

Leveraging Cultural Heterogeneity in Swedish-Indian Offshoring Teams

- A Managerial Perspective

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ABSTRACT

In today's global business environment firms strive to increase their competitiveness and reduce costs by various means. As a consequence the trend towards offshoring has accelerated at a fast rate and become increasingly relevant for the developed economies of the world, including Sweden. India is one of the world's most popular offshoring locations and in the Nordics it is ranked as number one. Offshoring projects imply the management of a culturally diverse team, which according to cultural diversity research can be viewed as either a major risk for the project or a critical factor for success. In the case of Swedish companies that have offshored to India there have been increased hidden costs related to cross-cultural differences in work-related behaviors. The majority of research has in a similar vein addressed the negative effects rather than the positive effects of cultural diversity.

In this thesis we have thus aimed to explore how one can extract value from a team's cultural heterogeneity (and hence reduce such hidden costs) in the context of Swedish-Indian offshoring projects. This was accomplished by identifying which cross-cultural differences a Swedish manager experience as challenging when managing an Indian-Swedish offshoring project team and how these cross-cultural differences can be leveraged by the manager.

Our findings revealed three major cross-cultural managerial challenges, namely: (I) the Hierarchical Structure (II) Orientation to Time and Scheduling and (III) Project/Task Management and its relation to "Face". These results allowed us to adapt Maloney and Zellmer-Bruhn's (2006) four propositions regarding how to leverage cultural heterogeneity by promoting Social Integration and Self-Verification processes into revised propositions that are specifically adjusted for Swedish-Indian offshoring teams.

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1 INTRODUCTION

1.1 BACKGROUND

The nature of international trade has changed significantly during the past decades (Hummels et al. 2001). One of the most important changes and a key driver of business transformation is the process of outsourcing, employed by firms in attempt to remain competitive or increase their competitiveness in today's global business environment (Mol and Kotabe, 2011). Outsourcing has been identified as one of the most significant strategic issues that can create value for a firm (Holcomb and Hitt, 2007).

According to Schindler (2006) companies continuously look for new cost-effective methods to implement, produce and provide their products and services. Multiple studies show that cost benefits are the key drivers of outsourcing (Lilly et al., 2005) but offshoring (see definition in section 1.2) is progressing in the value chain from labour arbitrages to "new forms of locational advantages based on human capital such as the access to skilled human resources and/or innovation capabilities" (Gooris and Peeters, 2013, p.7)

The trend towards offshoring has accelerated at a fast rate and gained great importance in the developed economies of the world (McIvor, 2005). According to Becker et al (2011) the offshoring industry is predicted to continue growing, which is already the case in Sweden, even if there are variations between different industries. It is predicted that by 2015, approximately 20 000 jobs in Sweden will move offshore, which is a significant increase compared to 1400 jobs in 2004 (Parker, 2004).

When firms engage in offshoring they need to consider a geographical dimension, i.e decide to which country they will offshore (Contractor, 2008). India is a popular low-cost country that attracts many companies from developed countries to offshore all or part of their business (Lewin and Peeters, 2006) and it is one of the world's first offshore locations (Ang and Inkpen, 2008). In addition, India is by far the most popular outsourcing target for Nordic countries followed by Central/Eastern Europe and China according to KPMG Sourcing Advisory's annual survey of customer satisfaction among Nordic companies that outsource IT services (KPMG, 2013). One of the reasons behind India's popularity is that a large part of the population is English-speaking (Tribune, 2012). Other factors include: "abundant skilled manpower, improving telecom and other infrastructures, fast turnaround time, proactive and industry friendly government policies" (Sarkar and Reddy, 2006, p.5).

Beside the geographical dimension, offshoring also has an organizational dimension where firms need to choose a structure for their offshoring projects. The different possible structures are many, varying from entirely outsourced models to different forms of intermediate models such as shared ownership and hybrid delivery models (Contractor, 2008). Consequently, offshoring projects require managing teams that transcend both organizational and national boundaries. Organizations will therefore have to cope with a higher degree of cultural diversity than normally. This increased cultural diversity has been categorized in offshoring literature as either being a substantial risk for companies or a potential competitive capability enabling success for offshoring initiatives (e.g. Cox and Blake, 1991; Ang and Inkpen, 2008; Metters, 2008).

Research on culturally diverse teams often comes to the conclusion that cultural diversity can be both an asset and a liability. However, there is more literature addressing the negative effects rather than the positive effects of cultural diversity. (Stahl et al, 2010) One can therefore find more theories on this particular subject than of the positive outcomes of culturally diverse teams. There is however new research emerging highlighting the positive associations with cultural diversity in a team (Bachmann, 2006; Zander and Butler, 2010; Maloney and Zellmer-Bruhn, 2006). Researchers such as Vermeulen and Barkema (2001), Björkman, Stahl, and Vaara (2007) and Reus and Lamont (2009) propose for example that cultural differences can affect organizations in a positive manner as they can support companies in cross-border M&A to develop important organizational capabilities as well as promote learning and innovation. In this thesis we have chosen to employ the work of Maloney and Zellmer-Bruhn (2006) who argue that positive outcomes can be achieved if managers promote both Social Integration and Self-Verification processes (described in section 2.2.2) in culturally diverse teams. They have developed four propositions that, among others, help to mediate difficulties that may arise from heterogeneous team compositions.

1.2 DEFINITIONS

Outsourcing can be defined as "the organisational relocation of activities or entire functions outside a firm's boundaries" (Mol and Kotabe, 2011, p.4). When organizational activities previously carried out at the local level are moved to other countries, it is referred to as *offshoring* (Harrison and McMillan, 2006). *Offshore outsourcing* is a form of offshoring described by Kirkegaard (2005) as purchases of intermediate inputs at arms length from outside vendors. As we will look into the collaboration between

Sweden and India the focus of this thesis will be on offshoring. We are addressing how cultural differences can be leveraged to create effective Swedish-Indian offshoring teams. In our study we have decided to define a team's *effectiveness* as “a comparison of what is actually produced or performed with what can be achieved with the same consumption of resources (money, time, labour, etc.)”.

1.3 PROBLEM DISCUSSION

A decision to offshore may not always be profitable. This is due to many reasons, including cultural misunderstandings between companies and clients or across international borders (Nicholson et al., 2006). Stringfellow et al. (2008) argue that there are invisible costs associated with offshoring, which can partly be explained by interaction distance and a combination of cultural, language and geographical distance. According to Matloff (2005) Swedish companies have experienced increased hidden costs for cross-cultural differences in work-related behaviours when offshoring or offshore outsourcing to India. Problems related to communication and knowledge transfer that arise between customers and offshore vendors depend on, among other, linguistic, cultural, institutional and technical reasons (Nicholson et al., 2006). Companies often have difficulties to deal with these invisible costs (Heijmen et al., 2008). For example, one of many challenges associated with cultural differences in India is human resources management issues resulting from Western HRM practices (Stringfellow et al., 2008). Applying Swedish HRM practices in India could thus induce challenges that are associated with the most contrasting cultural dimensions between the two cultures. According to Nardon and Steers (2006) these are; “power distribution”, “rule orientation” and “time orientation” (see table 1).

Country	Relationship with the Environment	Social Organization	Power Distribution	Rule Orientation	Time Orientation
India	Harmony	Collectivist	<i>Hierarchical</i>	<i>Relationship-based</i>	<i>Polychronic</i>
Sweden	Harmony+	Collectivist	<i>Egalitarian+</i>	<i>Rule-based+</i>	<i>Monochronic</i>

Note: The '+' sign indicates that the society has a stronger tendency towards that specific cultural dimension.
Source: Nardon and Steers (2006)

Table 1. Country Ratings of India and Sweden

For firms within the Swedish consulting industry that offshore to India – a polychronic society – and have Swedish people as clients that e.g. value punctuality, keeping deadlines etc. due to Sweden being a monochronic society, the importance of resolving, understanding and leveraging cross-cultural differences of a heterogeneous team becomes even more tangible.

Should one however apply the rationale of Maloney and Zellmer-Bruhn (2006) then one would view cultural differences as a potential asset. This would consequently mean that the risk for “invisible costs” caused by cultural misunderstandings would diminish.

Despite India being the most popular outsourcing target for Nordic countries there is little research concerning the cross-cultural collaboration between Swedish and Indian employees in an offshoring project. There is especially a gap in the literature regarding how one can achieve positive outcomes from a culturally heterogeneous offshoring project-team with Swedish and Indian employees.

1.4 PURPOSE

The aim of this thesis is to contribute to the current body of cross-cultural management literature within the field of offshoring, and to fill the above-mentioned gap in literature. In order to do this, we will explore which cultural differences that exist within Swedish-Indian offshoring teams from a Swedish manager’s perspective and examine how the Swedish manager can handle and leverage those differences from culturally heterogeneous teams with Swedish and Indian subordinates. We will employ Nardon and Steers’s framework (detailed description in section 2.1.5) to explicate what national cultural differences that are perceived by Swedish managers as being most challenging in Swedish-Indian offshoring projects. Further, we will apply Maloney and Zellmer-Bruhn’s four propositions (listed in table 2) to explain how managers can handle heterogeneous compositions of teams in order to overcome difficulties and reap benefits created by heterogeneity.

1.5 RESEARCH QUESTIONS

The previous considerations lead us to two overarching research questions.

1. *From a national culture perspective; what managerial adjustments do Swedish managers operating in Indian offshoring projects perceive as being the most challenging?*
2. *How can Swedish managers handle perceived challenges and leverage cultural differences in Swedish-Indian offshoring teams?*

The aim with the first question is to identify which managerial areas Swedish managers perceive as being the most challenging in offshoring projects with India. Based on these insights we aim to investigate whether these findings are influenced by value differences derived from national culture. Subsequently, we aspire to examine in research question number two, what impact these differences have on the managers and how they can be leveraged in order to contribute to creating effective Swedish-Indian offshoring teams and successful offshoring projects.

1.6 DISPOSITION

Following the previous introduction in which we presented the purpose of this study and established the research questions the disposition of this paper is:

Chapter 2: **Theoretical framework**

In the introduction we will present a literature review of the topic, including theories and previous research relevant for this study. This is followed by a motivation and description of the chosen theoretical foundations.

Chapter 3: **Methodology**

The chapter clarifies the methodology of the thesis. The used research approach, company selection and presentation, interview construction and data collection will be explained in this section. This chapter is concluded by a discussion on quality of the study, including aspects of reliability, validity and objectivity.

Chapter 4: **Empirical results**

In the fourth chapter we will present our empirical findings, structured according to our research questions. The first part will address our findings regarding challenges from a national cultural perspective and the second part will outline the findings regarding how to manage challenges and

leverage cultural differences in Swedish-Indian offshoring teams.

Chapter 5: Analysis

This chapter is divided into two subsections that can be directly related to our research questions. In each section we will analyse our findings by mainly using the theory presented in the literature review and the theoretical frameworks.

Chapter 6: Conclusion

The thesis will be finalized by presenting the main findings of the thesis, the theoretical & managerial implications and the study's limitations. Furthermore suggestions on future research will conclude this chapter.

2 LITERATURE REVIEW

2.1 NATIONAL CULTURE AND ITS IMPACT ON MANAGEMENT

When discussing the link between management and culture one needs to explore the field of cross cultural management. As Primecz et al. (2009) elucidates, cross cultural management research is dominated by literature that mainly treats national culture. One can especially find many comparative studies concerning national culture by researchers such as Hofstede (1980), Trompenaars (1993), Schwartz (1994) and House et al. (2004). The primary aim of this type of research is to show, explain and understand that management practices differ across nations and that the main influential factor for this divergence is national culture (Schuler and Rogovsky, 1998; Hofstede and Minkov, 2010; Primecz et al. 2009). Research that encompasses comparative cultural studies will be the main focus of this thesis.

2.1.1 COMPARATIVE STUDIES OF CULTURAL DIMENSIONS

National Culture

The notion of “national culture” is both complex and multifaceted. Although external artefacts and symbols such as clothing, local language and cuisine may give one a sense of the local culture it is the

shared beliefs and values that create the core of Hofstede's metaphorical "onion" (the symbols and artefacts belong in the onion's many layers) or the foundation of the metaphorical "iceberg" (where only part of the culture is visible above the surface) (Taras, Steel and Kirkman, 2011; Hofstede, 1980). These values and shared beliefs are embedded in the everyday life and are considered difficult to change (Newman and Nollen, 1996). Jaeger (1986) refers to national culture as "common theories of behaviour or mental programs that are shared" (Jaeger, 1986, p. 179) while Hofstede (1993), in a similar manner, describes it as the "collective programming of the mind which distinguishes one group or category of people from another" (Hofstede, 1993, p.89).

"There is no such thing as universal management"

Hofstede (1993) argues that different national cultures require different management approaches, that is, that one cannot make the mistake of applying American management theories by researchers such as Herzberg, Maslun and Snyderman (1959), Maslow (1970), McClelland (1961), McGregor (1960) and Vroom (1964) worldwide. Cross-cultural management research has shown that management practices such as, inter alia, human resource management, leadership style and decision-making all differ in accordance with the national culture (Newman and Nollen, 1996). One can illustrate, measure as well as compare these differences by employing theoretical constructs, namely cultural dimensions (Primecz et al., 2009).

Cultural Dimensions

The relationship between management and national culture has been explored through the usage of cultural dimensions by several researchers; Hofstede (1980), Trompenaars (1993), House et al. (2004) and Hall (1959) to name a few. One of the earliest models based on culture was proposed by cultural anthropologists Florence Kluckhohn and Fred Strodtbeck (1961). Their theory revolved around five identified value orientations/cultural dimensions that could be employed to describe the dominant value system of a society. Kluckhohn and Strodtbeck (1961) came to the conclusion that there is a limited number of problems – as well as solutions – that are common for all societies.

Geert Hofstede, another cultural researcher, conducted one of the most widely known studies in 1980. The study was based on a survey among employees within the company IBM and took over 40 countries into account. It became one of the first studies that could be quantified with numbers. Hofstede (1980; 2001) identified five (originally four) bipolar dimensions, which illustrate national cultural differences

(see table 2). He claimed that these dimensions describe the impact a society's cultural values have on the behaviour of the members of the society, or in the aspect of management, the effect cultural values have on management practices.

<i>Cultural Dimension</i>	<i>Description</i>	<i>India (score)</i>	<i>Sweden (score)</i>
<i>Power Distance (PDI)</i>	"The extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally" (Hofstede, 2001, p. 98)	77	31
<i>Individualism/Collectivism (IDV)</i>	"Individualism stands for a society in which the ties between individuals are loose: everyone is expected to look after him/herself and her/his immediate family only/.../ Collectivism stands for a society in which people from birth onwards are integrated into strong, cohesive in-groups, which throughout people's lifetime continue protect them in exchange for unquestioning loyalty" (Hofstede, 2001, p. 225)	71	48
<i>Masculinity/Femininity (MAS)</i>	"Masculinity stands for a society in which social gender roles are clearly distinct: Men are supposed to be assertive, tough and focused on material success; women are supposed to be more modest, tender, and concerned with the quality of life. /.../ Femininity stands for a society in which social gender roles overlap: Both men and women are supposed to be modest, tender, and concerned with the quality of life", (Hofstede, 2001, p. 297)	5	56
<i>Uncertainty Avoidance (UAI)</i>	"The extent to which the members of a culture feel threatened by uncertain or unknown situations" (Hofstede, 2001, p. 161)	29	40
<i>Long- versus Short Term Orientation (LTO)</i>	"Long Term Orientation stands for the fostering of virtues oriented towards future rewards, in particular, perseverance and thrift. Its opposite pole, Short Term Orientation, stands for the fostering of virtues related to the past and the present, in particular, respect for tradition, preservation of face and fulfilling social obligations" (Hofstede, 2001, p. 359)	20	61

Table 2. Hofstede's Cultural Dimensions

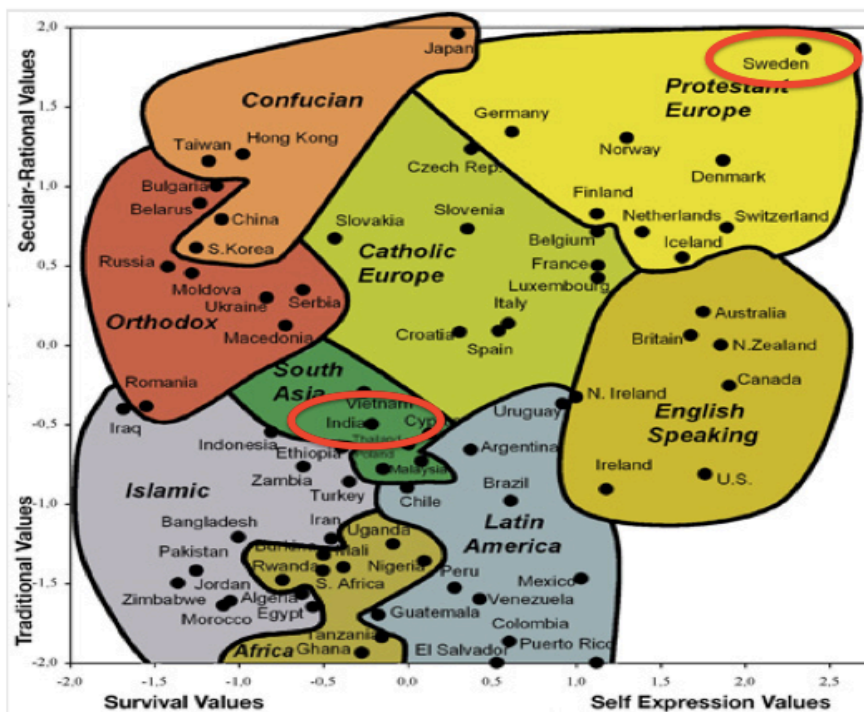
Despite criticism from various researchers (e.g. McSweeney 2002; Schwartz 1994; Kirkman, Lowe and Gibson 2003; Fang 2006, 2012) Hofstede's theory has been replicated several times (Shackleton and Ali, 1990; Merritt, 2000; Merkin, 2006) and has also been employed as a benchmark for multiple significant research findings. Building on the work of Hofstede, the well-known management researcher Fons Trompenaars developed a model consisting of seven dimensions focusing on how values and relationships differ across cultures (Nardon and Steers, 2006). The model was however based on the early work of Parson and Shils (1951).

Furthermore, one can find two of Hofstede's cultural dimensions (e.g. power distance and uncertainty avoidance) in one of the most extensive studies conducted regarding the impact of cultural differences on leadership processes, namely the *GLOBE* study by House et al. (2004).

Cultural dimensions have also been employed by researchers taking on a more psychological approach, one of which is Shalom Schwartz (1992, 1994), who claims that the essential difference between values that prevail in a society is the motivational goals.

Cultural Values

An additional perspective of cultural values is provided by the World Values Surveys (WVS); a worldwide network of social scientists who study changing values of different countries and their impact on social and political life (World Values Survey, 2010). Based on the surveys, Inglehart and Welzel (2010) have developed a cultural map, illustrating the values of different nations in regard to Traditional/Secular-rational and Survival/Self-expression values. These two dimensions were selected as they explained more than 70% of the cross-cultural variance on scores of more specific values included in the survey.



Source: Inglehart and Welzel (2010)

Figure 1. The World Value Survey Cultural Map 2005-2008

In countries with a low/negative ranking on the scale of Traditional/Secular-rational values, religion is very important and the societies emphasise parent-child ties, deference to authority and traditional family values. In countries with a high/positive ranking on this dimension, the opposite is true. The dimension of Survival values toward Self-expression values is linked with the transition from industrial societies to post-industrial/knowledge societies. A high ranking on this scale implies that a majority of the population has grown up taking survival for granted. They have thus shifted their priorities from an emphasis on economic and physical security and are instead mainly focused on self-expression values such as subjective well-being, quality of life and individual freedom. (Inglehart and Welzel, 2010)

As illustrated by figure 1, India ranks below average on the Traditional/Secular-rational dimension and slightly below average on the Survival/Self-expression dimension, while Sweden is positioned in the very upper right corner, ranking exceptionally high on both dimensions. Even though the World Value Survey Cultural Map does not specifically address cross-cultural management, we assess that the dimensions of the cultural map are strongly interlinked with essential aspects of the management style and business culture in various countries. An understanding of the cultural map can hence contribute to explain root causes of different cultural behaviours and misunderstandings in cross-cultural business settings, which makes it relevant for our study.

Intercultural communication

A frequently used generalization in cross-cultural management theory is the categorization of national cultures in terms of low-context versus high context communication (Hall, 1959). These terms are coined by Edward T Hall in 1959; a researcher who explored the concept of intercultural communication. In cultures with high-context communication the meaning is largely implicit, i.e. specifically articulated, and influenced by the specific situation and context. It is assumed that most of the information is known or understood by the people involved and consequently little is explicitly said or written down. On the contrary, in cultures with low-context communication the meaning of information is normally pronounced explicitly (Hall, 1959). Naturally, unawareness of whether information should or shouldn't be addressed openly in a certain national culture can lead to severe problems in terms of cross-cultural communication.

Convergence of Cultural Models

Due to the lack of convergence between some of the previously mentioned cultural models, Nardon and Steers (2006) have attempted to establish convergence by proposing five common themes that they claim pervade the different influential models (i.e. Kluckhohn and Strodtbeck (1961), Hofstede (1980), Hall (1959), Trompenaars (1993), Schwartz (1992), House et al. (2004)). These themes (derived in table 3) are: 1) relationship with the environment 2) social organization 3) power distribution 4) rule orientation and 5) time orientation. They are referred to as “the Big Five Cultural Dimensions” and will be discussed further in section 2.1.5.

Common Themes Across Six Culture Models

Common Themes	Culture Models					
	Kluckhohn & Strodtbeck	Hofstede	Hall	Trompenaars	Schwartz	GLOBE
Relationship with Environment	X	X		X	X	X
Social Organization	X	X	X	X	X	X
Power Distribution	X	X		X	X	X
Rule Orientation		X		X		X
Time Orientation	X	X	X	X		X
Other Themes						
Physical Space			X			
Emotion Displays				X		
Role Integration				X		
Human Nature	X					

Source: Nardon and Steers (2006)

Table 3. Common themes across six models

2.1.2 GRASPING CULTURAL COMPLEXITIES WITH SITUATIONAL AND RELATIONAL PERSPECTIVES

The dominant approach of cross-cultural research is based on identifying sets of cultural dimensions that characterise different national cultures, such as Nardon and Steers’ (2006) “Big Five” Cultural Dimensions. These dimensions are described as manifesting themselves in organizations by the thinking, feeling and acting of nationally constituted actors. Some researchers though criticize the conceptualization of national culture and claim that traditional cultural models, which don’t account for the situational and relational character of social identification processes, are unable to provide a comprehensive picture of the cultural complexities. According to Ybema and Byun (2009), these

descriptions give a “rather minimal, static and monolithic sketch of national cultures.” In order to grasp the actualities of everyday work situations, situational sense-making practises and power relations between cultural partners should be considered (Ybema and Byun, 2009). In addition, instead of analyzing culture from the dominant bipolar paradigm, Fang (2006; 2012) promotes a dialectical approach to culture.

2.1.3 MOVING BEYOND CULTURAL STEREOTYPES WITH A SOCIAL CONSTRUCTIVIST FRAMEWORK

From a social constructivist point of view, culture is seen as the construction of meaning and its “negotiation” in social encounters (Clausen, 2010). The social constructivist framework is thus another alternative to the view of culture as inherent and relatively stable. By studying how managers perceive, address and cope with cultural problems between Danish headquarters and Japanese subsidiaries, Clausen (2010) has found ways that some managers manage to move beyond generalizing stereotypes.

Cases in Clausen’s research demonstrate that several stereotypes and cultural dimensions from the comparative cross-cultural research (e.g. Nardon and Steers’s, 2006; Hofstede, 1980; Hall, 1959) may be useful as background information for researchers and practitioners. However, to fully describe cultural encounters as they dynamically unfold over time, it is necessary to move beyond relying on generalizations. When managers are able to see, understand and transcend their mental programming or cultural conditioning, it is possible for them to use cultural differences within the corporations as strategic assets (Clausen, 2010).

Value systems and cultural assumptions serve as the basis for cultural stereotypes. Value-trumping is the ability of an organizational actor to prioritize one value over another in a given management situation (Osland and Bird, 2000). In order to master value-trumping, managers need to be familiar with different cultural values that can influence communication. By foreseeing which values that are most important in a given situation and acting accordingly, some cultural stereotypes can be encompassed and others can be “trumped” (Osland and Bird, 2000). According to Adler (2002), the ability to turn cultural differences to organizational advantages presupposes the interplay of alternative realities and simultaneously rejects actual and potential domination of one reality over another.

2.1.4 VIEWING CULTURE AS A COLLECTIVE IDENTITY

The focus of our study is on national culture and its impact on cross-cultural management in offshoring teams. However, we are aware of that organizations are made up of more than mere national cultural identities. Culture can be conceptualized as a “collective identity”, as it provides a focus point for collective belonging. Examples of cultures as collective identities are professional cultures, organizational cultures and site cultures (Mahadevan, 2011). According to Mahadevan (2011, p. 89); “all levels of collective identities can and might be equally powerful – depending, for example, on context, plays of power, individual and group agenda.” We acknowledge that cross-cultural cooperation is thus not only influenced by differences in national culture but also by a dynamic set of alternative subcultures, existing within and across national collective identities.

When a group of people starts to define themselves as a collective “We”, they will inevitably create a group of “Others” (Ricoeur, 1992). There is no simple explanation to how and which people that are included in the collective identity defined as “We”. Additionally, in times of stability and crises the boundaries of a collective identity change. This situation is illustrated in Mahadevan’s (2011) study of a German high-tech company, offshoring engineering responsibilities to a site in India. The German and Indian engineers in the organization formed a clear, united subculture – a “We” contrasted to the group of “Others”, which consisted of non-engineers from a mix of national cultures. Previous research has shown similar dynamics and concluded that the transnational engineering community can be seen as a delocalized culture of experts, which communicates with universal, partly virtual practices (Gupta and Ferguson, 1997; Mahadevan, 2009).

Depending on issues of for example power, hierarchy, crisis and perceived endangerment, new collective identities can become salient versus dormant. In the case of the German high-tech company, the increasing offshoring to India resulted in that many German engineers started to fear that they would become superfluous and eventually lose their jobs. This made them reluctant to share all their knowledge and expertise openly with their Indian counterparts. Furthermore, they gradually started to view the Indian engineers as “Others” and describe them with generalizing national stereotypes. This development exemplifies that when people create boundaries for a group of “Others”, it is based on an interpretation of one’s own situation rather than on objective facts or “real” cultural differences (Mahadevan, 2011). Consequently, there is a danger of organizational dynamics in the field of cross-cultural management.

As organizational actors possess the power of reinterpretation and sense-making, they have the possibility to use whatever knowledge they acquire as a basis for creating stereotypes and cultural divides. Even cross-cultural training and information about intercultural dimensions, aimed at facilitating the cross-cultural collaboration, can thus become counterproductive and fuel potential conflicts between sites in different nations. “Engineers might use learned dimensions of national cultural differences (even if though they don’t believe in them) to prove that working together with the offshore site cannot work and to overcome their own endangerment.” (Mahadevan, 2011, p. 99) In order to avoid this undesirable scenario it is crucial that cross-cultural managers are aware of the employees’ perspectives of the company’s intercultural borders and able to develop intercultural measures accordingly.

2.1.5 THEORETICAL FRAMEWORK: NARDON AND STEERS’ S MODEL OF NATIONAL CULTURE

Among the different models that treat the subject of “cross-cultural management”, we have decided to employ Nardon and Steers’ model of national culture as our theoretical framework. As previously mentioned, the researchers have identified “Big Five” common themes, derived by comparing six of the most renowned national cultural models – proposed by Kluckhohn and Strodtbeck (1961), Hofstede (1980), Hall (1959), Trompenaars (1993), Schwartz (1994), and House (2004) and his GLOBE associates – in the management research area in order to seek convergence of the main differences between cultures. According to Nardon and Steers (2006) this converged model facilitates research and makes cross-cultural comparisons more meaningful. We have chosen to base our study on this model as it allows us to look at the principal and convergent cultural dimensions rather than advocating one model over another. Since all models have some important elements that add to our understanding of management in cross-cultural settings, a convergence will provide us with a wide-ranging perspective that is suitable for answering research question number 1. Taken together these models try to accomplish two things; the first is to offer a set of dimensions, which one can use as a means of comparing cultures, and the second is to provide numeric scores as an indication for how countries might vary culturally. Our main focus will lie on “power distribution” and “time orientation” as they have been identified amongst the dimensions where Sweden and India differ most. This theoretical framework will serve as a “starting point” for the thesis.

The “Big Five” Cultural Dimensions

Cultural Dimensions	Focus of Dimensions	Scale Anchors
Relationship with the Environment	<i>Relationship with the natural and social environment:</i> Extent to which people seek to change and control or live in harmony with their natural and social surroundings.	Mastery vs. Harmony
Social Organization	<i>Role of individuals and groups:</i> Extent to which social relationships emphasize individual rights and responsibilities or group goals and collective action.	Individualism vs. Collectivism
Power Distribution	<i>Power distribution in society:</i> Extent to which power in a society is distributed hierarchically or in a more egalitarian or participative fashion.	Hierarchical vs. Egalitarian
Rule Orientation	<i>Relative importance of rules:</i> Extent to which behavior is regulated by rules, laws, and formal procedures or by other factors such as unique circumstances and relationships.	Rule-based vs. Relationship-based
Time Orientation	<i>Time perception and tasks:</i> Extent to which people organize their time based on sequential attention to single tasks or simultaneous attention to multiple tasks.	Monochronic vs. Polychronic

Source: Nardon and Steers (2006)

Table 4: Theoretical framework: “The Big Five” Cultural Dimensions

Relationship with the Environment: Mastery vs. Harmony

Even though each model has a different definition of the extent or nature of the relationship, five of the six models reviewed recognize that the degree to which each attempt to control their environment or adapt to their surrounding varies between cultures. Nardon and Steers (2006) refer to this dimension simply as the relationship with the environment i.e. “an overarching societal goal of either controlling or accommodating one’s natural and social surroundings”. (Nardon and Steers 2006, p. 10).

Two types of cultures – “mastery” and “harmony” as defined by Schwartz (1994) – are used as representatives of cultures that differ in the degree to which they seek control over the natural and social environment or conform with it. In “mastery” cultures individuals are in favour of changing and exploiting the natural and social world (Nardon and Steers, 2006). This is mainly achieved by self-assertion. In “harmony” cultures on the other hand individuals adapt to the condition of the world and the environment as they accept it as it is.

Social Organization: Individualistic vs. Collectivistic

Nardon and Steers (2006) refer to the cultural dimension Individualism-Collectivism as social organization. All six models agree that cultures are different in the basic structures of social relations. According to the models, cultures can be organized in two ways, based on groups or individuals as their fundamental building blocks. This is usually described as individualistic and collectivistic. The disagreement of the models lies with whether this dimension is related or separated from the power distribution dimension. Although the authors believe that the relationship between the two dimensions is important they choose to discuss them separately for the purpose of focusing only on the cultural level of analysis, that is, national or regional. This is, according to Nardon and Steers (2006), due to the assumption of cultural level influences being more relevant to the field of management practice.

The terms individualistic and collectivistic were first introduced by Hofstede (1980). Individuals in “individualistic” cultures are according to him taught to be responsible for themselves, become independent and to reap the benefit from one’s own actions. “Collectivistic” cultures however, emphasize the interests of the group rather than of the individual. In these cultures it is difficult to separate one’s identity from that of one’s group and it is believed that individuals can only achieve their full potential as members of a strong group.

In contrast with the way Hofstede describes these cultural dimensions, Nardon and Steers (2006) have chosen to link the “Social Organization Dimension” and its two scale anchors, Individualism versus Collectivism with factors such as high/low-context communication and decision-making. As a consequence, there might be contradictions within the same cultural dimension. That participative decision-making is favoured in Sweden is mentioned by both Hofstede (2001) and Birkinshaw (2002). However, Hofstede (2001) considers Sweden to be an individualistic society (see table 2 in section 2.1.1.), where the trait of participative decision-making is instead linked with the masculinity/femininity dimension. Furthermore, should one treat Sweden as a collectivistic society in the “Social Organization Dimension” then one would also claim that it is a society with a tendency toward high-context communication (see table 4). This contradicts the research by Hall (1959) who states that Sweden is a low-context society. In the aspect of these contradictions and with regard to the fact that Nardon and Steers (2006) have made a review based on these researchers (among others), i.e. Hofstede (1980) and Hall (1959) in order to create the cultural dimension, we will in this thesis consider Sweden as an individualistic society with a tendency towards low-context communication as stated by Hofstede (1980) and Hall (1959).

Power Distribution: Hierarchical vs. Egalitarian

The way in which individuals within a society structure their power relationships – i.e. if power distribution in a society is based mainly on vertical or horizontal relationships and whether power is allocated hierarchically or in a more egalitarian fashion – is another common theme in the reviewed models. This is referred to as Power Distance by Hofstede (1980) and is defined as "the beliefs people have about the appropriateness of either large or small differences in power and authority between the members of a group or society" (Nardon and Steers 2006, p.15).

Nardon and Steers (2006) have adopted a similar cultural dimension called hierarchy and egalitarianism, established by Schwartz (1994). In societies that are "hierarchical", the "unequal distribution of power, roles, and resources is legitimate" (Nardon and Steers 2006, p. 15). Individuals are often socialized to comply with their "given" roles in the hierarchical structure and are sanctioned if they don't. In egalitarian cultures however, individuals are perceived as moral equals with a commitment to voluntary collaboration with others (Nardon and Steers, 2006).

Rule Orientation: Rule-based vs. Relationship-based

One dimension that all models agree upon is critical to differentiate cultures, is the use of rules to control behaviour. Hofstede (1980) and GLOBE (House et al., 2004) both call this dimension "uncertainty avoidance". Nardon and Steers (2006) suggest that it is better to compare cultures based on how they try and deal with uncertainty rather than to what extent they try to ignore or tolerate it. Furthermore they argue that other culture dimensions to a high degree influence how cultures deal with uncertainty. Rule orientation is suggested to be an especially critical culture dimension as it influences how cultures handle uncertainty and also other important managerial action. Nardon and Steers (2006) choose to follow the work of Hooker (2003) and make a distinction between rule-based and relationship-based cultures.

Rule-based cultures are characterized by laws, rules, regulations, bureaucratic procedures and strict social norms, with the aim of minimizing unanticipated events or behaviours and creating a society with no surprises. Individuals follow rules and obey directives despite being aware that violations may not be detected. When it comes to business dealing there is a strong belief in the use of formal contracts and strict record keeping. Decisions are to the extent possible based on objective criteria.

Relationship-based cultures on the other hand use other means of social control, in particular it tends to be an influential person, for example parents, peers, supervisors or simply anyone with influence over the individual. Instead of strict rules and procedures these cultures rather stress and value mutually beneficial interpersonal relationships and trust. If the individual sees a virtue or necessity of following laws and procedures they will, but unlike in rule-based cultures these will not be followed just because of “some innate belief in their moral correctness” (Nardon and Steers, 2006, p.17). These cultures are also characterized by things being done on an informal basis, such as with record keeping and in cases where bureaucratic rules apply, a certain degree of flexibility is allowed and tolerance for non-compliance is greater compared to rule-based cultures. Both objective and subjective criteria are used, in a less formal matter, when making a decision.

Time Orientation: Monochronic vs. Polychronic

The third common theme reviewed in the various models concerns a society’s time orientation which five of the six models consider being an important cultural variable. Although they agree that the view or use of time varies considerably in societies, there is less consensus regarding which perception of time that is most prominent. Some researchers focus on how different cultures deal with the future (House et al., 2004; Hofstede, 2001; Kluckhohn and Strodtbeck, 1961) while other researchers focus on how cultures experience the flow of time (Hall, 1959; Trompenaars and Hampden-Turner, 1998). There is also disagreement between the researchers regarding how the “time orientation-dimension” should be measured.

In the aspect of time, Nardon and Steers (2006) agree with researchers focusing on how one perceives the flow of time; they believe it is the best way of understanding time orientation. They elucidate that Hall’s approach to linear versus non-linear time orientation, i.e. monochronic versus polychronic cultures, is the most useful approach from a managerial point of view. Monochronic cultures tend to approach work activities in a linear or single-minded manner whereas polychronic cultures tend to perform multiple tasks at the same time.

2.2 MEASURES TO MANAGE AND LEVERAGE DIFFERENCES

2.2.1 EXTRACTING VALUE FROM CULTURALLY DIVERSE TEAMS

The workforce in organizations has in recent years become increasingly more diverse on numerous of personal characteristics, one of the most important of which is cultural diversity (Lloyd and Härtel, 2010), defined by DeSimone and Harris (1998, p.485) as "the existence of two or more persons from different cultural groups in any single group or organization". It is one of the most contemporary and challenging issues in organizations (Foldy, 2004).

Existing literature provide us with more information about the difficulties and obstacles caused by cultural diversity than about the positive dynamics and outcomes (Maloney and Zellmer-Bruhn, 2006). However, in fact, the multiple perspectives and insights resulting from culturally diverse workforces are expected to promote among others effective decision making, high-quality decisions (Stahl et al, 2010) and greater innovation as validated by multiple empirical studies (Cox and Blake, 1991; Richard, 2000; Maloney and Zellmer-Bruhn, 2006). In line with this, some scholars have identified various contexts where cultural differences can be beneficial. It can for instance help organizations engaged in cross-border alliances to develop unique and valuable capabilities and foster learning and innovation, contributing positively to organizational outcomes (Stahl et al, 2010). The relative benefits and costs of heterogeneity depend on the type of task and teams thus need to identify which of the members' differences that are significant for accomplishing the task and which are not (Lloyd and Härtel, 2010). Conceptual perspectives on the positive potential of culturally diverse teams are emerging, one of which is provided by Maloney and Zellmer-Bruhn (2006).

2.2.2 THEORETICAL FRAMEWORK: MALONEY AND ZELLMER-BRUHN'S PROPOSITIONS FOR LEVERAGING DIFFERENCES

We have chosen to base our study on Maloney and Zellmer-Bruhn's (2006) theoretical framework on how the leverage heterogeneity, since we perceive it as a valuable start-off point for answering research question 2. Conceptual perspectives on the positive potential of culturally diverse teams are emerging and addressing different contexts where benefits can occur. Out of the existing theories we have found Maloney and Zellmer-Bruhn's framework to be the most suitable for this study, as it employs a holistic approach on how to overcome challenges without wiping out intended benefits. Moreover, while some scholars discuss the field of research mainly on an abstract and theoretical level, Maloney and Zellmer-

Bruhn have developed practical propositions with concrete recommendations for managerial behaviour and intervention. The theoretical framework thereby provides us with an apposite foundation for analysing empirics on Swedish-Indian offshoring teams and deriving conclusions regarding how Swedish managers can handle challenges as well as leverage cultural differences.

Maloney and Zellmer-Bruhn (2006) argue that managers should promote both Social Integration and Self-Verification processes in heterogeneous teams. Social Integration refers to “a sense of cohesion and trust among team members” (Maloney and Zellmer-Bruhn, 2006, p. 703). The process of Social Integration creates psychologically safe environments with clear norms for how information is shared. Such environments facilitate an open and efficient communication amongst team members. Self-Verification is “a process by which team members express their unique perspectives and receive acknowledgement about them from their team mates” (Maloney and Zellmer-Bruhn, 2006, p. 698). In Self-Verification, individuals make others see them as they see themselves and thus obtain verification for their own self-views. The process offers suggestions for obtaining value from diversity since Self-Verification will make team members more comfortable with sharing their perspectives and unique knowledge.

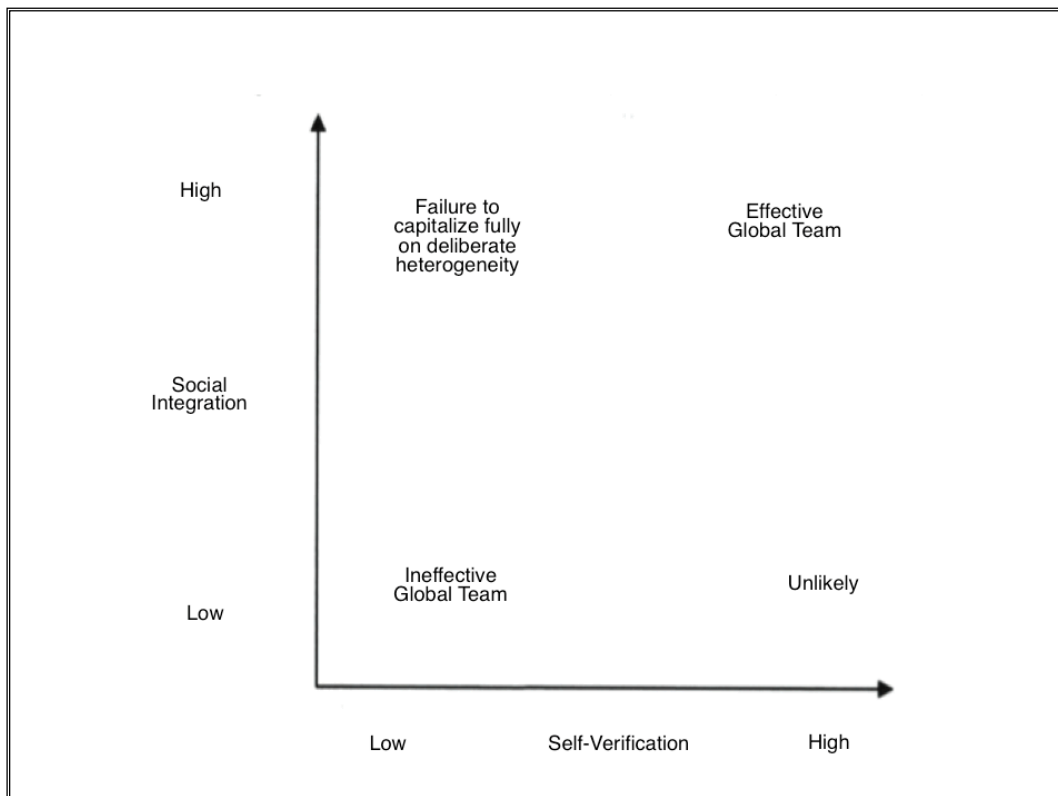
The relationship between Social Integration and Self-Verification

Social Integration and Self-Verification are related and can strengthen each other. The more an individual’s personal self-views are verified by his/hers team members, the more connected he/she will feel to the team - and Social Integration is nourished (Swann et al., 2003). Moreover, Social Integration generates a psychologically safe environment, which facilitates the process of Self-Verification as individual viewpoints can be shared and confirmed by team members.

In order to diminish difficulties and extract value from heterogeneity, a high degree of both Social Integration and Self-Verification processes is needed. The two processes should be appropriately balanced and managed in relation to each other in order for an effective global team to develop. Maloney and Zellmer-Bruhn (2006) describe an effective team as a group of co-workers who have mutual trust, a well-functioning communication, ability to engage in open sharing of unique knowledge and common norms for how to share information. If there is a high degree of Social Integration in a team but the degree of Self-Verification is low, the team will fail to fully capitalize on deliberate homogeneity. A situation where a team have high Self-Verification but low Social Integration is unlikely to occur, since it is very hard for a member to obtain verification for his/her personal self-views

if there is no or little sense of cohesion and trust among the team members. (Maloney and Zellmer-Bruhn, 2006) Figure 2 illustrates this relationship.

Promoting effective Global teams



Source: Maloney and Zellmer-Bruhn (2006)

Figure 2. Combining Social Integration and Self-Verification to extract value from global teams

Deliberate and collateral heterogeneity

When discussing how diversity in teams can be managed, Maloney and Zellmer-Bruhn (2006) make a distinction between deliberate and collateral heterogeneity. Deliberate heterogeneity is created by considered staffing decisions, ensuring that a team includes members with the different types of knowledge and experience needed to accomplish the team's task. Accordingly, team leaders are usually well aware of the benefits of heterogeneity.

When members of a team are heterogeneous on dimensions that are not specifically related to the assigned tasks, it is referred to as collateral heterogeneity. It is thus the task of the team that decides whether the heterogeneity is collateral or deliberate; a team can be deliberately heterogeneous on some dimensions but collaterally heterogeneous on other dimensions. Team leaders are not always aware of the collateral heterogeneity and might hence misdiagnose or overlook challenges connected to it. Both deliberate and collateral heterogeneity can cause problems and need to be managed. However, in order to reap the potential benefits they need to be handled in different ways with different distinct sets of actions (Maloney and Zellmer-Bruhn, 2006).

Promoting Social Integration – Bridging faultlines and building swift norms

When working across geographical, temporal and cultural boundaries, there are numerous hindrances that stand in the way of forming integrated teams, which foster trustful working environments. Maloney and Zellmer-Bruhn (2006) have identified two intervening mechanisms that support the process of Social Integration in teams; bridging faultlines and building swift norms.

Faultlines are here defined as “hypothetical dividing lines that might split a group into subgroups based on one or more attributes” (Lau and Murnighan 2005, p. 328). Strong faultlines foretell more intra-group conflicts and poorer group outcomes, such as less group learning, decreased psychological safety and weaker team performance. Cross-cultural teams easily align into subgroups based on the members’ characteristics and thus form faultlines. However, even if there is a high degree of heterogeneity in terms of nationality, there can be other shared or common cultures with the potential to bridge the nationality faultline. These bridges can for example consist of team members having a strong engineering background or a similar occupational culture. Furthermore, Maloney and Zellmer-Bruhn (2006) suggest that tasks that draw on a dimension of homogeneity in a cross-cultural team can neutralize or bridge potential faultlines, if it overshadows the usually primary salience of nationality. This can happen if the team’s task is e.g. particularly urgent or technical, which might create a shared sense of urgency or functional homogeneity within the team.

Swift norms of interaction can be developed early in the life of a cross-cultural team to strengthen psychological safety and social cohesion. In a study of global teams Early and Mosakowski (2000) found that highly heterogeneous teams had trouble in their early life but were later on able to build common identities by creating norms of interaction and communication. Maloney and Zellmer-Bruhn (2006) argue that it is both possible and necessary for managers to intervene to make sure that the norms

in a team are established sooner rather than later; they need to “set the stage”. Managerial efforts to quickly develop strong normative cultures should focus primarily on norms of trust and psychological safety. The swift norms can be team-specific and created by the team members themselves. However, usually managers need to encourage the team members to do so and facilitate the process (Schein, 1985). In order to develop swift norms early in a team’s life, it is recommended that the team members from the very start initiate social and enthusiastic communication with each other, which helps to build trust. Additionally, members should delineate responding norms up front and directly share information of e.g. national holidays and travel schedules. The swift norms will support Social Integration and accordingly leverage the team’s heterogeneity. (Maloney and Zellmer-Bruhn, 2006)

Promoting Self-Verification – Thought world windows and global mindset

To bridge faultlines and build swift norms it is crucial to enhance Social Integration, but this is not sufficient to make heterogeneous teams reach their full potential. Promoting the process of Self-Verification is also needed; otherwise there is a risk that the team’s focus will be on maintaining harmony rather than extracting value from their internal diversity. Maloney and Zellmer-Bruhn (2006) propose two aspects that support Self-Verification; global mindset and thought world windows.

A global mindset is a frame of mind of the members of global teams (Maloney and Zellmer-Bruhn, 2006). It is referred to as an individual-level construct that describes the degree to which employees can simultaneously attend to geographical local needs and global demands of scale and scope (Murtha et al., 1998). Individuals who have a global mindset are better able to respect and understand the benefits of having heterogeneous members in the team; they are aware of that knowledge about local country contexts is critical for the firm’s success. When team members curb their activation of negative stereotypes and instead value the contributions of each other’s differences, it contributes to the process of Self-Verification in the team. Even though a global mindset is an individual property, it can be derived from an organizational culture, and an organizational culture can be characterized by global mindset. To promote such a culture managers are recommended to prioritize employees with an international background when hiring and promoting, as well as providing employees with opportunities to travel and work abroad. (Maloney and Zellmer-Bruhn, 2006)

A culture characterized by a global mindset makes team members value heterogeneity. However, this is no guarantee for that the members will be able to interpret each other’s different perspectives. Dougherty (1992) developed the notation “thought worlds”, describing how team members from

different functions have difficulties to see and hear ideas from other function's worlds. When team members have different thought worlds it usually leads to interpretive barriers; troubles with successfully integrating member's perspectives. Maloney and Zellmer-Bruhn (2006) argue that heterogeneity in global teams is likely to create interpretive barriers, which in turn will negatively impact the teams Self-Verification processes. Accordingly, essential local knowledge might not be shared as local team members take it for granted. There is also a risk that the local knowledge that is shared will not be accurately interpreted. In order to overcome these challenges, Maloney and Zellmer-Bruhn (2006) suggest that team members should develop "thought world windows" through which they can see, hear and interpret information from each other. Managers can promote the development of thought world windows through concrete actions such as letting team members engage in joint activities and rotate meeting locations geographically. Moreover, DiStefano and Maznevski (2000) recommend a method called "decentering" in which team members actively step outside of their own culture and suspend judgment with the aim to adapt to the culture of their other team members and thereby find a shared understanding. By opening up thought world windows, individual perspectives are put forward and interpreted by heterogeneous team members, which in turn promotes the team's Self-Verification process.

Four propositions for extracting value from heterogeneity

Based on the discussion above, Maloney and Zellmer-Bruhn (2006) have developed four propositions on how to manage collateral and deliberate homogeneity in order to extract value from diverse teams. In our research, we have used these propositions as a starting-off point and in the analysis section we will discuss whether our empirical findings support the different propositions, as well as develop them further. While Maloney and Zellmer-Bruhn study global teams, we focus on Swedish-Indian offshoring teams with a Swedish manager. Additionally, Maloney and Zellmer-Bruhn include research on how geographical distance influence teamwork, while we delimit our study not to specifically address this aspect. The propositions in figure 3 are adjusted accordingly.

Maloney & Zellmer-Bruhn's 4 propositions

Proposition 1.
Bridging faultlines positively moderates the (negative) relationship between heterogeneity and Social Integration on Swedish-Indian offshoring teams.
Proposition 2.
Developing swift norms positively moderates the (negative) relationship between heterogeneity and Social Integration on Swedish-Indian offshoring teams.
Proposition 3.
An organizational culture characterized by a global mindset positively moderates the relationship between heterogeneity and Self-Verification on Swedish-Indian offshoring teams.
Proposition 4.
Opening thought world windows positively moderates the relationship between heterogeneity and Self-Verification on Swedish-Indian offshoring teams.

Figure 3. Maloney and Zellmer-Bruhns 4 propositions on how to manage collateral and deliberate homogeneity in order to extract value from diverse teams.

3 METHODOLOGY

3.1 RESEARCH METHOD

In our study we aim to investigate what managers at Swedish consulting firms perceive as the main challenges when outsourcing to India and how cultural differences can be leveraged. We thoroughly considered whether a qualitative or/and a quantitative method would be most suitable to answer our research question and decided to use a qualitative approach since it allows us to achieve a more

grounded understanding of the cross-cultural complexities in organizational settings. By using a quantitative approach, researchers possess the possibilities to structure and control the study to a higher degree, as well as to be more selective with information (Holme and Solvang, 1991). In some research contexts this can naturally be preferable. However, we intend to grasp a nuanced understanding of the broad variety of factors that potentially influence cross-cultural managements and its barriers. A too high degree of predetermined structure and control could thus be counterproductive in relation to our aim. Our qualitative method will allow us to reach a deeper understanding and conclusions of the study can be made with the help of examples (Svenning, 1999).

3.2 RESEARCH APPROACH

The choice between a deductive and an inductive approach can be described as the choice to work with mainly "theory before research" or "research before theory" (Ghauri and Gronhaug, 2005). A deductive method works well to use if the researchers aim to test earlier assumptions of a theory and apply it to new empirical data. This is often done by first formulating a hypothesis and then rejecting or confirming it based on analysis of the empirics. An inductive method is a suitable choice if the researchers strive to explore uncharted ground. The empirical data is used as a starting point for the research and existing theories helps to explain the findings. New concepts and models are often derived from inductive research. (Ghauri and Gronhaug, 2005) An additional alternative is the abduction approach, which combines polarized deduction and induction methods. We have chosen to utilize the deductive method in our study. The reason for this is that we aim to base our research on already existing theoretical frameworks and to analyse if our empirical data on Swedish-Indian offshoring teams supports the propositions developed by Maloney and Zellmer-Bruhn (2006) Our ambition is to contribute with new perspectives on the research area by using a deductive approach to evaluate the applicability of an existing framework in a new context.

3.3 PARTICIPATING FIRMS

Our study is based on empirical data from three different consulting firms, which have all been offshoring to India when conducting outsourcing projects for Swedish clients. Two of the sample firms have their own local employees in India, while one collaborates with the Swedish-Indian company

Indpro and engages their local Indian workforce. In addition to interviewing individuals from our three sample firms, we have conducted an expert-interview with the co-founder and former CEO of Indpro. In order to obtain diversity in your sample we have selected organizations of different sizes, operating in different fields of business.

Indpro

Indpro currently has about 75 employees, working from offices in Stockholm and Bangalore. The company offers a wide range of IT services and assists other firms in the process of starting up their own business or office in India. Indpro's founders have Swedish-Indian origin and profound experience of the outsourcing industry. (Indpro, 2013)

The three consulting firms that have participated in our study are kept anonymous and will be referred to as Consulting Firm A, Consulting Firm B and Consulting Firm C. The firms and their Swedish-Indian offshoring collaborations are here presented in more detail.

Consulting Firm A

Consulting Firm A is a global company with more than 125 000 employees around the world of which approximately 2500 are located in Sweden and 40 000 in India. The firm has developed what they call "the rightshore approach", which implies that they offer their clients the "right" mixture of local and offshore consultants. In Sweden their policy is that at least 20% of the invoiced hours for a project should come from local Swedish employees. The remaining hours should be divided between Swedish and offshore consultants in the ratio that is most suitable for the needs of a specific project and client. Consulting Firm A operates in three main areas; consulting, technology and outsourcing.

Consulting Firm B

Consulting Firm B is a Swedish company with approximately 180 employees. The firm initiated a strategic collaboration with the Swedish-Indian consulting firm Indpro during 2011 to obtain access to local Indian knowledge and competence. At present, Consulting Firm B has three Swedish employees positioned in India, which all lead project teams with Indian consultants at Indpro's developing centre in Bangalore. Additionally, Consulting Firm B is working with developing its own operations in India as it is aiming for a long-term establishment in the country. The firm helps their clients to design and conduct critical change processes and works proactively with research and trend analysis in a wide range of industries.

Consulting Firm C

Consulting Firm C has nearly 10 000 employees worldwide of which approximately 1550 work in Sweden. In India the firm has approximately 1300 employees, some of them only work on the domestic market, while some sections are working towards Firm C's other markets outside India. When the firm's Swedish division started its offshoring operations, they had a Swedish employee positioned in India for three years to coordinate and facilitate the offshoring collaboration. At present, the firm does not have any Swedish employees positioned in India, the way of mode projects are handled is by having employees travelling between Sweden and India when it is needed for it in a project. The international management team at Consulting Firm C is promoting an increase of offshoring projects in order to keep competitive. The firm offers services within the fields of engineering, design and consultancy.

3.4 INTERVIEW SAMPLE

Our interview sample consists of 19 individuals, of which 18 are employees at the three consulting firms described above (6 interviewees from each firm) and one is an expert on Swedish-Indian offshoring at Indpro. Two of our interviewees are Indians who have experience from working in Sweden and with Swedish clients. The remaining 17 interviewees are Swedish employees who have worked together with Indian offshoring partners; some of them are or have been located in India while others have managed the collaboration from Sweden through communication via video conferences, telephone calls, emails and chat. A majority of our interviewees have an engineering background.

We acknowledge that cross-cultural collaboration can be highly influenced by situational and relational circumstances (Ybema and Byun, 2009). Additionally, issues like e.g. shifts of organizational power, crisis and perceived endangerment can make new collective identities become salient (Mahadevan, 2011). For this reason we have aimed to obtain a wide diversity of perspectives in our interview sample. We have included individuals from different hierarchical positions and with different previous experiences of cross-cultural collaboration. Moreover, we have interviewed both individuals who are incentivised by potential personal gains and the ones who face potential personal threats connected to the Indian offshoring strategy. Even though some of the Swedish interviewees hold a managerial position in the Swedish organization and others don't, all of them have acted as managers/project leaders when working with the offshoring projects. Their roles have included responsibilities such as distributing tasks among employees, controlling the team's work and providing feedback to team members when needed. For this reason, we will refer to all the Swedish interviewees that participated in

the study as managers. Out of the 19 interviewees, 6 were females and 13 were males; at least one female from each consulting firm is represented in our sample. Please refer to Figure 4 below for a complete list of the interviewees.

List of interviewees

Code	Interview date	Interview setting	Organization	Gender	Nationality
FA 1	14-03-2013	Office	Consulting Firm A	Male	Swedish
FA 2	08-03-2013	Office	Consulting Firm A	Male	Swedish
FA 3	14-03-2013	Office	Consulting Firm A	Female	Swedish
FA 4 Ind.	04-03-2013	Skype	Consulting Firm A	Male	Indian
FA 5 Ind.	15-03-2013	Skype	Consulting Firm A	Male	Indian
FA 6	26-02-2013	Office	Consulting Firm A	Male	Swedish
FB 1	01-03-2013	Office	Consulting Firm B	Female	Swedish
FB 2	28-02-2013	Skype	Consulting Firm B	Male	Swedish
FB 3	25-02-2013	Skype	Consulting Firm B	Male	Swedish
FB 4	28-02-2013	Skype	Consulting Firm B	Female	Swedish
FB 5	25-02-2013	Office	Consulting Firm B	Male	Swedish
FB 6	01-03-2013	Office	Consulting Firm B	Male	Swedish
FC 1	13-03-2013	Office	Consulting Firm C	Male	Swedish
FC 2	07-03-2013	Skype	Consulting Firm C	Female	Swedish
FC 3	13-03-2013	Office	Consulting Firm C	Female	Swedish
FC 4	14-03-2013	Skype	Consulting Firm C	Male	Swedish
FC 5	11-03-2013	Office	Consulting Firm C	Female	Swedish
FC 6	12-03-2013	Skype	Consulting Firm C	Male	Swedish
Co-Founder & former CEO	04-03-2013	Office	Indpro	Male	Swedish
In total: <i>19 Interviewees</i>		Divison: <i>8 Skype</i> <i>11 Office</i>	In total: <i>4 Organizations</i>	Divison: <i>6 Females</i> <i>13 Males</i>	Divison: <i>2 Indians</i> <i>17 Swedes</i>

Figure 4. Complete list of interviewees

At each of the three consulting firms in our sample we cooperated with a contact person who had comprehensive experience of working with offshoring to India and was highly conversant with his/her organization's present collaboration with Indian counterparts. The contact persons provided us with firm-specific background knowledge as well as contact lists with names of relevant people to interview within each organization. Naturally, this increased the risk that the employees we interviewed were selected because they had positive experiences of managing offshoring teams and thus would give a favourable view of their firm. However, we experienced that the contact persons aimed to find employees with different perspectives to help us get a wide-ranging understanding. Since the firms' names are not being publicised, we perceived that the contact persons were more interested in learning from the findings of our study than to provide positively biased information about their organizations.

3.5 INTERVIEW DESIGN

We have used semi-structured interviews to collect our qualitative data, in order to let the interviewees share a great level of details and in-depth explanations. There are several different types of interviews that can be conducted as a part of a qualitative study. We found the semi-structured approach to be the most suitable for answering our research questions, as it provides us the possibility to collect the same general area of information from each interviewee and at the same time allows for follow up questions and unexpected findings (Gillham, 2000).

We designed slightly different interview templates adjusted for Indian consultants respectively Swedish managers of offshoring teams. In addition we developed a specific interview template for the expert from Indpro. All interviews addressed the same areas but sometimes from different angles, depending on the location and experiences of the interviewee. Please refer to Appendix 1-3 to see the templates used for our semi-structured interviews.

Each interview lasted for approximately one hour and was recorded to ensure a complete transcription. Interviews with individuals based in Stockholm were conducted face-to-face at the interviewee's office. Individuals located in other towns in Sweden or in India were held through Skype, since we were not able to travel and meet them in person during the study.

Alvesson (2011) recommends that interviews, if possible, should be conducted in the native tongue of the interviewees; otherwise there is a risk for lacking conformity between an interviewee's actual

thoughts and his/her ability to express the thoughts. For this reason, we held all interviews with Swedish employees in Swedish and afterwards translated them to English for the report. The interviews with Indian employees were held in English since that was the only language in which both parties could communicate.

3.6 DATA DOCUMENTATION AND ANALYSIS

Before each interview, we asked for permission to record what was said in order to attain comprehensive data documentation and ensure the quality of research. All interviewees allowed us to record their answers for this purpose. During the vast majority of interviews we were both present to reduce the impact of individual biases. In the few cases when one of us were not able to attend an interview, that person listened to the full recording soon after the actual interview had taken place. As a next step, we listed through all the recordings and transcribed the interviews. The interviewees had the opportunity to go through our transcriptions/empirical data and request changes or clarifications.

We printed all the interview transcriptions, which allowed us to physically move them around and sort them into different groups and subgroups as a part of our initial analysis process. In the first phase of the analysis, we individually compared the answers from all the interviewees to identify which cross-cultural challenges that the managers perceived to be most central. We assessed how reoccurring different challenges were mentioned, as well as how severe and significant the managers described them to be. We thereafter met to discuss our individual conclusions derived from our individual analyses and eventually agreed on three main challenges.

In the following phase, we individually searched for quotations and “between the lines” indications in the interviews that disclosed either support or incongruities in relation to the four propositions by Maloney and Zellmer-Bruhn. We then met again and discussed as well as merged our individual conclusions. Finally, we individually divided the offshoring projects that our interviewees had described into categories of “unsuccessful”, “immediately successful”, and “successful from a long term perspective”. Based on that, we strived to find patterns and common denominators that revealed how congruity with Maloney and Zellmer-Bruhn’s four propositions were related to the outcome of an offshoring project. In this process, we especially considered the influence of the three main challenges. The identified patterns eventually allowed us to revise the propositions and answer our second research question. Additionally, they functioned as a basis for developing recommendations to managers of Swedish-Indian offshoring teams.

3.7 QUALITY ASPECTS

The classical criteria for evaluating quality of empirical research include aspects of reliability, validity and objectivity (Flick, 2011). We are aware that it can be questioned how far these criteria can do justice to qualitative research, since a strong emphasis is put on standardization of procedures and communicative influences is excluded. Nevertheless, Miles and Huberman (2004) argue that the classical criteria provide a suitable framework for discussing qualitative research. We have hence used this framework to evaluate and secure the quality of our research.

3.7.1 RELIABILITY

Reliability describes the degree of exactness in measurement and defines to which extent a study can be repeated by different researchers and over time (Flick, 2011). In order to assess reliability it is crucial to consider if there is transparency in how sense has been made from the empirical data. (Bryman and Bell, 2007) Qualitative research inevitably involves a risk that researchers and interviewees interpret questions and answers differently, depending on their own personal backgrounds and perspectives. We have strived to mitigate this risk during our interviews by thoroughly explaining our questions and definitions as well as recurrently asking for clarifications and examples. We believe that we thereby managed to reach a high degree of mutual understanding with the interviewees. By being two researchers conducting the study we have been able to analyse the empirical data independently before discussing and agreeing on patterns, categories and conclusions, which increase the study's reliability. Additionally, we have documented and organized all our raw data to make it available for other researchers wishing to test it and replicate our process of analysis.

3.7.2 INTERNAL AND EXTERNAL VALIDITY

When evaluating validity of a research design, both internal and external aspects should be considered. Internal validity refers to how far the results of a study can be analysed unambiguously. To secure a high internal validity, conditions that are studied need to be isolated and controlled, a possible way to achieve this is to use a control group that is as comparable as possible to the original group. (Flick, 2011) According to Mishler (1990) the concept of validity can be reformulated in qualitative research; instead of assessing the "state of validity" he suggests a focus on the "process of validating", which is defined as the social construct of knowledge and used to evaluate the trustworthiness of observations and interpretations in a study. We have not used a control group design in our research and we cannot

ensure that our results are fully unambiguous. However, we have strived to increase the validity by scrutinizing interview situations for any sign of strategic communication by the interviewees, as well as by constantly questioning our interpretations against the empirical data.

External validity is a measurement of how far it is possible to transfer the results of a study to situations and persons outside the research (Flick, 2011). A high degree of external validity is achieved when results can be generalized to other groups of people, contexts and points in time. We have focused on cross-cultural management of people from two different national cultures: the Swedish and the Indian. It is probable that our findings can be transferred to managers and employees from societies with national cultures that are relatively similar to the ones in our study, such as Denmark, Norway and Finland, respectively Pakistan, Bangladesh and Sri Lanka. Additionally, we evaluate that some of our conclusions regarding how to promote processes of Self-Verification and Social-Integration can be generalized to a broader spectrum of settings where cross-cultural teams are managed. We have aimed to reach a high external validity in regard to type of consulting business and background of participants. For our sample we have hence included three consulting firms with different focuses of business and a diverse sample of interviewees in regard to age, gender, position and international experience. The transferability of our results to other points in time is questionable. We acknowledge that national cultures are dynamic and change over time; additionally many organizational actors develop more global mindsets as the knowledge intensive labour market becomes increasingly international. Based on this we predict that our findings will still be valid in a near future but turn less transferable as times goes by.

3.7.3 OBJECTIVITY

Three different forms of objectivity can be distinguished and used to evaluate research quality: objectivity in the data collection, objectivity of the analysis and objectivity of the interpretation. In order to achieve full objectivity, the research result should be totally independent of the researcher. This implies that if different researchers use the same method to the same people, their results need to be identical. (Flick, 2011)

We strived to achieve objectivity in the data collection by standardizing the interview process and protocol as much as possible. Despite this, we were not able to reach full objectivity as the interview settings differed and some of the interviews were conducted via skype. The use of skype might have influenced the participants' levels of trust as well as answers, since they didn't have the possibility to

meet and interact with us in person. Objectivity of the analysis refers to how far the classification of answers is independent of the researcher (Flick, 2011). In order to reduce individual biases in this stage, we were both present during a majority of the interviews and thereafter we worked individually with analysing and classifying the answers, before discussing and merging our thoughts. However, both of us who have conducted the research are Swedish and we acknowledge that our cultural backgrounds, as well as other individual traits, inevitably have influenced our classification of answers. This issue also concerns the objectivity of interpretation, which has naturally been affected by our subjective views and values. According to Flick (2011) qualitative research is mainly built on communication, interaction and the researcher's subjective interpretations. Accordingly, Flick (2011) argues that these bases shouldn't necessary be viewed as biases but rather as strengths and preconditions for the qualitative research.

4 EMPIRICAL RESULTS

In this section we summarise the most reoccurring themes from our interviews, supported by representative quotations and examples. The empirical findings are structured into two different sections, in accordance with our two research questions; (I) Cultural challenges and (II) Leveraging differences from heterogeneous teams.

4.1 CULTURAL CHALLENGES

4.1.1 DIFFERENCES IN POWER DISTRIBUTION

A vast majority of the interviewees expressed that the hierarchical structure is what distinguishes Indian and Swedish corporate cultures the most; in India the hierarchy is more important and more strictly followed. A manager from Firm C described a situation when the hierarchical differences were exceptionally noticeable. "The Indian employee that normally took care of the contact with us in Sweden was away and because of that the guy who was below him in the hierarchy held a video conference with us. He was very nervous and sat shaking, it was clear that he didn't feel comfortable in the situation." (FC 6) A manager that had worked positioned in India (FC 2) mentioned that all the Indian employees stood up when she entered their room at the Indian Office, as a sign of respect. Furthermore, interviewees conveyed that in India all decisions should be taken by the manager. FB 3 for example stated that; "The Indian employees will often describe the situation and then expect a decision

to be taken by me, as I am their manager. Even though I tell them to take their own decisions they still want me to do it, which I sometimes think is unnecessary”. Manager FA 6 explained that he initially had difficulties to delegate and take command but that he was forced to improve in those areas because of the Indian corporate culture. FC 2 experienced that it was essential not to provide Indian employees with tasks that were normally done by office assistants. She once asked an engineer to copy some papers for her but he got hurt and replied that she should ask an assistant instead. FA 3 conveyed that; ”In Sweden our consultants do everything, one person can often do an entire part (of a project). In India that is not how it’s done, it becomes a clash.” She explained that in collaborations when Swedish employees hand over tasks to Indian team members, the Indians will only do the things that they consider match with their hierarchical position.

The Swedish employees in managerial positions experienced several challenges connected to the hierarchical structure in India. For instance, there were occasions when the Indian employees did not dare to ask questions to the managers but just continued working even though their understanding of tasks were insufficient. “It was problematic; the Indians did not dare to say when something was going wrong because they saw me as having a higher position. This led to that we didn’t discover that the tasks they had done were wrong until they delivered them.” (FC 6). Manager CF 1 stated; “The relationship between subordinate/manager is very different” and exemplified by saying: “I am often referred to as ‘Dear Sir’ when I receive e-mails.” The importance of titles was also underlined by manager FA 2 who said that; “Titles aren’t that important in Sweden – but in India, they are apparently very very important “. Manager FC 3 has experience from collaborating with Indian employees both in Sweden and in India. She described that the hierarchy was much clearer when she was in India; there she seldom had any informal conversations with her employees but mostly talked to other managers. However, when the Indian employees came to Sweden they talked much more and they started to treat her rather as a member in the group than as a superior, which she perceived facilitated the collaboration. FC 5 emphasised that in India “the higher up you get on the hierarchical level – the more power you get”.

4.1.2 ORIENTATION TO TIME AND SCHEDULING

Several of our interviewees pointed out that their Indian colleagues had a different relationship to time. FC 2 said that the ”academic quarter”, which refers to the time that one legitimately can come late, was stretched to one and a half hour in India. On the other hand, she continued; ”Even if everyone is late we stay until the work is done, sometimes we have been sitting in a meeting for 4-5 hours. The agenda often

looks like there are 4-5 different meetings merged into one. This might sound unstructured but it wasn't, everything got done." (FC 2). FB 3 told about an occasion that might illustrate the different views of time in the two cultures; one of his Swedish colleagues who worked in India went for a meeting with an IT-manager who was a potential client. He arrived in time for the scheduled meeting but had to sit and wait outside the IT-manager's office for 45 minutes. He eventually entered the office and said that he could not wait any longer, and the IT-manager replied that he should then come back another day.

Some of our interviewees expressed that their Indian employees were sometimes unrealistic when estimating how long time a task would require, and hence didn't keep the deadlines. FB 4 perceived that; "The Indians /.../ worked with, could never seem to deliver within their timeframe." FB 5 also experienced that; "When working with an Indian team - the deliveries would always be very late". An Indian employee with international experience (FA 4 Ind.) explained that when giving a proposition to a potential client, Indians are usually aggressive and offer cost savings, while Swedes want to go for a more safe approach and have margins.

Different interviewees had totally different experiences of the Indian employees' level of efficiency and speed of working. FC 5 said that she got a chock when the first invoice came from the Indian members of the offshoring team, since they had worked very slow and billed for many more hours than she had expected. FC 4, a manager from the same company, on the contrary experienced that the Indian employees usually worked much faster than the Swedish ones.

4.1.3 COMMUNICATION IN PROJECT/TASK MANAGEMENT

According to many interviewees, Indian employees are in general less concerned with making the small details perfect. FB 5 provided an example to illustrate his experience of the Indian manner of taking on a task; "I went to a tailor in India with my favourite shirt and said that I wanted another one that should look exactly the same. The tailor answered 'absolutely sir, no problem!' Despite this, the new shirt didn't look at all like the original one. 'Sorry sir, we'll fix it!' said the tailor but when I came back the skirt was still not right. My experience is that our offshoring project deliveries worked a bit the same way. In Sweden, more or less everyone is a perfectionist but that is not the case in India." (FB 5). Several managers shared similar experiences, FC 1 e.g. stated; "The largest challenge is to achieve a shared understanding. One really needs to double-check that everyone has the same picture of what the goal is. If someone says 'no problems!' one should check it one more time". In a similar vein, FC 5 said; "When you ask someone something in Sweden and you receive a 'yes' you often expect that he/she will

do it. In India they might say 'yes' but they might also not do it at all. It often ends up with me double-checking if they really understood my question and if they could repeat what I wanted from them.” Manager FA 3 claims that: “It is often best not to ask a yes/no question as you will probably receive a “yes” that won't always mean a “yes”. The difficulty with achieving a shared understanding was also conveyed by manager FC 3; “You think that you've explained everything in the best possible way but somehow the message won't always get received in the same manner you want it to.” FC 5 meant that a manager should “... ask your Indian co-workers to retell what you tell so you are sure that the same message is shared”

Several interviewees said that their Indian employees did just what they were told, not less and not more. “In Sweden we question much more, we can ask: should it really be this way? In India they instead think: now we have been given these instructions and conditions and then they work based on that.” (FC 3) Manager FB 4 meant that by not asking any questions nor contributing with any proposals one will never achieve the best results. She claims that a critical mindset is essential for achieving good results and/or good quality.

In line with the majority of interviewees manager FC 5 stated that Indians often say “yes” to tasks but never admit if they don't understand something. They also refrain from asking questions or comment/critique projects or tasks. To ensure good quality without that critical mindset, manager FB 4 suggested that one should double- and triple-check everything and not “accept/trust” the first “yes” as easily. FA 1 described that his Indian employees initially just did exactly what he said. FA 1 didn't consider this as neither a negative nor a positive characteristic, just a behaviour that people have learned and got used to. It has now been managed by two types of changes; he has become clearer in his communication and the Indians have started to understand that they are allowed to reason and question more.

When it comes to negative feedback, many interviewees suggest that managers should be very careful. If not handled appropriately the negative feedback to Indian employees can accumulate larger consequences than intended and harm both firm loyalty and work relations. Manager FA 1 described an occasion when one of his Indian consultants had done a severe mistake in a delivery. FA 1 then wrote an email to the consultant's Indian boss and told him about the mistake, which resulted in that the Indian boss wrote an extremely cruel email back to the consultant. “It was like a beheading. After that I have never emailed negative feedback of an employee to his/her boss again, even if I have not been satisfied.” (FA 1) The Co-Founder and former CEO of Indpro also recommended that manager should be careful

with how to provide criticism; “It doesn’t work to be too direct, it can end with a catastrophe (...) to be criticized in public in India is not good at all. If we just sit in a project group and say that the project is not going well, the project leader might perceive it as personal negative feedback as he/she is responsible for the results. It has happened several times that project leaders have quit their work and left the company more or less the day after, because they have felt that publicly criticized.” (Co-Founder and former CEO of Indpro)

4.2 LEVERAGING DIFFERENCES FROM HETEROGENEOUS TEAMS

4.2.1 MAIN SIMILARITIES BETWEEN SWEDISH AND INDIAN CORPORATE CULTURE

When asked about the main similarities between Swedish and Indian corporate culture, a majority of our interviewees mentioned that employees have corresponding technical competence and profession-specific knowledge. “We are all engineers and have more or less the same education. We can talk to each other and it is easy to understand.” (FC 3) Accordingly, another manager said that; “The main similarities between us are connected to the proudness of being consulting engineers, technical knowledge and a will to develop solutions.” (FC 4) Also managers that were not engineers could find similarities based on profession. “In India I worked with three senior management consultants and former bankers. The collaboration worked very well and I think it was because we are all schooled in the same kind of profession and share the same business ethics.” (FB 6) On the other hand, when the profession-specific similarities were missing, problems easily arouse; “It was hard with the management, especially to give directions. They (the Indian employees) didn’t want to listen to someone without technical competence. They could tell me: ‘you don’t understand me because your are not an engineer’ – even though I have a Doctorate Degree in Organizational Theory.” (Co-Founder and former CEO of Indpro)

FB 2 perceived the foremost similarities between employees from different cultures to be individual differences; “Individuals are extremely different, no matter if they come from Sweden or India. There are individuals in Sweden who are very driven and want to work hard, and you can find individuals with the same attitude in India as well.” FA 6 chose a more existential approach when discussing similarities; “Everyone of us wants to be seen and respected – that is a human need that we share.” Further, FA 6 reasoned about the difference between cultural and individual expressions; “There is a core in every

human being that is the same, no matter where you come from. Cultural patterns, behaviours and perspectives do not origin from you but from your environment. I have learnt to see through that and I try to separate what are cultural expressions and what are individual expressions.” (FA 6)

FB 3 argued that both Swedes and Indians appreciate the opportunity to make their own decisions and take responsibility. He thinks that the Swedish approach of having a flat organizational structure and giving individuals a lot of personal responsibility can work in India as well, even though it takes some more time to implement it there and make the Indians get used to it. The Indian employee FA 4 Ind. did not agree with this view but expressed that a cultural trait in India is to show more respect to superiors and to elderly people. He advised that Swedish managers working with Indians should not try to break the hierarchy.

However, FB 6 had the experience that “being Swedish” makes it possible to break organizational hierarchies in another way than what is possible for an Indian. Further, he stated that he have found it easier to collaborate with Indians who are higher up in the hierarchy; “My view is that the higher up one gets in the hierarchy (in India), the more similarities (with Swedish corporate culture) are to be found. Somehow we (Swedish people) seem to have more in common with Indians at that high level and the collaboration works better. I have noticed that people at high positions (in an Indian organization) are more used to cultural differences and know that they can question me. These people also know that it is alright to say ‘no’ and they will ask me to explain if there is something they don’t understand.” (FB 6)

FB 1 perceived that the offshoring collaboration turned out to be most successful in the cases when she had a good relation with the Indian top management team and could have a dialogue with them if things were not working properly. She experienced that this was only possible in smaller organizations; when collaborating with large actors she could not get the same regular contact with their top management.

According to FB 1 teamwork is seen as important in both Sweden and India. Additional similarities that were conveyed are sense of humour, professionalism and structure amongst the management team. FA 2 concluded his answer about cultural similarities with saying; “I was surprised over discovering how similar we are”. However, several interviewees had to think for a while before they could mention any similarities, and some managers had a hard time to find any. They reasoned that similarities are less obvious than differences; things that just work out free of friction might pass unnoticed.

4.2.2 TEAM COHESIVENESS, NORMS AND STRUCTURE

When the interviewees were asked about their experiences of successful management of offshoring teams, frequently mentioned themes were; importance of team cohesiveness, norms and structure and personal attitude.

Creating team cohesiveness

The view of creating team cohesiveness differed between our interviewees, even though a majority stated that they strived to make all members feel like they were part of “one team”. However, this was not the case in FC 6’s offshoring project; “We don’t feel like a team as we are not working so much together. In Sweden we first did a task and then the Indians should do the same thing but in another program. I was mainly controlling the process, all work was done in India.” Further, FC 6 stated the quality of the delivery didn’t become so good, but he thinks that it probably will get better now, as the team members have learnt more about each other.

Another reason for lack of team cohesiveness, explained by manager FC 1, was a fear amongst some Swedish employees that they eventually would become superfluous due to increased offshoring to low cost countries. “What made our project fail was an attitude among employees at the Swedish office. They thought: the Indians will come here and take our jobs, even if it goes well for us now there might be problem when the business cycle goes down. I witnessed a strong internal resistance against this”. Furthermore he stated that; “If the will would have been there, the collaboration would definitely have been successful. I have other very positive experiences of offshore outsourcing.” (FC 1)

FA 6 criticized extensive location-specific division of work and instead praised the one-team approach; “We try to work like a team instead of dividing things so that everyone solve their own part and in the end consolidate everything - that was the former generation of offshoring, when tasks were mainly offshored back-office. That is not optimal, it is better to consolidate a team with the right competence profiles, wherever these people are located.” (FA 6) Additional quotes from managers supporting this view is stated below, in order to further nuance and explain what the one-team approach is and how it can be achieved:

“Towards clients we make sure to appear as ‘one team’ - it has been like a mantra. What does it mean? That the Indians must get the chance to meet clients, we must have as much knowledge about the

delivery in India and in Sweden. We have done a lot of activities to come closer to each other. An Indian employee that work with our large deliveries should have been at least 3 months in Sweden and during that time work close to the client - this makes the client see that it is a human being, thereafter they can more easily develop a relation through telephone and it increases the client's trust." (FA 1)

"To me, successful collaboration is when everyone feels that they belong to the same team and do not divided themselves into 'We' and 'the Others'. It becomes successful when everyone strives towards a common goal and sees that as the most important, not prioritizing positioning or protectionism. A prerequisite for this is that there is good communication and trust within the team." (FB 1)

"You need to have people from all organizational levels at both sides (both from India and from Sweden). The times when the collaboration has functioned the best is when we have worked like an integrated team from all levels. In successful projects the Indian employees have direct contact with our clients, but this requires that they know the language (English) well and have social competence." (FA 3)

Developing norms and structure

The Indian employee FA 4 Ind. gave two advices regarding what Swedish managers should do to facilitate professional understanding in offshoring processes: 1) Spend time in the other country 2) Create a clear code for working together. FC 6 recommended that Swedish managers who are about to start collaborating with Indians should begin their projects with developing written documents that describe everything that is to be done in detail, as well as a list with translations of important terms and short forms. Moreover, FC 3 stated that the most important factors for handling potential challenges in offshoring projects are "appropriate preparations, a plan for communication and well-documented processes."

A number of cases showed that when there were no clear norms shared by the members of an offshoring team, it influenced the deliveries and working relations negatively. FC 4 said that this is something he has personally learnt from; "We didn't develop shared norms in the team and that was kind of a shortcoming. One should have a clearer plan and structure for the work, which is something that I have taking with me as a learning outcome. There should be a pre-defined and clear working-process already from the very beginning of a project. Having a working-process implies that if I ask someone to do a task there should be well-defined frames for how it is supposed to be conducted; exactly what should be

done, in which timeframe and with a plan for how the communication should function.” (FC 4) Several interviewees mentioned that they had found it helpful to have clear structures and pre-defined norms to “lean back against”. A few of them expressed that it facilitated the managerial work if the firm already had these structures developed, as it then eased the burden of individual managers.

The impact of personal attitude

Several interviewed managers highlighted that having the right personal attitude was crucial for a successful cross-cultural collaboration. A few of the interviewees didn’t choose themselves to start collaborating with Indians; it was required by their superiors or predetermined aspects of their projects. Others were highly motivated to take part in the offshoring ventures and actively applied to be selected into cross-cultural teams and go to India. FB 3 described the process at his firm; “It was a normal application procedure, I think one of the most important factors for being selected was motivation. I have always been interested in other cultures and wanted to go abroad and work” (FB 3)

Recommendations to colleagues that were about to start working with Indians often included aspects related to one’s personal attitude, for example; “Be open-minded, patient and don’t take things for granted (FC 2). Manager FC 1 conveyed that he has been involved in many fruitful offshoring ventures and argued that willingness to make the collaboration work is essential; “I am curious, I have an open mind and I see clear opportunities – I really want to make it work!” Furthermore he emphasized his positive attitude towards differences; “I think it is vastly important to have different values and perspectives in a team.” (FC 1) Some managers shared the view of FC 1 and mostly talked about the value of having a diverse team, while others rather addressed problems and challenges related to the cultural diversity.

4.2.3 IMPACT OF INTERNATIONAL EXPERIENCE AND EXPOSURE

Some of the managers in our sample had long experience from working in other countries and collaborating with people from different cultures, while others had very limited international experience. Out of the ones who had previous international exposure, with India or with other countries, a majority claimed that it had helped them to understand and respect their Indian colleagues. Below are some representative quotes exemplifying this:

“I have worked internationally in Europe for many years, this has helped me to understand the Indian culture as I have developed respect for and awareness of cultural differences.” (FB 1)

”The more you travel the more you learn. But it is different to work and achieve something, and to be on holiday in a foreign country.” (FC 2)

”I have worked a lot with people from other cultures and I have learnt to respect and understand people. This has been of great help when I started to collaborate with Indians. It’s important to surpass the cultural aspects, when you manage with that is when the collaboration can become truly successful.” (FA 6)

FB 6 has broad international experience and likes to work abroad. When discussing cross-cultural management, he referred to the World Value Survey Cultural Map, where Sweden is a clear outlier; “What we in Sweden believe to be normal does not at all have to be normal on a global scale, nor does it have to be the best. It is good to be aware of that there are other ways to see the world.” (FB 6)

According to our expert interview with the Co-Founder and former CEO of Indpro, it is suitable to composite teams that include both Swedish and Indian employees. “It becomes a mix of two worlds: We (Swedish people) think critically and the Indians only see opportunities. The balance is needed and thus we complement each other extremely well.” (Co-Founder and former CEO of Indpro)

Out of the managers that lacked extensive international exposure prior to their offshoring ventures, a few had a strong motivation to gain more experience and were enthusiastic about learning from other cultures. One example is FB 2, who had only been outside Europe once before he started to work with offshoring in India. He conveyed that he was motivated to develop on both a personal and a professional level by exploring a new culture and a new country. In order to understand and manage cultural differences between Sweden and India FB 2 believes that the most important is to be curious, have some bravery and an interest in understanding people, a wish to comprehend how different individuals think and reason. FB 2 has recently been appointed vice president for this company’s Indian operations. FB 5 shared a similar profile, he had limited international experience but strong motivation; ”Before I went to India I had no previous experience of working with offshoring but I really wanted to get the opportunity to live and work abroad. The most important qualification for being selected for the position in India was personal attitude and social competence. This was considered even more important than task-specific competence.” (FB 5)

FB 3 described that his company arranges inspirational travels on a regular basis, a group of employees and managers then travel somewhere in the world on a explorative, visionary voyage; “It is a good way to acquire an understanding and a picture of a country on a short time. I went to India and got to experience different aspects of the Indian culture and society. It turned out to be a very good preparation for me - even though at the time of the trip I didn’t know yet that I was going to work with offshoring to India.” (FB 3) The managers with broad international experience in general talked about cultural differences in positive terms. “In order to make collaboration work it is essential with mutual respect for similarities as well as differences, no matter if I a work together with an Indian or with another Swede. One has to understand and accept that we are different and see the advantages with it.” (FB 6) Furthermore, FC 5 conveyed that working with offshoring has contributed to her personal development; ”I have learnt things about myself, e.g. what I’m good at explaining and what I can improve.” (FC 5)

The Co-Founder and former CEO of Indpro reasoned that Swedish managers who go to India to work in an offshoring project don’t need so much prior international experience or training; “They are just supposed to be Swedish and know how to communicate with the Swedish clients, the rest they will learn. They are expected to use the competence they already have from Sweden.” (Co-Founder and former CEO of Indpro)

4.2.4 UNDERSTANDING AND ADJUSTING TO DIFFERENT PRESPECTIVES

In order to integrate team members’ different perspectives, many managers tried to create time and space where everyone’s voice could be heard. “Every day the entire team meet and talk. We drink a lot of chai tea together and there are many informal chats between colleagues. The regular meetings are very open and everyone have the opportunity to voice their opinion.” (FB 3) Some managers conveyed that their Indian team members saw reality differently and they strived to understand and interpret their perspectives. “They think on the basis of their view of the world, and if one manages to think from their perspective there are most probably explanations to why they behave or don’t behave in a certain way, things start to seem logic.” (FB 2)

FB 1 explained that when she strives to integrate a team with Swedish and Indian employees, she thinks the most important factors are to show everyone the same respect for their competence, listen to everyone’s opinions and to be clear with stating a common goal.

The three consulting firms that participated in our study used different approaches regarding how to involve and integrate their Swedish clients in the offshoring collaboration with India. This influenced the contact the Indian consultants had with the clients, and consequently also the way that team heterogeneity was managed and leveraged by the Swedish managers. Managers from one firm strived to make the Swedish clients and the Indian consultants to get to know and understand each other. The other two firms wanted the Indian consultants to adapt to the Swedish clients' situation and perspectives without requesting that the client should adjust.

Consulting Firm C did in several cases not inform their clients that offshoring was used. Since the clients only had contact with Swedish consultants in Sweden and received the deliveries that they had ordered, the representatives of the firm regarded it as unnecessary to inform about that some of the work was done offshore. If the offshoring lead to any additional cost, work or adjustment, Consulting Firm C covered up for that. "The client was not aware that we were using offshoring, we started to involve the Indian consultants in the middle of the project and then decided not to tell the client about it." (FC 4)

At Consulting Firm B, the clients themselves have the opportunity to chose to involve Indian consultants offshore in the projects. However, the firm tries to make sure that this does not cause any kind of inconvenience for the Swedish client. "You don't want to go the client and say: 'okey, you will have to adjust because you are working with India'. It is rather so that the Swedish managers should guarantee that the collaboration works as friction-free as possible. We try to please the clients and if there are any problems they can talk to the Swedish project managers." (FB 2)

On the contrary, the managers at Consulting Firm A reasoned that the clients have to understand that also they need to change and accept that Indian offshoring will influence the way they work. Consulting Firm A sometimes invites potential clients to India when they give prospects of offshoring projects. Present clients involved in larger collaborations are also invited to India more and more. FA 6 gave an example of when this turned out to be very beneficial for the offshoring collaboration; "I recall one case were the client initially perceived offshoring as a threat and "an unknown black box". Going to India was incredible positive for them, they changed their perceptions and a dialogue started between the client's employees and the Indian consultants." (FA 6)

Consulting Firm A has many extensive and long-term contracts with clients that offshore part of their operations. FA 6 explained that their clients are expected to make adjustments; "The client should not believe that everything will stay the same but just becomes cheaper when using offshoring to India. It

will have consequences also for the client's employees, how they work, how the processes are designed, how long the response-times will be etc. If the client lacks this understanding, the insight that offshoring will involve a change that people must be included in; then it will become a failure. It is a change and one cannot continue to work the same way that one has always done.” (FA 6)

FA 1 described a client case that he thinks of as successful: “We worked with a large client and it was a lot of trouble during the first years, but after three years everything was working smoothly. Also the client did an investment, adjusted and tried to make it work – today they are really satisfied.” (FA 1)

FA 3 explained that her most prosperous project deliveries had in common that both Indian and Swedish team members shared a high degree of responsibility and kept close contact with the client. She argued that these factors strongly influence the success of a project; “The most important is to distribute responsibility among both Swedish and Indian consultants. When only the Swedish ones have been responsible for leading the work from front-office and the Indians have operated from back-office, it has not been good. Responsibility and organizational structure should be spread so that “high” and “low” are represented on both sides (referring to both the Swedish and the Indian sides of the team). Both sides should be accountable for financial follow-ups and have contact with the client. If not, the Indian side of the project team will become far too distant from the client's way of reasoning and they will not understand why they are doing certain things – this is basal. Only having the Indians back-office perhaps might work but it is terribly time-consuming and difficult, very much information is lost on the way.” (FA 3) Several other managers conveyed a similar view; they experienced difficulties when responsibility for deliveries was not properly shared between Swedish and Indian team members.

5 ANALYSIS AND DISCUSSION

5.1 CULTURAL CHALLENGES

The following section aims to investigate Research Question 1. The empirical data shows that there are mainly three areas that are considered to be challenging for the Swedish managers to adjust to; (I) Hierarchical Structure (II) Orientation to Time and Scheduling and (III) Project/Task Management and its relation to “face”.

5.1.1 “DON’T BREAK THE HIERARCHY”

According to our findings, Swedish managers perceive that it is challenging to adjust to the more hierarchical structure prevailing in India where power is centralized with the manager. The challenge for the majority of Swedish managers lied mainly within recognizing one’s own place in the hierarchical structure as well as the other employees’. The reason for this being considered as a challenge could be explained by Nardon and Steer’s (2006) “power distribution” dimension. Based on a review of the various models where this dimension achieves the most agreement, Nardon and Steers (2006) have concluded that India is a hierarchical society with tendencies towards parameters/factors such as “respecting authority” and “centralized decision-making” (see table 5). Swedish culture is however illustrated as an egalitarian society with preference for decentralized power and decision-making.

Hierarchical (India)	Egalitarian (Sweden)
Belief that power should be distributed hierarchically	Belief that power should be distributed relatively equally
Belief in ascribed or inherited power with ultimate authority residing in institutions	Belief in shared or elected power with ultimate authority residing in the people
Emphasis on organizing vertically	Emphasis on organizing horizontally
Preference for autocratic or centralized decision-making	Preference for participatory or decentralized decision-making
Emphasis on who is in charge	Emphasis on who is best qualified
Respect for authority; reluctance to question authority	Suspicious of authority; willingness to question authority

Table 5. Nardon and Steers (2006) Power Distribution Dimension

Our empirical data shows that the Swedish managers were confronted with cross-cultural challenges related to the highlighted hierarchical characteristics (see table 5).

Organizing vertically - Exemplifying quotations

"They [Indian colleagues] will only do the things that they consider match with their hierarchical position" - FA 3

"I had difficulties to delegate work and take command but I have been forced to improve in those areas because of the Indian culture" - FA 6

"The Indian employee will often describe the situation and then expect a decision to be taken by me, as I am their manager. Even though I tell them to take their own decisions they still want me to do it, which I sometimes think is unnecessary"- FB 3

"The higher up you get on the hierarchical level – the more power you get" - FC 5

Figure 5. Organizing Vertically – Exemplifying quotations

As a consequence of the hierarchical structure and the manner of executing things vertically it became a challenge for the Swedish managers to deal with management practices such as delegation. Our interviewees pointed out the importance of two aspects when dealing with delegation; 1) It was always the manager's responsibility to delegate tasks and 2) It was important to know which kind of tasks one could delegate and to whom. Swedish manager FC 2 described how offended an engineer (of Indian origin) was when she asked him to copy some papers for her and thus stressed the importance of delegating the right task to the right person; more specifically, that it should be done in accordance with the hierarchical structure. Furthermore, Swedish manager FA 6 stated how he had to adjust to the new hierarchical setting by adapting his management style, i.e. taking the command and start delegating tasks to team-members. Unlike in the Swedish business society, Indian subordinates expect clear directions from their managers, and managers in turn expect their subordinates to follow directions. The exerting of control by managers is even considered to be a psychological security for employees according to Hofstede (2013).

The Swedish business culture however promotes a coaching approach in corporate Sweden where the aim is to be a leader who empowers and facilitates (Birkinshaw, 2002). To make this transformation – adjusting from a non-hierarchical management approach to a hierarchical management approach or

encouraging subordinates to adjust to a non-hierarchical management approach – is therefore considered as a significant managerial challenge for the Swedish managers.

Reluctance to question authority - Exemplifying quotations

"... all the Indian employees stood up when I entered their room" - FC 2

"As I was their manager, they didn't dare to ask me nor tell me anything that would be considered problematic for the project. Unfortunately this led to tasks being performed in an inaccurate manner which ultimately caused problems with the project. These discoveries were often made after the project, as I didn't get any questions or comments during the project." - FC 6

"The relationship between subordinate/manager is very different. I am often referred to as 'Dear Sir' when I receive e-mails." - FA 1

"Titles aren't that important in Sweden – but in India, they are apparently very very important." - FA 2

Figure 6. Reluctance to Question Authority – Exemplifying quotations

By operating in a hierarchical structure the Swedish managers also had to become familiarized with Indian business etiquette associated with hierarchy. This meant for example acknowledging the importance of respect for authority, which in some cases could mean that one stood up when a superior entered a room or refrained from questioning one's superior. This is in line with the research of Nardon and Steers (2006) as well as Gesteland (2005) who states that Indians in general show a high degree of respect for both authority and age.

Despite the intention of showing respect by not questioning authority (see table 5), manager FB 4 perceived that the lack of questions from her Indian subordinates caused low quality in the company's deliveries. She believes that this is an effect from the prevailing hierarchal structure in India that renders subordinates unable to criticize or question their superiors. Hofstede confirms that the communication in a high power distance country, such as India, is top-down and directive; negative feedback is rarely offered to superiors from their subordinates.

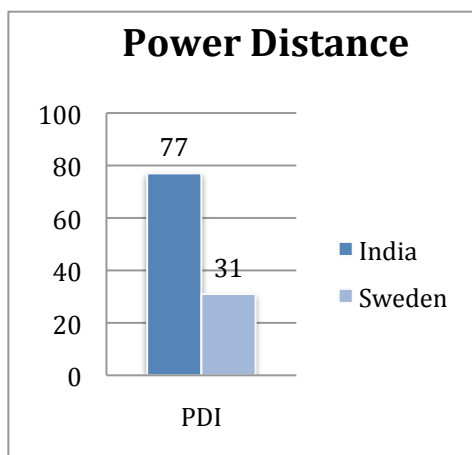


Figure 7. Comparison of Geert Hofstede's Power Distance dimension - Sweden/India

Furthermore, India's uneven power distribution can be illustrated by Hofstede's power distance dimension where India scores 77 (Hofstede, 1980). In figure 7 one can deduce the Swedish approach to power relations as well – where the score is more than half of India's (31) – and hence understand how managers can perceive the hierarchical setting as unfamiliar and challenging.

5.1.2 “ACKNOWLEDGE A RELATIVE CONCEPT OF TIME”

One additional main challenge for the Swedish managers was to learn how their Indian counterparts dealt with the concept of time and accordingly to be able to deliver results to their Swedish clients within set timeframes. As described in our empirical findings the orientation one has towards time affects meetings, deadlines as well the speed of how one works.

Indians' relationship with time is described by Nardon and Steers (2006) as being “polychronic”; a term coined by Edward T. Hall. That means that one has a relative concept of time and hence can often be late when, for example, attending meetings.

Deadlines and speed of work - Exemplifying quotations

"Unfortunately, the Indians I worked with could never seem to deliver within their timeframe." - FB 4

"When working with an Indian team - the deliveries would always come very late" - FB 5

*"I thought that they would work at the same pace as us, but when the first invoice came I realized how much incredibly slower they worked – this was a real wake-up call for me"
- FC 5*

Figure 8. Deadlines and speed of work – Exemplifying quotations

Being a polychronic society also implies a nonlinear approach to work, planning and implementation; this has a substantial effect on, inter alia, how to manage deadlines (Nardon and Steers, 2006). The majority of our interviewees stated that they have had problems with keeping deadlines due to the two cultural different perspectives of time; i.e. the monochronic versus the polychronic perspective. The highlighted text in table 6 shows which aspects the Swedish managers perceived as most challenging in regard to time orientation.

Polychronic (India)	Monochronic (Sweden)
Simultaneous attention to multiple tasks	Sequential attention to individual tasks
Nonlinear, interactive approach to work, planning and implementation	Linear, single-minded approach to work, planning and implementation
Relative concept of time; often late	Precise concept of time; punctual
Approach is people-centered; commitment to people and human relationships	Approach is often job-centered; commitment to the job and often to the organization
Integration of work and personal life	Separation of work and personal life
Approach is unfocused but patient	Approach is focused but impatient

Table 6. Nardon and Steers (2006) Time Orientation Dimension

Multiple managers also pointed out that the Swedish client's approach to punctuality and timeframes put pressure on them regarding deadlines, that is, they had to make sure that the deadlines were held and hence ensure that the Indian subordinates adjusted to this approach to time. What also impacts deadlines and Indians view on time is the concept of "face", which will be discussed further in section 5.1.3.

Hofstede means that this nonlinear attitude towards time stems from India being a society with a long-term, pragmatic orientation. A country that receives a high score on the long-term orientation dimension is claimed to forgive the lack of punctuality as it is believed that one should create a "changing game-plan based on changing reality" (Hofstede, 2013).

This manner of perceiving time contrasts, according to Nardon and Steers (2006), with Swedes' monochronic perspective of time where the approach to work, planning and implementation is linear and single-minded. The researchers also point out that the Swedish society has a precise concept of time which makes them value punctuality. This is validated by our empirical findings where the Swedish managers as well as the Swedish clients favoured punctuality and a linear approach to work.

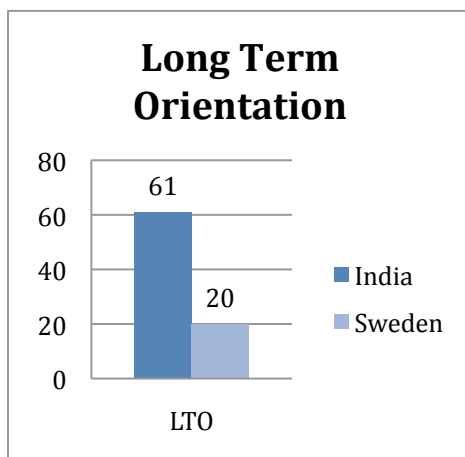


Figure 9. Comparison of Geert Hofstede's Long Term Orientation dimension - Sweden/India

Nardon and Steers (2006) also elucidate how monochronic cultures such as Sweden value the importance of separating work and private life while people in polychronic countries as India in general integrate personal and professional life.

Flexible Time Culture - *Exemplifying quotations*

"The Indians had another view on time. Not only did they drop in at 10 am, most of them were often late for meetings, sometimes even 1,5 hours late" - FB 5

"Even if everyone is late, we stay until the work is done" - FC 2

"In India we often work very late in the evenings – in that aspect I feel that we are more spoiled in Sweden" - FA 2

Figure 10. Flexible Time Culture – Exemplifying quotations

The fluid-time culture that prevails in India, in combination with the integrated private and work life, also affects the agenda of meetings. While one sets a clear, agreed and outlined agenda in monochronic Sweden and follows that agenda in a linear fashion – within working hours – one has meetings-within-meetings in polychronic India with loose scheduling (Gesteland, 2005).

The flexible time orientation that Swedish managers experience Indians to have is illustrated by manager FC 2 who points out that her Indian team members do not only arrive late for meetings, but the team is also presumed to stay in that meeting until the work is achieved, even if that means staying late.

5.1.3 “SAVE FACE AND ENSURE HARMONY”

Three recurring themes mentioned by the Swedish managers – which often were related to one another in the context of business – were the concept of face, the true meaning behind yes/no answers as well as ensuring quality (of a task/product/project etc).

Concept of "Face" - Exemplifying quotations

"Indians don't say 'no' to anything" - FA 5

"To be criticized in public in India is not good at all. If we just sit in a project group and say that the project is not going well, the Project Leader might perceive it as personal negative feedback as he/she is responsible for the results. It has happened several times that Project Leaders have quit their work and left the company more or less the day after, because they have felt that publicly criticized." - Co-Founder and former CEO of Indpro

"One task was calculated to take approximately 20 hours – after 18 hours the Indian team member confesses that he cannot complete the task in time and that he didn't want to admit it earlier. This was often the case with the Indian co-workers; they didn't admit when something didn't work or when they didn't understand something." - FA 2

"They often don't say no, and they rarely let you know if they don't understand something"
- FC 5

Figure 11. Concept of "Face" – Exemplifying quotations

Many of the Swedish managers came to find it difficult to determine whether an Indian colleague truly understood a task or just said 'yes' to instructions without really understanding. This lack of a straight answer became an issue for most of the Swedish managers as the results didn't meet their expectations on several occasions. A majority of the managers perceived that Indians take on what manager FC 5 calls a "good-enough-approach" instead of striving for great results (which the managers believe is achieved by asking questions and making sure to understand every detail) as Swedes are used to. A "good-enough-approach" is explained by manager FC 5 to be an approach where one aims to get the job done without a critical mindset i.e. asking questions regarding the project.

The concept of "face" is explained as never giving offense to anyone or one could "lose face". Losing face would be a catastrophe for Indians, as they would ruin the harmony, i.e. the appearance of getting along and showing mutual respect, within a group. "Face" also influences the behaviour in the workplace where "losing face" could for example be i) correcting, criticizing and/or disagreeing with someone openly, especially if she/he is senior ii) negative feedback iii) admitting a mistake/ that one does not know or understand/ one is not on schedule iv) saying something is impossible v) asking for help/more time. Their main goal is therefore always to preserve harmony by saving the face of oneself as well as one's boss. For the Swedish managers this behaviour is uncommon and unpredictable and, according to our empirical data, hard to adjust to.

According to Storti (2011) Indians would not risk “losing face” by challenging, questioning or “acting as they know more than the boss” (Storti, 2011, p.86). They are often worried about the reactions of their co-workers and do not want to admit that they are unable to deliver what a manager wants. A straight “no” is considered very rude, which logically makes the use of the word “yes” more frequent. One would therefore often receive a “yes” when asking the question: “do you understand?”. Storti (2011) also points out that the “yes” of an Indian may actually mean “yes I will try my best...”. This important trait in India’s culture of “saving face” is “the driving force behind and the single greatest influence on the Indian style of communication.” (Storti, 2011, p.23)

Checking communication - *Exemplifying quotations*

"If someone says "no problems!" one should check it one more time" - FC 1

"One should always double- and triple-check everything and not 'accept/trust' the first yes as easily" - FB 4

"Ask your Indian co-workers to retell what you tell, so that you are sure that the same message is shared" - FC 5

Figure 12. Communication - Exemplifying quotations

The importance of saving face and preserving harmony stems from India being a collectivistic society (Storti, 2011; Nardon and Steers, 2006). The social organization dimension also demonstrates how collectivism influences the context of communication; India is a high-context culture (Hall, 1959) where “yes” does not necessarily mean “yes”, while Sweden on the other hand is an individualistic society (Hofstede, 1980) with a low-context approach to communication (Hall, 1959). As mentioned in section 2.1.5 we classify Sweden as an individualistic society – in accordance with Hofstede’s definition – and opposed to Nardon and Steers (2006), who classify Sweden as collectivistic.

Individualism	Collectivism (India)*
Person-centered approach valued; primary loyalty to oneself	Group-centered approach valued; primary loyalty to oneself
Preference for preserving individual rights over social harmony	Preference for preserving social harmony over individual rights
Belief that people achieve self-identity through individual accomplishment	Belief that people achieve self-identity through group membership
Focus on accomplishing individual goals	Focus on accomplishing group goals
Sanctions reinforce independence and personal responsibility	Sanctions reinforce conformity to group norms
Contract-based agreements	Approach is focused but impatient
Tendency toward low-context (direct, frank) communication	Tendency toward high-context (subtle, indirect) communication
Tendency toward individual decision making	Tendency toward group or participative decision making

* and Sweden according to Nardon and Steers (2006)

Table 7. Nardon and Steers (2006) Social Organization Dimension

In high-context cultures the “meaning in communication is conveyed indirectly through the context surrounding a message” (Nardon and Steers, 2006, p.30) and can have many interpretations depending on body language, words and tone. In low-context societies however communication is direct and frank. There is therefore no need for an indirect approach – “the message itself convey its meaning”. For the Swedish managers who are accustomed to low-context communication – meaning that a “yes” is a “yes” in their society - it becomes quite the challenge to understand the Indian high-context manner of communicating, let alone, to handle it.

Figure 13 gives an overview of the specific issues that the Swedish managers in our sample mentioned most frequently and described as most severe, as well as the three categories of main challenges that we have divided the issues into.

Main challenges perceived by Swedish managers

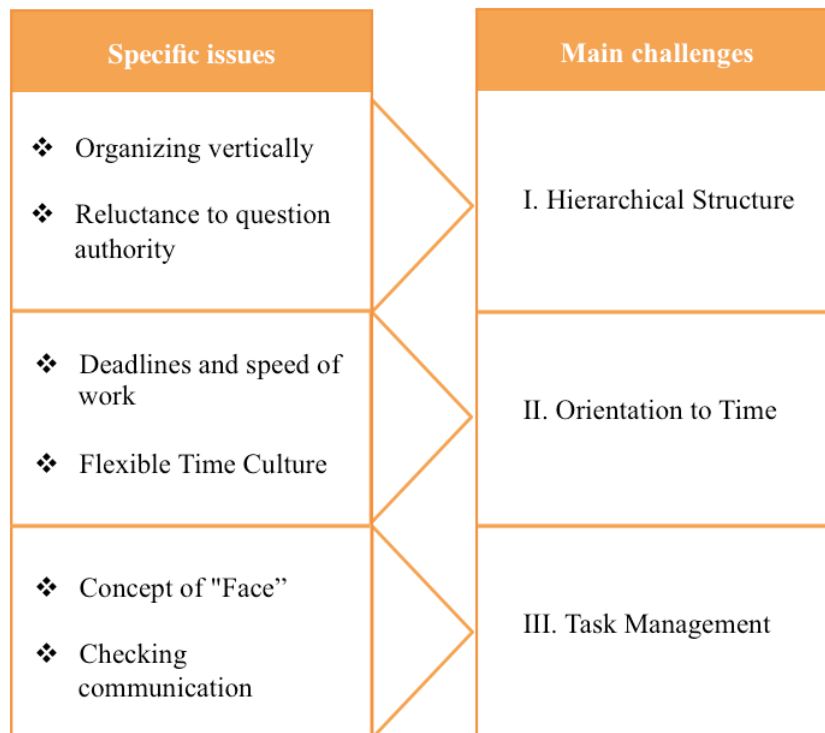


Figure 13. Main cross-cultural managerial challenges

5.2 LEVERAGING DIFFERENCES FROM HETEROGENEOUS TEAMS

The following section aims to investigate Research Question 2 and is structured based on Maloney and Zellmer-Bruhn's four propositions on how to leverage differences from culturally heterogeneous teams.

5.2.1 SIMILARITIES WITH POTENTIAL OF BRIDGING FAULTLINES

Maloney and Zellmer-Bruhn's first proposition suggests that by finding similarities with potential to bridge faultlines, the negative relationship between heterogeneity and Social Integration will be moderated. Since strong faultlines foretell more intra-group conflicts and poorer group outcomes, they need to be managed adequately not to restrain managers' possibilities to leverage cultural differences. Our empirical data shows that similar educational background, professional competence, and business ethics all function as bridges over cultural faultlines, (i.e. the Indian hierarchical structure versus the

Swedish egalitarian structure, rigid versus fluid orientation to time and project management (see part 4.1), in Indian-Swedish offshoring teams.

This finding is in accordance with research by Gupta and Ferguson (1997) and Mahadevan (2009), who have previously studied the transnational engineering community and described it as a delocalized culture of experts who have developed profession-specific, universal practices of communication. All of the managers that participated in our study did not have an engineering background; despite of this they could find other common ground with the Indian employees based on their professions. Managers of culturally heterogeneous teams could thus value from selecting members who share the same professional understanding. If the team members are highly diverse both regarding national culture and professional culture, there is a risk that it will be difficult for managers to sufficiently promote and develop Social Integration of the offshoring team.

Profession-specific similarities - *Exemplifying quotations*

"We are all engineers and have more or less the same education. We can talk to each other and it is easy to understand." - FC 3

"In India I worked with three senior management consultants and former bankers. The collaboration worked very well and I think it was because we are all schooled in the same kind of profession and share the same business ethics." - FB 6

"The main similarities between us are connected to the proudness of being consulting engineers, technical knowledge and a will to develop solutions." - FC 4

Figure 14. Profession-specific similarities – Exemplifying quotations

Nevertheless, there is also a risk evolving from relying too much on profession-specific similarities of for instance engineers; another "out-group" of non-engineers can be formed and the cross-cultural collaboration might then prosper on the expense of that the cross-discipline collaboration suffer. Ricoeur (1992) argues that when a group of people starts to define themselves as a collective "We", they will inevitably create a group of "Others". Managers should be aware of this potential unintended effect when striving to bridge faultlines; by finding and promoting different kinds of similarities, they can

reach a fruitful balance. Mahadevan (2011) conceptualize culture as a “collective identity”, which provides a focus point for collective belonging. We acknowledge that national culture and professional culture can both be seen as examples of such collective identities.

In their rating of national cultures, Nardon and Steers (2006) assess that Swedish and Indian culture is similar in regard to their relationship with the environment (harmony). It is however difficult to pinpoint which work-related aspects that can serve as a way to bridge faultlines. The harmony dimension “refers to people’s beliefs concerning the degree of their control over the natural and the social world /.../ clarifying exactly what this dimension means is not easy.” (Nardon and Steers, p. 23, 2006)

Also organizational culture and team culture have the potential to function as powerful focus points for collective belonging. By e.g. encouraging the development of swift norms in an offshoring team, managers can strengthen a team culture that involves all members and thus mitigate the risk that one faultline is bridged on the expense of aggravating another. There are additional factors that can bridge faultlines and hence complement or even substitute similarities connected to profession and field of business. Some of our interviewees showed a capability of moving beyond stereotypes and generalizations; instead they saw their employees primarily as individuals with universal needs and desires, shared by all human beings.

Similarities of universal character - Exemplifying quotations

“There is a core in every human being that is the same, no matter where you come from. Cultural patterns, behaviours and perspectives do not origin from you but from your environment. I have learnt to see through that and I try to separate what are cultural expressions and what are individual expressions (...) everyone of us wants to be seen and respected – that is a human need that we share ” – FA 6

“Individuals are extremely different, no matter if they come from Sweden or India. There are individuals in Sweden who are very driven and want to work hard, and you can find individuals with the same attitude in India as well.” – FB 2

Figure 15. Similarities of Universal Character – Exemplifying quotations

By transcending cultural as well as professional differences and instead addressing a deeper, human level, managers are able to find similarities with any kind of employees and can thereby facilitate Social Integration. This though requires a certain level of personal insight and maturity, which can most probably evolve in connection to developing a global mindset and opening thought world windows. This finding indicates additional support for Maloney and Zellmer-Bruhn's view that processes of Social Integration and Self-Verification are interlinked and enforce each other.

A couple of managers conveyed that they found more similarities with Indian top managers than with Indian employees who were lower in the hierarchy. They argued that both Indian top management culture and Swedish corporate culture allow for questioning orders, asking for clarifications and saying "no". This is in contrast with Indian subordinates who try to "save face" and refer from asking questions and saying no to their superiors. The rationale for this can though be questioned; as the Indian top managers come from the same national culture they could also be expected to value "saving face". Nevertheless, the criteria for what is a legitimate behaviour are likely to differ for people from different hierarchical levels. This can also be an indication of a global, profession-specific culture for managers, which involves being straightforward with one's opinions and questions. When the Swedish managers of offshoring teams describe different types of behaviours, they in general talk about the straightforward approach in more positive terms and wish their Indian employees to adjust to that. We though believe that it is important that managers strive to see advantages with different approaches and acquire an understanding for the logic behind them; it should not be taken for granted that the Swedish managerial mindset and behaviour is optimal in all contexts and for all people.

Obviously, it is in most cases not feasible or desirable to composite an offshoring team consisting of Indian top managers. However, Swedish managers who still wish to utilize this similarity can, when possible, strategically choose to collaborate with smaller Indian offices/offshoring partners, which will let them work closer to the top management team than when collaborating with a larger actor. The faultlines they might hence manage to bridge have the potential to increase their cultural understanding and become steppingstones for bridging additional faultlines in relation to their Indian team members.

Similarities across hierarchical levels - Exemplifying quotations

"My view is that the higher up one gets in the hierarchy (in India), the more similarities (with Swedish corporate culture) are to be found. Somehow we (Swedish people) seem to have more in common with Indians at that high level and the collaboration works better. I have noticed that people at high positions (in an Indian organization) are more used to cultural differences and know that they can question me. These people also know that it is alright to say "no" and they will ask me to explain if there is something they don't understand." - FB 6

"The offshoring collaborations I've been involved in have turned out to be most successful in the cases where I've had a good relation with the Indian top management team and could have a dialogue with them if things were not working properly. This was only possible in smaller organizations, when I collaborated with large actors I could naturally not get the same regular contact with their top management." - FB 1

Figure 16. Similarities across hierarchical levels – Exemplifying quotations

Moreover, Maloney and Zellmer-Bruhn (2006) suggest that faultlines can be bridged by specific tasks. To have the desired effect, these tasks can e.g. be specifically urgent or technical. However, we have found that this measure does only work if the team members work together, simultaneously with a task and thereby share the sense of urgency or technical challenge. The risk that lies within this type of delegation is the cultural challenge of how one manages a task. As previously mentioned in section 5.1.3, the management of a task is different for Indian respectively Swedish professionals. It is even pointed out as one of the main cross-cultural challenges for Swedish managers. If not managed properly and in a similar manner, the delegation of a task might induce more issues rather than bridging faultlines. However, by understanding the concept of "face" and the importance of preserving harmony, Swedish managers can employ Maloney and Zellmer-Bruhn's (2006) suggestion and thereby bridge faultlines. If the offshoring venture is designed in a way so that back office tasks are delegated to Indian employees by a Swedish manager that just direct and control their work, it is not possible to bridge faultlines by selecting particular tasks. This requires a one-team approach, which will be discussed further in section 5.2.2.

Similarities based on team cohesiveness - Exemplifying quotations

"We try to work like a team instead of dividing things so that everyone solve their own part and in the end consolidate everything - that was the former generation of offshoring, when tasks were mainly offshored backoffice. That is not optimal, it is better to consolidate a team with the right competence profiles, wherever these people are located." - FA 6

*"Towards clients we make sure to appear as **one team** – it has been like a mantra." – FA 1*

"The most important is to distribute responsibility among both Swedish and Indian consultants. When only the Swedish ones have been responsible for leading the work from front-office and the Indians have operated from back-office, it has not been good. Responsibility and organizational structure should be spread so that "high" and "low" are represented on both sides (referring to both the Swedish and the Indian sides of the team). – FA 3

Figure 17. Similarities based on team cohesiveness – Exemplifying quotations

To conclude, perceived challenges can be handled and differences can be leveraged, by finding appropriate similarities that bridge faultlines. These similarities can e.g. be profession-specific, of universal character, across hierarchical levels and based on team cohesiveness. If Swedish managers find and highlight effective similarities, the process of Social Integration will be stimulated. Figure 17 illustrates this relationship, which leads to Revised Proposition 1:

Bridging faultlines can positively moderate the relationship between heterogeneity and Social Integration, if effective similarities are found and promoted. Similarities can originate from both professional culture and competence. Swedish managers can use tasks as an effectual bridge provided that they understand the concept of "saving face" and foster a One-team approach.

Bridging faultlines - Revised Proposition 1.

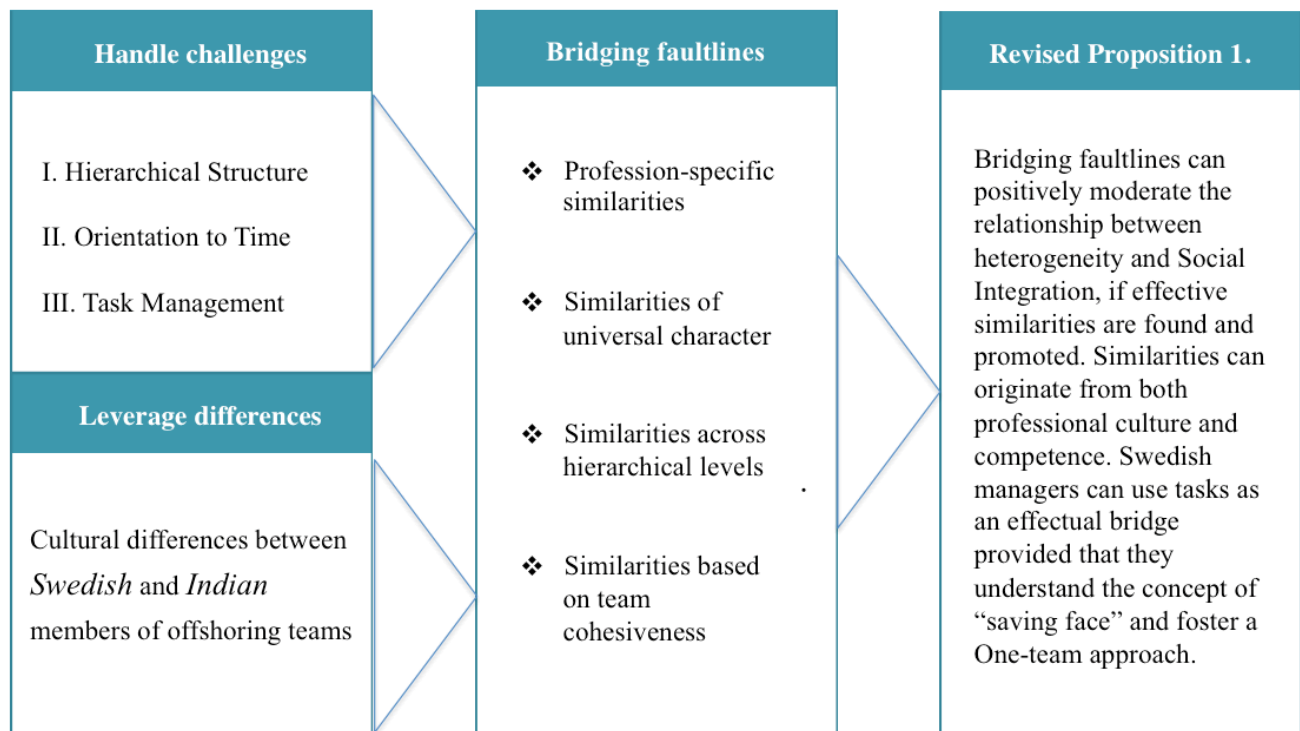


Figure 18. Bridging faultlines – Revised Proposition 1

5.2.2 ONE-TEAM SHARING SWIFT NORMS

The second proposition suggested by Maloney and Zellmer-Bruhn (2006) for moderating the negative relationship between heterogeneity and social integration is to build swift norms, which act to rapidly bond the team members. According to Maloney and Zellmer-Bruhn (2006) managers can and should intervene to ensure that norms are established early in a team; “they need to set the stage”. If “swift norms” are not developed in a heterogeneous team and in particular if the manager does not encourage norms to be established early, the likelihood of developing psychological safety and a social cohesion may be impeded and thus have a negative effect on managers’ possibilities to leverage the team’s heterogeneity (Maloney and Zellmer-Bruhn, 2006).

Managerial efforts to quickly develop strong normative cultures should focus primarily on norms of trust and psychological safety. Swift norms can be team-specific and created by the team members themselves. However, usually managers need to encourage the team members to do so and facilitate the process (Schein, 1985). Swift norms could be created early in the team’s life if team members in the

beginning initiate early and enthusiastic communication with each other, enabling trust to be built. A facilitator for enthusiastic communication is one's personal attitude. As our empirical findings demonstrate, a person's attitude can affect the drive and willingness to make an effort within a new and unfamiliar setting.

By selecting members who have an open mind, a positive attitude as well as a willingness to make the cross-cultural collaboration work, enthusiastic communication will most likely develop in the beginning of the team's life and enable the important creation of swift norms.

Personal attitude - Exemplifying quotations

"What made our project fail was an attitude among employees at the Swedish office. They thought: the Indians will come here and take our jobs, even if it goes well for us now there might be problem when the business cycle goes down. I witnessed a strong internal resistance against this" - FC 1

"Before I went to India I had no previous experience of working with offshoring but I really wanted to get the opportunity to live and work abroad. The most important qualification for being selected for the position in India was personal attitude and social competence. This was considered even more important than task-specific competence." - FB 5

"My best advice to a Swedish colleague who is about to start managing a Swedish-Indian offshoring team is to be open-minded, patient and don't take things for granted - FC 2

Figure 19. Personal Attitude – Exemplifying quotations

Furthermore, the team members should delineate responding norms up front and directly share information regarding for example national holidays and travel schedules. When looking at a team consisting of only two national cultures it is important to understand that there is a bigger challenge for a moderately heterogeneous team to achieve a common team identity than for a highly heterogeneous team. Earley and Mosakowski (2000) explain that this is due to moderately diverse teams importing cultures that are "aligned with obvious sub-groups". This difficulty impacts the social integration as the moderately heterogeneous team won't be able to attain a hybrid culture – "an emergent and simplified set of rules and actions, work capability expectations, and member perceptions that individuals within a team develop, share, and enact after mutual interactions" – as easily as a highly diverse team.

Since Swedish-Indian offshoring teams are moderately heterogeneous it can be difficult to create a hybrid culture. Maloney and Zellmer-Bruhn (2006) though state that one still can promote Social Integration for moderately heterogeneous teams by – as mentioned earlier – creating swift norms that can build trust and psychological safety. An effective intervention by the manager would in this case be even more important for intended outcomes to be achieved. By creating clear documents, explicitly stating detailed plans and structure for the work that is to be done by the team; managers can increase the feeling of safety and potentially facilitate the development of a hybrid culture. This can also facilitate professional understanding and diminish the risk for misconceptions.

Plans and structure of work - Exemplifying quotations

"We didn't develop shared norms in the team and that was kind of a shortcoming. One should have a clearer plan and structure for the work, which is something that I have taking with me as a learning outcome." - FC 4

"My advice to Swedish managers who wish to facilitate professional understanding in offshoring processes, is to create a clear code for how to work together in the team." - FA 4 Ind.

"What's most important to handle potential challenges? Appropriate preparations, a plan for communication and well-documented processes." - FC 3

"I recommended that Swedish managers who are about to start collaborating with Indians should begin their projects with developing written documents that describe everything that are to be done in detail, as well as a list with translations of important terms and short forms." - FC 6

Figure 20. Plans and Structure of work – Exemplifying quotations

Since the Swedish managers in our sample worked in heterogeneous teams during different time spans, ranging from one month to several years, it is important to acknowledge the aspect of time for Social Integration. For temporary work groups, Meyerson, Weick and Kramer (1996) suggest the concept of "swift trust" where trust is based on social categories rather than created by interpersonal relationships. When one is unable to develop close interpersonal relationships – and thus develop trust – this kind of swift trust is crucial for Social Integration.

What could be damaging for the establishment of trust is, according to Cramton (2001), to receive information unevenly as well as, inter alia, apprehend the meaning of silence in an uncertain manner. For this aspect and for the foundation of building swift norms, communication is extremely important. As national culture impacts communication (Hall, 1976) it is also of the essence to create an understanding for the way individuals from the respective cultures communicate. In the case of India, the communication is high-context i.e. a culture where one might use few words as well as prolonged silence to communicate. For a society such as Sweden on the other hand a low-context approach is undertaken and the communication is very explicit. This means that the risk for misunderstanding silence between the two parties is high and might induce damage to the trust. To be able to minimize the risk for miscommunication and hence mistrust, it is important that managers try to learn about and understand the previously unfamiliar culture, before entering a culturally heterogeneous team.

High versus low context communication - Exemplifying quotations

"When you ask someone something in Sweden and you receive a 'yes' than you often expect that he/she will do it. In India they might say 'yes' but they might also not do it at all. It often ends up with me doublechecking if they really understood my question and if they could repeat what I wanted from them. " - FC 5

"It is often best not to ask a yes/no question as you will probably receive a 'yes' that won't always mean a 'yes'."- FA 3

"You think that you've explained everything in the best possible way but somehow the message won't always get received in the same manner you want it to." - FC 3

Figure 21. High vs Low Context Communication – Exemplifying quotations

The significance of intervention by the manager – in order to build Social Integration (especially in temporary teams) – becomes, in some cases, facilitated by the national culture. As the Swedish management style involves being coaching and empowering towards one's subordinates (Birkinshaw, 2002) it becomes natural for a Swedish manager to be encouraging of the members implementing beneficial norms for the team. In a hierarchical society however, the manager might prefer his or her norms to be superior to the norms of the group. The empirical data showed that the majority of Swedish

managers understood the importance of norms and what influence it had on working relations as well as deliveries in terms of projects.

Our findings also revealed that multiple Swedish managers strived to make all members feel like they were part of “one team”, that is, they strived to create a common team identity. This was efficiently done through e.g. stating a common goal, distributing responsibility and adjusting to different communication styles. However, as Maloney and Zellmer-Bruhn (2006) state, there is an inherent difficulty with creating a common team identity by just *being* a moderately heterogeneous team. If there additionally would be a complete lack of swift norms and/or swift trust the task would become, according to Maloney and Zellmer-Bruhn (2006), nearly impossible.

Common team identity - Exemplifying quotations

“To me, successful collaboration is when everyone feels that they belong to the same team and do not divided themselves into We and the Others. It becomes successful when everyone strives towards a common goal and sees that as the most important, not prioritizing positioning or protectionism. A prerequisite for this is that there is good communication and trust within the team.” - FB 1

“You need to have people from all organizational levels at both sides (both from India and from Sweden). The times when the collaboration has functioned the best is when we have worked like an integrated team from all levels.” - FA 3

“We didn’t feel like a team as we were not working so much together. In Sweden we first did a task and then the Indians should do the same thing but in another program. I was mainly controlling the process, all work was done in India. (...) The quality of the delivery didn’t become so good, but it would probably be better now when we have learnt more about each other.” - FC 6

Figure 22. Common Team Identity – Exemplifying quotations

In conclusion, Swedish managers can handle perceived challenges as well as leverage differences by creating team-specific swift norms. This can be done e.g. by selecting team members with the appropriate personal attitude, clearly defining and communicating plans and structure of work, learning about high versus low context communication and promoting the development of a common team identity. By committing to these managerial interventions, managers can support the process of Social Integration. Figure 23 illustrates this relationship, which leads to Revised Proposition 2:

Swedish managers should strive to promote the development swift trust and swift norms that build a common team identity. This can be accomplished if managers educate team members regarding the different cultural communication styles, as well as create clear plans and structures.

Swift norms - Revised Proposition 2.

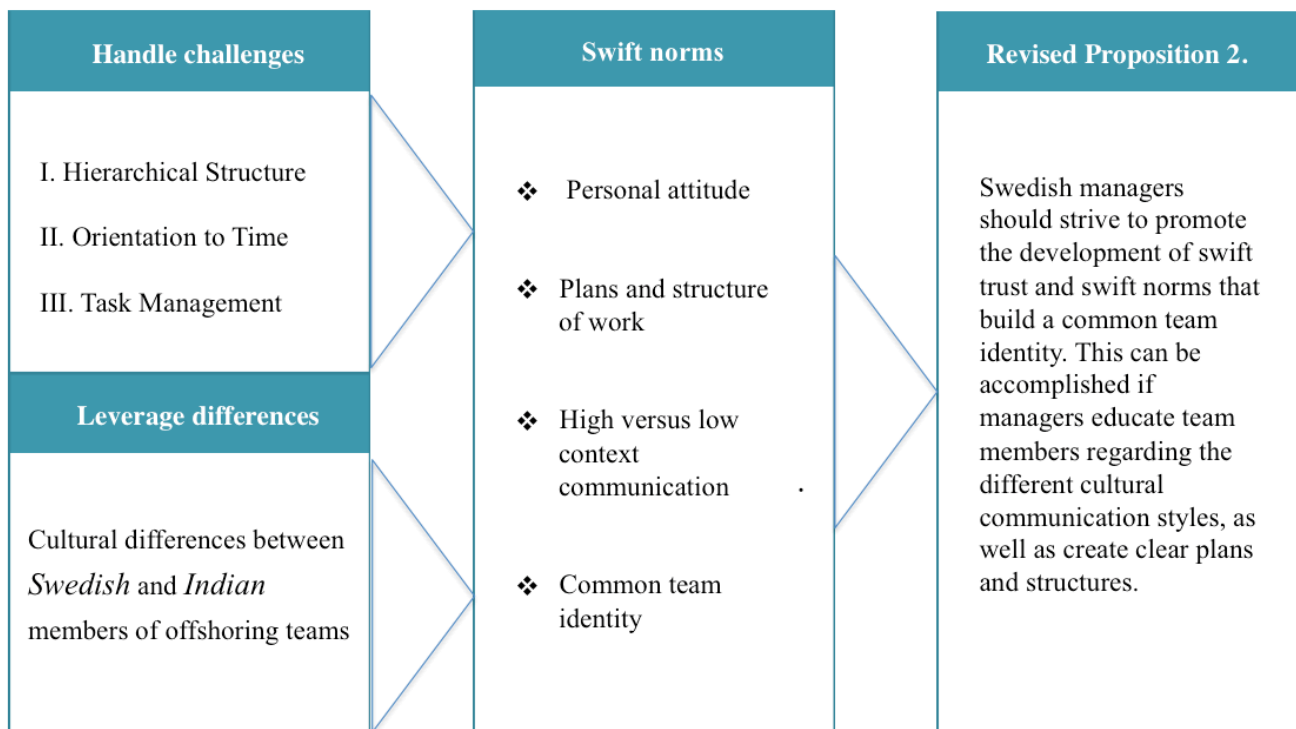


Figure 23. Swift Norms – Revised proposition 2

5.2.3 EXPERIENCE AND ATTITUDE CREATING A GLOBAL MINDSET

The third proposition by Maloney and Zellmer-Bruhn (2006) implies that an organizational culture that is characterized by a global mindset will positively moderate the relationship between heterogeneity and Self-Verification. According to our empirical findings, the Swedish managers who had a global mindset indeed valued the contributions of team members' differences and let everyone express their perspectives, as well as receive acknowledgement for them.

A majority of the managers who had broad international experience were able to distance themselves from their own cultural conditionings and consequently they did not view their own culture as the only norm or role model. According to Calusen (2010) it is when this happens and managers are able to see, understand and transcend their own mental programming or cultural conditioning, that cultural

differences can be used as strategic assets. Our empirics support Calusen's reasoning and confirm that a global mindset helps to leverage heterogeneity.

At the World Value Survey Cultural Map (see figure 1), Sweden is positioned in the very upper right corner, ranking exceptionally high on both the Secular-rational dimension and the Self-expression dimension (Inglehart and Welzel, 2010). Reflecting about Sweden's position on the cultural map strengthened one of the manager's awareness of that there are other ways to see the world. By viewing and discussing the World Value Survey Cultural Map, or another analogous illustration of Swedish values in a global context, other managers and employees would probably also be able to develop their cultural awareness further.

Transcend own cultural conditionings - Exemplifying quotations

"It's important to surpass the cultural aspects, when you manage to do that is when the collaboration can become truly successful." - FA 6

"What we in Sweden believe to be normal does not at all have to be normal on a global scale, nor does it have to be the best. It is good to be aware of that there are other ways to see the world." - FB 6

"By working with the offshoring project I have learnt things about myself, e.g. what I'm good at explaining and what I can improve, it has contributed to my personal development." - FC 5

"Through working with offshoring I have become clearer in my communication and the Indians have started to understand that they are allowed to reason and question more." - FA 1

Figure 24. Transcend own cultural conditionings – Exemplifying quotations

Several Swedish managers benefited from the Indian team members' common preference for saving face and ensuring harmony, as it helped them to develop their personal leadership. Instead of just assuming that a "yes, I understand" always meant that an employee actually had grasped a message, these managers became better at confirming actual understanding and improved their communication skills. As a consequence, the managers cultivated abilities to leverage heterogeneous teams - as well as to collaborate efficiently with local, Swedish colleagues.

It is worth noticing that the international exposure that developed a global mindset among the Swedish managers did most often not arise from experiences of Indian culture. Instead they developed the mindset by travelling and working in a variety of cultures around the world, as well as by collaborating with international colleagues, consultants and clients in Sweden. Nevertheless, the global mindset they developed eventually helped them greatly to manage Indian offshoring teams. Accordingly, one doesn't have to establish a global mindset in the same culture as it will be utilized in.

Adler (2002) argues that the ability to turn cultural heterogeneity to organizational advantages “presupposes the interplay of alternative realities and rejects the actual and potential domination of one reality over another.” To mention one illustrating example, the Co-Founder and former CEO of Indpro displayed this ability by describing characteristic cultural perspectives of Swedes and Indians, without valuing the different views of reality and claiming one to be superior; instead he found them both two be important and complementary to each other (see quote in figure 25). Additionally, he showed the ability to respect and understand benefits of having heterogeneous members in the team, which Maloney and Zellmer-Bruhn (2006) describe as an attribute of individuals with a global mindset. When team members acknowledge advantages with differences, their ability and willingness to confirm different individual viewpoints increase, and Self-Verification processes are hence stimulated.

Acknowledge advantages with differences - Exemplifying quotations

“It becomes a mix of two worlds: We (Swedish people) think critically and the Indians only see opportunities. The balance is needed and thus we complement each other extremely well.” - The Co-Founder and former CEO of Indpro

*“In order to make collaboration work it is essential with mutual respect for similarities as well as differences, no matter if I work together with an Indian or with another Swede. One has to understand and accept that we are different and see the advantages with it.”
- FB 6*

“I think it is vastly important to have different values and perspectives in a team.” - FC 1

Figure 25. Acknowledge advantages with differences – Exemplifying quotations

Osland and Bird (2000) suggest that managers who wish to encompass and “trump” cultural stereotypes should develop the ability of Value-trumping and hence learn how to prioritize one cultural value over another in a given management situation. It is only possible for managers to master Value-trumping if they become familiar with different sets of cultural values; to have experienced and acknowledged that Swedish people e.g. in general value critical thinking while Indians value identification of opportunities can thus be seen as a starting point for Value-trumping. Consequently, a manager’s ability of Value-trumping can evolve simultaneously to his/her global mindset and thereby further increase his/her competence to extract value from culturally diverse teams. This thus also requires that the manager has competence to adequately assess different situations and select cultural values accordingly. In order to promote an organizational culture characterized by global mindset, Maloney and Zellmer-Bruhn (2006) recommend managers to prioritize employees with an international background when hiring and promoting. However, our empirical data indicate that a willingness to learn and develop, curiosity and interest in other people are also significant factors. The motivation to develop a global mindset can equip individuals with an attitude and insight that foretell successful offshoring collaboration – even if they yet haven’t acquired a broad international experience. When taking decisions regarding recruitment and promotion, managers who wish to nurture the organization’s global mindset should thus not only consider candidates’ international background, but also value their personal motivation to develop the preferred mindset.

Promote motivation - Exemplifying quotations

“It was a normal application procedure (to be selected into a cross-cultural team and go to India), I think one of the most important factors for being selected was motivation. I have always been interested in other cultures and wanted to go abroad and work” - FB 3

“I had only been outside of Europe once before I started to work with offshoring in India. I was motivated to develop on both a personal and a professional level by exploring a new culture and a new country. In order to understand and manage cultural differences between Sweden and India I believe that the most important is to be curious, have some bravery and an interest in understanding people, a wish to comprehend how different individuals think and reason.” - FB 2 (FB 2 has recently been appointed Vice President for his company’s Indian operations)

*“If the will would have been there the collaboration would definitely have been successful.”
- FC 1*

Figure 26. Promote motivation – Exemplifying quotations

Moreover, Maloney and Zellmer-Bruhn (2006) suggest that managers can foster a culture of global mindset by providing employees with opportunities to travel and work abroad. One of the consulting firms in our sample did this by arranging inspirational, exploratory travels for employees and managers. All the firms allowed members of Swedish-Indian offshoring teams to visit each other's countries, though to a varying extent. A vast majority of these initiatives were highly appreciated and the Swedish managers expressed that the international travels increased their understanding for different aspects of foreign cultures and facilitated collaboration in their offshoring teams. Our empirical data unambiguously confirm that managers can encourage the development of a global mindset among employees by letting them travel and work in different cultures. However, to do this obviously requires financial resources. Since offshoring ventures are often initiated with the aim to save costs by involving Indian employees with lower wages, some companies and managers might view it as contradictory to spend money on extensive travelling between sites - and even more so on inspirational travels that are not directly connected to any invoiced projects. However, by seeing the involvement in offshoring as a long-term, strategic asset and acknowledging the extensive potential gains from nourishing a global mindset in the organisation, we argue that it is well worth the investment to prioritize international travels for members of offshoring teams.

Prioritize international travels - Exemplifying quotations

"I have worked internationally in Europe for many years, this has helped me to understand the Indian culture as I have developed respect for and awareness of cultural differences."

- FB 1

"The more you travel the more you learn. But it is different to work and achieve something, and to be on holiday in a foreign country." - FC 2

"I have worked a lot with people from other cultures and I have learnt to respect and understand people. This has been of great help when I started to collaborate with Indians."

- FA 6

"I went to India for an inspirational trip that my company arranged and got to experience different aspects of the Indian culture and society. It turned out to be a very good preparation for me - even though at the time of the trip I didn't know yet that I was going to work with offshoring to India." - FB 3

Figure 27. Prioritize international travel – Exemplifying quotations

The Co-Founder and former CEO of Indpro argued that Swedish managers who work with Indian offshoring projects don't need to have so much prior international experience or training; he reasoned that they were just supposed to be Swedish and know how to communicate with their Swedish clients. We naturally agree that it is essential that Swedish managers understand the needs of their Swedish clients and are able to communicate properly with them. Nevertheless, this does not diminish the importance that they can collaborate well with Indian counterparts. A global mindset is defined as the degree to which employees can simultaneously attend to geographical local needs and global demands (Murtha et al., 1998). To promote Self-Verification and extract value from heterogeneity, managers must thus also be able to understand and act upon local needs and demands – “just being Swedish” is not sufficient.

Our empirical data shows that the Indian approach to time and scheduling is perceived as challenging by many Swedish managers. However, with a well-developed global mindset it should be possible to see this approach also from an advantageous perspective. FC 2 stated that her experience from working with Indians was that even if everyone arrived late, they also stayed until the work was done. Instead of mainly focusing on the lack of punctuality, this can be seen as an attitude of flexibility and loyalty as Indian team members often adjust their schedules depending on tasks' development and unpredicted happenings. Adjusting to “a changing game-plan in a changing reality” (Hofstede, 2013) might be a both realistic and adequate approach. Nevertheless, as project outcomes are to be delivered to Swedish clients, Swedish-Indian offshoring teams naturally need to adjust to the clients' expectations of punctuality and predictability. By practicing Value-trumping Swedish managers should be able to shift between the Swedish respectively Indian approaches to time, depending on the specific requirements of each managerial situation.

In conclusion, a global mindset can mitigate challenges, leverage differences and foster processes of Self-Verification as it e.g. makes individuals transcend own cultural conditionings and acknowledge advantages with differences. Swedish managers can cultivate an organizational culture characterized by a global mindset by promoting motivation as well as prioritizing international travels. Figure 28 illustrates this relationship, which leads to Revised Proposition 3:

The benefits of a global mindset can be attained not only through international experience but also through personal motivation and openness. By embracing advantages of different cultures, Swedish managers can develop personal leadership and communication skills to leverage cultural differen

Global mindset - Revised Proposition 3.

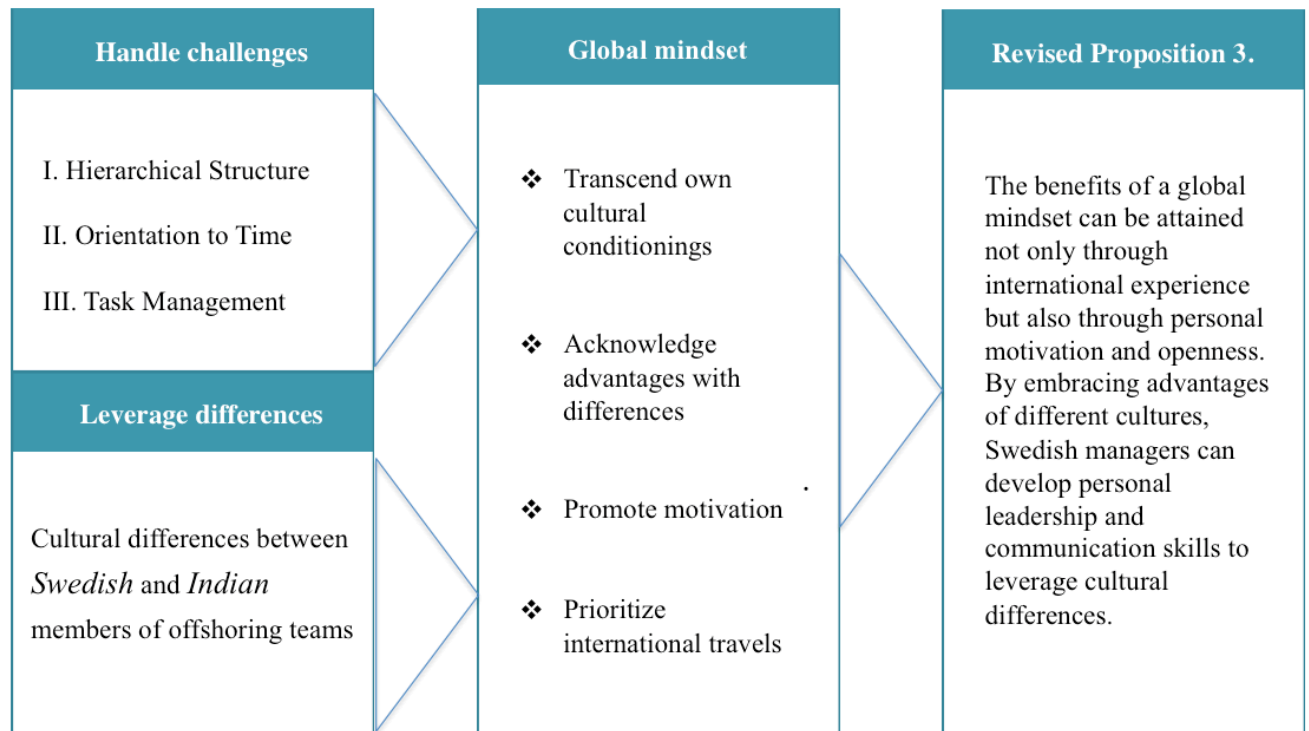


Figure 28. Global Mindset – Revised Proposition 3

5.2.4 INTERPRETING OTHER'S PERSPECTIVES TO OPEN THOUGHT WORLD WINDOWS

According to Maloney and Zellmer-Bruhn's (2006) fourth proposition, the relationship between heterogeneity and Self-Verification is positively moderated by the opening of thought world windows. Our empirical findings are in accordance with this proposition and show that the creation of thought world windows can break down interpretive barriers and thereby enable people involved in Swedish-Indian offshoring ventures to see, hear and interpret information from each other. This conclusion makes it relevant to further scrutinize how Swedish managers can encourage the opening of thought world windows in offshoring projects.

Maloney and Zellmer-Bruhn's (2006) recommend that managers should let team members engage in joint activities and rotate meeting locations geographically. Based on our findings we suggest that joint activities can imply large teambuilding events and conferences, but also smaller everyday activities such as common tea breaks and meeting with an open atmosphere. What is important is that a psychologically safe environment is created, where individuals feel comfortable and viewpoints can be

shared and confirmed by team members. Some managers in our sample accomplished to create this kind of favourable environments, which facilitated the process of self-verification in their offshoring teams. On the contrary, offshoring teams that didn't engage in informal conversations in a majority of cases faced problems with understanding among members as well as with project deliveries.

Time and space to share indiv. viewpoints - Exemplifying quotations

"Every day the entire team meet and talk. We drink a lot of chai tea together and there are many informal chats between colleagues. The regular meetings are very open and everyone have the opportunity to voice their opinion." - FB 3

"When I strive to integrate a team with Swedish and Indian employees, I think the most important factors are to show everyone the same respect for their competence, listen to everyone's opinions and to be clear with stating a common goal." - FB 1

"I have experience from collaborating with Indian employees both in Sweden and in India. I perceived that the hierarchy was much clearer when I were in India; there I seldom had any informal conversations with my employees but mostly talked to other managers. (...) The offshoring project didn't unfold very well, a lot of things got postponed and after a year we decided to terminate the collaboration and brought the project back to Sweden." - FC 3

Figure 29. Time and Space to share individual viewpoints – Exemplifying quotations

DiStefano and Maznevski (2000) advocate that individuals should actively step outside of their own culture and suspend judgment with the aim to adapt to the culture of their other team members; a method they refer to as "decentering". Maloney and Zellmer-Bruhn (2006) promote decentering and reason that it can help team members to find a shared understanding. As an example, the quote by FB 2 in figure 30 hints that he, consciously or unconsciously, has practiced decentering and thereby managed to open up thought world windows, allowing him to interpret the logic in the behaviour of his Indian team members. Managers with the ability of decentring facilitated Self-Verification, as they didn't judge different behaviours but rather looked for the reasons behind them.

Naturally, it is more difficult to create time and spaces where everyone's voice can be heard and confirmed when team member are located at different sites in different continents. Our empirics confirm that by rotating meeting locations geographically, as recommended by Maloney and Zellmer-Bruhn (2006), members of offshoring teams will share more local knowledge and increase the accuracy of

interpretations. By regularly travelling to each other's sites, team members will simultaneously foster a global mindset. Even though travelling and rotating meeting locations can be costly, it should be seen as a long-term investment. In section 5.2.3 about Global Mindset this issue is discussed in more detail.

Decentring to suspend judgement - *Exemplifying quotations*

"They think on the basis of their view of the world and if one manages to think from their perspective there are most probably explanations to why they behave or don't behave in a certain way, things start to seem logic." - FB 2

"The Indian employees initially just did exactly what I said. I don't think that this is neither a negative nor a positive characteristic, just a behaviour that people have learned and got used to."
- FA 1

"Even if everyone is late we stay until the work is done, sometimes we have been sitting in a meeting for 4-5 hours. The agenda often looks like there are 4-5 different meetings merged into one. This might sound unstructured but it wasn't, everything got done." - FC 2

Figure 30. Decentring to suspend judgement – Exemplifying quotations

In their research, Maloney and Zellmer-Bruhn's (2006) address how opening up thought world windows can influence internal collaboration and Self-Verification in culturally heterogeneous teams. Our empirical data discloses the possibility that a corresponding process can include clients as well and aim to integrate their perspectives with the Indian consultants'. Even if a client's initial motivation to engage Indian consultants was to save costs, this objective can be complemented with reaping the potential benefits of culturally different perspectives.

Previous studies have identified that cultural differences can be beneficial in various corporate contexts. Stahl et al. (2010) have concluded that cultural diversity is valuable for helping organizations to e.g. engage in cross-border alliances, develop unique capabilities and foster learning and innovation. If the potential benefits of diversity are acknowledged and managed well, they can thus contribute to a fruitful and dynamic development of the client's processes and operations. In an increasingly globalized world, many client organizations should be able to gain from understanding and integrating other cultural perspectives. Seen from this point of view, collateral heterogeneity in offshoring teams can in some cases be transformed into deliberate heterogeneity. By promoting the latent advantages with diversity, it

can be leveraged in a way that favours the collaboration in the offshoring team as well as benefits the client.

One of the consulting firms in our sample sometimes invites potential and present clients to India, e.g. when they give prospects of offshoring projects. Letting the client acquire a direct experience of the Indian corporate culture is one way through which thought world windows can develop and facilitate the forthcoming communication and collaboration. In the process of opening up thought world windows between Indian consultants and Swedish clients, Swedish managers of offshoring teams can function as mediators and support the client to understand and interpret the Indian's perspective.

Involve the client - Exemplifying quotations

"Both sides should be accountability for financial follow-ups and have contact with the client. If not, the Indian side of the project team will become far too distant from the client's way of reasoning and they will not understand why they are doing certain things – this is basal." - FA 3

"The Indians must get the chance to meet clients, we must have as much knowledge about the delivery in India and in Sweden. We have done a lot of activities to come closer to each other." - FA 1

"In larger collaborations we more and more often invite people from the client organization to India so that they can get to know the Indian consultants. I recall one case where the client initially perceived offshoring as a threat and "an unknown black box". Going to India was incredible positive for them, they changed their perceptions and a dialogue started between the client's employees and the Indian consultants " - FA 6

Figure 31. Involve the client – Exemplifying quotations

Moreover, some managers mentioned the importance of distributing responsibility among both Swedish and Indian consultants. They reasoned that the Indian consultants should have contact with the client, not only operate from back-office. A prerequisite for making this possible is that clients agree to initiate a regular contact with the Indian team members, which in most cases will require that the client develops greater abilities to understand and interpret a different cultural perspective - and accordingly open up thought world windows.

From our empirical data we have identified that in the most successful offshoring projects, investments have been made to open up thought world windows between Swedish and Indian team

members as well as towards the client. In order to make it worthwhile for the parties involved to make initial investments of both time and money (to develop a mutual understanding, overcome interpretative barriers, share local knowledge, build up support structures etc.) the offshoring ventures should be large and with a long-term focus. Our empirical data show that smaller, short-term projects that don't involve the client have a high failure rate; even if the tasks that are being offshored are basic, the wide cultural gaps between Sweden and India heralds for difficulties.

Prioritise large and long-term projects - Exemplifying quotations

"We worked with a large client and it was a lot of trouble during the first years, but after three years everything was working smoothly. Also the client did an investment, adjusted and tried to make it work – today they are really satisfied. (...) An Indian employee that work with our large deliveries should have been at least 3 months in Sweden and during that time work close to the client - this makes the client see that it is a human being, thereafter they can more easily develop a relation through telephone and it increases the client's trust." - FA 1

"The client should not believe that everything will stay the same but just becomes cheaper when using offshoring to India. It will have consequences also for the client's employees, how they work, how the processes are designed, how long the response-times will be etc. If the client lacks this understanding, the insight that offshoring will involve a change that people must be included in; then it will become a failure. It is a change and one cannot continue to work the same way that one has always done" - FA 6

Figure 32. Prioritize large and long-term projects – Exemplifying quotations

When addressing the issues that Swedish managers highlighted as most challenging in their offshoring ventures, we assess that creating thought world windows is of great importance. If managers foster the ability to accurately interpret and understand their Indian team members, it would naturally become easier for them to handle the hierarchical aspect of Indian business culture. To many Indians, clear hierarchy and managerial control provides a sense of psychological security (Hofstede, 2013). If Swedish managers don't act according to their positions in the hierarchical system, and perhaps give ambiguous directions and coaching rather than clear orders, there is a risk that Indian team members will feel uncomfortable and insecure. Since creating a psychologically safe environment is essential for the process of Self-Verification to occur (Maloney and Zellmer-Bruhn, 2006) this would become counterproductive to the aim of leveraging differences. However, if thought world windows are opened in both directions, between Swedes and Indians, there is a possibility that the Indian team members will start to understand that their Swedish managers allow and encourage them to question and reason

independently. Swedish managers who chose a non-authoritarian approach should thus make sure that this occurs so that they can offer a substitute for the psychological security that hierarchy would otherwise bring. However, Swedish managers should not just assume that the Swedish norm of a flat organizational structure is always optimal and suits everyone; instead they should analyse advantages with different organizational structures and manager-employee relations. In some cases it might be most advantageous that they adjust their management style to become more direct and give clear directions, instead of expecting their Indian employees to get used to the Swedish approach and change accordingly. Self-Verification includes suspending one's judgement, which e.g. implies referring from judging which view of hierarchy that is objectively optimal.

To conclude, the opening of thought world windows can stimulate Self-Verification processes in offshoring teams. Swedish managers can contribute to this by e.g. creating time and space for team members to share individual viewpoints, decentring to suspend judgement, involving the client and prioritizing large, long-term projects. Figure 33 illustrates this relationship, which leads to Revised Proposition 4:

By creating psychologically safe environments and promoting the opening of thought world windows, Swedish managers can facilitate the process of Self-Verification. Cultural differences are optimally leveraged when managers involve clients in the process and prioritize large, long-term offshoring projects.

Thought world windows - Revised Proposition 4.

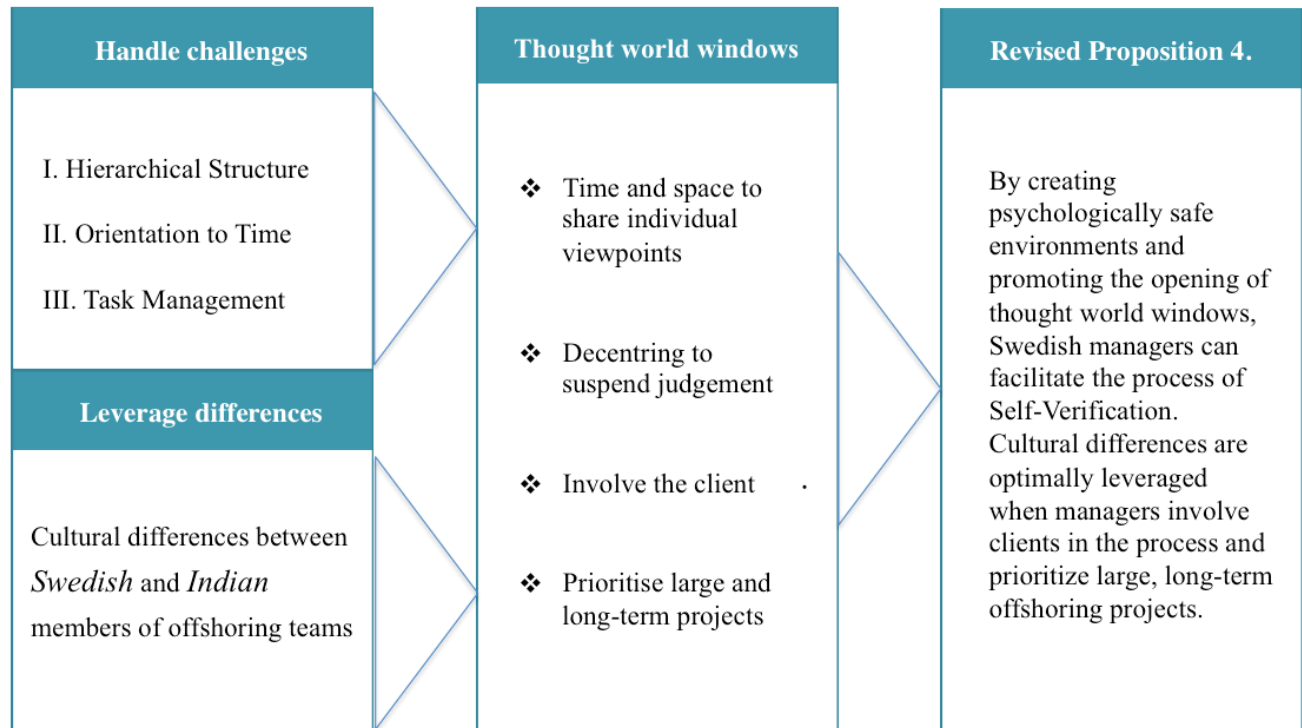


Figure 33. Thought World Windows – Revised Proposition 4

6 CONCLUSION

6.1 ANSWERS TO RESEARCH QUESTIONS

In this section we will reconnect to the purpose of our study and answer the two research questions based on our empirical findings and analysis. The aim of our research has been to contribute to the current body of cross-cultural management literature within the field of offshoring and to further investigate how Swedish managers can utilize cultural heterogeneity as an asset rather than viewing it as an obstacle. To be able to suggest which measures that are effective for leveraging differences, we claim that a comprehensive understanding of current managerial challenges is essential.

1. *From a national culture perspective; what managerial adjustments do Swedish managers operating in Indian offshoring projects perceive as being the most challenging?*

In order to analyze the link between national culture and management we employed Nardon and Steer's "Big Five Cultural Dimensions" as a theoretical framework and a starting point for this thesis. This particular framework – which is a model that attempts to "tease out the principal cultural characteristics" through comparative analysis of various well-known models (i.e. Hall, 1969; Hofstede, 1980 etc) – allowed us to look at management-related concepts ranging from delegation to how one manages meetings. Our empirical data revealed several cross-cultural factors that the Swedish managers perceived as being challenging to adjust to when working with Indian offshoring projects. The three most prominent themes that emerged from our empirical findings were i) Operating in a *hierarchical setting/structure* ii) the *orientation to time and scheduling* and iii) the importance of "*saving face*" and *ensuring harmony* for their Indian counterparts when managing a task/project. These themes were partly explained by Nardon and Steer's framework but needed supplementary theoretical explanations from research by Hofstede (1980) and Hall (1959).

i) *Hierarchical structure*

When collaborating with their Indian co-workers the Swedish managers explained that it was difficult to adjust from a non-hierarchical management approach to a hierarchical management approach. This implied always keeping the hierarchical structure in mind when for example making decisions and delegating tasks. It also meant familiarizing oneself with Indian business etiquette associated with hierarchy such as the subordinates standing up when a superior enters the room as a sign of respect. Another sign of respect that Swedish managers had to acclimate to was how subordinates often referred from questioning their superiors. For some of the Swedish managers, the challenge lied within encouraging their subordinates to adjust to a non-hierarchical managerial approach.

This managerial challenge is explained by extensive theoretical research concerning cross-cultural management that states that a cultural "clash" exists between the Swedish egalitarian management style and the Indian hierarchical management style. To make this transformation – adjusting from a non-hierarchical management approach to a hierarchical management approach, alternatively encouraging Indian subordinates to adjust to a non-hierarchical management approach – was accordingly experienced as a significant challenge by the Swedish managers.

ii) *Orientation towards Time and Scheduling*

Another challenge for the Swedish managers was to learn and understand how their Indian counterparts dealt with the concept of time in order to be able to deliver results to their Swedish clients in time. As demonstrated in the empirical data, the orientation towards time influenced meetings, deadlines as well the speed of work.

The managerial difficulty for the Swedish managers lied within understanding the Indian approach to time as well as making minor adjustment of – in the terms coined by Hall (1959) – a monochronic, fixed approach to time to a polychronic, fluid approach to time. It was, according to most managers, especially challenging to deal with the Indian approach to time while experiencing pressure to deliver results within timeframes to Swedish clients, i.e. keeping project deadlines. India's high score on the long-term orientation dimension, in contrast to Sweden's low score, is said by Hofstede to be an explanation to the "lack of punctuality" that prevails in India.

iii) *Project/Task Management – "Save Face" and Ensure Harmony*

The third and final prominent challenging adjustment was project/task management and its strong connection with the Indian cultural concept of "saving face" to ensure harmony. To avoid "losing face" Indians often say "yes" and rarely admit if/when they don't understand for example a task, especially in front of a manager. This, as well as a lack of critical questions, affected the quality and outcome of many projects and deliveries, according to the Swedish managers. In order to avoid that an Indian team-member "lose face" one should never, as a manager, provide negative feedback in public or in front of other team members.

The importance of "saving face" stems, according to Nardon and Steers (2006), from India being a collectivistic society where the opinion of the group is highly valued. As a collectivistic society the members also favour high-context communication where a "yes" does not necessarily means "yes". Body language, silence and signs are also included in the high-context way of communicating. Referring to Hofstede's classification, Sweden is though an individualistic society, with a low-context approach to communication, which subsequently have made it difficult for the Swedish managers to adjust to the new collectivistic setting prevailing in India. The combination of India being a collectivistic society with a high power distribution makes the concept of "face" even more tangible for managers/superiors as both dimensions affect the communication style. Not only is negative feedback seldom given by

subordinates to managers due to the top-down communication approach, but the lack of questions and comments due to the hierarchical relationship is also perceived to negatively affect project/task management.

2. How can Swedish managers handle perceived challenges and leverage cultural differences of Swedish-Indian offshoring teams?

When striving to present a comprehensive answer our second research question, we have used the propositions by Maloney and Zellmer-Bruhn (2006) as a starting-off point as well as a framework to structure our findings. We have concluded that all four propositions are supported by our empirical data, and accordingly valid not only for global teams but also for Swedish-Indian offshoring teams; Swedish managers can extract value from heterogeneity and nourish team performance by promoting a combination of Self-Verification and Social Integration among their team members. However, in order to achieve this we have found that the propositions and recommendations by Maloney and Zellmer-Bruhn (2006) need to be adjusted and modified for the specific context of Swedish-Indian offshoring ventures. We have used additional theory on national culture and team diversity to complement and nuance our analysis of empirical data. This has enabled us to build further on Maloney and Zellmer-Bruhn's general propositions for global teams and formulate four revised propositions, directed specifically to Swedish managers wishing to leverage differences from their heterogeneous offshoring teams.

Handling challenges and leveraging differences by bridging faultlines

Proposition 1.
Bridging faultlines positively moderates the (negative) relationship between heterogeneity and Social Integration on Swedish-Indian offshoring teams.
Revised Proposition 1.
Bridging faultlines can positively moderate the relationship between heterogeneity and Social Integration, if effective similarities are found and promoted. Similarities can originate from both professional culture and competence. Swedish managers can use tasks as an effectual bridge provided that they understand the concept of “saving face” and foster a One-team approach.

Figure 34. Handling challenges and leveraging differences by bridging faultlines

Our empirical findings show that the negative relationship between heterogeneity and social integration on Swedish-Indian offshoring teams can be positively moderated by similarities that bridge faultlines. We hence suggest that Swedish managers should find and develop effectual bridges, which can consist of similarities in professional culture and competence. However, managers should be aware of the risk that another “out-group” may be defined and that the cross-cultural collaboration might prosper on the expense of cross-discipline collaboration. Particularly urgent or technical tasks can help to bridge faultlines, but only if a one-team approach is used and members work simultaneously together. This can however be an issue when taking the cultural aspect into consideration, as task management is different between Swedish and Indian professionals. The concept of “saving face” is very important in India and has a significant impact on task management. One should therefore understand the cultural concept of “face” when employing tasks as an effectual bridge for faultlines.

Handling challenges and leveraging differences by creating swift norms

Proposition 2.
Developing swift norms positively moderates the (negative) relationship between heterogeneity and Social Integration on Swedish-Indian offshoring teams.
Revised Proposition 2.
Swedish managers should strive to promote the development swift trust and swift norms that build a common team identity. This can be accomplished if managers educate team members regarding the different cultural communication styles, as well as create clear plans and structures.

Figure 35. Handling challenges and leveraging differences by creating swift norms

Our empirical data confirms and supports that factors such as common norms, communication and trust are crucial when attempting to build a common team identity. Although most Swedish managers strive to create swift norms in their Indian offshoring projects there are numerous challenges to handle as the Swedish-Indian teams are moderately heterogeneous as well as include members with two different communication styles i.e. high-context (Indian culture) versus low-context (Swedish culture). As a moderately heterogeneous team it is imperative that the manager intervenes and encourages the implementation of swift norms. In the case of different communication approaches, it becomes important for the manager to ensure that the team members understand one another in order to facilitate the employment of norms, which requires a similar communication. As communication and trust are

crucial when establishing swift norms and, subsequently, creating a team identity, it is essential that Swedish managers ensure that communication promotes trust and understanding within a heterogeneous team rather than risk the opposite effect taking place. One should therefore, as a manager, acknowledge as well as educate one's team members about the different communication styles one culture might have – in this case, the Indian high-context approach versus the Swedish low-context approach – in order to avoid miscommunication and hence mistrust. Additionally, the process of Self-Verification will be facilitated if managers provide members with support structures, such as clear plans and documented processes of work.

Handling challenges and leveraging differences by nurturing a global mindset

Proposition 3.
An organizational culture characterized by a global mindset positively moderates the relationship between heterogeneity and Self-Verification on Swedish-Indian offshoring teams.
Revised Proposition 3.
The benefits of a global mindset can be attained not only through international experience but also through personal motivation and openness. By embracing advantages of different cultures, Swedish managers can develop personal leadership and communication skills to leverage cultural differences.

Figure 36. Handling challenges and leveraging differences by nurturing a global mindset

Our empirical data demonstrate that a global mindset positively moderates the relationship between heterogeneity and Self-Verification. A global mindset doesn't have to be established in the same national culture as it will be utilized in and can thus be seen as an advantageous asset in numerous different international contexts. By cultivating an ability of Value-trumping, which can evolve simultaneously to a global mindset, managers can further increase their competence to extract value from culturally diverse teams. Employees' motivation to develop a global mindset can foretell successful offshoring collaboration; in recruitment and promotion processes managers should hence consider the personal motivation as well as the international experience of candidates. Additionally, we suggest that managers should view the involvement in offshoring projects from a long-term perspective and prioritise investments in international travels for offshoring team members.

In addition, we have found that Swedish managers who develop a global mindset are able to benefit e.g. from Indian team members' preference for "saving face" and ensuring harmony, as it helps them to develop their personal leadership and communication skills, valuable both for leveraging heterogeneous teams and for collaborating efficiently with local, Swedish colleagues.

Handling challenges and leveraging differences by opening up thought world windows

Proposition 4.
Opening thought world windows positively moderates the relationship between heterogeneity and Self-Verification on Swedish-Indian offshoring teams.
Revised Proposition 4.
By creating psychologically safe environments and promoting the opening of thought world windows, Swedish managers can facilitate the process of Self-Verification. Cultural differences are optimally leveraged when managers involve clients in the process and prioritize large, long-term offshoring projects.

Figure 37. Handling challenges and leveraging differences by opening up thought world windows

Our empirical findings confirm that by opening thought world windows, the relationship between heterogeneity and Self-Verification will be positively moderated in the case of Swedish-Indian offshoring teams. We thus suggest that managers should stimulate team members to engage in joint activities as it promotes the creation of thought world windows, provided that the activities occur in a psychologically safe environment. Furthermore, Swedish managers of offshoring teams can support the opening of thought world windows by rotating meeting locations geographically and encourage members to practice decentering. Opening up thought world windows can be done not only between Indian and Swedish offshoring team members, but also between the Indian members and the client. Also client organizations can reap the potential benefits of embracing culturally different perspectives, even if their initial motivation to engage Indian consultants was only to save costs. To make it worthwhile for the client to make investments required for developing thought world windows, the offshoring ventures should be large and with a long-term focus. A long-term focus is beneficial also as it allows a mutual understanding between team members to mature, which naturally facilitates collaboration.

Based on our empirical findings we are able to conclude that when Swedish managers accomplish to foster high degrees of both Self-Verification and Social Integration in Swedish-Indian offshoring teams, cross-cultural managerial challenges can be overcome. Moreover, it is possible to save costs for the client as well as for the consulting firm - and simultaneously leverage the offshoring team's cultural differences to achieve successful collaboration and high performance. Figure 38 is based on the framework of Maloney and Zellmer-Bruhn (see figure 2) and presents an overview of how our revised propositions can help to increase Self-Verification and Social Integration, and thereby create effective Swedish-Indian offshoring teams. When Swedish managers follow the revised propositions it will help them to handle the managerial adjustments that they perceive as most challenging and which risk decreasing the effectiveness of their teams, if not acknowledged and managed appropriately.

Promoting effective Swedish-Indian offshoring teams

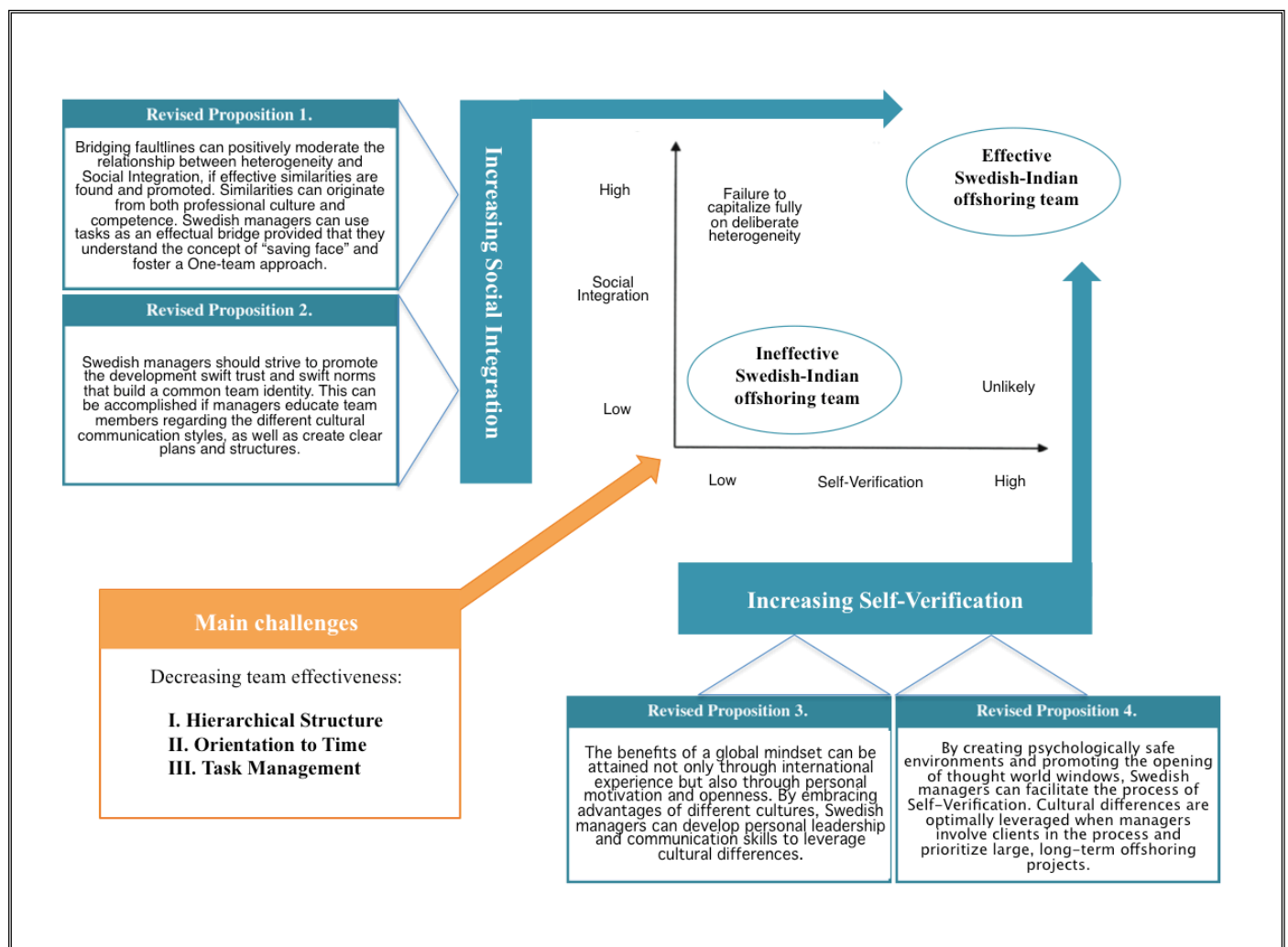


Figure 38. Promoting Effective Swedish-Indian Offshoring Teams

6.2 IMPLICATIONS FOR PRACTICE

Derived from our empirical data and analysis of the findings we will in this section describe implications for practice, presented as 10 recommendations for managers. Naturally, every team and project has its own specific dynamics that requires certain managerial behaviour. Nevertheless, we believe our recommendations to be a useful benchmark of best practice for Swedish managers who work, or are about to start working, with Swedish-Indian offshoring teams.

Overview - Recommendations for managers

- 1. Actively try to find and highlight similarities**
- 2. Distribute responsibility among Swedish and Indian team members**
- 3. Increase awareness of cultural concepts and communication styles**
- 4. Ensure psychological safety and break interpretative barriers**
- 5. Be careful with feedback and criticism**
- 6. Immediately develop clear norms and structures**
- 7. Encourage team cohesiveness and the One-team approach**
- 8. Cultivate the ability of Value-trumping**
- 9. Prioritise international travels to nourish a global mindset**
- 10. Involve the client and function as a cross-cultural mediator**

Figure 39. Overview – Recommendations for managers

1. Actively try to find and highlight similarities

We recommend managers to actively try to find and highlight similarities and common grounds between culturally diverse team members, such as educational background, technical competence and business ethics. However, when doing this, managers should be aware of the risk that another “out-group” may be defined if one e.g. only focus on professional background and that the cross-cultural collaboration might prosper on the expense of cross-discipline collaboration. If highlighted similarities are based on the view of Swedish and Indian team members primarily as individuals with universal needs and desires, shared by all human beings, the risk will naturally be mitigated.

2. Distribute responsibility among Swedish and Indian team members

Managers can use particularly urgent or technical tasks as a help to bridge faultlines, but only if a one-team approach is used and members work simultaneously together. We thus recommend that managers should strive to distribute responsibility among team members so that different hierarchical levels are represented in both the Swedish and the Indian part of the team. If Indian consultants primarily get responsibility for back-office tasks the feeling of cohesiveness, and hence the collaboration, might suffer.

3. Increase awareness of cultural concepts and communication styles

We recommend Swedish managers to increase their awareness of and educate themselves on the cultural concepts of saving face, harmony, hierarchy and individualism/collectivism when managing projects and tasks in cross-cultural teams. As task management differs substantially between India and Sweden, effective delegation of tasks risks failing if knowledge of the different world-views and approaches to work are lacking. Further, we encourage managers to ensure that they, as well as their team members, understand and adjust to the different cultural communication styles, i.e. Swedish low-context communication versus Indian high-context communication.

4. Ensure psychological safety and break interpretative barriers

We encourage managers to acknowledge that a clear hierarchy and managerial control can provide a sense of psychological security to Indian team members. We hence recommend that Swedish managers who chose a non-hierarchical approach should make sure to offer a substitute for the psychological security that hierarchy would otherwise have brought. To handle the Indian cultural trait of saving one’s face, Swedish managers should avoid asking questions that can be answered with just a “yes” or a “no”. For instance, instead of asking an Indian team member; “Can you finish this task in three weeks time?”, a manager can suggest; “Let’s go through the components of this task

and develop a realistic time plan together!”. This measure can also help to mitigate the risk of unrealistic time estimations by Indian employees, derived from an unwillingness to break the hierarchy and say “No” to a manager. By carefully considering how questions are formulated and, when needed, investing additional time in ensuring mutual understanding, we propose that Swedish managers can break interpretative barriers.

5. Be careful with feedback and criticism

Swedish managers are recommended never to criticize Indian employees in public or in front of team members but always book one-to-one meetings for this purpose. One should be aware that criticising the progress of a project in public can be seen as indirect criticism of the Indian team leader - and thus be fatal. To most Indian employees, being openly criticised by a manager is considered as “losing one’s face” rather than as “attaining constructive feedback”.

6. Immediately develop clear norms and structures

We encourage managers, who start to work with a new Swedish-Indian offshoring team, not to wait for common norms and structures to develop – but to intervene for it to happen as soon as possible. The team-specific norms should be communicated clearly in the very beginning of a new collaboration. Additionally, the collaboration can be facilitated if detailed plans and structures of work are pre-defined by the manager or consulting organization, formulated in written documents and distributed to all team members.

7. Encourage team cohesiveness and the One-team approach

By encouraging a One-team approach, Swedish managers can facilitate collaboration and leverage differences. To make members feel like “one team”, they should work on tasks simultaneously across borders and share responsibility. Additionally, it is essential that there is time and space allowing informal conversations between members. This requires psychologically safe environments where individuals feel comfortable and viewpoints can be shared and confirmed by team members. Moreover, managers should ensure that the Swedish members of a cross-cultural offshoring team feel safe and don’t fear losing their jobs to lower paid Indians. If the Swedish employees in any aspect perceive the offshoring collaboration as a threat, it will obviously aggravate the possibilities to develop team cohesiveness across the cultural borders.

8. Cultivate the ability of Value-trumping

In order to fully leverage cultural differences, we advise managers to try to become familiar with different sets of cultural values and hence learn how to prioritize one cultural value over another in a given management situation; an ability referred to as Value-trumping. This requires that managers acquire deep understanding of cultural differences, as well as have competence to adequately assess various situations and accordingly select which cultural values to employ. When the ability of Value-trumping is cultivated, managers will be able to surpass stereotypes and reap the benefits of cultural diversity when managing their offshoring teams.

9. Prioritise international travels to nourish a global mindset

Our empirical data unambiguously confirm that managers can encourage the development of a global mindset among employees by letting them travel and work in different cultures. However, to do this obviously requires financial resources. Since offshoring projects are often initiated with the aim to save costs by involving Indian employees with lower wages, some companies and managers might view it as contradictory to spend money on extensive travelling between sites. Despite this, we encourage managers who wish to leverage differences in offshoring teams to prioritise international travels. By seeing the involvement in offshoring as a long-term, strategic asset and acknowledging the extensive potential gains from nourishing a global mindset in the organisation, we argue that it is well worth the investment to provide members of offshoring teams with opportunities to travel and work abroad.

10. Involve the client and function as a cross-cultural mediator

Also client organizations can reap the potential benefits of embracing culturally different perspectives; even if their initial motivation to engage Indian consultants was only to save costs. We recommend that managers let the client and the Indian team members have contact and develop a relation, as well as encourage clients to develop an understanding of cultural differences. In this process, the Swedish manager can function as a cross-cultural mediator between the Swedish client and the Indian consultants. If financial resources allow, potential and present clients can be invited to visit the Indian offices. To make it worthwhile for the clients to make investments for developing cultural awareness and to adjust in connection to the Indian offshoring, the offshoring projects should be large and with a long-term focus.

6.3 IMPLICATIONS FOR THEORY

Our study contributes to the current body of management literature by exploring which cross-cultural challenges that exist in Swedish-Indian offshoring projects from Swedish managers' perspective and by investigating how the managers can leverage from cultural heterogeneity in Swedish-Indian offshoring teams. To be able to employ Maloney and Zellmer-Bruhns (2006) propositions – which suggest that one can overcome challenges and extract value from diversity – within our scope of research i.e. Swedish-Indian offshoring teams, we have identified the cross-cultural challenges currently faced by Swedish managers and integrated our findings with the propositions. This does not only contribute with significant research on Swedish-Indian team effectiveness within offshoring projects but also provides new insights into the research area of leveraging cultural heterogeneity. With our new findings we hope that this thesis will serve as a springboard for future research on the benefit and value of cultural heterogeneity in Swedish-Indian offshoring teams.

6.4 LIMITATIONS

This thesis is limited to three different organizations, referred to as Consulting Firm A, B and C, all operating within the consulting industry. They offer clients offshore outsourcing projects, conducted mainly by the consulting firms' own Indian employees based in India. The focus is limited to Swedish managers' perspective on cross-cultural issues in the offshoring engagement. Due to confidentiality, none of the companies has been named in this thesis. This has not had an impact on the research as the subject is not company specific. We have chosen to delimit our study by not specifically addressing the aspect of geographical distance and its influence on teamwork due to limited time and resources. In addition, as the emphasis on this thesis has been national culture we have limited our focus to cultural heterogeneity when addressing heterogeneity in the second research question. Accordingly, we have not taken aspects such as heterogeneity of gender into consideration, although we are aware that this might have a significant impact on the subject studied.

Furthermore, we are aware that cultures not only transcend national borders but that a “national” culture may vary within its own borders as well. We also recognize that each individual is unique and that one may be influenced by several different cultures. However, for the purpose of identifying cross-cultural challenges for Swedish manager, we had to identify similar patterns, and hence, make generalizations by

employing cultural dimensions. These similar cross-cultural challenges served as a basis for understanding how one, as a Swedish manager, can extract value from a culturally diverse team and subsequently transform challenges into value creation. For a discussion on limitations in regard to the quality of research, please refer to section 3.7.

6.5 RECOMMENDATIONS FOR FURTHER RESEARCH

Considering the findings as well as the limitations of our study, we have identified several avenues for future research.

We have chosen to investigate the perspective of Swedish managers leading Swedish-Indian offshoring teams. However, we have not focused on how the Indian respectively Swedish team members perceive the offshoring collaboration and how they believe that cultural diversity can be leveraged. It would thus be beneficial to conduct a corresponding study taking the perspective of Indian team and Swedish team members. Followership theories could then be utilized as a basis for investigating how active followership can influence cross-cultural team performance in Swedish-Indian offshoring ventures. Additionally, it would be value adding to control the study for gender and include theory regarding different cultural gender perspectives. Several of our interviewees mentioned that the view of male versus female managers differed substantially between India and Sweden; however we delimited our study from investigating this aspect further.

In our conclusion we encourage managers who wish to leverage differences in offshoring teams to prioritise international travels, even though it might seem contradictory to the initial aim of saving costs. Future research could contribute by further investigating the trade off between cost saving and return on investment of travels for members of Swedish-Indian offshoring teams. Such a study could potentially suggest an optimal level of investments in international travels for different types of projects, as well as address the long-term benefits of developing an organizational culture characterized by a global mindset. The research would have practical managerial implications and e.g. help managers to take decisions such as when they should allocate resources to buy new equipment for video conferences and when they should rather prioritize travels and real-life meetings between team members.

We have delimited our research from specifically addressing virtual communication and the management of virtual teams. It would nevertheless be relevant to include the virtual aspects of

offshoring in a future study. For instance one could investigate how different technical devices and communication channels could best be utilized in order to leverage diversity in Swedish-Indian offshoring teams.

The empirical findings of our study indicate that well-managed cultural diversity can raise team performance. However, we have not specifically investigated isolated aspects of the cross-cultural teamwork, such as decision making processes and innovation. Previous research has handled these topics in depth but not in the context of Swedish-Indian offshoring ventures. It would thus be interesting if future studies focused on existing theories of how e.g. decision making and innovation can be nourished by cultural diversity, and tested their validity on Swedish-Indian offshoring teams with various constellations of members and task orientations.

Furthermore, in our analysis we conclude that large ventures with a long-term focus are more suitable to offshore to India than small, short-term projects. Since our study is qualitative with a limited sample, we are though not able to prove this correlation. Future researcher could contribute by complementing our findings with a quantitative study investigating whether the correlation between Swedish-Indian offshoring projects' size/timeframe and their success rate is statistically significant or not.

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8 APPENDIX

8.1 APPENDIX 1. INTERVIEW TEMPLATE - INDIAN CONSULTANT

Background questions:

- What is your position? What is your role in your company's Swedish-Indian offshoring operations?
Who do you collaborate with in Sweden respectively in India?
- For how long time have you been working at the company?
- For how long time have you been working with Indian offshoring with Swedish clients?
- For how long time have you collaborated with Swedish employees?
- Did you have any previous experience of encounters with Swedish corporate culture?
- Did you have any previous experience of working abroad or with cross-cultural collaboration?

Questions connected to research theme and purpose:

- 1) What is successful collaboration according to you? Have you sometimes perceived that your Swedish colleagues perceive it differently?
- 2) When do you perceive that the collaboration within your offshoring team is successful? When do you feel that your team is working efficiently? Which are the factors that mainly influence this?
- 3) How would you describe Swedish corporate culture? What are the main differences and similarities compared to Indian corporate culture? How do your Swedish colleagues usually experience and handle these differences? How does it influence the effectiveness of the offshoring team?
- 4) Can you describe a particular situation where you have experienced the difference between the two corporate cultures?

- 5) When collaborating with Swedish colleagues, what are the main challenges? How do you handle these challenges? Which challenges do you think your Swedish manager faces in the collaboration?
- 6) Before you started collaborating with Swedish colleagues were you prepared of any of these challenges? Which ones? Do you think that a more thorough preparation would have made them easier to manage?
- 7) Do you think that the collaboration would have been even smoother and/or the team effectiveness would have been higher if the Swedish manager had been more prepared of cultural differences and potential challenges?
- 8) Which factors have developed your abilities to understand and manage cultural differences between Sweden and India? How? Do you think the same factors are the most important for your Swedish colleagues?
- 9) Have your company provided any type of training to you and/or your Swedish colleagues to help you understand and manage these types of challenges? Which training? How has the training influenced the effectiveness of your offshoring team?
- 10) Do you think that your collaboration with Swedish colleagues would be facilitated if the Swedes further developed their cultural understanding, knowledge, attitude or behaviour? How and why?
- 11) If you would have lunch with a Swedish manager who was just about to start working with offshoring to India, which pieces of advice would you give to her/him? What would you suggest to be most significant to think of in regard to preparation, personal attitude, cultural understanding etc?
- 12) Have you learnt anything for working with culturally heterogeneous colleagues in the offshoring team? Did you experience that the team's cultural differences brought any advantages and benefits in terms of team efficiency or project outcome?

8.2 APPENDIX 2. INTERVIEW TEMPLATE - SWEDISH MANAGER

Background questions:

- What is your position? What is your role in your company's Swedish-Indian offshoring operations?
Who do you collaborate with in Sweden respectively in India?
- For how long time have you been working at the company?
- For how long time have you been working with Indian offshoring with Swedish clients?
- For how long time have you collaborated with Indian employees?
- Did you have any previous experience of encounters with Indian corporate culture?
- Did you have any previous experience of working abroad or with cross-cultural collaboration?

Questions connected to research theme and purpose:

- 1) What is successful collaboration according to you? Have you sometimes perceived you're your Indian colleagues perceive it differently?
- 2) When do you perceive that the collaboration within your offshoring team is successful? When do you feel that your team is working efficiently? Which are the factors that mainly influence this?
- 3) How do you interact with your employees in India? Does this differ in different situations? How and why?
- 4) How would you describe Indian corporate culture? What are the main differences and similarities compared to Swedish corporate culture? How does these influence the effectiveness of the offshoring team?
- 5) Can you describe a particular situation where you have experienced the difference between the two corporate cultures?
- 6) When managing a Swedish-Indian offshoring team, what do you perceive are the main challenges? How do you handle these challenges? How do you adjust your management style?
- 7) Before you started collaborating Indian consultants in offshoring processes, were you prepared of any of these challenges? Which ones? Do you think a more thorough preparation would have made them easier to manage?

- 8) Which factors have developed your abilities to understand and manage cultural differences between Sweden and India? How?
- 9) Have your company provided any type of training to understand and manage these types of challenges? Which training? How has the training influenced your management style and the effectiveness of your offshoring team?
- 10) If you would have lunch with a Swedish colleague who was just about to start managing a Swedish-Indian offshoring team, which pieces of advice would you give to her/him? What would you suggest to be most significant to think of in regard to preparation, personal attitude, cultural understanding etc?
- 11) Do you feel a need/want to further develop your abilities to understand and manage cultural differences between Sweden and India? How do you think this could be done?
- 12) Have you learnt anything for working with culturally heterogeneous colleagues in the offshoring team? Did you experience that the team's cultural differences brought any advantages and benefits in terms of team efficiency or project outcome?

8.3 APPENDIX 3. INTERVIEW TEMPLATE - EXPERT OF INDIAN OFFSHORING

Background questions:

- What is your position?
- For how long time have you been working at the company?
- For how long time have you been working with Indian offshoring with Swedish clients?
- Did you have any previous experience of encounters with Indian business culture?
- Did you have any previous experience of working abroad or with cross-cultural collaboration?

Questions connected to research theme and purpose:

- 1) What is successful collaboration according to you? Have you sometimes perceived your Indian colleagues perceive it differently?
- 2) When do you perceive that the collaboration within your offshoring team is successful? When do you feel that your team is working efficiently? Which are the factors that mainly influence this?
- 3) How do you interact with your employees in India? Does this differ in different situations? How and why?
- 4) How would you describe Indian business culture? What are the main differences and similarities compared to Swedish business culture? How does these influence the effectiveness of the offshoring team?
- 5) Can you describe a particular situation where you have experienced the difference between the two corporate cultures?
- 6) When managing a Swedish-Indian offshoring team, what do you perceive are the main challenges? How do you handle these challenges? How do you adjust your management style?
- 7) Before you started collaborating Indian consultants in offshoring processes, were you prepared of any of these challenges? Which ones? Do you think a more thorough preparation would have made them easier to manage?
- 8) Which factors have developed your abilities to understand and manage cultural differences between Sweden and India? How?

- 9) Have your company provided any type of training to understand and manage these types of challenges?
Which training? How has the training influenced your management style and the effectiveness of your offshoring team?
- 10) How was it to establish a Swedish company in India? What was the biggest surprise for you?
- 11) How do you help Swedish companies to start up operations in India? What is the most important thing to consider?
- 12) Which parts of the Swedish business values have you been able to/not been able to transfer successfully to India?
- 12) Have you learnt anything for working with culturally heterogeneous colleagues in the offshoring team?
Did you experience that the team's cultural differences brought any advantages and benefits in terms of team efficiency or project outcome?
- 13) You have the vision to be the best in the offshoring market in Sweden, how do you plan to do this?
What are the key success factors?