Abstract

Swedish and Indian teams - Consensus Culture meets Hierarchy Culture in Offshoring

Abstract: This study describes how the employees and managers in the Swedish and Indian offices of a European-based MNC work for new governance models in IT offshoring relations. The focus is on the difference in organizational cultures between Sweden and India, and their impact on management of and cooperation in distributed teams. Most research on qualified IT offshoring is done on USA-Indian or British-Indian cooperations, where the organizational cultures are more similar to the hierarchical Indian one. To complement this research, the flat and consensus-oriented Swedish organizational culture is of particular interest when studying organizational issues in IT offshoring to India.
The empirical material consists of 103 qualitative interviews with employees and managers on different levels in the Swedish and Indian offices of a European-based MNC. The results show that in addition to problems commonly faced in IT offshoring, such as resistance to offshoring and language problems (accentuated in the non-English speaking context of Sweden), the differences in organizational cultures cause particular problems. Swedish managers are used to delegating work to subordinates who work independently towards an internalized goal, while the Indian team members are expecting more of both guidance and control. As their proven management methods do not function well in the Indian context, the Swedish managers need to invent a management style that works. The differences in the cultures also lead to problems of knowledge transfer and to irritation in particular concerning recruitment and attrition issues. However, a Swedish company culture, where the Swedish team members basically see the Indian team members as colleagues, facilitates the overcoming of these problems in several teams, and mutual organizational learning, leading to satisfaction with the cooperation on both sides, takes place. This article uses the framework of Wenger (1998) to understand 1) which problems members of the consensus oriented Swedish organizational culture encounter in in co-operating with India and which solutions they find and 2) what kind of prerequisites are needed for an onsite team of 'oldtimers' to be willing to integrate offshore 'newcomers' for cooperative work and transfer of tacit knowledge.

Keywords: Organizational culture, organizational learning, management styles, ICT offshoring, India, Sweden