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Doing Business in India: The Role of *Jaan-pehchaan*

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Doing Business in India: The Role of *Jaan-Pehchaan*

Abstract

The study seeks to further advance our understanding of the complexities and challenges facing international managers when conducting business in an Indian context. Drawing on survey data from managers in over 300 companies, the study suggests that in-order to enhance performance in a business-to-business context within India, there is a need to nurture satisfactory business relationships through the practice of Jaan – pehchaan. Specifically, the study revealed that relationship satisfaction and long-term orientation are driven by three behavioral constructs associated with Jaan – pehchaan, i.e., Pehchaan, Len-den and Bharosa and these serve to positively drive business performance. Several managerial and theoretical implications are extracted from the study along with directions for future research.

Keywords: India, social business networks, performance, satisfaction, jaan – pehchaan

Doing Business in India: The Role of *Jaan-Pehchaan*

Introduction

In 2019 India was ranked 77th out of 190 countries on the World Bank 'Ease of Doing Business Index' and in 2018 was ranked 78th out of 176 countries on the latest iteration of the 'Corruption Perceptions Index'. The data reveals that India is one of the most difficult international markets to succeed in and the business environment is somewhat challenging for foreign businesses. Despite this data, India represents an important context to investigate due to the country's significant economic growth over the past two decades and the challenges posed. The rise of India, coupled with the inherent difficulties associated with conducting business in this country implies that further research is warranted for helping companies to succeed when doing business in this market.

While the extant literature has somewhat extensively reported on the nature and significance of developing social relations i.e., *guanxi* for nurturing business in China (Barnes et al., 2011; Yen et al., 2011), relatively less has been reported in the context of India and the role that India's *guanxi* equivalent - *jaan-pehchaan* plays. To highlight this point further, when recently accessing databases (such as Ebsco and Proquest), only 59 articles touched on Indian social networks, compared to 259 for China. This is surprising given the importance and size of the Indian economy and the idiosyncratic traditional values associated with the way business is conducted in this market (DiMaggio, 1994; Inglehart, 2000; Puffer et al., 2010).

Furthermore, very limited attention has been given to the socio-cultural practice and system of *jaan-pehchaan*. We believe that *jaan-pehchaan* plays a crucial role when conducting business in India and has significant implications for foreign firms (and their managers) as they grapple to enter and operate in this market. Since the Indian business environment is often characterized by highly bureaucratic structures and norms that constrain how business is conducted, a comprehensive understanding of some of the relevant dimensions related to *jaan-pehchaan* can be useful for foreign managers to help improve their business performance in India. It is important to note that understanding local business models and customs is crucial for successful interaction.

We draw on social exchange and network theories to conceptualize the most important dimensions of the practices associated with *jaan-pehchaan* and their effects on business

performance as perceived by managers in India. Specifically, the concept posits that *jaan-pehchaan* comprises of three important aspects, namely, *pehchaan*, *len-den* and *bharosa* that act as triggers for developing effective business relationships. The purpose of this study is to better understand the role of *jaan-pehchaan* as a salient governance mechanism and we examine its potential influence on satisfaction, long-term orientation and business performance.

The study addresses two research questions: (1) what are the most pertinent dimensions of *jaan-pehchaan* required for developing effective business relationships, and (2) how does *jaan-pehchaan* influence satisfaction, long-term orientation and business performance in India? We empirically examine the construct drawing on data from over 300 managers operating in India and our study provides fresh insights and implications for both research and practice. This is done by firstly deconstructing relevant components of this indigenous socio-cultural practice, and secondly, probing how it can influence management processes and performance in India. Research has generally emphasized that acquiring local knowledge and participating in local business practices is often helpful for leveraging success in international markets.

The study contributes to the literature in two ways. First, it makes a conceptual and empirical advancement by being one of the first to illustrate the important dimensions of *jaan-pehchaan* i.e., modeling it and then examining its links to satisfaction and performance in an Indian context. While the literature has considered the influence of similar business models and their performance on related contextual factors in other emerging economies, including China (Gu et al., 2008; Yen et al., 2011), the Arab context (Berger et al., 2014) and Russia (McCarthy et al., 2012; Puffer et al., 2010), *Jaan-pehchaan* has not received adequate attention. Second, the research extends the literature by comparing this Indian approach to developing business relationships with other existing frameworks, in Russia, China and Arab countries. Specifically, the research draws on managerially relevant constructs including satisfaction and long-term orientation in a local cultural context (Barnes et al., 2011). The work therefore advances our understanding of a not well-documented and dynamic interpersonal aspect of social networks that is embedded in India's socio-cultural system i.e., *jaan-pehchaan*, and addresses the distinctive managerial capabilities required by firms to do business in India successfully.

The Indian Context

India is characterized by the presence of a fast-emerging middle-class economy and high population growth (World Bank Report, 2016). India's government is relatively stable and in favor of incremental market liberalization and globalization. Having experienced extensive financial and institutional reforms since the early 1990s, India's managerial and business practices are striving to align themselves with western managerial and financial standards of business. While being heavily exposed to international competition, the country is still highly influenced by its local business culture and has a mixture of western and Indian business practices (Ellis, 2012). Government-induced changes have transformed the country's business landscape and provided foreign entrants with both unique opportunities and multiple challenges when conducting business in India. To take better advantage of this opportunity, foreign firms would be wise to learn more regarding the concept of *jaan-pehchaan* as a business model and how it can influence business practice and lead to a higher probability of success.

Although India is a heterogeneous country in terms of language, ethnicity, religion and caste, Indian societal culture to some degree, is characterized by a high-level of spiritual engagement and emotional interconnectedness with others, which affects the formation of business relationships and how they are implemented over time (Bhattacharjee and Zhang, 2011; Mitroff and Denton, 1999; Porter et al., 2003). This spiritual predisposition implies that even work is considered more of a duty than a task and is performed with some degree of detachment, equanimity and selflessness, as directed in various traditional Indian holy scripts (King, 1999; Sinha, 1997). A traditional vision of an ideal Indian society labeled as "Ramraj" is well documented in Indian texts and the concept is understood by Indians as a metaphoric expression for worthy times that people enjoy when there is moral social order (Virmani and Guptan, 1991). The underlying principle is embedded in the age-old concept of *Dharma*, which encompasses the ideal or right approach to life (Berger, 2014). In Indian society, Dharma has become one of the main driving forces in guiding values relating to an individual's actions with others and which also dictates how business should be undertaken (Chatterjee and Pearson, 2000). The vein of thought has similarities to high context cultures such as China which influences the way business is conducted (Boisot and Child, 1996; Dunfee and Warren, 2001).

Indian society is also influenced by 200 years of colonialism (Kakar, 1971; King, 1999), which has made Indian business culture more complex by mixing western and eastern schools of thought. The impact of colonialism is visible in the Indian education system where the role of discipline and hierarchy has been embedded (McKee, 2003; Varman and Saha, 2009; Mulla and Krishnan, 2007). While the diversity of India means that it lacks a monolithic cultural pattern, there are some wide-spread shared values, including individual-level submissiveness, a sense of fatalistic thinking, clan orientation, in-group - out-group distinctions and power consciousness that allow for generalizations (Sinha and Sinha, 1990; Munshi, 2007). These elements manifest themselves in managerial traits such as the willingness to delegate, possessiveness towards subordinates, propensity towards collective decision making and resistance to change (Kakar, 1971). Norms and behaviors associated with hierarchical authority, paternalism, and caste or class distinctions have long pervaded organizational life in India (Virmani and Guptan, 1991). For example, most senior management in India tends to be hierarchical and relatively authoritarian in their relationships towards lower level workers (Bhattacharjee and Zhang, 2011). This situation differs from that in most western societies, where business relationships are usually based on competence, impersonal task roles and organizational commitment (Sinha and Sinha, 1990).

The importance of social business networks in influencing market exchange between firms is well established in the social networking literature (Blau, 1964; Burt, 1992; Borgatti and Halgin, 2011). This includes social norms, religion and the realization surrounding a lack of trust in governance and institutions (Heide and John, 1992; Morgan and Hunt, 1994). Inter-firm cooperation manifested through commitment and loyalty has been shown to act as a means of overcoming environmental uncertainties (Zhang et al., 2003). The role of interpersonal ties for overcoming institutional barriers is the focus of the literature on social networks. A key notion within it is that individuals are rooted in dense social networks and connections (Borgatti et al., 2009). The ubiquity of social networks at the firm, industry, group and individual levels have engrossed extensive research attention (Parkhe et al., 2006). Social networks, as part of social networking literature, have been regarded as the firms' most powerful assets in a world of uncertainty (Elfring and Hulsink, 2003). Social exchange theory has been used to investigate a range of phenomena including innovation (Obstfeld, 2005; Rodan and Galunic, 2004), employee turnover (Kilduff and Krackhardt, 1994; Krackhardt and Porter, 1986), creativity (Burt, 2004; Perry-Smith and Shalley, 2003) and business ethics (Brass et al., 1998; Jones, 1991). The insider

versus the outsider phenomena as found in many emerging countries such as India is important to consider (Borgatti and Halgin, 2011).

Social network theory depicts markets as a system of relationships among actors i.e., customers, suppliers, competitors and support institutions (Coviello and Munro, 1995). Much of the social networking theory literature has fundamentally focused on understanding internationalization processes, such as helping western firms enter emerging economies (Hoskisson et al., 2000), where informal institutions often exist due to market imperfections (Khanna and Palepu, 2000; Berger et al., 2018). Social network ties in emerging economies provide access to resources, information and knowledge, markets and technologies that otherwise are hard to attain (Shore et al., 2009). In addition, social networks between the state and firms, provide unique advantages of access to unattainable resources (Freeman, 1979). These may include reducing uncertainty, providing access to information and minimizing transaction costs (Boisot and Child, 1996). As emerging economies are characterized primarily by socially based network exchanges, networking capabilities are crucial assets for furthering business objectives (Peng and Heath, 1996).

Since local firms possess such social networking capabilities, they often become prospective partners for foreign firms intending to penetrate complex and socially embedded markets (Knock and Guillén, 2001). These informal networks in India are the consequence of carefully nurturing the practices associated with *jaan-pehchaan*. The context in which inter-firm social and economic relationships exist in fast growth emerging economies, including India, are notably different from many developed nations, given their transitioning institutional status, their governance quality and broadly collectivistic culture (Greif, 1994; Xin and Pearce, 1996; Hoskisson et al., 2000; Estrin and Pervezer, 2011)

Etymological origins of Jaan-Pehchaan

Although the exact origin of the term is unknown, scholars have traced its use back to the Mughal period (mid-16th to mid-18th century). In particular, the word *pehchaan* (पहचान) translates to recognition or identity (Bhandale, 2004; Schuster, 2006). Recent scholarly inquiry among linguistics into the term *jaan-pehchaan* reveals that it is an age-old practice that is associated with nurturing social dependability and facilitating business through the exchange of favors (Ledeneva

et al., 2018). Similarly, the Hindi word jaan or jān (ज्ञान) has been understood to translate as ‘to know’. Batjargal (2007) defines jaan-pehchaan as ‘Hindi networks’, while other scholars suggest that it refers to getting something done through people that you know (McCarthy et al. 2012; Puffer et al. 2013). Whilst the term is mostly common in Northern India, there is evidence through archival data in the National archives of India and Nehru Memorial Museum & Library records that local translations have been made so that the term is understood throughout the country’s 20 officially recognized languages. Whilst Jaan and pehchaan are most commonly used, other terms such as jan, jān, pahcān, pehechan and pehchan are also adopted.

Research surrounding the use of jaan-pehchaan by management practitioners is somewhat scant. Drawing on empirical case data from western business executives, Zhu et al., (2005) reported on the efficacy of jaan-pehchaan as a means for building social relationships. Their research revealed that this indirect style for developing connections with appropriate businesspeople and for conducting business was well-perceived. McCarthy (2012) used this term to conceptualize in practice, how favors are exchanged and managed in India. He reported a dearth of discriminating research on jaan- pehchaan networks.

Based on research with 30 managers of foreign multinational firms, Ledeneva et al. (2018) reported that trust (bharosa) developed through jaan-pehchaan relationships can lead to the accomplishment of professional or routine personal tasks and in extremely worst-case scenarios, may manifest itself as bribery. All the respondents considered jaan-pehchaan as an accepted way of doing business and nurturing relationships. This was particularly true when dealing with close acquaintances, through for example exchanging favors, lending a helping hand to those seeking employment, providing business loans or even issuing contracts. Some respondents commented that prior to 1990, jaan-pehchaan was exclusively practiced with close family members where reciprocity (len-den) i.e., the exchange of favors was an expected norm.

Although this was similar to doing business, those who were unable to cultivate strong personal relationships and uphold values associated with len-den, would often struggle to advance their business interests. Despite institutional reforms, modernization and reduced bureaucracy in India, it appears that the significance of jaan- pehchaan would not likely to decrease substantially due to the collectivistic nature of India’s society. Moreover, the practice of jaan-pehchaan has developed over centuries and the system is based on a rather complex and layered criteria relating

to caste, gender, language, religion and sect, rural or urban lifestyle communities, philosophy and culture. As such, engaging with this practice and navigating through such a system requires careful consideration relating to the dynamics of how in-group networks are formed within this context. The extent of social capital and trust embedded within such complex connections are multi-layered and cannot easily be replaced by business contracts that are often traditionally used in the west.

The uniqueness of *jaan-pehchaan* can be better appreciated if viewed as an integral component of the Indian socio-cultural system that evolves from the cohesion of ties that is built over time. These ties are developed through collective embeddedness in a system of mutual understanding and are sustained by a long-term deepening of the relationship through bounded solidarity (Berger, 2014). In contrast, networks in individualist cultures are formed voluntarily through conscious, social accounting that is aimed at maintaining fair and even relationships (Fukuyama, 1995). Considering the time needed to exchange favors and build a trusting relationship with a business partner, *jaan-pehchaan* has a strong focus on the long-term perspective.

This study investigates the relative impact of key elements surrounding the Indian socio-cultural value system used for fostering *jaan-pehchaan*, that is *pehchaan*, *len-den* and *bharosa*. These elements interact with formal institutional pillars and facilitate the formation and duration of business networks through repeated interaction between actors which can have an influence on long-term decision making. The Indian business context is marred by the prevalence of strong external uncertainty and effectual commitment caused by a relatively non-predictive and non-adaptive environment (Sarasvathy, 2001). Given these complex dynamics that prevent effective functioning of markets, the institutionalized solution that incentivizes managers and partially mitigates this problem is through the cultivation of long-term business relationships rather than short-term transactions (Buck, Liu and Ott, 2010). The focus on long term orientation, especially in an Indian context therefore informs the conceptualization of our core dimensions of *jaan-pehchaan*.

Framework and Hypotheses Development

The wide acceptance and the usage of *jaan-pehchaan* in business and social interactions reinforces the importance of utilizing ‘familiarity’ and the ‘right connections’ to further one’s business

interests. This is an aspect of the Indian socio-cultural and business environment that has yet to be studied more extensively. The process of developing business relationships in India might appear complex to western managers and this is likely to put them at a disadvantage for developing business interests. In this study, the key dimensions of the practice of *jaan-pehchaan* are deconstructed and examined for their influence on the performance of business-to-business relationships. In deconstructing *jaan-pehchaan*, the concept should become more understandable for western managers and more easily implemented into their business strategy.

Pehchaan

The concept of *pehchaan* in the Indian context could be viewed through the lens of network homophily. Homophily is defined as the principle where social bonding between similar people occur at a higher rate than among dissimilar people (McPherson, Smith-Lovin and Cook, 2001). The implication being that the cultural, behavioral, genetic or material information that flows through networks are very likely to be localized (Brass, 1985). Over a period of time, this creates a central or core group of closely interconnected people and a larger group of individuals that are less densely connected to the core and each other (Burt, 1982; Friedkin, 1993). In summary, people who are more structurally similar to one another are more likely to partake in context-specific interpersonal communication and attend to each other's contextual positions, thus leading them to have more influence over one another. The degree of homophily across different socio-demographic groups, however, may be ascribed or strongly inherited from a source, such as kinship or religion. It can also be achieved through the virtue of belonging to a specific social class, educational background or occupation and may even be a combination of all (McPherson, Smith-Lovin and Cook, 2001). Social and demographic similarity as triggers of network homophily can provide a host of benefits. These may include sharing of knowledge, improved communication, greater embeddedness, shared cultural beliefs, attitudes and preferences, as well as more effective coordination among exchange partners (Mayhew et al 1995; Mark, 1999).

The socio-cultural milieu of India is influenced heavily by the role of the extended family, kinship, caste, religion, linguistic affiliations, education and more recently, socio-economic class that often inadvertently leads to in / out-group relationships (Virmani and Guptan, 1991). The lack of cohesion among these various categories of in-group networks may create serious difficulties

for outsiders trying to navigate through this complex system (Schuster, 2006). The ascribed and achieved basis of pehchaan (which translates to recognition or identity) emerges from this complex interaction of categories and is thereby manifested in the form of social ties within overlapping social networks. Given the context of pehchaan in Indian society, the art of utilizing and engaging with this custom is also embedded in the effort to cultivate relationships with someone of influential status in society, business, or the government, which exists by virtue of social capital (Sinha and Sinha, 1990). Individuals who are therefore able to leverage pehchaan to improve their position in several influential business or social networks can often overcome the difficulties associated with doing business in India. This is because they can obtain favors, privileged information and finance from others embedded in such networks that are often otherwise hard to attain.

Developing close-knit ties through pehchaan and solidifying the bond between two actors has implications for the relationship itself. First, this is likely to lead to increased cohesiveness over time, leading to satisfaction among the exchange partners (Zhu et al., 2005). Second, having carefully engaged in pehchaan, this leads to greater familiarity, signals a relationship's long-term orientation and provides commitment (Singh and Gaur, 2009). This potentially reduces uncertainty by providing a sense of control over unknown elements surrounding the business environment (Yen et al., 2011). Moreover, social relationships tend to reduce an individual's perception of stress in the work environment (Bhattacharjee and Zhang, 2011). Price and Arnould (1999) and Zhang et al., (2003) found that robust social networks can also positively impact satisfaction, loyalty and lead to positive word-of-mouth amongst consumers. Third, satisfaction in the mutual business relationship has been found to have a positive effect on the perceived and reported performance of the interaction, be it higher trade volume, profitability or a reduction in transactional costs (Wang, 2007). This has implications for foreign firms operating in India, as a manager's lack of understanding in terms of how pehchaan can be developed and could influence relationships may be crucial in terms of how business can flourish. Following the above discussion, we hypothesize that:

H1a: The effective use of pehchaan in business-to-business relationships will lead to greater satisfaction in the relationship.

H1b: The effective use of pehchaan in business-to-business relationships will lead to greater long-term orientation in the relationship.

Len-den

Emerging markets are frequently characterized by weak or selective formal regulatory institutions dubbed as institutional voids when compared with recognized institutional environments in industrialized countries (Puffer et al., 2013). For example, the institutional environment of India is different to western industrialized countries as although it has a well-established legal system, it also has relatively weak enforcement and incompetent administrative mechanisms (Sheth, 2011). As such, it is not uncommon to provide someone with “baksheesh”, a Hindi word for a small gift in order to get things done (Singh and Koshy, 2012). It is a way of “oiling” the system and bypassing many of the bureaucratic systems in place (McCarthy et al., 2012). It manifests itself in the form of the reciprocal use of favors in an institutional arrangement that is different from western societies, where this can be perceived as bribery (Gu et al., 2008). Such reciprocity acts as a substitute for administrative and institutional inefficiencies and is well documented in countries such as Russia (Puffer et al., 2010) and China (Berger et al., 2015).

In India, the use of len-den i.e. reciprocal favors can be distinguished from other country cultural contexts. Usually, Indians when adhering to reciprocal patterns, are seen to rely extensively on communal norms in contrast to exchange norms. This is because individuals often feel there is an obligation to be responsive to the needs of the giver of help, as and when such needs arise (Miller et al., 2014). The manifestation of reciprocity based on exchange and communal norms have qualitatively different accounting systems. Exchange norms involve a conscious turn-taking type of reciprocity whereby individuals monitor inputs and returns. In contrast, communal norms involve a holistic type of reciprocity, where individuals are responsive to each other’s needs as and when these needs arise. Thus, in the case of exchange norms, inputs and returns are balanced immediately. However, in the case of communal norms, individuals balance inputs and returns over extended periods of time (Clark & Aragón, 2013). In a recent study using psychological experiments, Goyal and Miller (2018) observed that Indians (in comparison with American counterparts) are less likely to experience a reduction in obligation for maintaining reciprocity.

Within the collectivist context of the socio-cultural value system in India, the act of giving is regarded as promising the donor an equivalent or larger return in the future (Gopalan and Rivera, 1997). It is believed that offering a gift is both a tacit acceptance of one’s lower position relative to God and a symbol of the need to integrate oneself with a higher spiritual being, in order to fuel

prosperity and sustenance (Chawla and Guda, 2013). This also forms the core of the Hindu belief in Karma (Singh and Singh, 2012), which refers to a spiritual belief of cause and effect, whereby the intent and actions of a person impact the future for that individual.

In India, favors, gifts and hospitality are reciprocated at a comparable level and occur at appropriate occasions (Dunfee and Warren, 2001). For example, in traditional marriages involving the Gujarati and Marwari communities, a formal record of the gifts received at the marriage is maintained, so that gifts of equivalent value can be returned in similar social events. The ritual is also acted out in organizational life when employees show appreciation for their superiors by providing gifts and doing personal favors. In return, employees expect unwavering support, protection and promotion (Mantrala et al., 2012). This custom of engendering gratitude has been recognized as playing a crucial role in the promotion of structured top-down business relationships in an Indian context (Kakar, 1971). Providing gifts and performing favors in the Indian context is not necessarily motivated by a hidden agenda to seek further benefits, as is often the case in the Chinese context (Gu et al., 2008). In India, the act of giving can be seen as part of Karma to improve one's position for a better life in the next stage of reincarnation (Berger, 2014). This is contrary to the informal governance structure related to the exchange of gifts or favors in western societies, which primarily are exchange-orientated. For example, accepting gifts or favors provides an obligation on the receiver to return the favor (Blau, 1964). Based on the above discussion, we posit the following:

H2a: The effective use of len-den in business-to-business relationships leads to greater satisfaction in the relationship.

H2b: The effective use of len-den in business-to-business relationships leads to greater long-term orientation in the relationship.

Bharosa

Cultural values affect not only the interests and priorities of individuals but can also influence their approach towards relational exchange (Shi, 2001; Brett, 2001). Prior studies have shown that India is a nation with a collectivist, high-context, strong uncertainty-avoidance and high power-distance culture. This creates a need for developing *bharosa*, which is particularized trust, among Indians when undertaking business transactions (Hall, 1976; Hofstede, 1981). Sable (1993) suggests that

particularized trust is more likely to develop in settings where there is a common history and intertwined fate, as is the case of India. Thus, *bharosa* is needed when exchange is not immediate and the legal system is ineffective (Gu et al., 2008). In collectivist societies, conflict for example is resolved not through challenging the status quo, or notions of fairness as in individualistic societies, but through the display of concern for continuing harmony, peace and continuity (Cohen, 1991; Berger et al., 2018). While collectivist cultures are characterized by a high degree of trust, cooperation and empathy towards their in-group members, they can often become wary when they interact with strangers, as interdependence is non-existent, leading to an inner versus outer group mentality (Gu et al., 2008; McCarthy et al., 2012).

Communication between individuals in collectivist and high-context societies such as India is often characterized by non-verbal cues, being implicit rather than explicit, maintaining harmony and being more focused on avoiding the loss of face in public (Mantrala et al., 2012). High uncertainty-avoidance associated with the Indian cultural context implies risk aversion in society, making individuals more prone towards trust formation and in-group transactions (Lewicki and Bunker, 1996). Thus, in the Indian social context, particularized trust or *bharosa* is an integral aspect of relational bonding and is useful for managing risk. Social ties that increase connectedness and intimacy among actors tend to help facilitate business (Kurt et al., 2011). The nurturing of *bharosa* emanating from the social network base on *jaan-pehchaan* in a business context increases the willingness of a partner to exchange, leading to higher satisfaction as well as greater long-term orientation. Studies in the social networking literature have demonstrated that trust formation is integral to long-term friendship (Harzing et al., 2012). Based on this discussion, it is proposed that:

H3a: The effective use of bharosa in business-to-business relationships leads to greater satisfaction in the relationship.

H3b: The effective use of bharosa in business-to-business relationships leads to greater long-term orientation in the relationship.

Long-term orientation (*Sambandh*), satisfaction and performance

One cornerstone of effective relationship building in India is conceptualized as *Sambandh*, which implies strong, long-term bonds between partners (Sable, 1993). Long-term relationships are seen as essential constructs of social obligation, which can be extended to one's family or very close

social network (Khanna and Palepu, 2000). Long-term orientation plays a role as part of the Hindu religion (Sinha, 1997). Belief in reincarnation and one's actions in the present life have a direct effect on the next (Berger, 2014). Studies suggest that Indian managers tend to go beyond narrow self-interest and make long-term decisions (Chawla and Guda, 2013; Hofstede, 2001). This is claimed to be a result of the concept of selfless transcendence. It is as an enduring belief and a work value that drives satisfaction and long-term orientation in India (Singh and Singh, 2012). Unlike beliefs in western societies that are based on the mastery over nature being key to controlling one's destiny, Indians believe that the future is largely uncertain and is subject to natural forces over which they have no control (Hofstede, 2001). Such a disposition may positively impact on levels of persistence and work ethics (Chawla and Guda, 2013).

Indians often view time as an infinite entity that is part of the vast cosmic cycle (King, 1999). The quest of economic goals and involvement with the material world are disheartened as these are considered distractions that could undermine an individual from attaining salvation as per the beliefs in Karma or reincarnation (Singh and Singh, 2012). On the other hand, it is the values associated with satisfaction from individual relationships that offer long-term prospects for manifesting the hidden purpose of life i.e., preservation and unification of the self with the universe. In response, it is hypothesized that:

H4: High levels of satisfaction in business-to-business relationships will have a positive effect on the long-term orientation of the relationship.

Lee and Dawes (2005) have shown the impact of long-term orientation on relational performance. Research in family-owned businesses and entrepreneurial firms also indicate that long-term orientation is often associated with strong performance (Anderson and Sullivan, 1993; Chrisman et al., 2002; Wang, 2007). The basis of the linkages between long-term orientation and performance in Indian society rests on the spiritual values of Indian society and religious beliefs (Mantrala et al., 2012). Indians value their work because it is a life role in promoting one's Karma. They place such a high value on it that work has become culturally anchored, and as such is considered to be a duty (Sinha, 1997). Indians with Karmic beliefs tend to take ownership of their actions and consider themselves responsible for their actions and these may include bearing the costs of their activities in the future (King, 1999). Indian managers therefore tend to have a long-term orientation

and this frequently enhances their performance (Virmani and Guptan, 1991; Hofstede, 2001). An increase in performance is also enabled by the spiritual value of finding more meaning in one's own work (McCarthy et al., 2012). As a result, it is hypothesized that:

H5: High levels of long-term orientation in business-to-business relationships will have a positive effect on performance.

The positive relationship between satisfaction and performance is well recognized in the management literature (Crosby et al., 1990; Davies et al., 1995; Chadee and Zhang, 2000; Luo and Peng, 2000), but has not been empirically scrutinized in an Indian context. Indian managers tend to find advancement in their personal growth equally important as enhancing performance and it can contribute to broader goals (Virmani and Guptan, 1991). Performing tasks with deeper meanings often leads to greater job satisfaction and better performance (Singh and Gaur, 2009; Sinha and Sinha, 1990). Similarly, other studies have shown that Indian managers with a spiritual inclination tend to be duty-driven, selfless in task actions and united, which leads to greater self-regulation (Mulla and Krishnan, 2007).

Morgan and Hunt (1994) demonstrated that trust and satisfaction between business parties can lead to positive outcomes, including better performance. In the strategy literature, Khanna and Palepu (2000) revealed that Indian firms affiliated with highly networked business groups outperform those that are not. Affiliation therefore serves to help business groups overcome institutional hurdles, such as bureaucracy (Barnes et al., 2011). These networks provide affiliated firms with key connections to enable business exchange. Therefore, having such social network infrastructures is critical for a firm, as they can reduce search costs, contracting costs, transaction costs, ambiguities and opportunism (Uzzi, 1996). Such resources are commonly referred to as social network resources and are not generally available to those outside the network. The role of such social networks on business performance in the Indian context has been studied in the financial and accounting fields but not within the management arena. These social business networks referred to as *jaan-pehchaan* can be used as a source of competitive advantage for firms and managers, since such networks tend to create a handicap for foreign businesses that do not have appropriate connections (Puffer et al., 2010). Based on the above, we hypothesize that:

H6: High levels of satisfaction in business-to-business relationships have a positive effect on performance in the relationship.

Insert Figure 1 about here

Research Design and Methods

Data collection

India was selected for the research context namely because of the complexity in terms of how business is undertaken in this country, its significant economic strength coupled with evidence that it is a relatively under researched, emerging market. Through the Indian Institute of Management in Calcutta, the researchers were able to attain a database of managers in a diverse range of disciplines. A survey was administered to Indian executives employed in either large private domestic firms or MNE affiliates across major metropolitan cities. This was circulated in two stages.

Since English is the common language of business in India, the survey was undertaken in English using seven-point Likert scales. There was a rich diversity in terms of the industry background of respondents, including executives from banking, insurance, electronics, telecommunication, pharmaceuticals, IT, software development and petrochemicals among others. This diverse industry background was ideal for the research context and enabled the researchers to control for any inherent bias that might arise from industry factors that could affect *jaan-pehchaan*. There was also a wide variety in the executives' experience, ranging from early-career executives with three years to senior executives with up to 26 years of work experience.

A qualitative check of the key items of the research was conducted and the framing of questions was carried out prior to the survey by an Indian expert in the discipline from the Indian Institute of Management. This preliminary work was undertaken to ensure that the questions would capture the attitudes of executives and ensure that respondents could fully understand (Mellahi and Harris, 2016). This factor was considered a priority, as response rates in the context of conducting surveys of executives in India are extremely low because of issues such as difficulty in accessing data and a reluctance to share information (Cycyota and Harrison, 2006; Harzing et al., 2012).

Following Chidlow et al. (2015), the Dillman approach was used (Dillman, 1991) through techniques such as pre-notification, personalization of cover letters, clear instructions on how to fill in the survey, a stamped addressed reply envelope included and follow-ups. This made it easier for executives to better understand the purpose of the survey, enabled reliable responses and a reasonable response rate (Baruch and Holtom, 2008).

Before administering the survey, we also observed a few procedural remedies and best practices to mitigate the effects of common method bias in the sample (Conway and Lance, 2010; Brannick et al., 2010). First, there were psychological separation of the items relating to the independent and dependent variables. We also introduced additional items in the questionnaire between the independent and dependent variables to facilitate such separation. Second, the items in the survey were also grouped with distinct headings to make sure that respondents could answer them in a consistent fashion. Moreover, certain items in the research instrument were adjusted to use terminology that Indian executives were familiar with, without changing the context of the question (Chang et al., 2010). In addition, the respondents were assured of total anonymity, confidentiality and were briefed that there were no right or wrong answers.

Four questions measured the extent to which the Indian firm's managers felt they had *pehchaan*. This construct was developed by extending Barnes et al.'s (2011) typology of a measure of the extent of socialization, friendship and closeness. The construct of *len-den* i.e., reciprocity based on communal norms was fine-tuned by developing further five questions used in prior research (Barnes et al., 2011). Three measures captured *bharosa* i.e., particularized trust, to fit the Indian context, which are partly derived from Doney and Cannon (1997) to focus on items measuring credibility, benevolence and trustworthiness. The items measuring *performance* focused on cost savings, profitability, sales success and market share (Hewett and Bearden, 2001; Lee et al., 2004), whereas three and two items respectively captured satisfaction and long-term orientation adapted from Ganesan (1994). Details of the scales and their measurements are available in Table 1.

Insert Table 1 about here

The survey exercise in the first stage resulted in 182 usable questionnaires. In the second stage of the survey (which was conducted a few weeks later), the same process was applied and this resulted in a further 126 usable questionnaires. In total, 308 valid questionnaires were returned and this final sample was used for modeling the impact of *jaan-pehchaan* and its dimensions on Indian executives' long-term orientation, satisfaction and performance. In-line with recommendations in the literature, we conducted additional tests to rule out the possible effects of common method bias and non-response bias (Armstrong and Overton, 1977; Podsakoff et al., 2003). More specifically, we used Harman's single factor test and found that the test revealed no significant bias, i.e. the newly introduced common latent factor accounted for 36.87% of the variance which is far below the accepted threshold (.50) for exhibiting common method bias (Podsakoff, McKenzie, Lee, & Podsakoff, 2003). As an additional diagnostic check recommended by Kock (2015) and Hair et al., (2017), we also adopted a full collinearity assessment approach to investigate outer and inner VIF values. We found that all factors have a VIF value of less than two with the exception of three factors that have a VIF value of less than 2.8, which is lower than the accepted threshold of 3.3 to suggest a problematic influence of common method bias.

Based on recommendations from Hair et al., (2012; 2017), and given the lack of research on *jaan-pehchaan* and its role in business relationships in India, an exploratory process of theoretical development using partial least squares (PLS) modelling was utilized (Lohmöller, 1989; Henseler et al., 2015). PLS is a tried and tested method for exploratory research and is useful when investigating predictive research models that are in the early phases of theory advancement (Fornell and Larcker, 1981). Considering the relatively small sample size for investigating such a complex model ($n=308$), PLS was considered appropriate for testing the concept (Hair et al., 2012a). The consistent partial least squares function was used to acquire the best fit statistics and bootstrapping method in Smart-PLS was used to construct randomized and standardized errors which provided the t-statistics to conduct tests on the key hypotheses.

The quality of the measurement model, in terms of reliability and validity must be as high as possible before testing the structural model (Lee et al., 2006). Construct reliability was tested using the Cronbach's alpha and composite reliability values for each construct. All the Cronbach's alpha values were higher than the recommended threshold of 0.70, ranging from 0.75 for the *pehchaan/satisfaction* scale to 0.90 for the long-term orientation scale (Cronbach, 1988). The composite reliability values were also above the minimum acceptable threshold with each construct

above 0.81 (Netemeyer et al., 2004). The outer-loading values of the indicators used for each construct were all higher than 0.50, suggesting item reliability (Chin, 1988). To evaluate convergent validity, the technique suggested by Fornell and Larcker (1981) was followed using the average variance extracted (AVE) values. The constructs demonstrated satisfactory values of 0.5 and above (full details are provided in Table 1).

Discriminant validity was also tested following the procedure of Fornell and Larcker (1981). According to Fornell and Larcker (1981), discriminant validity is established if a latent variable accounts for more variance in its associated indicator variables than it shares with other constructs in the same model. Thus, each construct's AVE should be compared with its squared correlations with other constructs in the model. In Table 2, the square root of the AVE for each construct (displayed in bold and across the diagonal) was compared with the correlation coefficients (off-diagonal) for each construct in the relevant rows and columns. As indicated in Table 2, the correlation coefficient values of the constructs in each row are lower than the square root of the AVE of the focal construct in that row, thereby satisfying the Fornell-Larcker criterion, signaling discriminant validity (Bagozzi et al., 1991; Hair et al., 2012b).

Secondly, an additional robustness test known as the Heterotrait–Monotrait ratio (HTMT) of correlations was also administered to complement the Fornell-Larcker criterion (Nunally, 1978; Netemeyer et al., 2004). The HTMT ratio is the average for the correlations of indicators across the constructs, quantifying different phenomena relative to the average of the correlations of indicators within the same construct. It can be seen in Table 3 that the values of all the constructs are well below 0.85, therefore satisfying the modest HTMT criterion (Kline, 2011). The only exception is the correlation between satisfaction and long-term orientation at 0.88. However, this value also satisfies the HTMT criterion (0.90) proposed by Gold et al. (2001). The construct values are all significant at $p < 0.004$ or lower. This test again indicates discriminant validity.

We also report overall goodness-of-fit (GoF) indices in Table 4. The model fit in PLS models rely on the bootstrap to determine the likelihood of finding a discrepancy between the empirical model and the model-implied correlation matrix that is as high as the one attained for the sample at hand if the hypothesized model was correct (Dijkstra and Henseler, 2015). The samples for the bootstrap are drawn by modifications to the sample data. The modification to sample data is prepared through orthogonalization of all the variables and a succeeding imposition of the model-implied correlation matrix. The standardized root mean square residual (SRMR) value of the model

(0.05) is comfortably below the accepted threshold of 0.08 proposed by Hu and Bentler (1999) suggesting it has an acceptable fit. Another approximate model fit criteria proposed by Lohmöller (1989) which is the Bentler-Bonett index or normed fit index (NFI) (Bentler and Bonett, 1980) was considered. The NFI value is 0.93, which is above the proposed cut-off point (0.90) and an indication that the model has an acceptable fit (Henseler et al., 2016).

Finally, following recent research by Lew et al., (2016) another test was conducted to assess the predictive relevance of the measurement model. To assess predictive relevance, suggestions by Geisser (1975) and Stone (1974) were followed, thereby using Stone–Geisser’s Q2. The predictive significance of the latent constructs was explored by adopting the cross-validated redundancy Q2 and the cross-validated communality Q2 (Fornell and Cha, 1994). Both the cross-validated redundancy and communality are above 0, signaling predictive relevance in the measurement model.

Insert Table 2 about here

Insert Table 3 about here

Insert Table 4 about here

Findings

Figure 2 depicts the overall results of the tests of the study’s key hypotheses. The impact of pehchaan on satisfaction ($\beta=.154$; $t=2.486$; $p<0.05$) and long-term orientation ($\beta=.126$; $t=2.037$; $p<0.05$) was positive and significant, respectively, thereby supporting hypotheses H1a and H1b. This finding suggests that social bonds enhance connectedness and intimacy among business partners. The impact of len-den (reciprocity based on communal norms) on satisfaction was also positive and significant ($\beta=.179$; $t=3.429$; $p<0.01$) and is in-line with the general literature on how

reciprocity or exchanging favors affects satisfaction in business relationships. It is particularly true in countries where informal social norms and cultural institutions take precedence over formal rules (Sheth, 2011). This enables the cohesion of such relationships through mutual fulfillment of objectives and provides support for hypothesis H2a. As proposed in hypothesis H2b, len-den was found to be positively associated with long-term orientation ($\beta=.113$; $t=2.371$; $p<0.05$). This finding lends credibility to the proposed argument implying that developing len-den in business relationships in India benefits from the reliance on social business networks (Das and Teng, 2002; Mouzas et al., 2007) – see Figure 2.

Insert Figure 2 about here

Bharosa had a positive and significant association with both satisfaction ($\beta=.318$; $t=5.723$; $p<0.001$) and long-term orientation ($\beta=.159$; $t=3.05$; $p<0.01$), respectively, thereby supporting both hypotheses H3a and H3b. In line with similar findings from the literature, bharosa or particularized trust is regarded as an important driver of satisfaction (Caceras and Paparoidamis, 2007; Barnes et al., 2011). Bharosa fosters the willingness of business partners to rely on each other as well as providing a mechanism for making social business networks more secure (Johnson and Thomas, 2006; Paulssen, 2009). The size of the β coefficient and level of statistical significance reported between bharosa and satisfaction also provides credibility of such a relationship. Similarly, bharosa is also likely to influence long-term orientation positively as the latter is affected by the extent to which partners trust each other. The corresponding partner's willingness and ability to deliver positive outcomes to the other defines commitment to the relationship as well as assurance, mutual integrity and reliability (Ganesan, 1994; Morgan and Hunt, 1994). Moreover, partners in high trusting relationships are motivated to regularly communicate with each other and fulfill each other's objectives by trying to resolve differences over the long run, rather than transacting opportunistically through short-term initiatives (Hunt and Nevin, 1974; Boersma et al., 2003). Trust, therefore is seen as an important determinant of long-term orientation for facilitating good business relations in India.

Hypothesis H4 examined the relationship between satisfaction and long-term orientation. The results reveal a positive and highly significant relationship ($\beta=.588$; $t=9.50$; $p<0.001$) in

support of the hypothesis. Prior research also found similar findings in the context of global manufacturer–seller relationships (Ryu et al., 2007) and among western and Chinese managers (Barnes et al., 2011). This finding is in line with the literature, suggesting that satisfaction enhances mutual understanding and cooperation between relational partners (Yen et al., 2011). This may also serve to minimize the need for litigation and improve relations between respective partners. Overall satisfaction among business partners can help to foster confidence and belief that mutual expectations are more likely to proceed. Higher levels of satisfaction in the relationship therefore influence partners to have a long-term orientation.

The structural model also illustrates that both long-term orientation ($\beta=.340$; $t=4.477$; $p<0.001$) and satisfaction ($\beta=.321$; $t=4.638$; $p<0.001$) have a positive and significant association with performance, supporting hypotheses H5 and H6, respectively. In the Indian context, Singh and Koshy (2012) observe that a long-term orientation demonstrated by suppliers in the form of customer orientation has a positive impact on relationship development. In the marketing literature, several papers have also established the association between corporate performance and satisfaction (Reinartz and Kumar, 2000; Anderson and Sullivan, 1993). In East Asian cultures such as China, it has been shown that respect and preventing the loss of ‘face’ can serve to help maintain long-term relationships and enhance performance (Dunfee and Warren, 2001). The effect size for all the estimation models i.e., the direct and mediating effects were also measured. The coefficient of determination R^2 (satisfaction; $R^2=0.22$; long-term orientation; $R^2=0.47$; performance; $R^2=0.48$) are satisfactory and in line with recent research in international strategy and marketing that also used PLS modeling (Wilden et al., 2013; Lew et al., 2016). The overall standardized estimates and p-values from the estimations of the causal model of jaan-pehchaan are reported in Figure 3.

Insert Figure 3 about here

Discussion and Conclusion

Social exchange theory has been posited as a universal phenomenon (Blau, 1964; Shore, 2009) and a suitable theory to help clarify interpersonal interaction (Flynn, 2005). Despite the apparent generalizability of this theory, there have been noticeable differences in applying social exchange models in cultures with different value orientations. Accumulated research on cross-cultural business has shown consistent differences between cultures valuing individualism and those valuing collectivism, even within the same group of individuals. This infers that although economic exchange may be more widely applicable in explaining behaviors in relational societies, it may also vary within particular societies. A deeper understanding of the business values emerging from India's socio-cultural system should enable firms to develop the strategic flexibility necessary to leverage business opportunities (Uhlenbruck et al., 2003). For example, one important managerial challenge in India is that of overcoming a lack of generalized trust when evaluating potential business partners and developing personalized trust to facilitate transactions (Uslaner and Conley, 2003; Jacob and Ehret, 2006).

In response, successful international businesses in emerging economies are drawing on indigenous local cultural values and practices to develop corporate strategies and management practices (Puffer et al., 2013). Cultural differences between nations often represent some of the major reasons for the variations in business practices (Meyer, 2015). Examples include *guanxi* in China, *sviazi* in Russia, *quan he* in Vietnam, *ubuntu* in South Africa and *jaan-pehchaan* in India. In this research, it is suggested that companies wishing to succeed in the Indian market should try to understand the implicit nature of conducting business in this country and appreciate the role of *jaan-pehchaan*, and its three underlying constructs of *pehchaan*, *len-den*, and *bharosa* to better facilitate relational exchange.

This study has conceptualized three-dimensional pillars of this Indian way of conducting business and has empirically examined the influence of these on performance through satisfaction and long-term orientation. The three inter-related dimensions of *jaan-pehchaan* play a significant role in shaping business strategies within the Indian cultural context. In the Indian business context, reciprocity in the form of *len-den* is likely to strengthen relational norms, while *bharosa* and *pehchaan* seem to play an all-encompassing role in the long-term orientation, satisfaction and performance of business relationships. *Len-den* leads to long-term orientation in business

relationships. This could be related to the increase in transactional costs in complex environments. As an alternative to the model proposed in Figure 2, a rival model was run that considers how *pehchaan* is influenced by the other two dimensions of *jaan-pehchaan*, i.e., *len-den* and *bharosa*, along with *pehchaan*'s impact on relationship performance mediated by long-term orientation.

It is interesting to compare and contrast previous research based on the GRX scale in different cultures and countries. It was found that the constructs exist in all countries but in different forms. It is interesting to note that research conducted in an Israeli-Arab context implementing the GRX scale found that reciprocity and trust were important constructs affecting performance while satisfaction served only as a mediating variable with trust (Berger et al., 2015). Within the Russian *Sviazi* business model, trust was split into particularized and generalized trust, while empathy, trust, and satisfaction were mediating variables to performance (Berger et al., 2017). In Greater China, trust was found to have no direct effect on business social networking success (Yen et al., 2011). This highlights the generalizability of the constructs used with the need for better interaction with each other. These constructs create unique models for each culture, to help businesses to build tailor made approaches for these countries. The study can therefore provide some useful insights for practitioners to help them better penetrate such markets (see Appendix).

The study illustrates that it may be useful for international managers to be aware and understand the notion of *bharosa*, *pehchaan*, and *len-den* when attempting to do business in the Indian market. Appreciating that business relationships are culturally anchored may be useful, as could having an open mind to absorb local understanding. For example, trust or *bharosa* in the Indian context is more of a personal trait than a pure function of a relationship. It can be regarded more as anticipation, or an expectation of how a partner will behave. If a partner's behavior is difficult to anticipate, then *bharosa* will be low, and one has less relational value from the perspective of *jaan-pehchaan*. Moreover, *pehchaan* relates to the quality and volume of an individual's social network. All things being equal, an agent with more social ties or enjoying higher social capital is likely to have higher *jaan-pehchaan* compared to others. Therefore, an individual or a firm wishing to commence business in India must invest in developing meaningful relations with those that have well-developed connections, otherwise look to establish their own network. *Jaan-pehchaan* networks are also somewhat utilitarian or purpose-based. They are often permeable to outsiders and can exhibit positive spillover effects via bridging different networks.

A rival model was run illustrating that to engage in meaningful long-term business relationships and to improve relationship performance, *pehchaan* is likely to deliver the most expected beneficial outcomes (see appendix B). Given the importance of affection and familiarity between individuals in tightening the nature of business relationships in the Indian context (Sharma et al., 2006), managers that invoke a greater degree of *pehchaan* may influence some preference among existing partners (Teas and Sibley, 1980) to drive relational continuity (Anderson and Weitz 1989). As such, ties based on affective emotions can positively influence the depth of a relationship and future dependence (Garabarino and Johnson, 1999). However, the model here does provide boundary conditions. More specifically, that developing and strengthening *pehchaan* is likely to be more promising by improving reciprocity through prior and continuing relational investments as well as inter-personal trust, which may be attributed to *len-den* and *bharosa* respectively. This model can be further researched and analyzed in future research.

Whereas careful practice of, and investments in developing *len-den* can positively reinforce norms of reciprocity which are important to successful business relationships (Tangpong et al., 2016), it is suggested that these investments are quintessential to developing *pehchaan* over the long-term. *Bharosa* or inter-personal trust is also likely to deepen business relationships by facilitating the planning and coordination of activities, reducing uncertainty, conflict and the risk of opportunistic behavior as well as promoting honest and open communication (Morgan and Hunt, 1994; Huang and Wilkinson, 2013).

The findings of the rival model also indicate that long-term orientation fully mediates the relationship between *pehchaan* and relationship performance. This is an interesting finding given the gradual transformation of norms and values within the Indian socio-cultural context and the extent to which it permeates business relationships in India (Davidson et al., 2018). It also indicates that long-term orientation has an extremely functional role in regulation and governance of business relationships. India scored 51 on Hofstede's LTO measure in 2018 (compared to 87 for China). This suggests that normative socio-cultural practices underpin relational governance in India and still exercise a degree of fundamental influence on managerial conduct and business practices (Li et al., 2010). Alternatively, given the highly competitive intensity for pursuing long-term profitable investments, managers are also under constant pressure to form trading relationships that are strategically important.

Indian managers are also likely to seek business partners where clear strategic goals can be agreed upon, including allocation of mutual benefits, obligations and design for future trading terms. The managerial competencies to balance these dualities of normative versus rational intentions while developing business relationships is therefore an important consideration (Lee et al., 2018). The research finding reinforces this insight on the delicate nature of long-term orientation in the Indian context. Within this context, relational norms have to be preserved through careful mutual adjustments of strategic objectives and processes to facilitate long-term orientation between business partners. As such, the role of *pehchaan* can be an appropriate mechanism through which relational norms can be managed via promoting interaction and the exchange of information. Indian managers that demonstrate well-established inter-personal ties or *pehchaan* with their business partners are in a more advantageous position to manage the dynamics of such complex business relationships. Consequently, once this type of cooperation exists, greater cohesion is likely to act as a critical foundation for enhancing overall performance.

Limitations and Future Research

Jaan-pehchaan may also be problematic, as through investing in building the relationship over time, there is likely to be some resistance to change, i.e., a type of lock-in effect that can devastate industries (Luo, 2003). There are two main reasons for this: first, the over-reliance on *len-den* (reciprocity), may overload firms and individuals with obligations that may hinder their performance (Jap and Anderson, 2003). Secondly, a robust network based on *len-den* is also likely to create over-embeddedness over time, which may inhibit the flow of novel ideas in the network of individuals, thus stifling innovation (Gargiulo and Benassi, 2000). Such over-reliance on the system hinders individuals from assessing alternative means to get things done.

The over-embeddedness aspects of *len-den* may induce network members to be wary of its negative consequences, especially within the context of generalized reciprocity, such as corruption and decreased profitability (Das and Teng, 2002; Berger et al., 2018). As with any social business networking models, there may be elements of corruption and unethical behavior (Guthrie, 1998; Gu et al., 2008; Dunfee and Warren, 2001). We acknowledge that this manuscript does not delve deeper into this area but feel that such factors could be considered in further research. Future research could therefore look at tracking the effects of *jaan-pehchaan* over time and examine its influence on business performance and ethical standards. Another limitation of the study relates to

the context of India in itself, and perhaps future research could expand this study by analyzing business relationships outside India but involving respondents of Indian origin. A large number of Indians have migrated to North America, Europe and other Asian countries including the Middle East. It would therefore be interesting and useful for scholars and practitioners to see if the model holds across such groups of individuals. As the population of India continues to expand making it shortly the World's largest country, more scholarly research is needed to fully appreciate and understand further about this country. Such findings will be highly valued by both industry practitioners and international scholars alike as they attempt to grapple with the complexities of doing business in this significant market.

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Table 1: Measurement model

Construct measures	Outer loading
<i>Pehchaan (Friendship component)</i>	
(Cronbach's alpha=0.75, CR=0.86, AVE=0.66) (least likely = 1, most likely = 7)	
I am very likely to consider the contact person that I will do business with as being almost as close to me as family	0.73
I would consider whether my contact person's feelings would be hurt before I made an important decision	0.72
I have a brotherly feeling toward the contact person I am likely to do business with	0.79
I would try my best to help out my contact person when he/she is in need because he/she is a friend of mine	0.80
<i>Len-den (Reciprocity component)</i>	
(Cronbach's alpha=0.84, CR=0.81, AVE=0.60) (least likely = 1, most likely = 7)	
I feel a sense of obligation with my contact person and will do him/her a favor when the circumstances arise	0.79
I think that "calling in" favors will be part of doing business with my "contact" person	0.81
The practice of "give and take" of favors will be a key part of the relationship between this contact person and myself	0.76
I would feel embarrassed if I was unable to provide a requested favor for this person	0.74
I will be happy to do a favor for this contact person, when he/she requests one	0.84
<i>Bharosa (Trust component)</i>	
(Cronbach's alpha=0.80, CR=0.88, AVE=0.73) (least likely = 1, most likely = 7)	
The contact person that I will do business with is going to be frank in dealing with us	0.84
The contact person that I will do business with is not going to make false claims	0.84
I think that the contact person will be completely open in dealings with us	0.87
<i>Long-term orientation</i>	
(Cronbach's alpha=0.90, CR=0.92, AVE=0.84) (least likely = 1, most likely = 7)	
I will only be concerned with my outcomes in the relationship with my business contact	0.91
I will expect this contact to be working with me/my future organization for a long time	0.91
<i>Satisfaction</i>	
(Cronbach's alpha=0.75, CR=0.81, AVE=0.60) (least likely = 1, most likely = 7)	
My current (or future) organization is likely to be very satisfied with what this business contact can do for us	0.79
Generally, my current (or future) organization is not likely to regret the decision to do business with this contact	0.81
My current (or future) organization is likely to be very satisfied with overall working relationship of this business contact	0.71
<i>Performance</i>	
(Cronbach's alpha=0.86, CR=0.95, AVE=0.85) (least likely = 1, most likely = 7)	
There will be significant cost savings resulting from doing business with this contact	0.90
My current organization's (or my future organization's) profitability is likely to increase because of this business contact	0.94
The relationship with this business contact will help my future organization to perform better financially	0.92
Note: CR: composite reliability, AVE: average variance extracted. The unit of analysis of the current research is "the individual manager" (working in a large domestic private firm or multinational company in India) with questions focusing on the extent of jaan-pehchaan	

Table 2: Discriminant Validity test following Fornell-Larcker (1981); CR, AVE, square root of AVE (in bold and across the diagonal) and correlation *between* constructs (off-diagonal)

Latent Constructs	CR	AVE	A	B	C	D	E	F
Pehchaan (A)	0.86	0.66	0.81					
Long-term orientation (B)	0.92	0.84	0.30	0.91				
Performance (C)	0.95	0.85	0.31	0.60	0.92			
Len-den (D)	0.81	0.60	0.50	0.13	0.25	0.77		
Satisfaction (E)	0.81	0.60	0.32	0.65	0.61	0.28	0.77	
Bharosa (F)	0.88	0.73	0.26	0.40	0.35	0.10	0.38	0.85

Table 3: Discriminant Validity test: Heterotrait Monotrait (HTMT) criterion

Latent Constructs	A	B	C	D	E	F
Pehchaan (A)						
Long-term orientation (B)	0.37					
Performance (C)	0.37	0.70				
Len-den (D)	0.58	0.15	0.28			
Satisfaction (E)	0.45	0.88	0.78	0.37		
Bharosa (F)	0.32	0.48	0.41	0.11	0.50	

Table 4: Model Goodness of fit

		T Stats	P Values
SRMR	0.05	10.45	0.00
d_ULS	0.32	6.95	0.00
d_G1	0.20	7.20	0.00
d_G2	0.18	7.76	0.00
Chi-Square	280.40		
NFI	0.93		

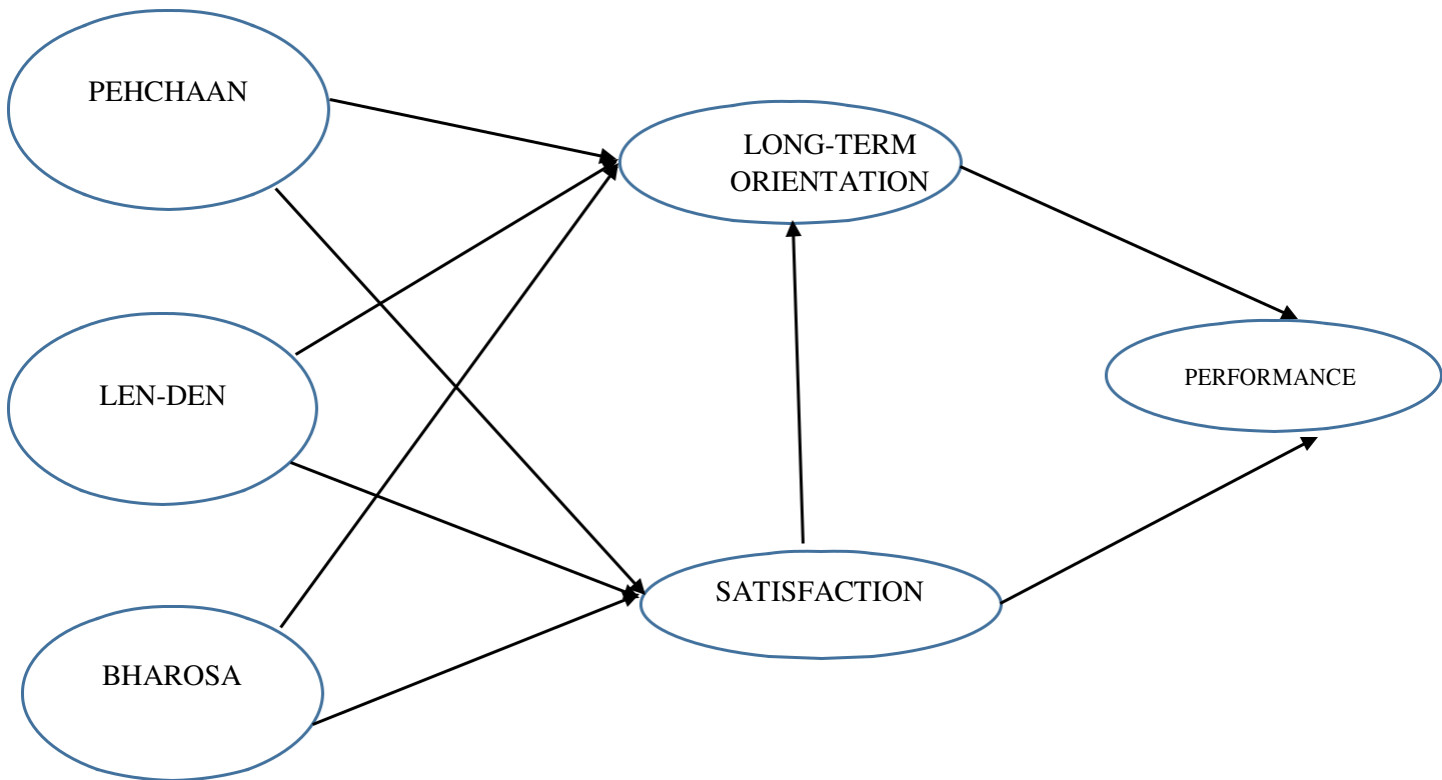
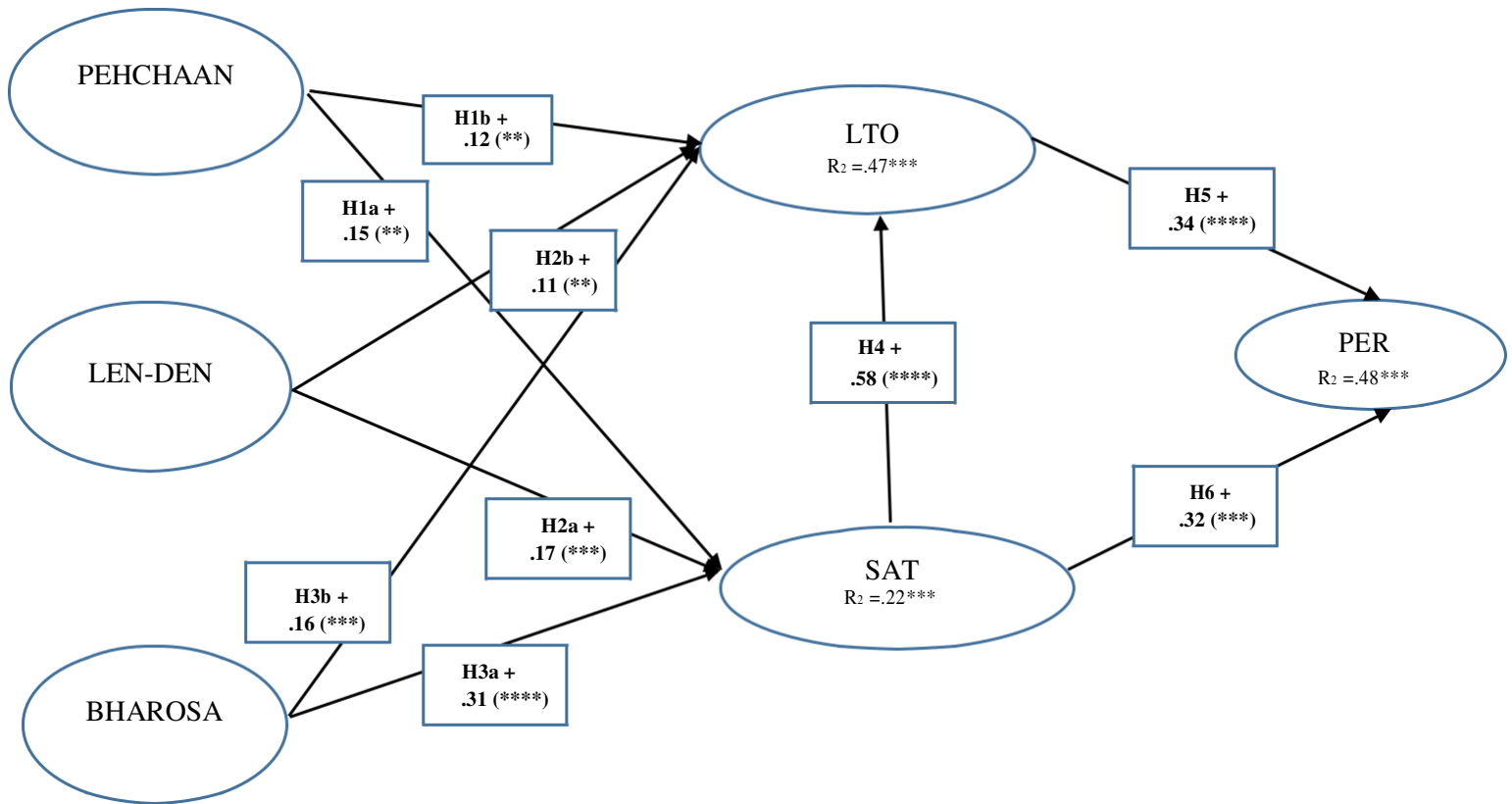


Fig 1. Proposed conceptual model of jaan-pehchaan

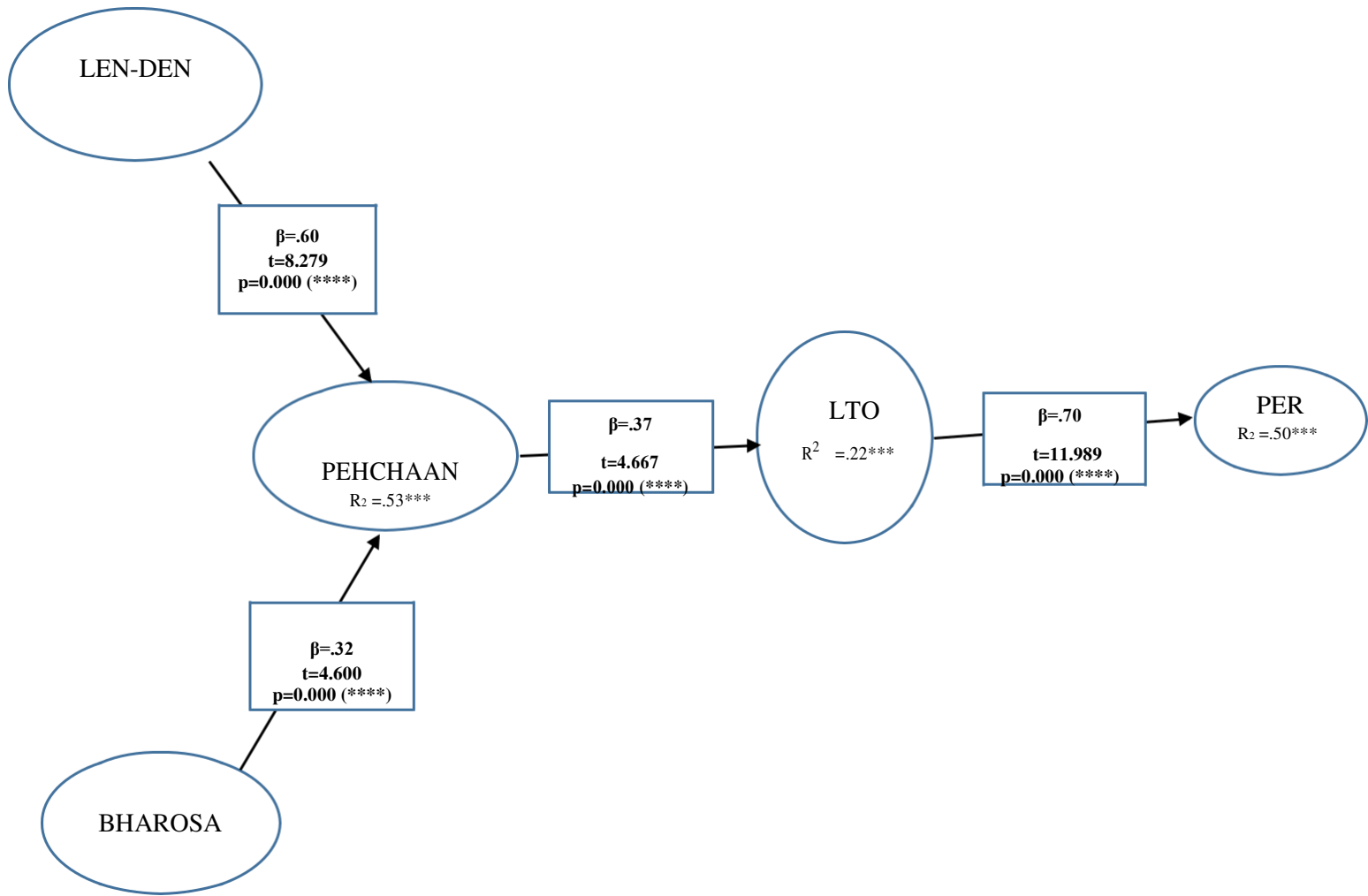


N=308; Loadings shown in standardized estimates; significance levels ****p<0.001; ***p<0.01; **p<0.05 (2-tailed tests)

Fig 2. The causal model of jaan-pehchaan

Path	Hypothesis	Sign	Standardized estimates	p-Value	Result
Pehchaan → SAT	H1a	+ve	.15	0.013	Supported
Pehchaan → LTO	H1b	+ve	.12	0.042	Supported
Len-den → SAT	H2a	+ve	.17	0.002	Supported
Len-den → LTO	H2b	+ve	.11	0.018	Supported
Bharosa → SAT	H3a	+ve	.31	0.000	Supported
Bharosa → LTO	H3b	+ve	.15	0.002	Supported
SAT → LTO	H4	+ve	.58	0.000	Supported
LTO → PER	H5	+ve	.34	0.000	Supported
SAT → PER	H6	+ve	.32	0.002	Supported

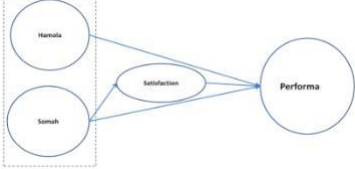
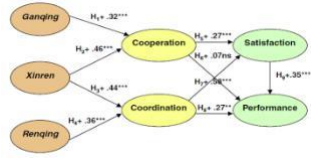
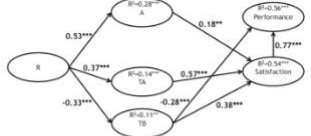
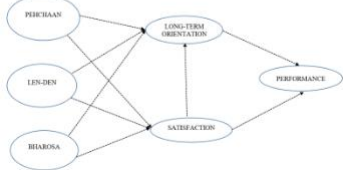
Fig 3. Estimation results of the causal model



N= 308; Loadings shown in standardized estimates; significance levels **** $p < 0.001$;
 *** $p < 0.01$; ** $p < 0.05$ (2-tailed tests)

Fig. 4: The rival model of jaan-pehchaan

Appendix A: The comparison of socially influenced business network models

Term used	Affective – liking the other side	Trusting the other side	Reciprocity – trading through favors	The Model Found
Relational Exchange	Mutual emotions	Trust (looking at generalized versus particularized trust)	Reliance on social networks for exchange of favors i.e. reciprocity	
Wasta	Mojamala	Somah	Hamola	 <p>Source: Berger et al., 2015</p>
Guanxi	Ganqing	Xinren	Renqing	 <p>Source: Barnes et al., 2011</p>
Sviasi	Najti obshij yazik	Doverat' s zakritimi glazami	Podmazivanie	 <p>Source: Berger et al., 2017</p>
Jaan – Pechaan	Pechaan	Bharosa	Len-den	 <p>This study</p>

Appendix B: Rival Model

As an alternative to the model proposed in Figure 2, a rival model was run that considers how pehchaan is influenced by the other two dimensions of jaan-pehchaan, i.e., len-den and bharosa, along with pehchaan's impact on relationship performance mediated by long-term orientation. The driver of the rival model is based on the assumption that the Indian context is composed of a complex interaction of socio-cultural norms and therefore some dimensions of jaan-pehchaan are likely to be more dominant and important in developing business relationships than others. In this rival model, the satisfaction (SAT) variable, had to be excluded because of some of the generic problems associated with non-recursive models that provided overall poor model fit statistics (Finch and French, 2015). The rival model in Figure 4 after exclusion of SAT revealed good fit indices including SRMR of 0.58 and NFI of 0.91.

In examining this rival model, the findings indicate that long-term orientation plays a full mediating role between pehchaan and relationship performance, whereas pehchaan itself acts as a mediator between long-term orientation and the other two dimensions, namely, len-den and bharosa. The path between len-den and pehchaan is positive and highly significant ($\beta=0.604$; $p=0.000$), as is the path between bharosa and pehchaan ($\beta=0.321$; $p=0.000$). The path between pehchaan and long-term orientation is also positive and highly significant ($\beta=0.373$; $p=0.000$) as well as the path between long-term orientation and relationship performance ($\beta=0.701$; $p=0.000$). In brief, this rival model presents an alternative scenario, which considers pehchaan as an importance antecedent of relationship performance. However, the path to developing pehchaan in business-to-business relationships cannot be achieved without considering the role of (and investment in) len-den and bharosa. The striking feature of the rival model is that it accounts for a contingency framework whereby pehchaan is perhaps, in itself, more important among the three competing dimensions of jaan-pehchaan for business-to-business relationship performance. However, the benefits from pehchaan are not going to be automatic unless managers are keen on building networks to improve inter-personal trust (bharosa) and engage in reciprocal relationship building (len-den). Overall, the rival model supports hypotheses *H1b* and *H5*.

Insert Figure 4 about here
