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### American Business Culture: What Offshore Teams Need To Know

By [Dr. Karine Schomer](#), CMCT President and India Practice Leader

When I present seminars on Indian business culture to American managers and technical professionals involved in offshoring or offshore outsourcing to India, someone inevitably asks: "So what are our offshore teams and counterparts in India being taught about American business culture?" The answer is: "More than they used to, but seldom at a level deep enough to inculcate the attitudes, thought patterns and behavior norms that would ensure optimal effectiveness in working with Americans."

Cultural awareness and the ability to adapt effectively to another culture's way of doing things are complex skills – whether you are a programmer in Bangalore or a project leader in Sunnyvale. Everyone tends to take their own cultural ways of doing things for granted, and to assume they are self-evident to others.

The cost in terms of cross-cultural communication blunders, project delays, team conflicts and overall productivity is considerable. In a *CIO Magazine* survey not long ago, 51% of the CIOs reported that cultural differences were their greatest challenge in offshore outsourcing. The long-held belief that technical qualifications are sufficient to ensure project success – and that the shared engineering or other professional culture is stronger than national differences in work styles – is gradually crumbling in the face of the everyday on-the-ground experience of global multicultural teams in the offshoring and offshore outsourcing environment.

#### American Business Culture and Indian Offshore Teams: Five Challenges

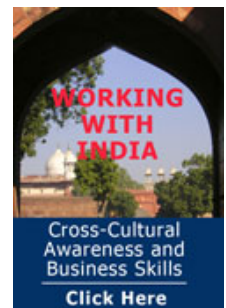
As the foremost "hot spot" for America's offshoring and offshore outsourcing of technology and business services functions today, India presents an important case study of differences in business culture. In the course of years of giving seminars to both American and Indian teams working together, I have found recurring themes and incidents that point to underlying cross-cultural differences in mindset, values and approach to business interactions.

Once you get past the more obvious mutual adjustment issues of time zones, logistics, work and holiday schedules, accents, names and language (American vs. Indian English), there are five elements of American business culture that pose special challenges for Indian teams interacting with their American counterparts – whether in the ITO, BPO or call center environment.

- *Mindset about management hierarchy.* In American business culture, rank and title are not as important as in they are in India. Hierarchical forms of behavior are frowned upon. The expectation is that subordinates will speak up, offer suggestions, push back and take initiative rather than just do what they're told. Decisions tend to be less top-down, authority is more delegated, and managers expect team members to take responsibility and assume ownership of results.
- *Attitudes towards appointments and deadlines.* For Americans,

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strict adherence to time commitments is seen as a basic principle of professionalism and courteous behavior. Because everything tends to be strictly scheduled, delays in one appointment or deadline can have a serious ripple effect on a colleague or customer's other work commitments. The more flexible and open-ended approach to time of Indian business culture can create tensions and unfavorable impressions on American counterparts.

- *Meaning of agreements and commitments.* Americans have a preference for clear, detailed agreements and are uneasy with vague expressions of general commitment. In business interactions, commitments are taken literally and seriously. Failure to follow through on them precisely is viewed as a sign that a person is not trustworthy. Indian business culture tends to view agreements more flexibly as intentions and guidelines for future action.
- *Results vs. process orientation.* In Indian business culture, following the rules and implementing correct processes is highly valued, but in American business culture, it's all about results. There is impatience with individuals who come across as more concerned with following established processes correctly than with achieving the desired goal. Americans don't like to be told all the procedural reasons why something can't be or has not been done.
- *Directness – especially in addressing disagreements.* The American style of communication is characteristically direct, candid, and relatively unconcerned with face-saving or the avoidance of conflict. The expectation is that questions will get answered with a clear "yes" or "no", and that disagreements will be dealt with openly and straightforwardly, in a "tell it like it is" manner. Indians and people from other cultures that tend to avoid conflict and loss of face often find it hard to say "no" or raise problematic issues effectively with their American counterparts.

### **Improving Cross-Cultural Competency: Six Best Practices for Offshore Teams**

In recent years, American companies offshoring or outsourcing to India have shown growing awareness of the hidden costs of cross-cultural mismatches in work-related behaviors. They have been willing to invest in general and region-specific cross-cultural training for their onshore employees and those who are asked to travel to India. They have also learned to devise process accommodations to circumvent the negative effects of certain cultural tendencies in their offshore teams.

What these companies seldom undertake to address directly is the need to seriously educate their offshore teams in the fundamentals of American business culture – the attitudes, thought patterns and behavior norms that Americans expect. They are missing a golden opportunity to improve the productivity and experience of their onshore-offshore teams. There are also two faulty and mutually contradictory assumptions at work: (1) that American business culture will eventually be adopted by osmosis because of its inherent superiority, and (2) that the offshore counterparts are incapable of overcoming their cultural "programming" to meet their American counterparts at least half way.

There is competitive advantage to be gained through serious attention to improving the cultural competency of offshore teams. Training in "soft skills" is no longer as undervalued in India as it used to be. Growing numbers of Indian companies are coming to realize that the ability of their employees to communicate and interact more effectively is an important competitive factor. American companies in India are also showing more keenness to develop the business and

leadership skills of their Indian employees, and to move gradually from the cheap labor or staff augmentation model to one where the Indian operation is a value-adding center excellence.

Knowledge and internalization of the attitudes, thought patterns and behavior norms of American business culture is a necessary ingredient of this scenario for the future. But how is this learning to take place? Currently, the approach tends to be in-house training developed by a local Human Resources staff that has most likely never spent time in the U.S. work environment, or to engage local training providers who offer generic programs on a wide range of “soft skills” topics. According to a recent report from Bangalore, local cultural awareness program providers are often entrepreneurs with a background in the hospitality industry.

While these may be worthwhile first steps, their impact is often superficial. The content of such cultural training will tend to be weighted towards form more than substance – more concerned with handshakes, business cards, dining etiquette and accent neutralization than the deeper core value differences that impact business culture and work relationships.

For American companies that want their offshoring or offshore outsourcing strategy in India to have the best chance of success, and Indian service providers who want to differentiate themselves from the competition through employees who are able to work well with American counterparts, I recommend the following six best-practice strategies for assuring that offshore teams will develop the required cross-cultural competency in American business culture:

1. Commitment from the highest level possible in the company that training offshore teams in American business culture is a valued (and funded) strategy in support of productivity, and clear assignment of ownership for the execution of this strategy.
2. Involvement of specialized high-level outside expertise, the business units involved in the offshore relationship, and internal training and HR functions in developing together the best possible model for delivering the training.
3. For best results, training content and delivery by specialists with direct experience and in-depth knowledge of both American and Indian culture, as well as expertise in the field of cross-cultural communication.
4. In the case of American companies, coordinated training of the offshore Indian teams in American business culture with training of the onshore American teams in Indian business culture.
5. For both American companies with operations in India and Indian providers of outsourcing services, integration of training in American business culture with the regular induction processes for new employees – not only those who may be going to the United States, but all those who will be working with American counterparts, whether face-to-face or virtually.
6. Engagement of onshore and offshore business unit heads and project leaders in reinforcing the content of the training through ongoing mentoring of the offshore teams in the elements of American business culture that need to be practiced for success in working with Americans.

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management consulting for doing business with India, competitive advantage through cross-cultural awareness, business etiquette and protocols, cross-cultural communication and teamwork skills, outsourcing management best practices, and offshore team leadership strategies. For more learning resources check the [CMCT Articles Archive](#).

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