

The Influence of Culture on Management Practices

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Abstract

Management is the art of getting things done through others. Management also means the activities performed by managers. Since it is wo/men who manage other wo/men, it is imperative that the ethnical and cultural background of people will have a profound influence on their management practices. This paper discusses the impact of culture on management and how the cultural background of managers' influence their management practices. The objective of the paper is to investigate whether there is any relation between the cultural background of the managers and their management practices and also explore management functions from the perspective of one's culture with specific examples.

Keywords: Management, Managers, Culture, Management Practices, Management Functions

Introduction

Making people work in an organized structure has always been challenging. Nothing can be predicted accurately about the unpredictable creature called humans. Management is a wonderful creation of human's brilliance to harness the untapped and unexplored human talent. The concept of management is structured around the notion of developing and sustaining an environment where groups of people can collectively contribute to organizational development. Management can also be considered to be the art of the manager. Therefore, the personal philosophy and culture of the manager will certainly have a strong influence on the management practices.

The development and growth of Management has been influenced by the culture of different societies and nations such as the USA and Japan. Management is contextual because its concepts and theories vary according to the context and culture where it is applied. Management is certainly not a "fit all cap" because the same cap will not fit on all heads. Hence, in order to acquire a comprehensive understanding of management practices, it is imperative to have an insight on the cultural background of the management practioner.

The objectives of the paper are twofold: firstly to understand culture and its influence on management practices; and secondly, to gain an understanding of the Marwari

(an important business community of Siliguri and North Bengal) culture and how it influences their business and management practices.

What is Culture?

According to Hofstede¹, culture may be defined as the collective programming of the mind which distinguishes the members of one human group from another. It includes system of values; and values are among the building blocks of culture. Triandis has defined culture as shared beliefs, attitudes, norms, roles and values found among speakers of a particular language who live during the same period in a specific geographic region.

Hence, culture means a set of shared values among a group of people who are related by either blood or formal relation. Culture plays a significant role in an organization and different studies conducted have established a clear relation between the culture of the manager and the management practices of the organization².

Culture in the context of an organization's management has many dimensions. The Dutch psychologist, Gert Hofstede, carried out a research project at IBM and identified some dimensions of culture³. The dimensions are; Power Distance, Masculinity v/s Femenity, Uncertainty Avoidance, Individualism v/s Collectivism and Long - term Orientation.

The above dimensions given by Hofstede provide important indices to assess the impact of culture on management. The Hofstede model provides a valuable framework to understand the influence of culture on business practices and therefore, it is of immense help to anyone who wants to understand the culture of firms' especially foreign firms.

Different authors from different backgrounds at different point of time have attempted to define the concept of culture. Some notable among them are Kluckhohn and Strodtbeck, Lachman, Nedd and Hennings, Martin and Siehl, Van Moanen and Schein, Weiner besides Hofstede⁴. The authors agree that culture is multi-layered and composed of many elements and values are considered to be the nucleus of culture.

In order to understand the complex nature of human culture, Kluckhohn and Strodtbeck in 1961 have devised a framework with certain dimensions.⁵ These

¹ Matevz Raskovic, "Cultural issues in the international business environment" in *International Business Environment*, March 2011.

² Lesley Willcoxson, Bruce Millet, "The Management of Organisational Culture" in *Australian Journal of Management and Organisational Behavior*, Vol.3 No.2, Year 2000, pp 91 - 99.

³ Matevz Raskovic, Op. Cit.

⁴ Suresh Gopalan, Joan B Rivera, "Gaining a perspective on Indian Value Orientation: Implications for Expatriate Managers" in *The International Journal of Organisational Analysis*, Vol 5, (April) No 2, 1997, 158

⁵ Ibid., p. 156 - 179

dimensions include human nature orientation, man nature orientation, time orientation, activity orientation and relational orientation

Hence, the plethora of studies by researchers on culture significantly concludes that culture has a strong influence on organizational management practices of the owner/manager.

The Marwari Community and their Business Culture

The Marwaris are Indian ethnic group who have originated from the state of Rajasthan in India. The Marwari people are from the princely state of Marwar in Rajasthan and the term is comprehensive to include not only the Rajasthani people but also certain communities who come under the bania jati. The communities' whose traditional occupation has been trading includes Agarwals, Maheswaris, Oswals, Poddars, etc.

Some scholars and authors have made important contributions in understanding the business practices of the Marwaris. Notable among them are Thomas A. Timberg and D.K. Taknet. Thomas A. Timberg (1979) published a very famous book "The Marwaris from Traders to Industrialist" and T.K. Taknet (1986) has published a book on "Industrial Entrepreneurship of Shekhwatis".⁶

The Marwari community can be truly called a pan-Indian community. They are the prominent business community of Bengal specially North Bengal. This community is a good example of out-migration from their desert homeland to different corners of India. The Marwaris came to Bengal during the Mughal period and gained foothold in the region since the British rule by taking over the ownership of several jute and tea companies.

Some important cultural features of the Marwari community may be discussed in this paragraph⁷. The Marwaris believe in community bonding and are strongly associated with their community members. They have good networking skills. The Marwaris believe in the joint-family system. They are extremely adaptable to local conditions and have evolved from traders, bankers, financiers to industrialists and business tycoons. Marwaris believe in social responsibility of business. They participate in philanthropical activities like donations, opening of schools, colleges, hospitals, charitable institutions, temples, etc for social welfare. They are very loyal to the ruling class and believe in maintaining friendly relations with politicians, leaders, powerful elites, etc.

⁶ Yash Kumawat, Narayan Baser, "A Literature Review on Business Practices of Marwari Business Houses in India" in *Journal of Indian Research*, Vol 1 No 1, 2013, pp 69 - 72

⁷ Ibid.

The influence of Marwari culture on their business and management practices

The business and management practices of the Marwaris are influenced by their culture⁸. Marwari firms are family firm institutions. Their businesses are controlled by their family members. Since the business is family controlled, the management follows the centralization model. The accounting system is centralized and overseen by the family members. Marwari businessmen maintain extremely cordial relations with the government and government officials. They do this for getting favours and benefits to run their business smoothly.

Conclusion

The Marwaris have succeeded to maintain their dominance in the Indian business scenario despite the many challenges of globalization and liberalization of the Indian economy. Adaptability, strong financial networking skills and converting challenges into opportunities are qualities which are responsible for their continued success. The business environment of India has changed radically since 1991 and the Marwaris today have to compete with foreign firms who rank superior to them. Despite the myriad challenges, the Marwaris would remain relevant in the Indian and Bengal business scenario, thanks to their tried and tested business skills.

⁸ Ibid.