Merging management ideals in Swedish IT offshoring

Helen Peterson

Department of Sociology and Work Science, University of Gothenburg, Sprängkullsgatan 25, P.O. Box 720, SE 405 30 Gothenburg, Sweden

ABSTRACT

This article explores management ideals in transnational business relations by drawing on interviews with 18 Swedish managers involved in managing IT offshoring from Sweden to India. Drawing on a critical discourse framework the analysis highlights how the managers interviewed discursively constructed the meaning of ideal management and tried to merge their familiar Swedish management style with the transnational business context, using different discursive practices. The Swedish management ideal was understood as highly context sensitive and the subject position constructed within the discourse was not unproblematic to assume outside of the Swedish business context. Instead, according to the managers interviewed, their management practices were inefficient in the transnational business context in which they were now operating. The article advances the discussion of contemporary management by examining how managers negotiate management ideals when faced with the challenges of effective management of offshore IT sourcing relationships. The managers argued for flexible management strategies that merged the Swedish management style together with the Indian business setting. Even if this entailed abandoning key aspects of the Swedish management ideal it was understood as necessary for securing and maximizing business efficiency.

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1. Introduction

Management ideals describe the qualifications, skills, competence and conduct that characterize successful organizational management (Peterson, 2007). They express what counts as "good management" (Gherardi & Murgia, 2014: 691), provide guidelines for action and prescribe what issues in the workplace that a manager is supposed to deal with—what problems they are required to solve and how they are expected to solve them (Varje, Anttila, & Väänänen, 2013). Organizational ideals label actions, behaviour and practices as "right" or "wrong" and therefore have a legitimizing function (Aaltio-Marjosola, 1994). As a result, management ideals exercise disciplinary power because they influence, shape and constrain management performances (Jørgensen, Jordan, & Mitterhofer, 2012). Moreover, managers' understandings of what they should be like and how they are expected to perform so a to be identified as professional and successful managers determine how they describe management work (Gertsen & Søderberg, 2010). Representations of management ideals thus appear in managers' self-reports of working conditions, challenges, strategies and practices (Smith, Andersen, Ekelund, Graversen, & Ropo, 2003).

Management ideals do not evolve "naturally" in organizations. They are created, maintained and reproduced in social processes characterized by ideologies, power relations, ideas and values (Aaltio-Marjosola, 1994). The ideas of what constitutes ideal management reflect contemporary images of management and can shift depending on the arrival of new management theories (Katila & Eriksson, 2013). The charismatic leader, the transformational manager and the participative leadership approach are examples of models that make a case for different management ideals (Madsen & Albrechtsen, 2008). Management ideals also vary due to "the conceptual foundation of the organization" (Allan, Gordon, & Iverson, 2006: 43) referring to how work is arranged, power exerted and decisions made (Holvino, 2010). Bureaucratic organizations for example promote a management ideal fundamentally different from the ideal dominating in team-based organizations (Peterson, 2005). To sum up, while management ideals concern personal authority, status and identity they also legitimize relations of inequality and privilege in the workplace (Collinson & Hearn, 1994).

This article explores management ideals in transnational business relations by drawing on interviews with 18 Swedish managers involved in managing IT offshoring from Sweden to India. The topic of outsourcing and offshoring has started to attract academic interest (Lacity, Khan, & Willcocks, 2009) although the research literature on the organization and management of

E-mail address: helen.peterson@gu.se (H. Peterson).

offshore outsourcing of IT services is still limited (Gannon, Wilson, & Powell, 2014). This article advances the discussion of contemporary management by examining how managers negotiate management ideals when faced with the challenges of effective management of offshore IT sourcing relationships. Drawing on a critical discourse framework the analysis highlights how the managers interviewed discursively constructed the meaning of ideal management and tried to merge their familiar Swedish management style with the new transnational business context, using different discursive practices.

The article is structured as follows. The next section describes the theoretical framework and previous research. After that the methodology and the empirical data is described. The subsequent section presents the findings and analyses. The article concludes with a concise discussion of the main findings.

2. Theoretical framework

2.1. Culture-specific management ideals

Varje et al. (2013: 248) emphasize the importance of national case studies that focus on organizational-level representations of management ideals because different countries have "unique historical characteristics that need to be taken into consideration". Management ideals and leadership ideologies are usually perceived as culture-specific and intertwined with more general aspects of national culture (Holmberg & Åkerblom, 2006). Nation/state and "national cultural traits" are categorising principles that often appear in management theory as well as in organizational practices (Vaara & Tienari, 2011). Previous research has for example described a "global variation in management styles" with some of the most evident differences appearing between North American, European and Pacific Asian styles (Smith et al., 2003: 492).

The Nordic nations have also been discerned as constituting a region characterized by unique management styles with Nordic managers relying more on subordinates and less on formal rules than in other regions (Smith et al., 2003). Even a specific "Swedish management style" has been identified and depicted as typically "soft", referring to the lack of open supervision and control, absence of explicit orders and the importance of trust in that the employees take responsibility for getting the task done (Gustavsson, 1995; Styhre, Börjesson, & Wickenberg, 2006). Holmberg and Åkerblom (2006: 308) conclude in their study: "the notion of a Swedish leadership style is still meaningful and valid as a device for a better understanding of leadership efforts and cross-cultural interaction". They highlight several elements in preferred leadership style that are perceived as Swedish and as expressions of the Swedish national culture, such as; participative decision-making; collaborative team orientation; conflict aversion; strong focus on interrelations and change orientation; integrity; inspirational; and visionary (Holmberg & Åkerblom, 2006). This is a management ideal that has developed within an organizational culture characterized by equality, consensus-orientation, co-operative working methods, conflict avoidance and teamwork (Styhre et al., 2006) and a national context where "Swedishness" refers to cultural values such as equality and democracy (Kalonaityte, 2010).

As a contrast to the Swedish organizational culture, the dominating Indian management ideology has been described as characterized by hierarchical structures, bureaucratic mentality and patriarchal management-employee relationships (Upadhya, 2009). Pelligrini, Scandura, Terri, and Jayaraman (2010) use the concept 'paternalistic', referring to managers who "take a personal interest in the workers' off-the-job lives and attempt to promote workers' personal welfare while offering career-related support"

(Pelligrini et al., 2010: 392). This is a management ideal that entails that managers assume the role of parents, with combined control and benevolence, and an expectation of loyalty and devotion from the employees in the role of grown up children (Salminen-Karlsson, 2015). There is thus a power inequality and distance between management and employees (Gertsen & Zølner, 2012). The paternalistic management ideal is described to agree with a collectivist culture, prominent in India, where belonging to a group shapes the individual's life course by offering both protection and opportunities in exchange to loyalty and conformity (Pelligrini et al., 2010).

2.2. Critical perspective on culture

Although still a popular approach among organizational theorists, practitioners and actors, Hearn (2004) emphasizes the dangers of conducting research that reifies a notion of culture as a fixed, unified and homogeneous set of organizational values. Instead, a critical perspective can reveal the complexities of organizational culture and conceptualise it as diverse, differentiated and shifting (Hearn, 2004). Such a critical perspective can be used when investigating cross-cultural contexts in transnational enterprises where different organizational cultures meet and organizational actors from different cultures and nations collaborate and work together. A critical perspective on culture is particularly useful to understand offshoring conflicts that often have been explained with reference to lack of fit between different organizational cultures (Blomqvist, Peterson, & Dhar-Bhattacharjee, 2015; Brannen & Doz, 2010).

Previous research shows that in an organizational setting characterized by cross-cultural encounters, employee resistance can take the form of stereotypes, cross-national comparisons and promotion of national interest (Vaara & Tienari 2011). Van Marrewijk (2010) studied offshoring of IT services from the Netherlands to India in four multinational corporations, and examined how both Dutch front offices and Indian back offices used cultural differences as strategic resources in arguments when they competed to gain control over projects, client contacts and high-end jobs. The Dutch employees for example emphasized their Indian colleagues' lack of planning capability, their failure to reach deadlines, and, more generally, their lack of high-quality organizational processes. Cohen and El-Sawad (2007) studied employees' experiences of captive offshoring in a financial services company with offices in the UK and India and analysed how employees in both settings accounted for cultural differences to position themselves in relation to one another. Their study identified language issues, work ethics and notions of competence as central in these accounts. The UK employees infantilized their Indian colleagues as a way to regain a feeling of control in a situation characterized by insecurity and vulnerability caused by organizational change and a threat that they would lose their jobs to India (Cohen & El-Sawad 2007). Also managers use the construction of national differences as a strategic resource (Van Marrewijk, 2010). Tienari, Vaara, and Meriläinen (2010: 47) explain that managers in their study discursively constructed a national identity as protection "in the insecure contemporary business environment".

Researchers have used several different analytical concepts to understand how individuals and groups deliberately and strategically negotiate, construct and interpret national-cultural differences to achieve particular objectives in business relationships characterized by asymmetrical power relations. One example of such a concept is 'ethnicisation', used by Van Marrewijk (2004) to refer to "the process of social construction of an organizational identity based upon a notion of shared national identity and shared cultural values" (Van Marrewijk, 2004: 304). Taking the view of local managers in Thailand, Mexico and Israel, Shimoni and