Culture Clashes at Mehta Investment Group: A Case Study

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# ABSTRACT

*The case study is about a small multinational financial investment firm located in England with over $43 million in net profit and employs over 500 people. Thirteen employees of the firm have complained about the display of a “Swastika” by coworkers in the workplace. The company is faced with the challenges associated with diverse workforce with different nationalities, cultural values, and religious beliefs, and legal complications in the European Union.*

# THE COMPANY

Mehta Investment Group [MIG] Inc. is a global, private, for-profit, financial investment company headquartered in London, Britain. The owner and the Chairman of the company, Cameron Mehta, started the company with $500 dollars as a result of an argument with his father at the age of 20. Since its inception, over the past 41 years, company has grown in the financial sector of the European Union. The firm’s core business is investment on behalf of its clients. In 2007, the company reported $43 million in net profits, has clients from the 20 member countries of the European Union, and employs over 500 employees in Britain, France, Germany, and Spain. The company is in the rapid growth stage and has projected a $50 million in net profit in 2008. Mehta Investment Group attributes its success to the corporate culture that stems from the leadership style and personal values of Cameron Mehta, Chairman of the company. In addition, Cameron Mehta attributes the success of the company to his diverse employees. The diverse work-force of the company is composed of different nationalities, religious beliefs, and cultural values. With the growth of the company, Cameron plans to increase his work-force from 500 employees to 700 over the next four years.

# THE EMPLOYEES

Over the years, company has not had any serious complaint from the employees. The job satisfaction among employees has been very high. The company has enjoyed a steady growth every year for the past 40 years. The growth and success of the company is due to diversity of employees at all levels of the organization, who are characterized as hard-working, dedicated, loyal, familyoriented, and religious. The diverse work force is composed of numerous religions and national origins. Also, the company Chairman and the majority of the employees share similar values, which have driven the growth and success of the company. As a result, more than 50% of the employees have been with the company for 15 years or more. The employee turnover rate is at 6% and well below the industry average of 26%. The diverse work-force has strengthened company’s contacts in the industry and brought in clients of different national origins and from all 20 member countries of the European Union. Table 1 presents the breakdown of employees by national origin, location, and religion.

Table 1: Company-Wide Employees

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **National Origin**  |  | **Location**  |  | **Religion**  |  |
| Indian  | 60% | Britain  | 80% | Hinduism  | 50% |
| British  | 20% | Germany  | 9% | Judaism  | 25% |
| German  | 12% | France  | 5% | Christianity  | 22% |
| French  | 3% | Spain  | 5% | Islam  | 2% |
| Other  | 5% | Other  | 1% | Other  | 1% |

# THE DILEMMA

Allysa Liverpool, the CEO of Mehta Investment Group (a British company) receives a memorandum from Priya Mehta, the Vice President of Operations, regarding dissatisfaction among several employees. The memorandum addresses a complaint from thirteen employees through internal Employee Feedback Card. The employees at the Britain location have expressed their dissatisfaction and outrage regarding some of the co-workers displaying a “Red Swastika” in their offices. The thirteen employees find the display of swastika offensive and a commendation of acts of Nazi during the WWII. The thirteen employees’ nationalities are—British (9), Indians (1), French (2), and Other

(1). The religious faiths of the thirteen employees are: Judaism (6), Christianity (4), Islam (1), and Other (2).

Although only 13 employees have complained about the display of a “Red Swastika”, Priya stated “the problem is severe and if an immediate solution is not reached, it could get out of control”. The practice of displaying a “Red Swastika” is common to the British and German locations and has been going on for over 15 years. However, she stresses the seriousness of the dilemma and employee complaint since one of the employees making the complaint, a British national with Judaism faith, is married to the son of the owner of a major local newspaper. Also, she assesses the situation to be a companywide issue and connected to the laws of Germany, Britain, and the European Union.

After a few months, the issue was becoming a major concern as few more employees joined in support of the complaint. In their complaints, the employees have demanded that the company fire the employees displaying the “Red Swastika”, provide an apology (from Cameron Mehta) to the employees and their families for allowing such a conduct, and pass a companywide policy banning the use and display of the “Swastika” in any form and in any place in the company, immediately.

# The Chairman

Cameron Mehta, the Chairman of Mehta Investment Group [MIG] Inc., has always worked for himself. An entrepreneur at heart, his passion was to start his own business. He has never worked in management positions for any company nor has he started more than one business of his own. He spent his entire career with Mehta Investment Group [MIG] Inc. Cameron Mehta is the primary reason of the success of the company, today. He was raised in London, is 59 years of age, and has an MBA degree from a small, private College in London, Britain. His parents met in London at an Indian festival called Diwali. His mother was an Anglo-German Christian and father was an Indian migrated from India with Hinduism as his religious faith. Cameron grew up to appreciate both the cultures and religious faiths. Also, the name Cameron Mehta is a representation of both Anglo-German and Indian cultures.

During his pursuit of the Bachelor of Business Administration degree, Cameron Mehta’s performance in the classes was below average (equivalent to the US education system at or below C). As a result, one day, in an argument, Cameron’ parents told him that “he will not be a successful person unless he has the discipline and drive to do something with his life”. They added, “It seems to us that you are wasting your life away although we have instilled the best values of two cultures in you”. Cameron had a tremendous amount of respect for his parents and saw them as his heroes and role models. He wanted to make them proud. So, his parent’s words hurt his feelings and he took them to heart. On one side, to prove his parents wrong, and on the other side, not to disappoint them, Cameron decided to invest $500 dollars in the stock market. He had saved this money from the summer odd jobs as newspaper delivery boy, bus boy, and a waiter. He had a special interest in the stock market and often used to look at the stock prices in the newspaper every week to see how companies were doing with their stock prices. While delivering the newspapers at age 16, he had conceived a dream of becoming a millionaire by buying and selling stocks of different companies by the time he reached the age of 30.

Cameron Mehta attributes his and Mehta Investment Group’s success to the values he received from his parents, which include discipline, hard-work, honesty, loyalty, passion, leadership, family, and religious faith. He lives his life by these values on a daily basis. For example, he always arrives at work at 7:30 a.m. before any employee and starts his day with a brief prayer as per the religious practices in Hinduism and Christianity. According to his philosophy and leadership style, employees are part of his extended family. Thus, he always wants to be informed of employees’ professional as well as personal growth and success.

# The Chief Executive Officer

Allysa Liverpool, the CEO of Mehta Investment Group. (a British company), is 50 years of age. Prior to joining the company, Allysa was the Vice President of Finance, Director of Financial Operations, Investment Analyst, Financial Planner, and Investment Broker with numerous multinational companies in France, Britain, Germany and Spain. Although a Christian, she respects people of all faith for their beliefs and practices. Although, in her past experiences, Allysa’s clients included high powered and influential people, she did not have the opportunity to work with employees with varied religious and cultural backgrounds. Some of her clients were prominent lawyers, doctors, top executives, politicians, parliament members, high level government officials, and on the Forbes Top 100 Richest People in the World from numerous countries in the European Union. Although she is not in contact with them on a regular basis, her relationships with some of them are very good. Her past relationships with the clients help the company establish a good image of the company and public relations standing with the public and media.

After the review of the complaint and pertinent information, Allysa concluded that the situation and the complaint was not a serious concern and did not need to be classified as a high priority. As a result, she decided to not bring the issue to the attention of Cameron Mehta. She considered Cameron Mehta to be very set in his ways, religious in his beliefs, traditional in his values, and old fashioned in his thinking. She thought that brining the complaint to the attention of Cameron will only make matters worse since he probably would support the religious practices and family values of his majority employees. She is confident that she could tackle the problem without getting Cameron involved in the situation.

**Vice President of Operations:**

Priya Mehta has a Doctorate in Human Resources Management from a prominent Ivy League

University in the USA. She is raised in US and Britain and is 35 years of age. At Mehta Investment Group [MIG] Inc., she has been the Vice President of Operations for the past 5 years. Prior to joining the company, her cumulative experiences of 4 years include Director of Operations and Assistant Director of Public Relations with prominent companies in US and Britain. She is the daughter of the Chairman of the company. As her father, she shares the values instilled in her from her parents. She is well respected in the industry and by the employees at her company and maintains outstanding relations with the employees and his father. She regards her father, Cameron Mehta, as her mentor, role model, and hero, however, often has disagreed with her father on key issues in the best interest of the company. She regards Allysa Liverpool, the CEO of Mehta Investment Group [MIG], Inc., to be less concerned about the employees and more focused on the bottom line, i.e., profit in monetary terms. Due to Priya’s expertise in human resources and understanding of the legal and regulatory implications related to labor issues, she often finds herself opposing Allysa Liverpool on matters related to human resources at the company.

# RESEARCHING THE COMPLAINT

In her research of the complaint, Priya Mehta learned the following at the Company level (inclusive of subsidiaries at all locations):

It was true that some employees were displaying a *“Red Swastika”* that was mentioned in the complaint. No one in the company was displaying the “Nazi Swastika”. In the Hinduism, Buddhism, and Jainism religions, the “Red Swastika” is used during marriage ceremonies, religious prayers, house warming parties, grand opening ceremonies of a new business, New Year celebrations, in homes and temples, and painted on the forehead of a baby on her/his first hair-cutting sacrament. It is viewed as a good luck charm. Hindus regard “The Swastika” in much the same way as Christians view the Cross.

Nazi Germans copied the original “*swastika”* from Hinduism and with a slight modification, used it for Nazi propaganda. The Hindu swastika faces to the right, unlike the one adopted by the Nazis which faces to the left. Also, the Hindu swastika is traditionally red, a color regarded as auspicious by Hindus, whereas the Nazi Swastika is black.

The employees displaying the “*Red Swastika”* were of different nationality, Anglo as well as nonAnglo with the religious faith of Hinduism.

The total number of employees displaying the *“Red Swastika”* was 60% of the total company workforce. Table 2 presents the company-wide breakdown by national origin, location, and religion, of those employees (60% of company work-force) displaying the *“Red swastika”.*

Priya Mehta noted that when Prince Harry was pictured wearing the *“Nazi Swastika”*, the people asked for an apology, which he rendered. However, due to the lack of sufficient time she did not include specific information pertaining to the laws of the European Union related to the employee complaints, but advised Allysa Liverpool to review EU laws prior to making any decision.

Table 2: Company-Wide Employees Displaying the “Red Swastika”

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **National Origin**  |  | **Location**  |  | **Religion**  |  |
| Indian  | 37%  | Britain  | 45%  | Hinduism  | 54%  |
| British  | 14%  | Germany  | 13%  | Judaism  | 00%  |
| German  | 08%  | France  | 01%  | Christianity  | 05%  |
| French  | 00%  | Spain  | 01%  | Islam  | 01%  |
| Other  | 01%  | Other  | 00%  | Other  | 00%  |

# Position of Employees with Hinduism Faith

The *“Red Swastika”* display was part of the ritual in a brief prayer according to Hinduism religion and was symbolically drawn in red color on the photo of one of the Goddess called *Lakshmi*—known as the *Goddess of Money*. Employees of Hinduism faith believe in starting every day with a symbolic ritual and a prayer that was one minute long. In Hinduism the general belief is that drawing a *“Red Swastika”* brings spiritual, mental, and financial success and prosperity for the day in everything they do, including bringing new clients to the firm. It is regarded as the second most sacred symbol after the “Om” and is used to ward evil spirit and devotion to God. Hinduism is the oldest documented religion in the world and the practice of drawing the *“Red Swastika”* dates back to 5000 years. The Hindu employees stated that the Hinduism religion, its rituals and practices, and the symbolic use of swastika had been around before the existence of western countries, Nazi propaganda, and Adolf Hitler.

According to the people of Hinduism, Buddhism, and Jainism faith, the company cannot ban their religious symbols, which have been part of their beliefs, culture, and religious traditions well before the Western culture and countries were born. They reminded Priya Mehta that they too are the citizens of Europe and have the right to practice their religion. In addition, it is their belief that over the years, company has benefited from their prayers. They raised interesting questions for the company executives: If the company decides to ban one, will it ban all other similar symbols such as the Om in Hinduism, Cross or Jesus Fish in Christianity, The Star of David in Judaism, CTRChoose the Right in Mormon, and the Crescent and Star in Islam? Where will the company draw the line on what is acceptable and what is not? Will the company ban the way certain employees dress? Should the company ban the display of Cross just because the Ku Klux Klan used to burn it? Should the company ban the display of a *"Swastika”* just because the Nazi used it for irreprehensible purposes?

# Position of Employees with Judaism Faith

A “Swastika” used by Nazi Germans has been a symbol of atrocity towards Jewish people, in particular, and the world, in general. A display of such a symbol is offensive, insulting, and a commendation of acts of Nazi during the WWII. Such a message from the company will not be tolerated. All nations and governments around the world have condemned the acts of Nazi Germans and the representation of the *“Nazi Swastika”*. Also, in order to learn from the History associated with the *“Swastika”* company must take proactive actions on this issue and eliminate its display and use in its entirety from the work-place.

# Position of Employees with Christian and Muslim Faiths

Employees with Christian and Muslim faith did not provide any explanation for such a display nor did they take a position in favor or against the display of the *“Red Swastika”* by coworkers. Although, the thirteen employees that have brought the complaint forward suspect that the Christian and Muslim employees are displaying the “red swastika” to align themselves with the Chairman and majority of Hindu employees of the company.

# Position of Employees of European Origin

The nationalism and regionalism is on the rise in European Union. As a result, several legislations have been introduced in the European Union Parliament to legally ban the use and display of the following in both the public and private places in the European Countries: (1) “The Swastika”, and (2) all religious symbols. In addition, legislations have been introduced in the British Parliament to legally ban the use and display of “The Swastika” in both the public and private places in Britain. The results of the vote on all of the legislations are pending. They may or may not get passed through the Parliament. According to the laws of Germany, it is illegal to use or display the “Nazi Swastika” anywhere in Germany. In France, it is illegal for anyone to wear a *hijab* (a scarf covering the head or face) in public places. The French law directly affected the religious beliefs and practices of the people of Islam.

Priya Mehta attached all of the detailed research information associated with the complaint to her memorandum for the review of Allysa Liverpool, CEO of Mehta Investment Group [MIG], Inc.

*Note: To conceal the identity and to protect the individuals and interests of the firm, the names of the company and employees were changed and the statistical information provided by the firm was proportionately modified in this case study.*

**Student Instructions:**

**Prepare a case study addressing the following elements:**

1. **Describe at least two cultural differences, views, values, and organizational culture of Mehta Investment Group (MIG).**
2. **Discuss how these cultural differences impact the business practices and employee relations for MIG.**
3. **Propose at least two courses of actions as to how to solve the cultural issues presented in the case, fully explaining the process and implementation of the proposed actions.**
4. **Determine and recommend the most appropriate course of action, outlining the decision making and reasoning behind chosen recommendation.**