

Impact of Cultural Sensitivity on Intrapreneurial growth of employees in Indian Organisation.

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Abstract

Culture defines the values, ethics, beliefs inculcated in an individual. Coined in the 1980s by management consultant Gifford Pinchot, intrapreneurs are used by companies that are in great need of new, innovative ideas. Today most companies try to create an environment where employees are free to explore ideas. If the idea looks profitable, the person behind it is given an opportunity to become an intrapreneur. Creating a culture that supports and encourages entrepreneurial thinking is important in today's global economy. The idea of intrapreneurship is to bring the entrepreneurial mindset to the office. Intrapreneurship or corporate entrepreneurship is considered as an important and valuable tool for reviving the existing organization (Zahra 1991). The challenges arise when employees have to adapt in a different cultural setting as moving of an expat from home country to foreign land or moving from one state to another. In this research the data shall be collected from the focus group preferably from employees working in Multinational companies in India - employees who have moved out from their land of origin to other states to earn their bread and butter, expats etc. This paper describes about how culture leads to intrapreneurial growth of employee in India. Data shall be collected via self-administered questionnaires methodology. The study focused on cultural sensitivity within national boundaries to study innovative behaviour of people at the workplace.

Keywords: Culture Sensitivity, MNC, Intrapreneurship

Introduction

India is one of the oldest civilizations in the world with rich cultural heritage. Every human being is different in one or the other way and one of the major factors is upbringing in different cultures. Cultural sensitivity means accepting the person irrespective of their culture, creed etc. The concept of intrapreneurship is new and emerging in India. It is the set of strategies and practices which a company undertakes to cultivate entrepreneurial competencies in the organisation. India has grown in last decades and is now one of the top industrialised countries in the world. To understand the relationship between cultural sensitivity and intrapreneurship various models have been studied that highlight that organisational performance can be improved by considering these two variables. Chan (2009) found that to effectively manage workplace diversity, organisation needs to maintain a cross-cultural sensitivity competence by changing management philosophy from an ethnocentric view to a culturally relative perspective.

Review of Literature

Earlier research on workplace diversity suggests that diversity can be either prejudicial or beneficial for employee performance (Williams and O'Reilly, 1998). For instance, employee diversity is positively associated with creativity and problem-solving skills (Bantel and Jackson, 1989; Jehn et al., 1999) and negatively related with cohesiveness and cooperation (Pelled et al., 1999). Good work force diversity practices in the area of human resources are believed to enhance both employee and organisational performance (Adler, 1986). Furthermore, employee diversity allows creativity, better problem definition, more alternatives and better solutions (Adler, 1986). It is also argued that with decreasing homogeneity in the workforce, it has become crucial for organisations to develop equal opportunities and diversity management policies to protect the competitive position in the market place (Gilbert and Ivancevich, 2000; Shaw, 1993). Cultural diversity is currently a trend along with the globalisation — the majority of companies in the world have different branches in multiple locations. Most people believe that cultural diversity has massive impact on team performance, and it is mandate to become multicultural (qtd. in Stahl et al. 3). Another study was performed by Hofstede to examine the results of a worldwide survey of employee values by IBM between 1967 and 1973. The Indian perspective defined under six dimensions framework of Hofstede is given in Table 1

Power Distance (PDI) - 77

India scores high for this dimension, 77, which indicates a high level of inequality with regards to power and wealth within the society. In this type of society, managers count on the obedience of their team members and employees expect to be directed clearly in regards to their functions and what is expected of them. India is a strong example of a culture with high power distance as its Caste System divides the Indian population into five groups, with each group having a higher status than the

one below it. These castes define the power of an Indian citizen from birth and they cannot aspire to enter another caste.

Individualism versus Collectivism (IDV) - 48

India is a society with clear collectivistic traits as it scores a 48 for this dimension. This indicates that there is a high preference for belonging to a larger social framework. Individuals are expected to act in accordance to the greater good of one's defined in-group(s). The relationship between an employer and an employee is based on expectations – loyalty from the employee and familial protection from the employer. In the workplace, hiring and promotional decisions are often based on relationships. Relationships are the key to everything in a collectivist society.

Masculinity versus Femininity (MAS) - 56

India is considered a masculine country with a score of 56 on this dimension. India is very masculine in terms of visual displays of success and power, despite the fact it scores barely above the midrange. In masculine countries like India, the focus is on success and achievements, is validated by material gains, work is the centre of one's life and visible symptoms of success in the workplace is very important.

Uncertainty Avoidance (UAI) - 40

India scores 40 on this dimension and thus has a medium to low preference for avoiding uncertainty. In this country, there is acceptance of imperfection; nothing has to be perfect no has to go exactly as planned. Traditionally, India is a patient country where tolerance for the unexpected is high. People in India generally do not feel driven or compelled to take action-initiatives and feel comfortable when settling into established rolls and routines with questioning. People in cultures with a medium to low uncertainty avoidance level tend to value risk-taking, seek change instead of avoiding it, and demonstrate a high tolerance for difference or error. India possesses all of these traits which makes it a favourable destination for outsiders to establish business relationships.

Orientation (LTO) - 61

India scores a 61, making it a culture with long term orientation. In India, the concept of karma dominates all religious and philosophical thought. India has a great tolerance for religious views from all over the world – Hinduism is considered as a philosophy more than even a religion; a fusion of ideas, views, practices and beliefs. India's high score on long term orientation means that its members typically forgive lack of punctuality, a change of plans based on changing reality and a general comfort with discovering the fated path as one goes along rather than following an exact plan.

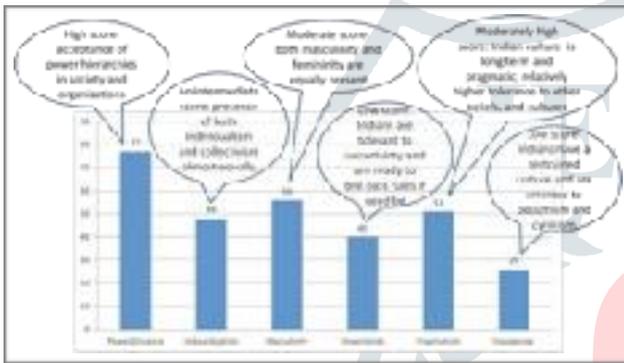


Table 1: <http://geert-hofstede.com/india.html> Intrapreneurship is a sub-field of entrepreneurship (Antoncic and Hisrich; 2003: 7) and intrapreneurship's broadest and popular definition is "entrepreneurship in an existing firm" (Antoncic and Hisrich; 2003: 9). Intrapreneurship is basically an individual action. It is conceived as the actions of employees within an organisation leading to innovation of product, services or processes (Gapp and Fisher; 2007: 330). Intrapreneurship is the practice of composing new business products and opportunities in an organisation by proactive empowerment (Essley and Longenecker; 2006: 19).

Intrapreneurship is "the process of exhibiting and developing an opportunity to create value

through innovation and grasping that opportunity without regard to either resources or the location of the entrepreneur" (Menzel, Aaltio and Ulijn; 2007:734).

Objectives

- To understand the concept of cultural sensitivity in Indian context.
- To study the emerging trends of Intrapreneurship and challenges faced by intrapreneurs in India.
- To explore the influence of cultural differences on intrapreneurial behaviour of employees in Indian organisation.

Problem Statement

Work force diversity is proclaimed as an opportunity for organisations to become more creative, to reach previously untapped markets, and in general to achieve and maintain an edge over other competitors (Loriann and Carol, 2007; Cox, 1994; Robinson and Dechant, 1997; Thomas and Ely, 1996). Erasmus (2007) argued that workforce diversity creates conflict and uncertainty in the workforce as management is not skilled in the discipline of diversity management and managers do not know how to effectively practice diversity.

Research Methodology

The main objective of this research is to analyse the effect of cultural sensitivity on intrapreneurial growth of employees in India. The target population is middle level employees working in MNC's. The data is collected through focus group by interviewing 30 managers. Convenience sampling is used in selecting the sample. The research instrument used is Questionnaire.

Cultural Sensitivity in Indian Context

India is known for ethnicity, vivacity and diverse culture than other countries. There are approximately 2000 castes, 8 'major' religions and 22 official languages. It is the second most populous country and the largest democracy in the world, with more than 1.2 billion people, 29 states and seven union territories. India presents immense opportunities to open up socially. Indians are warm, hospitable people. Sociability is encouraged from an early age and expats feel delighted to see the extent to which Indians are helpful and always willing to socialise. They believe in the philosophy of "*ATHITHI DEVO BHAV*".

Cultural Sensitivity refers to set of skills that allows to understand and learn about people whose cultural background is different from the other individual. Table 2 illustrates the summary of concepts where five dimensions are the major constructs.

Open-mindedness is the degree to which an individual is receptive to new information and situations, including cultural differences (Harich and LaBahn 1998, p.94).

Adaptation of new business style is key to successful international assignments (Hosted 2001, pp.97,107).

Ongoing business experience involves how business is carried out in a particular country.

Country Experience refers to diverse set of experiences acquired by involvement with business partners in a specific market (Chetty et al. 2006, p.701).

International experience implies that one has been exposed to diverse cultures and business environments in the course of various business engagements (Lindbergh 2004, p.9).

To be culturally sensitive is important to manage business relationships characterised by high levels of trust between employer and employees and high levels of exchange of information.

RATER ENTITY	EMPLOYEES	
INDIVIDUAL TRAITS	ATTITUDES, SKILLS AND EXPERIENCE	
FOCAL OBJECT	INTRAPRENEURIAL GROWTH AND EMPLOYEE PERFORMANCE	
DIMENSIONS	<ul style="list-style-type: none"> • INTERNATI ONAL EXPERIENC E • COUNTRY EXPERIENC E • OPEN- MINDEDNE SS • ADAPTIVE BUSINESS STYLE • ON-GOING BUSINESS EXPERIENC E 	<p>OUTCOME</p> <p>_____</p> <p>_____</p> <p>RELATIONAL CHARACTERI STICS: TRUST EXCHANGE OF INFORMATIO N</p>

Table 2: Series of Dissertations 4/2007 ISBN 987-82-7042-809-0

Trends in Intrapreneurship:

- Intrapreneurs are bringing start up mentality among employees which helps in changing an obsolete business culture.
- Intrepeneurs are helping businesses to diversify and become more competitive.
- They are helping businesses become more experimental according to David Spears, a social intrapreneur for Barclays.
- Intrapreneurs are making businesses become more resourceful.
- Inrapreneurs are helping business become more socially conscious. Deloitte found that only 57 per cent of millennials believed their business leaders 'are committed to helping improve society'. But according to Spears, intrapreneurs are helping to change this. "The millennial generation wants to bring change that serve the society in a better and effective way.

Challenges for Intrapreneurs in India

- Lack of infrastructure in Indian organisation to support innovation and creativity.
- Really difficult to change culture.
- Organisation that supports and promotes intrapreneurial activities are difficult to find in India.
- Right kind of leadership is missing in most of the organisation that promotes and guides employee that Intrapreneurship is everone's job.
- Not every organisation trust their employees to do experimentation and prefer to stick to the obsolete approach.

Analysis and Interpretation

On the basis of data collected from middle level managers working in corporate following interpretation is made 43.3% are in the age group of 40-49,36.7% are in the age group of 30-39,10% are in the age bracket of 20-29 and 10% are in the age group of 50 and above. Out of which 83.3% are males and 16.7% are females working as mid level managers.46.7% are having undergraduate degree, 26.7% are having masters degree, 20% are diploma holders and rest 6.6% possesses doctorate degree. As all the respondents are at managerial positions so 46.7% are having the work experience of more than 15 years. 60% of the respondents had spent their childhood in urban areas and only 23.3% in rural

area and rest of them were partial rural and urban.56.7% respondents were brought up in joint family and 43 . 3 % in nuclear family. 53 . 3 % respondents stated that their parents were in Government job.86.7% of the respondents are working in Private sector and only 13.3% in Public sector.65.5% of the respondents were born and brought up in Northern part of India and 85.7% are working in Northern region only and they are reluctant to shift from that place due to their comfort zone.62.1% of respondents stated that their organisation have HR policy of recruiting candidates from others states however they do not have any idea about the exact numbers. 56.7% respondents stated that they are been given training to understand the cross-cultural challenges however the frequency of same is not fixed.72.4% respondents stated that they do have policy to deal with cultural related grievances.69% of the respondents never felt discriminated by their employers however there is a sense of discrimination among the employees. 90% stated they are been treated fairly in their organisation. 86.7% mentioned that they have an active role in decision making.36.7% mentioned that performance criteria for success in their organisation depends upon the team performance and 33.3% stated that they are been evaluated individually on the targets achieved, 16.7% are been evaluated on the basis of expertise and experience and 13.3% mentioned that initiative taken is not been considered as the criteria for evaluating the performance. 86.7% respondents mentioned that they have a freedom of performing the tasks in their own way. 76.7% stated that their organisation pay sabbatical leaves for enhancing their KSA's. 96.7% mentioned that their organisation motivates to introduce new and innovative methods of performing tasks but by considering the cost implications in mind. Employees are allowed to undergo training based upon organisational needs. Employees are comfortable working with people of all ages however they face certain differences in commencing the tasks. 86.7% stated that they never participated in exchange study programs abroad but would love to participate if given a chance. All respondents agreed to the facts that employees should be given exposure on inter-cultural issues and how to tackle those issues to improve organisational effectiveness. 70 % agrees to the fact that forming team on the basis of cultural similarities can give

better 5 results. 53.3% mentioned that cultural differences is a big hurdle in their success and need to managed properly for improved results. 93.3% agrees that intrapreneurial behaviour can be developed through supportive culture. 80% believes that intrapreneurs can be a game changer in attaining competitive advantage.

Conclusion

Cultural diversity influences individuals' satisfaction and inspires creativity within a team (Stahl et al. 8). Rudnák (2010) conducted a survey to find out about the challenges managers meet in a multinational work environment in Hungary. Her results are based on the answers of a total of 116 foreign and

222 Hungarian managers. With regard to her Hungarian respondents, among others, she found that (1) almost 40% had not met representatives of other cultures in their childhood; (2) only about 10% had participated in exchange study programmes abroad; (3) 76% had not ever worked abroad; (4) about 15% did not really like to work together with foreigners; (5) almost 20% thought that ignoring cultural differences would not result in loss of serious business; (6) 22% did not believe that cultural diversity was positive, result-oriented and efficient. The reason that people are not satisfied working in a diverse environment is because they are not comfortable when being with dissimilar people (qtd. in Stahl et al. 6). On the contrary, diverse working environment is considered as a better soil for incubating creativities, (qtd. in Stahl et al. 9). Employees from diverse cultural backgrounds can provide ideas from distinct perspectives; their experiences can inspire creativity. Organisation need to find out the idea generators and promoters and furnish them with all the facilities to pursue their passion.

Limitations and Future scope of study

Indians have inbuilt entrepreneurial skills through decades and always on the lookout for better opportunities. The generation Z tend to be well-informed, tech-savvy and believe in experimentation. As a polychromic culture, people tend to change priorities depending on their importance; attitude towards punctuality is relaxed. Most large global organizations require adherence to strict deadlines and fast decision-making. In India organisational culture focuses on relationships and trust building towards specific business objectives. To do

business with Indian managers, it is advisable to develop a personal relationship with them. Organisations in India should recognise that success depends upon bringing new innovations. India's modern business sectors are developing at a faster pace where business practices and traditions have not kept pace. Indians are willing to adapt to westernised values for upgrading themselves. Beneath the surface, traditional cultural values may still prevail that they can utilise as their strengths. In a nutshell, the country welcomes all with warmth. It takes efforts and understanding to become comfortable with the attitude and approach of the people from different backgrounds. Cultural diversity is one of India's most attractive qualities that can be utilise in a way that promotes intrapreneurial behaviour among employees. Global economy requires diverse workforce for unleashing creativity, innovation which can raise the competitiveness in organisation. People must understand the importance of managing the diverse workforce to achieve and maintain a competitive advantage. Top management need to implement strategies to promote innovation and creativity in organisation, for this they need to identify the employees who have appetite for innovation and competition, who have high self-esteem, risk taking capabilities and entrepreneurial spirit. To achieve this management need to facilitate them with enough resources, supportive culture, rewards and hassle free environment that can yield huge benefits not only to the employees but to the organisation as a whole.

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