CULTURE & CIVILIZATION

Study material

BBA

II SEMESTER

(2011 Admission)

COMMON COURSE

UNIVERSITY OF CALICUT

SCHOOL OF DISTANCE EDUCATION

CALICUT UNIVERSITY P.O. MALAPPURAM, KERALA, INDIA - 673 635

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Module I
INTRODUCTION

Culture has great influence on individual value framework. It is a set of traditional belief and values that are transmitted and shared in a given society. Culture is also the total way of life and thinking patterns, speech action and artifacts that are passed from generation to generation. However, this is dependent on the man's capacity for learning and transmitting knowledge to succeeding generation. In nutshell, culture is a total sum of customs, rituals, artifacts, beliefs and values.

"According to UNESCO, culture is usually "Interpreted as art, we speak of culture in connection with behaviour of people in the moral values and human relations. We denote if by action, behaviour and attitudes considered useful for the interests of society or of a certain social group. We mean standard of living, of habitation and clothing, of physical culture. We appraise by it the culture of language, of thought, of work..."

Social anthropologists distinguish between" "material" and "non-material" culture. The former includes technology, art forms, architecture, material goods and equipments used in daily life, house hold, agriculture, trade and commerce and other social activities. In the latter are included the literary and intellectual traditions, beliefs, myths, legends and other forms of oral tradition.

Culture has three dimensions. First, it a normative system, by which there is a social control in the form of sanctions, which make people follow generally accepted moral/ ethical norms. Secondly there is an expressive system; music, art, literature and so on are cultural expressions of people. Thirdly it is a system of ideas which enables members of a society to interpret the world meaningfully and process through which culture influences a social system is called institutionalization.

Definition

- "Culture is symbolic, cumulative and progressive process" (White)
- "Culture is an organized body of conventional understanding manifested   in art and art craft, which persisting through tradition characterize a human group". (Redfield)

Characteristics of culture

1. **Culture is learned:** - culture is not inherited generally but it must be learned and acquired. A child is instilled with cultural values at an early age. Cultural learning can occur by informal learning and by formal learning. Enculturation is the process of learning values of one's own culture from childhood. If a person learns the culture of a society other than the one in which he is raised, the process of acculturation occurs.

2. **Culture is dynamic:** - Culture is not static it is dynamic. It evolves according to changing social, political, economical and technical environment.

3. **Culture is shared:** - culture is socially shared, based on social interaction and creation. It cannot exist by itself. It must be shared by the members of a society. Cultural values are widely held. Each culture has certain widely held and commonly accepted values that differentiate it from other cultures. The sharing of values is facilitated by language.

Elements of subculture

1. **Belief**: - Beliefs consist of large number of verbal or mental statement about any object based on person's specific information and judgment of something about that object. Based on beliefs person decides what is right wrong, what is good or bad. Belief about anything has different dimensions.

2. **Values:-** Values are also beliefs. But, these are those beliefs which are less in number, core in nature and very difficult to change and is shared by most of the member of the society values guide that what is good and desirable versus what is bad and undesirable.

3. **Customs:** - Customs are apparent modes of behaviour that form culturally approved or acceptable ways of behaving in particular situations. They consist of every day or routine behaviour. For example, bargaining for goods and services is common in India. In west it could be considered rude.

4. **Rituals:** - A ritual is a series of symbolic behaviours that occur in fixed sequence and are repeated most often. In India, Dhothi and Kurta of Khadi was ritual during the independence movement.

5. **Language and symbols:** - Language is considered to be a system of communicating with other people using sounds, symbols and words in expressing a meaning, idea or thought. Many languages use gestures, sounds, symbols, or words, and aim at communicating concepts, ideas, meanings and thoughts. This language can be used in many forms, primarily thought oral and written communications as well as using expressions through body language.

   Symbol is anything that sands for something else. The symbolic characteristics of culture are a subtle, notion, as are all symbols. Symbols are seen in every act of faith.

6. **Stories: -** Culture is often embedded and transmitted through stories, whether they are deep and obviously indented as learning device or whether they appear more subtly. The power of stories is in when and how they are told, and the effect they have on their recipients.

7. **Artifacts: -** Artifacts are the physical things that are found and that have particular symbolism for culture, when people see them, they think about their meaning and hence they are remind of their identity as a member of the culture, and by association, of the rules of the culture.

Layers of culture

There are three layers of culture. They are.

1. Body of cultural tradition
2. Subculture
3. Cultural universal

   The body of cultural traditions distinguishes one society from the other. When people speak of Chinese or Italian Culture, they are referring to the shared language, traditions, and beliefs that set each of these peoples apart from others.

   The Second layer is the subculture. In a complex diverse society, people have come from many different parts of the world. They often retain their original cultural traditions. As a result they are likely to be part of an identifiable subculture in their new society. The shared cultural traits of subcultures set them apart from the rest of their society.

   The third layer consists of cultural universals. These are the learned behaviour patterns that are shared by all of humanity collectively. No matter where people live in the world, they share these universal traits.

Another point of view of culture has six levels

1. National level: - Associated with nation as a whole.
2. The regional level: - Associated with ethnic, linguistic or religious differences that exist within a nation.
3. The gender level: - Associated with gender differences.
4. The generation level: - Associated with the difference between grandparents and parents, parents and children.
5. The Social class level:- Associated with educational opportunities and difference in occupation.
6. The corporate level:- Associated with particular culture of an organization.

Manifestations of culture

1. **Symbols:** - Are words, gestures, pictures or objects that carry a particular meaning which is not recognized by those who share a particular culture. New symbols easily develop, old ones disappear. Symbols from one particular group are regularly copied by others.

2. **Heroes: -** Are person, past or Present, real or fictitious, who posses characteristics that are highly prized in culture.

3. **Rituals:-** Are collective activities, sometime superfluous in reaching desired objectives, but are considered as socially essential

4. **Values: -** Are board tendencies for preferences of certain state of affairs to others. Many values remain one unconscious to those who hold them. Therefore they often cannot be discussed, nor can they directly observed by others. Values can only be inferred from the way people act under different circumstances.

Discourses on culture

19th Century Discourses:

I - English Romanticism

In the nineteenth century, humanists such as English poet and essayist Matthew Arnold used the word 'culture' to refer to an ideal of individual human refinement, of "the best that has been thought and said in the-world"-. This concept of culture is comparable to the German concept of holding, that is ''….culture being a pursuit, of our total perfection. by means of getting to know, on all the matters which most-concern us, the best which has been thought and said in the world;" In practice, *culture* referred to an elite ideal and was associated with such activities as art, classical music, and cooking of a very good cuisine, these / forms were associated with urbane life, "culture' was identified with 'civilization'. Another facet of the Romantic movement was an interest in folklore, which *led* to identifying a 'culture' among non-elites. This distinction is often characterized as that between 'high culture:', namely that of the ruling social group, and 'low culture'. That is the idea of culture that developed in Europe, during the 18th and early 19th centuries, reflected inequalities within European societies:

II - German Romanticism

The German philosopher Immanuel Kant formulated an individualist definition of enlightenment similar to the concept of Bildung: "Enlightenment is man's emergence from his self-incurred immaturity." He argued that this immaturity comes not from a lack of understanding, but from a lack of courage to think independently. Against this intellectual cowardice, Kant urged: Sapereaude, "Dare to be wise!" In reaction to Kant, German scholars such as Johann Gottfried Herder (1744-1803) argued that human creativity, which necessarily takes unpredictable and highly diverse forms, is as important as human rationality. Moreover, Herder proposed a collective form of-Bildung: "For Herder, Bildung was the totality of experiences that provide a coherent identity, and sense of; common destiny, to a people."

During the Romantic era, scholars in Germany, especially those concerned with nationalist movements—such as the nationalist struggle at create a 'Germany' out of diverse principalities, and the nationalist struggles by ethnic minorities against the Austro-Hungarian Empire—developed a more inclusive, notion of culture as 'worldview'. According, to this school of thought, each ethnic group has a distinct worldview that is incommensurable with the worldviews of other groups. Although more inclusive than earlier views, this approach to culture still allowed for distinctions between 'civilized' and 'primitive' or 'tribal' cultures.

20th century discourses

I-American anthropology

American anthropology is organized into four fields, each of which plays an important role in research on culture; biological anthropology:- linguistics, cultural anthropology and archeology.

(a) Biological anthropology- the evolution of culture

Discussion concerning culture among biological anthropologists .centers around two debates. First, is culture uniquely human, or shared by other species (most notably, other primates)? This is an important question, as the theory of evolution holds that humans are descended from non-human primates. Second, how did culture evolve among human beings?

(b) Archeological approaches to culture - matter *and* meaning

In the 19th century archeology was often a supplement to history, and the goal of archeologists was to identify artifacts according to their typology and stratigraphy, thus marking their location in time and space. Franz Boas established that archeology is one of American anthropology's four fields, and debates among archeologists have often paralleled debates among cultural anthropologists. In the 1920s and "1930s, Australian-British archeologist V. Gordon Childe and American archeologist W., C McKern independently began moving from asking about the date of an artifact *to* asking about the people who produced it — when archeologists work alongside historians, historical materials generally help answer these questions, but when historical materials are unavailable, archeologists had to develop new methods. Child and McKern focused on analyzing the relationships among objects found together; their work established the foundation for a three-tiered model:

1. An individual artifact, which has surface,, shape, and technological attributes .
2. A sub-assemblage, consisting of artifacts that are found, and were likely used together
3. An assemblage of sub asemblages that together constitute the archeological site

(c) **Language and culture**

The connection between, culture and language has been noted as far back as" the classical, period, and probably long before. The ancient Greeks, for example, distinguished between civilized peoples and barbaros "those who babble", i.e. those who speak unintelligible languages. The fact that different groups speak different unintelligible languages is often considered more tangible evidence for cultural differences than other less obvious cultural traits. A community's ways of speaking or signing are a part of the community's culture, just as other shared practices are. Language use is a way of establishing and displaying group identity-.

(d) Cultural anthropology

(i) Universal versus particular (1899-1946):

      Franz Boas founded modern American anthropology with the establishment of the first graduate program in anthropology at Columbia University in 1896. One of Boas's greatest accomplishments was to demonstrate convincingly that the existing cultural model is fundamentally flawed, empirically, methodologically, and theoretically. *Boas* understood the capacity for culture to involve symbolic thought and social learning, and considered the evolution of a capacity for culture to coincide with the evolution of other, biological features defining genus Homo. Boas's students were especially interested in two phenomena: the great variety of forms culture took around the world, and the many ways individuals were shaped by and acted creatively through their own cultures. This led his students to focus on the history of cultural traits: how they spread from one society to another, and how their meanings changed *over* time and the life histories of members, of other societies. Others such as Ruth Benedict (1887-1948) and Margaret Mead (1901—1978) produced monographs or comparative studies analyzing the forms of creativity possible to individuals within specific cultural configurations.

(ii) Structural-Functionalist challenge - Society versus culture

In the 1940s the Boasian understanding of culture was challenged by a new paradigm for anthropological and social science research called Structural functionalism. This paradigm developed independently but in parallel to both the United Kingdom and in the United States. Whereas the Boasians viewed anthropology as that natural science dedicated to the study of humankind, structural functionalists viewed anthropology as one social science among many, dedicated to the study of one specific facet of humanity. This led structural-functionalists to redefine and minimize the scope of 'culture.

(iii) Symbolic versus adaptive (1946-1968)

Clifford Geertz, David M. Schneider and Roy Wagner went on to important careers as-cultural anthropologists and developed a school within American cultural anthropology called 'symbolic anthropology/ the study of the social construction and social effects of symbols. Since symbolic anthropology easily complemented social anthropologists' studies of social life and social structure, many British structural-factionists accepted the Parson as a definition of "culture" and "cultural anthropology." British anthropologist Victor Turner was an important bridge between American and British symbolic anthropology.

(iv) Present-Local versus Global (1940):

Boas and Malinowski established ethnographic research as a highly localized method for studying culture. Yet Boas emphasized that culture is dynamic moving from one group of people to another, and that specific cultural forms have to be analyzed in a larger context. This has led anthropologists to explore different ways of understanding the global dimensions of culture.

Cultural diversity

Cultural differences that exist between people, such as language, dress and traditions, there are also significant variations in the way societies organize themselves, in their shared conception of morality, and in the ways they interact with their environment. Cultural diversity is the variety of human cultures in a specific region or in the world as a whole. Cultural diversity is a necessity for human kind as biodiversity is for nature.

Dimensions or cultural diversity

1. Cultural beliefs.
2. Norms
3. Age
4. Gender
5. Language
6. Communication style
7. Ethnicity
8. Religious beliefs
9. Education
10. Life experience
11. Geography
12. Opinions
13. Socio economic status

Civilization

The word civilization came from the Latin adjective civil, a reference to citizen. Citizen willingly being themselves together Political, Social, economic and religious organizations- they merge together that is in the interests of larger Community. Over the time the word civilization has come to imply something beyond Organization-it refers to particular shared way of thinking about the world as well as a reflection on that world in art literature drama and a host of other cultural happenings. Its original meaning is the manner or condition in which men live together as citizens.

A Civilization is a complex society or culture group characterized by dependence on agriculture, long distance trade, state form of Government, occupational specialization urbanism and class stratification. Along with this core elements, civilization is often marked by combination of a number of secondary elements , including a developed transportation system, writing, standards of measurement, formal legal system, great art style, monumental architecture, the mathematics sophisticated metallurgy, and astronomy.

Definitions

An advanced state of intellectual, cultural and material development in human society marked by progress in the arts and sciences, that extensive use of record keeping, including writing and the   appearance complex political and social institutions.

According to Albert Schweitzern "It is the sum total of all progress made by man every sphere of action and from every point of view in so far as the progress helps towards the spiritual perfecting of individuals as the of all Progress"

According to Oxford English Dictionary civilization is "the action or process of civilizing or of being civilized, developed or advanced state of human society."

Characteristics of Civilization

1. **Civilization distinguished by traits**

Civilization have been distinguished by their means of subsistence, types of livelihood, settlement Patterns, forms of government, social stratification, economic systems, literacy and other cultural traits.

2 .All human Civilizations have depended on agriculture for subsistence

Growing food in farms results in a surplus of food, particularly when people use intensive agricultural technique such as irrigation and crop rotation. A surplus of food permits the people to do things besides produce food for a living and also results in a division of labour and a more diverse range of human activity.

3 .Different Settlement Patterns

Civilizations have distinctly different settlement patterns from other societies.

4 .Complex Political Structure

Compared with other societies civilizations have moved to complex political structure namely the State. There is a greater difference among the social classes. The ruling class normally concentrated in the cities, has control over much of the surplus and exercises through the actions of a government or bureaucracy.

5. Display more complex patterns of ownership.

Living in one place allows people to accumulate more personal possessions than nomadic people. Some people also acquire landed property or private ownership of the land.

6. Development of Writing

Writing, developed first by people in summer, is considered a hallmark of civilization. Trader's bureaucrats relied on writing to keep accurate records. Like money, writing was necessitated by the size of the population of a city and complexity of its commerce among people who not personally acquired with early other.

Elements of civilizations

Urban society

Religion

Literature

Gove

Specialization

Social classes

Tool making

Once pt of time

Leisure

Education / Criticism

Benefits of Civilization

1. Administrative system.

2 .Various law

3. Protection from chaos

4. Protection from hunger, shelter etc.

5. Sewage system.

6 .Technological invention

7 .Innovation, learning etc

8. People working towards a common goal to survive.

9 .People are not independent, so that everyone works, forming an economy, making the group self department

10. People can work together to solve problems and create new things.

Culture and civilization

Civilization can be distinguished   from other cultures by their high level of complexity and organization, and by their diverse economic and cultural activities. According to Oxford Advanced Learners Dictionary culture is "the custom and believes, art, way of life and social organization of a particular county or particular group." On other hand civilization is "a state of human society that is very developed and organized" and "all people in the world and the societies they live in, considered as a whole.

The relationship with our daily life differentiates between culture and civilization. Culture is what people pass down from generation to generation and what people do in their daily life. In addition culture and social structure influence each other. On the other hand civilization is what people create by advancement of human's wisdom. Moreover culture is a generic form of life style, religion the way of thinking and so on and civilization is general term of development of technology and economy in order to make more convenient life.

Therefore culture maintains forever or for a long time unless cultures are not forced to change or people who have unique culture die out. However civilization may vanish stop developing and new civilization occur.

Culture Vs civilization

➢ Civilization is a bigger unit than culture because it is a complex of the society that dwells within a certain areas along with its form of government norms and even culture.

➢ Culture is perennial and has impact on humanity as a whole. Civilization is synchronous and keeps pace with the present.

➢ A culture ordinarily exists within a civilization in this regard each civilization can contain not only one but several cultures.

➢ Culture can exist in itself where as civilization cannot be called a civilization if it does not possess a certain culture. Hence a civilization will become empty if it does not have its culture, no matter how little it is.

➢ Culture can be something that is tangible and it can be something that isn't. But civilization is something that can be seen as a whole and it is more or less tangible though its basic component, like culture can be immaterial.

➢ Culture can be transmitted trough symbols in the form of language where as an entire transmitted by mere language alone.

History of civilization

i. **Civilization and ingredients**

Many different elements must come together before a human community develops to the level of sophistication commonly referred to as civilization. The first is the existence of settlements classifiable as towns or cities. This requires food production to be efficient enough for a large minority of the community to be engaged in more specialized activities such as the creation of imposing buildings or works of art, the practice of skilled warfare, and above all the administration of a centralized bureaucracy capable of running the machinery of state.

Civilization requires at least a rudimentary civil service. In the organization of a civil service, a system of writing is an almost indispensable aid. But the development of writing greatly enhances civilization and with a script comes history. Our knowledge of prehistory derives from surviving objects- the evidence of archaeology. History, by contrast, is based on documents. These various interconnections mean that history, civilization and writing all begin at that time. That time is about 3100 BC

ii. **Mesopotamia and Egypt:3100 BC**

In about 3200BC the two earliest civilizations developed in the region where southwest Asia joins northeast Africa. Great rivers are a crucial part of story. The Sumerians settle in what is now southern lraq, between the mouths of the Euphrates and the Tigris. Egypt develops in the long narrow strip of the Nile valley. Rivers offer two main advantages to a developing civilization. They provide water to irrigate the fields, and they offer the easiest method of transport for a society without paved roads. Rivers will play an equally important role in two other early civilizations- those of the Indus and northern China.

iii. **The Indus:2500BC**

It is not known whether contact with Mesopotamia inspires the first civilization of India or whether it is a spontaneous Local development, but by about 2500 BC the Neolithic villages along the banks if the Indus are on the verge of combining into a unified and sophisticated culture. The Indus civilization, with its two large cities of Harappa and Mohenjo-daro expands over a larger region than Egypt and Mesopotamia combined. It will survive, in a remarkably consistent form, for about 1000 years.

iv. **The Aegean:2000BC**

The next region to develop a distinctive civilization centres on the Aegean Sea. The bays and inlets of the rugged coastal regions of Greece, and the many small islands strung like pearls across this relatively sheltered sea, combine to make this an ideal area for trade among people whose levels of nautical skill make short hops a necessary precaution. The Aegean civilization stands at the start of the very lively tradition of Mediterranean culture. It begins in the large island which is perfectly placed to guard the entrance to the Aegean-Create.

v. China:1600 BC

The longest consistent civilization in the human story so far is that of China. This vast eastern empire seems set apart from the rest of the world, fiercely proud of its own traditions, resisting foreign influences. Its history begins in a characteristically independent manner. There are no identifiable precedents for the civilization of the Shang dynasty, which emerges in china in about 1600 BC. Its superb bronze vessels seem to achieve an instant technological perfection. Its written texts introduce characters recognizably related to Chinese writing today. This is a civilization which begins as it will continue-with confidence.

(iv) America: 1200 BC

Around this time the earliest American civilizations have their beginnings, with the Olmecs in Central America and the Chavin in the Andes. Both these cultures developed large town, centered on temples. Both are now famous for their sculpture and each, in its own region, is at the start of a succession of civilization leading directly to the two which are discovered and destroyed in the 16th century by Spanish-the Aztecs in central America and the Incas the Andes.

(vii) The Mediterranean: form 1000 BC

The first distinctively Mediterranean civilization that of the Aegeans who came to a sudden and still unexplained end in around 1200 BC. Some 200 years later an energetic seafaring people, the Phoenicians, become extensive traders from their base in Lebanon the established colonies along the coast of Africa and even to the Atlantic. Their example, as Mediterranean imperialists, will be followed by Greek and then by the Roman. Mediterranean becomes the world's most creative arena for the clash and synthesis of civilizations-a status which it has never entirely lost.

(vii) Regional civilizations: AD 400-1500

With the dominance of Greece and Rome in the west (both successfully managing a transition from pagan to Christian empires), of china in the east, and strongly individual cultures in central and south America, each successive civilization in any region tends at same time to be a variation on local traditions. But sometimes there are upheavals which introduce a new culture within already long civilized parts of the world. One such is Islam. The establishment of the caliphate in Damascus and Bagdad leads to distinctively Muslim civilizations in an unbroken belt from North Africa to North India.

(ix) Global civilizations: 16th – 20th Century AD

The first sustained contact between Europe and America, in the 16th century, opens the door to new concept-world-wide civilizations, evolving through colonies and empires. Spanish civilization is exported to Latin America; English culture spreads even further, in an empire which includes India, Australia, New Zealand, Canada and eventually many parts of Africa. From the 16th to the 19th century it is the imperial impulse which carries European civilization round the world, often as thin veneer over older and very robust local cultures. But by the 20th century different forces at work for much of 20th century ideology has been driving force in the export of two very different concepts of civilization, American capitalism and Russian communalism. At the same time mass communication has made it possible to export a region's popular culture to the rest of the world-notably that of America through radio, cinema and television.

Other influences, whether multinational companies or the internet, have similar effects. The danger is worldwide sameness. But there is corresponding benefit. Within economic limits, human communities are now free as never before to adopt the aspects of civilization which appeal to them- regardless of where they happen to be on the planet.

Module 2
CULTURE OF INDIA

About 2400 BC, spread over half a million square miles on the Indus Valley, lived a people belonging to an advanced civilization. Their cities were built on a grid system, whose population numbered about 30000. There were houses with baths, plumbing and drainage, made of uniformly sized bricks. This civilization invented script and standard systems of weight and measures.

Indian culture is rich and diverse and as a result unique in its own way. Indian culture operates at two levels-the individual and the group. At the individual level it talks of development of the self and at the group level of duties /responsibilities of individual towards social groups, i.e. family and community. Indian culture is oriented towards harmonious group activities. It feels the strong emotional need for vertical leaders. In summary the Hindu culture operates on the following paradigms.

1 .Development of self: spiritual Pre-eminence.

2. Harmony with nature-Living with nature.

3. Labour intensive-Importance to individual skills of production.

4. Society oriented- importance to family and community as a unit.

Comparison between Indian culture and Western culture

Factors	Western culture	Indian culture
Thinking	compartmentalized	Integrated
Man	Material being	Spiritual being
Society	club of self-centered individual	A body with individuals as its Limbs.
Happiness	For oneself	For all.
Possession	Acquisitiveness	Non possession
Motive	profit motive	Service motive
Consumption	Consumerism	Restrain Consumption
Natural resources	For exploitation	living with nature
Relationship	Right oriental consciousness of others duties	Put –oriented Consciousness, of others Rights
Economy	Rising cost of production due to scarcity of Resources.	Declining prices and Abundance of production Due to sustainable use Use of natural resources
Market.	Institutional Capitalism (Patents brands copyrights cartels, etc)	Individualized free competition without Manipulated markets

Every society is free to choose its model on a take all leave all basis. However both cultures need to interact and adopt the strengths of each other for sustainable development of the human kind.

Today we are witnessing in India neither the continuation of all the traditional norms the complete institutionalization of the newly introduced values, but an intermediate situation containing elements of both tradition and modernity. There is a cultural crisis too evident. The publicly recognized values of life in India are Truth, goodness and beauty -Sathyam, sivam, Sundaram. Few, of course, follow in practice these values. There is a clear contradiction between professed beliefs and those implicit in actual behaviour. There seems to be general dehumanization, desensitization in the individual of today's India. Honesty and integrity are a discount today and this affects adversity every aspect of economic, political and social life. The crisis of the value system and distorted and contradictory norms and behaviour are the ultimate causes of present day problems.

ELEMENTS OF INDIAN CULTURE
1 .Religion and philosophy

Religion evolved as a set of beliefs regarding the nature and purpose of the universe. Gradually they became organized systems of beliefs binding groups of people into a close knit society. Religion has played an important part in the lives of the Indian people from the earliest times. But religion in India has never been static; various movements have developed with new ideas and in response to evolving socio economic situations. There is a long tradition of religious Pluralism in India. Almost all major religions of the world are professed in this country. There are four religions of Indian origin – Hinduism, Jainism, Budhism, Sikkism. Others which many are termed alien are Islam and Christianity, Zoroastrian Judaism and Baha' .

HINDUISM

Originally word 'Hindu' did not have religious connotation, but merely denoted the people in a geographical area – around the river Indus later word assumed religious connotation, to some extent under Mughal rule but more firmly under British rule. Hinduism derives its basic ideas and tradition from the Vedas, considered as sruthi, that which is heard or revealed. Hinduism is the largest religion in India with 80.5% of population identifying themselves as Hindus.

JAINISM

Mahavira (6th century BC) is said to be the historical founder of Jainism. There were 23 thirehankaras (prophets/gurus) before him, Rishabha being the first and Parshvanatha, the twenty third. The jain spiit into two groups – the Digambaras (sky-clad or naked) and the svetambaras (clothed in white). Indian culture has been deeply influenced by Jainism in ideas such as ahimsa in language development art and architecture and around 4 million of jains mainly concentrated in the West and South west of India namely state of Maharashtra and Gujarat.

BUDDHISM: - The Buddha variously termed Sakyamuni or Thathagata founded this religion in the 6th century B.C. The philosophy of Buddhism is to avoid the extremes of life addicted to worldly pleasure and a life of painful asceticm and self mortification. The Buddha brought about change in the social thinking of the day by speaking up for equality and rejection of rigid rituals. His teaching made people aware of the importance of tolerance, ahimsa, service, compassion and personal morality. The Mahayana and Hinyana are the two sects. Buddhism prorogates the eight fold path as the way to salvation.

Indian culture got a fresh impetus from Buddhism in the intellectual, literary, artistic and architectural fields. Indeed its missionaries spread India `s culture beyond the country boundaries to Burma, Ceylon, China, Laos, Thailand and other places.

ISLAM : -- The term Islam is of Arabs origin meaning 'submission' and the followers of this religion founded by the prophet Muhammad are the Muslims –those who submit (to God).The word of God was revealed to Muhammad through the Angel Gabriel and his messengers and is embodied in the Quran.

Islam came first to India with Arab traders on the west coast but spread with the conquest of the North West areas. The coming of Islam brought about a fusion of two vibrant cultures to evolve Indo- Islamic styles in art and architecture, music and literature. India has some of the biggest and beautiful mosques of the world.

CHRISTIANITY : --- Jesus Christ founded Christianity which spread throughout the Roman Empire where it was made the state religion in the 4th century A.D. Christians believe like the Jesus that there is one God who created the universe and cares for it. Jesus, the son of God, was sent into the world as his chosen servant called Messiah, to help people fulfil their religious duties. Christians are said to have arrived in India during the first century after the birth of Christ. In the early stages churches were quite influenced by the caste system and the Kerala Christians adopted social rules very similar to high class Hindus. It was only in the late 18th century that attempts were made to abolish discrimination on the basis of caste. The influence of Christian missions in education and medical work was however greater than Proselytizing force. Indeed, education in Christian Schools stimulated reformist movements in Indian Hinduism itself. Organizations like YMCA, YWCA and Salvation Army still do valuable work.

ZOROASTRIANISM: The founder of Zoroastrianism was the Persian prophet Zarathustra, who probably lived around 6th or 7th century BC. The first Zoroastrians arrived on the west cost of India in 936 AD being persecuted and forced out of their native Iran by invading Islamic Arabs. They became known by their much more familiar name Parsis. Although a minority even in cities where they are concentrated and religiously conservative the Parsis have been a prominent economic and social influence. They adopted westernized customs and took advantage of the economic opportunities offered by colonial industrialization.

JUDAISM: -- One of the oldest major religions of the world, Judaism teaches the belief in one God. It is the religion of only one people-the Jesus. Both Christianity and Islam developed from Judaism. India has two Jesus communities-the Malayalam speaking Cochins and Marathi-speaking Bene Israel. Jewish refugees came and settled on the west cost of India nearly two thousand years ago. Their number is negligible but they have since the very beginning been allowed to live their own lives and build their synagogues and prayer halls without persecution.

FESTIVALS AND FAIRS

Fairs and festivals are an integrate part of Indian life. The diversity of religions and communities ensures vary of 'holy' days which are celebrated all over the land.

HINDU FESTIVALS

Sankrant

Lohri

Pongal

Vasanth Panchami

Mahasivarathri

Ramanavami

Ugadi (Telgu Newyear)

Baisakhu

Goru and Rangoli Bihu

Vishu

Pooram festival

Rath Yathra

Naga Panchami

Raksha Bandhan

Ganesh Chathurthi

Onam

Dusshra

Diwali

Kartwkai

The festivals and religious days of the Muslim.

ID- UL-FITR

ID-UL-ZUHA

MUHRAM

CHRISTIANS

Easter

Chritsmas

Gurpurahs(Sikhs)

Buddha Jayanthi (Buddists)

Mahavira Jayanthi (Jains)

Navroze (parsis)

SOCIETY

Indian society is characterized by the caste system agrarian class structure urbanization, multiplicity of religions, a variety of regional cultures joint family system (with increasing trends towards nuclear families in urban settings) spiritual outlook and superstition , and resistance to change in traditions. However modernization is evident and social transformation has brought in its wake problems and conflicts features of the present day Indian society.

FAMILY

Family has got huge relevance in Indian culture. India for ages has had a prevailing tradition of the joint family system. There are two types of joint family the matrilocal joint family and patrilocal joint family. However in modern Indian society industrialization and urbanization have augmented the process of westernization and sanskritisation .Nuclear family is ideal for these social processes.

MARRIAGE

Marriage ensures a biological satisfaction and a physiological satisfaction on the individual plane; on the wider collective plane; it ensures a twofold survival that is of the group and its culture. Arranged marriages have been the tradition in Indian society for centuries. Even today majority of Indians have their marriage planned by their parents and other respected family members, with the consent of the bride and groom. In India marriage is thought to be for life and divorce rate is extremely low compared with other countries.

EDUCATION

Education is a cultural factor responsible for major social changes in attitude basic pursuits and values are the result of education. In ancient and medieval India education was largely religiously oriented and confined to elite. The beginning of the state system of education in India under the British rule many be traced back to the year 1813, Charter Act when the east India Company was compelled to accept the responsibility of education of Indians.

The tremendous increase in the number of students and educational institutions has given rise to the term education explosion. In recent times new educational opportunities have been invented one of such being correspondence education. Today virtually every university in India is offering correspondence courses for different degrees and diplomas.

STATUS OF WOMEN

The position of women in India has never been very high despite the myth of her being considered "goddess", "sakthi" personified she may be embodiment of power or shakthi but then there is the concept of power having to be controlled and channelized and controlling agent is conveniently man. So woman loses her individuality her right to   herself. She is to be protected by her father in her youth by her husband after marriage and then by her son. In most –Indian families' women do not own any property in their own names and do not get a share of parental property. Removal of disabilities of women and betterment of working conditions of women has been brought about through legislation. However, since implementation of laws depends much on social attitudes, legislation, in itself, cannot bring about social change.

Music

Development of music commended with the folk idiom evolving in consonance with regional ingenuity and slowly blossoming in to classical forms. Indian music is now styled Hindustani (North) Karnatik (South). They have several common features but are distinguishable from each other. Institution was established to encourage the study of music as a science. Many Indian Universities and schools had music on their Academic curricula, and several students on their rolls studying and doing research in this felid. Cinema has to popularized music; though film songs are now very much influence by western techniques.

Dance

Classical dance forms

There are two bases as part of Indian classical dance, namely tandava and lasya.
Classical dance comes in many forms in India. Each region has evolved its distinct style with its special nuances, though the basic roots are same.

Bharathanatyam- Tamilnadu
Odissi- Orissia
Kunchipudi-Andhrapradesh
Kathakali-Kerala
Manipuri-Manipur
Kathak-Uttar Pradesh

Folk Dance

Well known tolk dances are the bhangra of Panjab, the bihu assam the ghoomar of rajathan The dandiya and garba of gujarath and lavani of Maharastra and Dekhnni of Goa.

Indians rich tribal heritage includes special dances as well. Some of the well dances and the region/ peoples associated with them are given here.

Rengma-Nagaland
Dagla-Bhil men and women
Tapadi- Baiga women
Sarhul-Oarons of Bihar

Drama and theatre

Indian drama and theatre has a long history alongside its music and dance. Kalidasa's plays like shakuntala and meghadoota are some of the older plays. One of the oldest surviving theatre traditions of the world is true 2000 year old kutiyattam of kerala. It strictly follows natya shasthra. The tradition of folk theatre is popular in most linguistic regions of India. In addition, there is a rich tradition of Puppet Theatre in rural India, going back to at least the second century BCE.

Painting

The earliest Indian paintings were the rock painting of pre-historical times, the petro glyphs as found in places like Bhimbetka. Some of which go back to the stone Age. Cave painting from Ajanta, Bagh, Ellora and Sittanavasal and temple paintings testify to a love of naturalism. A freshly made coloured flour design is still a common sight outside the doorstep of many Indian homes. Raja Ravivarma is one of the classical painters from medieval India. Madhubani Painting, Mysore Painting, Rajput painting, Tanjore painting, Mughal painting are some notable genres of Indian Art.

Architecture and sculpture

It is a striking fact about ancient and medieval Indian architecture that sculpture was almost integral to it. Some of the earliest productions are found in the Indus Valley civilization which is characterised by well planned cities and houses. During the period of the Maurya and Gupta empires and successors, several Buddhist architectural complexes such as the caves of Ajantha and Ellora and The monumental sanchi stupas were built. The advent of Islamic influence from the west, Indian architecture was adapted to allow the traditions of new religion. Fathepur sikri ,Taj Mahal, Gol Gumbaz. Qutub Minar, Red Port of Delhi are creations of this era, and often used as the stereotypical symbols of India. Indian architecture has influenced eastern and south eastern Asia, due to the spread of Buddhism

Indian sculpture has not been confined to stone; bronze has been an important medium for it. While a few small bronze figures have been found of the Saka-Kushana era, it is the Gupta period that saw high workmanship in bronze and copper work.

Cinema

Coming to Indian cinema India produces maximum number of movies in the world. The first fully indigenous silent feature film was "Raja Harishchandra made by Dhundiraj Govind Phalke (Dadasaheb Phalke) in 1913.Hence Phalke is rightly called as the father of Indian Cinema". The silent film era was over taken by the talkie era. When in1931 Ardeshir Irani produced Alam Ara under the banner of Imperia l Film Company

Indian cinema has progressed through distinct phases. In the thirties and forties the films were made with firm social purpose. In fifties Hindi cinema felt the impact of neo-realism. With come of colour also come glamour, big budgets enterprises and vast production. In the seventies the trend of multi star blockbusters continues with an increasing trend for action and revenge as theme.

Regional cinema has produced striking filims like Tarun Majumdaris, Buddhaded Das guptha, Adoor Gopalakrishnam, G Aravindan, Girish Karnat , etc. have shown extra ordinary talent.

Language

The main language belongs to two categories namely, Indo aryan and Dravidian. The Indo Aryan language belongs to the invaders of India and the Dravidian language to the native south Indians. All most all the recognized language has their own Script. For most of the Indians, English is the second language and the main mode of education both for arts and science and English is used widely as the associate official language, though eighteen languages have been adopted by the constitution. The eighteen main languages are ; Assameees, Konkani, Malayalam, Manipuri, Marathi, Nepali, Oriya, Punjabi, Sanskrit, Sindhi, Tamil, Telugu and Urdu. Hindi is the most important language and it is spoken by about 20%-40% of the total population. It is the official language of the Indian Government.

Cuisine

The multiple families of Indian cuisine are characterized by their sophisticated use of many spices and herbs. Each family of this cuisine is characterized by a wide assortment of dishes and cooking techniques. Though a significant portion of Indian food is vegetarian, many traditional Indian dishes also include chicken, goat, lamp fish and other meats. Food is an important part of Indian culture, playing a role in everyday life as well as in festivals. Indian cuisine is one of the most popular cuisines across the globe. Historically, Indian spices and herbs were one of the most sought after trade commodities.

Clothing

Traditional Indian clothing for women are the saris and also Ghagra Cholis. For men, traditional cloths are Dhoti veshti or kurta. Little girls wear pavada. Indo western clothing is the fusion of western and sub continental fashion. Churidar, Dupatta, Gamchha, Kurta, Mundum Neriyathum, Sherwani, uttariya are among other clothes.

Ancient history of Economical culture

All around the development of agriculture, industry and trade characterizes the economic life of the people in India. This was due partly to private enterprise and partly to state control and management. It appears that the private and public sector, in modern terminology, contributed to the economic prosperity of the people and the growth of national wealth. There is no doubt that the traders and businessmen had a sense of national consciousness for they were ever anxious to promote exports and secure a favourable balance of trade from their foreign customer. Collective enterprises, equitable distribution and economic cooperation in agricultural undertaking and business enterprises, especially in trade with the outside world, might be suggestive of some form of socialistic pattern.

I.   Trade and Industrial Organization:

A good many of the professions were organized into unions or guilds popularly called srenis. The traditional number of such guilds was eighteen according to the Buddhist Jatakas and the Sanskrit Buddhist literature specifically mentions eighteen professions which were organized into guilds. Some inscriptions also mention a few of these guilds. They continued to exist for more than fifteen hundred years from circa sixth century BC to a period later than 1000 AD. The guilds had their heads who exercised control over the members. The smritis or legal texts suggest the growth of such associations called samuhas. The customers of the sreni or guild had attained legal sanctity and the orders of the executive head called jethakas in pali literature and mukhyas by Kautilya had to be obeyed.

II.   Traders and Shopkeepers:

Trade and industry are generally associated with the Vaisya class. Two types of traders are mentioned in inscriptions and literature. They are the vanik, with a permanent establishment for displaying his goods, and the sarthavaha, popularly called caravan trader. The later in ancient times moved in groups both for inland trade and for commerce with the outside world. The shopkeepers made their living by buying and selling products (kraya-vikrya). The trading class includes bullion dealers who were engaged in counting money and gold pieces. The money lender also belonged to this group. He lent money (yoga-prayoga) and charged interest on it. The grant of loan was made through a negotiator (rinasadhaka). The same reference describes the fate of the borrower (rinagahaka) who failed to repay his debt. Besides money lenders, other types of traders included cloth dealers who hap in their stock fine pieces of woven stuff which was imported from Kasi. They also exchanged merchandise and the process was known as pratipanya. Businessmen generally had their shops facing the main street. They displayed their articles for sales and ensured the quality of their stuff. Negotiations between the vendor and the buyer were called panitavyah and the price actually fluctuated with the demand and supply of goods. A transaction was completed with the payment of earnest money. There are also references to the inspection of goods, and the negotiation of a deal through a broker (vasnika) who received his commission after the completion of the transaction.

III. Inland Routes and Trade Marts:

There were national highways of great importance. One was the south-west-north-east route joining pratishthan in Andrapradesh with Saketa (Utter Pradesh) by way of mahishamati, ujjayini and Vidisa (all in Madya Pradesh) and Kausambai. Pratishthan was also linked with kanchi and Madurai in the south. The second route from east to north- west ran mostly by river from Champa (Bihar) to Varanasi in Up. The famous royal road built in the time of Chandragupta Maurya, as recorded by Megasthenes linked Pataliputra with Pushkalavati. The periplus also mentions inland trade routes. One route led down from Pushkalavati through the Indus to Minnagara, capital of Indu-Scythia, and its port of Barbaricum and the other joined Caspapigrene , paropanisense and Cabolitic by way of poclais to the famous emporium of Barygaza. Ujjayini was also connected with baryagaza. A great deal of costal trade was simultaneously carried on, linking trading marts on the eastern and western costs. According to the periplus, the country craft sailed up to Malabar. While large vessels made the voyage to the mouth of the Ganges.

IV. Exports and Imports:

India's rich mineral resources accounted for her capturing foreign markets. Pliny, the Greek historian of the first century AD, calls India the sole mother of precious stones, the great producer of the most costly genesis. There was no year writes the historian' in which India did not drain the Roman exchequer of a hundred million sesosteres'. Political and cultural relations were also helpful in developing trade and commerce between India and the west. From the time of Mark Antony to that of Justinian, ie. from 30 BC to AD550, the contact between India and Rome was a matter of highest importance. On the basis of the study of roman coins from south India, Sewell concludes that the height of trade between the two countries was reached during the time of Augustus, and it continued up top AD 65, the time of Nero. It was during this period that India supplied luxury articles to Rome for which the Romans paid dearly. The paucity of finds of roman coins after this period in south India might have been due to change in the attitude of the people as a result of Pliny's warning. This contention that social attitude and behaviour rather than political conditions cut down India's export, is challenged by some scholars like Warnington who point out that' there was hardly any confirmation of the fact that the Indian traffic grew less, or that the upper classes desisted from their extravagant tastes and use of items of luxuries for a considerable time. In fact, there was nothing to double the constant activity of 'Rome's commerce with the east since it is noted even in the accounts of writers who had no special occasion to mention India.

Production Centres and specialization:

Some idea of production centers and specialization of industry can be had from accounts of the classical writers and also from later works. In the early medieval period there were certain centers of the metal industry. The Abhidhanaratnamala of Hilayudha mentions certain centers of the metal industry, for instance Saurashtra was noted for its bell metal, and Venga for its tin industry. The sword industry flourished in five centres according to the Agni Purana Khatikhattara and rishika (undidentified), Surparka (Sopara),Venga (Bengal,) and Anga Dabal in sindh was also famous for it. Tanjore in the south was famous for its metal work and probably its jewel industry too. These products were brought from their production centers to the nearest port for export.

Credit and banking:

The existence of credit and banking facilities as part of ancient Indian economic life is apparent from the literature and inscriptions. Private individuals seem to have provided money on loan for which they charged interest. The borrower had to provide surety and sometimes he pledged his goods. The Buddhist jatakas refer to signet rings used as deposit or security. Sometimes one's wife or children were pledged or sold for debt. Hand notes had to be written by the debtor in favour of the creditor. The entanglement and anxieties of debt sometimes compelled the borrower to drown himself before his creditors. The milindapanha refers to the borrowing of money through a negotiator. If the borrower failed to replay his debt, he was subjected to undue harassment but the consequences are not mentioned. The money lender called In a contemporary Sanskrit Buddhist work, charged interest. No definite rate of interest is mentioned in early books, but the term appears in the law books as 'usuary' meaning literally profit or increase. As money lending helped in overcoming financial difficulties and encourages prospects through profitable investments, the profession of money-lending was accepted in ancient economic life.

Barter and medium of exchange:

Organized planning in the economic field is possible through some medium of exchange. This could be by means of a defined monetary system or by barter with fixed ratio between the value of the thing to be bought and that to be given in exchange. Thus value is determined in both cases. There are literally references to both systems operating in the economic life of ancient India.

Labour and vocational mobility:

The problem of labour is closely related to production and wages to profits. Labour is only satisfied with fuller wages while the producer is interested in exploiting labour to its maximum for greater production and hence gains. It is doubtful if the concept of bonus can be traced to the ancient Indian economy. The percentage of profit on internal and foreign merchandise was, however, fixed by some legalists and they also suggest a wage index according to the nature of the work and the type of personnel employed. Hired labour was employed in agriculture, pasturage, industry and trade and also for domestic purpose.

Business culture of India

The business culture of India is a reflection of the various norms and standards followed by its people. Indians have various culture yardsticks, which extend to their business culture too. Thus, it is important that a person visiting the country has an idea of the business culture of India. Thus, it is important that a person visiting country has some basic idea regarding the business ethics and customs followed here. Having a good grasp on Indian business culture will ensure that you succeed in maintaining a well-earned affinity with your business counterparts.

India has a long-standing tradition of enterprises in trade and commerce. However, the sheer geographical size, disparities in region development levels and the enormous culture diversity in various parts of India have supported a highly scattered and dispersed business system, with local business thriving on local demand. Very few business operate at a national level characterize by high penetration levels in semi urban areas. Business control is mostly patriarchal and dynastic even in large enterprises. Several enterprises are managed by the main shareholders themselves, through management control at a board, unlike delegated control found in some other economic. However the occidental structure of management based of professional trained manager are becoming increasingly popular even family-owned business enterprises. The Indian business culture is an extension of the common culture of the society. It is unique in its own way. However in Indian business culture, the behaviour, etiquette and approach of organizations and its professional changes according to the addressee and the context of address.

a) **Language**

India is a multilingual country with each of its states having different official languages. However, Hindi is the only officially recognized language in the country. While talking on India business culture, English is the most preferred language, which is followed religiously in every industry.

b) **Meeting, greetings and Courtesies**

In India, people greet each other by saying' Namaste' while conjoining the palms together below the chin and nodding the head. While greeting superiors or showing respect to someone, a slight bow is added. In Indian business culture, people also greet each other by a handshake. In a one-to-one meeting with a male counterpart, a woman usually initiates a handshake. If the woman doesn't, the man will smile and nod slightly. While meeting a person or client for business purpose, always exchange business cards at the first meeting.

c) **Relationship Building**

In India business culture, business development largely depends upon relationship building. Indians tend to give favorable deal to those whom they know and trust. Hence, a good way to earn business is to earn the trust of the customers first. You can earn the trust of people by demonstrating strong business insight, showing honesty and respect.

d) **Meeting**

Any business meeting has to be arranged well in advance. These have to be fixed in writing and confirmed in person or by phone.

d) Time:

Indians value punctuality in others, but they often lag behind the schedule themselves. A 10-minute late is acceptable in most of the cases. It can also be seen that family responsibilities getting preferences over business, which leads to last minute cancellation of meeting, though not quite often.

Inside the meeting Room: After entering in to the meeting room, one must approach and greet senior-most figure first. Every meeting usually has some getting to know your process, where the meeting starts with some initial conversation. The favourite topics are business news; how stock market is doing etc. it is good to avoid discussing personal matters.

Process: if your business meeting involves negotiation, be prepared for a slow process. In India business culture, decision is taken at the highest level and may take more time than one would have expected. You can't get a favourable decision unless you can establish the trust of the client. Until the trust is not established, you should concentrate on building a rapport with the client. As the decision is taken at the highest level, absence of the any higher-position holder like Director or owner indicates that it is only the early stage of negotiation.

Decisions: statistics, empirical data or commendable power point presentation cannot solely influence the business decision. Indians tend to reckon the intuitions, feeling and faiths before they reach at any decision. One must show his patience and good character before any final verdict comes out. One cannot afford to show frustration or anger.

Negotiation: one should refrain from putting high pressure tactics while negotiation with the clients. Do not confront or be forceful. If one needs to disagree or criticize, he need to do it in the most diplomatic language. Indians do not say 'no' directly, as it is often considered rude.

e) Business Attire

Business culture in India demands formal attire. Men usually wear formal shirts and pants. Suits or Blazers are also quite worn, often during the winter. Woman wears saris or suits. On the last working day of the week, people often wear casuals. However, that has to be decent one.

The Indian economy had been booming for the past few years. The country held great promise for the future. Liberalized foreign policies had unleashed the entrepreneurial spirit of its people and many multi-national firms, attracted by the dusty plains of Deccan, had already set up big offices throughout the nation. Our cultures define our fundamental beliefs about how the world works and forms way in which we interact and communicate with others and develop and maintain relationships. Doing business in a particular nation requires a focus on a multi-dimensional understanding of its culture and business practices. Understanding those differences and adapting of them is the key. India is a complex country, and those arriving here to do business will discover that the path to success is often, not very smooth.

Aggressiveness can often be interpreted as a sign of disrespect. This may lead to a complete lack of communication and motivation on the part of the Indians. One needs to take the time to get to know them as individuals in order to develop professional trust. Indian are very good hosts and will therefore, invite you to their homes and indulge in personal talk often. All this is very much a part of business. One is expected to accept the invitation gracefully. Indians respect people who value their family. They will allow family to take priority over work, whenever necessary. Criticism about an individual's ideas or work need to be done constructive, without damaging that person's self-esteem. As Indians are used to a system of hierarchy in the work-place, senior colleagues are obeyed and respected.

Industrialization in India

Industrialization is the process of social and economic change whereby a human group is transformed from a preindustrial society into an industrial one. It is a part of a wider modernization process, where social change and economic development are closely related with technological innovation, particularly with the development of large scale energy and metallurgy production. It is the extensive organization of an economy for the purpose of manufacturing. Industrialization also introduces a form of philosophical change where people obtain a different attitude towards their perception of nature and a sociological process of ubiquitous rationalization. There is considerable literature on the factors facilitating industrial modernization and enterprises development. Key positive factors identified by researchers have ranged from favourable political-legal environments for industry and commerce, through abundant natural resources of various kinds, to plentiful supplies of relatively low cost, skilled and adaptable labour.

Objectives of industrialization:

What are the ultimate objectives of economic development? Different governments may have different objectives mind. Generally, however, they will include a faster growth of national income, alleviation of poverty, and reduction of income inequalities. But how is industrialization expected to contribute to these goals? The experience of industrial economics shows a close association between development and industrial expansion. But industry is also thought to provide certain spill over which would benefit other activities: enhancement of skills, training of managers, dispersion of technology, etc. Moreover, pessimism about the prospects of food and raw materials made the substitution of domestic for imported manufactured goods seem the most promising route to development for many countries.

History of Industrialization in India

Colonial rule

Under colonial rule, India, as with most other developing countries, followed a non-industrial model. But many Indians believed that progress was retarded by this. It was believed that true economic progress lay in industrialization; Smith's and Ricardo's ideas of international specialization and mutually advantageous free trade were rejected, at least until India became an exporter of more sophisticated goods.

Industrialization in the post Independence era:

India's first Prime Minister, Jawaharlal Nehru, premier from 1947 to 1964 saw industrialization as they key to alleviating poverty. Industrialization not only promised self-sufficiency for his nation that had just regained political sovereignty, but also offered external economies accruing from technical progress. Believing the potential of agriculture and exports to be limited, Indian governments taxed agriculture by skewing the terms of trade against it and emphasizing import substitution, thus giving priority to heavy industry.

Nehru believed a powerful state with a centralized planned economy to be essential if the country was to industrialize rapidly. The Industries (Development and Regulation) Act (IDRA)
In 1951 laid the foundations for this administrative control on industrial capacity. But, over time, the licensing requirements become increasingly stringent and were accompanied by a gamut of procedures that required clearance by a number of disparate and uncoordinated ministries.

Indian state intervention in industrial development has been extensive. Unlike many East Asian countries, which used state intervention to build strong private sector industries, India opted for state control over key industries. At different times, nationalized industries included chemicals, electric power, steel, transportation, and life insurance, portions of the coal and textile industries, and banking. To promote these industries the government not only levied high tariffs and imposed import restrictions, but also subsidized the nationalized firms, directed investment fund of them, and controlled both land use and many prices.

Under Prime Minister Indira Gandhi (1966-77) two major shifts took place in the role of the state. First, the neglect of agriculture was reversed through state activism in subsidizing new seeds and fertilizers, agriculture credit, and rural electrification. The green revolution took off and by the mid-1970s India was self-sufficient in grain. The second shift was the further tightening of state control over every aspect of the economy. Banks were nationalized, trade was increasingly restricted, price control was imposed on a wide range of products, and foreign investment was squeezed.

In 1973, dealings in foreign exchanges as well as foreign investment came to be regulated by the foreign Exchange and Regulation Act (FERA) and now it is replaced during 2000 by foreign Exchange Management Act (FEMA). The act virtually shut out the inflow of new technology from aboard in the 1970s and 1980s, particularly when these involved large equity participation.

The over-restrictive, and often self-defeating nature of the regulatory frameworks, began to become evident by the late 1960s and early 1970s. Comprehensive planning was increasingly criticized as planned targets were not met and many plans were not even implemented. The lack of success in some dimensions led to a new and more restrictive set of regulations. One example is the attempt to reserve sectors for small industries and to restrict the growth of large firms.

Beginning in the early 1980s, a mild trend towards deregulation started. Economic reforms were introduced, staring to liberalise trade, industrial and financial policies, while subsidies, tax concessions, and the depreciation of the currency improved export incentives. These measures helped GDP growth to accelerate to over 5% per year during the 1980s, compared to 30.5% during the 1970s, and reduced poverty more rapidly.

However India's most fundamentals structural problems were only partially addressed. Tariffs continued to be among the highest in the world, and quantitative restrictions remained pervasive.

Moreover, a significant government influence continued in the allocation of credit to firms and a discouragement of foreign investment. Relatively inefficient public enterprises, controlling nearly 20% of GDP, remained a drag on economic growth.

The government expanded antipoverty schemes, especially rural employment schemes, but only a small fraction of the rising subsidies actually reached the poor. Competition between political parties drove subsidies up at every election. The resulting fiscal deficits (8.4% of GDP in 1985) contributed to a rising current account deficit. India's foreign exchange reserves were virtually exhausted by mid-1991.

In July 1991, India launched a second major economic reform program,, the government committed itself to promoting competitive economy that would be open to trade and foreign investment. Measure was introduced to reduce the government's influence in corporate investment decisions. Much of the industrial-licensing system was dismantled, and areas once closed to the private sector were opened up. These included electricity generation, areas of the oil industry, heavy industry, air transport, road and some telecommunications. Foreign investment was suddenly welcomed.

Greater global integration was encouraged with a significant reduction in the use of import licenses and tariffs (down to 150% from 400%), an elimination of subsidies for exports, and the introduction of a foreign-exchange market. Since April 1992, there has been no need obtain any license or permit to carry out import-export trade. As of April 1, 1993, trade is completely free, barring only a small list of imports and exports that are either regulated or banned. The WTO estimated an average import tariff of 71% in 1973 which has been reduced to 40% in 1995. With successive additional monetary reforms, the rupee, since 1995, can nearly be considered a fully convertible currency at market rates. India now has a much more open economy.

Special areas of economic policy

Human Factor for industrialization

A very necessary ingredient for promoting industrialization and technological change is the investment in human capital. India's current average adult literacy rate is low at 52%. There are large inequalities between males (literacy: 64%) and females (literacy: 39%), between urban and rural areas, and between different social classes. Low levels of female education in India are due to the gender division of labour. Females are expected to spend most of their life in domestic work and child rearing. Secondly, the practice of dowry and the ideology of hyper gamous marriage can turn females' education into a liability. An educated girl is likely to be more expensive to marry off, thus female education tends to be a threat to the social order. The remarkable neglect of elementary education in India is all the more striking given the widespread recognition, in the contemporary world, of the importance of basic education for economic development.

Amartya Sen argued that there were deep-seated class biases in the pressures that have determined Indian educational priorities, and that the inequalities in education are, in fact, a reflection of the inequalities of economic and social powers of different groups in India. The persistence of endemic illiteracy and educational background in India generally limits the freedom and well-being of the Indian masses and has a direct role in the relative deprivation of woman in particular. Even if India's high technology industries, such as modern computer software or engineering products had an accelerated growth, the bulk of the Indian population would benefit only marginally.

Foreign investment Policy Instruments

Since independence, new foreign investment has been rigidly controlled in line with established development thinking. Investment was mostly restricted to industries where it was felt that the acquisition of foreign technology was important, or where the promise of exports was convincing. The FEMA was a landmark. In most industries, foreign shareholding in rupee companies had to reduce to 40%. The relative importance of foreign ownership in the private corporate sector fell significantly in the next decades. The attitude towards foreign investment began to change in 1985 as a part of Gandhi's drive for advanced technology. Net private Foreign Investment to India is comparatively Low with the other Asian countries like China, Thailand and Philippines.

Since the liberalization in, mid 1991 India has become a magnet for foreign investment. A noteworthy feature is the dramatic speed of approvals, some taking only a week. The constraint that foreign investment should reach only 40% was relaxed to 51%. In certain sector\s, such as infrastructure and computer software, the ownership can also be as high as 74%. In some sector such as transport infrastructure, full foreign   ownership is permitted and even encouraged. Foreign direct investment rose from $170 million in 1991-92 to $1.3 billion in 1994-95. India is targeting foreign direct investment of at least $10 billion annually by turn of the century. It attached a total of $2.4 billion in 1996-97 and $3.4 billion in 1997-98. Foreign direct investment in nearly 25 times higher than it was before the economy was liberalized.

The government in New Delhi is continuing to work toward reforming long-standing policies to make the country more 'investor friendly': a move that continues to heighten US interest in the country. A growing number of US companies, motivated by an increasingly favourable investment climate and the country's huge reserve of both human and natural resources, have seriously begun more than 24% of the total investment since 1991. In 1995 approximately 3.5 billion of US foreign investment flowed into India.

Revitalization of the Indian Private Sector

India has always been a trading nation. Centuries of alien rule and decades of socialism did not stamp out the Indian entrepreneurial spirit. The statement of industrial Policy 1991 reduced the list of industries reserved for the public sector from 10 to 6. In 1992/93, 104 out of a total of 237 central public sector enterprises made losses. With few exceptions, the inefficiency of public enterprises, which generate 17% of GDP, has continued to be a serious issue. It is clear that there is a prima facie case for privatization on grounds of efficiency. However, the strength of the case for privatization varies with the type of industry.

Evaluation of Industrialization in India

The indicators named above will be used to evaluate the success of Indian industrialization policies. A distinction will be made between the period from Independence until 1980, characterized by inward-looking policies such as IS, and the period from 1980 until today, characterized by reforms and the opening up of the Indian economy. The following analysis with indicators compares the achievements of these two periods only. Absolute statements of Indian achievements follow later on.

It must be emphasized that the analyzed data conceals sharp disparities within India between development-oriented states and laggards, between woman and men, between adults and children, and between city and countryside. Different states have progressed at differing paces and, even within states, different regions have achieved markedly varied results. Even more noticeable than geographic difference in poverty reduction are the inequalities that persist across gender, caste and ethnic groups. Social indicators for woman –literacy, for example- are distinctly lower than for men, and the level of scheduled castes and tribes in both economic and social achievements is still well below the national average.

i. *Growth of national income*

Growth of national income in GNP per capita in India was about 1.4% in the years from 1960 to 1980. The effects of the reforms of 1980s are reflected in growth figures: the average GNP per capita growth increased to 3.25% and with further opening up in the 1990s, the GNP per capita reaches new heights with 3.8% average growth in the period from 1987 to 1997. In terms of growth rates, the national income is expected to rise by 6.9 per cent during 2009-10 in comparison to the growth rate of 6.4% per cent in 2008-09

ii. *Alleviation of poverty*

In the early 1950s, about half of India's population was living in poverty. Since then, poverty has been declining slowly. The poverty reduction was given new impetus by the reforms: falling from around 55% in 1974 to just under 35% in 1994 by a headcount index. In the 1980s and 1990s, poverty reached historically low levels. Still, because of Indian's rapid population growth rate, the relative reduction of poverty has not been sufficient to reduce the absolute number of poor which increased from about 164 million in 1951 to 312 million in 1993-94

iii. *Reduction of income inequalities*

The reduction of income inequalities has only made slight advances. The biggest advances were made mostly before the reforms. On the other hand, one of the biggest increases in inequality happened in the late 1970s. Compared to other low-income economies, the inequality is relatively low.

iv. *Education*

From 1960 to 1977 the reduction of illiteracy was only 11% from 1978 to 1995, it was 25%, thus much higher and now it is estimated that 54% of course, there are also long-term developments involved here, so that the higher reduction in the second period might be partially due to actions taken in the first period.

v. *Health*

Life expectancy, used as an indicator of health, has increased constantly since independence. During the period from 1960 to 1980, it increased from 43 years to 52 years, which Is an increase of 21% in 20 years. From 1980 to 1995 it grew to 62 years, which is a 19% increase in only 15 years. This means that the growth of this indicator has increased by a rate of 24% compared to the previous period. Even clearer is the improvement In the reduction of infant mortality. This was reduced by 25% in the period 1960 to 1995 and a further reduction of 45% took place from 1980 to 1995. Later on it is reduced significantly. This is partially due to better education of mothers, as well as to an improved economic situation of parents.

Industrialization Today

India's current problems regarding industrialization

After evaluating important indicators for industrialization and giving a summary of industrialization since independent we will now take a more detailed look at some specific areas for future development in India

1) **Infrastructure**

Perhaps the biggest problem for doing business in India is the woeful state of its infrastructure. Poor infrastructure is acting as a drag on the Indian economy, and the Indian government is now attracting private domestic and foreign investment to build the backbone of a modern economy. The power problems are severe in India with regular power cuts and damaging voltage fluctuations that require companies to generate their own power. Investment in energy is a sound way of increasing manufacturing activity.

2) **Health and education**

HIV/AIDS is a new emerging threat to India's public health. About 3 million people in India may be affected. Malnutrition also continues to impede India's development to support India's goal of achieving universal primary education, expenditure. The World Bonk is supplementing increased state govt expenditure. This has boosted school enrolment, particularly among girls and disadvantaged children, and is improving the quality of instruction and learning achievement. Providing basics health and education is not expensive where labour is cheap. But health and education indicators, while showing some progress, still remain among the world's lowest.

3) **Public sector**

Another big problem is India's notoriously bloated and inefficient public sector. The World Bank has turned down applications for power loans worth 750 million dollar for projects in some states because of mismanagement in their government. Many electricity boards have become insolvent as a result of providing electricity at extremely subsidized rates and ignoring large-scale thefts of electricity. State governments have been unable or unwilling to take the politically unpalatable decisions needed to make their electricity boards viable. The most telling evidence of the cost of delaying reform is the sheer effort companies have to expend to cope with the country's labyrinthine bureaucracy.

4) **Corruption**

An immediate threat to India's governance is not the tottering coalition governments but corruption. The combination of a state-run economy and weak political institutions created all too many opportunities related persons and bureaucrats. This is particularly serious in view of the huge importance of the government sector in

India's economy. Corruption has become ubiquitous at all levels and is accepted by everyone. Many Indian businessmen feel that liberalization of the economy will have no impact on reducing the corruption that has become so well entrenched. A survey of 183 US firms conducted by the US embassy in 1995 revealed that US investors rated corruption in India is the third worst problem they faced after red tape and a lack of electric power. The blame for the deluge of corruption in India lies in the lack of transparency in the rules of governance, extremely cumbersome official procedures, excessive and unregulated discretionary power etc.

5) Tax problems

Tax reforms have been seeking to transform India's tax system from one with high differential tax rates falling on a narrow base, into one with tax rates at moderate levels falling on a road base. The 1995 fiscal budget reduce taxes on corporate income, and a major reform of excise taxes has been implemented to make it resemble a value-added tax more closely. But the government's income is also constricted by an inefficient taxation system. Rural areas are not taxed because they contain such a large pool of voters and no government has had the political will to change this. Income tax is skilfully dodged. This leaves the government with excise and customs duties, which represent two thirds of all taxes.

6) Labour market

India needs greater labour market flexibility to make its companies more competitive and its economy more productive. Politically powerful labour unions have stifled most efforts at serious reform or privatization of India's largest public sector enterprises, including most banks, all insurance companies, and many major industries, even though privatization would probably cost the jobs of no more than 1.1% of the urban labour market. India's labour laws hinder efficiency and growth.

7) Financial sector

India's financial sector still cannot effectively mobilize and mediate capital to respond to economic changes. The resulting high cost of capital makes Indian industry and exports less competitive. In spite of recent improvements, India's equity markets are still too thin and volatile to inspire great confidence on the part of domestic or foreign investors. Bond markets are practically non-existent. Liberalization of insurance industry, which would greatly improve the investing of India's substantial saving now 26% of GDP, has been stymied. India's banking system remains flawed, with the dominant state-owned banks still carrying bad loans amounting to 15 to 25% of their total.

Culture of Kerala

Kerala culture is in fact, an integral part of Indian culture. It is derived from both a Tamil-heritage region known as Tamilakam and Southern coastal Karnataka. The culture of Keralites has a flavour of its own, even though it forms part of the Indian and Dravidian culture. This is because of the peculiar geographical features of Kerala. Bounded on the west by the Arabian and east by Western Ghats, it has had long periods of insular existence. This has resulted in the distinctiveness of their language, dress, culture and institutions.

It is beyond doubt that the Kerala culture is the offshoot of Dravidian culture. There are striking similarities in the languages, customs and other cultural aspects to the Mediterranean civilization and Mesopotamia, the Indus Valley and that of Sri Lanka. There is a tradition in the 'Vadakkan Pattukal' that the Ezhavas arrived in Kerala by sea from Ezham, which is interpreted to be the day Sri Lanka. Keralites have always been maritime people. Kerala perhaps had the strongest navy in India. Early overseas trade started with the export of ivory, peacocks, monkeys, teakwood Sandalwood etc. to the Middle East from the time of king Solomon. Later on, foreign trade continued with Rome till the fall of Roman Empire. During this period Kodungallur was the commercial and political capital of Kerala. With the fall of the Cholas in the twelfth and thirteenth centuries, the navy became weak. The Portuguese and thereafter the Dutch and then the British came to here to rule.

In Kerala there are several ethic and religious groups mingle. The ancient rulers of Kerala ever practiced religious discrimination. Patronage was distributed not only to the Hindus but also to the Christians, the Jews and the Muslims it has been an open field for the missionaries of religions. A good illustration of the religious tolerance or secularism is found in the heart of Kerala's capital, 'Thiruvanathapuram', where a Hindu temple, a mosque and cathedral stand side by side.

Kerala has its own unique geographical features, because of it, Kerala is isolated from the rest of the country. This isolation is reflected in the myriad art forms that have evolved over the centuries. Kerala man found his own body as a supreme medium for artistic expression. Chakyar koothu is presented as a mono act, as in the early style of Sanskrit plays. In Koodiyattam more than one author takes part in the performance. Krishannattam, Ramanattam and Kathakali are other forms of art, which took birth in place of worship. The temples have also been the centers of artistic expressions. There was a rich variety of graphic and performing arts. The temples of Kerala abound in wood sculptures.

Elements of Kerala culture
(1) Religion

Keralas principal religions are Hinduism, Islam and Christianity. Among Hindu religion there are many casts and sub casts. Islam and Judaism arrived in Kerala through Arab trader. Christianity reached the shore of Kerala in 52 CE with the arrival of St. Thomas. The major Christian denominations are catholic, Oriental Orthodox and Protestant etc..

2.   Performing arts

Performing arts include Kodiyattom, Kathakali, Keralanadam, Mohiniyattam, Thullal, Padayani, Theyyam, Oppana Margamkali etc

3.   Music

Carnatic music dominates Kerala's traditional music, additionally; Kerala has its own native music system, 'Sopanam'. Melam (including panadi and panchari) is more percussive style of music; it is performed at temple centered festival using an instrument known as the Chenda. Panchavadyam is a different from of percussion ensemble, in which up to 100 artists use five types of percussion instrument.

4.   Martial arts

Kerala has its own indigenous from of martial art-Kalarippayattu. Other popular ritual art include theyyam and Poorakkali - these Originate from Northern Malabar.

5.   Literature

In 17th century poet Thunchathu Ezhuthachan whose works mark the dawn of both modern Malayalam language and indigenous Keralite poetry.

Industries in Kerala

Industry and infrastructure has been making rapid strides in Kerala, Industrial boom in Kerala has spelt plethora of employment opportunities with its cottage industries alone, proving to be the source of sustenance for over a million people. It is strategically located which makes it easily accessible by aerial routes and water ways. There are 1.8 lakh small scale industrial outfits and about .five hundred and. eleven medium sized and large scale industries in Kerala. The economy of Kerala reaped huge benefits from its blossoming industrial sector, Kerala export turnover is also of mammoth, proportions. Here's a sneak peek of the export scenario.

•   Sumptuous sea fare dished out by restaurants of: Kerala, scores brownie points with tourists visiting the backwaters. It: comes as no surprise then that seafood industry is one of the top revenue earners for Kerala. It is famed for supplying about 2,50,000 tons of squid, tuna, shrimps, lobster, cuttlefish and sardines, accounting for about half of the Country's total output. Flowing silks, yards of beautiful fabrics are stunning eye-catchers that tourists, stack their bags with. They are perhaps the most cherished artefact from God's Own Country. The textile industry of Kerala, elephantine in proportions, sends the cash registers ringing. Kanjikode, the International Apparel Park located in Trivandrum, the Industrial Export Park based in Cochin and Kanjikode are important textile industry destinations.

• A variety of spices are also the mainstay of the booming Kerala industrial sphere. Ginger, chillies, cardamom, turmeric, pepper estates do this magnificent state. Ninety six percent of India's pepper is credited to this glorious state. Pepper plantation occupies an astounding one hundred and fifty eight thousand hectares. An assortment of spices boasts of Medicinal properties and is also used as herbal healing-products, besides enhancing the taste of up smacking-delectable fares. India is one of the-biggest exporter of spices in the world.

The electronics sector is an up and coming- industry, registering itself as a top revenue earner. The Electronics,-Technology Park of Trivandrum registers high footfalls.

Kerala is also a rich repository of several minerals" and fine grained soil. Sillimanite, ilmnate, Monazite abounds in this state. Fire clay; Silica, Ball clay and China clay Granite and graphite also occur in large quantities in different parts of Kerala, paving the path for a flourishing industry.

Kerala's diverse and exotic flora and fauna is an ideal breeding- ground for the biotechnology industry. The proposed biotechnology hub will facilitate more exploration and further advancement. Kerala is also home to a large-number of light engineering products manufacturing outlets.

Petroleum and natural gas products are also an important industry of Kerala. The Cochin Refineries Limited, producing seven million tonnes of petroleum and natural gas, is a jewel in the crown of Kerala.

The rubber industry occupies about 3.84 lakh hectares and boasts of a turnover of 3.70. lakh tonnes that amounts to about ninety percent of the country's total rubber production.

The information and technology sector, fuelled *by* the technology hub and the Software Teaming and Development Centre situated in Trivandrum, is all geared up to become a successful revenue generator.

The infrastructure of a state determines its prosperity index. A sound infrastructure depends on the smooth functioning of health sector, education, transport, power supply, banking facilities, and telecom sector. Kerala's infrastructure reflects untiring efforts on the part to the Government to showcase -the state as a lucrative business hub.

Kerala boasts of sixteen well equipped harbours, the port, of Kochi being the largest. It is well connected by road routes running through the length and breadth of the state, stretching up to a distance of 110,500 kilometers.1200 kilometres, as recorded in 1998-99, of railway tracks forms one of the major transport options for many. Kerala houses one international airport, located in Thiruvananthapuram along with a couple of domestic airports at Kochi and Kozhikode.

Changing Industrial Scenario

The industrial scenario of Kerala has been changing rapidly in the past couple of years. The economy has also been getting huge benefits from its blossoming industrial sector. The state's opportunities in its cottage industries have provided millions with their livelihood). There are some 1.8 lakh small scale industrial outfits and about five hundred and eleven medium sized and large scale industries in Kerala. The strategic location of this coastal state had attracted foreign traders in past centuries far setting up their trade centres, in recent time also, owing to its rich mineral resources, Kerala have attracted many corporate giants to establish their units here.

The state is gaining tremendous success in electronic and IT industrial sectors, creating Thiruvananthapuram to be a preferred destination. There are two IT parks in Kerala one at Kochi (Info Park) and the other Techno Park at Thiruvananthapuram. Kerala is also a. preferred destination for travel and tourism. "The breathtaking views of the lakes the celebration of various festivals are all its sources of attractions. The tourism industry provides large economy to the state.

Rural Industrialisation in Kerala:

The issue of rural diversification, in. particular rural industrialisation, has attracted considerable attention. in. recent years as a critical component of rural transformation in the less developed economies-It was *in* the context of a felt need or restructuring development strategies in the 1970s, while viewing, the rural sector, as having greater flexibility in generating, employment and incomes, that industrialisation assumed importance. It was: to be based on small scale manufacturing enterprises induced primarily through infra-spatial linkages

between rural manufacturing and the agricultural sector. The emphasis was on consumption linkages to tap the large rural market. While later evidence on the survival of manufacturing activities in rural areas, particularly an agriculture-linked process of rural industrialization was not very encouraging the perseverance arose out of:

(a) What we perceived as a rather narrow view of inter sectoral linkages within the-rural space in most of die studies that were taken up; and

(b) The possibility of its greater potential in the sub-region that we attempted to study, viz. the state of Kerala, marked by a relatively favourable rural infrastructure.

While examining the role of linkages in the process of rural industrialization deriving from the field experience in two purposively selected newly emerging areas of industrial growth in an industrially backward state. An argument that:

(a) An excessive concentration on agriculture induced linkages has resulted in an. under- estimation of the potential of *rural* linkages for rural manufacturing. The fast growing service, sector in rural areas and its demand, for simple intermediate goods provides considerable scope for production linkages;

(b) At the same time, the relative importance of agricultural linkages very often, tends to be swamped out by the ''urban' indicators: of rural diversification. The former could play a dominant role in generating non-agricultural employment in relatively isolated rural areas, primarily through consumption linkages; and

(c) The local capital linkage or indigenous entrepreneurship has" been relatively under-emphasized. Stimulating local initiative can facilitate a rurally linked process of Rl. There is a real (psychic) advantage for local entrepreneurs operating in a local environment, which redresses, to some extent, the relative place-specific disadvantages' of rural locations.

Module 3
BUSINESS CULTURE

Business culture is the outlook of business concern. That is the way it responds to management opportunities and problems and the way in which it adapts to internal and external changes and requirements. Business culture is internationalized in the form of collective beliefs and trends and are transmitted and taught to new members as a cohesive way of thinking living and acting. These basic beliefs, with their corresponding commitments and trends, form the business culture that, under the company leadership, define the target identity and develops internal mechanisms for dealing with challenges of management in an individual way.

The Business culture is expressed in the contents of the mission, in the values, the vision, the feeling of belonging, and the flexible ability to agree up on common goals and the comprehensive management of the company, including its strategic objectives and assessment criteria for measuring results

Business Culture Models

There are two important models of business culture they are interpersonal interaction model and 11-Risk and feel bank model.

I- Interpersonal Interaction model

According to this model there are four types of cultures based on interpersonal interaction or communication.

- Power Culture: Strong leaders are needed to distribute resources. Leaders are firm, but fair and generous to loyal followers. If badly managed there is rule by fear, abuse of power for personal gain, and political intrigue.

- Achievement Culture: Productive efforts reward not unproductive efforts. Work teams are self directed Rules and structure serves the system, not an end by themselves. A Possible downside is sustaining energy and enthusiasm over time.

- Support Culture: Employee is valued as a person, as well as a worker. Employee harmony is important. Weakness is a possible internal commitment without an external task focus.

- Role Culture: Rule of law with clear responsibility and reward system. Provides stability, justice and efficiency. Weakness is impersonal operating procedures and stifling of creativity and innovation.

II- **Risk and Feedback Model**

This model is developed by Deal & Kennedy. This model of culture is based on characterizing different four types of organization, based on how quickly they receive feedback and reward after they have done something and the level of risks that they take.

Feedback and Reward

A major driver of people in companies and hence their culture is the general feedback and specific rewards that tell them they are doing a good or bad job. If the feedback is immediate or short term, it will quickly correct any ineffective behavior and hence lead to a consistent culture. If feedback takes longer to arrive they can leave mistakes uncorrected. But it also lets people look further out into the future. Either way, there is likely to be some substitute activity to help things on track until actual results are known.

Risk

Uncertainty and risk are something that some people hate and people thrive on. In either case, it is another motivating force that leads people to focus on managing it. Where the risk is low, people may be willing to take risks up to their acceptable limit. When they are high, the risks need to be managed of accepted. High risk Co's are more likely to include people who enjoy the frisson of taking a gamble.

Based on the above there are four cultures

(i)   Work hard, Play hard Culture : This has rapid feedback / reward and low risk, leading to

- Stress Coming from quantity of work rather than uncertainty
- High Speed action leading to high speed recreation
- Eg. Restaurants, Software companies.

(ii)<u>Tough- Guy Macho culture</u>: This has rapid feedback/reward and high risk, leading to

- Stress coming from high risk and potential loss/gain of reward.
- Focus on present rather than longer-term future.
- Eg. Police, Surgeon, Sports, Advertising ,Entertainments

(iii)   <u>Process Culture</u>: This has slow feedback/reward and low risk, leading to :

- Low stress, Plodding work, comfort and security. Stress may come from internal Politics and stupidity of the system.
- Development of bureaucracies and other ways of maintaining status quo
- Focus on security of the past and of the future.
- Eg. Banks, Insurance companies

(iv)   <u>Bet the company cultures</u>

This has slow feedback/reward and high risk leading to:

- Stress coming from high and delay before knowing if actions have paid off
- The long view is taken, and then much work is put into making sure things happen as planned.
- Eg . Aircraft maintainers, Oil Companie

<table>
<tr><td rowspan="3">Rapid low</td><td>LOW</td><td>HIGH</td></tr>
<tr><td>Work hard, play hard culture</td><td>Tough-guy macho culture</td></tr>
<tr><td>Process culture</td><td>Bet the company culture</td></tr>
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Business Culture
Consultants

        Business culture consultants are the Providers of consultancy services in the organization to maintain a healthy business or organizational culture in order to achieve the desired goal of the business. They are the specialized group in business relational skills training, customer service enhancement, business culture assessment, and executive coaching etc. They are also supporting change managers in increasing professionalism by setting new standards in the field of change management. This is done by equipping change managers with the best tools available in the market place to realize goals and objectives in the most focused way possible.

        The following are the services generally provided by the business culture consultants.
⟹ Programs to improve the interpersonal skills of front line supervisors.
⟹ Program to enhance employee retention strategies
⟹ Program to add emotional value to customer service interactions.

⟹ Program to assist management teams in examining cultural attributes, values and assumptions
⟹ Program to develop and implement cultural business plans etc..
        The consultants are providing some special short term programs like:
⟹ On site Consultation
⟹ Training seminars
⟹ Retreat facilitation
⟹ Individual assessment and coaching of emotional intelligence competency etc..

Typologies of organizational cultures
    Many methods have been used to classify organizational culture. Some important are described below:
(i) Hofstede approach:
Gerard Hendrik Hofstede influential Dutch Psychologist, who studied interactions between national cultures and organizational cultures. Hofstede's study demonstrated that there are national and regional cultural groupings that affect the behavior of organizations. Hofstede identified five dimensions of culture in his study of national influences:

- *Low vs High Power distance* – The Degree to which a society expects there to be differences in the levels of power. A high score suggests that there is an expectation that some individuals wield larger amounts of power than others. A low score reflects the view that all people should have equal rights.

- *Low Vs high uncertainty avoidance:-* this reflects the extent to which society accepts uncertainty and risk. This dimension measures how munch members of a society attempt to cope with anxiety by minimizing uncertain. In cultures with high uncertainty avoidance, people prefer explicit (e.g. about religion and food) and formally structured activities, and employees tend to remain longer with their present employer. In cultures with low uncertainty avoidance, people prefer implicit or flexible rules or guidelines and informal activities. Employees tend to change employer more frequently.

- *Individualism Vs Collectivism:* individualism is contrasted with collectivism, and refers to the extent to which people are expected to stand up for themselves, or alternatively act predominantly as a member of the group or organization. However, recent researches have shown that high individualism may not necessarily mean low collectivism, and vice versa. Research indicates that the two concepts are actually unrelated. Some people and culture might have both high individualism and high collectivism, for example. Someone who highly values duty to his or her group does not necessarily give a low priority to personal freedom and self-sufficiency.

- *Masculinity Vs Femininity:* this refers to the value placed on traditionally male or female values. Male values for example include competitiveness, assertiveness, ambition, and the accumulation of wealth and material possessions.

- *Long Vs short term orientation:* - this describes a society's "time horizon" or the importance attached to the future versus the past present. In long term oriented societies thrift and perseverance are valued more: in short term oriented societies, respect for tradition and reciprocation of gifts and favors are valued more. Eastern nations tend to score especially high here, with Western nations scoring low and the less developed nations very low: China scored highest and Pakistan lowest.

2) **Deal and Kennedy approach:**

Deal.T.E & Kennedy defined organizational culture *as the way things get done around here.* They measured organizations in respect of:

- **Feedback:** quick feedback means an instant response. This could be in monetary terms, but could also be seen in other ways, such as the impact of a great save in a soccer match.

- **Risk:** represents the degree of uncertainty in the organizations activities.

Using these parameters, they were able to suggest four classifications of organizational culture:

- *The Tough-Guy macho Culture:* Feedback is quick and the rewards are high. This often applies to fast moving financial activities such as brokerage, but could also apply to a police force, or athletes competing in team sports. This can be a very stressful culture in which to operate.

- *The work Hard/play Hard Culture* is characterized by few risked being taken, all with rapid feedback. This is typical in large organizations, which strive for high customer service. It is often characterized by team meeting, jargon and buzzwords.

- *The bet your company Culture:* where big stakes decisions are taken, but it may be years before the results are known. Typically, these might involve development or exploration projects, which take to come to fruition, such as oil prospecting or military aviation.

- *The process Culture* occurs in organization where there is little or no feedback. People become bogged down with how things are done not with what is to be achieved. This often associated with bureaucracies. While it is easy to criticize these cultures for being overly cautions or bogged down in red tape, they do produce consistent results, which are ideal in, for example, public services.

3)   **Charles Handy approach**

Charles Handy was an Irish Philosopher specializing in organizational behavior and management. This is the summary of Charles Handy's model describing the 4 main types of organizational culture, taken from his book "gods of Management". Handy suggests that we can classify organizational into a broad range of four cultures. The formation of 'culture' will depend upon a whole host of factors including company history, ownership, organization structure, technology, critical business incidents and environments, etc. The four cultures he discusses are power, 'Role', 'Task'. And 'People'.

- A power culture which concentrates power among a few. Control radiates from the center like a web. Power culture has few rules and little bureaucracy, swift decisions an ensue.
- In a role culture people have clearly delegated authorities within a highly defined structure. Typically, these organizations form hierarchical bureaucracies. Power derives from a person's position and little scope exists for expert power.
- By contrast, in a Task Culture, teams are formed to solve particular problems. Power derives from expertise as long as a team requires. These cultures often feature the multiple reporting lines of a matrix structure.
- A people Culture exists where all individuals believe themselves superior to the organization. Survival can become difficult for such organizations ,since the concept of an organization suggest that a group of like-minded individuals pursue the organizational goals. Some professional partnerships can operate as person cultures, because each partner brings a particular expertise and clientele to the firm.

4) **Edgar Schein approach:**

According to Schein, a professor at the MIT Sloan School of Management, culture is the most difficult organizational attribute to change, outlasting organizational products, service, founders and leadership and all other physical attributes of the organization. His organizational model illuminates culture from the standpoint of the observer, described by three cognitive levels of organizational culture.

- At the first and most cursory level of Schien's model is organizational attributes that can be seen, felt and heard by the uninitiated observer- collectively known as artifacts. Included are the facilities, officers, furnishing, visible awards and recognition, the way that its member dress, how each person visibly interacts with each other and with organizational outsides, and even company slogans, mission statements and other operational creeds.
- The next level deals with the professional culture of an organization's members- the Values. At this level, local and personal values are widely expressed within the organization. Organizational behavior at this level usually can be studied by interviewing the organization's membership and using questionnaires to gather attitudes about organizational membership.
- At the third and deepest level, the organization's tacit assumptions are found. These are elements of culture that are unseen and not cognitively identified in everyday interactions between organizational members. Additionally, these are the elements of culture which are often taboo to discuss inside the organization. Many of these 'unspoken rules' exist without the conscious knowledge of the membership.

5) **Arthur F Carmazzi approach**

Arthur F. Carmazzi, an Italian-American writer living in Asia and expert on psychological applications to leadership and organizational culture enhancement and development. According to him there are five types of culture.

  The Blame Culture: This culture cultivates distrust and fear; people blame each other to avoid being reprimanded or put down, this results in no new ideas or personal initiative because people don't want to risk being wrong.

  Multi-directional culture: this culture cultivates minimized cross department communication and cooperation. Loyalty is only to specific groups (department). Each department becomes a clique and is often critical of other departments. Which in turn create lots of gossip? The lack of cooperation and multi-Direction is manifested the organization's inefficiency.

Live and let live culture. This culture is Complacency; it manifests mental stagnation and low creativity. People here have little future vision and have given up their passion. There is average cooperation and communication, and things do work, but they do not grow.

Brand congruent culture: people in this culture believe in the product or service of the organization, they feel good about what their company is trying to achieve and cooperate to achieve it. People here are passionate and seen to have similar goals in the organization. They use personal resources to activity solve problems and while they don't always accept the action of management or others around them, they see their job as important.

Leadership enriched culture; people view the organization as an extension of themselves; they feel good about what they personally achieve through the organization and have exception cooperation. Individual goals are aligned with the goals of the organization and people will do what takes to make things happen. In this culture, leaders do not develop followers, but develop other leaders.

6) Robert A. Cooke approach:

Dr. Robert A. Cooke defines culture as the behaviors that members believe are required to fit in and meet expectations with their organization. The organizational culture Inventory measures twelve behavioral of norms that are grouped in to three general types of culture:

Constructive Cultures: In constructive culture members are encouraged to interact with people and approach tasks in ways that help them meet their higher-order satisfaction needs. The Constructive Cluster includes culture norms that reflect expectation for members to interact with others and approach tasks in ways that will help them meet their higher order satisfaction needs for affiliation, esteem, and self-actualization. The four culture norms in this cluster are

Achievement Self-Actualizing humanistic Encouraging affiliate

Organizations with Constructive culture encourage members to work to their full potential, resulting in high levels of motivation, satisfaction, teamwork, service quality, and sales growth.

Passive/ Defensive Cultures: according to this, the members believe they must interact with people in ways that will not threaten their own security. These culture norms reflect expectations for members to interact with people in ways that will not threaten their own. The four passive/Defensive culture norms are

Approval Conventional Dependent Avoidance

In organizations with Passive/Defensive cultures, members feel pressured to think and behaves in ways that are inconsistent with the way believe they should in order to be effective. People are expected to please others (particularly superiors) and avoid interpersonal conflict.

Aggressive/Defensive Cultures:

According to this the members are expected to approach tasks forceful ways to protect their status and security. This cluster includes culture norms that reflect expectations for members to approach tasks in ways that protect their status and security. The Aggressive/Defensive culture norms are

Oppositional power competitive perfectionist

Organization with these culture encourage or require members to appear competent, controlled, and Superior. Members who seek assistance, admit shortcoming or concede their position are viewed as incompetent and weak.

Organizational Culture

By culture we mean that complex whole which includes knowledge, belief, art, morals, and law, custom and other capabilities and habits acquired by man in a society. Two terms are key to the concept culture: history and shared phenomenon with regard to the first, it is may state that culture mores of a society are passed on from generation to generation. The second key term which is basic to culture implies that the cultural ethos's are shared among the members of a society.

Organizational culture has assumed considerable importance in recent years in the understanding and practice of Organization behavior. Every Organization has a culture and depending on its strength, it can have a considerable impact on attitudes and behavior of the employees, employees turn over. This is because of the reason that people are affected by the culture in which they live. Every family has its own culture, every society has a social culture and a work place has an organization culture.

Definition

Organizational culture can be defined as the philosophies, ideologies, values, assumptions, beliefs, expectations, attitudes and norms that an Organization together and are shared by its employees.

According to Edgar Schein "Organizational culture can be defined as a pattern of basic assumptions-invented, discovered or developed by a given group as it learns to up with its problems of external adaption and internal integration that has worked well enough to be considered valuable and, there for to be taught to new.

This Organizational cultural stresses on sharing of norms and values that guide Organizational member's behavior. These norms and values are clear guidelines as to how employees are to behave within the Organization and their expected code of conduct outside of Organization.

Characteristics of Organizational culture

The following characteristics help us to understand the nature of Organizational culture better.

1. **Individual autonomy:** The degree of responsibility freedom and opportunities of exercising initiative that individuals have in the Organization.
2. **Structure:** the degree to which the Organization creates clear objectives and performances expectations. It also includes the degree of direct supervision that is used to control employee behavior.
3. **Management support:** the degree to which managers provide clear communication, assistance, warmth and support to their subordinates.
4. **Identity:** the degree to which members identify with the Organization as a whole rather with their particular work group or filed of professional expertise.
5. **Performances reward system:** The degree to which reward system in the Organization like increase in salary, promotion etc. is based on employee performance rather than with their particular work group or filed professional expertise.
6. **Conflict tolerance:** The degree of conflict present in relationship between colleagues and work group as well as the degree to which employee are encouraged to air conflict and criticism openly.

7. **Risk Tolerance:** The degree to which employ are encouraged to be innovative, aggressive and risk taking.
8. **Communication Patterns:** The degree to which Organizational communications are restricted to the formal hierarchy of authority.
9. **Outcome Orientation:** The degree to which management focuses on result or outcomes rather than on techniques and process used to achieve these results
10. **People orientation:** the degree to which management decisions take in to consider action the impact of outcomes on people within Organization.

Key elements of Organizational culture

The following are the important elements an Organizational culture model:

1. **stories:** Employee learn the Organizational culture through the stories which circulate through many Organizations. These stories related to sacrifices of founders, difficult in initial years of the Organization etc..
2. **Material symbols:** Most important material symbols are the layout of corporate headquarters the type of automobiles top executives are given, elegance of furnishings, executive perks, dress attire etc. These symbols convey to employees who and what is important and the kind of behavior that is appropriate.

3. **Rituals :** rituals refer to any practice or pattern of behavior repeated regularly in a prescribed manner. Key values of the Organization most important goals and most important peoples are reflected in rituals. Repeated activities help the employees in learning the culture of the Organization.

4. **Language:** the language used by the Organization and units with in Organizations, can identity member of culture or sub culture. These newcomers who learn this language give their acceptance to the culture and in doing so, help to perceive it.

5. **Organizational structure**: These include both the structure defined by the Organization chart and the unwritten lines of power and influence that indicate whose contributions are most valued.

6. **Power structures:** this may involve one or two key senior executives a whole group of executives or even a department. The key is that these people have greatest amount of influence on decisions, operations, and strategic direction.

7. **Control system:** The ways that the Organization is controlled. These include financial systems, quality systems and rewards.

Organizational culture and Business Ethics

Along with other forms of performance an Organization's culture can potentially influence ethical conduct. This makes sense because good behavior is driven by ethical values. An Organization can guide the conduct of its employee by embedding ethical values in its dominant culture.

Organizational culture is also potentially a source of ethical problems when it applies excessive control over employees. All Organizations requires some values congruence. This congruence ensures employees make decisions that are compatible with Organizational objective. Congruence also improves employee satisfaction, loyalty longetivity (i.e. low turnover). But a few Organizations imprint their cultural values so strongly on employees that they risk becoming corporate cults. They take over employee lives and rob a person's individualism. Anyway an Organization's culture should consistent with society's ethical values and the culture should not be so strong that it undermines individual's freedom.

Characteristics of an Ethical Organization

1. Value statements
2. Codes of conduct
3. Executive modeling
4. Training and communication
5. Systems that embody values
6. Mechanism to discuss different cases.
7. Hotlines and help lines.
8. Audit, enforcement and discipline.
9. Governance of ethic and values.
10. Renewal process and ongoing process

Creation of an ethical Organizational culture

1. Establish an Enforceable code of conduct.
2. Initial and ongoing training.
3. Regular communications.
4. Anonymous reporting Hotline
5. Enforcement/ action
6. Rewarding employee that they behave ethically

Benefits of an Ethical Organizational culture

1. Less risk
2. Less fraud.
3. Less litigation.
4. Happier Employees

Module 4
CORPORATE CULTURE

Corporate culture refers to the shared values, attitudes, standards and beliefs that characterize member of an organization and define its nature. Corporate culture is rooted in an organization's goals, strategies, structure and approaches to labour. As such it is essentials component in any business ultimate success or failure. In a well established company the culture is so strong that even new top management may not be able to change it or if they try. It may take five, ten or twenty years to change. A winning corporate culture is the environmental keystone for maintaining the highest level of employee satisfaction, customer loyalty and profitability. A healthy corporate culture is one in which employees are encouraged to work together to ensure the success of the overall business.

Definition

'a complex set of values beliefs, assumptions and symbols that define the way in which a firm conducts its business (Lismen)

According to John o Malley in Birmingham Business Journal 'corporate culture is an unwritten value set that management communicates directly or indirectly that all employee know and work under.'

Organization culture Vs corporate culture

Organizational culture

A business concern with an organizational culture is usually more competitive and more profitable than a bureaucracy. Such organization is believed to be more rewarding and stimulating to work in. A society with an organizational culture facilitates individuality and requires people to take responsibility for own welfare.

Characteristics

$\Rightarrow$ Organizational culture is useful for small business

$\Rightarrow$ Business flourish in the environment of nonhierarchical organization

$\Rightarrow$ Organizational culture is characterized by innovation, creativity, dynamism and risk

$\Rightarrow$ It usually requires attributes like flexibility initiative, problem solving ability, independence and imagination

Corporate culture

Corporate culture consists in the combined beliefs, values, procedures and atmosphere of a large business. This culture is often expressed as "the way we do things around here" and consist of largely unspoken values, norms and behavior that become the natural way of doing things.

Characteristics:

$\Rightarrow$ Corporate culture is useful for large business.

$\Rightarrow$ Corporate culture is more nature and unconsciously created.

$\Rightarrow$ In large business there is an unavoidable bureaucratic hierarchy

$\Rightarrow$ The leaders has a very pivotal role

Corporate culture, values and strategic Change

The strategy equation

To place a discussion of culture and values in perspective, it is highly needed to review a basic premise. The basic premise is summarized in the following strategy equation, which holds that financial performance is a function of both industry attractiveness and competitive advantage.

FP=f (IA.CA)

Where

FP= Financial Performance.

IA=Industry Attractiveness.

CA-=Completive Advantage

A competitive strategist however seeks more than average finical returns. He seeks superior financial returns. In addition, the quest is for the long term. So he or she seeks sustained superior financial performance. The equation is

SSFP= F (IA.CA)

Where

SSFP= Sustained Superior financial Performance.

Let us expand the quotation further. Industry attractiveness is a function of industry structure and environmental trends. So

IA=F(IS,E)

IS=Industry Structure.

E= Environment trends.

Another view, one brought by organization sociologies such as Professor Jay Barney and Strategist such as C.K Prahalad and Gary Hamel, states that competitive advantages is not only position based, but is also capability based. Capability advantages are based on human interactions, co-ordination, experience, culture and even trust. Capability-based advantages include the following- technological skills, speed, creative customer responsiveness, corporate culture. So to complete our strategy equation

CA=f (p,c)

Where

P= position based advantages

C= capability based advantages

Organizational capabilities as competitive Advantage

To be source of sustained competitive advantage, a firms capabilities must be distinctive for capabilities to be distinctive three conditions must be

1. The capabilities must be valuable
2. The capabilities must be rare
3. The capabilities must imperfectly imitable

Strategic capabilities can be categorized as follows

⇒ Technologies capabilities

⇒ Human capabilities

⇒ Organizational capabilities

⇒ Managerial and leadership capabilities

Necessity to Design a better Corporate Culture

Why is it that many of the same companies appear repeatedly on lists of the best places to work, the best provides of customer service, and the most profitable in their industries? Strong, adaptive cultures can foster innovation, productivity, and a sense of ownership among employees and customers. They also outlast any individual charismatic leader. We can learn a great deal from organizations who strong and adaptive ownership culture gives them a powerful competitive edge. The following are some lessons which are highly necessary for every business concern.

1. Leadership is critical in codifying and maintaining an organizational purpose, values, and vision. Leaders must set the example by living the elements of culture like values, behaviors, measures, and actions. Values are meaningless without the other elements.
2. Like anything worthwhile, culture is something in which you invest. An organization's norms and values aren't formed through speeches but through actions and team learning. Strong cultures have teeth. They are much more than slogans and empty promises. Some organizations choose to part ways with those who do not manage according to the values and behaviors that other employees embrace. Others accomplish the same objective more positively.

3. Employees at all levels in an organization notice and validate the elements of culture. As owners, they judge every management decision to hire, reward, promote, and fire colleagues. Their reactions often come through in comments about subjects such as the fairness of my boss". The underlying theme in such conversations, though, is the strength and appropriateness of the organization's culture.

4. Organizations with clearly codified culture enjoy labor cost advantages for the following reasons like:-

   They often become better places to work.

   They become well known among prospective employees.

   The level of ownership- referral rates and ideas for improving the business of existing   employee-is often high.

   The screening process is simplified, because employees tend to refer acquaintances who behave like them.

   The pool of prospective employee grows.

   The cost of selecting among many applicants is offset by cost saving as prospective employees sort themselves into and out of consideration for jobs.

This self selection process reduces the number of mismatches among new hires.

5. Organization with clearly codified and enforced cultures enjoy great employee and customer loyalty, in large part because they are effective in either altering ineffective behaviors or disengaging from values-challenged employees in a timely manner.

6. An operating strategy based on a strong, effective culture is selective of prospective customers.

7. The self-reinforcing source of operating leverage must be managed carefully to make sure that it does not result in the development of dogmatic cults with little capacity for change. High- performing organization periodically revisits and reaffirms their core values and associated behaviors.

8. Organizations with strong and adaptive cultures foster effective succession in the leadership ranks. In large part, the culture both prepares successors and eases the transition,

   When an organization consistently builds and reinforces such a culture, it creates a competitive edge that is hard to replicate.

Key Ingredients to create a positive corporate culture

1. Recruitment
2. Orientation
3. Training
4. Communication
5. Recognition and reward

   Every business should concrete the following tips for an effective corporate culture.

⇒ Align culture change with strategic objectives.

⇒ Culture change to drive performances.

⇒ Bench mark the culture against competition

⇒ Quickly the simply assess the culture.

⇒ Engage culture with initiatives driving performance.

⇒ Develop a culture that respect and celebrates diversity.

⇒ Understand the role of senior management in building culture.

⇒ Use a positive culture to sustain performance in times of major change.

⇒ Create winning culture.

⇒ Get 100% commitment from the CEO and senior management team.

⇒ Use value statements, visions, and missions as culture change drivers.

⇒ Ensure HR systems support the new culture.

⇒ Communicate

How to change a corporate culture
1. Education and encouragement.
2. Defining expectation.
3. Acknowledging and celebrating success.
4. Rewarding success.

Corporate culture and performance

An effective organizational culture aligns with the business strategy to ensure that the company needs its long term goal. Developing the right organization culture is not just the responsibility of the human resources department. The top management of company is proactively involved in the process and after all the corporate culture as the major impact on employee morale and productivity. It is not just being a good employer, but about having employees committed to the vision and the strategy of the organization and possessing the will and the means to make these realities. So an effective corporate culture engages employees at a fundamental level and translates that engagement in to high performance.

Importance

⇒ Organizations growth.
⇒ Teamwork and innovation.
⇒ Adaption of new joiners.
⇒ Role of HR

Corporate Culture and India:

Corporate Culture in India and its Competitive Advantages:

India's success in entering and building a strong presence in the information technology and business process outsourcing markets has often been attributed to the fact that a majority of India's educated workers speak English. This has been characterized as unique advantages of the Indian economy relative to other low cost areas in Asia, South America, and Eastern Europe. However, language is one of just many factors that shape the corporate culture become a source of competitive advantage in the way that the widespread ability of Indians to speak English has? Some research indicates that corporate culture does have the potential to become a source of competitive advantage for the Indian economy. There are robust signs of emerging entrepreneurialism, professionalism, and strong governance within India's corporations. These traits are similar to those that the American economy has exhibited over the last fifty years through rapid company formation, the growth of professional managers, and good governance through boards and public shareholders.

Assessing Corporate Culture and its Historical Context in India

The assessment of the corporate culture in India from three perspectives:

• *How entrepreneurial are the business leaders within their organization and how likely are they to become entrepreneurs on their own?* This characteristic of India's business culture will likely determine the rate of innovation and new company information. Historically, while India has had a class of active entrepreneurs, government regulation and bureaucracy has impeded such efforts.

• *How professional, ethical, and dedicated are employees within organizations?* These characteristics will likely influence the ability for Indian companies to compete against multinational corporations and to enter global markets. Historically, some business people have engaged in bribery and other corruption to advance their business due to the pervasive bureaucracy of the Indian government.

• *What is the quality of the governance within the organizations?* Good governance has been identified as a key driver of economic success by firms and is likely to be crucial to many Indian firms that have traditionally been family owned and run. Historically, governance in Indian firms have been a mixed bag ranging from tightly controlled family conglomerates to state owned companies with bureaucratic oversight.

1. *Entrepreneurialism in India*

It surfaced many indicators that a strong culture of entrepreneurialism is emerging in India and has the potential to become a source of competitive advantages. *First*, it was clear that employee mobility is rapidly becoming accepted within India. Companies such as Wipro talked about maintaining employee turnover that leaves for appropriate opportunities. In addition, executives at companies such as Godrej were not just lifelong Godrej employees, but recent hires as well. Employee mobility is critical to entrepreneurship- it means that employees are willing to leave to join new ventures and also that they have the ability to seek employment if the venture fails. The employee mobility is similar to that seen in America, but is different from countries such as Japan or Germany where employees tend to have a longer relationship with their employers. Second, Indian employees from overseas are starting to return to India. Executives at companies such as GE and Intel who had returned to India after working for a number of years in the U.S. These workers brings capita but more importantly a familiarity with the process of company formation, raising venture capital, and acquiring early customers for new products, Finally, India is a diverse and fragmented market, which makes it challenging to do business in and also crates more opportunities for entrepreneurial activities particularly in areas such as consumer products and service. For example, executives at Godrej talked about the difficulties of distributing and developing products for the very diverse consumer needs across India. This is a challenge for Godrej, but also indicates that local entrepreneurs will have an edge in understanding local needs for certain kinds of products and may be able to compete in some segments against Indian conglomerates and multi-nationals. This is the opposite of markets such as the U.S. where consumer products are fairly standardized across the country and thus barriers to entry for new consumer products are extremely high.

2) **Professionalism in India:**

We can see a wide range of executives from mid-level managers at Wipro to editors at the times of India revealed a strong professional class that speak perfect English, communicates in the international language of power, and that appear dedicated to advancing the interests of their organizations. These professionals are aware of global management frameworks and are conscious of the role that their organization can and must play in Indian's economic development. The impression was that American executives would feel just as comfortable in an Indian boardroom as they might in a boardroom in the America. This comfort level may be one of the factors explaining the rapid development of research and other facilities by MNCs in India.

However, is this apparent professionalism only skin deep? Are Indian corporations truly adopting best practices in managing and promoting employees and in encouraging appropriate employee behavior? There appear to be structural forces that are raising the level of professionalism in India. First, foreign multi-nationals have rapidly become the employer of choice for top graduates from business and engineering schools India. These multi-nationals are bringing their global human resources practices to India in terms of selecting, developing and advancing employee as well as in their expectations of legal behavior by employees. Labor mobility means that these practices are spreading across Indian businesses. However, more than labor mobility, the market for talent is driving change throughout Indian companies. Godrej offers Indian employees a professional work environment with more latitude than a multi-national corporation may offer. Indian's mobile labor markets are requiring all Indian companies to evaluate their management practices to ensure that they have access to the best talent.

3) **Governance in India**

The issue of governance and its impact on India's corporate culture is primarily relevant to Indian companies as multi –national companies have global governance structures. Within India, governance can be considered for three sets of companies:

Indian public companies with foreign ADR listings: such as Infosys or Wipro. These companies face the broadest and deepest set of legal requirements regarding governance since they must comply with SEC regulations. However, what is impressive is that companies such as Infosys have of transparence in their governance and reporting. In fact, a McKinsey (a worldwide management consultancy firm) Survey revealed that Indian investors are willing to p[ay 23% premium for companies with good governance structures.

Indian Public companies: These companies need to comply with Indian regulations which were described by ICICI executives as being fairly robust. A McKinsey analysis also found that India's regulation and enforcement of accounting standards FOR Indian companies are fairly strong as they were ranked fourth in Asia and ahead of countries such as China.

       Indian family controlled conglomerates: examples of this category are Godrej, Tata, etc. These conglomerates are often a mix private and public holding structures. Some of these conglomerates have been well managed, but the quality of governance may still be low due to tight control by family members. The need to raise public capital will clearly enhance the governance of some of these organizations.

       The legacy of English that the British left in India was a dormant competitive advantage until a decade ago until technologies emerged to enable Indian employees to serve customers any world in the world.

India's corporate culture –a changing phase

       Prodded by economic reforms, Indian companies have undergone an often painful transformation. But as this business leader explains, munch more work needs to be done to make them truly competitive. After a half century of protectionism, during even the manufacture of safety pins was tightly regulated, India threw open its doors to both domestic and international competition in 1991. Since then the changes have been dramatic.

       While the Indian economy as a whole has grown at an average rate of more than 5% annually in this period, many larger companies have seen their fortunes decline precipitously(although weak bankruptcy laws and cumbersome liquidation procedures make going out of the business virtually impossible). These days a far more telling indicator of the changing Indian economy can be found at the Bombay Stock Exchange, where trading is dominated by technology-oriented start-ups in industries like computer software and pharmaceuticals. These have replaced the likes of cement and steel stocks, highly favored sectors during the protectionist era of the "License Raj"

Case of Tata Group: one of the few traditional Indian groups to survive the brutal consequences of the nine-year reform programme is Tata Sons, the country's largest business group and an industrial power for more than 100 years. The group is a conglomerate of 80 operating companies, with interests as diverse as steel, trucks, cars, cement, ball bearing, hotels, oil drilling, construction, telecommunications, fertilizer and earthmoving equipment. The newest jewel in the Tata crown is the Indica, the first passenger care wholly manufactured in India. The company introduced the car in early 1999, without the benefit of an international auto-maker as a partner; advance orders for the Indica, have kept assembly lines running overtime for a year. Tata has also made forays outside of heavy growing industry indeed the fact that computer software is fastest growing industry in India today is due in no small measure to Tata Consultancy Service, the country's largest and most successful software company, with 1998 export sales of nearly 400 million dollar. Rattan Tata, who took over as chairman of the group in the year the reforms were introduced, has been credited with having successfully steered the company through a particularly traumatic period. Economic reform, with its new emphasis on competition, presented the unwieldy agglomeration of companies with what Tata calls "the very daunting task of define what our core business is". In his effort to remake the group in the face of this challenge, Tata reconstituted the board of the parent holding company to reflect the younger team, initiated the process of selling off a number of businesses, ended several international partnerships and beat back some determined competition from the Japanese in the trucking industry. Tata also tried, unsuccessfully, to get three successive governments to agree to his plans to set up a domestic airline in partnership with Singapore Airlines. Thought the reforms have been painful, the 62 years-old Tata, who studied architecture at Cornell University, seems to have welcomed them. Reflecting on what changes have meant to India, he told Outlook, those Indian businesses" cannot turn to the government for protection.

Economic reforms and Indian Industry:

       It is seen that a considerable reform in industrial licensing. Entry barriers and red tape have been erased. But fiscal reform and reforms in company law have not yet happened. The same holds for labour legislation. Have the reform fundamentally alerted the corporate culture in India ?

       The environment has become more competitive. That has made Indian industry more concerned with a) its customers, b) the quality of its products, and c) its brand image in the marketplace.

       In the last couple of years, companies have found themselves going through a very difficult period. They have had to cut costs and be more mindful of inventory levels. By and large, Indian industry did not worry about things of this nature earlier. Companies were in a seller's market. They could maximize production very often pass on the inefficiencies to the consumer through higher prices.