

University of Life Sciences in Prague

Faculty of Economics and Management

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How a culture affects doing business

Bachelor Thesis

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Department of Economics
Faculty of Economics and Management

BACHELOR THESIS ASSIGNMENT

Gouri Boyinová Sunethra Nirmali

Economics and Management

Thesis title

How a culture affects doing business

Objectives of thesis

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Recommended information sources

Doc. Ing. Ivan Šroněk, Csc., Kultura v mezinárodním podnikání, 1. vyd. Praha: Grada Publishing, 2001. ISBN 80-247-0012-3

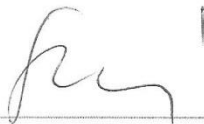
Geert Hofstede, Kultura a organizace: software lidské mysli, Praha: Linde 2007, ISBN 978-80-86131-70-2

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Declaration

I hereby declare that I have worked on my bachelor thesis titled “How culture affects doing business” completely on my own and that I have marked all quotations in the text and I have also mentioned all sources I have used in the References at the end of the thesis.

In Prague on March 17th, 2014

Signature.....

Sunethra Nirmali Gouri Boyinová

Acknowledgement

I would like to thank my supervisor Ing. Mansoor Maitah, Ph.D. et Ph.D. for his professional mentoring and those who made this bachelor thesis possible.

Summary:

The main goal of this bachelor thesis is to introduce culture, and explain that it is an important aspect in the business environment, in my case in India. The first part of the bachelor thesis is theoretical, and it introduces to reader the definition and elements of the culture. Important section of the theoretical part is the theory of Hofstede's cultural dimensions. The second section which is practical and focuses on India and its culture, is divided into three parts. The first part is an introduction to India in general and its important facts. This part is an irreplaceable basis for Indian culture. The second part is focused on Indian culture and business etiquette. And the third part compares Indian culture and Czech culture in the Hofstede's cultural dimensions. The aim of this part is to illustrate the character differences and better predictability of an Indian business partner's personality.

Keywords: culture, entrepreneurship, ethics, foreign, differences, communication, India

Souhrn:

Hlavním cílem této bakalářské práce je představit kulturu a zdůraznit fakt, že je kultura důležitým aspektem v podnikatelském prostředí, v mém případě v Indii. První část bakalářské práce je teoretická a seznamuje čtenáře s definicí a prvky kultury. Důležitou součástí sekce je seznámení se s teorií Hofstedeho kulturních dimenzí. Druhá část, která je praktická, se zaměřuje na Indii a její kulturní aspekty. Tato sekce je rozdělena do dalších tří částí. První část uvádí čtenáře do indických reálií a základních informací, které je dobré znát. Tato část je nenahraditelnou součástí toho, co formuje a formovalo indickou kulturu. Druhá část se zaměřuje na indickou kulturu a obchodní protokol a etiketu. Třetí část porovnává indickou a českou kulturu v rámci Hofstedeho kulturních dimenzí. Cílem této části, je ilustrovat rozdíly charakteru a lepší předvídatelnost osobnosti indického obchodního partnera.

Klíčová slova: kultura, podnikání, etika, zahraničí, rozdíly, komunikace, Indie

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1. INTRODUCTION

The Aim of this bachelor thesis is to introduce to a reader how to do business in India. Large part of a qualified public forget how important is to know how to communicate and negotiate with people of other nationalities, especially with people from far eastern countries. We think that to behave according to our traditions is innate, and we do not need to change the manner when we are meeting other people. But this is the one of the biggest problem when we are putting on the table business, political problems and other issues. We live in 21st century, which is a significant milestone of globalization. Nations are meeting and cooperating; giant organizations and companies are merging, creating branches and subsidiaries all around the world. Because of that it is very important to know with whom we have the honor to talk and lead the discussion. My bachelor thesis is named How culture affects doing business. So what culture means? "*Culture is the full range of learned human behavior patterns. This term was firstly used in the book Primitive Culture in 1857 written by English Anthropologist Edward B. Tylor. Tylor said that the culture is that complex whole which includes knowledge, belief, art, law, morals, custom, and any other capabilities and habits acquired by man as a member of society.*"¹

I would like to analyze the differences between the Czech culture and Indian culture and I want to discover, how these disparities might affect the business and society. In this work, I am focusing mainly on the business sphere in India. The Indian subcontinent is known for its cultural and commercial wealth of its long history. India is the 7th largest country in the world with the 2nd largest number of population in the world. Its economic potential cannot be unregistered, it is an economy with the world's 11th largest country with nominal GDP and the third largest country by purchasing power parity. India belongs to the BRIC which is a group of developing countries that are Brazil, Russia, India and China, which appears to be on the similar stage of newly advanced economic development. It is also called sometimes as the "Big Four".²

¹ Anthro.palomar.edu, 2014

² Investopedia, 2009

India's political and military influence is constantly increasing and it is not surprising that the cooperation in all fields is important between India and Europe. India is very specific with its own culture and it will be very interesting to compare it with the Czech one.

2. OBJECTIVES AND METHODOLOGY

2.1 OBJECTIVES

Because the thesis is focused on the topic that is the culture and Indian culture, the main objective is to find out how much are cultural habits and aspects important in India and Indian business society and how to apply collected information in own practice.

2.2 METHODOLOGY

In my Bachelor Thesis I use literature research, the data and information were collected from books, scientific articles and Internet sources focused on the topic of the thesis. The essential part of the thesis is descriptive. Both my personal experience and reflections represent an additional source of the Bachelor Thesis. I use comparative analysis in the section of comparison Indian and Czech culture, to find out where might be problematical areas in the communication.

3. CULTURE

3.1 Definition of Culture

Interpersonal communication is strongly influenced by cultural patterns. When two people with different cultural patterns debate, converse or just talk, it might bring many misunderstandings. Each person is different and can perceive signals that are his partner sending differently. Some cultures use touching as a token of trust and affection, but other countries could see this gesture as unpolite. Westerners generally assume that a smile display pleasure and good mood and Orientals are taught to smile as a reason of etiquette. Eye contact is necessary in the Western countries, and in Oriental societies is polite to look down or away from a superior in order to show the respect. In some cultures, the loudness is associated with sincerity and forcefulness and in some countries the louder voice is a sign of impoliteness. Because of that it is important to learn basics of culture to prevent these misunderstandings. First it is important to know what is culture in general. The word " culture" comes from the Latin word, that means the growing of the soil. In many modern languages the word is used in a metaphorical sense, with two meanings. *" The first, most common, meaning is civilization, including education, manners, arts and crafts and their products. It is the domain of a ministry of culture. The second meaning derives from social anthropology, but in the past decades it has entered common parlance. It refers to the way people think, feel and act."*^{3,4}

According to Geert Hofstede, it is *" the collective programming of the mind distinguishing the members of one group or category of people from another. The category can refer to nations, regions within or across nations, ethnicities, religions, occupations, organizations, or the genders. A simpler definition is the unwritten rules of the social game."*⁵

³ BOČÁNKOVÁ Milena et al., Intercultural Communication, p. 28-29

⁴ Geert-hofstede.com, 2014

⁵ Geert-hofstede.com, 2014

3.2 Organizational cultures

Organisational Culture is defined as "*the collective programming of the mind that distinguishes the members of one organisation from others*"⁶ The Hofstede's research has shown that differences in culture among nations are especially found at the deepest level (level of values). Cultural differences among organizations are on the contrary identified at the level of practices. Practices are more substantial than values.

Practices are more superficial and easier in learning and unlearning than values that are forming the core of national cultures. As a result, the Hofstede dimensions of national cultures cannot be used in the comparison of organizational cultures within the same country. These models describe different layers of our reality. Organizational culture is influenced and shaped by many factors such as personality of a founder, expectations of stakeholders, type of technology in use, and many others. Organizational culture is also affected by the national culture. It means that organizations in the same country are normally shaped by the same national culture unless regional differences in culture are large.⁷

3.3 Elements of Culture

Culture refers to integrated patterns of human behavior but also to social groups defined by characteristics such as religion, age, gender, education, income level, profession and many others. Some elements of culture are easier to see than others. There are different types of culture and each culture has its unique substance. There are several aspects that together constitute as the culture of a specific region or the culture of concrete people such as:

Language= various languages are basically an important part of the culture

⁶ HOFSTEDE Geert, *Cultures and Organizations*, p. 6, 2010.

⁷ Geert-hofstede.com, 2014

Norms= Every civilization or society has its unique set of norms which are an important element of the culture. Such as taboos, rituals or folkways.

Values= Social values of a specific society are also considered as an element of the culture. Cultural values often refer to the things that have to be achieved or things that are considered with great value in a specific culture.

Religion and Beliefs= Religion and beliefs play an important role in shaping of the culture

Social Collectives= Social collectives refer to the social communities, organizations, groups, institutions, societies and classes that are considered as symbolic social constructions.

Status and Role in Society= Status and role in society is a position in the group or society, which gives an idea of the social structure and because of that it is an important aspect of the culture

Cultural Integration= Includes the degree of integration or harmony within the several elements of culture. It can include elements like local cultures, sub-cultures or differences between cultural and historical traditions. ^{8,9}

3.4 Human mind programming

Culture should be known in human nature on one side but also from an individual's personality on the other side. Each person has his own formulas of feelings, thinking and potential for negotiating that he learned during his life. But the major part has been absorbed during the early childhood. Geert Hofstede compares human behavior to the programming of computers.

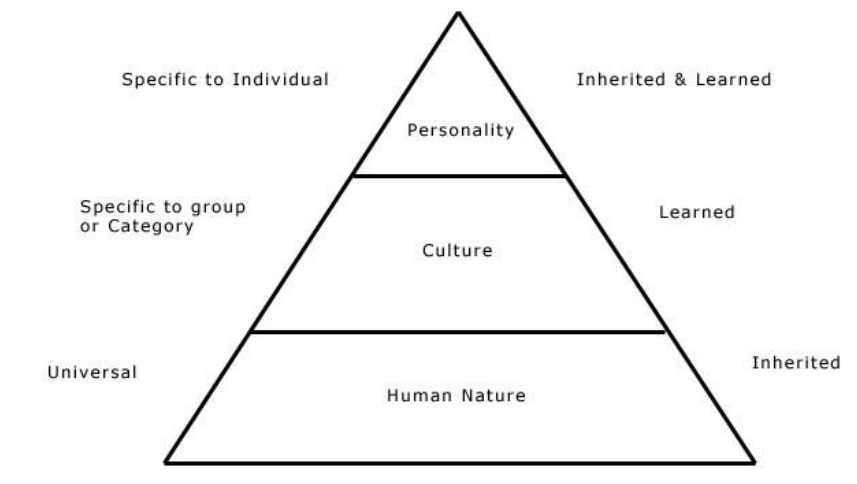
There are three levels in the human mind programming. First level is a personality. Personality is a unique set of mental programs (formulas of feelings and thinking) that

⁸ Captus.samhsa.gov, 2014

⁹ Manohar, 2014

he do not share with other people. Personality is partially inherited and partially learned by surroundings. The second level is Culture. Culture is a phenomenon which is collective, because it is partly shared by people who lived or live in the same environment. Culture is not inherited it is learned. It does not derive from genes but from the social environment. The third level is called Human Nature. Human Nature is common for all people. It is congenital and based on genes. It determines physical and essential psychic working of an individual. The structure of different levels is outlined in figure 1.

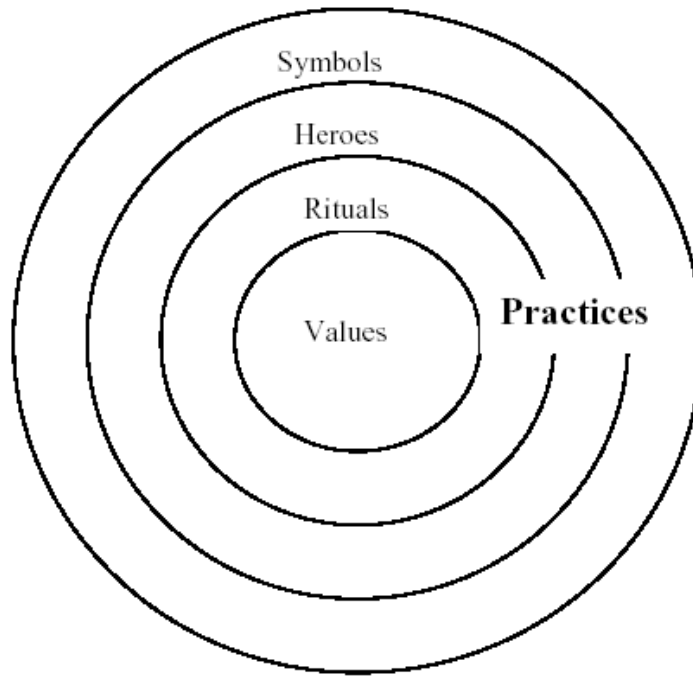
Figure 1: Three levels of uniqueness in human mental programming



Source: Hofstede, 2010

3.5 An Onion Diagram

Figure 2: Onion diagram, manifestation of culture at different levels of depth



Source: Hofstede, 2010

Differences between individual cultures are manifested in various ways. In the professional literature are mostly expressions of culture expressed as layers of an onion as it is described in the figure 2. These layers are created by symbols, heroes, rituals and values. Symbols are gesture, pictures words or objects that have particular meaning that is only recognized by those who share the same culture. For example, jargon, fashion or flags. Heroes are persons who are dead or alive, real or imaginary. Heroes are possessed by characteristics which are highly evaluated in the culture, and represent positive examples for society. These heroes range from Mahatma Gandhi in India to Asterix in France. Rituals are collective activities that are technically unnecessary, but they are socially considered as substantial. It can be a way of meeting, paying respect to others or social and religious ceremonies. These three layers are subsumed under the term "practices". The next part and the core of the

culture are values. Values are tendencies to prefer specific states of affairs over another. Values are feelings with direction. They have both positive and negative sides. Examples are good vs. evil, dirty vs. clean, danger vs. safety and others. Values belong to the first things that children learn implicitly.

3.6 Layers of culture

Every category or group of people is equipped by the set of shared mental programs which create their culture. Almost everyone belongs to different groups and categories of people at the same time. People carry some layers of so called " mental programming" within themselves which corresponds to different levels of culture. The first level is called National level, correspond to country, from which individual comes (or more countries in which individual lived). Regional, religion, ethnic or linguistic affiliation level, nations are composed of culturally different regions or ethnic, religious or language groups. A gender level, according to which the person was born as a boy or girl. A generation level which determines children from parents and grandparents. And the last one is a social class level, associated with opportunities in education and a person's profession or education.¹⁰

3.7 National cultures

Nations that are now fully- fledged have developed during the historical processes. The system of nations was fully developed and integrated globally in the first half of 20th century after the colonial system. There is also another term, which is a community. Community and Nation are not the same. Community is according to Geert and G. Jan Hofstede a form of social organization that is naturally evolved historically. Nations that exist longer support larger integration such as national education system or language.

¹⁰ HOFSTEDE Geert, Cultures and Organizations 2010

4. DIMENSION OF CULTURE

Social anthropologists and psychologists have done research on the national culture during the 20th century. There have been suggested circuits that represent general and fundamental issues based on the researches that have impacts on a function of nations, communities and groups in the communities. Geert Hofstede studied the sample values of people from more than fifty countries around the world. All of these people were employees of a multinational corporation IBM. These sample values were for the research almost ideal since these people were perfect comparable samples, all of the employees had similar corporate culture, but they were nationally different.

*" Statistical analysis of the answers on questions about the values of similar IBM employees in different countries revealed common problems, but with solutions differing from country to country, in the following areas. Social inequality, including the relationship with authority. The relationship between the individual and the group. Concepts of masculinity and femininity: the social implications of having been born as a boy or a girl. And ways of dealing with uncertainty, relating to the control of aggression and the expression of emotions."*¹¹

Geert Hofstede and G. Jan Hofstede used for circuits of general issues in the national culture term dimensions. Dimension is defined in this area as the aspect of the culture, which can be measured in relation in compare to other cultures. These dimensions are called: power distance (from smaller to larger), collectivism vs. individualism, femininity versus masculinity and uncertainty avoidance (from weaker to stronger).

All of these dimensions together create a four-dimensional model of differences among national cultures. Each country in this model is characterized by the rank and score on each of the four dimensions. Individual dimensions combine a large number of phenomena that have been previously empirically verified that emerge together, although there is not seen at the first glance the logical mason why it should be related

¹¹ HOFSTEDE Geert, Cultures and Organizations, p.30, 2010

together. There is also a fifth dimension which is called a dimension of preferring a long-term orientation in life to a short-term orientation.

4.1 Power Distance

According to the theory; each country has its own way how to treat with inequalities. Inequality can be found in every society, and this aspect is the first dimension of national cultures. When the power distance is on the workplace large, than superiors and subordinates employees consider other employees as existentially unequal. The hierarchy of power is based on this inequality. The large power distance is also reflected on a strong centralization and the allocation of the authority power on just a few employees. The usual fact is that the older and experienced employees, the more respect and seriousness they get. Manual workers and uneducated employees have less prestige than educated employees and the office work. Superiors have a respect and certain privileges and subordinate employees are expected to do what superior employees tell them. Contacts and appointments should be initiated only by supervisor employees. This method corresponds to the total rewards system that is organized into many levels of hierarchy and because of that there are large differences between the wages of top management and classic employees in the corporation.¹²

¹² DAVIS V., Westwood Schools, study material, 2014

Table 1: Key Differences between Small and Large Power Distance Societies -WORKPLACE

Small power distance	Large power distance
Hierarchy in organizations means an inequality of roles, established for convenience	Hierarchy in organizations reflects the existential inequality between higher-ups and lower-downs
Decentralization is popular	Centralization is popular
There are fewer supervisory personnel	There are more supervisory personnel
There is a narrow salary range between top and bottom of organization	There is a wide salary range between top and bottom of organization
Managers depend on their own experience and subordinate employees	Managers depend on superior employees and formal rules
Subordinate employees expect that superior employee will consult with them	Subordinate employees expect that superior employee will tell them what to do
The ideal boss is a resourceful democrat	The ideal boss is a benevolent autocrat or good father
Privileges and status symbols are frowned upon	Privileges and status symbols for managers are both expected and popular
Manual work is equally appreciated as the office work	Office work is viewed as more important than the manual work

Source: Hofstede, 2010, own utilization

4.2 Collectivism vs Individualism

This is the second dimension which according to Geert Hofstede and Geert Jan Hofstede *" pertains to societies in which the ties between individuals are loose: everyone is expected to look after himself or herself and his or her immediate family. Collectivism as its opposite pertains to societies in which people from birth onwards are integrated into strong, cohesive in- groups, which throughout people's lifetime continue to protect them in exchange for unquestioning loyalty."*¹³

Individualism is connected with concepts of personal time, freedom and personal challenges. All of these terms have in common independence of an individual on the company. The more an individual has the personal time, freedom and personal challenges the more independent he is. On the contrary, work objectives such as training, work environment or application skills are connected to activities that person does for the firm and underline the dependency on the company. These features are typical for a collectivism. The other relation sign is that in individualistic countries there is a trend to be rich and vice versa. It is generally a necessity for employees in individualistic countries to have working goals such as training, work environment and application of skills. In the company with individualistic tendencies a company assumes that employees act in accordance with their interests and the work is arranged to the interests coincide according to the interests of employer. The relationship between an employer and an employee is seen more as a business transaction. On the other hand in the company with collectivistic tendencies employer never accept just individuals, but person who belongs to a certain group. In such a culture, employees are expected to act always in accordance with the interests of their group although the fact that his interest may differ from the interests of the group. This relationship between an employer and an employee is seen in the moral sense.

¹³ HOFSTEDE Geert, Cultures and Organizations, p. 76, 2010

Table 2: Key differences between collectivist and individualist societies- WORKPLACE

Collectivism	Individualism
Diplomas provide entry to higher status Groups	Diplomas increase economic Word and/or self-respect
Changes of an employment are not usual	Changes of an employment are usual
Employees are members of groups " us" and they follow group interest	Employees are " economic people" who follow the interests of the employer, if these interests are similar as theirs
Relationship employer-employee is perceived in moral terms, like a family link	Relationship employer-employee is a contract supposed to be based on mutual advantage
Identity is based on the social network to which one belongs	Identity is based on the individual performance and current rules
Direct assessment of employees harm the environment	In the management training is taught how to gracefully share emotions
Relationships are more important than task	Task is more important than relationships

Source: Hofstede, 2010, own utilization

4.3 Feminity vs Masculinity

This dimension " Indicates the extent to which the dominant values of a society are masculine (assertive and competitive). Masculinity pertains to societies in which social gender roles are clearly distinct (men are supposed to be assertive, tough, and focused on material success whereas women are supposed to be more modest, tender, and concerned with the quality of life. Femininity pertains to societies in which social gender roles overlap, both men and women are supposed to be modest, tender, and concerned with the quality of life." ¹⁴

¹⁴ DAVIS V., Westwood Schools, study material, 2014

This dimension was also utilized in the IBM research. In this part were considered how much of importance give employees terms earnings (to get a well payed salary and deserved acknowledgement for a deserved job), procedure (have the chance to be promoted and grow up to higher positions), the challenge (to have a job that is interesting and brings a sense of personal success), senior (have a good working relationship with a superior), cooperation (working with people who are good in cooperating together), area to live (to live in the place which is considered as attractive), job security (have a certainty that you can work in the company as long as you want)

Terms earnings, recognition, procedure and challenge corresponds more to the masculine social role. The typical masculine society is characterized by the importance of different individual social roles. Generally it means, that men should be more assertive, tough and focused mainly on the material success but women have to be rather mild, fine and focused on the quality of the life. Senior, cooperation, area to live and job security characterize the feminine social role. The typical feminine society is characterized by the merging of the different individual social roles. It means that both genders should be gentle, modest and with a focus on the quality of life. Companies with the dominant masculine type of society place emphasis on results and then tries to fairly remunerate according to personal results. Feminine type of organization prefer to pay employees on the basis of equality and to remunerate according to his needs. Masculinely developed types of countries are better in a production, especially in the mass production such as the production of heavy equipment and heavy chemistry. These countries are engaged in various activities quickly, effectively and well. Feminine developed types of countries have an advantage in services, such as transport or consultancy and work challenges related to the agriculture or biochemistry.

Table 3: Key differences between feminine and masculine societies.- WORKPLACE

Feminine	Masculine
Managers use intuition and strive for a consensus	Managers are expected to be decisive and assertive
Rewards are based on the equality	Rewards are based on the equity
Small organizations are preferred	Large organizations are preferred
Work in order to live	Live in order to work
Free time is more valuable than money	More money is valuable than free time
Larger share of women among specialists	Smaller share of women among specialists
Competition advantage in agriculture and services	Competition advantage in heavy industry and heavy chemistry
Resolution of conflicts by compromise and negotiation	Resolution of conflicts by letting the strongest win
People work in order to live	People live in order to work
Humanization of work by contact and cooperation	Humanization of work by job content enrichment

Source: Hofstede, 2010, own utilization

4.4 Uncertainty avoidance

This dimension " can be defined as the extent to which the members of a culture feel threatened by ambiguous or unknown situations. This feeling is, among other manifestations, expressed through nervous stress and in a need for predictability: a need for written and unwritten rules. " ¹⁵

Some cultures are more anxious than others. The more expressive the culture is, the more anxious the culture is. Expressive culture is characterized by a large hand gesticulation, louder voice during the negotiations and conversations and obvious expressions of feelings. The level of anxiety is typically lower for countries with weaker

¹⁵ HOFSTEDE Geert, Cultures and Organizations, p.191, 2010

level of the uncertainty avoidance. In the companies with strong uncertainty avoidance it is important to have a fixed structure. For example to implement laws and rules, even if they are dysfunctional. They at least bring the feeling of satisfaction. On the other hand rules and laws are not very popular in companies with weaker uncertainty avoidance. Rules and laws are implemented in the cases of absolute necessity. Cultures that avoid uncertainty very strongly pay attention to the staff expertise and therefore they employ more experts. On the contrary cultures that accept uncertainty rather prefer common sense and non-specialized employees.

Table 4: Key differences between weak and strong uncertainty avoidance societies- WORKPLACE

Weak uncertainty avoidance	Strong uncertainty avoidance
Uncertainty is a normal feature of life and each day is accepted as it comes	The uncertainty inherent in life is felt as a continuous threat which must be fought
Hard work just when it is necessary	Emotional need to be busy; inner urge to work
Time is a framework for orientation	Time is money
There should not be more rules than is strictly necessary and chaos is tolerated	Emotional need for rules, precision and formalization
Focus on decision proces	Focus on decision content
Entrepreneurs are relatively free form rules	Entrepreneurs are constrained by existing rules

Source: Hofstede, 2010, own utilization

4.5 Long-term orientation in life vs Short-term orientation (Pragmatic vs Normatic orientation)

This is one of the youngest dimension of them all. Long- term orientation vs short- term orientation is sometimes called as the Confucian dynamism or Pragmatism. The long-term orientation is based on the improving the grace that is focused on the future rewards, mainly persistence and thoughtfulness. The short-term orientation is based on carrying on the grace focused on the past and present time, especially taking care of traditions, fulfilment of social obligations and saving the face.

**Table 5: Main differences between societies with Short term and Long term orientation-
WORKPLACE**

Short- term orientation	Long- term orientation
Effort has to produce results quickly	Persistence and continuing effort lead to get the results later
Social pressure in the direction of spending	Economical efficiency in use of resources
Respect to traditions	Respect to circumstances
Dealing with personal stability	Dealing with personal adaptability
Dealing with social obligations and the status	Willingness to subordinate himself intention
Dealing with a face	Having a sense for shame

Source: Hofstede, 2010, own utilization

4.6 Indulgence vs Restraint index

This is the most recent dimension. Societies with the higher level of indulgence allow free gratification of basic and natural human needs related to enjoying life and having fun. Restraint societies are suppressed by the gratification of needs and regulated by means of strict social norms. Generally it is defined as " *the extent to which people try to control their desires and impulses, based on the way they were raised.*" ¹⁶

Table 6: Indulgence versus Restraint index- WORKPLACE

Indulgence	Restraint
Freely satisfy basic needs and behavior	Gratification suppressed and regulated
Cannot easily be motivated with material reward	Expects (material) reward for job done well
Enjoys moment rather than uses time to compare with others	Easily feels treated unfair
Objects need to fulfill purpose not status	Status objects important, e.g. phone, laptop, watch, company
Adding meaning to peoples freedom of expression	Having a sense of control over ones life

Source: Binschedler.com, 2014

¹⁶ Binschedler.com, 2014

5. INDIA IN GENERAL

5.1 Geographical Information

India is the seventh largest country in the world, its size reaches 3,287,263 km², while the share of agricultural usable area is 57% and 16% of the forest area.¹⁷ India includes a large area of the Indian subcontinent in South Asia. India has seven neighboring countries - Pakistan, Afghanistan, China, Bangladesh, Burma, Nepal and Bhutan. Indian coast is surrounded by The Arabian Sea on the west, Bay of Bengal in the east and the Indian Ocean to the south. India has also three archipelagos which are Lakshadweep islands, Sunderbans and the Andaman and Nicobar Islands. India has a diverse relief which consists of snow covered Himalayan mountains separating the North of the Indian subcontinent from the Tibetan Plateau and on the contrary extensive golden beaches along the coast, Thar desert on the West and the fertile lowlands on the East and the South of the territory. These factors influence the local climate which diverse from region to region. There are three seasons - hot, humid and cold. Himalayas represent a barrier to cold winds blowing from Central Asia making the subcontinent warmer than are areas of similar latitude, while the desert is responsible for the wet monsoon winds crossing the monsoon rains from June to September. The best time for travelers begins on October when the temperature is pleasant. In the Himalayan state in this period begins a ski season. Guests can also visit any of the more than two hundred sanctuaries and parks in all parts of the country that are open from October to July and closed during the monsoon season. Twenty-six major places are listed as a UNESCO World Heritage Site.^{18, 19}

¹⁷ Viewswire.com, 2014

¹⁸ Mapsofindia.com, 2014

¹⁹ Geographia.com, 2014

5.2 Economy

India is with one of the largest and fastest growing economies on the top of the ranking. India is a developing country reaching to an open-market economy. Although a government policy was for many years very poor and autocratic. There were putted many regulations on foreign trade and investment; this act is called red tape. In the year 1991, the government with the leading of finance minister Man Mohan Singh approved an economic liberalization with industrial deregulations, privatizations and India started to open to the world. This important change started the acceleration of the economy. The GDP of India with \$4.761 trillion (2012 est.) and is the third largest economy within the world with purchasing power.^{20,21}

*"As predicted by Goldman Sachs, the Global Investment Bank, by 2035 India would be the third largest economy of the world just after US and China. It will grow to 60% of size of the US economy. This booming economy of today has to pass through many phases before it can achieve the current milestone of 9% GDP. "*²²

The history of Indian economy can be divided into three phases. First one is Pre-Colonial. This phase of Indian economic history includes the time since Indus Valley Civilization to the year 1700 AD. From the historical researches, we know that there have been found coins of various civilizations at the site of the Indus valley. These evidences show that the economy in the Indus Valley Civilization was very well developed, and trade relations with other parts of the world were very good. Before the arrival of the East Indian Company, each village in India was economically independent and was self sufficient.

Next phase was happening during the British colonization. The advent of the East India Company caused a huge tension to the Indian economy and there was a two-way

²⁰ Thirdworldplanet.com, 2014

²¹ Cia.gov, 2014

²² Mapsofindia.com, 2014

depletion of resources. The British bought raw materials from India at cheaper rates and the finished goods were sold at much higher prices in Indian markets. India's share of the world income declined from 22.3% in 1700 AD to 3.8% in 1952. The third phase is called post- colonial. During this time the process of rebuilding the economy started. It happened after India's independence from colonial rule in 1947. First scheme was a five year plan for the development of Indian economy that came into implementation in 1952. These Five Year Plans, started by Indian government, focused on the needs of the Indian economy. It was especially focused on the agriculture sector. The Industrial sector was also very important because of providing employment opportunities to the growing population. Since then the economy has come a long way. The Gross Domestic Product at factor cost, which was 2.3 % in 1951-52 reached 6.5 % in the year 2011-2012. In the year 1991 was announced the New Economic policy (NEP) by Dr. Manmohan Singh, because India faces an economic crisis. It was a package of economic reforms. The aims of the NEP were reduction of fiscal deficits, cutting down on government expenditures control of inflation or decreasing of poverty.^{23,24}

India has a lot of strenght, such as a large labor force, which is with 482.3 million (2012 est.) the second highest in the world, stable economy which is not mostly affected by external factors, the third highest source of engineers especially in the high tech field or the advantage of the English speaking population. More than half of the work force is in agriculture, but services are the main source of the economic growth. India's economic growth started decreasing in the year 2011 because of a deceleration in government spending and a decline in investment, caused by investor pessimism about the government's liabilities to further economic reforms and about the situation of global crisis. During the year 2012, the Indian Government announced new reforms and deficit reduction measures to increase India's deceleration, including the possibilities of foreign participation in direct investment in the economy. Indian government has been

²³ Mapsofindia.com, 2014

²⁴ AGRAWAL, Raj. Indian Foreign Trade, p. 140

announcing the Foreign trade policy to promote exports and having an integrated view of the overall development. The last one was announced for the period 2009-2014. The basic goal is to double India's share in world trade and to make exports an effective tool of economic growth.

The main Indian business partners are European Union countries which make the one fifth of the Indian turnover on substantial trade balance. The United Kingdom and Germany are India's largest trade and investment partners which make the one fifth of the Indian turnover on the substantial trade balance. The formal principles of the current EU- Indian relationship determines the co-operation agreement in the year 1993. The USA is the second most important partner for India with the share of 11%., but the trade balance is very passive towards to India.²⁵

The outlook for Indian economy is still positive due to a young population healthy savings, increasing integration into the global economy, investment rates and other factors. But there are still a lot of challenges which India has to face to. One of the largest problem is the rising population with more than one billion inhabitants. It puts a huge stress on the economic infrastructure of the nation. The next issue is the poverty. The population below the poverty line is 29.8%, and the unemployment rate is 8.5%. Corruption, violence and discrimination against women or ineffective enforcement of intellectual property rights. These factors are important blocks of the economic growth. Regardless to the differences between the rural and city growth which influence the balance of the economy and development.²⁶

Although the Indian economy will slowly increase due to the general deceleration and will be still faster than European or American economy. The Indian economy has reserves not only in raw materials but also in human resources. India has nowadays the largest and the youngest consumer class in the world. And it has the fastest growing market for mobile phones and cars. It is estimated that compared to the China's current

²⁵ MAHESH, Prasad, India's foreign trade, from antiquity to date, p. 18, p. 202

²⁶ CIA 2014

situation is India 10 to 15 years behind. And that India has in compare to the China more complicated bureaucracy. But this is slowly changing. While many consider China as a " dragon kite". India can be than indicated as a " sleeping giant that is slowly waking up" This simile used a FIFA president Sepp Blatter in the context of Indian football but it can be applied also in the economy.²⁷

5.3 Politics

India with a population of around a billion and a voting electorate of over 700 million is the world's largest democracy due to all its faults and flaws. Indian political system is very recently constructed, dating from India's independence from Britain in 1947. India is a union of 28 states and 7 union territories. It is a Sovereign Socialist Secular Democratic Republic with a parliamentary system of government. The Constitution of India is the longest written constitution of among sovereign countries in the world, consisting of 444 articles, 12 schedules and 97 amendments. The constitution was adopted on 26th November 1949 and came into force on 26th January 1950.²⁸

²⁷ Rozsypal and Rozsypal, 2013

²⁸ Rogerdarlington.me.uk, 2014

Picture 1: Indian political map



Source: <http://www.probharat.com/india/maps/india-political-map.php>

The government has a parliamentary form and the constitutional head of the Executive of the Union is the President nowadays Shri Pranab Mukherjee, but the real administrator of the country is the Prime Minister nowadays Dr. Manmohan Singh. Ministers are appointed by the President on the recommendation of the Prime Minister and these ministers collectively create the Council of Ministers.

The council of the Parliament has the President and two Houses known as the Council of States, (Rajya Sabha) and the House of the People (Lok Sabha). Elections are a huge and complex matter when nation-wide are held in five separate rounds taking totally 28 days. The first elections of the new Constitution were held during years 1951 and 1952 and the first elected Parliament came into existence in April 1952. Elections in India are held in different levels. The major election levels are on the national level. In the national election, candidates are chosen for the Lower House, Lok Sabha. The candidates are elected in territorial constituencies. There are 543 territorial constituencies. The maximum size of the House of the People is 552 members. 530 members represent people from Indian states, up to 20 members represent people from the Union Territories, and two members represent the Anglo-Indian community if it does not have adequate representation in the house. Uttar Pradesh has the largest state representation with 80 members. The law obliges Government office to reserve 15% from the Scheduled Castes and 7% from the Scheduled Tribes and at least 22% of the Indian Parliament members belong to these two communities. In the past few years there is also an attempt to oblige a law to allow about 33% women as Parliament members. Each House of the People is formed for a five year term, after which it is automatically dissolved. The Upper House Rajya Sabha contributes 250 members. 15 members are nominated by President and the rest of the members are nominated by state legislatures. Terms of office are for six years, and one third of this house members are resolved every 2 years. 12 of these members know as nominated members are chosen by the President for their expertise in specific fields of science, art, social services and other. The rest of the house currently consists of 238 members. They are elected indirectly according to the state and territorial legislatures in proportion to the unit's population. The largest state representation with 31 members has again Uttar Pradesh.^{29, 30, 31, 32}

²⁹ Adaniel.tripod.com, 2014

³⁰ Rogerdarlington.me.uk, 2014

³¹ INDIA.GOV, 2014

³² Parliamentofindia.nic.in, 2014

Political parties in India are either a National Party or a State Party. The National party is a party which has to be recognised in four or more states and to be either the ruling party or in the opposition in those states. India has a multi-party system with a majority of small regional parties. Political parties that want to contest locally on the state level or national elections are required to be registered by three or more states and it is declared as " National party". Otherwise, it is as a " State Party".³³

Indian National Congress (INC) founded in 1885 has been the dominant political party in India. In first six decades, the main campaign was the Indian independence. Since independence in 1947 the Indian National Congress has been the governing party of the nation with repeated success. This Indian National Congress Party has been dominated by one family with Jawaharlal Nehru, who was India's first Prime Minister, and he served for 17 years. Indira Gandhi, Nehru's daughter who also became a Prime Minister. Then with his grandson Rajiv Gandhi on the position of Prime Minister. And after the Italian-born Sonia, Rajiv Gandhi's widow. She holds a position of a Congress President, and there is also her son Rahul Gandhi who is a Member of Parliament and her daughter Priyanka Gandhi who is an active political campaigner. The Indian Congress Party is the leading party of the Centre-Left political coalition, the United Progressive Alliance (UPA) which consists of the 16 parties. The other major, but younger political party in India is the Bharatiya Janata Party (BJP). Created in 1980. The Bharatiya Janata Party represents itself as a leader of the socioreligious cultural values of the country's Hindu majority and advocates strong national defence and conservative social policies. In an alliance with some other parties, it led the government between years 1998-2004. The Bharatiya Janata Party is the leading party in the Right-Wing political coalition called the National Democratic Alliance (NDA) with parties. The third most important party is the Communist Party of India, which has been founded in the year 1925 as a part of the nations freedom struggle and also to introduce an idea of a socialist India.³⁴

³³ Gayu B., 2011

³⁴ Rogerdarlington.me.uk, 2014

In this year 2014, there is going to be an epic battle between the ruling Indian National Congress (INC) and its opponent party the Bharatiya Janata Party (BJP) with the controversial Hindu nationalist Narendra Modi at its helm. The Indian National Congress has been in power for the past decade. In the era of coalition politics, the growth of regional leaders and local political parties is very important. Main five factors which will influence Indian voters are corruption, which is so ingrained in almost every aspect of Indian's daily life. Youth, first-time voters will make almost one-third of the electorate. Religious violence. In September 2013, India had the worst case of religious violence since the year 2002 in Gujarat. More than 60 people, mostly Muslims were killed. Narendra Modi is known for his radical opinions against the Islam religion. Inflation, the outcome of the current state elections in which the ruling party suffered a massive blow was partly because of the rising prices. And the fifth factor which is a rise of states and regional parties, Bihar, Madhya Pradesh and Odisha, the states that were not India's engines for growth are nowadays economically increasing and this power is translated also into the political sphere. The central government is becoming weaker, and these states are becoming stronger. This situation is so essential that states and regional parties can dictate national and international policies.³⁵

5.4 Education

Traditional Indian education sources are the Vedas, the Puranas, the Ayurveda and many more. In the system of the ancient system of dispersing knowledge named " Gurukula". Adolescent children stayed in the house of guru (teacher) to gain knowledge over the given time-period. This created a strong bond between the teacher and the student. The guru taught everything from the Sanskrit to the holy scriptures and from Mathematics to Metaphysics. Whole learning was closely linked to the life and the nature. Nowadays education has been made compulsory for the age group of children from 6 years to 14 years. India has today the second largest education network in the world. Education in India is an issue that falls under the competence of the central government and national

³⁵ Sumnima Udas, 2014

governments. The central government 's Ministry of Human Resources Development is an instrument, which is divided into two sectors, Resort schooling and literacy and Resort for high education.

Most of the attention has been given to the elementary education. The basic education system in India consists of four levels: lower primary (6 to 10 years), upper primary (11 to 12 years), high (13 to 15 years) and higher secondary (17 to 18 years). The lower primary school is divided into five levels, upper primary school into two levels, high school into three and higher secondary into two levels. Students have to study the common curriculum. Students throughout the country learn three languages (Hindi, English and their mother tongue). The structure of higher education consists of three years leading to bachelor degree, after 12 years of school education. Medicine and Engineering takes 4 to 5 years. This is followed by 2 years to study Master's degree and at least 3 years to study Ph.D. degree.³⁶

But only 10% of Indian population have the access to higher education. According to a report of development economist, Abusaleh Shariff and Amit Sharma the research analyst in India, there exist large differences as far as the access to higher education is concerned. These disparities exist across the gender, socioeconomic religious groups and geographical regions. In the age group 22-35 years, over 15% of inhabitants in the northern region and 13% of inhabitants in the southern region have access to higher education. The number is just 10% for men and 6% for women whereas in the north-central region and access to higher education have only 8% men and 4% women. In the rural areas just 2% of the population is educated beyond higher secondary level in comparison to 12% in the urban areas. Just 3% of women got a college education compared to 6% of men. South India gives as a region of India the best opportunities for socially inclusive people to access higher education including technical education and education in English medium.³⁷

³⁶ Gnu.org, 2014

³⁷ The Times of India, 2014

Indians excel in the exact sciences, especially in subjects related to mathematics. In 1951, Jawaharlal Nehru instigated the creation of hundreds of high schools and the first of today's seven Indian Institute of Technology. Indian Institute of Technologies primarily focuses on the technical and mathematical disciplines. These institutes are in the international ranking placed among the best universities right behind the legendary American Berkeley, MIT and Stanford. Leading Indian and nowadays also American companies are making lucrative contracts with the most promising students even during the study period. Indian universities are attended by more than 9 million students, what is a large number.

In the year 2010, there have entered a law according to which education is a fundamental right of every child and that the elementary education is compulsory. The law requires the government to provide all children between six and fourteen years of education free of charge. More than 10 million children do not go to school. The main reasons are mostly the issues of the poorest families, where children must help to earn money for a living. And also there are cases, where conservative parents do not want to let their daughters to school. And in the villages there is a problem with children from the lowest castes, because villagers do believe in the old tradition of the caste system. And last but not the least problem is the insufficient number of schools and teachers.³⁸

³⁸ NĚMEC, Petr et al., Indie, jako výzva a partner, 2007

5.5 The Czech opportunities in India

The Czech Republic maintains quite favorable balance of trade in the slide predominance on favour of the Czech export. India is the second most important Asian business partner for the Czech Republic after China. The beginnings of the Czech - Indian relations date back to the period of the pre-war Czechoslovakia, when they were in the 20es of the 20th century established consulates in Mumbai and Kolkata. The tradition of the trade and industrial cooperation began at this time with supply of machine tools, equipment for sugar mills and with activities of the well known Bata company which have builded many shoemaking factories in India. The relations between the Czechoslovakia and India gained a new intensity after the establishment of the Indian independence in the year 1947. Over the past 50 years, Czech companies supplied to India about 100 investment agregates, which in many cases meant the formation of new Indian industrial fields, such as BHEL Hyderabad (steam turbines) or Ideal Jawa, Mysore (motorcycles). The Czech companies in the Indian market were also known as traditional suppliers of diesel generators, machining, forming, textile, leather and printing machinery, food technology and many other industrial products. The main export articles to the India remains components for the automotive industry: parts for motor vehicles cars, trucks, tractors and caroseries for personal vehicles or lorry vehicles,transmission shafts and gears , piston diesel engines and more. Among the main articles of import from India belong tubes, pipes and seamless, hollow profiles which are made of iron and steel, motor parts, electric generators, reserved medicines, flat-rolled products of iron, electrical transformers, static converters and inductors, t-shirts, knitted and crocheted shoes with leather uppers, soles of rubber and plastic media for sound recording, wires, cables, electric cables and optical fiber cables.³⁹

³⁹ Mzv.cz, 2014

Table 7: Balance of bilateral trade over the past 5 years

<i>In thous. USD</i>	2008	2009	2010	2011	2012
EXPORT	634839	575908	787747	852065	656082
IMPORT	510628	454739	574812	648003	594956
TURNOVER	1145467	1030647	1362559	1500068	1251038
BALANCE	124211	121169	212935	204062	61126

Source: Businessinfo.cz, 2014

The stagnation of the Indian economy reflected on the results of bilateral trade between the Czech Republic and India. Czech exports to India in 2012 reached the value of 656 million USD, which is in comparison to the previous year (855 million USD) a decrease of 23.3%. Indian exports to the Czech Republic in 2012 reached the value of 596 million USD, which is in comparison to the previous year, a decrease of 9.1%. Despite the temporary decrease in the mutual balance is India one of the most important countries for the Czech foreign trade with the view of long-term growth of exports and is rightfully included among the priority countries of the Czech foreign trade. The opportunities in India are mainly allocated in a strong public sector and possibilities of lobbying. Main fields which can be attractive for the Czech Republic are:

Transport infrastructure – India is a large country and because of that railways and transport play a significant role. The Czech Republic can supply equipment of airports, railways, small aircraft, locomotives, wagons or equipment for the manufacture and repair.

Energy - India suffers on lack of electricity for the population and booming industry . The Indian government intends to increase the capacity in next years. In this field, there is a possibility for Czech companies to participate on the modernization and construction of the sector.

Mining industry – there is a possibility to apply Czech technologies on the coal mining surface and underground mines.

Water – Due to the Indian increasing population there is a large need of drinking water and the need for its treatment and recycling.

Automotive – Indian population has rising living standards which are associated with the ever-growing demand for automobiles. The presence of Skoda company increased awareness of the Czech Republic as a country of the automotive industry.

Engineering - India modernizes its industry. The Czech Republic has in the supply of machinery, especially cutting, that has a tradition in India.

Food Industry - With the rising standard of living is increasing consumption of food and the quality of their work for resale. So far, only a minimum of agricultural products is further processed.

Technology for Environmental Protection - India is actively involved in environmental projects, and the government began to promote.

Aerospace Industry - With the rising standard of living there is increasing demand for flying. Czech manufacturers of small multi- seated aircrafts have a chance to break through.

Medical Technology - Health care in India is still at a very low level there is a room for Czech manufacturers of hospital equipment and medical electronics.⁴⁰

⁴⁰ Businessinfo.cz, 2014

6. INDIAN CULTURE

India, officially the Republic of India is a country with most populous democracy in the world. The name India is originally derived from the Indus, which has its roots in Old Persian language. Indus is a main river of India and the name was probably named by local people who lived near the river. India is an ancient cradle and home of four main religions in the world. Hinduism, Buddhism, Jainism and Sikhism. But that is not all, it is also home for Islam, Zoroasthrism, Christianity, and Judaism. These religions arrived through conquerors and pilgrims in the 1st millennium CE. India is known as the most multicultural country in the world not just in terms of culture and religion but also in term of nationalities. India has been strongly influenced by another nations and cultures such as Mughal empires or colonizers from England, Portugal and Holland. ⁴¹

6.1 Language and Communication

India is a home for several different lingual families. Languages belong to two major language families, Dravidian family that is native in Southern India. The major Dravidian languages are Tamil, Telugu, Malayalam, Kannada and Tulu. And the second Indo-Aryan family language. By these two categories spoke more than 90 percent of the population in India. Among other categories to which other languages belong are Tibetoburman, Austroasiatic and minor language families. The majority of languages are spoken in the respective states and have their own script. The official language of the India is Hindi, spoken by 41 % of Indian population. Spoken mainly in the area names as the Hindi belt consisted of Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh. In general, Northern India. Hindi has its own script named Devanagari. However, English has the position of the second official language in India. English is the most important language in political, commercial and national communication. Very interesting contemporary language is Hinglish, which is a mix of Hindi and English spoken mostly in urban and semi-urban centers of the Hindi-speaking states of India. ⁴²

⁴¹ DK, India, 2002

⁴² Mapsofindia.com, 2014

Very important part of common Indian life is verbal and nonverbal communication. First I will start with verbal communication. The verbal communication is "*The sharing information between individuals by using speech. Individuals working within a business need to effectively use verbal communication that employs readily understood spoken words, as well as ensuring that the enunciation, stress and tone of voice with which the words are expressed is appropriate.*"⁴³ A conversation is an art for Indians. They will put a lot of effort and time into the discussion. Indians are very enthusiastic about opinionated conversations. But these conversations still need to have some logical order and underlaid opinions. Otherwise, it will be better to remain silent, especially if the subject is India and its religion and politics. Welcome topics of conversation are for example: Indian traditions, culture, architecture as well as that of other countries, Families, friends and other interesting people, Food is very important and they enjoy discussing their traditional fare, Cricket and other sports, Religion and general politics, if you know what you are talking about. There are also conversation topics which is better to avoid, such as: Personal matters or anything that might be considered overly intrusive, India's military spending and specific politics, Poverty or foreign aid in India, Negative comments about their culture in general, Anything about India that you may have some hostile feelings towards.⁴⁴

Indians are very sensitive; you need to follow the context of the talk all the time and also it is recommended to observe the gestures and mimics of the talker. Because of that it is important to learn something about the non-verbal communication.

Nonverbal communication is described as "*aspects of communication, such as gestures and facial expressions, that do not involve verbal communication but which may include nonverbal aspects of speech itself (accent, tone of voice, speed of speaking, etc.).*"⁴⁵

⁴³ BusinessDictionary.com, 2014

⁴⁴ Circles of Excellence, 2014

⁴⁵ TheFreeDictionary.com, 2014

Indians usually allow an arm's length space between themselves and others. Do not stand too close to them because they value personal space. Indian men may engage in friendly back patting, it is a sign of friendship. When an Indian smiles and jerks his/her head backward and the gesture looks like a Western "no" or moves his head in a figure 8 it means "yes", "no" or "go away". It is frequently interpreted by Western people as "hello" because it looks like the hand wave from side to side. Always use your right hand to touch someone, pick up merchandise, pass money or eat because the left hand is considered as an unclean. A head is considered as a sensitive part of a body, because of that do not touch it. Do not point your footwear at people it is considered as an insult. You should apologize immediately if your feet or shoes touch another person, because feet are considered as unclean but the paradox is that they are also considered as sacred for holy men and women. If you want to smoke you should ask for permission because it is considered very rude to smoke in the presence of elders. Never point with a single finger or two fingers. Point with your whole hand, chin, or thumb. The chin is not used to point at superiors. In Indian culture, it is highly improper for a man and woman to embrace and kiss in public. One of the most famous greetings in India is the "Namaste" gesture, it is used in the beginning and the end of a conversation, putting palms together in front of the chest and giving a slight bow of the head. The meaning of the word "Namaste" is my greetings or salutations. Men can shake their hands but it is not usually seen man shaking his hand with women. Women should not initiate the handshake. Other well known Indian gesture is the "head wobble" According to Indians it is very impolite saying no, they prefer to say what would you like to hear, which is part of the reason they use the head wobble. Head wobble should represent word yes in Hindi "achha", but it can also mean no or as well as. That can be very confusing. ^{46,47}

⁴⁶ CulturalComparison.com, 2014

⁴⁷ Aussietraveladvice.com. 2014

6.2 History

The beginning of Indian culture tails back to the first mentions of the whole human civilization. The history of India has its roots in the valley river Indus, known as the Harappan culture in 2500 BC. The Harappan civilization was very urbanely developed in that time. The archeological findings mention mathematically planned cities with brick buildings and elaborated web of canalization. Since year 1500 BC. The Indian Vedic civilization had begun with the arrival of indo-arian tribes. These tribes gave to the Indian culture a language Sanskrit, basics of the caste system and Hinduistic Veddas texts. Arian people have spreaded across the whole North India and have integrated among original inhabitants who they considerably influence. Buddhism and Jainism were borned in the period of year 500 BC. Both of these religions modified some parts of Hinduism religion. ^{48, 49}

In the 3rd century AD an Indian subcontinent was firstly united under the ruler named Ashoka from the Maur dynasty. The famous ruler Ashoka was known for his religious tolerance, nonviolent government and his support of regional pluralism. Under his rule, the Buddhism have spreaded and have effloresced across the whole Asia. The Maur empire started crumbled after the Ashoka's death and Hinduism took over the popularity of Buddhism. Between the 4th and 5th century. The Indian government was under the Gupta's dynasty rule when the Hinduism religion united whole northern India. This era was known as the "golden age" because the unity brought huge development on the fields of education, mathematics, astronomy and art. Next milestone of the Indian history is the period between 13th and 17th centuries when in India were formed islam sultanates. In these days, Indian northern and southern kingdoms were in constant struggles and India was very vulnerable for attacks from outside. During the 11th century, India was conquered by Muslim Turkish monarchs. Muslims had control under the Northern India until the 12th century. The Southern India was until the 16th century still Hinduistic but then the Mughal Muslim empire took up the rule in this part of India

⁴⁸ India.gov.in, 2014

⁴⁹ NĚMEC, Petr at al., Indie, jako výzva a partner, 2007

also. Mughals have ruled for more than 300 years. Their influence had a positive impact on the Indian development. Into the fields of an Agriculture, an Irrigation, Crafts and Arts were introduced new methods and architecture which connected the best from hinduistic and muslim cultures reached the unprecedented top of the beauty. An international trade with Arabian countries (especially Iran), China and Europe raised. Between the 17th and 18th century the Mughal empire was weakened and was replaced by colonial powers, especially by Englishman, Portuguese, French and Hollands.^{50, 51}

The Eastern- Indian society get the trade permission from the Mughal emperor, this permission was the beginning of the British influence in India. In the year 1757 the battle of Plassey, an army of Eastern-Indian company won over Benghal resistance movement. The Britain then got the political power in India. India was until the beginning of the 19th century from the large part under the British control. But economic, social and religious issues started in the year 1857 the rebellion in the parts of the Northern and Middle India. British this rebellion suppressed and started massacres, mass executions of rebels and civilists who symphathized with Indians rebels. In the year 1858, the Eastern-Indian company gave the formal government of India to the British Kingdom. Intrusive interventions of the British government caused several famines when millions of Indian people died. British government had a very strong segregate politics when Indians had limited access to the education, industry and public sector. British people generally stands behind the problems between Hinduist- Muslim tension. They tried to create communities according to the religion, which caused formations of military nationalistic groups. The efforting of getting Indian independence caused in the year 1885, in the creation of political Indian party Indian National Congress. After the first world war, Mohandas Gandhi entered on the Indian political scene. Mohandas Gandhi (known also as Mahatma Gandhi) has became with his nonviolent politics and civil disobedient political and spiritual leader od Indian

⁵⁰ India.gov.in, 2014

⁵¹ NĚMEC, Petr at al., Indie, jako výzva a partner, 2007

nation during their struggle for independence. Mahatma Gandhi propagated among the people the idea of ending poverty, discrimination on the basis of the caste system and he defended independent Indian economy and friendship among religious groups. Gandhi was a true fighter and leader, he did not surrender and his several imprisonments increased the spiritual unity of Indian people. Indian wave of resistance towards British rule won in the year 1947 when Indians finally got the independence. During this year India and Pakistan separated. This separation led to the catastrophe. It caused to at least 1 million of deaths and 15 million refugees, and it did not solve the problem between Hindus and Muslims, which was the first reason why India has been separated. Just two thirds of Muslims moved to Pakistan. The one third of them stayed in India. Mohandas Gandhi who wanted fair treatment for Pakistan was assassinated in the end by Hindu fanatic. The Independence did not cause just problems, but it brought also the effective self-government, well trained army and representative government system with bureaucrats, who got knowledge from British.^{52, 53}

6.3 Important symbols of Indian culture

India is a country, that has many symbols and rituals. Important symbols are mainly the ones which give self-importance and support the national pride. They have to reflect its culture and beliefs and also the positive aspects often associated to Indian blood.

National Flag of India

The National Flag of India is known as "Tiranga", it can be translated as "having three colors". The saffron colour represents courage and sacrifice, the white colour represents peace and truth and the green colour the faith and chivalry. This flag has in its centre a wheel of law and signifies the freedom and sovereignty of India and its people.

Picture 2: Indian Flag



Source: <http://india.mapsofindia.com/india-flag.html>

⁵² India.gov.in, 2014

⁵³ NĚMEC, Petr et al., Indie, jako výzva a partner, 2007

National Animal of India

The national animal is the tiger. Who has been known for his strength, royal grace, agility and enormous majesty and power. India hosts more than half of the population of the tigers in the entire world. But unfortunately the numbers of this kind are decreasing because of the poaching . In India have been found eight types of tiger species.

Picture 3: Tiger



Source: <http://www.artindia.com/shop/royal-bengal-tiger-painting-handmade-watercolor-miniature-india-wild-animal-art/>

National Bird of India

The national bird of India is an Indian Peacock, who is respected because of its pride, grace, mysticism and beauty. The Peacock is a symbol of royalty and divinity.

Picture 4: Peacock



Source: <http://fineartamerica.com/featured/indian-peacock-dance-cindy-wright.html>

National Flower of India

The National Flower of India is the water lily, an aquatic plant. It reflects a sense of serenity and beauty.

Picture 5: Water lily



Source: <http://www.santabanta.com/wallpapers/lotus/>

National Game of India

Despite the large popularity of cricket, the field hockey has managed to become the National Game of India. The best times of Indian hockey team were from the year 1928 to 1956, when it brought six Olympic gold medals home that were held during those years.⁵⁴

Picture 6: Indian hockey



Source: http://en.wikipedia.org/wiki/India_national_field_hockey_team

⁵⁴ Indiaonlinepages.com, 2014

6.4 Religion, hierarchy and the role of the family

Religion plays in India very important role. According to the rough estimations in the year 2001 the main religion is Hinduism with 80.5% of believers. Islam stood as the second most spreaded religion in India with 11.3 %. The Hinduism is a religious-social system and is the oldest but still active religion in the world. The term Hinduism was not used until the end of the 18th century. Then European explorers called hindu people who were indicated in the non-Muslim population living in the Indian continent. Hinduism has many distinctive characteristics different from other religions. It is characterized by the diversity, the caste system, the absence of the founder and the single dogma of a single religious organization. The Hinduism is a polytheistic religion, it means that people believe in millions of gods and goddesses, all of which reflect the spirit of the Supreme Brahman. Hinduists usually have in their homes a shrine where they daily perform devotional acts. The most important part of their religion is the belief in the endless cycle of birth, life on earth, death and re-birth, in which each individual is reincarnated at a level that is determined by the merits of the previous life. The earliest literary texts mention that one of the religions was a Brahmanism the predecessor of the Hinduism, which has its roots in the later Vedic period.^{55, 56, 57}

India had even before the creation of the Brahmanism several literary collections written down around two thousand years ago by Aryans. These collections are called Vedas. The Vedas describe the oldest verse epic Mahabharata, which tells about the famous battle between the Kauravas and Pandavas).

These collections were protected and cared by Brahmans, people on the top of the hierarchy, mainly called caste system. The caste system was created by segmentation of society into four estates Varna. Varna displays a color; the lighter the color, the more

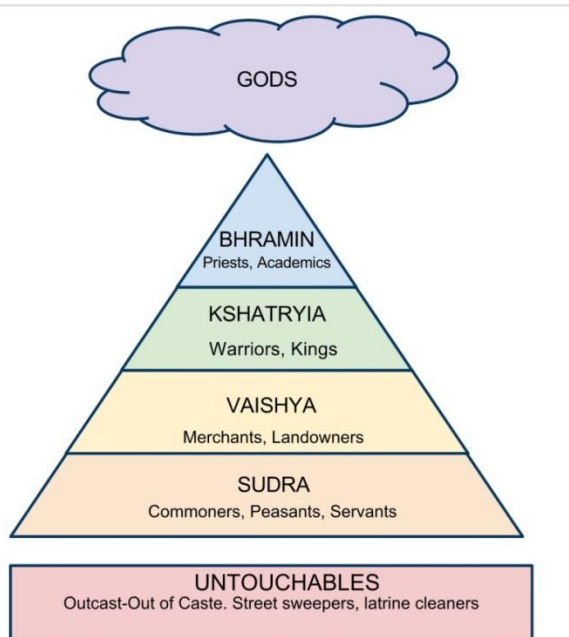
⁵⁵ Cia.gov, 2014

⁵⁶ KRÁSA, Miloslav, ZBAVITEL Dušan and MARKOVÁ Dagmar, Indie a Indové: od dávnověku k dnešku, 1997

⁵⁷ VAVROUŠKOVÁ, Stanislava. Náboženství a společnost v jižní a jihovýchodní Asii: tradice a současnost, 2005

highborn people. God Brahma did not create only one person but four. From his mouth he created a Brahmin priest, the warrior Kshatriya was created from arms and thighs. Vaisyas, the breadwinner of his feet and last the Sudra serving all three of them. On the top of the hierarchy were Brahmans, who were the only intermediaries between gods and humans.

Figure 3: The Caste system



Source: <https://sites.google.com/a/wdsdvt.net/india---titan-team-2013/history-i/caste-system/how-the-caste-system-is-broken-down>

Ordinary people had to use their services whenever they wanted to contact gods with their prayings and requests. Second place occupied an aristocratic warrior layer, called Kṣatriyas who protected grazing land for herds of nomadic Aryans and in the battles they were charged in the reproduction of tribal property. Third brewhouse represented by Vaisyas were mainly farmers, artisans and merchants. They looked after the material security of the entire tribe. The lowest area of Varna was formed by Sudras, who served other higher Varnas. It was the indigenous tribes of non-Aryan origin. Varnas were disintegrated into a number of castes and sub-castes. The word " caste" comes from the

Portuguese. When the Portuguese arrived in the 16th century to Indian Territory, they found that the local population is divided into various hereditary groups. They called it castes. This name has been taken from the European languages. In Hinduism, this group is called hereditary caste, meaning "birth". So an individual is born to the specific caste. This is an endogamous group, which takes its origin from a common ancestor. Its basic features are heredity, endogamy and the rules of ritual pollution that identify from whom they receive food and water. Transferring from one caste to another is prohibited, therefore there is formed a new caste. In the Middle Ages also some castes have transitioned to Islam. Number of castes in India is not known precisely and can recognize caste distinctions by family name - surname. The lowest caste group is called Dalits or "untouchables". They are descendants of ancient maladjusted non-Aryan people who were expelled from caste, for example, due to the closure of unsuitable marriage. The caste system is currently banned by the Constitution of India. The status of its members have significantly improved and they have many more possibilities in education, politics and other aspects of their life. But still the tradition of the caste system is deeply rooted in people's mind.^{58, 59, 60}

In India, marriage is a social necessity, for Hindus and religious people. To arrange marrying daughter or son is for Indian parents very important. Only around 5% of marriages are non-arranged by parents. Young girls who are not students, have almost no opportunity to meet with men not belonging to the family. Undergraduate students rarely create love relationship and later, the marriage, but this situation happens more in very progressive modern families. In this case the parents desire to give at least formally the illusion that this relationship is arranged to avoid dishonor of families.⁶¹

Indian family has a fixed hierarchy. Highest position in the nuclear family has father but in the extended family it is not the father, but the oldest brother who is the householder.

⁵⁸ KRÁSA, Miloslav, ZBAVITEL Dušan and MARKOVÁ Dagmar, Indie a Indové: od dávnověku k dnešku, 1997

⁵⁹ MARKOVÁ, Dagmar. Zrcadlo Indie 20. století v díle hindských spisovatelek, 2011

⁶⁰ NĚMEC, Petr at al. Indie, jako výzva a partner

⁶¹ GANGULIOVÁ, Milada. Obrázky z Bengálska: historie indické ženy, 1963

Even though the brothers live separately, older brother commands younger distantly. The second position has the wife, housewife. Her mission is to fulfill all the obligations not only towards men and children, but also to the rest of the family. If a wife has some daughters in law, they have to help at home. They care about clothes and food supply. They must also ensure order and ritual purity of the entire house. The least esteemed position in the family has the youngest daughter in law. The sacred books of Hinduism say that father and mother in law are more honorable than own parents. The relationship between mother and son in India is considered as the one of the strongest. Next, follow these steps: brother- sister, brother- brother, father- son, grandparent- grandchildren, mother- daughter, mother- child, father- daughter, father- child, husband- wife and eventually sister- sister. The relationship between father and son is also very strong, especially if a father can be proud of the son, but still the relationship is dominated by the authority of the father and the respect from his son.⁶²

Nowadays, young people are trying to become more independent. Marriages are concluded later, at a time when they are able to fend for themselves. Women nowadays are way more independent than women of previous generations. They can devote to studies, culture and be self-employed.

6.5 Holidays and festivals

With India's cultural diversity, the country has more festivals, than there are days in a year. India, being a multi- cultural and multi- religious society, celebrates holidays and festivals of various religions. National holidays are observed in all states and union territories. India has three national days. Which are described in the table below:

⁶² MARKOVÁ, Dagmar. Zrcadlo Indie 20. století v díle hindských spisovatelek, 2011

Table 8: National Days

Republic Day	26th January
Independence day	15th August
Mahatma Gandhi's Birthday	2nd October

Source: Viewswire.com, 2014, own utilization

India is famous for its festivals. One of the main festivals are:

Holi

This is one of the most exuberant festivals and also the most colorful. It heralds the advent of spring and the end of winters. It is celebrated by throwing colored water and powder at each other. On the eve of Holi, bonfires are built to symbolize the destruction of the evil demon Holika.

Diwali

Diwali or Deepawali: This is by far the most glamorous and colorful festival. It is celebrated with lights symbolizing the victory of righteousness and the lifting of spiritual darkness. Countless number of lamps are lighted at night, giving the impression that the stars have descended on earth.

Ganesh Chaturthi

The eleven day festival honors the birth of the famous Hindu elephant-headed god, Lord Ganesha. The beginning of the festival is spectacular, we can see everywhere elaborately crafted statues of lord Ganesha installed in homes and podiums, which have been especially constructed and beautifully decorated. And then in the last days of the festival the statues are paraded through the streets, accompanied by singing and dancing people, and at the end the statues are submerged into the ocean.

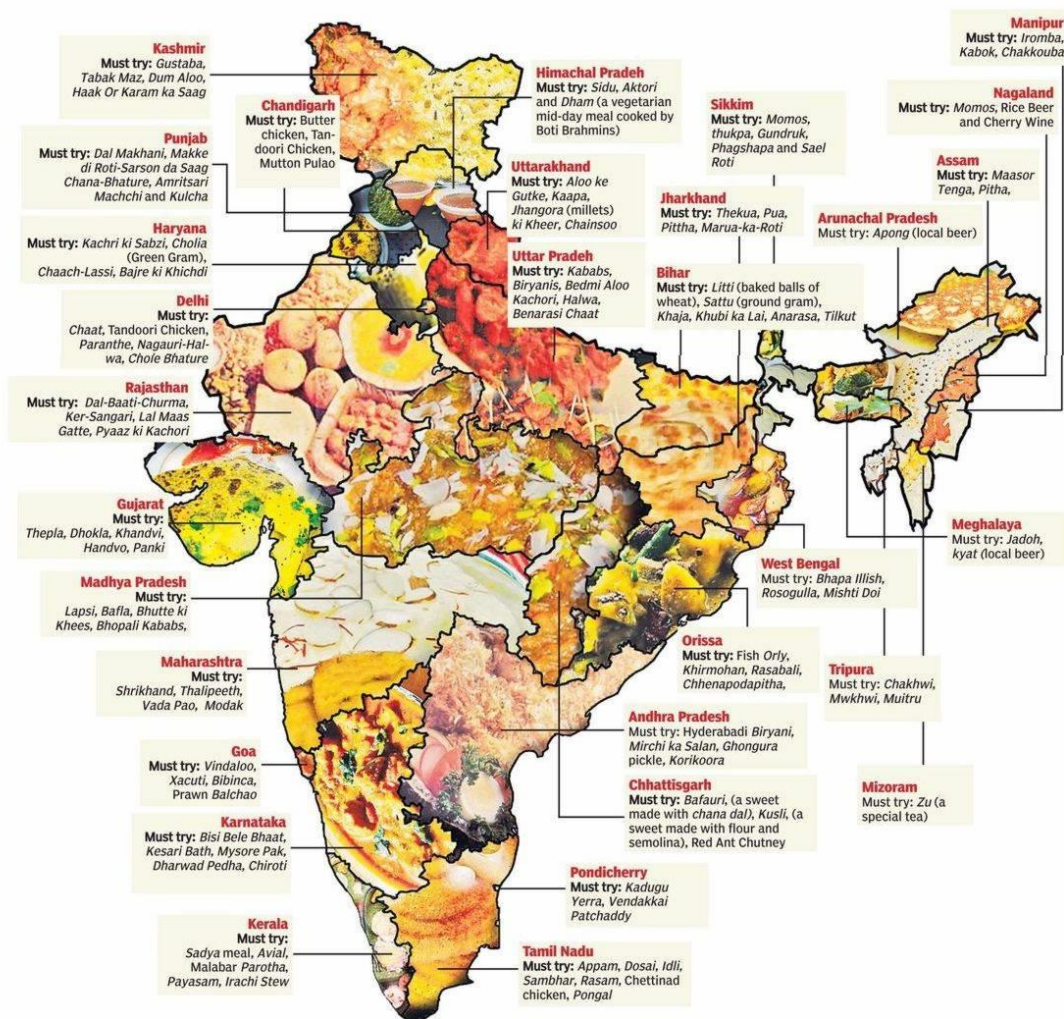
6.6 Food and dining

Indian people love food and the ritual of dining and eating together. They consider dining and dishes as an important part of their social life. Eating habits in urban India registered many changes during the recent years. It has been caused by the changing of lifestyles and the introduction of Western fast food chains. Indian people are very hospitable and treat a guest as they would a favourite deity. Many restaurants and hotels also keep with this tradition of hospitality. For Indians, it is typical to eat with their fingers, but nowadays there is also a possibility to eat with a cutlery. Usually we can find a wash basin for hands before and after a meal and restaurants generally provide finger bowls with warm water and lemon for this purpose. Indian cuisine has various dishes and specialities across the whole state. Because of that it is important to introduce some typical regional meals. The Northern- Indian food is influenced by the Mughal cuisine and its imperial kitchens and the vegetarian food community. These main popular dishes are generally from Punjab. Among them, we can find Tandoori food, which is a kind of barbecued cuisine. It is a technique when meats, fish, vegetables and Cottage cheese are marinated in special spices, yoghurt and grilled on skewers. Butter chicken or kaali dal (black lentils) North Indian thali is a platter with small bowls of meat, vegetables, lentils, pickles, papad (type of chips) and raitas (seasoned yoghurt). It is also served with roti (type of bread) or a rice. Important meal is also Biryani (type of the risotto), which can be made with vegetables or meat. Deserts are usually made of milk and flavoured with rosewater. The main sweets are Kulfi (saffron ice cream) and Gulab Jamun (sweet dumplings).

The region of the Central India is known for three staple foods, which are rice, lentils and wheat. Among the fruits, we can meet mainly with mangoes, melons and litchis. The cuisine is influenced by the vegetarian cuisine of the Varanasi and Lucknow's refined meat dishes and biryanis. Main Vegetarian meals mainly consist of the bitter ground (karela), tender okra (bhindi), crisp lotus roots and lentil dumplings. Chicken korma is one of the main types of kari dishes eaten in this region. The meat is savoured in yoghurt with saffron and cardamom. We can also meet with a kebab. The speciality is a sherbet

named lassi, it is made from thinned yoghurt, fruits or herbs. It helps to fight with the hot summer and ward off sunstroke and indigestion. Typical savories are made of gram or wheat flour, such as Pakoras (vegetable fritters) or Samosas (turnovers filled with potato). Sweets include halwa (from almond) or jalebi (crisp golden spirals).

Picture 10: Map of recommended dishes



Source: <http://deepthidigvijay.blogspot.cz/p/health-diet-calorie-charts.html>

For Eastern-Indian cuisine are typical foodstuffs fish, coconut, rice and green vegetables. Favoured cooking medium is a mustard oil, which adds a distinct flavour and

tang to savoury dishes. The Bengali meal generally consists of the fish accompanied by rice, lentil puree, chutneys and vegetables. The Northeast cuisine prefers a pork meat, which can be cooked with bamboo shoots, wild mushrooms and accompanied by dumplings filled with meat, Cottage cheese or green vegetables (momos) and rice or millet beer. Orissa's typical meal includes fish cooked with drumsticks, sauteed spinach garnished with coconut and potato with poppy seed. Very interesting cuisine has the Kolkata's cuisine which is influenced by the English meals. The main favourite is the Caramel custard.

Western Indian cuisine is strongly influenced by Jainism, which forbids animal slaughter. Interesting is that two thirds of Gujarat's population is vegetarian. Important parts of the meals are cereals, lentils and vegetables. One of the typical bread beside the roti is poori (fried puffed bread). Pickles are an essential part of the Gujarati cuisine. They are usually made from sour green mango, seasoned with garlic, chillies, molasses and spices. Rajasthani cuisine is more robust, and it includes the highly seasoned meat dishes. Main vegetables in the Rajasthan cuisine are corn, okra. Meat speciality is mainly the mutton.

Southern- Indian cuisine share a common culinary heritage that rests mainly on rice, lentils, coconut and spices. Variety of snacks includes dosas (crisp pancakes), idlis (rice dumplings) and vadas (deep-fried lentil doughnuts). These snacks are accompanied by lentil curries, pickles, chutneys and curd-based relishes.⁶³

6.7 Business protocol and etiquette

India is an incredibly diverse state, with different types of cultures, religions and many different ethnic groups. The influence of Hinduism and tradition of the caste system developed in India a hierarchized society. Indians are well aware of the social order and their position in relation to other people (family, friends or strangers). All human

⁶³ DK, India, 2002

relationships are based on clear terms. The school 's teachers and guru are considered as a source of all knowledge. The patriarch, usually the father is considered as the leader of the family. The superior employee is seen as the main responsibility in business. Each relationship has a clearly defined role. Indians do not identify themselves as individuals but are defined by the groups to which they belong, for example, members of a particular country, region, city family, or religion. This behavior is the result of Indian maintenance of a very strong bond to the family throughout the life. Large family creates large number of mutual relations, rules, structures and also creates an impression of a strong confidence. People in India do not like to say no, either verbally or non-verbally . Rather than disappoint you, they prefer to answer you in the way that you think that your demand is possible but it is not a hundred percent sure. This behavior should not be explained as rude. Because if they would be honest, it could be considered as a bad manner. Indians are trying to be very discreet, as they are masters in wrapping up problems and answering by diplomatic answers.

6.7.1 etiquette and social customs

Social behavior and habits in India are influenced by religion, education and social classes. Indian etiquette is strongly influenced by the social hierarchy, according to which residents still manages. Always greet older person first, and when we are leaving the society we have to say goodbye to everyone individually. Handshakes are common in larger cities, but we can usually meet a typical greeting gesture which is used in the beginning and the end of conversation, putting palms together in front of the chest and giving a slight bow of the head that gesture is called " Namaste". In more outlined towns and villages we can also meet with a greeting, when we bow to the feet. This is the way how to show respect to elders. We can meet with different types of dress in India, depending on which country we are. For the North India is a typical clothing Salwar Kameez, a dress for women. It consists of a broader pants, long top and scarf. Men wear generally shirts and classical pants or jeans, but you can see them wearing Kurta, which is a long top with broader pants. In Punjab, we can meet men who are Sikhs who have according to the tradition beards and wear turbans. In the Southern India, women typically wear a saree, which is a cloth specially arranged around the

body, so it looks like a dress, the cloth generally has a length of 5- 6 meters . Men also wear cloth wrapped around their waist, which is called a dhoti. Interesting is, that from the clothing which Indian men wear you cannot easily identify into which social class they belong because, surprisingly some prominent businessmen and managers occasionally walk down the street unkempt, poorly dressed, and on the other hand you can stop a rickshaw driver that will look at first sight groomed and well-dressed. In the case of women, it is practically impossible to recognize into which social class they belong because the colourful sarees do not differ from others. However, this is applied more in towns because people in villages are usually poor, and it is of course more visible. Important persons are therefore easily distinguished. Indian dress etiquette discourages exposure of skin and wearing transparent or tight clothes. Most Indian clothes are made from cotton which is ideal for the region's hot weather. Since India's weather is mostly hot and rainy, majority of Indians wear sandals. Bindi is often an essential part of a Hindu woman's makeup. Worn on their forehead, some consider the bindi as an auspicious mark. Traditionally, the red bindi has been worn only by married Hindu women, and colored bindi was worn by single women, but now all colors and glitter has become a part of women's fashion. Some women wear sindoor- a traditional red or orange-red colored powder (vermilion) in the parting of their hair (locally called as mang). Sindoor is the traditional mark of a married woman for Hindus. Single Hindu women do not wear sindoor; neither do over 100 million Indian women from religions other than Hindu and agnostics/ atheists who may be married. The symbolism of colors in India is an important cultural component. Red color denotes sensuality but also a purity. The colour is usually used as a festive color for example, at weddings. Wedding saree of a bride is according to traditions red. Yellow is the color of chastity and drives away evil powers. Yellow colour is usually worn by farmers and Hinduists who wear it during celebrations of welcoming the spring. Blue is the sacred color and signifies a peace. Green is the color of fertility. Green color is very popular among Muslims. White color represents peace and purity. This color is associated usually with death and rebirth. Black colour is associated with evil power or repentance. Children and pregnant women should not wear the black colour. Indians believe that the provision of gifts will ease the

transition to the next life. If we have a close family friend or family member who is celebrating a birth of child, birthdays or marriage we should give him/ her gift in the form of cash. This tradition is not about the value of the gift but about sincerity with which we give it. If we get an invitation to dinner or lunch, it is not obligatory to bring gifts, but it is a nice gesture. If you receive a gift from the host, it is not recommended to unwrap it before him, if he does not ask to. There are some rules when we are giving gifts. For example do not give gifts from the leather especially beef leather to Hindus. Cow is sacred for them. Do not give gifts made of pig leather or alcoholic beverages to Muslims. Muslims see pig as an unclean animal, and they should not drink alcoholic beverages because of the religion. However, there may be some exceptions. When we are invited for a visit, we should take off our shoes when the host does not tell you otherwise. Even though Indians are notorious for being late on events they require precise arrival from foreigners. We should be dressed decently and conservatively. It is also necessary to take into account that Indians oftenly over use air conditioning and because of that it is advisable to take sweater or scarf. Indian dining etiquette is a formal matter, but it rather depends on the religion and various social class. The basic rule is that it is needed to eat fundamentally with a right hand because the left is considered as unclean. But when we eat with cutlery, we can ignore this rule. It is important in the case when we are having served for example a bread or food eaten by hands. We also wait for the host to seat us at the table. Serving meals have also its principles, honored guest's meals are served first, next in the line are men and then women and the last are served children, but it is not a rule. By leaving the rest of the food on a plate we show that we are satisfied, and we do not want to add more. If the guest decides to finish everything, he gets into an endless carousel of adding. Because Indian host adds more food to the plate without warning and will not ask you for anything. During the meal it is quite normal when someone burps it is seen as an indicator of satisfaction. It is necessary to be aware of some social faux pas associated with food and hygiene. The left hand is unclean; it is reserved only for personal hygiene. Right hand is used for gestures. In less formal occasions Indians use their fingers of a right hand to eat. Completely forbidden is sharing glasses or cutlery that were used by someone else. In a similar concept,

Indians never offer to someone else his broached apple or a bottle of water. Vegetarianism and abstinence of alcoholic beverages are spreaded so be careful where to eat meat or drink an alcohol. Especially Muslims do not drink alcohol and some religious groups strictly reject smoking. Hindus do not eat beef or do not eat pork, the cow has been considered as a sacred animal from the 7th century BC. Muslims do not eat pork. Buddhists do not eat meat at all. Jains do not use food in which have circulated the blood. Indians have another perception of time. We can see the big difference in the right time for a dinner. When we are invited to a dinner, we should usually count with the fact that Indians do not eat before the 10:00 PM. We should count with it even if we are invited to arrive at 8:00 PM or earlier, likely we will converse for two hours at a table with a variety of nuts and canapes. Therefore we would not generally leave earlier than at midnight.

6.7.2 etiquette in business negotiations

We should arrange the business meeting with at least one day in advance. We should consider the possibility of complications, such as the cancellation of meetings, convening meetings on an unexpected date or postponing to a later time or we should know the fact that Muslims do not work on Friday. Everything depends on the corporate's culture of the organization. If we need to be excused from a meeting, postpone the meeting or cancel it, it is usually not a big problem, and it is accepted calmly by the Indian side. Indians are known for their late arrivals. It is better to count with the fact that they will arrive late. The surprising fact is that they require punctuality from their foreign colleagues. It is always better to confirm in advance whether the agreed meeting is still valid. It should be obvious to find out in advance who is going to attend a meeting from the counterparty for arranging to gather on both sides employees with similar skills and competencies. It is not recommended to make a business contact with a smaller company, and if it is necessary we should always carefully check it. Indians emphasize on great importance to older authorities and their respect. Decisions are generally made by the oldest manager who can be also the owner of the company. It is recommended to have in our team also an older and experienced manager to sustain the seniority on our side. Questions regarding to negotiations are discussed according to

their importance and between managers at similar levels. We should never criticize a senior manager; it is very inappropriate, and the other side can interpret it as an insult. If the owner of the company does not participate in the negotiations, we should verify whether all decisions are made under his consent. Business meetings and contacts in India require long-term approach and lot of patience. Never go to the first meeting with the fact that we have a little time, it is then very easy to fail the negotiation. Indians require to gain the trust, so it is important to ensure an intensive contact with their side. It is decent to do a " smart talk" or to conversate about personal life before we start to talk about business. Indians prefer to make a business with people they know, business is a personal matter for them. It is appropriate to submit various references and recommendations from our side. During the negotiations, it is usual to meet with the fact that our Indian colleague will leave us for a while or will telephone. Another curious fact is that Indians may have multiple appointments in the same time we should not take it as an insult. Indians do not appreciate the time as their Western colleagues, and they just prefer what is primarily important for them. The matter of course is that there could be a possibility of bargaining over the price, because the price is generally exaggerated. It is usual habit in India to bargain everywhere from local bazaars to business meetings. A number of business activities subject to the approval of local state authorities. But their decisions last a long time. Indian bureaucrats do not like to make decisions on their own and because of that they postpone their work on later, or move it to someone else. We conclude the contract in their local language or Hindi and English. It is important to have some lawyer who will review the contract, especially if we are dealing with a local company for the first time. It will be generally easier to negotiate with younger Indian managers, who studied in Europe and the USA than with the older generation managers who miss the understanding for our way of negotiation. Dealing with younger managers is usually faster and more flexible. This type of manager can be recognized at the first glance by his English, which is quite different from the so-called "Indian English". We need to be prepared during the negotiation, because Indian counterparty will have thoroughly prepared all of their points in negotiation including clearly defined objectives. And mainly they can very objectively and promptly respond to the comments

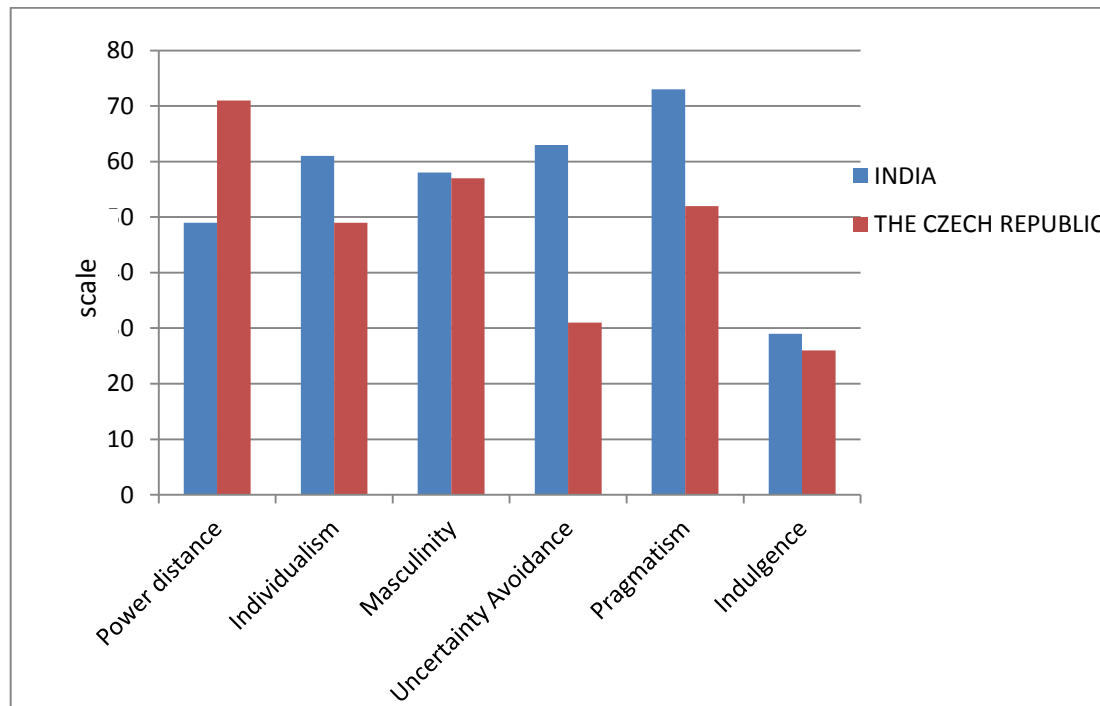
of our party. It is important to directly explain our goals and proposals to the Indian side. In business circles, we commonly meet with the use of business cards. During the visits of companies the one who knows to who he wants leave a business card. The higher is the position of a manager, the less chance is to get his card. The handover of business cards is simultaneously a certain ritual that commits. If you receive a business card, it basically means that your partner agrees with a further contact. Indian business cards are usually written in English or Hindi and English from both sides. Academical degrees are not usually noted.

Business meetings in India are accompanied by number of informal meetings. During the meetings, we can get served refreshments, and a typical drink called “masala chai” it is a tea with milk that has to be drunk slowly. We should not refuse food and drinks from the host because it is indecent. It is not appropriate to negotiate business matters during the lunch because this part of a day belongs to the time when Indians relax and enjoy their free time. The usual habit is that the one who is inviting for the dinner or lunch also pays for the dinner or lunch. Women should never pay in restaurants. If we are interested in deepen relations, it is recommended to invite one of the important partners preferably with the family for dinner. To pay separately is not decent. Indian colleague can offer that he will take the bill for you but if we have invited him it is not appropriate to accept the offer. Women should never pay in restaurants. If we are interested in deepening the relations between the companies, it is recommended to invite one of the important partners, preferably with the family for dinner. It is possible to discuss matters related to business negotiation. The most often places where Indian invites are restaurants and their homes. When you are invited, it is advisable to have a delay of 15- 30 minutes. We should count with the fact, that Indian guests may have longer delay. It is polite to compliment the host’s house, its facilities and location. If the host wants to show his/her library or another collection, it is advisable to show great admiration. It is also recommended bringing gifts for all members of the host’s family. It is possible that the host would not serve alcohol. It is caused by the fact that in some Indian states is a prohibition. Invites to home for lunch or dinner are not good to refuse

because it is one of the basic traditions of Indian hospitality. However, the best thing what to do is to repay the invitation during the stay in India. This gesture will signify, that we appreciate the hospitality of business partner. Essentials of Indian food are rice, fish, mutton, legumes and vegetables. Indian desserts are very sweet and usually consist of coconut, raisins and nuts. Alcoholic beverages, especially hard liquors such as whiskey in India are diluted with water. The most recent non- alcoholic beverages are tea, fruit juice, tomato juice spiced with pepper, salt and Tabasco and of course water. ⁶⁴

6.8 The comparison between Czech and Indian cultural dimensions

Table 9: The comparison between Czech and Indian cultural dimensions



Source: Geert-hofstede.com, 2014, Own utilization

⁶⁴ GULLOVÁ Soňa, Mezinárodní obchodní a diplomatický protokol

6.8.1 Power Distance

India's result on this dimension is 71. The Czech Republic scores on this dimension with 49. India's score indicates that the culture appreciates hierarchy and top-down structure in organizations and society. The description might be that Indians are dependent on a boss or the superior employee for direction. Society is structured, and the rights are unequal between the power privileged and subordinate employees. Management directs and gives meaning to employees work life and rewards them for their loyalty to the company. The power is centralized, and managers anticipate obedience from their team members. Employees expect to get clear directions. Attitude towards managers is formal and communication is directive and usually the feedback that is not positive is never referred up in the ladder. The Czech Republic score is nearly around the mean. It means that the society is quite balanced in the term of power distance.

6.8.2 Individualism

India has clearly collectivistic society despite the fact that India score is 49. It means that there is a high preference for belonging to a large social scope where individuals are expected to act for greater good of one's defined in group. In this situation the individual is influenced by perceptions of one's family, neighbours, work group and other social networks that towards to which has some affiliation. For a collectivist, it is important to belong to some group and to cooperate in that environment. The relationship between employer and employee is very important. Expectations such as loyalty by an employee and almost familial protection by an employer are almost necessary. Hiring and promotion decision are usually based on relationships that are the essentials of the collectivistic society. On the contrary to India, the Czech Republic has scored higher, and the society is individualistic. There are higher preferences for a loosely-knit social scope. It means that individuals are expected to take care of themselves and their families only. The relationship between employer and employee is based on mutual advantages it can be liken to the contract. Hiring and promotion decisions are based on values and management is individualistic.

6.8.3 Masculinity

India is considered to be a masculine society. This applies especially in terms of visual display of power and success. The ostentation in the society is quite large, and it is reflected also in designer brand labels or advertising. In masculine society, the main focus is on success and achievements, and material gains are very important. The center of one's life is the work and visible symbols of success are relevant. The Czech Republic has also slightly higher score on this dimension. The society inclines to the Masculine society. In these types of country people usually live in order to work. Managers should be decisive and assertive. An equity is accented. Performance, competition and conflicts are determined by fighting them out.

6.8.4 Uncertainty Avoidance

India has medium low preferences for this dimension. There is acceptance of imperfection, nothing has to go exactly as it is planned, and nothing has to be 100% perfect. Indian society is traditionally a patient country where the tolerance for unexpected is high. People are not generally driven and forced to be action-initiatives. Individuals are more comfortable to be established to given roles and routines without questioning. Rules are usually in place to be evaded. Very popular word is "adjust" or the sentence "nothing is impossible" and it can mean a wide range of things such as the overlook of the rules or inventive solution to a seemingly irresistible problem. This attitude might be very problematic, but it is still the most empowering aspect of Indian society. The Czech Republic has quite high preference for avoiding uncertainty. Societies with high uncertainty avoidance maintain strict codes of belief and behaviour and do not tolerate unorthodox behaviour and ideas. Individuals in this society generally have an emotional need for rules (even if some rules never seem to work). People have an inner urge to work hard and be busy because time is money. Punctuality and precision are normal, and innovation may be resisted. Security is in society an important element in individual motivation.

6.8.5 Pragmatism

India has an intermediate score on this dimension. But generally, it has pragmatic (long term) culture. Indian pragmatism is characterized by the concept of " Karma" which is religious and even philosophical thought. Time is not linear and not as important as in western countries. Pragmatic countries have a great tolerance for religious views and are quite tolerant. Societies with higher pragmatic understanding typically forgive the lack of punctuality changing plan according to changing reality and comfort with discovering the predetermined path as one goes along rather than obey the exact plan. Czech culture has a high score, and is shown as pragmatic society. In these types of countries, people believe that truth depends on the situation, context and time. There is not a problem to adapt traditions easily to changing conditions and other abilities such as strong propensity to save and invest, thriftiness and perseverance in achieving results. With a high score of 73, Czech culture is shown to be pragmatic. In societies with a pragmatic orientation, people believe that truth depends very much on the situation, context and time. They show an ability to adapt traditions easily to changing conditions, a strong tendency to save and invest, thriftiness, and perseverance in achieving results.

6.8.6 Indulgence

India and the Czech Republic are generally not indulgent countries. These cultures are restraint. Societies with lower score on this dimension are more cynical and pessimistic. These societies do not put a lot of emphasis on leisure time and control the satisfaction of their desires. People in these societies have the perception that their actions are moderated by social norms and feel that indulging themselves is not right.⁶⁵

⁶⁵ Geert-hofstede.com, 2014

7. THE CONCLUSION

Indian economy will grow up and India will become more valuable business partner for other countries and companies. On the contrary to the high economic growth, India is still strongly influenced by traditions and social habits. These factors can cause many potential problems during the business negotiation. In some cases, it is possible to insult the Indian counterparty by simple contravention or violation of some custom and to condemn the whole business negotiation to the failure. Therefore it is important to prepare well for that business meeting and do not create unnecessary tension because of the misunderstanding of some of their habits.

It is important to have a good preparation not just about the calculations and business results but also to prepare for the social conversation and general information related to the country. Indian businessmen usually discuss at the first meeting topics which are not related to the business itself. It is recommended to get acquainted with the culture, general facts about the country and to prepare a few topics for the conversation which are appropriate.

For better illustration of the character differences and better predictability of Indian business partner's personality I have made in this Thesis the comparison of Hofstede's dimension between the Czech and Indian culture. From the result arise that in some aspects the character differences are minimal and in some aspects are very distinctive, for example in the Uncertainty Avoidance. And about these different aspects of character it is good to know in advance and to take them into account.

I have drawn to a conclusion, that the cultural habits and aspects are very important in the business sphere and that it is a great advantage to know how to apply the knowledge of it. Especially in the case of an Indian culture which is very specific and has its hierarchical structure. Indian culture is diverse, full of paradoxes and surprises. And it is important and to take into account many possibilities and final changes during the negotiation. When meeting with an Indian private and business life it would be almost necessary to adapt to Indian traditions, local customs and rituals, that are inseparable

part of the life and philosophy in which an Indian grew up. The practical part of the Thesis introduced recommended basics of behavior and tips which should be an enrichment for the business trip to India. The local cultural view is slowly moving closer to the Western culture. However traditions are deeply rooted and important. This Thesis provides a comprehensive overview of the most fundamental differences in the history, culture and character, which is very important for the success of the business negotiation. Finally the thesis is concluded with the summary of main elements that can be helpful to smooth the business negotiations between Czech entrepreneurs and their Indian counterparts.

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