

# Adapting the MGA for Negotiating with Indian Counterparts

## Background

While an old civilization, India is a relatively new country. In many ways, India is still trying to figure out its place in the global political and economic environment.

At the time of Independence in 1947, the Indian government inherited a bankrupt state with literacy levels of 12.2% (Gujral and Jolly 2013), no local industries to speak of and extreme poverty (Gosai 2013). It declared itself a secular democracy with universal franchise and committed itself to an economy that was part socialist and part capitalist. Thus, somewhat like in the Soviet Union, but in a far less doctrinaire manner, the government got involved in producing everything from steel to cement and consumer goods. In the service sector, it operated airlines, railways, and hotels.

After a serious balance of payment crisis in 1991, the country was forced to relax its draconian licensing regulations and open up its markets (Cerra, Valerie and Saxena 2002). Thus, it was only a little over 20 years ago that Indian businesses joined the global free market. Being new to this game, but learning fast, Indian businesses are still trying to resolve their own internal tussle between pride in their heritage and culture, and uncertainty about how to be taken seriously by the rest of the world.

The Indian software industry was amongst the first to take advantage of India's strengths. It benefitted from an English-speaking workforce, a large pool of technical graduates, lower wages and an enthusiastic entrepreneurial culture. Today virtually every sector including manufacturing, consumer goods and the service sector (in industries such as medicine and accounting) is trying to compete for their share of the global market.

In general, high-technology industries like information technology and biotechnology attract highly educated and widely traveled Indians who are likely to be able to deal with their Western counterparts with confidence, and on their own terms. Executives in the heavy industries, consumer products and component manufacturing sectors are likely to be more conservative and less sure of negotiating in a Westernised environment. Many government officers, particularly if they are from the elite Indian Administrative Service, are likely to be highly educated; however, their ability to negotiate freely and autonomously may be constrained by the need for approvals from their bosses in India's very hierarchical bureaucracies. Hence, negotiating with the main person, be it the entrepreneur or the founder themselves, is likely to be easier than negotiating with senior managers who may not have the requisite decision-making authority.

Like the Indian judicial process, the licensing and regulatory environment is well developed, but quite cumbersome and slow. Indian courts have a backlog of around 30 million cases (Seghal 2015), and regulatory and licensing laws can be subjected to multiple interpretations. Most worryingly, as in the recent case with Vodafone, seemingly clear tax and regulatory guidelines can be overturned. Hence, for foreigners negotiating in India, it is important not just to be very well informed about the laws around an issue, but also to get advice about the prevailing political dispensation and mood before committing to high-stakes business decisions.

## India's Cultural Heritage

India's cultural influences are complex and varied. Indian culture is highly heterogeneous, with over 120 major languages (22 official ones) (Singh 2013), 6 major religions and multiple racial types that are indigenous to the country. Indian negotiation styles are a blend of East and West and include influences

from Hindu philosophy, British colonialism and Islamic practices (Kumar 2005). While there are some common behaviors and traits, this heterogeneity underscores the absence of one uniquely Indian style of negotiation.

Hindu philosophy and belief systems are central to almost 80% of the population, and affect almost all aspects of life. The most powerful manifestation of this is seen in the caste system, a system of social stratification based on profession, initially fluid, that soon became the world's most rigid hierarchy where the accident of birth determined destiny. While caste may be breaking down in the modern world of business, the habit of categorizing people through inclusion/exclusion or high/low status, and measuring someone's worth from their background and antecedents, is still common.

Another important element of India's cultural heritage is the memory of 150 years of British colonialism. During the 150 years of colonization, Britain forced upon India an exploitative trade regime. Indian factories, especially textiles, were shut down, local artisans put out of work, and a long tradition of craft and indigenous production was replaced with cheap factory-made British products. As a result of this, Indian businessmen became – and still are – quite wary of exploitation by their foreign counterparts. Also during this time, food grains grown in India were systematically diverted to Britain to feed soldiers at war. As a result, multiple man-made famines, leading to millions of deaths, devastated the subcontinent. This effect, coupled with the destruction of farmland and traditional agriculture to grow cash crops such as tea and opium, led to a tremendous distrust of relationships with the West (*Ibid.*).

## A Mixture of Individualism and Collectivism

Indian society tends to value the family above all else. Hence, the primary responsibility of each person and his/her value lies in their ability to secure the bloodline through marriage, children and material security. Thus Indians can be very focused and goal oriented in most things, especially in business. While the Indian negotiator values relationships, these reduce in value as they proceed further from the core of the nuclear family to the extended family, to kinship groups defined by caste, language, religion, school and social clubs. Those outside these circles are not seen as worthy of equal consideration. Negotiations with them will be based less on a search for joint gains, and more on a distributive, win-lose mindset.

Indian negotiators struggle to be seen as good team players or collaborators because they tend to have difficulty seeing value in others' needs or perspectives. Indians tend to be more direct in their dealings when confident that they are right. However, indirectness along with politeness, gentle refusal and disagreement are also used to show respect and avoid conflict.

To illustrate this better, we will review some of the modes that Indians employ to resolve conflict.

### *Avoidance: Almost a Default Mode*

Where possible, Indians will try to disengage and avoid addressing conflict. The cost of communicating and trying to address conflict has always been high in a society that doesn't value talking about private matters openly ('no washing dirty linen in public'), criticism is seen as rude, and authority is not questioned.

### *Accommodation: Only with Insiders*

Accommodation is seen as the 'right' thing to do with loved ones and those who are too important to 'quarrel' with or embarrass. 'Keeping peace' has much value even if key issues are left unaddressed in the process, since there are larger benefits seen as accruing from tactical acquiescence.

### *Compromise: Usually with Outsiders*

Walking away without agreement from a prolonged business engagement can be construed as a waste of time and energy; particularly when something, however minor, can be gained. This motivates many Indians to get to an agreement through compromising on some interests. Many Indians will characterise such an outcome as a win-win.

#### *Competitiveness: Usually with Outsiders*

Most negotiations with people outside family and close associates are played as a win-lose game. Since the relationship with the counterpart is transactional, it is often presumed that there is little reason to be flexible, generous or collaborative. Few aggressive tactics are seen as unacceptable. Being inveterate bargainers, most Indians have 'success' stories of having beaten down the other on price or having bullied someone into submission.

#### *Collaboration: Very Rare with Anyone*

The memories of having been exploited over centuries by foreigners created a culture of deep distrust where to talk openly about one's interests is seen as showing weakness and increasing vulnerability. While Indians are likely to be very talkative, critical information is given strictly on a need-to-know basis. Even with close associates, discomfort with open sharing and a lingering sense of distrust makes accommodation and compromise more likely than collaboration.

### Aggressive and Analytical

Indians tend to take to heart the idea of 'distrust and verify'. This prompts them to pay great attention to detail and information. Being naturally analytical, they will try to see the value of something from their own well-defined goals and desired outcomes. They will also hold their counterparts to very high standards. To attain the best possible outcome for themselves, they look for errors in arguments while negotiating. This can sometimes make joint creative problem solving more difficult.

### Nationalism and Suspicion of the 'Other'

India is among the most nationalistic countries on earth (*Ibid.*). Indians tend to take much pride in their country and its civilization. Because of a traumatic colonial memory, they tend to be wary of the intentions of foreigners, particularly when it comes to investments in core sectors. Despite this, foreign companies and investors are usually seen as having higher standards in terms of technology, service quality and professionalism than local ones (*Ibid.*).

### Be Prepared for Ambiguity

Businesses have to operate in a climate where delays, shifting priorities, opaqueness and a lack of clarity are endemic. Ambiguity is hence characteristic of the Indian environment; and once negotiators appreciate this, it can help build patience (Worm and Kumar 2011). To cope, remember to:

- Bide your time and allow the situation to unfold to gain greater understanding and maximise gains.
- Appreciate that ambiguity and lack of clarity may not always be strategies used against the foreign negotiator, but what Indian counterparts are themselves dealing with.
- Understand that there may be a difference between what your counterpart is offering and what he may actually be able to deliver.

### Risk-Taking

Most Indians who talk of taking risks will also mention wanting a cushion or a backup plan before doing so. Indians are not big risk takers for a range of reasons:

- Access to funding for projects is limited in India because of an excessively conservative banking system and a very nascent funding infrastructure.
- Being new in the global market, Indians have limited international experience and may be wary of the claims made by international companies.
- A culture of distrust and a lack of confidence in institutions will contribute to the fear of stretching themselves beyond their comfort level.

- Failure is usually punished harshly and Indians tend to hold on to memories of bad deals for a long time ('once bitten, twice shy').

All this means that when negotiating with Indians where significant business opportunities and risks are involved, one cannot expect quick and easy agreements.

Centralised decision making and continuous demands for new and vast amounts of information, which is scrutinised diligently, can lead to long delays. Sometimes, though, an Indian party may project a fear of risk taking to judge the seriousness with which the foreign party views the deal being negotiated. In cases where the Indian counterpart seems apprehensive of making a commitment, it would be helpful to suggest multiple approaches or solutions that can lead to the same end goal.

### Sanctity of Contracts Differs

Traditionally, the Indian businessperson has had to work in a disorganised environment. Infrastructural weaknesses – such as a shortage of sufficient and reliable electricity, political instability, nationalistic concerns, judicial delays, a cultural bias that favors flexibility, and a fear of being taken advantage of – can contribute to 'the Indian preference for open-ended obligations' (Kumar 2005). Contracts do not have the same sanctity as in the West, and the Indian side is likely to 'push the envelope' seeking exceptions and loopholes even to things that were once agreed upon. So it is important to get into the negotiation, as well as the business relationship, with clarity about areas where one can be flexible and those where boundaries need to be drawn.

### Differing Perceptions of Fairness

Negotiation scholars often discuss two dimensions of fairness: 1) outcome fairness – allocations of value to the parties (Welsh 2004), and 2) process fairness – mechanisms by which the parties interact (Kumar 2005). In India, outcome concerns are viewed as more important than process. Perhaps because of the common notion that past colonialist powers robbed India's riches, allocation that seems to benefit foreign investors more than locals will be strongly resisted. In addition, equity in North America is thought of in terms of proportionality, i.e. 'the greater the effort, the greater the outcome'; in India, it is viewed on the basis of need (Benoliel 2013). So Indians expect that greater concessions be made by the wealthier party. This can translate into the expectation that the foreign company must be more generous. The ideal way to handle this is to find creative ways of meeting secondary interests of the Indian counterpart. If that is not possible, then it may be necessary to demonstrate generosity by making concessions on nonmonetary issues.

### Saving Money

Indians are reluctant to make up-front investments or payments unless they see a nearly immediate return. It is difficult for Indians to recognise value that might lie in the future. As the comedian Russell Peters says, 'While Chinese want to get every penny from you, Indians try to keep every penny'. Across most of India, barring some exceptions, spending money is seen as foolish and an almost moral failing. This provides an opportunity for demonstrating that there is much value for the taking on the table, even as monetary benefits might take longer to come through. This is best accomplished by identifying secondary and tertiary interests, and finding ways to meet some of them sooner rather than later.

### Corruption and Bribery

Corruption, while a worldwide phenomenon, has a particular cultural significance in India. Since this is a society where family and kinship are everything, trust and generosity usually extends to people who are related or connected by blood or kinship. When dealing with someone outside these groups, it is customary to make it worth their time and effort to help you. This is the idea of *baksheesh* (Thomas 2007) or bribery. Corruption can be seen as a way to help facilitate an activity or task that would normally be impossible for those outside the inner circle.

Since most Western companies and governments view bribery as both a legal and an ethical nonstarter, it is useful to frame the question not as 'Should bribes be paid, and how much?' but rather as 'What can be done, legally, to enable us to conduct our business more effectively?' Possible solutions include investing in relationship building, bringing on board trustworthy and credible associates or identifying key interests that will help sweeten the deal.

In the sections below, we look at various characteristics of the Indian negotiation style in terms of the MGA (preparation, creating value, distributing value and follow-through), and offer advice for using the MGA to negotiate successfully with Indian counterparts.

## Preparation

### Do Your Homework Well

When negotiating with Indians, research is key. It can be especially helpful to research culturally relevant issues like family connections. For example, in scouting for buyers for a very large residential development, an interviewee realised that a prominent wealthy family had ties to the village where the property was located. By appealing to the patriarch's emotional connection to the land, the interviewee and his colleagues were able to persuade him to buy the development. This turned out to be a win-win and the property is now worth a great deal.

In business deals, it is also important to do due diligence, and get a realistic reading on the capabilities and limitations of the Indian company. This will help guard against costly problems arising out of mismatched expectations.

In addition, sometimes it is useful to employ a local middleman who is known to both parties and can help bridge the cultural and communication gap. This may not be necessary when dealing with sophisticated businesspeople. However, when dealing with government, family businesses or traditional brick-and-mortar companies, a local advisor may be useful.

### Trust Building and First Meetings

Business in India is personal. First meetings begin with small talk, and are usually intended to foster a more personal relationship. Business may be discussed, but without any pressure of urgency. It is unrealistic to expect initial meetings to lead to quick or clear decisions. Indian negotiators will work on sizing up the counterpart and establishing their own place (Cohen 2004). It is important that the Australian side be able to initiate concrete trust-building measures through shared lunches and dinners and entertainment activities, and by sharing personal information in a casual and friendly manner. Research on personal preferences of the prospective partner, such as food, entertainment or perhaps a peculiar taste for exotic artifacts, will allow Australian negotiators to demonstrate that they have made an effort to get to know the Indian counterpart at a personal level.

### Social Status

Negotiations in India may be conducted by either an individual or a team. Indian teams tend to be structured hierarchically, where decision making rests squarely at the top. Others are expected to do as instructed and not disagree with their superiors (Benoliel 2013). This has its roots in the hierarchical Indian society. One of our interviewees mentioned that because the out-of-country offices of a major Indian IT company were unable to take decisions, they had to travel to company headquarters in India to move the project along. This speaks to both centralization of authority as well as an inability to trust or delegate outside of the core group (family/ founders).

Indians hold high regard for academic and professional titles, so it is important to use these while greeting and talking with them. Older and senior people are usually greeted and introduced first. Traditionally, the *namaskar* (hands pressed together in a prayer-like gesture) (Katz 2005) is used to greet one another. This may be substituted by the handshake if the group is young and evidently Westernised. Indian women may initiate the handshake, however, some women may prefer that 'you smile or nod or say *namaste*' instead (*Ibid.*). It is best to take the lead from them.

It is important to be aware that Indians may show equal respect to juniors and superiors even as all parties acknowledge the existence of a hierarchy. However, the degree of deference may vary if there appears to be a significant gap in terms of age, experience or status between the different individuals in the negotiation.

## Presentation

Status and appearance being important, Indians appreciate technical proficiency, which very often can be communicated through attractive presentation materials. Indians expect their counterpart to have thoroughly researched the subject, provide in-depth analysis and use competitive data to persuade. This often can involve repetition, rigorous insistence and emotional appeals to underscore their proposition. Indian businesspeople are usually well versed in English and do not expect to have materials translated into an Indian language (*Ibid.*). An interviewee mentioned that he had never faced a language barrier while negotiating with Indians.

## Creating Value

### Exploring Interests

As opposed to many other Asians, sophisticated Indians can be quite direct in their questioning to gain and gather more information (*Ibid.*); they may discuss details before starting to negotiate. Sometimes, information may be shared quite openly to build trust (*Ibid.*). However, not everything will be revealed during the negotiation and details may be withheld in an attempt to outsmart the other. This can affect attempts to create interest-based solutions (*Ibid.*). The Australian side should strategically share their own interests to start the exploration, and present their own interests as multiple and complex.

### Flexibility, Creativity and BATNA

Unlike some cultures, Indian business meetings have few rigid rules of behavior or structures that are designed to control the outcomes of situations. There is thus considerably more leeway during meetings for spontaneity and creativity. It is important to make use of this flexibility and go into a meeting with a relatively open mind.

A quintessential Indian cultural practice is *jugaad*, a Hindi word that refers to an improvised solution born from ingenuity and using scarce resources (Rajdou 2012). Centuries of life in a culture of scarcity and constraints have given rise to a frugal and flexible approach for problem solving. In this light, the Indian businessperson is likely to be open to creative ways of getting what he wants; and may offer suggestions that are quick alternatives to what his counterpart is suggesting. In the process quality could take a back seat. Hence, an Australian negotiator should work with his Indian counterpart to ensure that frugal innovation is not at the cost of quality. Additionally, to ensure that *jugaad* solutions do not compromise your own interests, it is important to be very aware of one's own BATNA and continually seek to improve it even while trying to generate creative solutions.

### Distributive Bargaining

The main approach to negotiation in India is to employ distributive and contingency bargaining (Katz 2005). This arises out of a perception of scarcity and a fear of losing. Indians will plan based on their

familiarity with their counterparts; so there is a greater likelihood for concessions with allies or insiders. Since a distributive approach will quickly descend into a win-lose or lose-lose outcome, it is important to patiently keep nudging the Indian counterpart to move beyond his opening position, and seek to elicit multiple interests and the priorities among them. Being able to see tangible nonmonetary value can radically alter the conversation. However, there is the danger of the Indian counterpart slipping back into a distributive mindset because of pressure from those outside of the negotiation, such as higher-ups and head office. To guard against that, it is important to gently coach the counterpart on how to deal with these pressures.

Talking candidly about the ways in which additional value can be created can change the conversation. Australian negotiators should invest in building a relationship of trust since, to the Indian negotiator, value can be a question of perception and depends on the person who serves it up. Once basic trust and bonhomie have been established, it is then possible to talk about creative opportunities. Alternative proposals, such as “what-ifs,” can stimulate creativity on the Indian side. Since Indians may be uncomfortable criticizing the proposals, Australian negotiators should be candid about some of their pros and cons, and get the conversation going about the relative merits of all proposals on the table.

### Keep the Long-Term Goals and Commitment in Mind

Both sides own some responsibility to reach agreement, even if the onus is greater on the one perceived as needing the deal more. Although Indians’ negotiation style is often competitive and they may appear to pursue a win-lose approach, Indians generally prefer long-term commitments where possible. In the event of a dispute, a friendly demeanor and openness to compromise may help overcome the hurdle. Even as you bear in mind that Indians will focus on money as the key variable, trying to foster long-term goals and relationships will still gain trust, respect and commitment.

### Time, Quality and Patience

Research suggests that Indians are among the cultures least sensitive to time considerations. This may be because Indians have more of a ‘being’ than a ‘doing’ outlook, which may affect their attitudes towards time (Kumar 2005). Meetings in India may not always start at the allocated time; however, Indians will be appreciative of others’ punctuality. It is equally possible that to the Indian mind, those who keep others waiting have high status while those who are kept waiting have low status. On account of this attitude, negotiations may tend to be slow and prolonged. It is important to remain patient and ready to accept delays, as impatience and pushiness are seen as rude (Katz 2005). Using a polychronic work style (where time is seen as not too important), Indians will pursue multiple actions and goals at the same time. When negotiating, they may travel back and forth and in and out of topics rather than in a linear fashion (*Ibid.*). Due to bureaucratic constraints and because Indians can easily switch back and forth from individualistic to collectivistic behaviors, there is a tendency to want to renegotiate agreements multiple times.

Negotiators from strongly monochronic cultures, such as Germany, the United Kingdom, or the United States, ‘may find this style confusing, irritating, and even annoying’ (*Ibid.*). Social conversations, too, can jump all over the place and the main issue is often obscured. When it looks like Indians are stalling, it may be that they are slowing down the process to evaluate alternatives, or they have lost interest (*Ibid.*). While it may be a ruse to create pressure in order to attain concessions, it is more likely based on a desire to get to know the partners better first. Again, patience and persistence are required (*Ibid.*).

One interviewee noted that while Indian negotiators usually agreed to stringent time frames, they didn’t always quite appreciate that deadlines and time frames were sacrosanct to their Australian counterparts. Also, issues related to quality often cropped up during delivery. This usually required patient and repeated clarifications and reiterations, so that there was little doubt left about what the Australian client expected.

## Feedback

Indians generally value pleasing people; negative feedback is usually avoided. Conscious of status, feedback is usually offered from higher to lower rank. A blunt 'no' is considered rude and is rare. Negative responses are usually substituted with suggestions, being silent or being noncommittal. Criticism is usually indirect. Indians appreciate compliments, but may feign embarrassment on receiving them to display humility. Communication is usually indirect and relies on many nonverbal signals and cues; for instance, nodding of the head could mean a 'yes' or a 'no', depending on the context of the situation. It is useful for negative feedback to come from a middleman or for it to be framed as a challenge that the Australians are struggling with; e.g., 'I am so used to X. You must forgive me for my own cultural conditioning. Perhaps you can help me by...'

## Help Them Mitigate 'Their' Risk

Being notoriously risk-averse, Indians will hesitate to take a chance on anything unproven, untested or with benefits far into the future. Spending today in hopes of a payback tomorrow is often seen as unacceptable risk taking. If the Australian negotiator can reassure them by mitigating some of these perceived risks, it can go a long way in moving the conversation forward.

## Distributing Value

### Be Prepared for Low-Balling

As notorious bargainers, Indians will strive to drive the price down. Expect them to 'shop around, to improve their BATNA, and use actual or claimed competitor offers to drive a better deal for themselves, or, at the very least, prolong the negotiation process. However, Indians can be quite flexible when it comes to certain points such as technical assistance, training and other activities. The fact that issues can be revisited in a negotiation may be advantageous to the other side; for instance, by offering further concessions under the condition that the Indian side reciprocate in areas that had already been agreed upon (*Ibid.*). As in most relational cultures, negotiators may use emotion to bargain, make the other party/person feel guilty, or get favorable terms. They may also block, change the subject, ask aggressive questions, or make unrealistic promises.

Indian negotiators often act as if 'it comes down to price', with less focus on other interests, including their own; and it is difficult to find many other variables that are as significant. One interviewee talked of a difference between Chinese and Indian negotiators. When the price didn't work for the Australians, the Chinese were more open to going back to the drawing board and restructuring their products to match the price their counterparts needed. The Indians, in his opinion, still focused on selling the same product while bargaining on the price to make it fit (Narlikar and Narlikar 2014).

Another interviewee recalled a story that underscored the critical importance Indians can place on price. A wealthy patriarch who put his company up for sale made a dying request that it never be sold to his competitor, Party 'X', because of a long and public feud between the two. Party 'X', even though he was not allowed to bid, kept trying to engage in unofficial conversations with the consulting company managing the sale. He also constantly increased his price when necessary to stay in contention (even as an unrecognised party or 'ghost' in the negotiation). The widow and majority shareholder of the asset was torn between her husband's wishes and getting the best possible price for the asset. When push came to shove, the widow ended up selling the asset to Party 'X'. Apparently, even the wishes of a dead man and a history of a crippling feud are no match for the right amount of money! While relationship, pride and complex multiple interests all might have value, at the end of the day, in the Indian business context, it is the money that will determine whether a deal is signed or not.

Australian negotiators working with Indian counterparts should consider devoting extra effort to keeping multiple interests on the table as they review options, create packages and seek agreement. This can help avoid an extreme focus on price in the end game of the negotiation.

## Deal with Deceptive Techniques

Indians sometimes use deceptive techniques, such as telling lies and sending misleading 'non-verbal messages, pretending to be disinterested in the whole deal or in single concessions, or demanding outrageous concessions' (Katz 2005). Businesspeople may make excuses, such as having to ask for their manager's consent (*Ibid.*). In some cases, these excuses may be legitimate. While Indians may occasionally use pressure techniques that include making arbitrary 'final' offers, you should try not to apply 'time-pressure or make expiring' (*Ibid.*) offers, since Indians view these as lack of interest in fostering a long-term relationship. It is also useful for foreigners to share their own struggles by being candid; e.g., 'I would really like to be as candid with you as possible, since in my experience we can generate considerable value for each other if we're honest when putting things on the table.' Old war stories of negotiations, especially funny or very dramatic ones, can help break down some of the reluctance to share.

## Try Not to Be Excessively Aggressive

Even though Indians may come across as aggressive in negotiations, foreign negotiators should not take on this kind of stance (Worm and Kumar 2011). Living in a much-invaded, colonised and exploited country, Indians are sensitive to being humiliated or exploited by outside forces; and any aggression may be interpreted in this light. Aggression on the Indian side may also mask an anxiety that their interests may not be met.

## Use Neutrals

Because of an inability to trust those outside their inner circles, Indians will be unlikely to bring a neutral negotiation coach or consultant with them. However, it may sometimes be useful for the Australian side to engage a neutral if they feel that it might help them get a good reading of their counterparts.

# Follow Through

## Contracts and Agreements

Indians view business decisions more as a process than as a contract, and may revisit items previously agreed upon if their circumstances change. Capturing and exchanging meeting summaries is a useful way to verify understanding and commitments. Indians may signal consensus through enthusiastic statements that phrase the agreement in their own words. Interim agreements, 'even oral ones' (Katz 2005), may be considered reasonably binding and are often adhered to. However, it is best to consider only a final contract that has been signed by both parties as a binding agreement. As one scholar notes, 'Written contracts should be clear and concise, without too many detailed terms and conditions. Signing the contract is important legally, but is also a strong way of confirming your commitment. Legal rights, while generally enforceable in India, can be a lengthy and cumbersome exercise' (*Ibid.*). The chance of a signed contract being adhered to depends upon the strength of the relationship between the parties. However, Indians do not always follow commitments exactly as they are spelled out and even when things are delayed, the commitments may still be met in the end (*Ibid.*). While this might suggest that watertight contracts are necessary, negotiators need to be flexible with the contract to allow for changing circumstances.

## Have Mechanisms in Place to Deal with 'Predictable Surprises'

Keeping in mind the competence and capability of the Indian counterpart, Australian negotiators should also have contingency plans in place; these include a Plan B and legal clauses that can ensure safety in case of breach of contract.

### Beware of Scope-Creep

Since contracts cannot be taken to be wholly sacrosanct, be prepared for the scope of work to increase incrementally. Guard against it by anticipating this, delineating clear boundaries and specifying each party's responsibilities.

## Conclusion

It is important to understand the historic and cultural reasons why collaboration, transparency and empathy are difficult for Indians. (Please note: sympathy and compassion come easily, especially for family, close friends and associates; it is the ability to really put oneself in another's shoes that is difficult). Those schooled in MGA must be careful not to presume that merely adopting the process will inspire transparency in Indian negotiators, or open them up to collaboration or joint problem solving. There are many constraints, as discussed throughout this analytic brief, which make it difficult for those who have been socialised to distrust outsiders and foreigners, to think primarily of themselves and their families, and to privilege material gains over other interests to start thinking differently. This new way of thinking is possible, but requires much patience; disciplined adherence to the process; and great attention and sensitivity to the counterpart's motivations, behaviors, behind-the-scene dynamics and the evolving situation. Below, we offer some parting advice on how, specifically, to best encourage your Indian counterparts to engage in a productive negotiation.

### Be Mindful of Economic History and Its Discontents

While the Indian economy has grown and prospered particularly since the nineties; many Indians, with memories of slow growth and scarcity fresh in their minds, still operate with a paucity mindset. If they are not aware of India's economic, history, Western negotiators can become confused and frustrated by Indian negotiation behaviors.

### Get Face to Face with the Decision Maker

Little serious business is conducted solely via email, conference calls or even through the branch office. If you want to be taken seriously, show up at the doorstep of the decision maker. An interviewee talked of realizing, after six months of negotiation with the Australian office of a major Indian company, that nothing would move without getting on a plane and talking directly with the owners at the head office in India.

### Help Add to and Maintain Their Status

Being very status conscious, Indians like titles, official positions and other totems of authority and worth. In an M&A situation, for instance, Indians can be easily persuaded to accept honorary titles (and the benefits that accrue) such as Non-Executive Chairman, Advisor or Mentor. These will also help them retain at least a symbolic interest in the asset.

### Pay Attention to Relationships at All Key Levels

To maintain employee loyalty in the event of a merger or an acquisition, you can ensure that you get the support of the staff and managers by paying particular attention to them. Many of them, particularly in manufacturing, may have been with the company for years.

### Avoid Talking about Touchy Subjects

Since most Indians are fiercely nationalistic, some political and religious topics are best avoided. These can include nuclear and military power, relations with neighboring countries (especially Pakistan and China), Kashmir, religious unrest, language debates within the country and the ongoing conflict in the northeastern states. Subjects such as arranged marriage, the treatment of women and human rights abuses should also be off-limits. Discussing these may seem intrusive or culturally insensitive or lead to loss of face; all of which can make trust and relationship building harder to achieve. It is always a good idea to talk about cricket, Bollywood films, the IT revolution, successful Indians, food (excluding the topic of beef) and the fact that India is 'the largest democracy' in the world.

### Final Thoughts

It is important to understand and appreciate how culture can influence negotiation behavior. Indian negotiation styles and biases can vary geographically but not so much between industries and sectors. North Indians can seem more money-focused while South Indians can seem more open to a win-win solution. Be prepared for significant departures from any 'mainstream' norm, particularly since some of the behavioral traits may not be explicitly visible. As in any high-context culture, foreigners dealing with Indians will need to be very *present* in the conversation and be extraordinarily mindful of not just what is *said*, but develop the capacity to understand what is *meant* and what is also left *unsaid*.

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This brief was written by Ashok Panikkar, Ufra Mir, and others at Meta-Culture.

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