

Avoiding Cultural Misunderstandings: Tips and Tricks for PEO CTOS

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A report from the Deloitte Consulting estimated that 70% of the companies that have engaged in outsourcing identified cost efficiency as their main reason for outsourcing. However, additional Deloitte Consulting also found that around 66% of outsourcing projects fail the expectations or needs of the clients and the rate of buyers cutting the engagement short is as high as 78%. This data shows the difference in the viewpoint of the client and the vendor which eventually leads to the failure or premature termination of the project.

It's a Marriage of Two Companies

Outsourcing is a marriage of two companies. Like marriage, both parties have differences that will affect the growth of the relationship, in this case, the development of the project. According to the Director of Organizational Development of Siemens Business Services and founder of global multicultural IT service providers, Joe Santana, a good foundation will spell the difference between the success and failure of this partnership.

According to Santana, at least one member from buyer should be a native or a local of the area. This person should be well versed with the culture and language so that he can act diplomat. Without this person, Santana adds, you may run the risk of being counterproductive by saying the wrong words or doing something culturally offensive to the vendor team. Santana cites “right away”, which in some culture means on the same day while on some cultures may mean several days or more.

Second is the need to create programs that will promote cultural awareness and sensitivity in both parties. According to Santana, this investment shall pay off in the long run since it shall provide the team with the necessary openness and perspective. This will provide everybody with cultural sensitivity which shall enable them to work in a more tolerant and harmonious way. It will also give each member insight into each other's thoughts and reactions that are essential in teamwork. Here Santana cites eye contact as an example since in some cultures establishing eye contact with a person of authority is considered vulgar; while in some culture not making eye contact is vied as sign of dishonesty. Santana emphasized that promoting cultural sensitivity and awareness is particularly crucial to the success of the

project. He cites another case wherein in the United States an engineer will tell the boss the truth if a project is not feasible; but in another culture, the engineer will be forced to simply delay and fail to deliver the project just because it is rude to say, especially to the person of authority, that it cannot be done.

Third, Santana stressed the importance of using electronic tools such as LiveMeeting or WebEx to enable meetings wherein all can share data, handouts, slides and important details as if they were actually all in the same room. Aside from such electronic tools, video is another important help in establishing effective communication. Studies have shown that face-to-face communication helps in establishing better understanding. The use of video will help bridge cultural and language barriers among the members of the team.

Lastly, Santana reminded that a company engaging in offshore outsourcing should make the necessary allowance for travel. For the management to be effective traveling is pertinent. It is very unrealistic for a company to assume that they can accomplish the project by depending solely on technology for communication. It is important to visit the project and see it than to depend on reports of the team.

Tips on How to Avoid Cultural Misunderstanding



Open Communication, Use Carefully Worded English and Use Video Presentations

Leonard Lobel, one of the consultants of Twentysix New York (a Microsoft solutions provider), gave several interesting and informative ways on how to avoid cultural misunderstanding in his article Engineering Success Offshore Best Practices for Ensuring a Productive Outsourcing Experience. According to Lobel outsourcing from an offshore company is definitely risky. For one there is the issue of poor collaboration. This may be a result of geography, different language and cultural differences. However, these things can be overcome according to Lobel.

First, the team should establish a way in which the flow of communication is open and constant. Project planning and proper documentation of everything should be cleared on

the both sides of the project. A clear and definitive process for tracking and testing of the project should be established early on and should be followed on schedule. Most importantly, members of the team should have an effective way of being connected since verbal communication is the most vital part of ensuring the success of the project. The difference in time zone makes this difficult to follow so the team should establish a specified time daily for phone conferences that should be supported by LiveMeeting sessions. Daily phone conferences should held at least thirty minutes so that all aspects and development of the project can be covered.

Cultural differences stems mostly from language differences. In most cases, fluency in English and accents varies. The best way to eliminate any misunderstanding due to language gap is to avoid using slang and metaphor in verbal and written communications. Use carefully worded English at all times and clearly enunciate the words when having verbal discourses. Most important of all, make sure that the contractor is able to get his message across. You can do this by soliciting his confirmation. Remember, if you are not sure about what he is saying or feel that he is not sure about what you are saying then there is a definite miscommunication.

Sometimes even with an open communication and with all the efforts in overcoming the language barriers it is not enough to show concrete ideas or models. The best way then is to use video as form of presentation or demonstration. This will enable the offshore team to see the video and then you all can discuss it during conference call.

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Be Specific, Know What You Want

Outsourcing consultant Steve Mezak in his article *How to Outsource Research Needed to Create Software and Get it Right* identified an interesting points on how to overcome cultural barriers. Although the article is not on cultural differences he identified one of the ways to overcome cultural barriers and that is to be specific. According to Mezak, the only

way for the team to have a definite and concrete plan for the project is if it is specific. Thus it is important to be specific and know exactly what your end result should be. In case you are not sure, it is best to do a research before the software development begins.

Tricks on How to Overcome Cultural Barriers

Overcoming cultural barriers is just a matter of establishing the right foundation. Yakov Fain, author of many JAVA books and Managing Principal of Farata Systems, in his Ten Tips on Dealing with Offshore Software Developers identifies several ways of overcoming cultural barriers when engaging in offshore outsourcing. First the buyer should build your their team and not accept pre-staffed offshore team. Overcoming cultural misunderstanding is hard enough already so it is important that the buyer build his own team. This way he can select members of the team whom he feel comfortable with and whom he feel can deliver the job.

Second, there should be same interview for everyone. The buyer should standardize the interview and make sure that he gives the same interview to the local team as what he gives to the home based applicants. This will ensure that the team will meet the company's requirements.

Third, the management team should remember that it's not the time to be lenient. There should be an evaluation of everyone on the first two weeks. Then the management should let go of the offshore member who cannot deliver and whom they have a hard time communicating with. This will save more money and time for the company. The buyer should also remember to use different team for different projects. The company should hire team based on the project and avoid hiring team just because they have delivered before. The technical skills of the team should be the main consideration. Despite the fact that the previously hired team's track performance assured good teamwork, it is useless if they do not meet the technical skills needed for the project.