

The Work Environment of Target India

Nina Sreshta
September 20, 2008

Purpose:

- To explore the field of business anthropology, an emergent field, that applies anthropological methods of participant observation and interviews in studying an organization. Business anthropology has proved to be useful in studying consumer behavior, organization theory and culture, intercultural management and communication.
- To understand how an American work culture is translated and expressed in Bangalore, India
- To experience an international business environment

Introduction:

Target is an American retail store established in 1902. Currently there are 1612 stores in the United States. It is ranked 31 on the Fortune 500 list and employs 350,000 team members total- 15,000 who are located in headquarters. There are no stores outside the U.S.; the first stores in Alaska and Hawaii were just recently built.

Target India was established in 2005 by Target Corporation. It is an extension of the headquarters in Minneapolis; team members in both locations collaborate as colleagues. Target India includes 1,500 team members. The predicted growth is 5000 by 2010. Currently there are three locations which are being expanded. Another location is being established in Mysore, a growing city near Bangalore expected to open in 2015.

When presented with the opportunity to study the work environment of Target India, cultivation of corporate culture was particularly intriguing. At Target India there has been a conscious effort to establish a Target culture that is very similar to Target headquarters. The president of Target India told me that the initial assumption was that the cultural differences between the two locations were not relevant and thus it was possible and important to maintain the integrity of Target culture by precisely replicating it in Bangalore.

Target has a very specific company culture which is based on collaboration, work/ life balance, an emphasis on diversity, and minimizing hierarchy. The new CEO Gregg W. Steinhafel expressed the 2008 company vision to be “the best company ever”. This vision is said to be carried out through the three core values: FFF: fast, fun and friendly, E’s of Excellence: energy, enthusiasm, execution equaling excellence, and speed is life. This company rhetoric is pervasive and ubiquitous in the work place, from company stationary to casual conversations between members to training programs.

Methods:

On my first day in the company I sat down with the head of recruiting and other Human Resources team members. They asked me to outline the objectives of the project and I told

them that I was interested in doing personal interviews about working at Target India. Originally I intended to record the interviews but that was not allowed.

I conducted interviews with 44 people from various positions and departments in the company. They were not random as I had planned, but instead scheduled by an HR team. I had every interviewee sign an informed consent form which said that they understood the purpose of the project and that the findings would be kept only within Case Western Reserve University. I also attended a three day long new team member orientation and attended recruiting meetings at various engineering schools.

Observations:

Target India versus Headquarters:

- The team member demographic in Target India is different than that of headquarters. Across pyramids, but more specifically in technology, team members tend to be younger at Target India. In the first few years of their work experience, recruiters and leadership in technology stated that these new team members have high professional aspirations. Because of the ample availability of jobs, these software engineers tend to move from company to company in search of a better salary or more opportunity for growth. This sharply contrasts with the behavior of a typical American team member. As one VP put it, “In America you marry a company, but in India you marry a profession.” Technology team members tend to want to learn more programs, attend many of program trainings that Target offers, and they tend to learn very quickly. An ex-pat manager told me that his team members in India are “technology fluent”, that when comes to writing programs and using new applications, his Indian team members are faster and tend to use innovative and creative approaches.
- The work styles in the two locations also differ. The “nine to five” mentality is prevalent at headquarters, where team members arrive on time, work throughout the day sometimes eating their lunch in their cubicle, and leave on time. In India, the work day is from 9:30-6:30 but since calls are made to Minneapolis in the evening, many team members actually arrive at 10 and often leave later than 6:30. Also, work time at Target India is more flexible. Breaks are taken for coffee or tea which is provided in the cafeteria, or to buy food at the vendor. Many team members take advantage of the complimentary south Indian vegetarian lunch and often eat together in the cafeteria.

Reflections:

A common believe expressed by Target India interviewees was that the tenacity and the determination of Indian team members to enhance their professional growth both have cultural roots. The market has changed in the last few years and there are more options in terms of careers. However, because there is so much competition, the importance of academic and professional achievement is emphasized from childhood on. Having financial security is of major importance in India, and the two most perceived secure professions are engineering and medicine. This mentality is changing because of the number of engineers in the workplace. As one recruiter put it, “The number of engineers graduating from Karnataka alone in one year is about 150,000, and companies will hire the best students, so the rest must consider changing their careers or accepting a less attractive job.”

There still are many jobs available, and many recruiters have noticed that the most important aspect of a job is salary for young engineers. As a result, they tend to be constantly looking for other better paying jobs. Thus, the challenge for Target is to convince new team members to stay with the company. During on-boarding, there was a great deal of emphasis placed on Target's interest in team member horizontal and vertical professional growth. They encourage team members to make Individual Development Plans, which are yearly plans that outline individual strengths and opportunities and professional aspirations. They go over their IDPs with their managers at least twice a year, but some teams have monthly sessions with managers to chart improvement. The members of the generalist HR team who were interviewed felt that Target genuinely cares about their professional growth. Also, Target India is in a different position in terms of leadership than HQ. At headquarters most of the leadership has "grown up through the ranks", whereas in Target India, as it is a start-up and relatively new endeavor, leaders have been brought in. In on-boarding, there was also an emphasis placed on adopting the Minneapolis notion of leadership and development, or that team members should stay with the organization and grow within it.

Cultural Adjustments:

Most of the ex-pats at Target have not lived and worked in a foreign country, so upon coming to India there was an initial cultural shock. The juxtaposition of rich and poor, developed and underdeveloped was an aspect of Indian life that they needed to cope with and frankly something that I still cope with. Also, in India many people have help around the house: maids, cooks, drivers etc. While one would think that having more help would be an attractive option for anyone, the loss of independence and privacy, two valued attributes of American life, requires significant adjustment.

Moving to Target India also required an alteration in leadership styles. Specifically, they found that Indian team members had a harder time dealing with ambiguity, which upon further reflection they attributed to their previous work experience. Indian team members who come from technology service industries are generally given clear instructions from clients and managers. A leader who deals with creative aspects of marketing recounted an instance where he gave his team members general instructions for their upcoming project. He found that his team members were not aware of his exact expectations however and thus could not complete the project. Now he uses a more interactive approach where he probes team members for their ideas while suggesting some of his own.

There are many leaders in the company who have studied and worked in the U.S. for a significant period of time. There was major cultural adjustment for them too when they returned to India. One leader said that it was hard for her to come back because people do not expect you to have problems adjusting, since she is Indian. However, adjusting back to Indian life, she experienced the same types of difficulties that ex-pats felt. Another leader said that his family at first had a hard time adjusting. However, one team member said that he underwent no cultural adjustment. He lives in a gated community of pristine houses with manicured lawns, beautifully paved roads and tight security. "You can basically live in a bubble. The power never goes out, the plumbing is great- it's even better than living in the U.S. A lot of ex-pats live there. My kids have been here for three years and have not lost their accent."

Aspects of the Company that Team Members Like:

- High energy and enthusiastic environment
- Being part of a company that listens to individuals:
 - Parental Insurance was a policy that grew out of team member requests in the “Best Team Ever” survey
- Great Team Card- and the Target policy of recognition
- Target’s commitment to team member development
 - Opportunities to explore projects in different pyramids
 - Leadership opportunities within teams
 - Training and acquisition of new skills
 - IDPs
 - Mentoring program
- Team spirit, and community focus
- Many team members expressed their respect for the company’s involvement with the community. The contribution of 5% of weekly revenue to community development and the individual team member initiatives in NGOs and various service projects makes team members proud to work for this company.
- Fellow team members
- Collaborative nature of the company
- FFF events and the integration of FFF ideals in everyday life
- Being part of such an impressive company

Target India versus Team Member’s Previous Employer

- Target India, being a relatively new company, is an attractive place to work for several reasons. One of the most common reasons I received was that contributing to the formation of the company, such as suggesting policy changes, is valued by employees. One recruiter who entered the company when there were only 250 members noticed that the conversion rate of new recruits was only 55%. This was because Target was not a recognizable brand in India. She developed the “Keep Warm Strategy” where after a job has been offered to a potential team member, a manager and the recruiter call the prospective employee and follow up. This is now a fully implemented strategy and the conversion rate is now 78%; eight percent above the market rate for multinational corporations (MNC).
- Many team members worked for Indian companies where there was a stricter hierarchy. Aspects of work culture at Target like the “open door policy” were a novel idea. Leaders have told me that the adjustment to Target culture is a gradual one which takes several months. One ex-pat said that a significant part of his day is dedicated to leadership coaching- explaining things like the E’s of excellence to his managers. Even compared to MNC’s like GE and Fidelity, Target is less hierarchical
- The work-life balance is also a new idea for many new team members who are used to working late in the evening, whereas at Target team members are encouraged to go home. One group manager said, “If you have to stay after six consistently, you get no brownie points. There is either a problem with your work load or with you.” A recruiter for property development described the hours that local consulting firms impose on civil engineers and architects, “It is not uncommon for these people to be working twelve plus hours a day.” A leader in finance described the work-life

- balance, “We want you to come in excited to work, do your job and get out and have a life.”
- Target is also a very family-oriented company. Many of the female leadership said that compared to their previous companies, Target accepts that a woman may have other roles to fulfill.

Team Member Suggestions:

Many Indian team members feel that in order to bridge the cultural gap between HQ and Target India there should be more exchange programs. They feel as though ex-pat stays should be lengthened to a year or even two years. In-pats visits should be made more frequent and should include team members across pyramids and in various positions.

One leader said that he felt as though the objectives of Target India should be clearer. He felt that the pyramids in Target India do not operate in the same way as at headquarters and if operations were more streamlined that there could be improved efficiency.

Also, a common theme expressed by Target India interviewees was that team members in Minneapolis needed to have a better understanding of how Target India helps Target Corporation, what its functions are, and that it poses no danger to their jobs. This should lead to improved communication between locations and the insecurity that may exist in Minneapolis would be relieved. The Finance team has an admirable relationship with their headquarters counterparts and a leader told me the reason has been because of open communication. Implementing an initiative where leaders from various teams in India regularly went to Minneapolis and talked about India culture and life in Target India would improve relations.

Many team members expressed that they would like greater variety in the provided lunch.

My Suggestions

- All team members feasibly cannot visit a Target store, so in order to build a more tangible connection and in order to visualize what the Target experience is, a virtual Target store could be very helpful. My university has built a virtual university through the program Second Life where prospective students who may not have the opportunity to actually visit the campus can walk around the campus virtually. They have broadcasted live concerts, lectures, and orientation programs in the virtual Case Western Reserve University world. Also, prospective students can interact with current students, prospective students, and faculty. The Second Life Target store could be a useful tool in training programs like Merchandising 101, Stores 101, and Retail 101. Also during the induction process new team members would find the opportunity to explore a Target store virtually helpful and engaging. Perhaps making virtual store accessible to the public would be a useful tool in recruitment, spreading the brand and bringing the shopping experience at Target to life.
- Recruitment: When talking to a senior group manager in technology, I was told that 10 percent of new members should come directly from college. With Target’s growth plan, 5000 team members by 2010, there is a lot of opportunity for newly graduated software engineers. I accompanied two members of the recruiting team

to two engineering campuses, BIT and BMS, as they were trying to establish relationships with the placement officers from these institutions. One of the disadvantages for Target in this sphere is that many recruits are not familiar with Target. Several companies like Lubrizol and Pfizer recruit on my campus, a university known for its engineering school. They have cookouts with music and recruiters handing out information on the company and opportunities available. If Target were to follow the model of these companies, hosting fun events on engineering campuses, something that no other company does, it could build brand recognition and establish itself as a fun, high-energy company.

Walking into a Target Store

I asked everyone I interviewed how they felt when they walked into a Target store and the general feeling was that working in India, where there are no Target retail stores, made it difficult to visualize the impact of changes in retail operations which were suggested by their Target India teams. However, those employees who had been to the U.S. and had an opportunity to enter a Target store consistently stated that they were impressed by the massiveness of it all, the clean, wide aisles; that it was an overwhelming experience. Employees felt that seeing the connection between their daily activities and the changes and suggestions they made come to fruition was incredibly satisfying.

- “It certainly is an emotional experience”
- “I always look to see if team members come up to me and ask ‘can I help you find something?’”
- “I feel a sense of peace. It’s comforting.”
- “I used to handle finances in electronics. When we would talk about a product and then I would walk into the store and see it in the store. I wanted to know how many were sold”.
- “You can tell that we are the best company ever when you walk into our store.
- “I definitely feel a direct connection... you know more about functions and processes than people working in the store. To them you are just another customer, but you actually know how everything works”