

# Offshore Outsourcing: An IT-Manager Perspective on Cultural Differences

Björn Johansson<sup>1</sup>, Rasmus Persson<sup>2</sup>

<sup>1,2</sup>Department of Informatics  
Lund University, Sweden  
[bjorn.johansson@ics.lu.se](mailto:bjorn.johansson@ics.lu.se)  
[persson.rasmus94@gmail.com](mailto:persson.rasmus94@gmail.com)

**Abstract.** — Cultural difference is a term often used when discussing problems in offshoring and offshore outsourcing, but only a few authors discuss solutions to bridge pointed out cultural gaps. In this paper earlier research is compared with an IT-manager perspective on experienced cultural differences. Cultural differences were found to include multiple dimensions: cultural distances, cognitive distances, language differences, time differences, individualism/collectivism, power distance, and activity/passivity. An in-depth interview with an IT-manager on a global company was conducted. From the interview, several cultural differences emerged. These differences also produce problems, identified both in earlier literature and in collected data. The common denominator among identified problems was a lack of communication in the offshore projects. The lack of communication can be explained by a high cultural distance which causes a negative impact on projects. To improve communication, clear communication structures and routines should be implemented. To bridge cultural gaps it is important to increase both parties understanding of the other's culture.

**Keywords:** Offshore, Cultural differences, Outsourcing, Management.

## 1 Introduction

Outsourcing is a term that has been trending in the IT sector for almost two decades. In a wider business perspective outsourcing has been around since the 1980s [1]. The decision to outsource was originally a way to reduce costs, but has developed as a way to gain tactical advantages by investing in excellent services without the need to have the resources in-house. With financial saving and paths to excellence, outsourcing seems to be a route to success for companies, but as often, with benefits comes risks.

Oshri, Kotlarsky and Willcocks [2] describes sourcing as the act to distribute work to external or internal units through contracts. Outsourcing is when a task is distributed to a third-party contractor outside the company. Offshoring is when a company or organization is relocating tasks to another country, while still keeping the task within the boundary of the organization. The option to strategically offshore is often seen as a

Copyright © 2019 for this paper by its authors. Use permitted under Creative Commons License Attribution 4.0 International (CC BY 4.0)

way to reduce costs [2]. If a task or part of an organization is outsourced to a third-party supplier abroad it is named offshore outsourcing. Offshore outsourcing can arise many problems, and in this paper we discuss cultural differences and solutions to overcome problems caused by these differences.

Gurung and Prater [3] describes cultural differences as differences in communication, work ethics, and problem solving. They claim there is a need to have awareness about cultural differences for a successful offshore outsourcing project. Cultural differences can also be called cultural distances which implies a gap between two parties that negatively effects communication [4], as well as influencing the success of the outsourcing [5]. To bridge these cultural gaps Gurung and Prater [3] proposes that companies should offer training sessions and team-building activities to their staff to reduce cultural distances. Mahnke, Wareham and Bjorn-Andersen [4] addresses the importance of having staff that has experience in both parties culture, and can foresee and reduce common faults between the sides. Also Khan and Azeem [6] discusses obstacles in offshore software development and identifies intercultural challenges in the form of language and language proficiency, national culture and organizational culture as major concerns that needs to be managed. From this we address the following research question: Which cultural problems is perceived by an IT-manager when offshore outsourcing?

This paper will compare literature on this subject with an IT-managers perspective on the problem area. To gather information an in-depth interview with the IT-manager at a SME (Small-Medium Enterprise), a company which focus on innovation and production. The real name of the company will be kept anonymous and simply referred to as "the Company", and the IT-manager will be referred as "the IT-manager".

The rest of this paper will be as follows: First outsourcing, offshoring & cultural problems and their correlation will be explained by highlighting earlier research in this subject. Secondly the outcome of the interview will be presented. Thirdly the interview and literature will be discussed, and lastly the findings of this paper will be concluded.

## **2 Outsourcing drivers and Cultural Differences**

Much have been written about outsourcing and problems that can follow. Many articles highlight the difficulty to choose the right vendor and the importance of a well-formulated contract. A factor that is often mentioned but not so often explained is cultural differences. Some authors seems to think the concept is self-explanatory and leave the interpretation to the reader. Goman [7] explains culture as a set of values shared by a group, these values can be thoughts about how people are supposed to act, and on which criterion people are judged by others in the society.

According to researchers offshore outsourcing carries a higher risk than inshore outsourcing and result in many challenges. One of these challenges is how to handle cultural differences, challenges that often leads to a structure with a high need of control [8]. Wende, Schwabe, Philip and King [9] shares the same viewpoint and states that different cultural backgrounds can be an obstacle in the achievement of a successful

communication flow. Despite many challenges it is still common to outsource activities offshore [10].

## **2.1 Drivers to offshore/outsource**

To outsource strategic chosen parts of a company can be a way to success according to Quinn and Hilmer [11], who says that when outsourcing an activity the company can focus on their own core competencies. The authors claims by focusing on the company's core competencies they can be more excellent in these skills, and at the same time invest in services, not considered as core competencies, from other companies. However, there are many risks when deciding to outsource [2] and it is hard to calculate all hidden costs that comes with the implementation of an outsourcing activity [12].

According to Lacity, Khan and Willcocks [8] the most usual motivation for outsourcing is cost reduction, the second most frequent motivation is to be able to focus on the company's core competency, and the third most common motivation is to find expertise in an area where the client do not have enough knowledge/resources to make profit. The majority of these drivers to offshore outsource also applies to offshoring in-house as well. Oshri, Kotlarsky and Willcocks [2] states that the most common drivers for offshoring is cost reductions, stay competitive towards branch, improve service, and access qualified employees.

While the most usual driver is cost reduction some research show that offshoring might actually be the opposite. Šmite, Britto and Van Solingen [13] concludes that measuring costs in hourly-based salaries are not sufficient when analyzing future costs in offshore projects. Factors as quality controls and transfer-related costs multiplies the calculated costs in reality. Lacity, Khan and Willcocks [8] says that clients needs to outsource a high volume of work offshore to make profit. Šmite, Britto and Van Solingen [13] predicted four possible scenarios over a five-year timeline where only one scenario did result in a cost saving from offshoring. Important to state is that all of the scenarios had a high costs in the first two years due to transfer costs, afterwards costs did reduce. Oshri, Kotlarsky and Willcocks [2] agrees that monitoring quality levels in outsourcing contracts is challenging, in the list they present - 54 % of respondents cited lack of cultural fit as an important risk – and thereby it could be claimed that this is one of the most recognized risks.

## **2.2 Dimensions to Cultural differences**

When discussing cultural differences many authors separates the term in more distinct dimensions. Mahnke, Wareham and Bjorn-Andersen [4] identifies cultural differences and cognitive distances. The authors describes cultural differences as the cultural gaps that exists between different cultures, cultures can differ in different countries and continents. Mahnke, Wareham and Bjorn-Andersen [4] says communication tend to be inefficient between Asian countries, where they have a high collective thinking, and northern Europe, who has a highly individual thinking. In countries with high collective thinking messages are often in a high-context where implicit information is left out,

while countries with high individual thinking tend to keep messages very explicit and out of context. Cognitive distance on the other hand is described as the gaps between the abilities of the sender and the receiver before communication takes place. This can involve different levels of knowledge and insight in projects or differences in expertise within their domain.

Gurung and Prater [3] emphasize the importance of a good compatibility with the vendor for a partnership with high quality. To achieve this a good cultural fit is preferable. With cultural differences Gurung and Prater [3] means differences in communication, work ethics and approaches to problem solving.

Winkler, Dibbern and Heinzl [14] describes cultural dimensions existing within the cultural difference spectrum when they explore cultural differences in offshore outsourcing. Three of the dimensions they point out is Individualism/collectivism, Power distance, and Activity/passivity. With individualism/collectivism they mean the extent to which a person wants to act as individual or as a member of a group. Power distance describes how power within a company or an organization is distributed, if a company has high power distance it often has higher grade of hierarchy between management and employees. Contrary a company with low power distance has a more equal distribution of power between management and employees. To measure the degree to which individuals in a culture see themselves as doers or passive beers, Winkler, Dibbern and Heinzl [14] use the term Activity/passivity.

### 2.3 How cultural differences emerge

In an offshore outsource environment it is natural for cultural differences to appear since individuals with separated views on how work is performed must share the same workplace and work towards a common goal. Wende, Schwabe, Philip and King [9] explored problems that arose in an offshore outsourcing software development projects with a German client and an Indian service provider. Most of the problems was brought up from the client perspective, for example:

- The service provider did not ask questions about requirements
- The service providers' project manager lacked the skills to solve technical problems
- Lack of ongoing communication throughout the project
- The service providers experienced that developers did not give any own technical suggestions

From the service provider perspective only one problem was presented:

- Developers with questions found it hard to ask the client directly, instead they tried to ask their busy project manager

Wende, Schwabe, Philip and King [9] highlights a kick-off meeting that took place in the form of a video-conference. The client, was experienced in using video-conferences as a tool to communicate with external partners, and found it successful since the development team only had a few questions and appeared to understand all requirements. Afterwards the developers even expressed that they felt impressed by the client's expertise. The few questions that arose came from the developers' project

manager. In reality, many developers had questions but raised them later on with the project manager, since he seemed to understand the clients requirements.

The development team's deficient amount of questions is explained with a highly hierarchical culture that causes the developers to ask the project manager rather than the client. The project manager was not able to answer the developers because of a hard workload, which led the developers to try and solve the problems on their own, even though they might lack the understanding to do so [9].

Winkler, Dibbern and Heinzl [14] bases their research on five different German companies who outsource to India. One problem that occurred repeatedly was the difficulty for Indian workers to say "no", when asked if they understand the client. If a project do not go as planned there is resistance to say so to the client. An explanation for this behavior is a high level of power distance between the Indian team and the clients.

A manager for a consultancy firm specializing in outsourcing verifies this cultural difference by saying that Indians rarely say no to anyone. When saying yes, it often implies that they understand, not that they agree. The consultant manager also comment the differences in social hierarchies and asserts that Scandinavians have a more direct communication compared to Indians [4].

Winkler, Dibbern and Heinzl [14] also brings up the problem of a lack of innovative ability from the Indian developers compared to German developers. According to the case studies Indian developers prefer detailed instructions and shows low interest in business processes, while German developers show interest in understanding the business side to develop a suitable solution. The fact that Indian developers prefer highly detailed instructions, is explained as a result of a lack of understanding for the client's business. Another cultural difference in the case study is the way India and Germany differ in criticism behavior. When giving critic in Germany managers can be direct and tell people what they do wrong. In India on the other hand workers take critic as an insult and managers need to be very careful and explain the mistake politely.

### **3 Research Method and Empirical Data**

This paper is based on an interview with an IT-manager at a global distributed SME. The IT-manager's work includes to be in charge for IT-related projects, improving processes, and managing overall IT.

The head office of the Company is located in Sweden but all production is offshored to east Europe and Asia. The Company has a total of 4 production sites and 4 office sites, including the head quarter (see Figure 1). During the interview it emerged that the Company had experienced many problems due to cultural distances both in Europe and China. The interview was mainly concerning China, Hong Kong and Eastern Europe, with the main focus on sourcing and cultural differences. The interview was recorded to be studied afterwards, both in video format and as an audio recording [15]. The limitation of the paper is that only one person was interviewed, however, the interview provided lots of data that were very relevant and could be compared to what the literature talks about, even if the literature mainly deals with cultural differences

when offshore outsourcing to India, while the Company offshore to China and Hong Kong. This difference is noticed but there is still great similarities between the countries which makes collected data to be relevant.

### 3.1 The Company

The Company is old and well regarded in both development and production in their branch. The head quarter is located in Sweden and in the beginning of the 2000s they started a business in Hong Kong. They saw potential in the Asian market and could at the same time reduce production costs. Later production were placed in China where production costs were even more beneficial. To keep a high involvement in the European market they have also constructed one production site in Eastern Europe and invested in an office with belonging production in central Europe. In figure 1 an overview of the Company is presented.

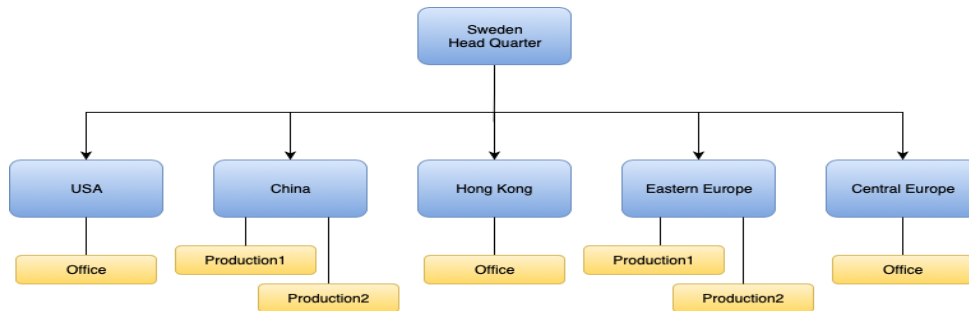


Fig. 1 Structure of the Company

### 3.2 Cultural differences within the Company

During the interview with the IT-manager of the Company many cultural differences unfolded. The term cultural differences was known by the IT-manager who had a lot to say on this subject. Problems and solutions for different parts of the world differed, hence Eastern Europe and China-Hong Kong will be separated throughout the empirical data. According to the IT-manager in Eastern Europe the history shines though, the shadow of the communistic Soviet Union and later Russia still casts its light on the culture of the country. Workers tend to have low innovative motivation, regardless their positions. He described it in the following way:

*"A part of the country and the inhabitants are still colored by a communistic philosophy. Some workers work their hours without caring, despite which role they have. In Sweden there is a much higher work spirit and workers often want to take responsibility."*

As an explanation for senior managers lack of innovation motivation it was explained that there is a great lack of expertise in the district. The main office needs to monitor this site more closely compared to other sites to respond to the lack of responsibility. In another site located in Central Europe there is a noticeably higher amount of work spirit and willingness to learn, much more like how we are used to be in Sweden.

In Asia cultural differences differ between China and Hong Kong. Hong Kongs history as a colony to Great Britain has resulted in a rather Western culture which facilitates communication between the IT-manager and Hong Kongs office employees. With that said it is not working seamlessly.

The IT-manager explains that he found it very hard to know when the Chinese employees did not agree or understand. He explained that they rarely say no or asks questions, which at the beginning of his career led him to believe that they understood and agreed.

*"During meetings when I explain something and ask if everyone understands, the answer is often yes, or they nod their heads. To understand their true knowledge I need to follow up with more detailed questions."*

When employees express understanding, without this being the case, they do not always know the real situation. This means that some projects are carried out with bad result. A questioning attitude is not encouraged within the Chinese culture. Instead of asking questions they handle the situation the best they can, which results in that nearly all projects are completed and things often tend to be solved, but not in the manner expected.

*"It seems like Chinese employees are afraid to make errors, so instead some of them tries to solve the situation. But sometimes the solution is completely different to the one suggested. Since this never is communicated I see this first when I arrive, which is frustrating."*

To make sure things go as planned the IT-manager explains that he needs to be on site continuously. This is not always possible, sometimes he needs to make video-calls even though it is not sufficient because of the difficulties to verify and follow up what is discussed.

*"When projects start you can more often rely on that they will be carried through in Central Europe and US, but in Eastern Europe and China we need to monitor the process much more closely."*

There are always ongoing projects and it is not preferred to always be located abroad. Projects are structured in phases where the IT-manager needs to attend at least the start-up meetings and the last go-live phase, and sometimes more often to receive feedback.

Another cultural difference acknowledged by the IT-manager is how hard it is to be innovative in teams. Chinese workers always do exactly as told, even if they know a more suitable solution they keep the information for themselves. It can be seen as their

sense of respect because they do not want to act offensive. The same goes around when giving criticism to the local employees, it must be done with great caution and politeness, even when you know the person.

### **3.3 How cultural differences are handled**

To solve the situation with the non-enterprising manager in Eastern Europe the Company decided to hire a Swedish production manager who hopefully can motivate the workers. In order to find improvements in their processes a logistic consultant is currently hired. The IT-manager says that he has the closest contact with the third-party supplier rather than the site managers, since they often have proven to be the ones who make things happen. It is important to have in mind the shortage of competence on this site.

Regarding cultural differences in China the IT-manager says it is a fact that gaps exists, the importance is to learn how to handle them and adopt to their culture. Since people from Hong Kong was perceived to have more of a Western culture the Company have put employees from Hong Kong in management for both sites in China. This was made by the Company in order to make management easier and improve communication. However, it also suggests that the cultural differences experienced by the Company regarding China was actually to use Hong Kong as a sort of middlemen.

To compensate bad communication from Chinese projects, strict project phases with planned report sessions is done on regular basis. The IT-manager addresses the importance of having detailed project plans which are communicated long in advance. Projects must be explained several times to make sure they get implemented. Thoroughly monitoring work and continuous monthly meetings ensures that projects are in phase. The IT-manager holds three monthly IT-council meetings for: Eastern Europe, Central Europe, & China-Hong Kong individually. To overcome physical distance these meetings usually takes place through video-conferences where the sites have a monthly debriefing and new improvement proposals are discussed.

As a strategy to bridge cultural gaps the IT-manager suggests trying to find employees who challenges the normative culture and who can act as super-user in the Company. The interview gives the interpretation that this person often tends to be relatively young, since according to him the younger generations is often more open for change. By encouraging employees it is possible to increase the motivation to express their own thoughts and suggest new solutions. The IT-manager wish for more critical and innovative employees. He believes that it is a long process to develop employees to be a good sounding board for ideas, but that they have already come a long way from the first time he visited sites in China. To make Chinese employees understand the Swedish culture better, some has been asked to come to Sweden with the purpose to gain understanding for the work that is made in a global perspective.

The Company has had discussions with a consultant firm in Hong Kong owned by a Swedish manager. The consultant firm has experience in the ERP system the Company uses, and could help to improve processes and IT business in general. This is an alternative discussed by the Company to implement in the future. The IT-manager emphasizes that the gains by having managers from Sweden is solely to reduce cultural



gaps and states that Chinese managers and employees have a very high competence otherwise.

*"I thought I would do fine with my earlier knowledge about this branch, but I was wrong."*

The IT-manager stresses the challenges that comes when offshoring IT management, including cultural differences. He never thought the differences would be as big as they are and states that it would be extremely hard to start up a new communication network in China without earlier knowledge about working in an environment that controls everything and impacts everyone. When the IT-manager was employed by the Company, they already had a working IT and communication strategy for all offshore sites which was crucial for the IT-managers initial work.

#### **4 Analysis and discussion**

In the literature review both drivers to offshoring and the problems with cultural differences was brought up. Many of the differences documented in earlier research could be seen in the empirical data. It is clear to state that cultural gaps exists between the Western world, including North Europe and America, and Asia, including China, Hong Kong and India.

When it comes to drivers for outsourcing or offshoring the literature makes it clear that the most common driver is for companies to gain economical benefits. The Company validates this by claiming their reason for offshoring production to Asia was economical growth. However the Company's situation is more complex since it is not only to reduce production costs but also to take part of a big foreign market share. Šmite, Britto and Van Solingen [13] means that offshoring is not economically beneficial, a statement that becomes difficult to apply on the Company since the profit lays in more complex values than easily measured costs.

Wende, Schwabe, Philip and King [9] mentioned four problems experienced by clients when offshore outsourcing to India, three of the four problems given from the clients was also expressed by the IT-manager of the Company. The problems Wende, Schwabe, Philip and King [9] listed was: The service provider did not ask questions about requirements, this was expressed by the IT-manager as a severe problem to projects as the result would often be different from the expected result and caused extra work. The Company's solution is to have a clear and structured communication routine for projects and ongoing work. Oshri, Kotlarsky and Willcocks [2] proposed a similar solution using video-conferences. The IT-manager opposes this communication strategy by stating that he do not believe it to be a solution to settle for because it lacks the follow-up work needed afterwards, for example the fact that questions rarely is asked afterwards. Wende, Schwabe, Philip and King [9] writes about a client who held a kick-off meeting through a video-conference and felt confident about the meeting afterwards, but further investigation showed that the service supplier developers had troubles to understand the clients needs. This highlights the importance of face-to-face

communication with the possibility to make sure the project will be done according to plan.

Lack of ongoing communication throughout the project, this problem is closely related to the first problem adverted for the Company. To ensure that projects follow time limits and that everything is going as planned, the IT-manager needs to have monthly well structured IT-council meetings over internet and regularly visits the sites throughout the project phases. The cases Wende, Schwabe, Philip and King [9] mentions are offshore outsourcing projects, this type of projects might be harder for the client to monitor as closely as the IT-manager can do, since the projects in that case still are internal projects within the boundary of the Company.

The service providers experienced that developers did not give any own technical suggestions, unfortunately the literature simply highlights this problem without suggesting any way to resolve it. The IT-manager's answer on how to improve the Chinese employees' ability to express their thoughts and ideas was to see it as longer processes. Some people appear to have less of a cognitive gap than others, by identifying these employees and work closely with them, they might be suitable as super-users with more responsibility. The risk with choosing specific persons to discuss improvements with is that it can make the IT-manager bias to these persons. It can also become a problem if a person in charge not tries to take multiple opinions in mind before making decisions. Mahnke, Wareham and Bjorn-Andersen [4] differs cultural differences from cognitive distance. By identifying a specific person where the cognitive distance between the IT-manager (sender) and the employee (receiver) is smaller, the cultural differences might be less of a problem when there is less cognitive distance. As Gurung and Prater [3] states it can emerge several subcultures within a company. By identifying a subculture with less cultural differences, you can manage groups by the same principles as individuals.

The service providers' project manager lacked the skills to solve technical problems, the Chinese employees' skills and qualities was never questioned by the IT-manager, on the contrary their work ethic and skill was praised.

Many of these problems can be related with a high power distance [14] towards the superiors, which might come naturally when living in a controlling environment. People tend to have high respect for authorities deep rooted in their mindset which is exemplified in the study made by Wende, Schwabe, Philip and King [9]. In their research they expresses the same problem when the development team did not communicate directly to the clients but instead tried to solve the situation between themselves. The dimension of activity/passivity Winkler, Dibbern and Heinzl [14] points out is of even more relevance when trying to understand why workers in Asian cultures do not share their ideas. From the literature review and the empirical data it can be concluded that Asian culture seems to form passive workers in terms of being less innovative and less active in group gatherings but on the other hand they also seems to be doers when it comes to work ethics.

Mahnke, Wareham and Bjorn-Andersen [4] presents a solution with middlemen who handle communication between different cultures to reduce and handle conflicts. Even if the Company do not have help from any middlemen consultant yet, they seemed more interested in the consultants help regarding technical support and keeping check on

project processes, rather than bridge the cultural gaps within the Company. One of the main points Mahnke, Wareham and Bjorn-Andersen [4] remarks with middlemen is a structured and well-functioning conflict resolution process, despite the said importance of this, it is an often overlooked function by clients. To not prioritize conflict resolution processes can be an economical disaster, but on the other hand it is also logical and human to overlook it. When investing a significant amount of money to an outsourcing contract or offshore project the person responsible for the clients project, for sure would like to believe that the project will go so seamlessly as planned. If you in advance plan for conflicts to break out, it might just be a higher chance they will. By this theory it can be seen as logical, or at least human, to not plan for possible future conflicts, even though all companies should foresee that conflicts will arise sooner or later and should therefore plan for it.

In Eastern Europe some of the witnessed cultural differences can be explained with a lack of competence, this suggests that high cognitive distance can appear as a cultural difference in some environments. This prove the importance of exploring if the experienced cultural differences really is cultural distance and not cognitive distance.

The IT-manager points out the significances in understanding others culture and trying to adopt to it, but the IT-manager also invites Chinese employees to Sweden. This is a way to increase cultural understanding about other's culture. Winkler, Dibbern and Heinzl [14] presents two ways to confront cultural distances, either let the client adapt to the service providers culture, or let the service provider try to adapt to the clients culture. By in the first place try to adapt and understand Chinese work culture and later invite Chinese employees to Sweden and do the same towards Swedish work culture, the IT-manager combines these suggestions. The end result of these trips has not been noticed by the IT-manager yet, but according to Oshri, Kotlarsky and Willcocks [2] social ties between team members in global distributed teams improves performance. Even if the cultural understanding does not improve, social connections are probable to be tied which will result in better communication in the end.

## **5 Conclusions**

This paper has investigated cultural differences when offshore outsourcing and offshoring. Throughout the paper it has been stated that cultural differences is a real factor when working in cross-culture contexts offshore. In the literature review it was concluded that there exists many dimensions to the term cultural differences. By including an interview with an IT-manager who has experience in handling cultural gaps in an offshoring environment, earlier research could be compared with the gathered data to verify expressed differences.

The addressed research question was: Which cultural problems is perceived by an IT-manager when offshore outsourcing?

Several cultural problems was identified: lack of questions and communication from service provider, lack of innovation ability, and difficulties by service providers to say no. These situations are rarely simple and easily explained, one problem can arise from several reasons and be explained variously depending on the situation. From the

empirical data it can be confirmed that these problems also exist in offshoring environments. Some problems seemed to be more critical in offshoring projects respective offshore outsourcing projects, since the success rate of a project depends on the company. In offshoring projects it seems even more important to have a structured follow-up routine to check if everything is going as planned. In outsourced projects this is also of high importance but can not be controlled in the same manner, thus can the involvement of a middlemen consultancy firm be of value.

The paper concludes that some problems were originated in a high cognitive distance rather than big cultural differences, so when exploring this subject it is important to differ from cultures and individuals, but in real offshore projects this is a way to reduce cultural distance by trying to find people who seem to understand the culture of the company. Ignoring these differences when planning projects would not be recommended, instead by simply trying to adopt and acknowledge the new cultures, offshore projects can be made easier, and thereby probably have a better outcome.

## References

1. Hätönen, J., Eriksson, T.: 30+ years of research and practice of outsourcing— Exploring the past and anticipating the future. *Journal of International Management* 15, 142-155 (2009)
2. Oshri, I., Kotlarsky, J., Willcocks, L.P.: *The Handbook of Global Outsourcing and Offshoring*. Palgrave Macmillan, London (2009)
3. Gurung, A., Prater, E.: A Research Framework for the Impact of Cultural Differences on IT Outsourcing. *Journal of Global Information Technology Management* 9, 24 (2006)
4. Mahnke, V., Wareham, J., Bjorn-Andersen, N.: Offshore middlemen: transnational intermediation in technology sourcing. *Journal of Information Technology* 23, 18-30 (2008)
5. Könnig, M.: Conceptualizing the Effect of Cultural Distance on IT Outsourcing Success. Australasian Conference on Information Systems, Sydney (2018)
6. Khan, S.U., Azeem, M.I.: Intercultural challenges in offshore software development outsourcing relationships: an exploratory study using a systematic literature review. *IET software* 8, 161-173 (2014)
7. Goman, C.: How Culture Controls Communication. In: Forbes, <https://www.forbes.com/sites/carolkinseygoman/2011/11/28/how-culture-controls-communication/#1b22a526263b> (2011)
8. Lacity, M.C., Khan, S.A., Willcocks, L.P.: A review of the IT outsourcing literature: Insights for practice. *The Journal of Strategic Information Systems* 18, 130-146 (2009)
9. Wende, E., Schwabe, G., Philip, T., King, G.: Why They Do Not Understand--A Model of Knowledge Discourse in the Transition Phase of Globally Distributed Projects. In: *System Sciences (HICSS), 2013 46th Hawaii International Conference on*, pp. 396-405. IEEE, (2013)
10. Oshri, I., Kotlarsky, J.: Innovation in outsourcing: A study on client expectations and commitment. UK Warwick Business School Rotterdam School of Management (2011)
11. Quinn, J.B., Hilmer, F.G.: Strategic outsourcing. *Sloan management review* 35, 43 (1994)

12. Barthelemy, J.: The hidden costs of IT outsourcing. *MIT Sloan management review* 42, 60 (2001)
13. Šmite, D., Britto, R., Van Solingen, R.: Calculating the extra costs and the bottom-line hourly cost of offshoring. In: *Proceedings of the 12th International Conference on Global Software Engineering*, pp. 96-105. IEEE Press, (2017)
14. Winkler, J.K., Dibbern, J., Heinzl, A.: The impact of cultural differences in offshore outsourcing—Case study results from German–Indian application development projects. *Information Systems Frontiers* 10, 243-258 (2008)
15. Sullivan, J.R.: Skype: an appropriate method of data collection for qualitative interviews? *The Hilltop Review* 6, 10 (2012)