IMPROVING INDIAN-GERMAN BUSINESS CO-OPERATION BY ANALYZING THE GAP IN MANAGERS' PERSON PERCEPTION

Karin Reinhard, Baden Württemberg Cooperative State University Ravensburg, Germany
reinhard@dhbw-ravensburg.de

Tejashree Colvalcar, Visiting Faculty, Goa, India
tcolva@hotmail.com

Joanna Glogger, Baden Württemberg Cooperative State University Ravensburg, Germany
joanna.glogger@googlemail.com

ABSTRACT

Culture influences perception, perception influences behavior and behavior affects the success of a business collaboration. This article focuses on person perception, with regard to Germany and India. Differences in person perception are a key risk factor when conducting business in or with India and can lead to conflicts and misunderstandings for the individuals involved. Running a successful Indian-German co-operation requires managers who possess a high degree of awareness about each other's person perception. Managers who possess this awareness can anticipate reactions better and avoid such conflicts and misunderstandings, thus maximizing business performance. This article intends to help German and Indian managers in creating successful co-operations and bridging cultural differences by pinpointing areas with perception gaps and explaining why they occur.

INTRODUCTION

International business activity is often fraught with difficulties (Lewis, 2000). If one looks at the high failure rate of Indian-German enterprises and the fact that many German managers regard India as one of the most difficult markets, there is a call for new approaches towards intercultural understanding. Culture is the basic "uncommon ground" on which German and Indian managers operate. It is essential for managers to understand themselves and their business partners' behavior and way of thinking – in other words, their own culture and that of their partner. Otherwise, misunderstandings and conflicts can appear. Particularly between Indians and Germans, there are a few, seemingly irreconcilable, cultural differences, including the conception of time or the idea of truth (Hall, 1990; Lewis, 2000).

In times where multinational companies are on the rise, managers have to become bridge builders between cultures. It is vital for them to recognize their own and the counterparty's culture-bound

behavior and mindset. Only when a manager is unbiased can he or she see that India is one extreme and Germany is the other, for there is no culture that can be regarded as the "norm" (Bierstedt, 1963). It takes more than fluency in the English language and lessons in mannerism to comprehend the underlying motives of our foreign business partner, one can barely observe in their selves (Palazzo, 2002). This is where person perception becomes relevant. "Cultural awareness, then, is understanding states of mind, your own and those of the people you meet" (Trompenaars & Hampden-Turner, 2000, p. 196).

To make the most of business opportunities between Indian and German companies, highly adapted managers are needed on both ends who are able to create synergies where unprepared entrepreneurs fail.

Indian-German Business Co-operation

More and more multinational corporations want to profit from India's immense market. In order to enter the market, they seek collaborators in India. Indian-German business co-operations can have many forms, e.g. joint ventures, foreign direct investment, trade contracts, strategic alliances. The following section demonstrates that bilateral business co-operation is not just a transitory trend for German and Indian businesses, but a far-reaching reality, with a vast effect on both the countries' economies. As soon as two different nations come together, one must then look at culture as a factor in business co-operation (Ferraro, 2006).

Bilateral relations between the Republic of India and the Federal Republic of Germany are traditionally strong and amicable due to economic, cultural and strategic collaboration. There are more than 1600 Indian-German collaborations and over 600 Indian-German Joint Ventures. Germany is India's largest trading partner in Europe. Germany has continuously been among India's top ten global trade partners. India ranked 25th in Germany's global trade in 2015. Bilateral trade in 2015 was valued at EUR 17.29 billion. Apart from traditional sectors, knowledge-driven sectors hold good potential for collaboration. There is considerable scope for co-operation in the fields of IT, biotechnology, renewable energy, green technology, urban mobility & development and the entertainment industry (Embassy of India, 2016).

Since the beginning of the Indian reform policy in 1990, the bilateral trade volume has risen from EUR 2.7 billion to EUR 16 billion in 2014. In the first 7 months of 2015, the bilateral trade volume compared to the previous year rose by 13%. German exports rose by 17.5%, while imports from India rose by 8.1%. The German trade surplus of around EUR 1.9 billion in 2014 is based on a high demand for German capital goods, including machinery that amounts to a third of German exports to India, as well as electronic technology, metal ware, chemicals, automobiles and automotive parts. Indian exports to Germany consist mainly of textiles, chemicals, electronic technology, metal ware, leather and food (German Missions in India, 2016).

It is no recent development that Germany has been among the top ten foreign direct investors in India. Germany ranks number seven, after Mauritius, Singapore, the United Kingdom, Japan, the Netherlands and the United States. The investments amount to more than 8 billion USD since April

2000. Direct investments are mainly confined to the transport, electrical and metal sectors. Over the past few years, a new sector has emerged for foreign direct investment, which is the insurance sector. This sector has now a share of 26% and is followed by the construction and automotive industries (Federal Foreign Office of Germany, 2016).

Another important aspect of Indian-German relations is the development co-operation. Despite India's economic boom, it is still a nation of extreme economic and social disparities and has the largest number of people living in absolute poverty worldwide. 800 million Indians live on two USD a day and 450 million people live on less than 1.25 USD a day. Germany is India's second largest bilateral donor, after Japan (Federal Foreign Office of Germany, 2016).

Indian investments in Germany have also shown a remarkable increase in the last few years. A number of Indian companies such as Suzlon, Bharat Forge, Samtel, Mahindra & Mahindra etc., have made substantial investments in Germany. A study by Hamburg Technical University estimates that Indian corporate entities invested over USD 6.1 billion (EUR 4.7 billion) in Germany up to September 2012. More than 215 Indian companies operate in Germany. While India is growing in significance as a trading partner for Germany each year, there is still more potential for growth.

The most important products that India imports from Germany include auto equipment, electrical generation equipment, gear equipment, measurement and control equipment, bearings, primary chemical equipment, synthetic material, machine tools, primary chemical products, complete fabrication plants, aircrafts, etc. (Ministry of External Affairs, Government of India, 2013).

Perception

"As long as we stay in our native culture we don't really get the chance to examine our perceptions and the extent to which they are culturally conditioned, because we share them with most of our fellow citizens. We become aware of that only when we work with people from different cultural backgrounds which most often does not work out as smoothly as working together with members of the own culture" (Adler & Gundersen, 2008, p. 80).

As soon as a manager steps out of the "comfort-zone" of the home culture, he or she will experience situation and meet colleagues that seem to be not unintelligible from the manager's perspective. This often results in judgement and negative emotions. Hofstede describes that usually when expats are sent abroad they first go through a phase of euphoria in which excitement and curiosity cause positive emotions. Right after that the expat probably experiences a culture shock that comes along with negative emotions. Only when acculturation sets in the expat gets over the initial culture shock. The expats mental condition then improves and stabilizes (Hofstede & Hofstede, 2005). The manager has to recall the fact that "all behavior is rational and logical from the perspective of the behaver" (Harris, Moran, & Moran, 2005, p. 57) What makes them feel like the behaver acts irrational is their own cultural conditioned perspective.

"When you are doing business with different cultures, there will almost certainly be a gap, of some kind or another, between your perceptions and theirs. This need not stop you from presenting a united front. The key to success is to acknowledge that there is a gap and to make genuine attempts to bridge it" (Carté & Fox, 2004, p. 21). In order to improve the collaboration between Indian and German managers, each individual involved has to become aware about how they perceive their business partner and how they perceive themselves. This will allow them to reduce the unintelligible incidents and create more synergies in cross-cultural co-operation.

The term "perception" can be defined as the process in which the individual selects, organizes, evaluates and internalizes external stimuli. Perception is never objective, nor absolute. Perception patterns are selective, learned and dependent on family and culture (Legewie & Ehlers, 1994). Most of the time, they are long-dated and inexact. Perception is closely related to one's cultural background. As with culture, perception is learned and consistent. Furthermore, perception is selective, meaning that the conscious mind only perceives selected stimuli and information. Moreover, perception is inaccurate because what we perceive depends on our cultural conditioning, which might be different for different people (Adler & Gundersen, 2008).

Perception is not objective, nor absolute. There are certain filters and biases that each person has and which cause misinterpretations. This can happen when a German manager interprets the behavior of an Indian manager or vice versa. The perception functions and is interpreted according to the own cultural norms. Two persons that are exposed to the same perception target may perceive it differently (Williams, 2016). The reason for that is that different people have different perceptual filters and biases, namely, "each individual selects, organizes and interprets information gained from their senses and internal awareness differently" (Otara, 2011, p. 22).

Person perception consists of self-perception and social perception. Self-perception is a set of attitudes and assumptions about oneself, in other words, a concept about oneself. The attitudes and assumptions about the self of another individual is called social perception (Zucha, 2001).

Members of German culture perceive their environment differently than members of Indian culture. The most important objects of perception, however, are other persons (Schachtel, 2001). Oftentimes, people from a different cultural background are perceived negatively, because their behavior is judged by the subject's cultural norms. This can lead to misconceptions about the other person and subsequently to an inappropriate reaction.

In this study, the observed target of perception is a group of individuals, namely "the Indian managers". The surveyed German managers are subjects and were asked how they perceive the object, Indian managers. The surveyed Indian managers are both perceiver (subject) and target (object) when they were asked about their self-perception. A number of factors influences both, social and self-perception. They can originate from either the perceiver, the situation or the object. Their own attitudes, motives, interests, experience and expectations influence the perception of the target. The objects' characteristics, such as the familiarity, size, and similarity will affect how it is perceived. Furthermore, the situation, mainly the time, familiarity and work or social setting, affect attention and interpretation (Jones & George, 2008).

RESEARCH METHODOLOGY

The research was subdivided into four steps: to understand German managers' perspective on India and Indian managers and vice versa, expert interviews were conducted. A recapitulatory qualitative content analysis was used to evaluate the interviews (Mayring, 2016). Secondly, a quantitative questionnaire for German managers was developed, based on these interviews and relevant literature, in order to measure the social perception towards Indian managers. The exact same set of questions was translated into English and used to measure Indian self-perception. It was of utmost importance to keep the scales and question types same to ensure the comparability of the survey results. Therefore, that standardized approach was maintained for both surveys, even though the used scale might be understood and used in differing ways in diverse cultures (Lee, McCauley, & Draguns, 1999). To minimize errors in the use of the rating scale, a short explanation on how to give the answers was provided for each question. Thirdly, the results from both surveys were compared and analyzed. As a fourth and last step another round of expert interviews was conducted in order to discuss the results of the survey with them and find out if the hypothesis holds true.

RESULTS

The research findings suggest that measuring a foreign person with one's own standards will lead to misperception, misinterpretation and the wrong choice of action and reaction. This, in turn, increases the probability of conflict. The study found a positive correlation between the gap in perception and the perceived level of conflict.

Three of the seven topics that were researched in the study will be discussed here: what motivates Indian managers, their character traits and the perceived level of conflict in Indian-German business collaborations.

Gap in Perception of Motivational Factors

The first closed question read, "How important are the following goals for typical Indian managers?" Twelve motivational factors were ranked by the respondents according to their importance. The ranking scale ranges from one, very important, to seven, very unimportant. The Indian rating places more importance on different motivational factors.

FIGURE 1: MOTIVATIONAL FACTORS OF INDIAN MANAGERS

The factor prestige is an exception here, because there is a negative connotation that comes with prestige as motivational factor. The German managers have ranked the motivational factors between 1.4 and 4.6 while the Indian managers ranked the motivational factors between a range of 1.7 to 3.4. Both the groups ranked the motivational factor salary similarly.

There is an interesting gap in the ranking of certain other factors namely, leisure time, which has the biggest gap, followed by harmony, challenging tasks and secure work. This means that the importance placed on these factors by both sets of managers differs. The importance placed by the Indian managers on the motivational factors of harmony and challenging tasks is far more important than it is for the German managers.

Both sets of managers place importance on salary as a motivational factor but the Indian managers have placed it after the motivational factors of prestige, which has a mean of 1.70, and develop and learn, which has a mean of 1.72. This means that salary comes in third as an important motivational factor for Indian managers while the German managers ranked salary (a mean of 1.8) after prestige (a mean of 1.4).

Although the rating is much higher in Indian perception, both subject groups ranked leisure time as number twelve out of twelve. This is congruent with expert views of Indian managers. Given that leisure time can be seen as the opposite of work time and thus salary, it is not surprising that the relative importance is perceived as low.
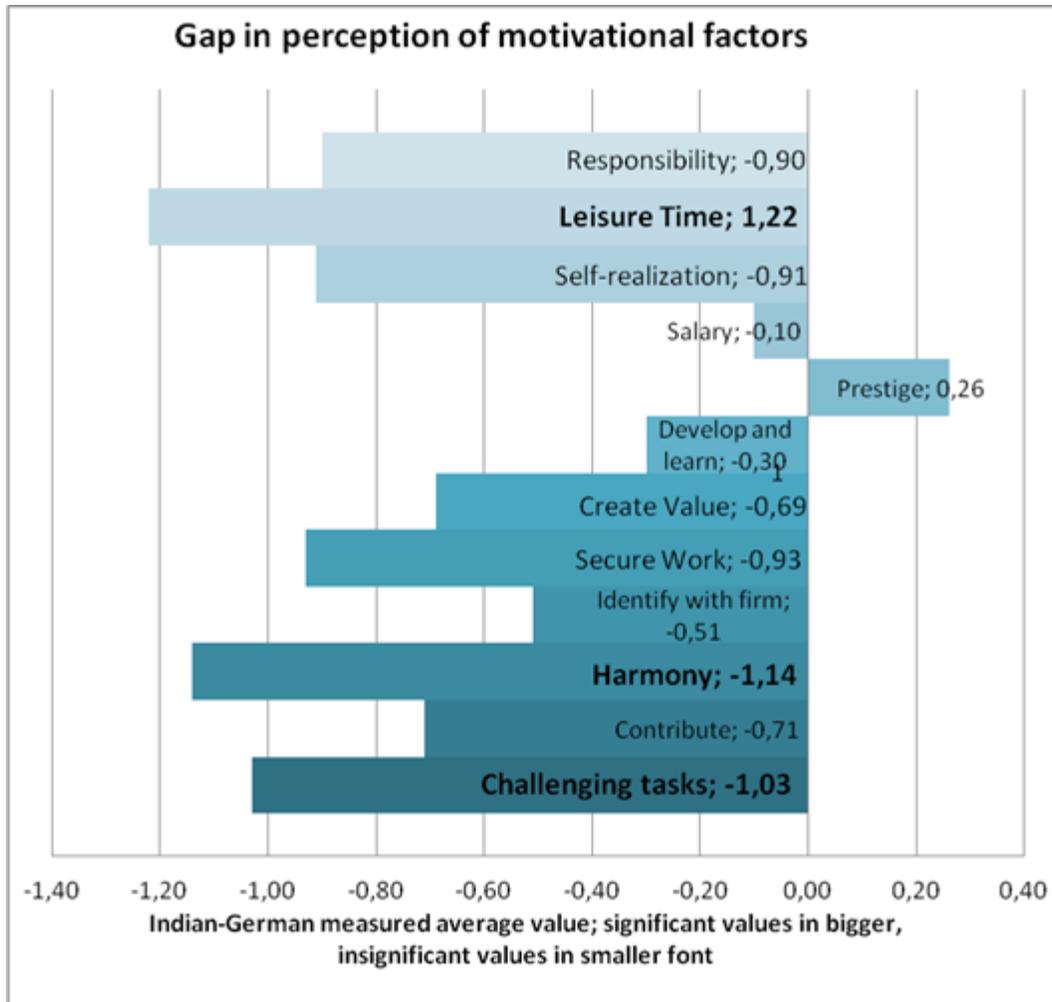
Gap in perception of motivational factors

Responsibility; -0,90
Leisure Time; 1,22
Self-realization; -0,91
Salary; -0,10
Prestige; 0,26
Develop and learn; -0,30
Create Value; -0,69
Secure Work; -0,93
Identify with firm; -0,51
Harmony; -1,14
Contribute; -0,71
Challenging tasks; -1,03

-1,40 -1,20 -1,00 -0,80 -0,60 -0,40 -0,20 0,00 0,20 0,40

Indian-German measured average value; significant values in bigger, insignificant values in smaller font

FIGURE 2: GAP IN PERCEPTION OF MOTIVATIONAL FACTORS

Figure 2 shows the gaps in perception. For the calculation, the Indian ratings were taken as the base value and the German ratings were subtracted from the Indian ones. The x-axis has a range from negative to positive. Any bar on the negative side stands for an underestimation of German managers, meaning that Indian managers perceive the statement to be more applicable than the German managers do. On the contrary, bars on the positive side of the x-axis resemble an overestimation on the part of the German managers.

The German managers have underestimated certain motivational factors, such as leisure time with a gap of -1.2 and harmony with a gap of -1.1. The Indian managers attached a higher level of importance to leisure time as a motivational factor (a mean of 3.46) than German managers did (a mean of 4.68). In India, a working day can be in excess of 12 hours, therefore, workers or managers are entitled to longer lunch and tea breaks. In India, succeeding in the work place and receiving a promotion is given a lot of importance and, therefore, people do not hesitate to work longer hours, provided that there are more frequent and longer breaks. In addition, most of the private workforce has to report to work on Saturday and only have Sundays off, while in Germany standard working

hours are eight hours a day with weekends off. Both target groups gave leisure time the least importance, yet there is the biggest gap in perception.

On the other hand, the German managers over-estimated prestige as a motivational factor with a quite small positive gap of 0.26. Nonetheless, the German managers seem to understand that status plays an important part in the life of Indians and, therefore, prestige as a motivational factor is ranked very high.

Gap in Perception of Character Traits

This part of the questionnaire dealt with to what degree a particular character trait applies to Indian managers. A scale of one to seven was used, one indicates that a trait applies completely and seven indicates that a trait is completely inapplicable.
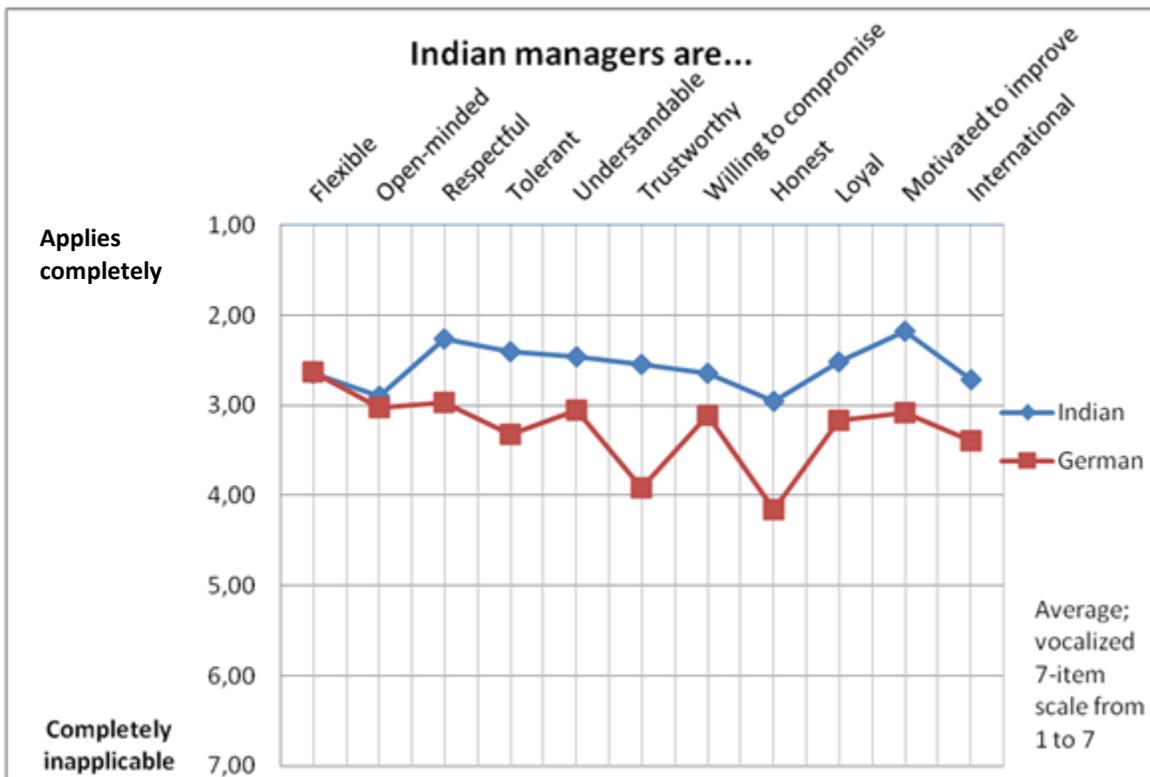

FIGURE 3: CHARACTER TRAITS OF INDIAN MANAGERS

In general, the Indian respondents ranked themselves higher for each characteristic, except for the trait flexible, which they ranked the same as the German managers.

On one hand, Indian managers perceive themselves as best motivated to constantly improve their knowledge and skills, and to be respectful and tolerant to other people and cultures. German

managers agree that Indian managers are respectful to other people and cultures by ranking it second, but rank the other two traits as number five and eight respectively.

On the other hand, German managers perceive Indian managers as highly flexible, respectful and open-minded.

There are only two character traits i.e. flexible and open-minded where the German managers and Indian managers have mutual thinking. There are major gaps in perception of what German managers perceive about Indian managers for the characteristics trustworthy, honest and tolerant.
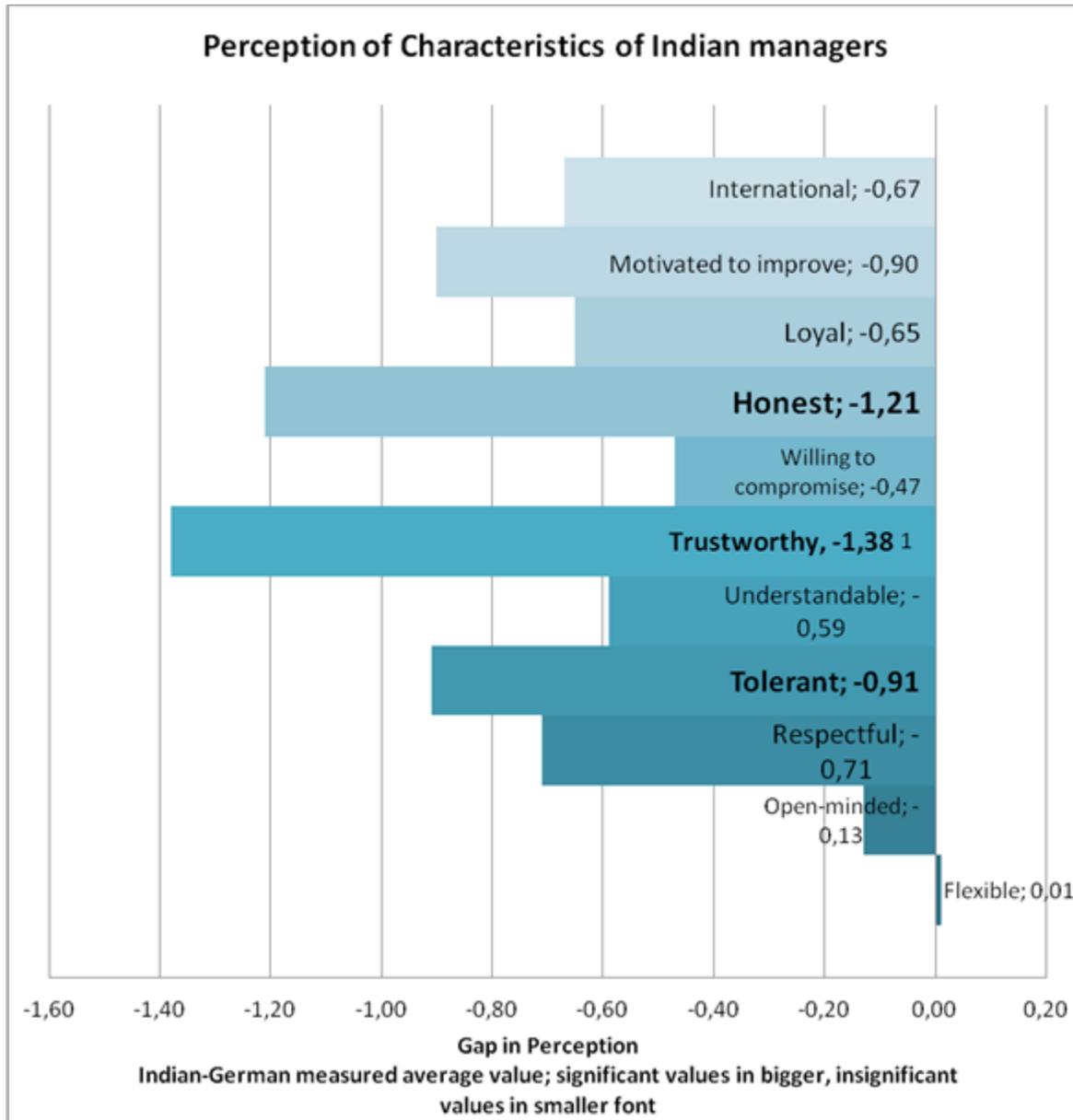

FIGURE 4: GAP IN PERSON PERCEPTION OF CHARACTER TRAITS

Figure 4 reveals that German managers have clearly underestimated the importance of most of the character traits to the Indian managers, except one i.e. flexible. The biggest underestimation by the German managers are for the statements trustworthy and honest, which implies that they think that Indian managers are less trustworthy in daily business and are dishonest in their communication. This perception can really hamper Indian-German trade relations. The fact that German managers perceive Indians as less trustworthy and honest is also confirmed by the interviewed experts. One expert stated, for example, "The Germans often complain about honesty, because Germans are 'yes-no-believers,' whereas in India different versions of yes and no exist. Germans mostly have difficulties in properly interpreting these statements" (personal communication, 2016).

Level of Conflict

Indian and German managers were asked about expected troubles, misunderstanding and problems that they perceive in different areas of co-operation. A scale of one to seven was used, one indicates that a conflict occurs very often and a seven indicates that there is never a conflict.
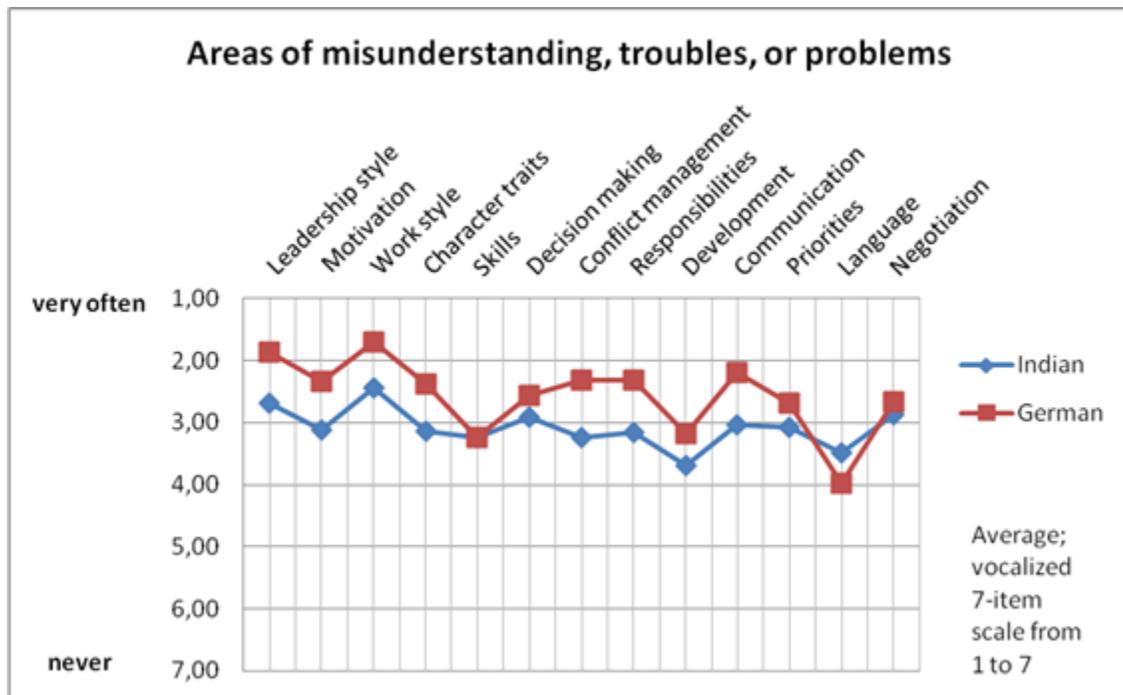

FIGURE 5: LEVEL OF CONFLICT WHEN INDIAN MANAGERS CO-OPERATE WITH GERMAN MANAGERS

Figure 5 shows that the Indian and German Managers experience a high degree of conflict in their relationship. Both groups of respondents gave their answers in a range from 3.97, "sometimes", to 1.71, "often". The Indian and German managers both ranked working style or processes and leadership style as the top two areas of misunderstanding, troubles or problems. The German

managers ranked manner and style of communication third as another area of conflict while Indian managers ranked manner and style of negotiation third.

German managers consider that the probability of conflict is lowest in language comprehension. It is very important that German managers become aware of their underestimation of this area of conflict. One expert spoke of communication barriers in co-operation, which are attributed to the English speaking skills of German managers, "Their interpretation is a little bit complicated, from my experience, and it's very hard for them to understand when you speak fast English" (personal communication 2016).

Indian managers think the least conflict prone area is development of the organisation respectively the managers and employees.
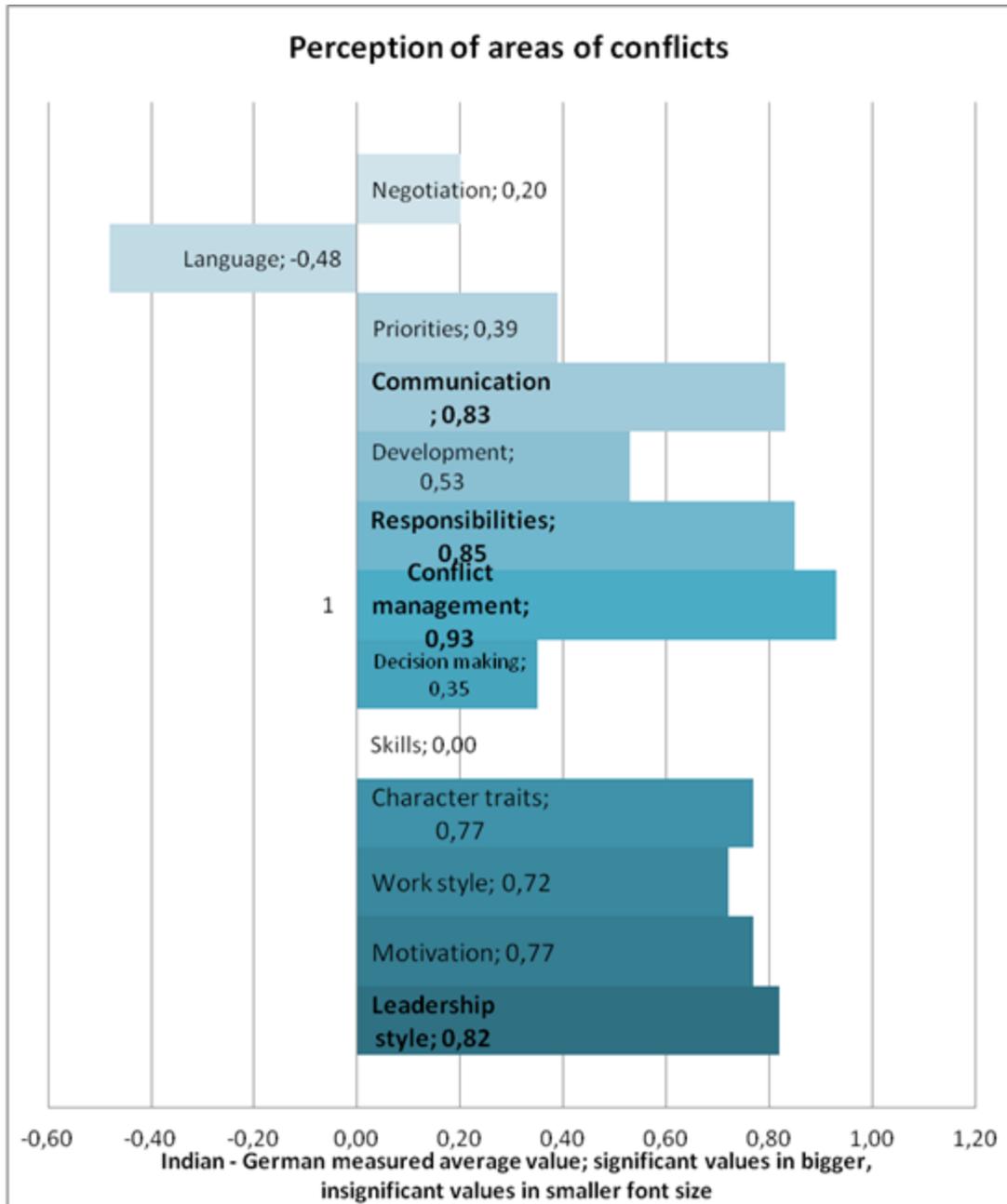
Perception of areas of conflicts

- Negotiation; 0,20
- Language; -0,48
- Priorities; 0,39
- **Communication ; 0,83**
- Development; 0,53
- **Responsibilities; 0,85**
- **Conflict management; 0,93**
- Decision making; 0,35
- Skills; 0,00
- Character traits; 0,77
- Work style; 0,72
- Motivation; 0,77
- **Leadership style; 0,82**

Indian - German measured average value; significant values in bigger, insignificant values in smaller font size

FIGURE 6: GAPS IN PERCEPTION ON THE LEVEL OF CONFLICT

From Figure 6, it can be stated that German managers have underestimated the conflict probability related to language comprehension, as compared to the Indian managers' perception. Both groups agreed that the skills of managers is the lowest critical conflict area. With the exception of these two statements, all other areas were overestimated by German managers. The most risky conflict areas perceived by German managers are handling of conflicts, interpretation of responsibilities, manner and style of communication and leadership style. Both sets of managers rated "Skills" identically thus, this is the only aspect where there is a gap of 0.00 in the quantitative study.

RESEARCH LIMITATIONS

Concerning the sample size of the quantitative study, it is clear that a sample size of 41 German and 46 Indian managers is hardly sufficient to make a definitive statement applying to all German and Indian managers respectively. The requirements for both groups of respondents were very specific and non-eligible candidates were filtered out making the sample size rather small.

Even in a comparatively small country like Germany, there are noticeable differences in culture depending on the region. Most of the respondents were from the south or west of Germany. People from the eastern part of Germany may have a different perception, because of slight differences in culture. In India, this is even more so. Most of the Indian respondents were from Goa and Maharashtra. 12 out of 29 Indian states remain uncovered by this study.

Additionally, economic strength varies greatly among the states in India, which makes it hard to reach international managers that fulfill the study requirements in certain states. However, the intention is to point out tendencies with this study. Therefore, the sample sizes are regarded as sufficient. They are not big enough for in-depth statistical analyses. If the sample sizes were larger, more meaningful statistical analyses could be made and the results would be more significant.

The number of interviewed experts can also be seen as a limitation. For the first round of interviews, there were five experts participating. Even though the first round of the qualitative study was for "exploration and orientation", there were strict criteria for the eligibility of experts. The same applies to the second round of interviews, which were conducted after the quantitative study was completed.

Another limitation can be found in the definition of the research object as "the typical Indian manager." It is almost impossible to make general statements about "the typical Indian manager." Given the size of the country and its many ethnicities, one can assume that managers from different regions of India are also differing in their cultural conditioning and thus perceive things in another way. There is not only the rural, urban, classic, and folkloric Indian perception. Depending on the religious and caste affiliation, the linguistic and geographical identity within India, the social status, professional identity, etc., there are diverse Indian perceptions (Ganeshan, 2001). However, this study consciously generalizes the term "the Indian manager" in order to make the study practicable and to ensure a more general validity.

This study focuses on the management level in organizations. Employees in lower positions were not considered in the research. Here, one has to bear in mind that organizational subcultures exist. This means that employees in lower positions would probably give different answers to the questionnaire than those in managerial positions (Hofstede, 2009).

Behind every study is a human being with inherent biases. Even though the biases derived from the researcher's cultural conditioning may not consciously influence the course of the study, they do affect scholarly work (Srivastava, Guglielmo, & Beer, 2010). Rwegoshora claims that "this may be reflected in the way the research is conducted, for example the way observations and interviews are made and the way data are recorded and analyzed" (Rwegoshora, 2006). The

interview and questionnaire stage was conducted by a researcher with a German cultural background, a highly linear-active culture, which most certainly affected the study as a whole to some extent.

Intercultural studies are often a focus of criticism because they assume that ideas and formulations can be transferred from one culture to another (Pervin, 1999). The same could be criticized for the implementation of similar questionnaires for Indian and German managers. Even though the questionnaires were carefully formulated and translated into English, it is possible that misinterpretations and misunderstandings of the respondents occurred.

The topic solely covers the social perception of German managers regarding Indian managers and Indian managers' self-perception. What has not been studied is the self-perception of German managers and the social perception of Indian managers regarding German managers. This would open up more possibilities for analyses, but could not be conducted within the limited scope of this study.

IMPLICATIONS AND CONCLUSIONS

On the level of Indian managers' personal motivation, their character traits and Indian companies' objectives, all three areas highlighted significant gaps in perception and thus might be a potential source of conflict for a co-operative relationship.

German managers have to be more aware of the diverse objectives of their Indian business partner. While money is a strong motivator, Indian managers' self-perception shows that it is not necessarily the most important motivator. The strive for self-advancement, self-development and self-realization of Indians needs to be taken seriously, to strengthen manager-subordinate relationships (no matter if a German or Indian manager is the subordinate) and thus improve the cooperation efficiency. Working together, Indian and German managers can address this difference in perception to narrow the gap. Indian managers, for example, should speak more openly about their own goals. German managers would benefit from observing their Indian colleagues more closely to find the motivators for each individual manager. In this way, motivational rewards can be distributed more efficiently to make managers more effective.

Gap in Perception of Motivational Factors

As seen from the results, there is a gap in perception of motivational factors. Harmony, challenging tasks and secure work are far more important to Indian managers than what German managers perceive.

Indian managers give more importance to harmony, as generally they do not like to decline any task being offered to them, and do not want to get into a conflict of interest situation.

Indian managers give more importance to challenging tasks, because Indian managers like to face a challenge even though they may not know the immediate solution to the problem. Hence, they tend to delay the process of completion, as they may not be aware of a solution. Nevertheless, they give importance to a challenging task, and want to complete the task at the risk of more time being spent in doing so.

This is contrary to the German mindset, of why someone would accept a challenging task when there are time constraints and when the road ahead may not be clearly chalked out. Hence, the gap in perception arises, as accepting a challenging task is not a standalone factor, it is also to maintain harmony at work, as one does not want to say no to a challenge and promote a certain underlying disharmony. Accepting a challenge also leads to security at work. While the German manager feels these may not be important motivating factors, the underlying assumptions of the Indian perspective are different. This also explains them giving importance to secure work, as they know if they are able to satisfactorily fulfill challenging tasks, they will be secure in the work they do.

Indian managers readily say yes to tasks given to them, without accurately incorporating the time involved for completion of the task. Hence, in a business context, this gap in perception must be clarified through project timelines, so that there is a clear understanding from both sides regarding the time permissible for the completion of the project. Transparency from both sides regarding time allotted for completion will promote timely completion. It will thus reduce the perception gap between the two cultures.

Gap in Perception of Character Traits

When considering the character traits of Indian managers, the gap in perception of honesty and trustworthiness is a serious problem, since both characteristics are needed to build long-term business relationships. If one party does not trust the other and believes information to be wrong, their behavior will be cautious, reserved and protective, which will limit communication. Without this, knowledge exchange and synergies cannot be built. Given that these are the main reasons for forming a strategic collaboration, the German skepticism can put a strain on the Indian-German business relationships. However, one also has to recognize that neither the German nor the Indian perception is correct and objective but rather they represent two different interpretations of a situation or behavior.

The underestimation by the German managers regarding trustworthiness and honesty can hamper business relations. These assumptions arise from the fact that German managers are very direct in their communication and expect the same from their Indian counterparts.

Indians are indirect in their communication when faced with an ambiguous situation, but intentions are not to harm the outcome, but to try their best and not to give up at the very outset. They do not prefer yes and no, but rather a yes which means, they will try to get the task done. This attitude is also due to the fact that Indian managers are tolerant of ambiguous situations and do not prefer to say a direct "no" when faced with such situations. This is often misconstrued as lack of trust, honesty and tolerance by the German counterpart.

Therefore, the Indian response technically may not be right, but it is more a response to a situation rather than a character trait. Hence, the German manager should try to perceive this behaviour as not lack of honesty or trustworthiness, but a response to perform to the best of their ability and maybe an overestimation of one's ability on the Indian manager's part.

One can thus attribute this gap in perception to perceptional filters and biases. What might be a behavior that evokes trust in Indian managers might not be seen as one from a German perspective – and vice versa. Thus, German managers have to be more aware of their perceptional biases and adjust interpretation of behavior to the Indian way of thinking and acting. Indian managers, on the other hand, should learn what kind of behavior is seen as trustworthy and honest from a German perspective so they can adapt their behavior.

Level of Conflict

The most risky conflict areas perceived by German managers are handling of conflicts, interpretation of responsibilities, manner and style of communication and leadership style.

Indians do not like conflicts and do not like to handle conflicts at the work place, as one has to take a yes/no decision in this case, which interferes with their normal manner and style of communication and leadership style.

Interpretation of responsibilities is also a reason for conflict, as the German counterpart is not clear whether the Indian manager has interpreted the same in the required manner. This again leads us to the primary cause of ambiguity in communication from the Indian counterpart.

When the German business counterpart wants a precise response, the Indian response of clarity with undertones of uncertainty is not right, and the Indian counterpart needs to work basing his/her communication on the foundation of a global culture, which is clarity and transparency as this would avoid conflicts at the workplace.

The findings of this study suggest that the perception of managers from Germany and India will influence the level of conflict and thereby the working relationship in Indian-German business co-operations. Managers, therefore, have to be more sensitive with how they perceive their own culture, beliefs and biases, to minimize the gap in perception, or at least the way in which they react to their perception of a given situation. The first step can be taken by trying to take the others' perspective. Taking perspective is "the process of imagining the world from another's vantage point or imagining one-self in another's shoes" (Ku, Wang, & Galinsky, 2010, p. 793). Ideally, both sides adapt in an authentic and appropriate way to their partners (Moodian, 2009, p. 209). Only after taking perspective, it is possible to adapt ones behaviors and responses to the perspective of the other person.
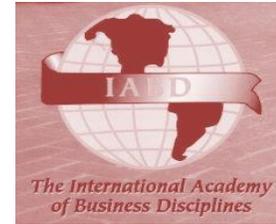
Over time, individuals who are able to successfully adapt their behavior to the perspective of their business partner take on a bicultural identity, which occurs when an individual successfully creates

an identity in both cultures, through their absolute integration. Through doing this, they have the cultural sensitivity to understand the reason, purpose and meaning of specific actions, underpinned by cultural values, expectations and beliefs. Such bicultural persons have the ability to look at intercultural matters in an unbiased way (Gutter, 2003, p. 157).

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