

# Investment and human resource



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1. What is the climate for doing business in India? Is it supportive of foreign investment? Doing business in India was very difficult in the past and took companies years to set up. In recent years, due to changes in the government, business has become easier and India has become more dependent on foreign investment. This change in foreign investment has positively impacted their economy and helped raise their GDP significantly. Although there are advantages to establishing relationships in this country, there are also many disadvantages due to cultural and religious differences. Each state has a different language which can make communication difficult, Indian society has a business culture of using hierarchy to define people's roles, status and social order, and meetings and negotiations are held differently than in the United States, stressing on the importance of being on time, scheduling in advance and proper greetings (Kwintessential). Trust is also a key element in building relationships with Indian companies. Although there are differences in business climates, being aware of these differences can make the process just as easy as doing business in your own country.

Source 1: <http://www.wintessential.co.uk/etiquette/doing-business-india.html>

2. How important is a highly educated human resource pool for MNC's wanting to invest in India? Is it more important for some businesses than for others? Having a highly educated human resource pool can be a great advantage for companies wanting to invest in India. By having a human resource department you are more prepared for expansion than companies without. Human resource departments take care of many things such as recruiting and training people, workplace communication and safety, and developing public relations with potential demographics and clients (Buzzle).

With this in mind; you are able to focus more on the business aspects of the potential investment while human resource can focus on building a relationship with the client. Also, human resource specialists are there to help resolve any disputes between employees, clients, and businesses, making it easier to avoid potential problems (Buzzle). All successful businesses, especially when doing business overseas, should have a human resource department because it will only be an advantage in the cultural differences you would face.

Source 2: <http://www.buzzle.com/articles/benefits-of-human-resource-management.html> 3. Given the low per capita income of the country, why would you still argue for India to be an excellent place to do business in the coming years? American corporations like doing business in India because English is a predominantly used language, they are very well educated people, and have low wages and salaries. Indians also have a main focus in medicine, engineering and computer science, which are all accelerating fields in the United States.

Investment in India is crucial because “ India is the largest democracy and tenth largest economy in the world (Embassy of India). ” They also have the “ most liberal and transparent policies on foreign direct investment (FDI) among major economies of the world (Embassy of India). ” Some other benefits of doing business in India is the people are dedicated and career focused, there is a large amount of experienced specialists which makes hiring employees easy and they are always open to new ideas and opportunities (Communicaid Blog).

There are disadvantages with doing business with any country but the advantages with India seem to outweigh the disadvantages significantly. If you prepare yourself in advance by studying the cultural and religious differences and having a good human resource department then doing business and investing in other countries will become easy. Source 3: <http://www.indianembassy.org/doing-business-in-india-main-page.php>  
Source 4: <http://blog.communicaid.com/cross-cultural-training/benefits-of-doing-business-in-india/>