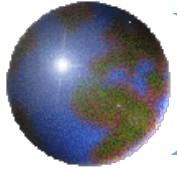


Managing Cross-Cultural Issues in Global Software Outsourcing

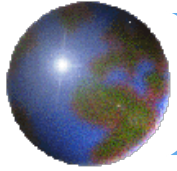
Geoff Walsham

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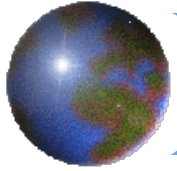
Introduction

- Working across cultures in software production is not a trouble-free process
- Need adaptation to different ways of working and cultural norms of social behaviour, attitude to authority, and language issues
- How can these cross-cultural issues be managed?



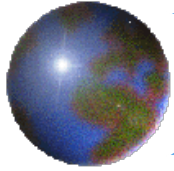
Strategic Choice of Projects

Minimize cross-cultural issues through project choice	<ul style="list-style-type: none">• Embedded software• Middleware
Use relationship to learn	<ul style="list-style-type: none">• About lead-edge software• To gain domain expertise/move up the value chain
Choose applications s/w only when good cross-cultural working feasible	<ul style="list-style-type: none">• Cross-cultural match• Or major effort through staffing/training



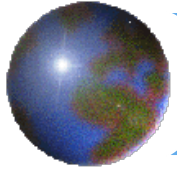
Managing the Relationship

Use systems to harmonise between outsourcer and supplier	<ul style="list-style-type: none">• Coordination/control systems• Processes• Technology
Understand differences in norms and values	<ul style="list-style-type: none">• Hierarchy/power• Business practices
Encourage 'negotiated culture'	<ul style="list-style-type: none">• Bridgeheads and exchange mechanisms• Staffing and training



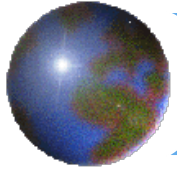
Staffing Issues

Recognise limits to cultural adaptation	<ul style="list-style-type: none">•Indians cannot become Japanese
Employ locals in some key contact posts	<ul style="list-style-type: none">•As salespersons in the foreign office•As on-site workers in the bridgehead teams•As key contact points in the offshore site
Use locally-relevant recruitment and retention incentives	<ul style="list-style-type: none">•Salary•But also status/expertise acquisition



Training

<p>Give pre-posting cultural training for supplier employees</p>	<ul style="list-style-type: none">•Language•Cultural practices, norms and values
<p>Develop systematic on-the-job cross-cultural training</p>	<ul style="list-style-type: none">•To reflect on ongoing experience•To share knowledge with colleagues
<p>Recognise that training needs are two-way</p>	<ul style="list-style-type: none">•For supplier and customer



Conclusions

- The world is not 'flat' and cross-cultural diversity needs to be a key focus in global software production
- To be more effective in business
- But also to create a world of increased cross-cultural understanding