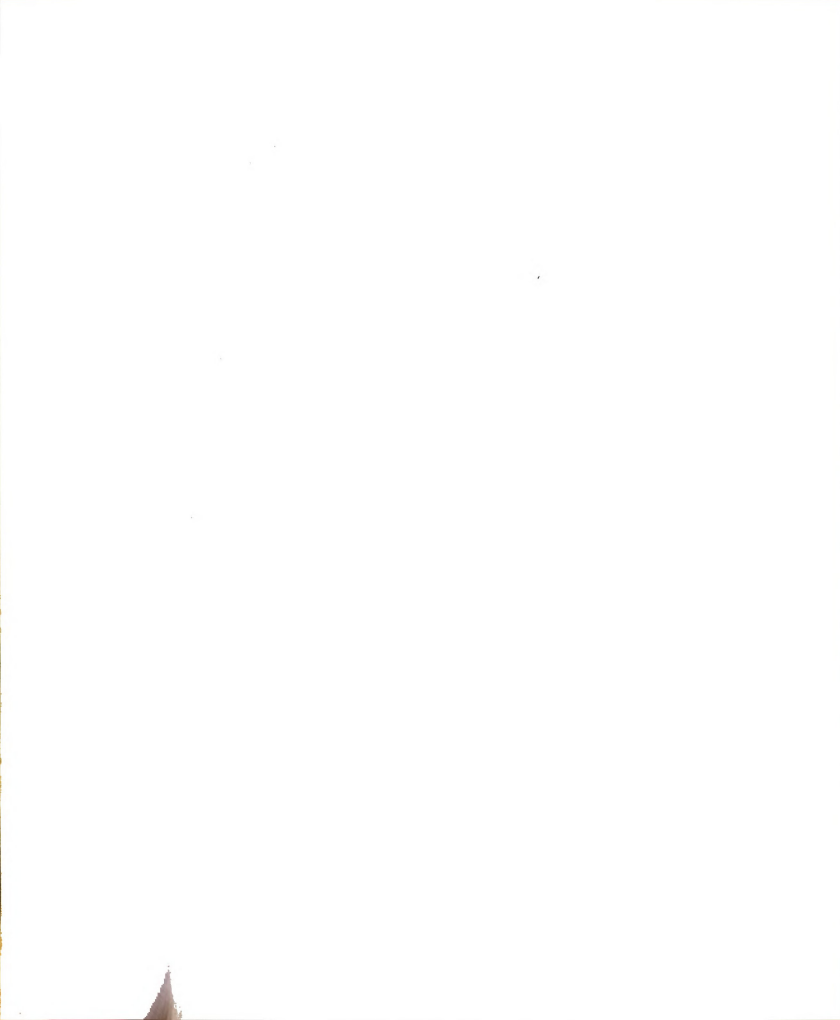
family of Canadian managers as compared to those of their American counterparts. The Canadian managers are more concerned with government at the provincial level than they are with the federal government; the U.S. managers, on the other hand, are more concerned with federal rather than state government. Labor unions in Canada are more interested in social change and participation in management than are their counterparts. In the U.S., the prime interest of the labor movement is still in job security. Needs require that Canadian and U.S. managers deal differently with unions in their respective countries.

Carlisle states that the church does not exert direct influence on business operations in Canada or in the U.S. Many of the jobs that are filled by college graduates in the U.S. are held by high school graduates in Canada. Secondary and college education is highly regarded by Canadians for its vocational preparation.

Nowotny compares the values of the U.S. and European managers.

Most of the top executives develop and practice their own management philosophy. Obviously, then, there is nothing so clear-cut as a single managerial style which is uniformly adhered to by all American or all European business leaders. Yet underlying the behavior and attitudes of these two different groups of executives are certain general characteristics or common denominators which can be identified.⁵

⁵Otto H. Nowotny, "American vs. European Management Philosophy," Harvard Business Review (March-April, 1964), p. 101.



The most striking difference between the outlooks of Europeans and Americans lies in their orientation toward time. It is as if they were standing back to back, with the European inclined to look at the past and present and the American seeing the present and future.⁶

This attitude of the European toward time is due to his respect for such characteristics as wisdom, stability, convention, necessity, quality, and diversity. The futuristic attitude of the American manager leads him to respect vitality, mobility, informality, abundance, quantity and organization.

Haire, Ghiselli and Porter investigated the cultural patterns in the role of the manager. The purpose of their study was to find an empirical answer to the question of similarities and differences in managers' attitudes. Their study covered fourteen countries and involved 3,500 managers. They conclude from their study:

. . . it seems very clear from the data reported here that there is a very high degree of similarity among managers' attitudes in all countries studied. On the other hand, of all the differences observed among managers, about twenty-five per cent of the variations were associated with national differences, so that there is an identifiable determinant of attitudes within each country. Furthermore, these national differences do tend to group themselves into intelligible patterns.⁷

On the basis of differences observed, the researchers group the countries studied into the Anglo-Saxon (The U.S. and England), Continental Europe (France, Spain, Belgium and

⁶ Ibid., p. 102.

⁷ Mason Haire, Edwin E. Ghiselli and Lyman W. Porter, Managerial Thinking: An International Study (New York: John Wiley and Sons, Inc., 1966), p. 1.

Italy), Northern Europe (Norway, Sweden, Denmark and Germany), and Japan all by itself in one group. One of the differences the researchers observed was that the attitude toward leadership ranged from unilateral command (Japan) to participative management (the U.S.) and they suggest that cultural traditions, values and beliefs determine managers' attitude toward the type of leadership.

In his study, McClelland investigated the attitude of managers in several countries toward recognition of subordinate's achievement. McClelland found that the U.S. executives were more inclined to favor promoting deserving subordinates than were the Turks, Poles and Italians. The Turks and Poles were hesitant to promote subordinates because "it would destroy the respect for authority which the workers must have toward management."⁸ The U.S. managers had a more unfavorable attitude toward seniority, education and family upbringing as determinants of workers' standing than did the Italians, Turks and Poles.

Kast in his comparative study of the U.S. and European management concepts and practices, found that rigidity of social class structure appeared to be a component of managerial attitude toward subordinates. Many European managers have a high regard for their workers' interests and devote both time and money in their interest. But this relationship often has a strong paternalistic

⁸David C. McClelland, The Achieving Society (New York: D. Van Nostrand Company, Inc., 1961), p. 291.

flavor and a wide social distance remains between management and subordinate levels. On the other hand, the U.S. managers favor a more participative attitude in their dealings with subordinates.

European businessmen are more conservative in their attitude and show more restraint in instituting change than the U.S. businessmen. In his comparison of attitude toward leisure, Kast found that the European appeared to have the ability to relax and enjoy his leisure activities to a much greater extent than the U.S. manager. "European values concerning leisure may be one of our most valuable imports."⁹

In his comparison of the ideologies of the U.S. and European managers, Grosset says,

The greatest differences between Europe and the U.S. are found in ideologies. If the ideas of European technocrats can be taken at face value, they look upon their firms' business and their work as public service. On the other hand, European managers owning their own enterprises tend to be considerably closer to the 19th century ideals of laissez-faire, but they are on the defensive. In the U.S., managers still predominantly believe that the first purpose of an enterprise, and consequently their first duty, is to produce a profit, but, contrary to 19th century beliefs, they agree that the firm should serve the national interests providing that the responsibility to stockholders is first fulfilled.¹⁰

⁹Fremont E. Kast, "Management Concepts and Practices--European Style," Business Horizons, Vol. 7, No. 4 (Winter, 1964), p. 30.

¹⁰Serge Grosset, Management: American and European Styles (Belmont, California: Wadsworth Publishing Company, Inc., 1970), pp. 143-144.

The European managers willingly accept the increasing role of the State, particularly state planning, whereas the U.S. managers pride themselves in their dedication to the profit motive as the attitude most suitable for increasing the welfare of all.

Dwivedi conducted a study to compare personality traits in terms of their importance to Indian, U.S. and British managers. The study was carried out by means of a thirteen item questionnaire, originally developed by Heller and Porter. The managers were asked to rank the following personality traits in order of importance: intelligence, cooperativeness, flexibility, energy, perseverance, originality, self-control, aggressiveness, poise, sociability, independence, conformity and dominance.

A cross-cultural comparison of findings revealed close similarities in views on the importance of personality traits among Indian, American and British managers. Dwivedi attributed the results of his findings to commonality of English language of the managers in three countries. "Moreover, a plethora of literature which deals with management theories and practices, has been written in the English language as a result of which there is commonality of thinking in the field of management."¹¹

¹¹R. S. Dwivedi, "Perceptions of Personality Traits Among Managers," Journal of Management Education (January, 1971), p. 53.



Sirota and Greenwood studied a large electrical manufacturing company, having branches or subsidiaries in 46 countries. A questionnaire consisting of 200 multiple-choice items was administered to about 13,000 of this company's employees working in 46 countries. The opinions were elicited from three different occupational sectors: sales, technical and service personnel. The purpose of this study was to see whether there is similarity in the work goals of sales, technical and service personnel in different nations.

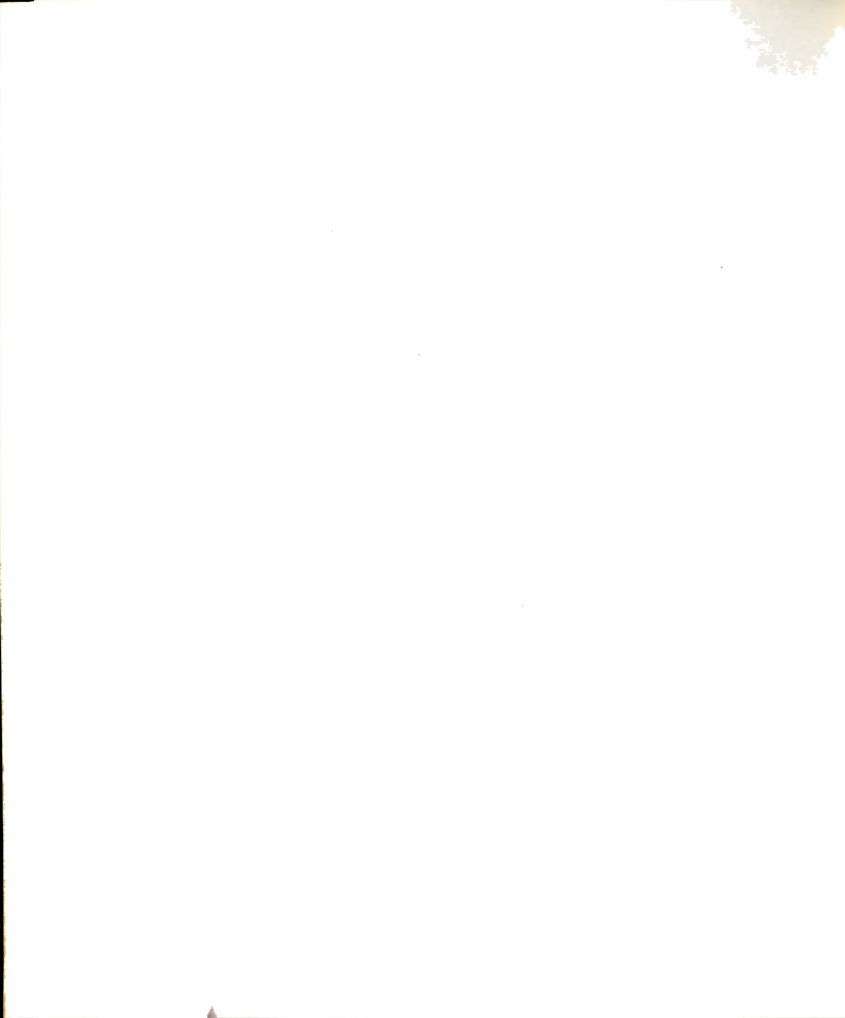
The evidence provided by this study offers objective, verifiable information to those executives seeking to adapt management practices to the cultural environment of overseas operations, and it contradicts some common stereotypes that often dictate attempts to motivate employees of differing national origins. The main findings are:

The most important goals of these workers are all concerned with opportunity for individual achievement.

Occupational and national comparisons reveal remarkable similarity in the goals of workers around the world.

Although differences among nations are relatively small, it is possible to identify country "clusters" within which goals are nearly identical.¹²

¹²David Sirota and Michael J. Greenwood, "Understand Your Overseas Work Force," Harvard Business Review (January, 1971), p. 54.



Though the study is made at the sales, technical and service personnel level, it is worth reviewing mainly for the reason that it draws a comparison between the U.S. and India.

Comparative Studies Involving Management Practices

Lauter made a comparative study of management practices in the United States and Turkey. This researcher examined how the U.S. and Turkish managers performed some of the critical elements of the basic management functions such as planning, organizing, staffing, directing and controlling.

Lauter found that Turkish managers were authoritarian in executing their functions and authority was centralized in most of the Turkish companies. On the other hand, the U.S. managers believed to a certain extent in participative management and authority was delegated extensively. As a result of the general lack of delegation of authority in Turkey, span of control was broad, committees were rarely used and there were no full time staff specialists to advise management. The supervisory and communication techniques were shaped by the highly authoritarian atmosphere. The labor laws in Turkey were paternalistic and gave prime consideration to job security and seniority. The Turkish managers used rather poor planning

methods and techniques due to the lack of good external information for the development of planning premises, and due to various import regulations which created uncertainty. On the other hand, "American managers attempted to perform critical elements of the planning function more in accordance with the recommendations of management theorists in the U.S."¹³

Lauter points out that the authoritarian attitude of the managers is one of the main reasons for these differences in management practices in Turkey.

Mehta,¹⁴ in comparing the human relations approach to management in India and in the United States, writes that in the American culture, where freedom of choice is an important social value, the human relations approach has a built-in emphasis on participation. In India, freedom of choice is not a value of most of the people. The job opportunities in India are scarce and hence those who work in the firms are chiefly concerned with job security. Due to job scarcity supervisors or foremen have very effective control over their subordinates. Negative incentives of

¹³G. P. Lauter, An Investigation of the Applicability of Modern Management Processes. Unpublished dissertation (1968), pp. 198-199.

¹⁴Dhawal Mehta, "The Scope for Human Relations in India," The Human Side of Management, ed. by Rustom S. Davar (Bombay, India: Progressive Corporation Ltd., 1969), p. 271.

being fired, laid-off, or subject to other disciplinary action have greater efficacy in India than they would have in the United States.

In India, it is the owner of the business who takes the active part in the management of the business. The owner does not wish to delegate authority to his subordinates. He personally deals with every detail of the day-to-day matters and insists that no matter of importance should be decided without his prior permission.

McCann in his comparative study of management philosophies and practices of the U.S. and Mexican managers, finds a number of differences. The U.S. managers consider the scientific approach as an invaluable tool to their decision making, whereas, the Mexican managers hold no such regard for the scientific approach and rely more on intuition in making decisions. Managers in the U.S. generally tend toward a pattern of decentralization, and, therefore, delegation. "Authoritarian characteristics are accepted as an element of a manager's role in Mexico. The Mexican manager accepts and expects them from his boss and assumes the same characteristics when dealing with his own subordinates.

Participation of subordinates in the decision making process has become a commonly utilized approach to decisions among U.S. managers. The Mexican manager does

not confer with his subordinates in making decisions. "Participative management embodies a threat to the Mexican manager's role and image as others see it and is incompatible with his role as he himself perceives it."¹⁵

In U.S. organizations, the object of business communication is to transmit the message, regardless of whether the message contains favorable or unfavorable information. In Mexican organizations, emphasis is on maintaining cordial relations.

Kast made a study of management practices between U.S. and European managers. His findings reveal a substantial difference in their management practices. Kast noticed differences in the utilization of specialists and staff personnel in the organizations. "The European company usually has a streamlined organization with a clean line authority from top management down, in contrast to the American firm with many more management specialists and staff departments that influence and have functional authority over specific activities."¹⁶

There is also a fundamental difference in the approach of the European and American executives in the use of committees. The European executive does not see the need for this type of participation nor the need to communicate his reasoning back down the line.

¹⁵Eugene C. McCann, op. cit., p. 32.

¹⁶Fremont E. Kast, op. cit., p. 28.

Grosset, in his comparative study of American and European management styles, found that the European managers were more autocratic than their American counterparts in executing managerial functions.

Although his powers in many areas were more restricted than the American manager's, the European manager had unrestricted power over what he did control because traditionally authority was regarded as a divine right. A divine right cannot be shared; so decision making tended to be concentrated in the hands of a very few and frequently in those of one man. When divine right is replaced by natural rights, as in America, a different attitude develops toward co-workers. No longer is there an unbreachable gap between the chief executive and lower echelons.¹⁷

The European managers and American managers differ in their concept of managerial responsibility. The American manager thinks that his main responsibility is to promote the financial success of his firm. The European manager, on the other hand, feels that a good manager should be a statesman, one who is able to see the national interest as well as the interests of his firm.

Conclusion

Studies by McCann, Carlisle, McClelland, Kast, Grosset and Haire et. al. reviewed in the preceding sections of this chapter, reveal that a comparison of attitudes in two or more cultures shows vast differences in general characteristics and tendencies of managers operating in

¹⁷ Serge Grosset, op. cit., p. 96.

different cultures. McCann examined the differences in attitudes between the U.S. and Mexican managers. Carlisle studied the differences in attitudes between Canadian and U.S. managers. McClelland investigated the attitudes of managers in several countries toward recognition of subordinate's achievement. Kast made a comparative study of managerial attitudes toward subordinates of the U.S. and European managers. Grosset's study reveals differences in ideologies of European and American managers. Haire et. al., observed differences in the attitudes of managers toward leadership in fourteen countries.

On the other hand, studies by Dwivedi and Sirota and Greenwood reveal that there are more similarities than differences in the attitudes of managers operating in two different cultures. Dwivedi, in his comparative study of personality traits among Indian, American and British managers, found a similarity; Sirota and Greenwood found that the goals of workers around the world were similar.

Nowotny's study between the U.S. and European managers reveals that there are similarities as well as differences in the attitudes of these two groups of managers.

Studies by Lauter, Mehta, McCann, Kast and Grosset reveal that there are more differences in the practices of managers in two cultures than similarities. These studies

attribute the differences to the sociological, educational, economic and political variables present in the respective environments.

On the basis of the findings of these studies some conclusions can be drawn:

1. There are similarities and differences in the attitudes of managers operating in different cultures.
2. There are more differences than similarities in the practices of managers operating in different cultures.
3. These differences in attitudes and management practices can be attributed to sociological, educational, political and economic variables.

The current study is undertaken to examine more systematically the similarities and differences in the attitudes and practices of managers operating in two cultures, namely those of the United States and India.

CHAPTER III

THE RESEARCH DESIGN

The purpose of this chapter is to explain the general procedures utilized in setting up the study and gathering the data. As stated in Chapter I, this study is designed to examine the similarities and differences in the attitudes and practices of the U.S. and Indian managers.

The population and sample from which information was collected is discussed. The section dealing with the sample is followed by a discussion of methodology, the type of questionnaire used, and the system of data collection.

The Sample

The universe for this survey consisted of the U.S. and Indian managers in the private sector of the respective economies belonging to various levels of management. These managers were chosen from firms that could be classified as being in the electrical and electronics industries. A sample of 120 U.S. managers and 120 Indian managers were selected on the basis of the writer's judgement. This selection technique may be called "judgement sampling",

which according to Deming is a means wherein "an expert makes a selection of representatives, or typical counties or other areas or business establishments."¹

The U.S. and Indian managers included in the sample represent the lower, middle and top levels of their organizational hierarchies, and various functional areas of marketing, production, finance, industrial relations, research and development and general management. The samples were so drawn as to represent various geographic regions of the countries studied. In India, the regions of North (Delhi), South (Madras), East (West Bengal) and West (Maharashtra) were chosen. The reason for this selection procedure was that the culture differs distinctly from one geographic region to another in India. In the United States, however, predominantly Eastern and Mid-Western geographic regions were chosen for study. It was felt that the U.S. cultural patterns are relatively more uniform than Indian cultural patterns.

Methodology

Numerous approaches to the quantification of responses to a survey questionnaire have been developed over the years. The Likert-scale approach appears to be one of the least complex methods, and "yet the technique stands up

¹Edwards Deming, Sample Design In Business Research (New York: John Wiley & Sons Inc., 1960), p. 31.



remarkably well compared to more sophisticated approaches; indeed it yields virtually identical results."² The technique may be outlined as follows:

1. For each scale of dimension of attitude being tested, opinion statements are framed and classified as "favorable" or "unfavorable."
2. Five categories of responses are listed for each statement (strongly agree, agree, undecided, disagree, strongly disagree).

Using the technique devised by Likert, a survey questionnaire of 104 items was prepared and submitted to 120 U.S. and 120 Indian managers of privately owned electrical and electronics corporations. Those corporations studied in the U.S. were located in the States of Rhode Island, Massachusetts, New York, New Jersey, Pennsylvania, Ohio, Michigan, Indiana, Illinois and Wisconsin. Comparable corporations studied in India were located in the States of Delhi, West Bengal, Madras and Maharashtra. The electrical and electronics industries are predominantly located in these Indian States. Also, these states differ one from another in their distinctive languages, religions, and social customs and beliefs.

Following receipt of the replies from the U.S. managers, personal interviews were held with approximately

²Bernard S. Phillips, Social Research: Strategy and Tactics, (New York: The Macmillan Company, 1966), p. 269.

20 per cent of the respondents of the questionnaire survey to determine the reasoning behind some of the responses. The respondents interviewed were selected at random. Between December 22, 1970, and March 26, 1971, similar interviews were held with approximately 20 per cent of the Indian managers during the writer's visit to India.

An extensive literature search on the social, educational, political and economic variables and management practices, both in the United States and in India was undertaken prior to the start of this study.

Relevant literature, the questionnaire survey, and personal interviews of respondents to the questionnaire, are discussed in detail below.

Questionnaire Survey

The survey instrument consisting of a three-part questionnaire was sent to managerial respondents in the U.S. and in India. The questionnaire is shown in one of the appendices. The first phase of the questionnaire is designed to secure some personal data from the U.S. and Indian managers. The personal data includes information as to age, religion, marital status, family size, educational background, level of management (lower, middle or top), functional area (personnel, marketing, production, finance or research and development), and years of service with the present company.

The second part of the questionnaire contained statements with Likert five-point scales. These statements are designed to secure information on the attitudes which managers inherit from their family, religious, educational, political and economic backgrounds. The third part of the questionnaire consisted of statements and questions pertaining to management practices in the areas of planning, organizing, staffing, directing and controlling.

A psychologist's assistance was sought to test the readability of the statements used in the questionnaire, as well as to determine attitudinal inferences implicit in them. The questionnaire was pre-tested on ten American students and ten Indian students who had recently arrived on the campus of Michigan State University to pursue their studies in various fields. As a result of this pilot study, items to be included and to be deleted from the final questionnaire were determined.

The questionnaires were then mailed to 120 U.S. managers and 120 Indian managers. The researcher was personally present in India and followed up the mailing of the questionnaires. The majority of the participating firms in India preferred that the questionnaires be sent through company channels, although the questionnaires were sent through company channels, the respondents were permitted by the company top executives to mail the questionnaires directly to the researcher. For this purpose, stamped and addressed

envelopes were provided to the participants along with the questionnaires. In India, to expedite the research, help and cooperation from government officials who have control over private corporations, and other influential persons were sought. One such government official used for this purpose was the Inspector of Factories.

The questionnaires administered in India were not translated into various native languages spoken in the various geographic regions. The translations were not undertaken because all the Indian managers studied were well-versed in the English language. Initially the writer doubted that the Indian managers understood the management terminology used in the questionnaire. However, upon interviewing these managers, the writer discovered that there was no difficulty in their understanding of the management terminology. This probably resulted from the fact that most Indian managers attended or were attending seminars, programs and other courses in management at the time of this study. These programs, courses and seminars were conducted by the National Productivity Council, Universities and other Institutes of management such as, the Indian Institute of Management at Ahmedabad and Calcutta and the Administrative Staff College at Hyderabad. Most of the managers were also regular readers of Journals of management, marketing, and finance.

In order to insure cooperation and to safeguard the possible competitive information of the respondents, assurance of confidentiality and anonymity were given by the writer. The questionnaire did not contain any questions relating to the name and address of the corporation selected for the study or the name and address of the managers selected for the study. About 87 per cent of the U.S. managers and 58 per cent of the Indian managers responded to the questionnaire survey.

Personal Interview

In addition to the administration of the standardized questionnaire, personal interviews were conducted by the writer, both in the U.S. and in India. Approximately 20 per cent of the U.S. managers and 20 per cent of the Indian managers were selected for personal interviews and were subsequently interviewed by the writer. Structured as well as informal interviews were used to conduct this phase of research.

These interviews ranged from one to one and one-half hours. Managers from various levels and functional areas such as marketing, personnel, production, finance and general management were selected for the personal interviews. The purpose of the interview was to seek clarification on the views the U.S. and Indian managers expressed by selecting answers to the questions or statements in the

questionnaire already supplied and to find out what these managers felt were some of the obstacles in executing managerial activities in the planning, organizing, staffing, directing and controlling functions. The objective behind this phase of research was to identify the causes for differences, if any, in the management practices of the U.S. and Indian managers when analysis of their management practices is made.

CHAPTER IV

ANALYSIS OF THE ATTITUDES OF THE U.S. AND INDIAN MANAGERS

As an individual grows and develops he derives from his family and secondary groups, religious or ethical, educational, political and economic attitudes. Study of these attitudes of various cultures has become essential as national corporations establish branches and subsidiaries in foreign countries. An examination of attitudes of the U.S. and Indian managers is thus relevant to an understanding of important similarities and disparities.

Sociological Variables and Attitudes

Religion

The sample data reveals that 80 per cent of the Indian managers are Hindus, and that a majority of the U.S. managers are Protestants. Hence, it is appropriate to compare the attitudes derived from these two religions.

Approximately 80 per cent of the Indian people are Hindu. Hinduism is difficult to define, because it is more

of a way of life than a formal religious doctrine. Important concepts of this religion are:

1. Dharma: Acceptance of the ethics, customs, duties and morality, that make up a Hindu's life.
2. Karma: Belief in the inevitability and overall justice of the good or evil which comes as a consequence of One's fate.
3. Samsara: Belief in the transmigration of souls in a process of continuous rebirth wherein good performance in this life will be rewarded in the next and, a bad life with a punishment.¹

As a result of the teachings of Hinduism, the average Indian tends to manifest certain attitudes. Hindus believe in luck and fate as elements of success. Though tantamount to superstition, this viewpoint is nevertheless important. They believe that success in life depends more on luck than on real ability. The Hindu does not stress individual progress or success. He accepts unquestioningly whatever his position in life may be. If he is poor, he believes that poverty is God-given and he accepts poverty as his lot in life. Similarly all other positions in life enjoyed or suffered by an individual are accepted as they are, and he feels that any effort made to change this position in life is futile. In Hinduism there is contentment in whatever a man is able to achieve because he feels it is his destiny. The Hindu is content even with small things

¹U. S., Bureau of Labor Statistics, Labor Law and Practice in India, Report No. 303 (1966), p. 11.

and feels that he should not try to attain the unreachable. Thus, we can see the reason for his lack of competitive spirit. Competition does not make much sense to him, because everything in this world is planned by God. He feels that he cannot undermine his own God-planned destiny by his own merit or effort. He does not believe in risk taking because of his belief in fatalism. It does not serve any purpose to take risks because one gets what he is destined to get. For a Hindu, time is not very important.

Time is measured by natural events--the movement of the sun, the phases of the moon, the seasons, life and death. Measurement tends to be gross; minutes and hours have no meaning. If the present is wasted, it will come around again.²

Naturally this idea makes an average Indian slow in his movements and actions. A typical Hindu bases his decision on intuition. He depends much and sometimes entirely on the superstition of good times and bad times.

On the other hand, as a result of the teachings of Christianity, the average Christian tends to manifest certain attitudes. As Weber³ saw it, before the Protestant Reformation, the ideal of the businessman was to conduct his business in a traditional way, do the traditional amount

²Ross A. Webber, Culture and Management (Homewood, Illinois: Richard D. Irwin, Inc., 1969), p. 13.

³Max Weber, The Protestant Ethic and the Spirit of Capitalism, translated by Talcott Parsons, (London, George Allen & Unwin, Ltd., 1930).

of work, and make the traditional rate of profit. The idea that he should increase his rate of profit by adopting radically new methods or by clever competition would have appeared immoral to him. The Protestant Reformation, according to Weber, gave rise to the idea that ambition to make money was not only permissible but laudable. The attitudes a Christian derives from his religious background are distinctly different from those of a Hindu.

A Christian is more likely to believe in hard work. A man who works hard will never be in want, whereas one who is lazy in everything, even if he is rich, becomes poor. Perseverance and resourcefulness are necessary for success in life. The Christian has faith in individual progress. He believes in the utilization of opportunities afforded to him and the use he makes of them. The world is progressing and man is bound to progress along with it, if he is willing to put forth his best effort.

A Christian takes a morally positive attitude towards competition. A spirit of competition exists because he believes that he works with a moral ideal before him. The seed of competitive spirit planted by the Protestant Ethic in American business appears on the surface to have made the United States the most advanced country in the world. Whyte⁴ is of the opinion that the Protestant Ethic

⁴William H. Whyte, Jr., The Organization Man (New York: Simon and Schuster, Inc., 1956).

are the ideas of individualism and freedom to start a business and conduct it as he sees fit. A Christian idealist believes in the efficacy of taking risks. It is worth taking risks because it will strengthen one's physical, mental and moral faculties. While taking risks there is a possibility of failure that gives strength and fortitude for bigger trials.

For a Christian, time is of the essence. Mumford⁵ points out that time becomes less associated with natural phenomena, more with the artificial movement of a mechanical clock. Time becomes measured; times are not ranges but precise points. So life may appear cluttered and hectic as one responds to time's demands. The importance of time is reflected in the old American homilies: "Waste of time is the worst of sins." "Time is money."

Family

Family is another important sociological variable from which an individual derives certain attitudes. In Hindu society there is the system of joint-family. This means that members of more than one nuclear family live together. The head of the family is responsible for and has authority over its other members. The authoritarian

⁵Lewis Mumford, Technics and Civilization (New York: Harcourt, Brace & World, Inc., 1962).

attitude and the attitude of subordination get their roots from the joint-family system. This type of relationship leads to an attitude of dependency.

In many Hindu families, family considerations play an important role in job requirements. When a person takes up a job he gives prime consideration to his family. He may even forego some of the best opportunities and privileges if they do not fit his family considerations. In other words, family is first and foremost in all his decisions.

Caste

Caste is another feature of Hindu society. It consists of the many exclusive social groups into which all Hindu society is divided and subdivided, and each group has its varying degrees of respectability and circles of social intercourse. The joint-family system and the caste system have fostered nepotism in Indian business. The owner of a business considers it a simple matter to provide a job for his fellow caste and family members in his firm.

Business in India begins with the private individual and his immediate family, and it is only when it grows in size beyond the capacity of the family to provide enough management that it looks outside. It then looks among people of one's own community and, after that, people in the same region. A father will employ his sons, brothers, nephews and distant relatives, in that order, and it is only when there are none left that he turns to people of his own caste and then to his

community. The reason is impeccable. Whom can I trust more than my sons and people who are related and known to me?⁶

Those lacking job or promotion opportunities charge that nepotism is a hinderance to them. The system of recruitment on the basis of potential ability, competence, and skill has not yet found wide acceptance in Indian private industry.

The authority system, the superior-subordinate relationship, centralized control system, paternalism and dependency attitudes all appear to be the products of joint-family and caste systems. When nepotism is practiced in business, these attitudes and practices are carried to the work place and put into practice. The owner of the business does not like to make any change in the existing system. He feels that any change will dilute his authority. The employee does not like to undertake any action that would disrupt his relationship with the boss who has assured his job. He feels that he is morally obligated to his employer.

Unlike the joint-family system of India, the American family is nuclear in structure. A nuclear family consists of husband, wife, and children. This nuclear family structure has resulted in a number of advantages to the members of the American culture: freedom, initiative and independency for children.

⁶T. S. Rajan, "The Indian Executive of Tomorrow," Integrated Management (July, 1968), p. 64.



A very strong cultural force was the changing parent-child relationships there. Overindulgence with the child is a rare phenomenon. A child is brought up in such a way that he learns the value of independence and freedom very quickly. He is encouraged to think on his own and this habit of independent thinking and living sticks to him when he grows up and joins the firm as an executive or an operator.⁷

A child is brought up in such a way that he learns the value of independence and freedom very quickly. As the child grows, he develops initiative and the will to survive and to be successful on his own. He is born and brought up in a democratic environment and he expects to function in a similar environment.

As the society developed into an urban industrial economy, the family had to be adapted to complex modern conditions, and this came about through permutation of its functions, altered members' roles, reduced family, and democratization of its ethos.⁸

Child-rearing practices, too, have quite obviously come into the service of fundamental values of American individualism. Their doctrine and techniques are intended to establish secure, democratic personality in children so that they can live effectively in the society.⁹

The degree of attachment of an individual to his nuclear family is not as great as the degree of attachment of an individual to his joint-family. This is because the male members in the nuclear families

⁷ Dhawal Mehta, op. cit., p. 268.

⁸ John Sirjamaki, The American Family in the Twentieth Century (Cambridge: Harvard University Press, 1953), p. 52.

⁹ Ibid., p. 132.

. . . are active in many institutions in addition to the family, and must necessarily spread their participation and loyalty somewhat thinly among them. This involves some amount of neglect of the family, which is abetted by their inveterate tendency to think of themselves as individuals first and as family members second.¹⁰

The following table compares sociological attitudes of the U.S. and Indian managers from the data obtained collected for this study.

As can be seen from the Table 1, all the U.S. managers who responded to the questionnaire are achievement oriented. Many secondary sources¹¹ of information reveal that Indian managers are not achievement oriented. But it is surprising to note from the results that 90 per cent of the Indian managers are similar to the U.S. managers in their attitude toward achievement. It was expected that the Indian managers would say that they do not care to know how well they are doing in their jobs as long as they keep their superiors happy. On the contrary, the results of this study reveal that most of them do care about their performance and are eager to achieve more and more. Results also reveal that among the Indian managers those who are not achievement motivation oriented are mostly high school attended and elderly.

¹⁰Ibid., p. 53.

¹¹David C. McClelland, The Achieving Society (New York: D. Van Nostrand Company, Inc., 1961)



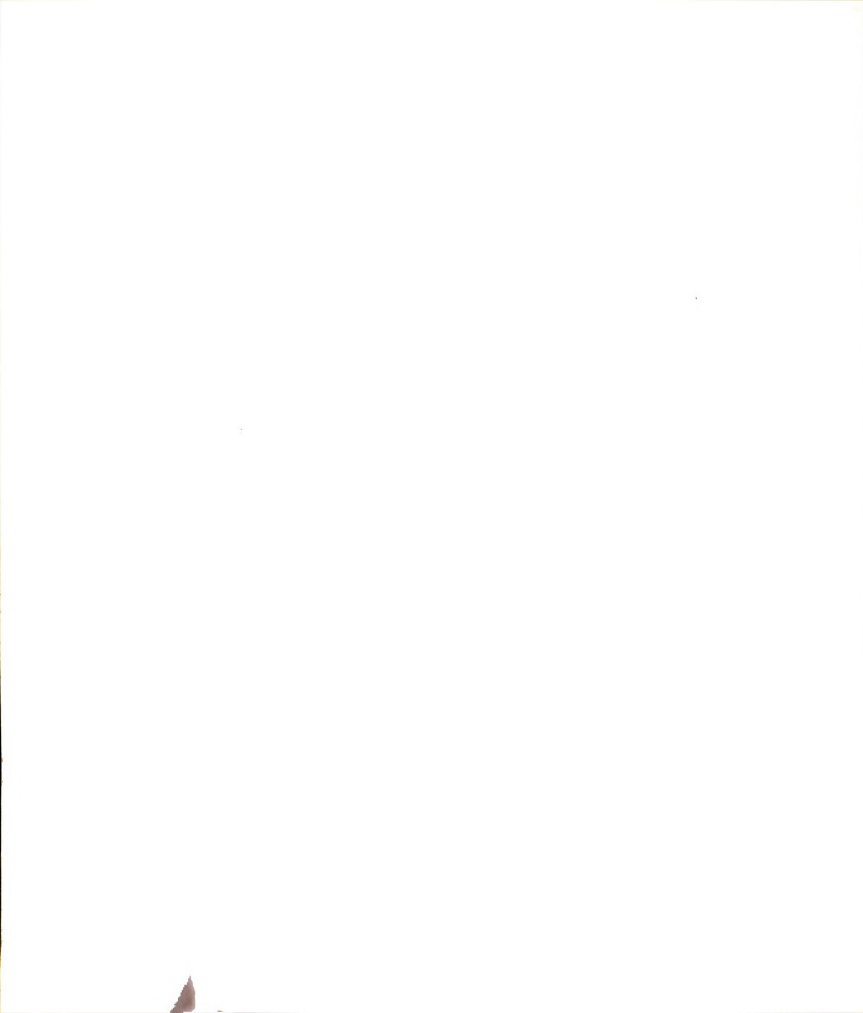
Table 1. Comparison of Sociological attitudes of U.S. and Indian Managers. (Figures are in percentages)

Attitude toward	Favorable	
	U.S.	India
Achievement ^a	100	90
Competition	99	79
Enjoyment of life	99	69
Risk taking	97	93
Change	95	85
Success	95	79
Scientific approach ^b	95	83
Time utility	93	93
Work	86	72
Permissive attitude of child rearing	74	87
Peer group	34	86
Family centeredness ^c	25	65

^aDrive or enthusiasm for progress

^bRational analytical approach

^cExtent to which consideration of family welfare
is important in arriving at business decisions



Nearly 99 per cent of the U.S. managers have a favorable attitude toward competition. On the other hand, four out of five Indian managers hold a favorable attitude toward competition, while one out of every five Indian managers feels that everything works out according to God's plan, so competition does not make much sense.

The percentage of the U.S. managers who have an unfavorable attitude toward luxury and enjoyment of life is negligible. On the other hand, one out of every three Indian managers feels that luxury and enjoyment of life are not desirable because these attributes appear to them to lead to a sinful life. Results also reveal that the Indian managers who hold a favorable attitude toward luxury and enjoyment are mostly young and college educated.

About 97 per cent of the U.S. and 93 per cent of Indian managers have favorable attitudes toward risk-taking. They feel that it is worthwhile taking risks by investing money in a business.

As expected, most U.S. managers favor change. They believe in change rather than accepting the status quo. About 85 per cent of the Indian managers also favor change. Results reveal that Indian managers who have an unfavorable attitude toward change are elderly and had only a high school education.



About 95 per cent of the U.S. managers believe that hard work alone can help them achieve success. It is surprising to note that nearly four out of five Indian managers also believe in hard work rather than luck in attaining success in life. They have not inherited the cultural value of the general population or must have undergone a change of attitude.

Ninety-five per cent of the U.S. managers have a favorable attitude toward the usage of scientific methods in business. About 83 per cent of Indian managers also feel the same. The Indian managers who hold an unfavorable attitude toward the use of scientific methods in business practices believe that scientific methods are no better than one's own intuition.

Ninety-three per cent of the U.S. and Indian managers have a favorable attitude toward time utility. For most of them, time is money.

The basic concept of work can be viewed in two ways. Work is an end in and of itself. Work is a means to the enjoyment of life. About 86 per cent of the U.S. and 72 per cent of Indian managers consider work as a means to the enjoyment of life rather than an end in and of itself.

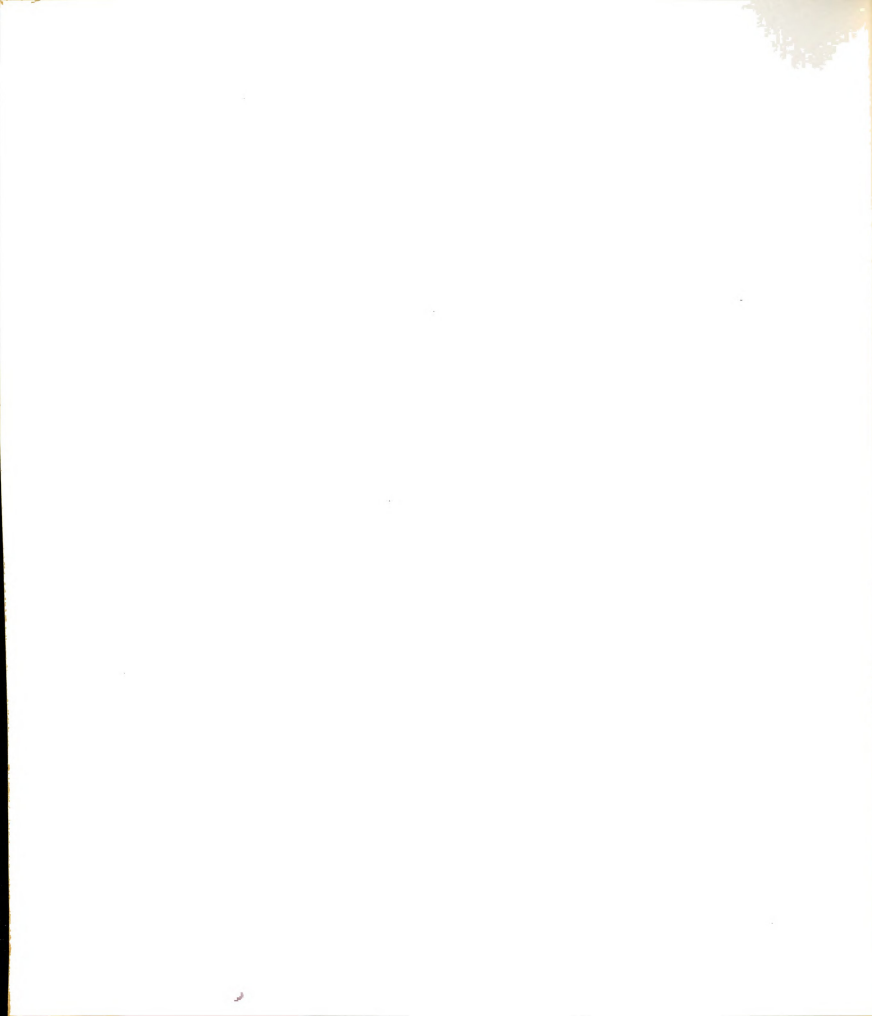
About 74 per cent of the U.S. managers felt that they did not lose the respect of their children when their children were given freedom. It is surprising to learn



that 87 per cent of the Indian managers also felt that children should be given freedom. This seems to contradict others who claim that the authoritarian attitudes are derived from the joint-family system.

Eighty-six per cent of the Indian managers have a favorable attitude toward their peer group. They feel that in the successful performance of tasks, it is very important to develop positive social relationships with co-managers. This seems consistent with the view of scholars who claim that Indians acquire considerable familiarity, practice, and skill in dealing with peer relationships since they are brought up in large joint families. On the other hand, only one out of three U.S. managers holds a favorable attitude toward his peer group.

Family centeredness is defined here as the extent to which consideration of family welfare is important in arriving at business decisions. About 65 per cent of Indian managers seem to be family-centered. They felt that a man must sacrifice everything for his family, and thus the family is the main consideration in making decisions. They also believe that happiness at home leads to happiness at the work place rather than the reverse. On the other hand, only one out of every four U.S. managers have a favorable attitude toward family-centeredness.



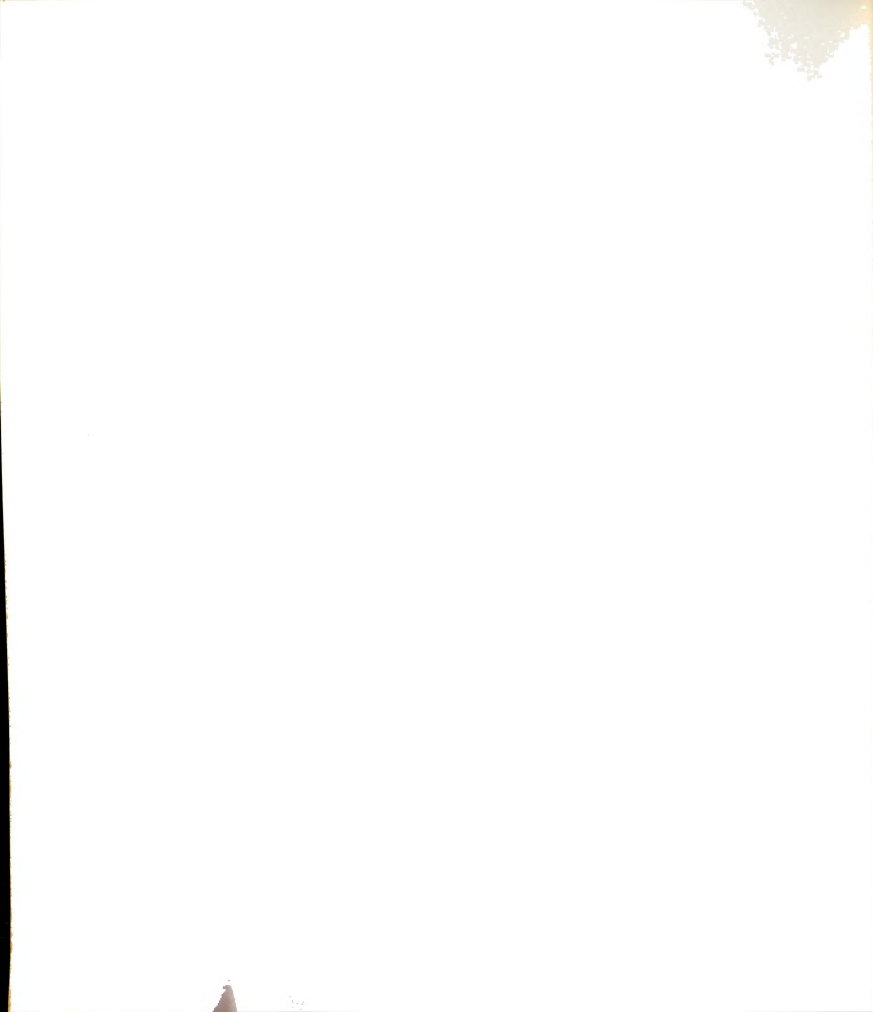
Educational Attitudes

Farmer and Richman state that if a country suffers from poor educational standards, the entire productive organization of the country will be sadly deficient. In their words:

The quality and efficiency of any organization depends largely upon the overall quality of the persons in the organization. Hence, the nature and quality of the educational process within a country are critical factors in determining the level of managerial competence. If a manager has to staff only from illiterate, superstition-ridden peasants, he will have a much different organization than the man who has a choice among skilled workers and university graduates.¹²

The Indian secondary school system and the higher educational system are patterned after the British system. The university system gives greater weight to the humanities and is not geared to the industrial needs of the nation. Most of the college graduates are only qualified to enter the civil service. The educational institutions are bound by traditions which impede the introduction of changes in the curricula and methods of instruction. The traditional approach in the field of education has resulted in critical shortages of technically trained personnel of all types. There is a wide gap between the quality of college graduates and the actual requirements of industry. The educational system has failed to play its role in the development of

¹²Richard Farmer and Barry Richman, "A Model for Research in Comparative Management," in Management--International Perspective, by (ed.) Benjamin Prasad (New York: Appleton Century Crofts, Inc., 1967), p. 235.



business leadership. Business leaders also share the blame for the slow progress in the field of education. They have failed to appreciate the usefulness of formal managerial training.

The type of authoritarian system seen in the family is also seen in the educational system. The teacher-student relationship is one of superior-subordinate relationship. The student feels that questioning the teacher in class is impolite, and that it is better to approach him after the class is over. This type of relationship built on fear does not foster the learning process. The educational system in India totally neglects the socializing process. There are not many opportunities for the students to participate in social activities. Education is viewed only in a narrow sense. The Indian views education vocationally-- education is preparation for a job.

In India the attitude of the general public toward managers is not favorable. Managers are seen as cynical exploiters of society concerned only with a profit motive. Of course management is undergoing a revolution in India. The traditional type of manager is being replaced by a professional. The attitude of the people toward managers is also slowly changing, and many young college graduates are beginning to work in private industry.



On the other hand, there is a broad outlook in the educational system of the United States. The educational system is geared to the needs of the industry and continues to change its curricula according to changes in the vocational environment. In such an environment, a college graduate more easily fits into his career field. The standard of education at the secondary level is very high in comparison to that of India. Most teachers in the secondary school system are college graduates. The learning process is informal and questioning the teacher in the class is considered as a sign of intelligence and mental activity.

The research is designed to find out whether managers in these two cultures hold the same attitudes as those of the general population or differ in their attitudes. Table 2 compares educational attitudes of the U.S. and Indian managers.

About 96 per cent of the U.S. managers have a favorable attitude toward higher education. On the other hand, 28 per cent of the Indian managers feel that they can learn more by working four years than by going to college. In their opinion, the educational system at the college level only produces generalists. Most of these Indian managers who expressed an unfavorable attitude toward higher education have only a high school education and belong to an age group of 50 years and over.

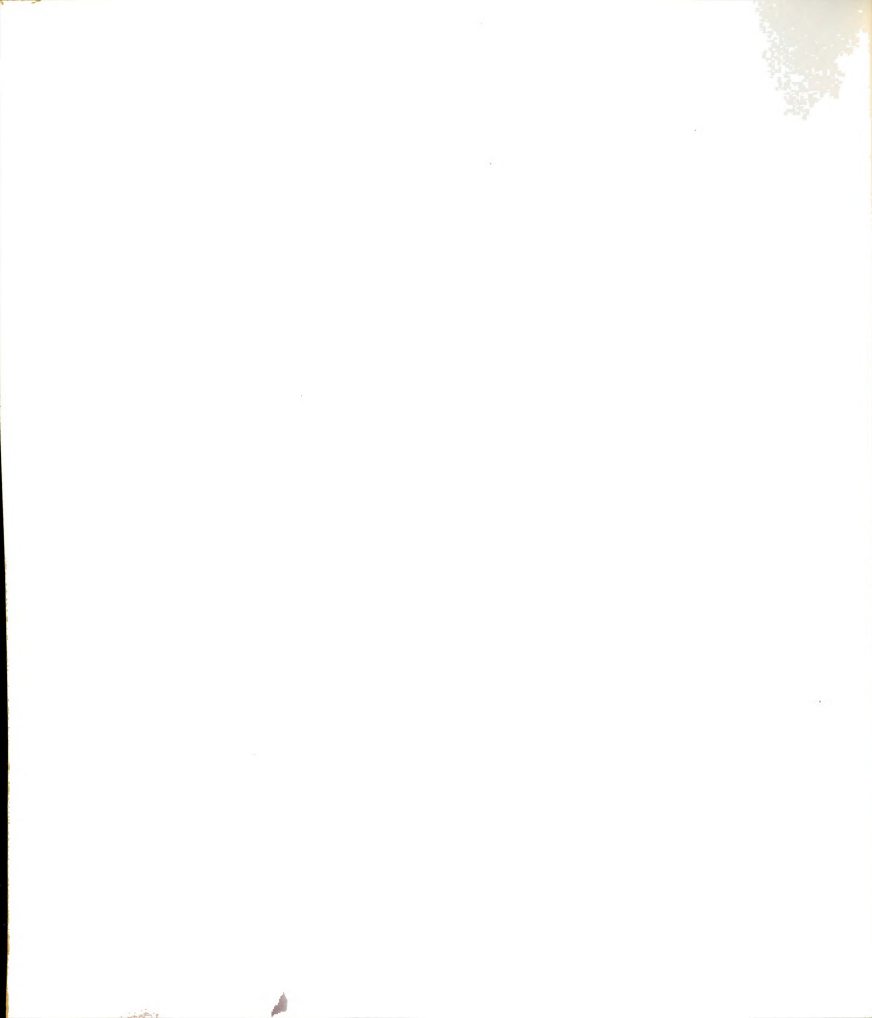
Table 2. Educational attitudes of the U.S. and Indian managers (Figures are in percentages).

Attitude toward	Favorable	
	U.S.	India
Higher education	96	72
Authoritarian type of education	8	31
Broad and participative type of education	96	79
Training	91	92
Professional management	100	92



About thirty per cent of the Indian managers favor an authoritarian type of educational system. They contend that effective learning can occur only in such a system and that pupils are disciplined more effectively. When pupils are given freedom, they lose respect for the teacher. In the opinion of Indian managers questioning the teacher in class is impolite and it is better to approach him after class is over. Most of these managers agree that as students, though they had good ideas, they were afraid to express them in the class since it was not considered proper to do so. All those managers who expressed a favorable attitude toward an authoritarian type of education have only a high school education and are elderly persons. On the other hand, only a very small percentage of the U.S. managers favored an authoritarian type of educational system.

While ninety-six per cent of the U.S. managers favored a broad and participative type of education, about seventy-nine per cent of the Indian managers favored such an educational system. In their opinion, students should be given freedom and encouragement to express their opinions in the class without fear. They argue that a participative type of educational system would foster learning much better than an authoritarian type of educational system. They also contend that colleges should provide more opportunities for the students to participate in social



activities. About 21 per cent of the Indian managers do not favor a broad and participative type of education. These men felt that such a system would create discipline problems, and that the pupils would lose respect for their elders.

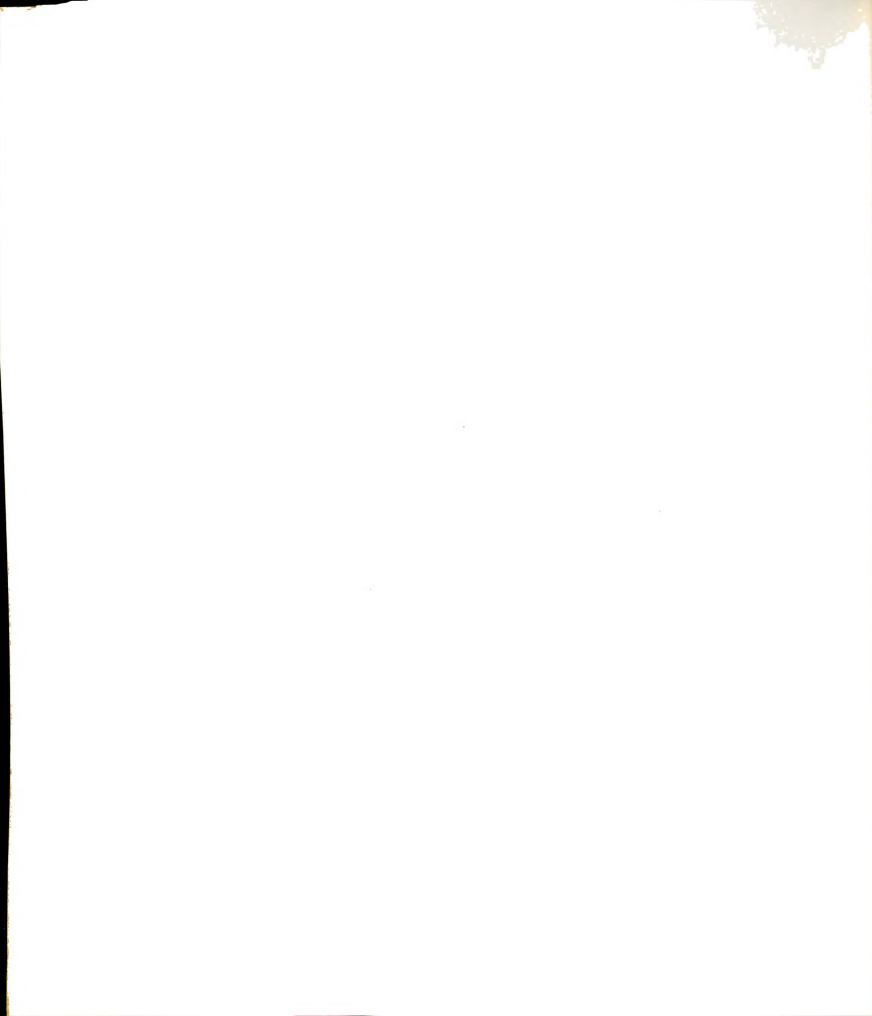
One hundred per cent of the U.S. managers expressed a favorable attitude toward professional management. They felt that a manager contributes as much as a technician or an engineer toward national economic growth. About 92 per cent of the Indian managers also felt the same way as did the U.S. managers. In their opinion money is not the only requisite to run a business. A certain amount of professionalism is also required.

Economic Attitudes

In the literature of economics, countries of the world are classified either as underdeveloped or developed. Viner provides a comprehensive definition of an underdeveloped country:

A country which has good potential prospects for using more capital or more labor or more available resources, or all of these, to support its present population on a higher level of living, or if its per capita income level is already fairly high, to support a larger population on a not lower level of living.¹³

¹³Jacob Viner, "The Economics of Development," in Approaches to the Problem of Under-Development, ed. by A. N. Agarwal and S. P. Singh, Oxford: Oxford University Press, 1958, p. 12.



India is included in the category of underdeveloped countries. The basic characteristics of the Indian economy are low per capita income, a very high proportion of working population engaged in agriculture, heavy population pressure, chronic unemployment and under-employment, lack of capital and low capital formation, and poor quality of human resources, technology and financial institutions.

Prior to 1947 there was virtually no "public sector" in the Indian economy. After independence in 1947, a combination planned development and private enterprise characterized the Indian economy. Public sector projects penetrated into many areas such as manufacturing, trade, transportation, construction, and banking. In a country following a policy of democratic socialism and planned economic development, there is always pressure from various quarters for nationalization of industries. This pressure can be seen operating in all underdeveloped and developing countries. In such an environment there is a tendency to neglect private enterprises. It is the opinion of a majority of the people that the good of society supercedes the interest of individual business owners. There is consequently ever increasing government control over private enterprise. The labor sector opposes any type of automation and strongly feels that strikes are essential in getting higher wages, improved work conditions, and job security from the management.



The job opportunities in India are scarce and hence those who work in the firms are chiefly concerned with the job security.¹⁴

The aim of the Indian government is to achieve by the democratic process a socialistic society in which the means of production will be owned and managed by the society. Small private enterprises will be permitted to coexist with public enterprises.

The American economic system, on the other hand, is a capitalistic system. "Capitalism is a system of economic organization featured by the private ownership and the use of private profit of man-made and nature-made capital."¹⁵ According to Loucks, individuals in the capitalist system act as "economic men". They have a right to own property and to inherit property, can exercise freedom of individual initiative, and are influenced by competition and by the profit motive. The Capitalistic system in the U.S. has resulted in a number of advantages, besides profit. It has brought into use enterprising ability, technological progress, maximum utilization of productive resources (human, capital and natural), and a favorable attitude toward initiative in the individuals.

¹⁴Dhawal Mehta, "The Scope for Human Relations in India," in The Human Side of Management, ed. Rustum S. Davar, (Progressive Corporation, 1969), p. 27.

¹⁵William N. Loucks, Comparative Economic Systems (New York: Harper & Brothers, 1957), p. 17.



The values and attitudes derived from the free-enterprise system in the U.S. are many. The system has taught individual initiative, hardwork, and individualism. It is believed that under this system private ownership is essential for efficient functioning of the economy and will not lead to the exploitation of workers and consumers as many communists and socialists think. It is also believed that if individual interests are preserved then society progresses. People operating under this system consider that men would not do their best if the government owned all of the big industries and businesses. They believe that society can achieve much progress without socialized planning and allocation of resources.

Verification that differences exist between the cultures of the U.S. and India in the values and attitudes derived from their respective economic systems, can be seen from an analysis of secondary sources. While these differences are true of the general population, it does not necessarily mean that they are accepted by the managerial personnel operating in these two economic systems. The research is designed to shed some light on these issues.

Table 3, compares economic attitudes of the U.S. and Indian managers.

About 92 per cent of the U.S. and 88 per cent of the Indian managers favor private ownership. They contend that private ownership of business is essential for economic

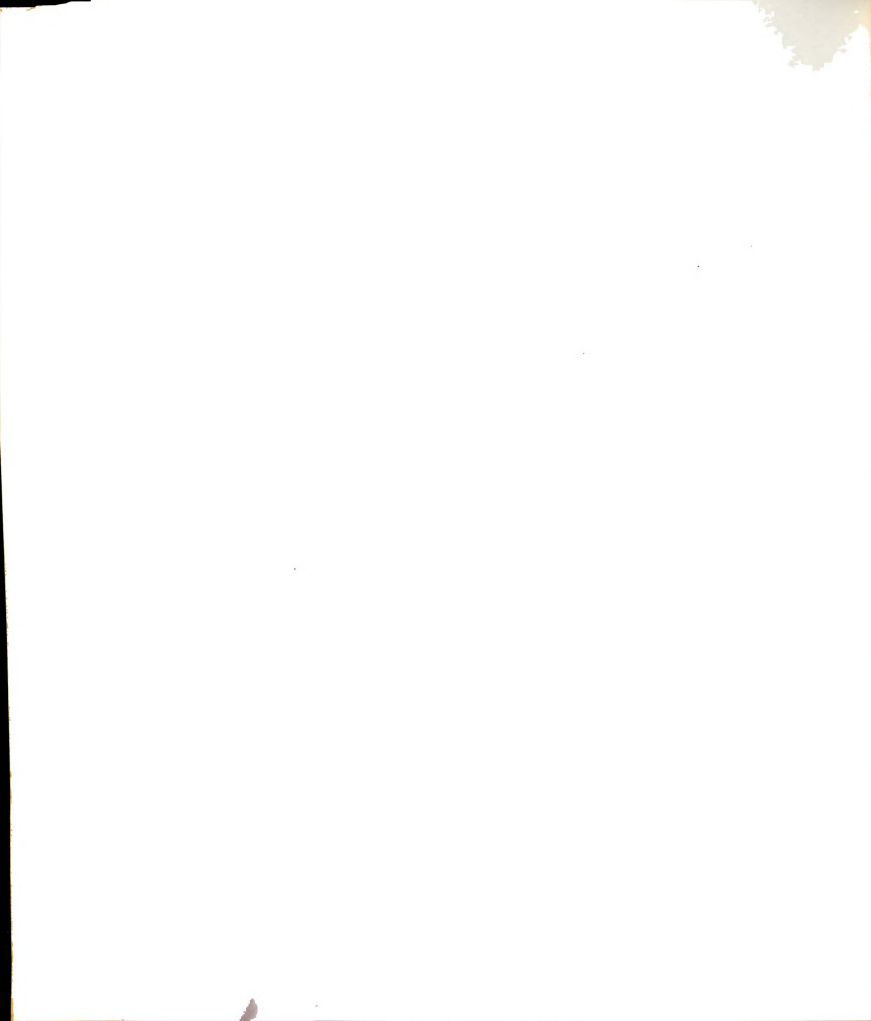


Table 3. Comparison of economic attitudes of U.S. and Indian managers (Figures are in percentages).

Attitudes toward	Favorable	
	U.S.	India
Automation	99	80
Labor unions	99	92
Free-enterprise system	94	73
Corporate plans	94	33
Private ownership	92	88
Socialized planning	32	86
Labor disputes and strikes	12	22



progress. When the U.S. and Indian managers were asked whether men would do their best if the government owned all of the big businesses, about 77 per cent of the U.S. managers and 90 per cent of the Indian managers responded negatively. The higher percentage among the Indian managers is due to the fact that in India most of the public enterprises are not run efficiently.

About 27 per cent of the Indian managers believed that the free-enterprise system usually leads to the exploitation of workers and consumers. On the other hand, only 6 per cent of the U.S. managers agreed with the Indian managers. Most of the managers who expressed a negative attitude toward free-enterprise were young and had attended college. It was found during the interviews with some of those managers, that those who expressed an unfavorable attitude were technically trained and oriented managers, and lacked knowledge in Economics and Commerce.

There is a remarkable difference in the attitudes of the U.S. and the Indian managers toward socialized planning. About 86 per cent of the Indian managers and 32 per cent of the U.S. managers favored socialized planning. In their opinion, socialized planning and allocation of resources are essential in a complex society. They also agreed that such planning should not endanger the functioning of private enterprises, and private enterprises in

turn, should take state planning into consideration in devising their corporate plans. About 68 per cent of the U.S. managers did not favor socialized planning at all. They felt such planning would end the free-enterprise system. Among the U.S. managers, most of them who favored socialized planning are young and had attended college.

When the U.S. and the Indian managers were asked whether automation and modern technology created more problems than benefits from their use, 99 per cent of the U.S. and 80 per cent of the Indian managers said no. Though there is widespread discontent among the Indian population regarding automation, discontent was not evident at the managerial level. Only one out of five Indian managers felt there are more problems created by automation than benefits. These managers are mostly young and had attended college.

About 22 per cent of the Indian managers and 12 per cent of the U.S. managers are of the opinion that strikes are essential in getting higher wages, improved work conditions and job security. Most of the managers in both countries agree that employees should be allowed to join unions.

Nearly 67 per cent of the Indian managers expressed an unfavorable attitude toward making corporate plans, compared to 6 per cent of the U.S. managers. These managers contend that there is no point in making long range plans due to uncertainties in their economic and political systems.

Political Attitudes

Both the United States and India have democratic forms of government, but they differ in the extent of the influence of their political systems upon their economic systems. The U.S. relies solely upon a free-enterprise approach, while the Indian approach is a mixture of free-enterprise and central planning.

Governments in modern societies exercise a measure of formal and legal control over their constituents not only in their economic, but also in their political, social, moral, and intellectual ways of life.¹⁶

Hence, there is government control over business even in free-enterprise systems. But the degree of control by the government in the U.S. is not the same as it is in India. Being a democratic socialist society, the Indian government exercises too much control on business as compared to the amount of government control of U.S. business.

The common attitude of the people in a democratic socialist society is that the good of society supercedes the interests of individuals. The interests of many are weighed against the interests of a few. It appears in the United States, the attitude of the people is that individual interests must be protected and preserved for the efficient functioning of the society.

¹⁶Reuben E. Slesinger and Asher Isaacs, Business, Government and Public Policy (New York: Van Nostrand Co., 1968), p. 8.

In India, the problem of labor unrest is constantly increasing. The labor unions are controlled by various political parties. These parties make use of labor unions for their own advantage. The workers view their union membership as a mark of prestige by which they can take revenge on the management at any time, for anything.

The labor movement in the United States is relatively more orderly and not influenced by the political parties as it is in India. Labor unions are considered an integral part of the business system. The labor unions are led by the professional labor leaders.

Various malpractices such as influence peddling, red-tape, delay and pressure are imbedded in the Indian political system. It is a common belief that one cannot operate or own a business if he does not have some influence with the government. On the other hand, in the U.S., the industry-government dealings are carried on in a straight forward manner.

In India, the general attitude of people toward business is unfavorable. People tend to view business with suspicion and favor the interference of government in shaping competition and providing guidelines for it. On the other hand, in the United States, people do not favor interference by the government in business.

Table 4 constitutes a comparison of five attitudes derived from the political variable which are characteristic of both the U.S. and the Indian managers.

As can be seen from the following table, there is a remarkable difference in the attitude of the U.S. and the Indian managers toward 'patronage'. About 71 per cent of the Indian managers feel that one cannot operate or own a business if one does not have some influence with the government. This practice is so ingrained in the political system that many Indian managers do not consider this attitude as undesirable, but rather an effective way of getting things done within a short period of time. As an example of the importance of political influence, securing a license to operate a business takes normally several months. But if it is supported by someone who is able to exercise political influence, a license can be secured in a matter of days. On the other hand, only 5 per cent of the U.S. managers agree with the Indian managers in their attitude toward patronage.

About 92 per cent of the U.S. and 87 per cent of the Indian managers do not desire government interference in shaping competition. They contend that the government should interfere as little as possible in competitive business matters. Business competition should be shaped solely by the operation of the market place. The U.S. managerial

Table 4. Comparison of political attitudes of U.S. and Indian managers (Figures are in percentages).

Attitudes toward	Favorable	
	U.S.	India
Role of patronage	5	71
Government's role in shaping competition	8	13
Government control on business	9	5
Political participation of business leaders	56	55
Social responsibility of business	90	74



attitude parallels the age-old Adam Smith's concept of free-market competition. In practice the U.S. managers actively seek government aid particularly in terms of tariff legislation, government contracts, legislation promoting various business practices and in cases of bankruptcy. Most of the U.S. and the Indian managers see an increase in government's control of business.

Both U.S. and Indian managers are equally divided in their attitude toward political participation of the businessmen in politics. About 56 per cent of the U.S. and 55 per cent of the Indian managers believe that businessmen should be active in politics in order to shape the competitive climate and protect the interests of private industry. Nearly an equal percentage of the U.S. and the Indian managers disagree. They would like to see business and politics kept apart for the healthy functioning of business and politics.

About 90 per cent of the U.S. and 74 per cent of Indian managers think that business should help the government in solving social problems. They believe that it is the responsibility of business to share this task. On the other hand, 10 per cent of the U.S. and 26 per cent of the Indian managers contend that taking part in solving social problems of the country is inviting more restrictions on business. The main responsibility of the business is to its stockholders.

CHAPTER V

COMPARATIVE ANALYSIS OF MANAGERIAL PRACTICES

Planning

"Planning is a pervasive and continuous executive function involving complex processes of perception, analysis, conceptual thought, communication, decision and action."¹ Briefly stated, planning is the actual designing of a course of action or strategy to reach intended goals. It is an important managerial function. To get things done through his subordinates, a manager must plan ahead.

Many have the opinion that planning is done only by big bureaucratic organizations. This is not so. An individual may plan tasks. He has to decide in advance what, how, and when to do a certain thing. In an industrial situation, managers may do general planning, production planning, financial planning, market planning, manpower planning and development planning.

The effectiveness of a plan in reaching stated goals depends upon the reliability and validity of information about the environment in which an organization functions.

¹Dalton E. McFarland, Management Principles and Practices (New York: The Macmillan Co., 1964), p. 72.



Various techniques are used in gathering information and in implementing the final plans. The degree to which these techniques are used distinguishes a successful from an unsuccessful firm.

Coordination is essential if a plan is going to be successful. Koontz and O'Donnell² have referred to a "planning gap," wherein top management formulates the plans and expects the lower echelon to operate according to them, while ignoring middle management personnel.

The current research focuses on the similarities and dissimilarities in the attitude toward planning, techniques, and methods used in implementation of the plan by the U.S. and Indian managers.

Table 5 compares practices of the U.S. and Indian managers in performing the planning function.

Types of Plans

As can be seen from observing Table 5, the U. S. managers engaged in corporate (overall), production, marketing, financial and manpower planning, while the Indian managers were concerned only with corporate, production and financial plans. Only a small percentage of the Indian managers did some kind of market planning. These managers

²Harold Koontz and Cyril O'Donnell, The Principles of Management (New York: McGraw-Hill Book Co., 1968)

Table 5. Planning practices of U.S. and Indian managers.

Management Practices	U.S.	India
Types of plans	Corporate Production Finance Marketing Manpower	Corporate Production Finance
Time horizon of plans	3-5 years	One year
Flexibility of plans	Flexible	Very flexible
Participation in planning	Top and middle management	Top and upper middle management
Techniques used in planning	Statistical techniques, budgeting, cash and sales forecasting	Statistical techniques, budgeting, cash forecasting
Communication of plans	Through company annual committee meetings	Through committee meetings

were mostly employed in the Indian subsidiaries of foreign corporations. This limited planning did not include the development of a marketing strategy in terms of product, price, promotion and distribution techniques. None of the Indian managers were aware of manpower planning methods or their importance. The only systematic planning done by Indian managers was in the area of production.

Time Horizon of Plans.--A remarkable difference in the planning function between the U.S. and the Indian managers is found in the time horizon of the plans. While the U.S. managers engaged in short and long range planning, the Indian managers were concerned only with short range plans, covering a period of one year. The Indian managers were concerned only with day-to-day operations and thus had no time to look into the future and devise long range plans. Most of them felt that there was no point in making long range plans due to uncertainties in the economic and political systems.

Flexibility of Plans.--The plans developed by the U.S. managers were thorough enough to accommodate sporadic change. Short range plans developed by the Indian managers were flexible enough to provide for alternative courses of action affected by changes taking place within and outside of the corporation. The Indian managers felt that they should not commit their firms to any definite course of action, because they were not sure of their forecasts.

Planning Techniques.--The U.S. managers developed detailed budgets and schedules for production, sales and finance. Their forecasting techniques, both in sales and finance, were very sophisticated and modern. Computer facilities were used very extensively. On the other hand, the Indian managers developed detailed budgets and schedules for production and finance. Their forecasting was done only in finance. Only a small percentage of them did some kind of sales forecasting. These managers worked for foreign subsidiaries in India. Computer facilities were generally not accessible to the Indian managers. Most of them were not aware of the planning techniques such as: PERT (Program Evaluation Review Techniques), CPM (Critical Path Method) or PPBS (Program Planning Budgeting System).

Participation in Planning.--In the United States, corporate plans were developed as a result of participation by top and middle management personnel. Though the final decisions were made by top management, the middle level managers were encouraged to offer their suggestions. It was more of a group approach. On the other hand, in India, top management and upper middle management personnel were responsible in developing plans. Most of the U.S. and the Indian Managers expressed the view that they often invited their subordinates to participate in departmental planning. In the U.S., the corporate plans were communicated to the



members of the organization by means of committee meetings and company reports. In India, plans were communicated through committee meetings at the departmental and corporate level.

Organizing

To attain the stated goals and objectives, certain functions and activities have to be performed. Organization is the grouping of functions and activities necessary to attain the goals and objectives of an enterprise. Once the activities are grouped, the next step is to establish authority relationships to show who has to report to whom, and thus a chain of command is established. This gives a vertical dimension to an organization structure. "The existence of levels is always characteristic of organized and coordinated group effort."³

The horizontal dimension is given to an organization by departmentalizing the organization. Departmentalization is grouping of both people and functions or tasks within an organization. Gulick⁴ set up four bases for departmentalizing an organization. They are departmentalization by function, process, geographical location and product.

³James D. Mooney and Alan C. Reiley, The Principles of Organization (New York: Harper & Brothers, 1939), p. 14.

⁴Luther Gulick, Papers on the Science of Administration (New York: Institute of Public Administration, 1927).

The degree to which an organization is departmentalized and given autonomy to make decisions, is distinguished by the terms centralization and decentralization. In a centralized organization, authority rests only in a few hands and most of the decisions are made by these few. In a decentralized organization, authority is dispersed throughout. In the past, the general trend has been to shift from centralization to decentralization in large organizations, due to the advantages to be gained from decentralization of certain important functions.

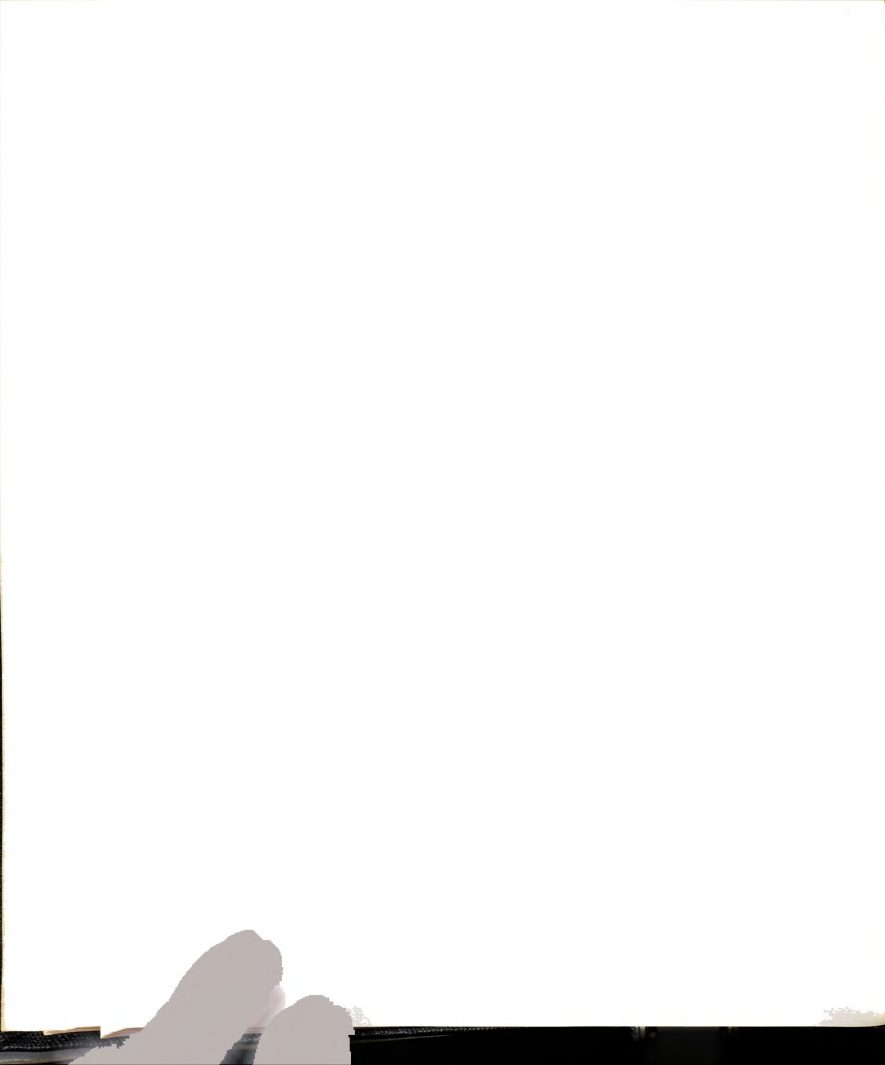
A great deal of research has been done to determine the number of people an individual can competently supervise and direct. Classical theorists stress that this number may range from three to eight. The present trend is to consider the situation in which men are being supervised in order to determine the number of subordinates. In determining the number of subordinates, the ability of the subordinates, the availability of communication techniques, the amount of time spent with subordinates, and the capability of the supervisor, etc., must be considered.

The current study focuses on similarities and dissimilarities in the above management practices of the U.S. and the Indian managers. The following table compares practices of the U.S. and Indian managers in performing the organizing function.



Table 6. Organizing practices of U.S. and Indian managers.

Management practices	U.S.	India
Organization chart	common	not common
Centralization vs decentralization	decentralized both in principle and practice	decentralized only in principle, not in practice
Span of control	narrow	broad
Use of committees	often-- advisory, planning and coordinative	sometimes-- advisory and coordinative
Use of staff specialists	extensive	limited
Nature of departmentation	functional	functional



Organization Chart.--An organization chart is a graphical representation of the hierarchy of positions and their authority structure. In the U.S. most of the managers surveyed stated that both departmental and corporate organization charts exist. On the other hand, many Indian managers were not familiar with organization charts. Only the managers who worked for foreign subsidiaries in India were familiar with them.

Centralization vs Decentralization.--About 96 per cent of the U.S. and 92 per cent of the Indian managers said that they delegate authority and responsibility to subordinates extensively, and the subordinates effectively execute delegated authority and responsibility. Nearly 85 per cent of both the U.S. and the Indian managers were sure of how much authority they had. While 21 per cent of the U.S. managers felt that they had to break a rule or policy in order to carry out an assignment, 35 per cent of the Indian managers felt the same way. Only 6 per cent of the U.S. and 10 per cent of the Indian managers stated that they had to approach their superiors for permission to get some special work done. All of these responses appear to indicate the extent of decentralization and centralization of authority. In India, only in large corporations (800 or more employees) was authority formally decentralized and in small and medium corporations (200 to 800 employees) authority appeared to be greatly centralized. The

subordinates had to get signatures from top managers before any action could be taken. This high degree of centralization did not seem to disturb subordinates. The subordinate felt that if he did not go to his superior to get permission, there was no way for the superior to know how well the subordinate was doing. Thus the analysis of written responses and interview observations tended to reveal that authority appeared to be decentralized in U.S. corporations, while in India, decentralization of authority seemed most common in large corporations. In small and medium corporations in India, authority seemed to be centralized.

Span of Control.--About 75 per cent of the U.S. and 66 per cent of the Indian managers indicated that they had from 5 to 10 subordinates to supervise. Nearly 34 per cent of the Indian managers had 15 to 20 subordinates to supervise, as compared to 25 per cent of the U.S. managers. During the interviews and plant visits, the researcher observed that in small and medium size corporations managers had to supervise more than 20 subordinates. In a small electrical company employing 350 workers, the writer found one manager in charge of production, personnel, and finance. He had about 40 subordinates directly under him. Thus the analysis indicates that the U.S. managers had a narrower span of control compared to those of their counterparts in India.

Use of Committees.--A committee is a group of people which makes decisions or presents suggestions. A majority of the U.S. managers indicated that they often use committees for advisory, planning and coordinative purposes. On the other hand, the Indian managers indicated that committees are only occasionally used for advisory and coordinative purposes. Thus the analysis indicates that the U.S. managers used committees extensively for advisory, planning and coordinative purposes whereas, the use of committees by the Indian managers had limited advisory and coordinative purposes.

Use of Staff Specialists.--Staff specialists were employed both in the U.S. and in Indian organizations, but the use of staff by the U. S. managers was more extensive than that of their Indian counterparts. Whereas the U.S. managers are most likely to hire expert staff personnel, Indian managers tend to hire clerks for the performance of what are considered to be redundant tasks. For instance, sales forecasts normally developed by staff specialists are assigned to clerks.

In the U.S. and in the Indian organizations, activities are grouped on a functional basis. The U.S. companies developed major departments around the functions of production, finance, personnel, and marketing. The large Indian organizations also organized their activities around

the functions of production, finance and personnel, but they had no marketing department. Some Indian companies had sales departments which performed most of the marketing functions. The term "marketing" was not familiar to many Indian managers. In India, the personnel manager was often considered as a combination of social worker, grievance arbitrator and record-keeper. He is often known as the "Labor Welfare Officer". The personnel managers are mostly law graduates.

Staffing

The staffing function of a manager involves recruitment, selection, compensation, training, promotion and lay-off.

Every manager, including the president of the company, must handle some phase of staffing, even though the personnel department may provide technical help. The degree of importance given to the staffing function depends upon the size of the organization. In small organizations, the plant manager or the president of the company performs this function, as well as other duties. In a large organization, a separate department is likely to be established to perform the staffing function.

Psychological aspects of this function have been well recognized in economically developed nations, but largely ignored in the developing and underdeveloped countries.

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For instance, the administration of psychological tests in personnel selection is a common practice in developed countries. These tests are not at all used in developing and underdeveloped countries.

The current study focuses on similarities and dissimilarities in performing staffing function by the U.S. and Indian managers. The following table compares practices of the U.S. and Indian managers in performing staffing function.

Table 7 compares the selection and recruitment practices of the U.S. and Indian managers. The U.S. managers developed and used systematic recruitment methods and selection criteria. The recruitment methods and selection criteria used by the Indian managers of large corporations were haphazard. There appear to be no specific selection programs in small and medium size corporations. The smaller and medium size firms did not have any personnel departments. They employed a few clerks to handle the administrative problems of hiring and firing. The U.S. managers stated that the basis for their personnel selection program was manpower planning and the Indian managers indicated that they selected personnel when a vacancy occurred.

The U.S. managers stated that the main source for managerial recruitment was college placement bureaus. The Indian managers sought candidates mostly through newspaper

Table 7. Selection and recruitment practices of U.S. and Indian managers.

Management practices		
Turnover rate among managers ^a	less than 5%	less than 5%
Recruitment methods	systematic	haphazard to none
Basis for selection procedure	manpower planning	when vacancy occurred
Main source for recruitment	college placement	newspaper advertisements
Main criteria for selection	1. experience 2. education	1. experience 2. education 3. family ties

^aThe percentage of managers who quit, get fired, or are otherwise separated from the payroll in a given period.

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advertisements. None of the colleges in India maintained a placement service nor are there any employment agencies in existence. When the U.S. managers recruited employees from non-campus sources, they used the criteria of experience, and education, in that order of importance. In India the criteria include: experience, education and family ties in that order of value to management.

Table 8. Comparison of managerial training of U.S. and Indian managers (Figures are in percentages).

Type of training	U.S.	India
Management - general	52	16
Management - specialized ^a	14	25
Technical	7	24
Human relations ^b	3	0
Computer	5	0
No training	19	35

^aThis includes training in functional areas such as marketing, personnel, finance, etc..

^bThis includes sensitivity training, T-group sessions, supervisory training, etc..

The preceding table compares the type of training the U.S. and Indian managers received. While 52 per cent of the U.S. managers were trained in the general administrative area, only 16 per cent of the Indian managers were thus trained. About 35 per cent of the Indian managers did not have any training to adapt to their job. Among the U.S. managers, 19 per cent did not receive any such training.

The data indicates that 49 per cent of the Indian managers received specialized management and technical training. These managers were trained on the job by their superiors, and by representatives of the National Productivity Council, and other training institutes in the areas of personnel, finance and manufacturing. Only 21 per cent of the U.S. managers appear to have had similar job preparation. While none of the Indian managers were trained in computer operation and human relations techniques, approximately 5 per cent of the U.S. managers appeared to have had some training in computer operation and 3 per cent had exposure to human relations techniques. Thus the analysis indicates that the emphasis among the Indian managers appears to be on the technical and specialized aspects of training, while among the U.S. managers, the emphasis seems to be on general management practices.

Table 9 compares the communication of job descriptions to newcomers, and performance appraisal techniques of the U.S. and Indian managers. The U.S. managers stated that the job descriptions were made known to the individual by written manuals. In contrast, the Indian managers said that the job descriptions were made known to the individual verbally by the superior. Most of the Indian managers were not aware of job description and job classification manuals, nor were they apparently aware of the principles involved in the development and implementation of these concepts.

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Table 9. Comparison of performance appraisal and job description methods (figures are in percentages).

Management practices	U.S.	India
Communication of job descriptions	written manuals	verbally by superior
Performance appraisal techniques used:		
1. Filling out specific forms once a year	56	33
2. Periodic reports of superiors	36	47
3. No specific system	8	20

About 56 per cent of the U.S. managers stated that they appraised the performance of their subordinates by filling out specific forms once per year. Thirty-six per cent of the U.S. managers said that they evaluated the performance of their subordinates by more frequent reports. Eight per cent of the U.S. managers said that they did not have a specific procedure in evaluating their subordinate's performance, as compared with approximately 20 per cent of the Indian managers. About 47 per cent of the Indian managers favored periodic reports in evaluating subordinate's performance. Completion of specific forms for evaluation of subordinate's performance was favored by 33 per cent of the Indian managers.

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Directing

Directing includes all those activities designed to encourage subordinates to work effectively and efficiently in both the short and long run. Different managers use different styles in performing this function. Some may encourage their subordinates and some may compel their subordinates to perform their allotted duties. A great deal of research has been done to determine the effectiveness of both approaches.

Managers sometimes use various devices to obtain compliance with managerial orders. These devices may range from monetary rewards to promotional considerations. Some management theorists question the effectiveness of monetary incentives, while others consider them useful.

The effectiveness of the directive function depends upon various factors such as the culture from which an individual emerges, the type of leadership under which he functions, and the immediate environment. Table 10 compares practices of the U.S. and Indian managers in performing the directive function.

As can be seen from table 10, there is a remarkable difference between the U.S. and the Indian managers in their attitude toward their directive function. While 69 per cent of the Indian managers stated that the average human being wants to be directed and wishes to avoid responsibility,

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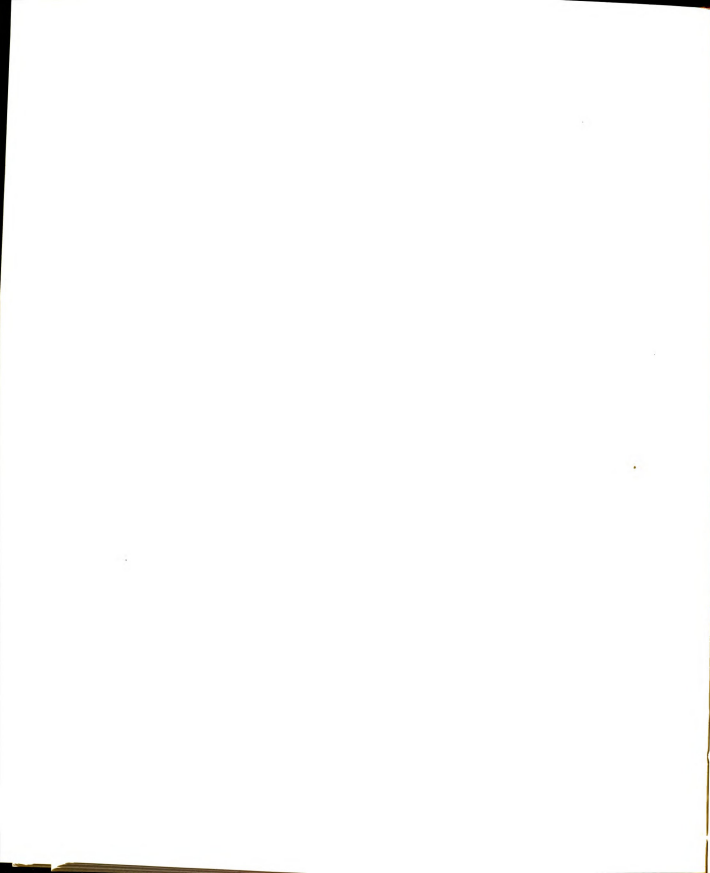
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Table 10. Comparison of management practices in performing the directing function.

Management practices	U.S.	India
Degree of authoritarian vs. participative management	Ranges from somewhat authoritarian to participative	Ranges from highly authoritarian to somewhat participative
Types of supervision	General	Somewhat close to general
Paternalistic management	Non paternalistic	Paternalistic
Motivational factors	Financial	Status and job security
Communication techniques	Good	Fair to poor

68 per cent of the U.S. managers disagreed. The U.S. managers felt that the average human being "will exercise self-direction in the service of objectives to which he is committed."⁵ Though a majority of the Indian managers stated that the average human being wants to be directed, they disagreed with the statement that the average human being has relatively little ambition, as did 92 per cent of the U.S. managers. As compared to 96 per cent of the U.S. managers, about 65 per cent of the Indian managers disagreed with the statement that if subordinates are allowed to participate in decision-making in the areas where

⁵Douglas McGregor, The Human Side of Enterprise (New York: McGraw-Hill Book Company, 1960), p. 47.



their interests are involved, it is likely that productivity would decline. About 35 per cent of the Indian managers and 4 per cent of the U. S. managers still felt that the participative approach would result in decreased productivity.

While sixty-three per cent of the Indian managers stated that in general employees perform better under highly paternalistic management, 82 per cent of the U.S. managers disagreed. The "Give me a fair day's wages and leave me alone" attitude of the U.S. managers does not appear to be very common among the Indian managers. According to these Indian managers, management has the right to safeguard the interests of its employees and knows what is good for its employees. Whereas 65 per cent of the Indian managers believed that the average worker wants to be directed, 63 per cent of the Indian managerial sample concluded that employees perform more satisfactorily under paternalistic management, which shows a consistency in their attitude.

About 92 per cent of the U.S. and 87 per cent of the Indian managers felt that the subordinates tend to perform well under general supervision rather than under close and tight supervision. One out of every three Indian managers stated that they thought that control and supervision are identical functions. During the interviews and plant visits in India, the researcher observed somewhat closer supervision in small and medium size corporations than in

the large corporations. Managers in small corporations were convinced that they personally had to follow up every instruction issued, otherwise, they feared it would be carried out in an unsatisfactory manner, or perhaps not at all.

At the managerial level, the U.S. managers favored financial incentives as the best motivator, while Indian managers favored status and security of job.

While 5 per cent of the U.S. managers felt that a superior should give his subordinates only that information which is necessary for them to do their immediate tasks, 45 per cent of the Indian managers held the same view. About 89 per cent of the U.S. and 71 per cent of the Indian managers stated that management informs employees about company plans and developments to maintain good communication. During the interview and plant visits, in India, the writer observed that the flow of information in most Indian corporations was usually from the top down, and it consisted mainly of instructions. Much of the communication was done on paper and most managers were careful to keep duplicates of written instructions. There was little apparent upward communication.

Controlling

Control is the determination or measurement of progress toward objectives in accordance with the established plan. It concerns the attainment of the planning, organizing, and directing objectives.

Some people confuse the term 'control' with 'supervision'. Control includes supervision to see that employees perform what they are supposed to perform and measurement of deviation from established standards of performance, as well as corrective action. Supervision to an extent, minimizes the control function by reducing deviations from the established standards of performance.

The modern concept of control envisages a system that not only provides a historical record of what has happened to the business as a whole but pinpoints the reasons why it has happened, and provides data that enable the chief executive or the department head to take corrective steps if he finds he is on the wrong track. Also, it enables managers to identify trends in costs, in markets, in all aspects of the business, and so affords a guide for future action.⁶

The above quote provides a comprehensive description of the function of control. For the detection and correction of deviations in the established standards of performance, some tools are used. Among the tools of control are budgets, ratio analysis, standard costs, administrative expense analysis, performance appraisal reports, production control, quality control and so on.

Comparison of performance against budget is one of the best procedures of determining whether or not the company is spending more or less than it had planned to and of tracing the reasons for overages and underages and making

⁶Ernest Dale, Management: Theory and Practice (New York: McGraw-Hill Book Company, 1965), p. 482.

any corrective actions. The value of the budget as a control tool depends to a large extent on how quickly actual expenditures can be reported to those responsible for them.

It is a common notion that control means only financial control. There are many other areas of business that do not lend themselves to financial control, and in these areas controls of other types are used. For instance, production control, which is needed to ensure that production plans are being carried out as expected. Appraisals of managerial performance may be regarded as a control technique. In fact, any procedure or technique used for determining deviations from plans is a control procedure or control technique.

"Control is the function whereby every manager, from president to foreman, should make sure that what is done is what is intended."⁷ This concept of control was well understood by about 91 per cent of the U.S. managers, whereas only 35 per cent of the Indian managers thought that control meant supervision.

About 87 per cent of the U.S. and Indian managers stated that time studies were conducted to set the work pace in their organizations. Eighty-eight per cent of the U.S. managers said that cost accounting was done for all their products, as compared to the replies of 76 per cent

⁷Harold Koontz and Cyril O'Donnel, op. cit., p. 639.

Table 11. Comparison of practices of the control function of U.S. and Indian managers.

Management practices	U.S.	India
Concept of control	Well understood	Somewhat understood
Time studies	Conducted by time study department	Conducted by time study department or engineer
Cost accounting done	For all products	For all products
Standards of performance are set by	Superior and subordinate together	Superior only
Expected achievement of performance	95-100%	75%
Deviations in performance are checked by	Superior and subordinate together	Superior only

of the Indian managers. The Indian managers stated that detailed budgetary control systems were reinforced by a multitude of reports. These reports were submitted to management through the formal upward channels of communication and had to be approved at every level of authority all the way up to the chief executives. To confirm that the reports followed the established procedures, all managers involved had to sign the same. Thus these tight procedures left very little room for independent action.

While 63 per cent of the U.S. managers stated that standards of performance for their subordinates are set by both superior and subordinates collectively, only 38 per cent of the Indian managers followed a similar practice. About 56 per cent of the Indian managers said that standards of performance were set by the superior only. Fifty-six per cent of the U.S. managers expected subordinates to meet 95 to 100 per cent of the established performance standards, while Indian managers were satisfied if their employees achieved 75 per cent of the established performance standards. The U.S. managers tended to counsel their workers with regard to their expected performance, whereas this cooperative approach to improve work standards is ignored in India.

CHAPTER VI

CONCLUSIONS

The present research was undertaken to determine whether the attitudes and practices of the U.S. and Indian managers are similar or dissimilar. The empirical data related to the attitudes and management practices of these managers is presented in the preceding chapters. In this chapter, the researcher attempts to draw some conclusions by setting up a model based on the practices of the U.S. managers and comparing the practices of Indian managers against this model. Such a comparison would reveal where and how the practices of Indian managers are dissimilar. Once the dissimilarities are identified, the writer intends to examine the causes that can be inferred from the empirical data for these dissimilarities.

The model thus set up should not be considered as perfect. It is the belief of the writer that management practices in the United States are modern, effective, and have contributed to the economic growth of the United States to a great extent. Many of the developing countries like India, are investing heavily in industrialization to achieve

progress. If the management practices in these underdeveloped countries can be developed adequately and effectively, then the profits gained from industrialization will be enormous. In developing suitable and effective management practices, it appears desirable to examine the management practices of a developed country like the United States.

THE U.S. MODEL

The following assumptions are made regarding the U.S. model of management practices:

1. The model based on U.S. management practices is closer to an ideal model.
2. The model is widely used in the United States.
3. It's effectiveness can be inferred from the economic growth of the United States.

The model is built on the data obtained from an empirical study of management practices of U.S. managers in performing the planning, organizing, staffing, directing and controlling functions.

In performing planning function, the U.S. managers took short and long range approaches. Plans were made at the corporate level as well as departmental levels such as, market planning, production planning and manpower planning. They developed and used effective planning techniques, i.e., detailed budgets and schedules for production, sales and finance. Computer facilities were used very extensively.

The plans developed by the U.S. managers were thorough enough to accomodate sporadic changes. Participative approaches were used in developing corporate and departmental plans.

The decentralized approach was used in performing the organizing function. Authority was delegated extensively and participation was encouraged in the decision making process. The span of control was narrow, and there were several hierarchical layers in U.S. organizations. U.S. managers made extensive use of committees for advisory, planning, and coordinative purposes. The use of staff specialists was a common phenomenon in U.S. corporations. All the U.S. corporations studied, had elaborate corporate and departmental organization charts. Activities in U.S. corporations were grouped on a functional basis and major departments were developed around the functions of production, finance, personnel and marketing.

In performing staffing function, systematic and objective selection and recruitment procedures were followed. Selection and recruitment was based on manpower planning. College placement officers were the main sources for recruitment of managerial and technical personnel. Experience and education were considered as main criteria for selection. Formal training and development methods were found to be common among the companies studied. General management training was preferred to that of specialized management

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training. The performance of individual manager or worker was appraised by objective methods. The main goal of performance evaluation was the development of the individual, rather than of reward or of punishment.

The U.S. managers followed a democratic style of leadership in performing directive functions. Participation in the decision making process was encouraged at all levels. Various upward and downward communication techniques were used in getting feedback, i.e., suggestions and sending information from top to bottom level. The superiors perceived their subordinates as trustworthy and confident. They felt that the average human being will exercise self-direction in the service of objectives to which he is committed. The type of supervision was liberal rather than constrictive. Though much has been written in theory about the effect of non-financial incentives of motivation on U.S. managers, a majority of them felt money was the best motivator at all levels of management.

In performing the control function, the U.S. managers used systematic quality control, as well as cost and budgetary control techniques. The concept of control was well understood by the U.S. managers. Standards of performance for subordinates were established by superior and subordinate together. The superior in consultation with the subordinate check deviations in set standards of performance.

The attitudes of the managers practicing under this model were favorable to achievement motivation, risk taking, time utility, scientific approach, work, parental permissiveness, success, competition, higher education, participation, professional management, job training, private ownership, free-enterprise system and political participation of business leaders. They had unfavorable attitudes toward government control of business and government's role in shaping competition.

The findings of some studies on U.S. management practices support the above model. For instance, Holden, Pederson and Germane¹ in their study of management practices of some manufacturing corporations state that long range planning is accepted practice today in many industrial enterprises. The men in top management have a keen awareness of their corporate obligation to plan for the future. The involvement of line management from top to bottom in the planning process is general practice. Plans are made in various areas such as, marketing, finance, production and manpower. The organization structures are flexible enough to incorporate any important change. A decentralized approach is the general pattern in many corporations. Committees are used for both

¹Paul E. Holden, Carlton A. Pederson and Gayton E. Germane, Top Management: A Research Study of the Management Policies and Practices of Leading Industrial Corporations (New York: McGraw-Hill, 1968).

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advisory and decision making purposes. Variables such as similarity or dissimilarity of duties supervised, capacity of superior and subordinates, degree of decentralization and stability of the business are considered important in determining span of control. Top management is significantly involved in the selection and development of executives. Most of the corporations utilized formal programs in selecting and developing executives. More attention is paid to the development of middle and upper level management personnel through various training programs. Practical and effective appraisal and evaluation programs are used. The budget in its various applications was the most widely used control mechanism.

The findings of Anant R. Negandhi² in his study of management practices of U.S. subsidiaries and comparable local firms in Argentina, Brazil, India, Uruguay and Philippines, show that modern management practices were used by the U.S. subsidiaries. These practices are similar to those mentioned in the above model. The findings show that the U.S. subsidiaries were engaged in long range planning. The decentralized approach to decision making was common among these organizations. The employees were encouraged to participate in planning and decision making processes. The

²Anant R. Negandhi, Comparative Management (New York: Appleton-Century-Crofts and Company, 1971).

selection and recruitment procedures received much attention, and objectivity was emphasized in these procedures. The control techniques were systematic. The democratic style of leadership received greater attention in these organizations than in the local firms. Thus other findings support the model of the researcher.

G. P. Lauter,³ in his comparative study of U.S. and Turkish management practices, found that in some of the critical elements of the basic management functions such as planning, organizing, staffing, controlling and directing, that U.S. managers attempted to perform critical elements of these functions more in accordance with modern theories. Their emphasis was on long range planning, the decentralized approach, participative management, a democratic style of leadership, systematic selection and recruitment procedures and better control techniques. The findings of Lauter also support the model designed by the researcher.

Comparison of Indian Management Practices with U.S. Model

Comparison of Indian management practices with the U.S. model reveals some significant differences in the Indian management practices. Indian managers were concerned only with short range plans. They neglected market and manpower

³G. P. Lauter, An Investigation of the Applicability of Modern Management Processes, Unpublished dissertation (1968).



plans and were not familiar with modern techniques of planning. Participation in the planning process was limited mostly to the top management. Indian managers were not familiar with organization charts. In most of the Indian corporations studied, authority was centralized and the span of control of supervisors and managers was broad. The use of committees and staff specialists was uncommon. Most of the corporations surveyed, did not utilize systematic selection and recruitment procedures. Family ties seemed to be one of the criteria for selection. Job descriptions were communicated orally to the new employees. Specialization was emphasized in training the managers. The subordinate was not consulted in performance appraisal. The leadership style ranged from highly authoritarian to somewhat participative. A paternalistic style of management was favored both by the manager and the worker. The type of supervision ranged from close to somewhat more liberal. Hardly any upward communication was evident. The concept of control was not well understood by the managers. For many, control meant tight supervision. The standards of performance of subordinates were set and checked only by their superior. The participative approach of U.S. model in this area was absent in Indian management practices.

In contrast to the managers of the U.S. model, Indian managers favored peer relationships, family centeredness, political patronage and socialized planning.



A general analysis of the data showed differences in the practices and attitudes of U.S. and Indian managers. When generalizations are made about the practices and attitudes of Indian managers, reference is made to the average Indian manager. However, when the data were subjected to intensive analysis, it appears that the practices and attitudes of some Indian managers were similar to those of the U.S. managers. The variables which cause such differences within the country are discussed below.

Influence of Size of the Company.--Large companies seem to modify the traditional outlook and modes of behavior of managerial personnel, resulting in a change in their practices. In large organizations managers are better educated, well trained and have fairly extensive contacts with foreign managers and technicians than their counterparts in small corporations. Small corporations working for limited local markets have little contact with foreigners or even with managers from other parts of the country.

Managers working for large organizations did some kind of market planning. This limited planning did not include the development of a strategy in terms of product, price, promotion and distribution techniques. The findings of this study show that about 16 per cent of the Indian managers studied, engaged in both short and long range planning. These managers worked for large organizations. Most of them had an opportunity to attend seminars and courses



conducted by the Administrative Staff College in Hyderabad, India. This background helped them in utilizing modern techniques in planning and control practices. Besides lack of interest, small companies financially could not afford to send their managers for such seminars and courses. Compared with small companies, authority was formally decentralized in large organizations and divisional and departmental managers were given freedom and authority to make decisions concerning their areas. Committees and staff specialists were used for advisory, planning and coordinative purposes. The large organizations grouped their activities around the functions of production, finance, personnel and sales. Though they did not have marketing departments, the sales departments performed most of the marketing functions. While there were no specific selection and training programs in small and medium size companies, large organizations had some kind of selection and training programs. The researcher observed somewhat closer supervision in small and medium size corporations than in large corporations.

Type of Ownership.--The type of ownership seems to be another variable which distinguishes the Indian managers from their U.S. counterparts. The Indian managers employed in the American subsidiaries in India were familiar with modern management practices. About 75 per cent of these managers did long range planning and encouraged the participation of subordinates in the planning processes. They also



utilized various statistical techniques in the planning processes. Nearly 63 per cent of these managers delegated authority and sought the help of staff specialists and committees. They followed objective criteria in their selection and recruitment procedures. Family ties were not at all considered. Their training programs were similar to those found in the United States. This may be due to the fact that most of the top managers were exposed to modern training techniques during their training or visit abroad. These managers, in turn, acted as agents of change.

On the other hand, managers in the family-owned companies did not have much freedom, and delegated little or no authority to their subordinates. As the emphasis was on short range profit maximization, they ignored long range planning. Due to financial limitations these companies could not send their managerial personnel for outside seminars or courses. The family-owned business has fostered nepotism in Indian business. The system of recruitment on the basis of potential ability, competence, and skill has not yet found wide acceptance in family-owned business in India. Members of the 'family' continue to think that they have all the managerial skill necessary to operate their business. An authoritarian centralized system of management seems to be a common pattern in these type of organizations.

Attitudes.--Analysis of the attitudes of U.S. and Indian managers revealed that about 15 to 20 per cent of



Indian managers were similar to U.S. managers in their sociological, political, economic and educational attitudes. This similarity seems to make some difference in their managerial practices. The managers who expressed favorable attitudes toward risk taking, scientific approach, competition, change, success, work, participative approach and free enterprise system tend to delegate authority extensively, engage in long range planning, encourage participation of subordinates in planning and decision making process and exercise democratic style of leadership. These managers utilized objective measures in the selection and recruitment procedures. Most of these managers were young, had attended college and had an opportunity to receive training abroad or had contacts with managers and technicians from foreign countries. Thus their attitudes seemed to have been modified by educational and occupational influences.

On the other hand, we cannot generalize that a change in attitude will automatically lead to changes in management practices. The data shows that 30 to 40 per cent of Indian managers who were similar to U.S. managers in their attitudes, had different management practices. This may be due to the fact that, though these managers have changed attitudinally, still they face other limitations imposed by economic, political and other cultural variables. The impact of these variables on management practices are discussed in the following pages.

Education and Training.--The Indian managers who have college degrees seem to accept change more readily than the managers with only high school education. Of all the cultural variables, education exerts strong influence in modifying traditional practices. A young Hindu for example, with a strong traditional background, will absorb modern concepts during four years of college attendance. At work he is ready to apply sincerely and rationally the concepts that he learned at college. A high caste Hindu, after his medical degree, is ready to deal with patients of all castes. This does not mean that there is total change in his attitudes and behavior. Still, he may retain his faith in fate. Due to educational and job training influence, he changes his attitudes at the work place. Managers with college education and exposure to seminars and training in and outside the company appear to have a different set of management practices than the managers who lack college education and training. The managers with college education and job training trust their subordinates and delegate authority to them. They have a long range outlook and somewhat more objective view in selecting and evaluating the performance of their subordinates. They also have the potential to absorb modern techniques of control, direction and decision making.

On the other hand, managers with high school education tend to learn and perform their functions mostly by trial and error. They consider change as a threat to their

job security. They fear that by hiring well-qualified people they may lose authority and their weaknesses will be exposed to the top management. The only area where they consider well-qualified people for jobs is production, due to the emphasis on production-oriented approaches.

As mentioned earlier, giving managerial personnel education and job training or changing their attitudes alone, will not lead them to change their management practices. These serve as catalytic agents. They set the ground for changing or improving the management practices. There are other variables, economic, political and sociological which impede the utilization of modern management practices. The impact of these variables is discussed in the following pages.

Impact of Economic Variable.--This economic variable causes some differences in the practices of Indian managers. Indian managers neglect market and manpower planning. They operate in a sellers' market and thus most of the time had little difficulty selling all they produced as long as their products met a minimum quality standard and were reasonably priced. In India there is little demand creation. Lack of capital and difficulties involved in mass advertising due to differences in languages, restrict the manufacturer's demand creation activities. Due to non-market orientation, marketing is probably the least developed aspect of the Indian economy. It is considered a wasteful activity. The government is concerned only with price and distribution controls

and has failed to develop a whole marketing system. Failure to allocate resources for marketing functions, both at the government level and firm level has resulted in wrong production patterns, poor distribution of capital and consumer goods, artificial shortages and blockages, and wastages of various types. This type of environment does not provide the manufacturer with very reliable information for planning marketing activities. Thus the failure to understand the role of the marketing function in the economy has resulted in these chain of reactions. Manpower planning is another area which has been inadequately treated by Indian managers. They operate in an unskilled and skilled labor intensive environment. They could get a large supply of unskilled and skilled labor at any time. They do not see the benefits which they could derive from such planning even in a labor intensive environment.

Indian managers engage in short range plans, no longer than one year in duration. They are so much occupied with the daily routine manufacturing and labor problems, that they do not seem to find time to go deeply into the question of future growth and expansion. Besides this attitude, the relative scarcity of capital and the lack of organized capital markets impose restrictions on the long range planning of Indian managers. The restriction of flow of funds into the capital market is due to the fact that a large proportion of well-to-do Indian people choose to hold their savings in

the form of tangible assets. The government is unable to provide funds for private enterprises in the form of loans because it has to support its own enterprises. The unavailability of specific planning information such as reliable socio-economic studies, places further limitation on long range planning. In the United States there are many governmental agencies and private organizations engaged in the collection, storage and dissemination of such information and make them available to various organizations on request. In India no such service is available. Lack of knowledge in survey techniques and the lack of computer facilities impose restrictions in providing such services. Lack of competition for most manufacturing goods and a belief that this would hold true in the future provide no incentive for long range planning. Due to neglect of long range planning and inexperience in its use, Indian managers have failed to develop some effective planning techniques.

The labor intensive environment also determined the type of motivators and motivational practices. Both at the managerial and non-managerial levels, Indian managers believed in the role of job security as a motivator. The negative incentives of layoff or firing have more effect in India than in the United States. Since Indian managers operated in a labor intensive environment, they felt that they need not engage in a widespread search for suitable employees. This attitude resulted in the lack of systematic



approach in the selection and recruitment procedures of Indian managers. The recruitment procedures consisted of filling out an application form combined with a short interview. Candidates for jobs are not provided with travel expenses to and from the interview place. Therefore many of the poor but qualified applicants were unable to reach the place of interview.

The emphasis among the Indian managers appears to be concerned with only the specialization and technical aspect of training rather than the general managerial aspect. This emphasis is due to their production-oriented approach. Hence, there is a great demand for the technically qualified person. A person who knows the art and science of manufacturing is likely to be in greater demand and valued more than a person competent in the managerial arts and sciences.⁴ This attitude of Indian managers is reflected not only in their hiring practices but also in their training practices. There is a lack of knowledge on the part of Indian managers in the training techniques and methods. Many of these managers learned their jobs by trial and error. So they show no interest in training their subordinates. Further, top management is hesitant to invest money in setting up suitable training programs for their corporations. Since they enjoy

⁴Anant R. Negandhi and Benjamin Prasad, "Transmitting Advanced Management Know-How to Underdeveloped Countries," Management International, (1967), p. 77.

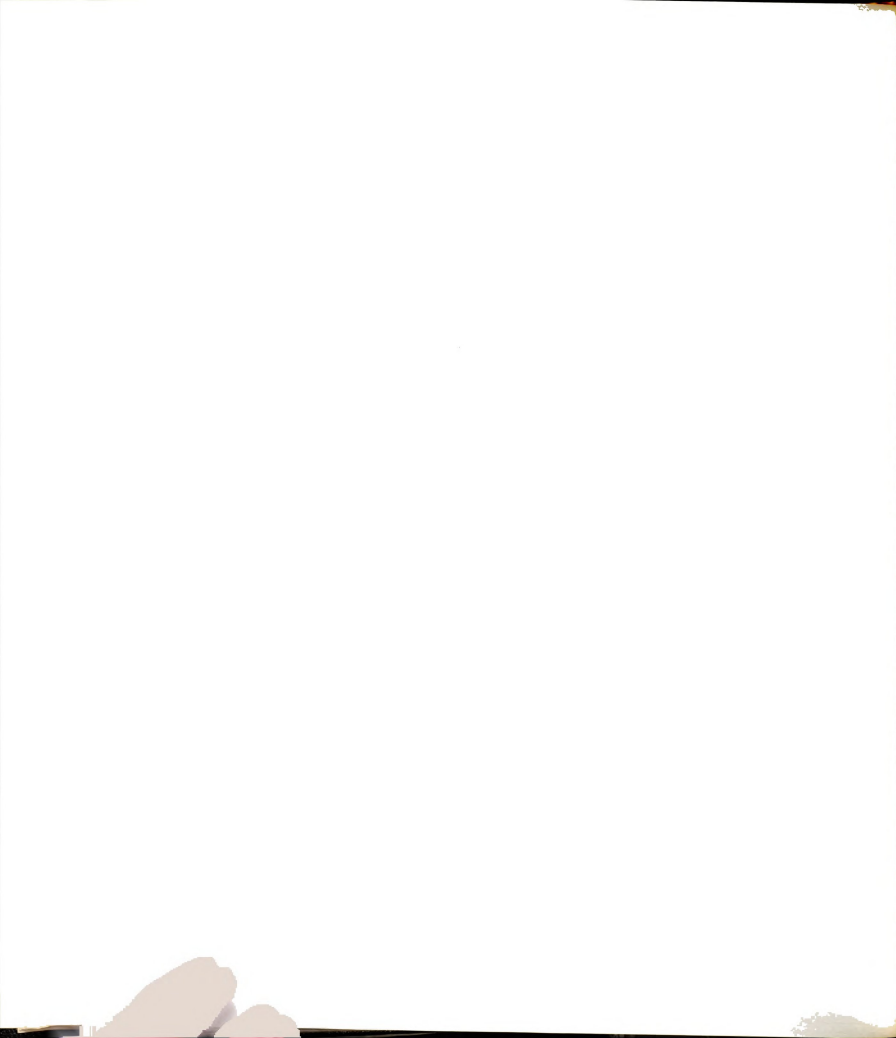


the advantages of a labor intensive environment, the value and proper utilization of human resources is not recognized well by the Indian managers.

Impact of Political Variable.--The political variable operating in Indian culture has some impact on the practices of the Indian managers. The findings of Phatak's⁵ study of Indian pharmaceutical and engineering industries reveal that government rules, policies and controls were considered by Indian executives as the most significant factors that have impact on internal firm operations. Negandhi,⁶ points out that in many underdeveloped countries the main obstacle in transmitting advanced management know-how is excessive government control and restrictions. Being a democratic socialistic country, the Indian government exercises too much control upon private business. In most cases, the motive behind this type of control is political, rather than economic development. Removal of these controls may be interpreted by the public as government's favoritism toward private business. Hence the ruling party which controls the government does not want to take any action that would jeopardize public support. The socialistic attitude of the government has created a poor image for private business

⁵Arvind Phatak, "Environmental Constraints and Managerial Problems in a Developing Economy," Management International Review (February-March 1968), pp. 137-146.

⁶Anant R. Negandhi and Benjamin Prasad, op. cit.



in India. People tend to view private business with suspicion.

The present mood of the public, because of its long disregard by business and its systematic solicitation by anti-free enterprise forces, seems to be getting suspicious of businessmen's intentions, and has perhaps started welcoming increasing regulation of private enterprise.⁷

In this environment of anti-private business, the Indian manager has to play a crucial role between public relations and profit maximization. In all his decisions he has to ask himself, 'What will the public think of this decision?' rather than 'How much profit can I make by this decision?' This philosophical attitude may impede effective decision making.

Excessive government controls restrict the freedom of action of private enterprises. Managers have to operate in an environment where many of their decisions are taken away from them and others imposed upon them. Choice about plant and industry locations, expansion and sometimes even a particular process is determined by government and not by the manager. Very often managers have to delay their important and urgent decisions till they get a green signal from the government. Many firms depend on the government for the imports of raw materials, spare parts and machinery.

⁷A. N. Agarwala, The Emerging Dimensions of Indian Management, (Bombay: Asia Publishing House, 1970), p. 28.

The import quota system created resource uncertainty for most of these firms. Unless they knew someone in the political machinery they could not secure an import license without much delay. Otherwise, they had to wait for a long time. This may be one of the reasons why the Indian managers did not engage in long range planning.

The relationship between the private business and the government lacks understanding and mutual trust. The private businesses contribute the largest share to the productivity of the nation. About 90% of goods and services produced and distributed by private sector in India. Often plans are made for the development of private sector without the consultation of the private entrepreneur on whom the responsibility for expansion rests.

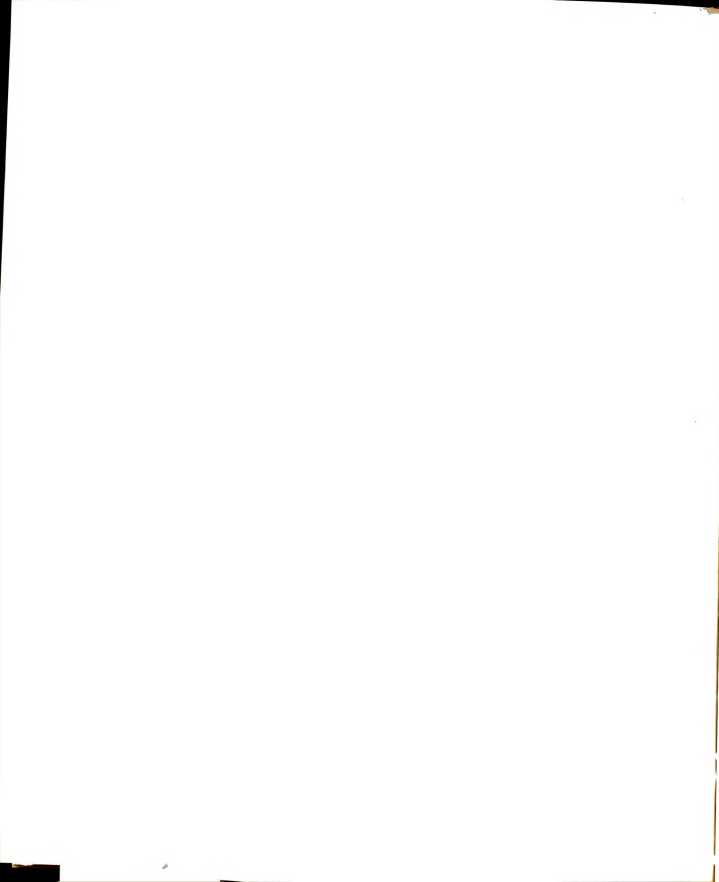
Indian managers are often subjected to governmental pressure to a great extent. They complain that the governmental correspondence consumed a considerable amount of their time. Sometimes they had to postpone their assignments to answer governmental correspondence. This type of interference affected their departmental planning. Excessive government control and interference also affected selection of individuals for managerial, especially the top management positions in private industry. The government officials and politicians who render favors to the private businesses in securing licenses expect favors from them. The businessmen

are thus obligated to consider the individuals recommended by government officials and politicians for higher management positions.

The purpose of control will be effective when it is exercised within limits. The excessive control by the government results only in inefficiency and blocks the progress of the private sector and thus economy.

Impact of Sociological Variable.--The impact of the sociological variable on the practices of Indian managers is very significant. The sociological attitudes which operate in the Indian environment dictate a different set of management practices. Some of these attitudes impose constraints on the economic variable. For instance, a large portion of the well-to-do people in India choose to hold their savings in the form of gold, jewelry and real estate. This attitude restricts the flow of funds into the capital markets. Hence the capital markets are poorly organized and this poor organization imposes restrictions on the long range planning of Indian managers.

The Indian manager's affinity for informal and personal relationships within the corporate structure caused them to avoid the use of organization charts. They felt that the charts symbolized formality and impersonality. The dependent attitude nurtured by the family and educational systems are carried over to the work place. The dependent attitude of the subordinate is interpreted by the superior



as the lack of initiative and competency on the part of subordinate. The superior loses confidence in the decision making ability of his subordinate. The subordinate feels that if he does not go to his superior to get permission or instructions there is no way for the superior to know how well the subordinate is doing. This attitude of the superior and subordinate eliminates any chance for decentralizing authority. The dependent attitude is also seen in the use of committees. Indian managers used ad hoc committees. Such committees did not have decision making authority. Whenever committees were used, subordinates expected superiors to state the problems and solutions. The subordinates limited their participation to a very careful way of pointing out the possible problem areas without, however, directly contradicting their superiors. This attitude also leads to distortion of upward communication. The subordinate filters the contents that would show his ignorance or cause dissatisfaction to his superior from the original message before sending it to his superior. Decisions based on this type of information do not produce good results.

The favorable attitude of Indian managers toward nepotism resulted in the lack of a systematic approach in the selection and recruitment practices. The joint-family system and the caste system have fostered nepotism in Indian business for decades. The system of recruitment on the basis of potential ability, competence, and skill has not yet found



wide acceptance in Indian private industry. The nepotism fostered by caste and family is slowly being replaced by another type. Many government officials and politicians exert pressure on businessmen and executives in getting jobs for their children and relatives. The Indian manager has to put up with incompetence when nepotism is practiced. He will not be able to fire his relative or the person recommended by a government official or politician for incompetence. If he does, he has to face a number of consequences. His family relationships will be affected. He may find problems in his dealings with the government. However, the evidence suggests that nepotism is slowly being replaced by merit.

The sociological variable also explains the authoritarian style of leadership of Indian managers. The culture in India is not permissive, but highly authoritarian in character. The superior always tends to think that the subordinate is incompetent and needs instruction at every stage. In Indian society power connotes exercise of authority. The Indian manager, instead of relating authority to responsibility, relates power to authority. He thinks that there is no use of having authority (power) if he cannot make a show of it. This attitude restricts him from delegating authority. He fears that if he delegates authority he would lose his power over, and respect from, his subordinates. Indian managers are not receptive to upward communication. They believe that the ideas of subordinates are not worth considering.



Sometimes they consider the ideas and suggestions if they come from very aged and experienced individuals.

IMPLICATIONS OF THIS STUDY FOR INDIAN MANAGEMENT

The conclusions drawn from this study have shown that size of the company, type of ownership, attitudes, education and training and cultural variables i.e., economic, political and sociological, have an impact on management practices. These variables have created some problems and difficulties in the utilization of better management practices. The conclusions of this study can help to improve the quality of Indian management. They imply that any effort to improve the Indian management practices must take these variables into consideration. While the barriers created or imposed by some of these variables in the utilization of effective management practices cannot be overcome, others can be eliminated or modified.

Many governmental agencies, business organizations, international institutes and foundations are involved in the development of a new and efficient managerial elite in India, by importing modern and effective techniques and practices from advanced countries, by bringing efficient managerial personnel and by sending Indian managers abroad for higher training. On the basis of conclusions drawn from this study, the writer suggests that these agencies and institutions should probably concentrate their efforts first of all on



a clear understanding of the environmental and organizational variables which impede the utilization of better management practices.

Any attempt to eliminate or modify the barriers created by cultural variables should start with the educational variable. There must be a drastic change in the educational system in India. It should gain full autonomy, without political interference. The present system fosters the dependency attitude on the part of the individual which is nurtured by the family system. While the Indian managers see a growing need for a participative and broad educational system, they also see increasing discipline problems among the college students. They indicate that students are being used as tools to the advantage of political leaders. They are not sure whether providing opportunities for participative education would result in any improvement in the educational system. Bearing the needs of the country in mind, the academic scholars and administrators must decide a new course for the educational system. The system should be able to develop initiative and self-thinking on the part of the individual. This would help to break some of the traditional practices which may hinder individual progress. For instance, the submissive attitude restrains an individual from making objective evaluations. Once he breaks away from this traditional cultural attitude, he would be able to view things more objectively and make better decisions. A progressive educational setting alone can effect this change.

At the college level, the present system emphasizes arts and sciences. There should be a balance among arts, sciences and business studies. The need for managerial skills which economize the scarce resources of production is more urgent in India. It is the opinion of the writer that what India needs today is not only technicians to man the machines but also professional managers who are capable of developing the economy at the firm and national level. In the Indian economy the manager has to play a crucial role in converting an agrarian structure into an industrial one and moulding the self-employed agricultural worker into an industrial worker. Thus his role becomes one of change agent. This process requires great skills from the manager. There is a heavy demand for managerial skills. The educational system must take this urgent need into consideration and provide opportunities to develop such skills. The gap between the type of education and the needs of industry can be filled to a certain extent if the corporations provide good training programs. There must be change in the attitude of top management toward training programs. No longer can the training programs be considered waste. While introducing changes in the educational system can be considered as a long range approach, training programs can be adopted without much difficulty. The job training plays an important role in the transition of the individual from the educational institution to the work place.



Once the value of management education and training programs is recognized and viewed in their proper perspectives, many other barriers to the utilization of effective practices can be easily eliminated or modified. Lack of knowledge in planning techniques, selection and recruitment procedures, organizational skills, supervisory methods and control techniques can be remedied through education in management studies and training. Hence universities must start offering instruction in the field of management. Knowledge in the field of management studies would enable the individual to make the transition from educational institution to managerial position without much difficulty. Thus the gap between the quality of education and job requirements can be reduced to a great extent. The pressure on the corporations to provide training for their employees can be reduced and the training programs can be made more effective by providing management education at the college level. The college graduate, a product of the present educational system, learns by trial and error when he is placed in a managerial position. He cannot make use of the knowledge gained from his college education. This type of learning results in inefficiency at the individual and corporate level. Costs incurred by this type of learning are very high. Some background in management education would certainly be helpful in saving these costs. In an environment of scarce resources, a manager cannot afford to learn by trial and error. He must have



knowledge to economize these scarce resources. Management studies can provide such knowledge. Hence universities must start offering instruction in management studies. Moreover, should the universities offer management education, this in itself would create a trained manpower pool. This would be an invaluable asset in implementing more vigorously the country's Five Year Plans.

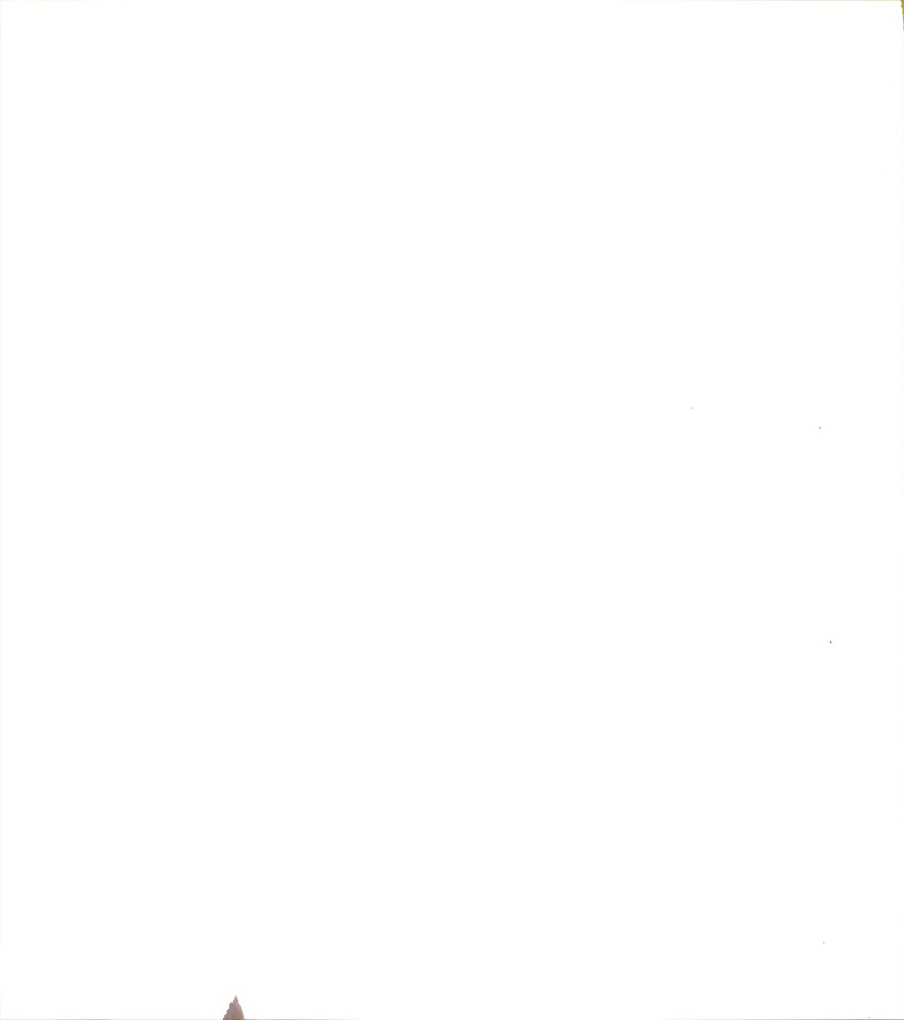
The writer sees some cultural change taking place in India. Many family-owned corporations have started to demarcate clearly between ownership and management. This means more freedom of action for managers and delegation of authority. Some progress has been made in the past few years over the emphasis of management education in India. The government, the industrialists and businessmen have recognized the importance of management education and the need for the establishment of institutes of management. A separate board has been set up by the government for the purposes of organizing, coordinating and maintaining programs of management studies in the country. A number of institutes such as, the Administrative Staff College at Hyderabad, and the institutes of management at Ahmedabad and Calcutta conduct a wide range of short term management raining and development programs for both middle and top level executives and thus provide an infra-structure for the modernization of management cadres in India. Besides these, management associations, the



National Productivity Council and its local units in many cities also provide training programs for executives and technicians.

There is no way of knowing the effectiveness of the programs offered by these institutes and councils. There are a number of questions that still remain unanswered. Are the programs and training offered by these institutes and councils realistic and built around the practical needs of the participants or do they consist of only theoretical concepts? Do these programs develop the individual's ability to analyse, choose from a set of alternatives and to decide or just fill them with more knowledge? The Board of Management Studies established for the purposes of organizing and coordinating various management programs must have the responsibility to evaluate the effectiveness of these programs to see whether the desired course of action is achieved. Studies must be undertaken by this Board to see whether there is any marked difference in the performance of the managers who have gained knowledge in the field of management through these institutions and councils. Such studies may reveal the weaknesses of the programs and approaches of these institutes.

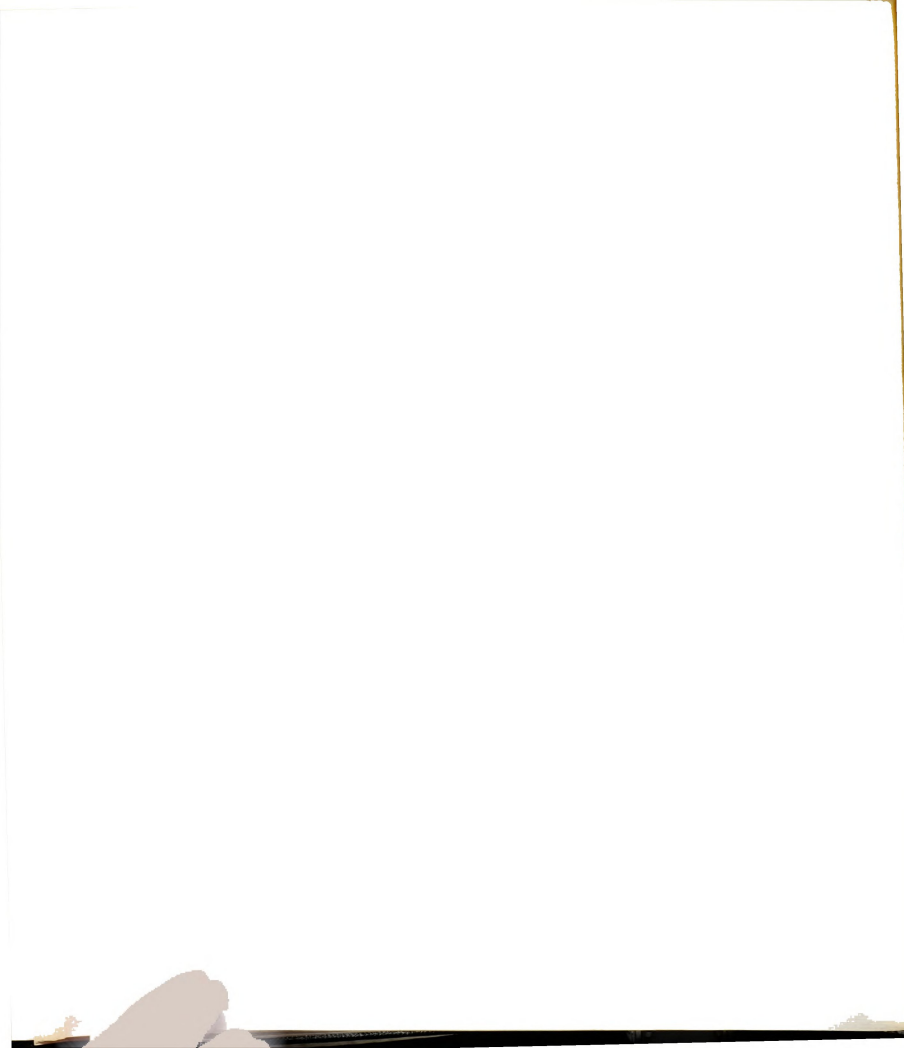
All these efforts have introduced the concept of professional management in India. But the rate of growth of this concept depends on how fast these programs and approaches move in right direction. The new breed of professional managers would be able to form a link between old traditions



and the new industrial culture. Their loyalty is first to the organization, even when they belong to a family business.

The economic variable can be modified which in turn would improve Indian management practices. For example, long range planning does not take place because of the scarcity of capital and the unavailability of information necessary to develop planning premises. Yet long range planning must be encouraged. A clear understanding of the economy and of the industry concerned, gives a useful perspective to business executives so that they can make current decisions in the light of emerging trends. They can plan for production increase or plant expansion if they expect future market conditions to be favorable. All these can happen only when things are planned on the long range basis. Without such plans, management might possibly become a hit or miss affair. Long range planning could lead to decisions which prove profitable in the long run and to the discounting of short-sighted, though immediately profitable measures.

In an underdeveloped country like India, where resources are scarce, growth has to be planned to see that the resources are utilized in such order of priorities as will be conducive to maximum growth. This is not only true at the national level but also at the firm level. The barriers therefore must be removed or modified. The flow of funds into the capital market is restricted by the traditional custom of holding savings in the form of gold, jewelry and



real estate. The government should encourage the well-to-do segment of the population to invest their savings in securities and stocks by providing some tax incentive. The main reason for these people not investing money in business ventures is due to lack of faith in the government policies. The policies of the government are so vague that they create doubt in the minds of these people that at any time the government might nationalize all private businesses. It is not the business risk they are worried about but the risk due to governmental policies. Hence the government should state the policies clearly and give assurances to these people that their interests will be safeguarded. Regarding the information necessary for planning premises, the government in cooperation with educational institutions, private research institutes and the National Productivity Council, should construct information banks. Information pertaining to socio-economic studies must be made readily available to businesses for planning purposes. Lack of information necessary for planning is mainly due to the absence of appropriate institutions, electronic data processing system and skilled personnel to undertake such studies. The Indian Statistical Institute is engaged in collecting information of various types. But how far this information is relevant to private business planning or how far the managers have knowledge about this type of information is not known.

In a developing country like India, the problem of marketing of goods of mass consumption can no longer be ignored. A good and free marketing system eliminates maladjustments between production and supply or production and demand. Instead of exercising rigid and detailed controls over marketing area of private sector, the government should create an environment in which the market may be encouraged to develop sensitivity to changing conditions and become adaptable to the needs of a growing economy. Marketing function starts with market planning. It should be recognized that market planning is as important as production planning. Sales departments should be enlarged into marketing departments with much wider functions of planning and demand creation activities. All these can be done only when necessary information is made available. While the statistical institutes help the managers by providing necessary information for planning purposes, the management institutes can educate these managers in using the information.

A manager should not lose sight of manpower planning simply because a large supply of skilled and unskilled labor is available. An organization should project its future requirements of manpower both qualitatively and quantitatively at different levels on a systematic basis so as to match production level with optimum utilization of human resources. Such planning could easily avoid instability, uncertainty and

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frustration within the organization and improve morale and efficiency of personnel. Thus nepotism can easily be reduced.

The lack of foreign exchange and importation of consumer and durable goods has protected the Indian economy from competition from abroad. Internally there is a lack of competition due to a fewer number of entrants into given product markets. This is due to unavailability of capital funds for investment. Those who operate in this environment concentrate on the profit maximization at the expense of long range considerations. This attitude has led to production-oriented approach. The owner of a firm thinks that he would be able to increase production by hiring a few technicians. Thus there is a great demand for engineers and technicians than for professional managers. Management education does not create an environment where the professional manager is recognized, but it only equips the manager with professional skill. Only a competitive market situation would pave the way for his recognition. A competitive market situation can be created by the removal of existing excessive government controls and restrictions.

As far as the political variable, communication between the private business and the government must be improved. The government should seek the cooperation of private business in solving social problems rather than blaming the private sector for every misfortune in the country. Since



private ownership contributes the largest share to the productivity of the nation it should be given an adequate role at the goal setting and policy making level of the planned economy. The experience and knowledge of industrialists, traders, bankers and the executives could be utilized for developing the entire economy. If the plans for the development of private business are made in consultation with private business leaders, they would produce better results. The solution of problems in advanced countries like the United States requires the utilization of talent wherever it can be found. Successful businessmen are often offered positions in the government and consulted in solving economic and social problems. The National Alliance of Businessmen, for example, which was formed under President Johnson has pledged its support to solve some economic and social problems. India could well follow the example of the United States by utilizing more effectively the limited managerial resource available to help resolve social and economic problems. One of the greatest problems India faces today is the unemployment problem. The unemployment rate is very high among the educated and uneducated. It would be wiser on the part of the government to secure the cooperation of private business in solving this problem. Cooperation with the government in solving these problems would earn a good image for private business which is looked down by the public. Political leaders, belonging to various political parties, are always



critical of the conduct of private business. Cooperation with the government in solving some of its social problems might change their attitude toward private business. A harmonious relationship between government and the private business is essential for nation's rapid economic progress. The government should take every effort to remove the genuine difficulties of the private business so that private sector would expand rapidly and can contribute substantially to nation's progress. The removal of excessive controls may speed up industrial expansion, encourage investment in industrial ventures, and make the capital market active. Rigid and inflexible government policies in some instances impede long range planning and economic growth. The importance of governmental control is recognized, because a free scramble can mean chaos and poor growth. But to plan and control when it is not necessary, can only affect economic growth. Conversely the government has the responsibility to create a political environment in which the private business can expand markets, thus contributing to economic expansion.

Businessmen are also held responsible for the increase of government control because of their unethical practices. They must adopt more objective approaches to various problems. They should realize that their business will not survive unless the economy survives. So they should keep the survival and growth of economy as their final goal and operate their businesses accordingly.



The sociological variable is perhaps the most difficult to modify. This variable includes self-perception, family ties, the caste system, the tug and pull of the religious values and social customs. As the elimination of their impacts is impossible, it is suggested that they can be used constructively. This study revealed that Indian managers favor family centeredness and peer relationships. These attitudes can be used constructively for motivational and communicational purposes. Studies must be undertaken to find the ways of utilizing these attitudes constructively for motivational purposes. Indian managers should realize that an average individual has responsibility and initiative, and delegate authority to their subordinates rather than simply punishing or rewarding them. The top management must set an example and encourage their subordinates to delegate authority extensively wherever and whenever possible. The subordinates must be motivated to speak out their minds and give opinions without fear of offending or contradicting their superiors. Suitable performance appraisal methods must be set up. These methods should give weight to manager's effort in developing his subordinates. An approach such as management by objectives can be tried. Such an approach would be helpful in breaking the authoritarian attitude of Indian managers.

Indian managers should recognize that a firm is an educational and training institution. The business firm in

its effort to manufacture and distribute goods and services, trains its personnel also. For example, it trains its employees in safety while creating a safe environment to work in; teaches industrial skills while manufacturing products and in maintaining the necessary financial and business records it teaches commercial skills and practices. Thus a firm in a wide variety of ways can and does teach and train employees. The value of human resource must be recognized.

The need for effective and efficient operations of the firm in a competitive world will dilute the traditional impacts of the Indian culture. These customs and traditions belong to a rural society and do not readily fit in with a democratic and industrial society. If progress is to be achieved, it is time to break some of these customs, habits and traditions. Indian manager has to play the role of a change agent. His role is crucial in changing agrarian society into industrial society. As a change agent, he must be able to mould the behavior of his subordinates suitable to democratic and industrial society. Since he and his subordinate belong to the same culture, it would be much easier for him to play this role than for an outsider. When they share common meanings, attitudes and beliefs, and a mutual language, communication between them is likely to be more effective.

When priority in setting objectives is given to profit, everything else becomes secondary. This is a modern

trend among the owners and managers of private business in India. They started to realize that as long as they cling to old social customs and beliefs, they will not be able to make much progress. They believe that these customs and beliefs must be restricted to family life and not carried over to the work place. This change in the managerial behavior and attitude would necessitate changes in the prevailing authoritarian atmosphere and would enable them to look at things more objectively in making decisions. The social practices such as nepotism, paternalism and submissiveness affect objective decision making. These factors reduce the effectiveness of decisions. Once the managers tend to ignore these factors then their decisions will be effective. Only then using effective modern techniques in decision making would be useful.

The conclusions drawn from this study may be useful for those who are contemplating the establishment of manufacturing facilities in India. Before these conclusions are confirmed, similar studies must be carried out in other cultures of developing countries. The results of such a series of studies may reveal whether there exists any definite pattern in the management practices in developing countries and whether the problems faced by managers are the same.

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APPENDIX



APPENDIX

Personal Data:

1. Title of your present position _____
2. Department you represent _____
3. Levels of supervision below your position _____
4. Your level in the hierarchy of management: (Please check one)

a) Top	_____
b) Middle	_____
c) Lower	_____
5. Age: (Please check one)

a) 20-24	_____	g) 50-54	_____
b) 25-29	_____	h) 55-59	_____
c) 30-34	_____	i) 60-64	_____
d) 35-39	_____	j) 65 and above	_____
e) 40-44	_____		
f) 45-49	_____		

American Questionnaire:

6. Religion: (Please check one)

	Conservative	--	Moderate	--	Liberal
a) Protestant	_____		_____		_____
b) Catholic	_____		_____		_____
c) Jewish	_____		_____		_____
d) Other	_____		_____		_____
e) None	_____				
7. Marital Status:

a) Married	_____
b) Single	_____
c) Divorced	_____
d) Separated	_____
e) Widow or Widower	_____

No. of children _____
8. Education: (Please circle number of years completed)

a) Grammar and High School:	1	2	3	4	5	6	7	8	9	10	11	12
College:		1	2	3	4	5	6					
Graduate School:			1	2	3	4						

b) Major at College _____
 (such as Management, Chemistry, etc.)
 Major at Graduate School _____

c) Special Training Programs Attended _____
 (Name)

9. Years of Service with the Present Company _____
10. Main product line of your company
or division _____
11. No. of employees in your company
or division _____

QUESTIONNAIRE

Please read each item and then decide whether you Strongly Agree, Agree, Undecided, Disagree or Strongly Disagree with the statement by circling SA, A, U, D or SD. Some questions are asked in different ways so you should read each item carefully. An example is given below:

	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
Ex: I am contributing to managerial knowledge by filling out this questionnaire.	(SA)	A	U	D	SD
1. Success is more dependent on luck than on real ability.	SA	A	U	D	SD
2. Family considerations and job requirements should be separated in a person's life.	SA	A	U	D	SD
3. Poverty is God-given so we accept it.	SA	A	U	D	SD
4. I do not care to know how well I am doing as long as I keep my superior happy.	SA	A	U	D	SD
5. Work is an end in and of itself rather than as a means to the enjoyment of life.	SA	A	U	D	SD
6. Everything works out according to God's plan, so fierce competition does not make much sense.	SA	A	U	D	SD
7. It is worthwhile to take risk by investing money in a business.	SA	A	U	D	SD
8. Before making a decision or performing an important action, it is better to find the proper time and day as there are good and bad days.	SA	A	U	D	SD

	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
9. 'Time is money.'	SA	A	U	D	SD
10. The application of the Scientific Method in doing things is <u>no better</u> than using one's own intuition.	SA	A	U	D	SD
11. One ought to discuss important plans with members of his family.	SA	A	U	D	SD
12. My college education enabled me to learn faster in the training program.	SA	A	U	D	SD
13. A man must be willing to sacrifice <u>everything</u> for his family.	SA	A	U	D	SD
14. I pursued my college education with the aim of obtaining a managerial position.	SA	A	U	D	SD
15. I can <u>easily</u> adjust my family affairs according to the requirements of my job.	SA	A	U	D	SD
16. My college education greatly helps me to perform my present job satisfactorily.	SA	A	U	D	SD
17. If you are happy at work, you will be happy at home and not the other way around.	SA	A	U	D	SD
18. A man can learn more by working four years than by going to college.	SA	A	U	D	SD
19. Children do not lose their respect for their parents when they are given freedom.	SA	A	U	D	SD

	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
20. My family has contributed little to my success at work.	SA	A	U	D	SD
21. My children do well in their studies when they are kept under constant supervision and attention.	SA	A	U	D	SD
22. The formal training which I received helps me to perform my job satisfactorily.	SA	A	U	D	SD
23. Luxury and enjoyment are not desirable since they lead to a sinful life most of the time.	SA	A	U	D	SD
24. Questioning the teacher in class is impolite. It is better to approach the teacher after class is over.	SA	A	U	D	SD
25. Though I had good ideas most of the time, I was afraid to express them in class since it was unusual to do so.	SA	A	U	D	SD
26. While at college, there were not many opportunities to participate in social activities.	SA	A	U	D	SD
27. How often do you do the following things? Please show your response by circling the appropriate letter.					

	Never	Rarely	Occa- sionally	Fre- quently	Always
a) Read newspapers and magazines.	N	R	O	F	A
b) Go on picnics or travel during the week-ends or on holidays.	N	R	O	F	A

	Never	Rarely	Occa- sion- ally	Fre- quently	Always
c) Converse with your family or relatives.	N	R	O	F	A
d) Go to church, temple or a place of worship.	N	R	O	F	A
e) Do odd jobs at home such as fixing doors, furniture, etc.	N	R	O	F	A
f) Help your children with their homework.	N	R	O	F	A
g) Prepare for the following week's work.	N	R	O	F	A
	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
28. Men would not do their best if the government owned all of the big industries.	SA	A	U	D	SD
29. Socialized planning and allocation of resources are <u>essential</u> in a complex society.	SA	A	U	D	SD
30. Private ownership of business is <u>essential</u> for economic progress	SA	A	U	D	SD
31. The greater the number of children, the greater the Grace of God and the strength of a country.	SA	A	U	D	SD
32. The free-enterprise system usually leads to exploitation of workers and consumers.	SA	A	U	D	SD

	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
33. There are more problems created by automation and modern technology than there are benefits from their use.	SA	A	U	D	SD
34. Strikes are essential in getting a fair deal.	SA	A	U	D	SD
35. To take part in solving social problems of the country is inviting more restrictions on business.	SA	A	U	D	SD
36. A manager does not contribute as much as a technician or an engineer does toward economic growth.	SA	A	U	D	SD
37. Nowadays, we see an increase in government's control of business.	SA	A	U	D	SD
38. To run a business you need not be a professional, the only requisite is money.	SA	A	U	D	SD
39. You cannot make much profit in business if you want to be honest.	SA	A	U	D	SD
40. The good of society supercedes the interest of individuals.	SA	A	U	D	SD
41. The government should interfere as little as possible in competitive business matters.	SA	A	U	D	SD
42. You cannot run or own a business if you do not have some influence with the government.	SA	A	U	D	SD
43. Employees should not be allowed to join unions.	SA	A	U	D	SD



- | | | Strongly
Agree | Agree | Undecided | Disagree | Strongly
Disagree |
|-----|--|-------------------|-------|-----------|----------|----------------------|
| | | SA | A | U | D | SD |
| 44. | Businessmen should be active in politics in order to shape the competitive climate. | | | | | |
| 45. | Job requirements in our department are:
(Please check one) | | | | | |
| | <input type="checkbox"/> a) Very clear | | | | | |
| | <input type="checkbox"/> b) Clear | | | | | |
| | <input type="checkbox"/> c) Somewhat clear | | | | | |
| | <input type="checkbox"/> d) Slightly clear | | | | | |
| | <input type="checkbox"/> e) Not at all clear | | | | | |
| 46. | The degree of difficulty in accomplishing the job as assigned (such as developing a product, manufacturing, selling, etc.,) to our department:
(Please check one) | | | | | |
| | <input type="checkbox"/> a) Little or no difficulty | | | | | |
| | <input type="checkbox"/> b) Slightly difficult | | | | | |
| | <input type="checkbox"/> c) Somewhat difficult | | | | | |
| | <input type="checkbox"/> d) Considerably difficult | | | | | |
| | <input type="checkbox"/> e) Extremely difficult | | | | | |
| 47. | The length of time involved before feedback is available to our department concerning the success of our performance is:
(Please check one) | | | | | |
| | <input type="checkbox"/> a) One day | | | | | |
| | <input type="checkbox"/> b) One week | | | | | |
| | <input type="checkbox"/> c) One month | | | | | |
| | <input type="checkbox"/> d) Six months | | | | | |
| | <input type="checkbox"/> e) One year | | | | | |
| | <input type="checkbox"/> f) Three years or more | | | | | |
| 48. | The extent to which our department is able to define its job objectives and to make changes in its activities on its own:
(Please check one) | | | | | |
| | <input type="checkbox"/> a) To an extreme extent | | | | | |
| | <input type="checkbox"/> b) To a very great extent | | | | | |
| | <input type="checkbox"/> c) To a considerable extent | | | | | |
| | <input type="checkbox"/> d) To some extent | | | | | |
| | <input type="checkbox"/> e) To a small extent | | | | | |
| | <input type="checkbox"/> f) To very little extent | | | | | |
| | <input type="checkbox"/> g) Not at all | | | | | |

49. The extent to which the performance of our department task is influenced by other departments such as manufacturing, marketing, Research and Development etc.:
(Please check one or more answers and give the names of departments)
- | | |
|-------|----------------------------|
| _____ | a) Extreme extent () |
| _____ | b) Very great extent () |
| _____ | c) Considerable extent () |
| _____ | d) Some extent () |
| _____ | e) Small extent () |
| _____ | f) Very little extent () |
| _____ | g) Not at all () |
50. The time span of review of our departmental performance is:
(Please check one)
- | | |
|-------|------------------------------|
| _____ | a) Less than once each month |
| _____ | b) Monthly |
| _____ | c) Weekly |
| _____ | d) Daily |
| _____ | e) No specific time span |
51. Specificity of review of departmental performance:
(Please check one)
- | | |
|-------|-----------------------------------|
| _____ | a) General oral review |
| _____ | b) General written review |
| _____ | c) One or more general statistics |
| _____ | d) Detailed statistics |
52. Specificity of criteria for evaluation of members of our department:
(Please check one)
- | | |
|-------|--|
| _____ | a) No formal evaluation |
| _____ | b) Formal evaluation-no criteria |
| _____ | c) Formal evaluation with less than five (5) credits |
| _____ | d) Formal evaluation with detailed criteria (more than five (5) credits) |
53. What per cent of your time is devoted to working on matters which will show up in the division profit and loss statement within each of the periods indicated. Your answers should total 100%.
- | | |
|-------|-----------------------------|
| _____ | a) One month or less |
| _____ | b) One month to one quarter |
| _____ | c) One quarter to one year |
| _____ | d) One year to five years |

54. In the successful performance of my task, it is very important to develop positive social relationships with co-workers rather than task-oriented relationships:
 (Please check one) ☐ a) Strongly agree
☐ b) Agree
☐ c) Undecided
☐ d) Disagree
☐ e) Strongly Disagree
55. To what extent do the plans spell out the operation of the enterprise?
 (Please circle one) ☐ Very much--Quite a bit--
☐ Slightly--Not at all
56. Company plans are made for the duration of:
 (Please check one) ☐ a) One year
☐ b) 2-3 years
☐ c) 5 years
☐ d) 10 years
57. Company plans are spelled out in:
 (Please check one) ☐ a) Committee meetings
☐ b) Company reports
☐ c) Informal ways (telephone talk)
☐ d) Confidential memos
58. The extent to which members of the organization participate in the corporate planning:
 (Please check one) ☐ a) Only top level executives
☐ b) Top and upper middle managers
☐ c) Top and middle management
☐ d) Top, middle and lower management
59. What is your role in the planning process?
 (Please check one) ☐ a) Originating the plan
☐ b) Reviewing the plan already originated by superiors
☐ c) Providing guidelines for its implementation
☐ d) Interpreting the plan



60. The extent to which I invite my subordinates to participate in the departmental planning:
(Please check one) ☐ a) Always
☐ b) Often
☐ c) Occasionally
☐ d) Never
61. How often are corporate plans revised?
(Please check one) ☐ a) As necessity arises
☐ b) Once in 12 months
☐ c) Once in 6 months
☐ d) Once in 3 months
62. Planning is mainly done on the basis of:
(Please check one) ☐ a) Intuition and past experience
☐ b) Reports of subordinates
☐ c) Information provided by the outside agency (consultants)
☐ d) Using scientific and statistical techniques
63. The extent to which we fall behind the plans:
(Please check one) ☐ a) Always
☐ b) Often
☐ c) Rarely
☐ d) Never
64. There is no point in making long-range plans due to uncertainties in our economic and political systems:
(Please check one) ☐ a) Strongly agree
☐ b) Agree
☐ c) Disagree
☐ d) Strongly disagree

Definitely True	True	Not True	Definitely Not True
--------------------	------	-------------	------------------------

65. I delegate authority and responsibility to subordinates extensively.

DT	T	NT	DNT
----	---	----	-----

	Definitely True	True	Not True	Definitely Not True
66. My subordinates accept and effectively execute delegated authority and responsibility.	DT	T	NT	DNT
67. I feel certain about how much authority I have.	DT	T	NT	DNT
68. I receive an assignment without adequate resources and materials to execute it.	DT	T	NT	DNT
69. I have to break a rule or policy in order to carry out an assignment.	DT	T	NT	DNT
70. I spend considerable time in solving the problems between line and staff men.	DT	T	NT	DNT
71. The authority of the staff in our organization is clearly defined.	DT	T	NT	DNT
72. The extent to which Committees are used in our organization: (Please circle one) Always--Often--Sometimes--Never				
73. What authority do committees have in your organization? (Please circle one) Advisory--Planning--Executive-- Coordinating				
74. Have you been able to use informal groups to the benefit of the organization? (Please circle one) Yes--No--None--Do not know				
75. The number of subordinates who report to me are: (Please circle one) 1-5 6-10 11-15 16-20				
76. I have to approach my superior to get his permission to get work done: (Please check one) Always--Often--Rarely--Never				

77. There has not been much change in our organizational structure for the past: (Please check one)
- ☐ a) One year
 - ☐ b) Two years
 - ☐ c) Five years
 - ☐ d) Ten years
78. The conflicts in our organization are due to improper grouping of various functions: (Please check one)
- ☐ a) Definitely true
 - ☐ b) True
 - ☐ c) Not true
 - ☐ d) Definitely not true
79. Individuals for management positions are selected: (Please check one)
- ☐ a) When there is a vacant position
 - ☐ b) In anticipation of the need
 - ☐ c) When recommended by an influential person
 - ☐ d) When sales increase
80. The main source for recruiting junior or middle level manager is: (Please check one)
- ☐ a) Relatives of company personnel
 - ☐ b) College placement service
 - ☐ c) Newspaper advertisements
 - ☐ d) Those who voluntarily apply
81. The main criteria used in selecting individuals for management positions are: (Please check one)
- ☐ a) Education
 - ☐ b) Age
 - ☐ c) Experience
 - ☐ d) Family ties
82. The type of training program you were in to obtain the job with the present company was: (Please check one)
- ☐ a) No training
 - ☐ b) On the job training
 - ☐ c) Formal training outside job
 - ☐ d) Classroom lectures



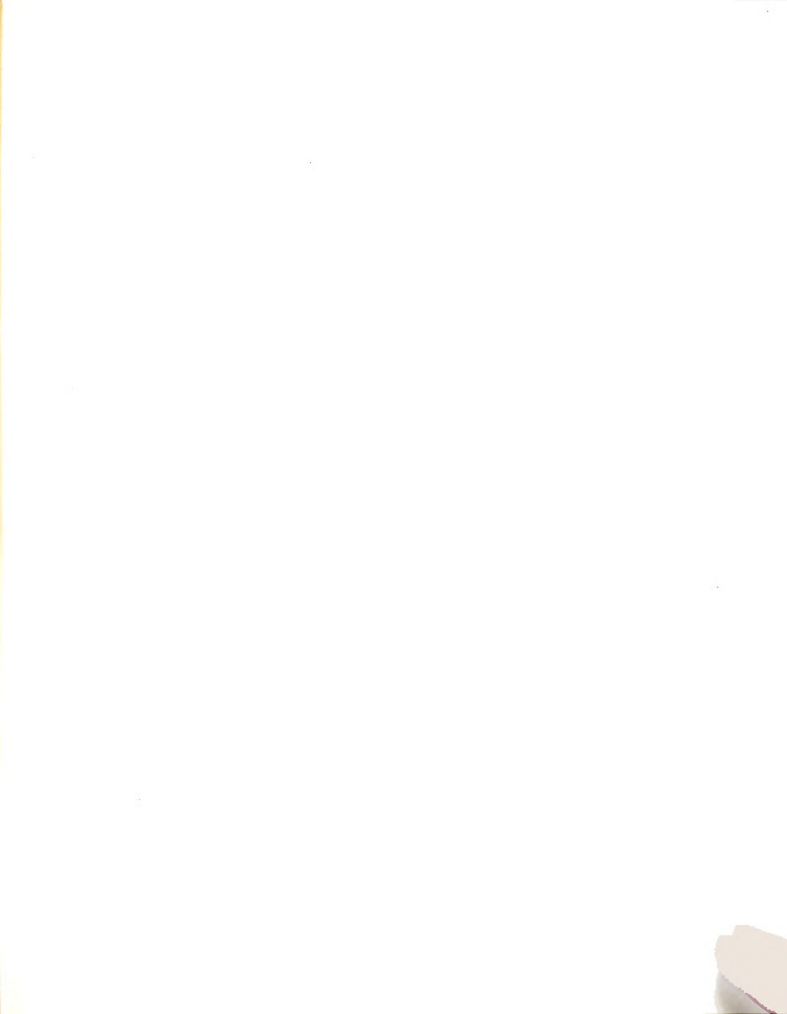
83. The job descriptions are made known to the individual:
(Please check one) ☐ a) Verbally by the interviewer
☐ b) Verbally by the superior
☐ c) Written manual
☐ d) Picks up as he gains experience
84. What is your turnover rate among junior or middle management level?
(Please check one) ☐ a) Less than 5%
☐ b) Between 5 and 10%
☐ c) Between 10 and 15%
☐ d) 15% and over
85. The techniques used for performance appraisal is/are:
(Please rank if there is more than one answer. Otherwise, check one) ☐ a) Periodic reports from superior
☐ b) Filling specific forms by superior
☐ c) No specific system
☐ d) When the employee requests
86. Unions interfere too much in recruiting personnel at supervisory and below supervisory levels:
(Please check one) ☐ a) Always
☐ b) Often
☐ c) Rarely
☐ d) Never
87. I am impressed with my subordinate when he:
(Please check one) ☐ a) Obeys implicitly
☐ b) Performs well in his own way
☐ c) Does not approach me often
☐ d) Tries his best



	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
88. Employees perform better under highly paternalistic management.	SA	A	U	D	SD
89. a) The average human being wants to be directed and wishes to avoid responsibility	SA	A	U	D	SD
b) The average human being has relatively little ambition.	SA	A	U	D	SD
90. If subordinates are allowed to participate in decision-making in the areas where their interests are involved, it is likely that productivity would decline.	SA	A	U	D	SD
91. The use of rewards and punishments is not the best way to get subordinates to do their work.	SA	A	U	D	SD
92. Allowing subordinates to express their feelings on issues only creates confusion.	SA	A	U	D	SD
93. My subordinates tend to perform well only under close and tight supervision.	SA	A	U	D	SD
94. A superior should give his subordinates only that information which is necessary for them to do their immediate tasks.	SA	A	U	D	SD
95. The "suggestion box" will not work in our company because employees think that their suggestions will not be given much attention.	SA	A	U	D	SD
96. Management tells employees about company plans and development.	SA	A	U	D	SD
97. Management does everything to prevent accidents in our work.	SA	A	U	D	SD
98. Control and close supervision are identical functions.	SA	A	U	D	SD

99. Time and motion study is done
in our company by:
(Please check one) ☐ a) Time and motion study
department
☐ b) Outside consultants
☐ c) Foreman
☐ d) Not done
100. Cost accounting is done:
(Please check one) ☐ a) For all products
☐ b) For major products
☐ c) Randomly
☐ d) Never
101. I would be happy if sub-
ordinates achieve the
established standards of
their performance:
(Please check one) ☐ a) 50%
☐ b) 65%
☐ c) 75%
☐ d) 95-100%
102. Deviation in standards of
performance is checked by:
(Please check one) ☐ a) Staff
☐ b) Superior only
☐ c) Superior and subordinates
together
☐ d) None
103. Standards of performance
are set by:
(Please check one) ☐ a) Superior
☐ b) Individual who performs
the task
☐ c) Superior and subordinate
together
☐ d) Unions or outside
consultant
104. The main purpose of control
is to increase productivity
rather than the development
of employee:
(Please check one) ☐ a) Strongly agree
☐ b) Agree
☐ c) Strongly disagree
☐ d) Disagree





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