

## The Offshoring Cultural Divide – The Unsaid Story

Ernest Paul, March 2006

Confusion, misunderstandings stemming from cultural differences are ever more leading to a breakdown of almost every offshore outsourcing project. In fact, in a recent CIO Magazine survey, 51% of the CIOs said that the greatest offshore outsourcing challenge is overcoming culture differences.

This cultural divide is subtle, intangible, rarely quantified, and ill addressed. By understanding and interpreting cultural differences a healthy fusion is achievable. Before undertaking a project with international participants, cultural challenges specific to the countries and regions ought to be shared and accommodations discussed.

With advances in technology worldwide teams can be constructed using a variety of collaboration technologies. To bridge the time zones, long distance communication is a necessity. These long distance teams will inevitably face cultural differences. Our own culture is invisible to us and it is usually the foreign cultures that appear 'strange'.

Here is an attempt to address some of these differences amongst cultures, in a work environment.

Culture is acquired. It allows people to behave and likewise react in a predictable manner. These signals, reactions, gestures, body language is directly related to the values, mores, roles, hierarchies and attitudes of that specific culture.

Figure 1(a) below, demonstrates key areas where these differences are apparent and deserve special consideration when negotiating, socializing, and working together.

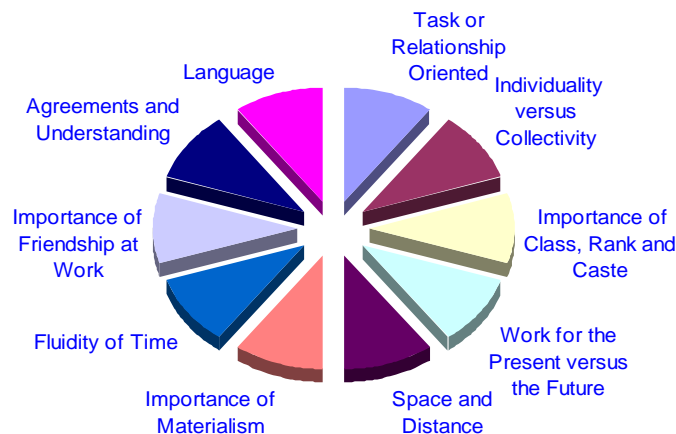


Fig 1 (a)

- **Task Oriented versus Relationship Oriented** – Workers in the United States, Japan and Germany are extremely task oriented. 'Time is money' is the adage. A mercenary approach to a project is common. The vocational school approach has given additional rise to perfect the cog in the wheel, in Germany. Not to forget, Japan and Germany were built in large part with the US brain trust after WW11. However in countries like

France and Russia work relationships take precedent. India and China are currently somewhere in the middle but gradually shifting to task oriented attitudes.

- **Individuality versus Collectivity** – The US worker will voice his/her opinion to advance or enhance personal ambition. There is a great degree of individual jousting. Whereas workers in India, China will choose the collective approach. India, a former colonial country and China attempting to shed its Communist roots will move in the middle as the outsourcing trends shift from BPO/ITO to KPO (Knowledge Process Outsourcing) in the coming years.
- **Importance of Class, Rank and Caste** – Rank and Class do not play any significant role in the US workplace. However in Britain, Ireland, and India they do. All former colonial countries show signs of importance associated with class and rank. In India, the additional aspect of caste seems to play a role. A higher caste individual generally would gain respect quicker as an authority figure. A lack of migration within India has culturally concentrated individuals, in various hub cities which deserves additional attention.
- **Work for the Present versus the Future** – The workers in India and China are extremely focused towards a secure financial future and rarely take risks to jeopardize their job security. However the approach in Russia is 'to live for today'. In the US, the workers are in the middle with a gradual shift towards 'looking to the future' as global conditions put pressure on US workers.
- **Space and Distance** – When conversing, social distance matters. In the Middle East, it is normal for individuals to be only a foot apart from each other while conversing, whereas in the US this would be an invasion of personal space. A US worker would take any open seat in a conference room. This would be a no-no for Japanese or an Indian worker. Rank and power would dictate seating.
- **Importance of Materialism** – A US Manager would gladly take the largest office and drive an expensive car. Japanese managers would be alongside their workers to feel the pulse of the office. A Scandinavian Manager would get a pat on the back from workers for driving a beat up car.
- **Fluidity of Time** – In the US, deadlines are taken very seriously. In some cultures, time is irrelevant and works more like a doctor's office appointment. In India, deadlines are not taken as seriously as they are in the US. Thus, clarity of deadlines and task completion expectations should be assessed ahead of time and stressed upon.
- **Importance of Friendship at Work** – In countries like India, France, and Israel, friendships and business relationships take a long time to develop, whereas in the US these relationships are extremely transitory because of an internally mobile and migrant society.
- **Agreements and Understanding** – In some cultures, a handshake deal is as good as gold. In others, a formal contract is the norm. However, in the Outsourcing/Offshoring arena, formal contracts have become standard and have crossed cultural boundaries. Disagreements by workers in the US, India, France get vocal, whereas in China and Japan they are quite subdued.
- **Language** – Language barriers have led to misunderstandings. In a Call Center, where there is direct contact with a customer scenario, linguistic missteps have led to disastrous results. Spoken English is different in the US versus, say India. Some words may be taken literally in one country and not in another. Region-specific references may not be understood by the team in another country over a conference call. Where English is not the native language, the preferred method of communication by foreign workers is IM, rather than the telephone.

Long Distance teams have been in place for quite some time now, for example software coding is done in India, whereas the software testing is done in the US. In another scenario, part of the team is located in another country, while simultaneous work goes on in both locations. There are several factors that deserve scrutiny and attention when assembling these cross cultural teams.

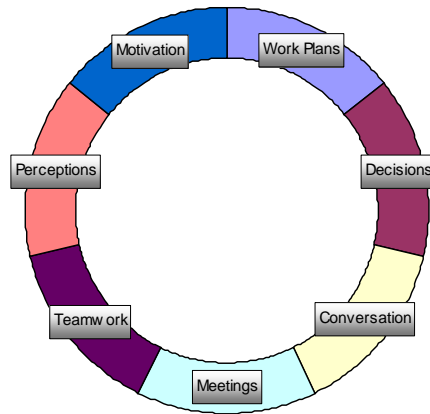


Fig 1(b)

**Work Plans** – In the US, when planning for new work or for an upcoming project the style that works best is one of an announcement followed by a discussion, in perhaps a town hall type setting. This ‘inclusiveness in the decision making’ motivates the workers to ‘buy in’. However in authoritarian countries like India, once the top brass has confirmed the work, it is defined, assigned and distributed to the workers.

**Decisions** – In Asian cultures precedent and tradition guides decision making for the most part, whereas in the US and the Western countries the criteria is money, time and quality.

**Conversation** – In Asia, an extended physical distance between individuals is considered respectful to authority. Asians are more modest when sharing accomplishments whereas the American tendency to be open and honest is often construed as rude and boastful by Europeans.

**Meetings** – When hosting a meeting Americans get straight to the point and jump right into the thick of things, and would abruptly end the meeting. This would be perfectly fine in the US but would be considered or perceived as rude by Europeans and Asian alike. The Asians and Europeans would indulge in a little bit of ‘idle time’ talk before and after the meeting. The relationship building part is given a lot more importance in other cultures.

**Teamwork** – Conversations, gestures, meeting of the eyes, and tones convey important messages and influence how a member of a team perceives another. Appearances could lead a team member to a preconceived notion or a cultural stereotype that could adversely affect the team karma.

**Perceptions** – Overseas teammates when visiting the US have known to have received a tough reception perhaps due to an existing stereotype. A prevailing false misconception of another’s abilities may falsely exist. First impressions are lasting - a certain trait or behavior could trigger a suspicion of inability.

**Motivation** – In cultures which encourage individualism, workers appreciate monetary recognition, whereas cultures like India where family and friendships are more important, time off would be preferred than a monetary reward.

In conclusion, because values, habits, and mores differ in multicultural groups, it is best to share with the team the cultural hindrances and sync needed, in a combined forum ahead of project commencement, for the group to be effective in the long run. This is an essential building block of constructing a cross cultural team that will be highly productive.