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Development Projects: Partners or Bosses?

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ABSTRACT

A growing trend of sourcing complex software development projects from high-cost (onshore) countries to lower-cost (offshore) countries has created a need for effective collaboration across national boundaries. Effective collaboration requires overcoming challenges stemming from participants' diverse backgrounds, which can be broadly classified as "coordination challenges" and "status differences." A traditional way of addressing these challenges has been to send an expatriate on a temporary assignment from an onshore to an offshore country or vice versa. An increasingly popular approach is to assign project liaison roles to professional workers who have emigrated from common offshoring destinations such as India, Russia, China, and Eastern Europe and who are now working in the US and Western Europe. This practice, however, assumes that immigrant managers will enable effective collaboration by leveraging their bicultural backgrounds to manage projects sourced to their country of origin. Drawing on and extending status characteristics and construction theory we investigate the role of onshore immigrants in addressing coordination challenges and renegotiating status differences on such projects. Using data from interviews with onshore and offshore IT professionals, we illustrate that the practice of assigning onshore immigrant managers to boundary spanning roles is often problematic. While, by and large, immigrant managers are able to address coordination challenges, they are only willing to renegotiate status differences if they identify with offshore IT professionals. Those immigrants who no longer identify with the offshore group exhibit a profound lack of trust in and respect for offshore professionals, sometimes even refusing to speak their mother tongue.

Keywords: status characteristics theory, boundary spanning, social identity theory, offshoring, immigrants, immigrant managers, software development, cross-cultural collaboration, qualitative research

INTRODUCTION

With the growing trend toward offshoring complex parts of the software development processes to low cost locations such as India, China, and Russia, the need to learn how to collaborate across national boundaries has become pressing (Couto et al. 2006). In addition to the lucrative labor cost arbitrage associated with offshoring of high-end activities, firms are also enjoying the strategic benefits of having access to talent around the globe (ibid). In addition to technology firms like Google and Cisco, myriad enterprises across a variety of industries are striving to execute projects that tap into offshore professionals' talent. As firms move high-end work offshore, they begin to realize that success requires learning how to collaborate effectively across national borders.

Challenges stemming from ineffective collaboration have created significant stumbling blocks in the offshoring of knowledge-intensive work. Such challenges have hampered firms' abilities to take advantage

of reduced time to market promised in the “follow-the-sun” approach (Carmel and Agarwal 2002), to tap into the technical talent of offshore teams so as to produce innovative ideas (Levina and Vaast 2008), and even to realize the significant cost savings generally associated with labor arbitrage (Dibbern et al. 2008).

Collaboration effectiveness in multi-party engagements has been defined as a process of achieving a synergistic combination of diverse expertise, while balancing each party’s interests (Hardy et al. 2005). Ideally it is a cooperative practice that focuses on mutual respect, reciprocity, and free the exchange of points of view in an effort to produce novelty (Psaltis 2007). Research on collaboration effectiveness on offshored software development projects suggests there are two broad sets of challenges: *coordination challenges* inhibiting participants’ ability to integrate diverse expertise, and *status differences* between onshore and offshore participants inhibiting mutual respect and interest in learning from each other.

Because offshoring relies on work distributed across time and space, it requires significant coordination in order to compensate for time zone differences, limited communication channels, a lack of common ground, and the inability to observe each other’s work practices (Cramton and Hinds 2007; Cramton 2001). Additional coordination issues arise because of differences in language, experiences, and practices of those who grew up and lived in a different social, political, and economic culture (Cramton and Hinds 2007; Krishna et al. 2004; Levina and Vaast 2008). For example, business practices such as giving and receiving feedback vary widely across cultures (Morrison et al. 2004). Sharing expertise may also be difficult as the same information may be interpreted differently in different contexts (Krauss and Fussel 1991) and artifacts may hold different meanings in different cultures (Leonardi and Bailey 2008).

While coordination issues have been noted first, recent literature suggests that issues pertaining to status differences between onshore and offshore participants may hold the key to participants’ ability or inability to achieve the synergistic integration of expertise needed to produce innovative outcomes (Levina and Vaast, 2008). These issues stem from the privileged status of onshore participants and their unwillingness to share the resources they control (Metiu 2006). In offshoring, control over projects is typically exercised from onshore largely because the logic behind offshoring is to tap into a cheap labor pool in order to produce goods and service for onshore consumption. Thus, on such projects, onshore participants are either

client organizations paying for offshore services or revenue-generating strategic units of multinational firms paying offshore people's salaries and expenses (Levina and Vaast 2008). Not only economically, but even intellectually, onshore people tend to dominate as the outcome is being produced for onshore consumption, and business, marketing, and even design know-how typically resides onshore. Finally, onshore people tend to earn orders-of-magnitude high salaries than their offshore counterparts. In US culture, for example, salary differences are often treated as indicators of status (Ridgeway 2001) and, thus, further exacerbate the mentality that cheap, offshore providers are second class citizens. While status differences might seem secondary to more obvious coordination challenges, overcoming them may be the key to allowing participants to deal constructively (rather than confrontationally) with coordination issues. Specifically, mitigating status differences may set the stage for effective collaboration despite time and space dispersion, language issues, and knowledge asymmetries (Levina and Vaast 2008).

In order to address the challenges of cross-cultural collaboration, organizations often rely on individuals who have experiences in different cultures to act as bicultural liaisons or boundary spanners. For example, multinational organizations frequently move managers, known as expatriate managers, from one country to another on temporary assignments in order to give them requisite experience in the host country (Mendenhall and Oddou 1985). While, in theory, this approach should help bridge cultures, in practice the dream of creating "international managers" has been hard to achieve. Not only is this practice costly, but expatriates may have a hard time coping psychologically with relocation and may fail to adjust to the new culture (Shaffer et al. 2006; Toh and Denisi 2007).

Another practice for addressing cross-cultural differences, especially in the context of offshoring professional services, is the designation of people with existing bi-cultural skills, such as onshore immigrants, to serve as managers and cross-cultural liaisons (Carmel and Tjia 2005; Krishna et al. 2004). Because of the significant migration of well-educated workers from developing to developed countries, a number of such workers have become entrepreneurs and managers in the high-tech industry (Saxenian 1994; Wadhwa et al. 2007). Moreover, in the early days of offshoring when the concept of sourcing professional work abroad was still experimental, onshore immigrants were essentially the pioneers of these

practices (Bardhan and Kroll 2006). Indeed, this practice is much cheaper to implement as the firm does not have to relocate its employees offshore. As of 2009, according to our interviews with senior managers of Russian/Eastern European firms, about 50% of their projects were managed by a native Russian speaker. The number is also likely to be high among Indian and Chinese managers whose projects are sourced to their countries of origin. According to the US census data for 2007, Indian and Chinese Americans represent one of the largest immigrant groups in the United States and are heavily involved in the professional IT workforce, often holding managerial roles (Wadhwa et al. 2007).

While the effectiveness of expatriates and their cultural assimilation have been studied extensively, there has been little research on the role of onshore immigrant managers in enabling collaboration on offshored projects. In fact, the practice is often assumed to be universally positive, but is this really the case? In this paper, we undertake a qualitative field study to investigate the effectiveness of this approach asking if onshore immigrant managers are, indeed, enabling effective collaboration on projects offshored to their country of origin. We first review the literature on status to help us understand status issues in offshoring and then the literature on boundary spanning as these managers are supposed to become boundary spanners between onshore and offshore groups. We then present our methods and our inductive findings from the field. We use a social identity approach to explain our findings as the data suggest that managers' identification with offshore teams was a key concept in understanding why some managers enhanced rather than alleviated status differences. We conclude with how our research contributes to the literature on status, boundary spanning, international management, and social identity.

BACKGROUND THEORY

Status Characteristics and Status Construction Theories

In order to better understand how status differences influence the quality of collaboration on offshore software development projects, we draw on status characteristics (Berger et al. 1992; Berger et al. 1977) and status construction theories (Ridgeway 1991; Ridgeway and Correll 2006; Ridgeway et al. 1998). Following, Ridgeway and Correll (2006) we define status as a form of inequality that is based on differences in social esteem and respect that, in turn, yield influence (p. 431). Status characteristics theory

focuses on how group members draw on socially circumscribed beliefs (i.e., status beliefs) about the social worth of particular attributes that differentiate members from each other (i.e., external status characteristics) so as to form expectations about members' probable contributions to the group task. These expectations, in turn, impact interactions in a status-reinforcing manner. Members whose defining characteristics evoke status beliefs that disadvantage them (e.g., women and minority in gender- and race-mixed groups) find it difficult to demonstrate their task competence, even when it is high, – a problem known as “interaction disability” (Ridgeway 1982). These findings are more pronounced in status-consistent groups (e.g., white men and black women) (Cohen and Zhou 1991) than in status-inconsistent groups (e.g., black men and white women) (Berger et al. 1992) because status characteristics align to favor some members over others, creating strong status hierarchies. While much has been written in this tradition on how members' external status characteristics shape group expectations and processes, relatively little is known about the social dynamics surrounding situations of disagreement with respect to status beliefs. Such situations are likely more common in multi-party collaboration settings where each party brings its own set of competencies to the table and may be unwilling to accept a status hierarchy that disadvantages them (Hardy et al. 2005; Hardy et al. 2003).

Status construction theory may be particularly helpful in understanding these situations because its main focus is how status beliefs develop in a society (see Ridgeway and Correll 2006 for review). It postulates that widely-recognized social differences, such as those based on occupation, race, gender, age, or ethnicity, as well as contextually-based social differences, such as a manner of speaking or technical prowess, become linked to esteem and competence through everyday encounters (Ridgeway and Correll 2006). The association of a social difference with competence is perceived to be a legitimate basis upon which to rank order people in achievement oriented societies (ibid: 431). Status beliefs are consensually-evaluated social differences that have three critical properties: 1) they transform competing in-group favoritisms into a consensual belief that, whether individuals (e.g., from a low-status group) like it or not, people in one group are to be accorded more respect than those in another; 2) they form a generalization (stereotypes) about status-worthiness of the whole group not just the individuals; and 3) they are a form of

social reputation associated with what “most people” do or would think (ibid: 433). Consensus around social differences serving as status beliefs often emerges through repeated small encounters where participants start associating apparent differences in worthiness and competence with categorical differences (e.g., women are bad at mathematics). These initial associations are likely to become part of societal belief systems as they are spread and reinforced through discourse and through structural (resource) differences (e.g., there are fewer female professors in mathematics) that align with these repeated encounters (Ridgeway and Correll 2006; Ridgeway et al. 1998). Although, society-wide status beliefs are hard to transform, research by Ridgeway and her colleagues show examples of how disadvantaged members of society (e.g., women, minorities, elderly) can overcome well-established status beliefs, thereby improving their status within the context of group interaction. For example, members might strategically orient themselves with group goals (Ridgeway 1982). It is also possible that status beliefs become less legitimate if task performance is inconsistent with expectations set by status hierarchies (Berger et al. 1998).

In offshoring software development teams, the virtual monopoly over structural resources (e.g., wealth, professional training, valuable social ties to senior organizational members, and other organizational resources such as technology) enjoyed by onshore members as well as pre-existing status beliefs associating greater worth with being part of a developed, rather than a developing, nation can minimize the influence of offshore members on software design and execution decisions (see Levina and Vaast 2008, for a detailed discussion). Thus, based on status characteristics theory, it is not surprising that offshore members have a difficult time influencing others and contributing their ideas to the team. It is also not surprising they are criticized for staying silent and not contributing enough (ibid). The question central to achieving collaboration effectiveness on such projects is how status- disadvantaged offshore members can influence sufficiently the team’s tasks so as to contribute their ideas and, thus, integrate their competence into joint work. This question, however, cannot be readily answered with the existing theory reviewed above. While some offshore participants may not accept the established social order as fair (perhaps questioning status beliefs common in the onshore society), if they voice their concerns and

behave in ways consistent with a high-status group, rather than their low status group, they may risk their membership on the team and their employment. For example, Levina and Vaast (2008) document cases of Russian offshore IT professionals who were “unwilling” to follow direction from onshore and, on occasion, even implemented technical solutions in which they strongly believed. In fact, some continued to argue their point with onshore managers. Such behavior was generally met with disapproval; if the behavior continued, the offshore participant was “relieved” of his or her duties. On the other hand, if offshore participants actually attempted to highlight their group-serving, rather than selfish motives (as suggested by Ridgeway 1982), their actions might only amplify the vendor-client distinction insofar as group-serving rhetoric is, in a sense, client-serving rhetoric.

A powerful solution may reside in the hands of status-advantaged members who wield disproportionate influence on group interactions. Although status-advantaged members generally prefer to reap the rewards of their privileged position, some high-status people may be inclined to modify the status hierarchy in order to facilitate the contributions and influence of lower status members, especially if there are significant organizational or personal rewards associated with this move. In the context of offshoring professional work, client-side onshore managers are often such high-status participants (Levina and Vaast 2008). Moreover, they often have specific incentives for moving development work offshore (e.g., bonuses tied to the percent of workers offshored to low-cost locations), while at the same time delivering innovative and useful software products and services (e.g., performance bonuses). We now turn to boundary spanning literature in the context of globally distributed teams and offshoring to better understand the role of these onshore managers in potentially addressing status differences in this context.

Onshore Managers as Boundary Spanners on Offshored Projects

Literature on globally distributed teams has discovered that collaboration challenges associated with global work can often be eased greatly by capable leaders (Weisband 2007). Studies have shown that effective leaders can mitigate the negative consequences of distance by translating embedded expertise across contexts (Johri 2008; Krishna et al. 2004), frequently communicating with and on behalf of team members (Cummings 2007) while establishing a constructive interaction style (Balthazard et al. 2007). In

literature on knowledge sharing, a boundary spanner has been defined as a vital individual who facilitates the sharing of expertise by linking two or more groups of people separated by location, hierarchy, or function (Cross and Parker 2004). These individuals play a critical role in enabling effective collaboration across a multitude of boundaries (Levina and Vaast 2005).

In the context of offshoring, onshore managers are particularly well-positioned to play boundary spanning roles (Levina and Vaast 2008). Onshore participants are conferred higher status on offshore projects because their attributes, including relevant business, technical, and design knowledge, become status characteristics in the offshoring context (Levina and Vaast, 2008). Onshore managers also control valuable resources that offshore professionals depend on, such as project funding, access to onshore systems and data, and social network ties to senior management and users (Levina and Vaast 2008). Moreover, their nomination to manage offshore teams gives them symbolic legitimacy to influence how team members perceive each other and, hence, an opportunity to renegotiate status differences (Levina and Vaast 2008). Thus, they can shape the formation of status beliefs in the group. While on the surface the group may seem as if it is status consistent (all valued states of the status-characteristics are associated with onshore members), these managers can challenge the consensus about status beliefs (Ridgeway and Correll 2006) by highlighting that some of the social differences associated with offshore members (e.g., technical judgment untainted by the history of less than optimal decisions made in client organizations) are not only highly relevant, but also preferable for some group tasks (e.g., an innovative way of solving a business problem).

While boundary spanners may be extremely useful, there is no guarantee that individuals nominated to perform boundary spanning roles will actually perform these roles in practice (Levina and Vaast 2005). Over 30 years of research on boundary spanners has concluded that the demands of these roles are often too much for individuals to bear. First of all, it is often hard to find individuals willing to perform these roles as they are expected to be sensitive to social cues (Caldwell and O'Reilly 1982) and competent in multiple domains (Nochur and Allen 1992). Moreover, qualified individuals may choose to avoid the uncomfortable and often conflicting feelings that arise from identifying with multiple groups whose interests do not always align (elevating the status of one group in relation to the other necessarily lowers

the status of another group). Such identification may lead to marginalization within each of the groups (Tajfel 1978) and stress and/or burnout as a result of dual membership (Singh et al. 1996). Indeed, some may opt for one side over the other rather than endure the discomfort of spanning both (e.g., Levina and Vaast 2005; Wiesenfeld and Hewlin 2003).

Indeed, studies of collaboration practices in offshoring have shown that while some onshore managers engage in sharing resources and renegotiating status differences on projects, others, under the same incentive structures, actually reinforce established status hierarchies and continue to blame offshore participants for their lack of competence and initiative (Levina and Vaast 2008). Sometimes nominated managers do not have the right competencies or legitimacy in both groups (Nicholson and Sahay 2004); however, other times they have the right position and resources, but choose to reinforce status hierarchies (Levina and Vaast 2008). The idea behind nominating an immigrant as an onshore manager on projects sourced to his or her country of origin is that he or she is more likely to have the skills necessary to address coordination challenges and the inclination to renegotiate status differences. To better understand the role and motivation of these managers, we now turn to the literature on immigrants and biculturals.

Immigrants as Bicultural Liaisons

Highly skilled immigrants play an increasingly important role in US economic activity. Economists, economic sociologists, and strategy researchers have highlighted the importance of immigrant entrepreneurs in fostering economic activity in high tech sectors such as Silicon Valley in California, where more than half of all companies were founded or co-founded by immigrants (Saxenian 1994). Immigrants also play a critical role with respect to innovation by pursuing American graduate education in proportionally higher numbers than the local-born population (Wadhwa et al. 2007) and by tapping into their offshore social networks to file joint patents in the US (Kerr 2008). While attention is being paid to immigrants in strategy and economics literature, surprisingly little is known about their role in organizational management¹.

¹ A search on Google Scholar for the key words “immigrant, manager” revealed only papers from economics and economic sociology with the exception of one paper on the mis-management of low-skilled immigrant workers in a meat packing facility. Similarly, a search of EBSCO Business Source Premier electronic database combining most journals in management, economics, and other related fields yielded zero results using the same search terms.

At the same time, understanding the acculturation of immigrants is a lively topic in psychology, sociology, and anthropology. A fundamental question addressed by this work is how migration impacts people's sense of belonging to their host country as compared to their country of origin with the following possible outcomes: identification with both cultures (integration), identification with the host culture (assimilation), identification with the offshore culture (separation), and identification with neither culture (marginalization) (Berry 2001). When people choose to identify with a group they define themselves, in some part, based on that group membership, deriving from the group a shared history, language, customs, and way of seeing the social world (Turner 1985). For example, identification with an ethnic group has been shown to lead to the use of the group's language and an adherence to its customs (Ashmore et al. 2004).

When a group does not fully satisfy the desire for positive social identity, people either attempt to make their group more positively distinct and/or leave one group to join another, more positively distinct group (Tajfel and Turner 1979). One reason people migrate to a high status onshore countries is to acquire a more positive social identity than one derived from the offshore country. Migration does not, however, imply that immigrants look poorly upon their country of origin. In fact, psychological research suggests that people can internalize a new culture without giving up their original one (LaFramboise et al 1992). Bicultural people can draw on their separate identities in order to respond to situations wherein one or both identities provide them with a sense of orientation while enabling them to undertake social action (Benet-Martinez and Hariatos 2005; Brannen et al. 2009). Offshoring creates situations where bicultural people can profitably draw on their dual identities.

The idea behind sending an expatriate to an overseas assignment, much like the idea of assigning an onshore immigrant manager, is that such managers will become boundary spanners and, thus, facilitate effective collaboration and associated business outcomes such as innovation and timely delivery. In both cases, the individual is a "manager" with experience and expertise from onshore and a unique ability to

Searching the term "immigrant" in the abstracts brought three types of articles: 1) on economic outcomes of immigrants for the economy or for immigrants groups in the economy; 2) on social psychology/identification and the assimilation of immigrants into their new country; 3) on unfair treatment of immigrants in organizations and in society as a whole.

influence group processes. However, while companies need to spend resources on overseas assignments so that expatriate managers may learn a new culture, an onshore immigrant manager should be familiar with the offshore culture already. Onshore immigrant managers should have an easier time collaborating with people from their country of origin compared to non-immigrant managers who do not have the same multi-cultural background. In what follows we investigate whether, in practice, onshore immigrant managers are better enablers of collaboration on projects offshored to their country of origin.

METHODS

The purpose of this research was to explore the practice of assigning immigrants to manage offshore projects – a phenomenon that is poorly understood and for which little prior theory exists. In order to understand how collaboration challenges exhibit themselves and what attitudes different participants had, it was important to study this phenomenon in its context. Thus, we conducted a series of open-ended interviews that involved participants' views (Spradley 1979) from both offshore and onshore locations. We focused specifically on the consequences of assigning an offshore immigrant (e.g., an Indian-American) to play the role of an onshore manager on the client side (e.g., working for a client organization in the US or Western Europe) in a software development project sourced to the immigrant's country of origin (e.g., India). It excluded expatriate assignments, immigrants working for a vendor organization onshore, or offshore workers on temporary onshore assignments, known as "bridgeheads" (Krishna et al. 2004). In what follows, we will refer to the client-side onshore immigrant managers as "immigrant managers."

Data collection and analysis followed principles of the grounded theory method, intertwining data collection and analysis and strategically selecting interviewees to confirm or disconfirm emergent themes and relationships (Eisenhardt 1989; Glaser and Strauss 1967). Data collection proceeded in stages. In 2004, as part of a larger study of collaboration practices in offshored software development projects sourced to Eastern Europe, we discovered in interviews with offshore professionals in Ukraine and Armenia that these projects often involved onshore immigrant managers speaking Russian to offshore developers. We also heard clearly that these managers eased some collaboration challenges but not others. Between 2005-2007 we continued with the larger study of collaboration practice in offshoring, collecting additional data from

offshore professionals in three top destinations for offshoring software development work -- India, Russia, and Eastern Europe. We also focused on a large American company that was sourcing its high-end projects to each of these locations. With this rich data set involving onshore and offshore participants, as well as data on collaboration quality and outcomes for over 40 projects, we were able to understand the nature of status hierarchies in the offshoring of software work. Because this firm had a good number of immigrants managing projects that were offshored to their country of origin, we were able to interview six of them (two Indian, three Russian, and one Ukrainian) while comparing their attitudes and work practices to those of non-immigrant managers working with the same providers offshore (nine non-immigrant managers). At the end of 2007, we had 21 interviews with offshore IT professionals who had experiences in dealing with onshore immigrant managers.

We had some emergent concepts and relationships we wanted to explore; thus, in 2008-2009 we conducted additional interviews with immigrant managers (one Indian, one Russian, and one Ukrainian) and two offshore Russian IT professionals who had experience with immigrant managers. In these final five interviews, we focused more narrowly on the role of immigrants' backgrounds and attitudes (see Table 1 for a breakdown of all 41 interviews by country and firm).

-- Insert Table 1 about here --

Offshore (Ukraine, Armenia, Russia, and India) interviews involved delivery managers, project managers, and small entrepreneurs who had experience working with immigrant managers. *Onshore* (Western Europe and US) interviews involved client-side onshore managers (in project or program² management positions) working with offshore providers, including both immigrant and non-immigrant managers. Most of 41 interviews were conducted face-to-face with only four were conducted on the phone, due to travel restrictions. All interviews were recorded and transcribed. Russian-speaking participants were interviewed in Russian, except when they preferred to speak English. While we interviewed a number of senior managers onshore, we deemed it inappropriate to ask them to evaluate the performance of their subordinate managers in a non-anonymous fashion. For the same reason, we did not try to match interviews

² Program managers are mid-level managers overseeing several projects; project managers report to them.

onshore with interviews offshore. If that were to happen, participants would need to reveal the identity of their onshore manager or offshore provider. We feared that the loss of anonymity of the people being judged would bias responses. Finally, it came out in early interviews that the Jewish background of onshore immigrant managers could have played a role in the identification processes and management styles. Indeed, all but one of the seven Russian and Ukrainian immigrant managers were Jewish (a minority group in Russia and Ukraine). To explore if anti-Semitism played a role in how onshore managers were perceived by their offshore teams, our offshore respondents were chosen so as to include Jewish and non-Jewish respondents.

Reflecting the principles of grounded theory, our interview questions tended to evolve during the course of our research (Glaser and Strauss 1967). In the data collected in 2004-2005 (the first two stages), offshore interviewees were asked to discuss the challenges they faced in achieving effective collaboration with onshore clients, provide examples of projects in which these challenges exhibited themselves as well as give examples of projects on which both organizations were able to address collaboration challenges effectively. After such discussions, participants were asked what role immigrant managers played, if any, in collaborating on such projects. In the third stage of data collection (2008-2009), we started interviews with an open-ended question that asked offshore participants to share their feelings about collaborating with immigrant managers (Spradley 1979). We then probed further for additional clarification and examples. When interviewing immigrant managers, we solicited information about their personal backgrounds and histories of immigration as well as their feelings regarding acculturation and their ability to advance in their host society. We also asked how they felt about offshoring as a trend, the specific collaboration challenges they faced, the means they used to address these challenges, and their perception of offshore providers' effectiveness. Finally, we also asked for their views on the possible advantages they had as immigrants when managing these projects. In order to compare the viewpoints shared by these immigrants with non-immigrants managing comparable projects, we asked similar questions of nine non-immigrants onshore managers working for the same client firm as six of the nine immigrant managers interviewed. In several

cases, an onshore manager was an immigrant from a country other than the offshore country, in which case they were treated as non-immigrant managers.

We followed the guidelines of grounded theory to inductively develop an answer to the question of whether and how immigrant managers address collaboration challenges on projects sourced to their country of origin (Glaser and Strauss 1967). Table 2 illustrates how the method was used. There are multiple valid ways of using the grounded theory method with respect to how much extant theory is used in the development of new theory (Locke 2001). In early stages of data collection and analysis, we were not heavily influenced by extant theories. However, as issues pertaining to status differences and identification emerged prominently during the inductive data analysis, we focused more on theories of status, identification, and immigration because we felt they provided useful lenses for analyzing our data. The literature on qualitative research methods suggests there are various ways of writing up qualitative research (Pratt 2008), including our model of drawing heavily on extant literature in developing our arguments, even though many of the ideas we put up-front have been developed inductively (e.g., that immigrants may no longer identify with their country of origin).

-- Insert Table 2 around here --

FINDINGS

In the early stages of data collection, it became clear that the practice of nominating immigrant managers to address collaboration challenges did not always lead to intended outcomes. While some managers indeed facilitated collaboration effectiveness, others did so partially and, on occasion, actually impeded it. In the words of one offshore professional: *“The distribution of good collaborators among immigrant managers is very polarized: They are either very good or they are unpleasant. It is never neutral.”*

Translating Across Boundaries

Many comments about the role of immigrant managers in enabling collaboration centered on the degree of language and cultural competence these managers had in relation to the offshore culture.

Language Competence

It was clear that in those instances where offshoring involved countries belonging to the Former Soviet Union (Russia, Ukraine, and Armenia), an immigrant manager's ability to speak Russian – an official common language of the Former Soviet Union – was a big advantage. The English language skills of software development professionals in Eastern Europe are still rather weak; however, project managers usually have a good command of the language (Bardhan and Kroll 2006). All but one of the immigrant managers spoke Russian to offshore teams. Offshore professionals and immigrant managers pointed to the common language as a key advantage in managing offshore projects. Although language was less of an issue for Indians, speaking Hindi was useful for building interpersonal ties: *“You start talking about home, chitchatting, switching between English and Hindi. They [offshore people] are much more at ease.”*

While most Russian-speaking immigrants spoke Russian with offshore developers, one manager we interviewed had perfect command of Russian, but decided to speak English with the offshore participants due to concerns about becoming “too familiar.” An offshore interviewee also pointed out that several onshore immigrants he worked with came to the US many years ago and that their command of the Russian language was not sufficient, especially when it came to the language surrounding technology and business. He pointed out:

Psychologically it [collaboration quality] is better with the person who does not speak Russian. He does not think he knows Russian. He [the Russian speaker] think he should understand everything, but he understands a half and often incorrectly.

Cultural Competence

During the early stages of data collection (specifically, 2004 in Ukraine and Armenia) it came as a surprise that participants offshore said they experienced hardly any cross-cultural communication issues. In trying to further understand these reports, we learned that approximately 80% of the business for these firms was conducted through immigrant managers who had knowledge of local customs and norms: *“People who came from here know our mentality.”* Some of the most widely quoted examples of such cultural knowledge included knowing the holidays, traditions, and customs. *“I had to teach my colleagues in US and UK that we should not expect to get anything [work-wise] out of our Russian colleagues in the first two weeks of*

January [holiday season].” Indian immigrants also felt they could better understand the moods of their Indian colleagues around holidays and, thus, built bonds by acknowledging their cultural practices. They frequently mentioned working around world-cup cricket schedules and holidays: *“On occasions like Diwali, Holi [Indian Festivals], they don’t have days off but I manage so that they are more committed afterwards.”* This sentiment was echoed by their offshore counterpart: *“We take 2 to 3 weeks off for marriages because our marriages go for days. They [immigrant managers] understand that better.”*

Some immigrant managers also served as mediators of cultural business norms or, what one respondent referred to as, “membranes” of cultural knowledge. For example, an immigrant manager from Ukraine pointed out that he often had to stop his offshore counterparts from making politically incorrect remarks about women that would be unacceptable in US business culture but acceptable in countries of the Former Soviet Union: *“They [offshore people] were very eloquent in their political incorrectness.”*

As in the case of language competence, some interviewees pointed out that some immigrant managers’ cultural competence was outdated, especially with respect to business culture. Many immigrant managers, especially those from the Former Soviet Union, left decades ago (more than 19 years ago for our sample) at a time when their home country was still under a communist regime. Cultural norms at the time encouraged a poor work ethic as people did not feel their compensation or advancement depended on effort. However, much has changed since these countries became capitalist, especially in the context of IT outsourcing and offshoring. Our visits to these firms and our ethnographic observations indicated that these organizations had office spaces and atmospheres similar to those in the West. These organizations offer good pay and career prospects that attract young professionals, many of whom lived most of their lives in a capitalist post-soviet society. Yet, Russian-speaking immigrant managers often made assumptions to the contrary. Some of them worried about their personal safety in Russia or Ukraine and about the offshore work ethic, even on projects where they believed the quality and productivity of offshore work was exceptionally good: *“When you visit them in Moscow, tell me what time they actually get to work and leave when I am not there and watching.”* A senior Russian offshore professional with considerable experience working with Russian immigrants commented:

Cultural differences between Russian people and Russian immigrants are huge. They are people from different worlds. I know lots of people [immigrants]. When we talk about professional jobs, I see how they formulate problems and solve them and it is different from us.

Strikingly, out of the five Russian-speaking immigrant managers involved in our study, only three went to visit the offshore site by the time they were interviewed (usually several years into their role); whereas most of the non-immigrant managers working alongside them on Russian-sourced projects visited their teams. Two of those who visited Russia/Ukraine were senior managers who pioneered Russian and Ukrainian offshoring practices in their respective firms. They both had close relatives in their countries of origin and never lost touch with what was going on in their country of origin. By contrast, the third manager went reluctantly out of business necessity. In explaining why they were reluctant to visit offshore teams, Russian-speaking immigrants explained that, first, they had already been there, and, second, when they were immigrating they were leaving a country where they faced poor social, political, and economic conditions, and oftentimes prosecution in the form of anti-Semitism. Their citizenship was taken away when they left and they thought they would never return. While these arguments are strong, two senior managers who visited were also Jewish and left under the same circumstances.

By and large, however, the language and cultural competence of immigrant managers helped in easing coordination challenges and translating across diverse cultures. At the same time, many study participants pointed out that there were some immigrant managers whose attitudes they felt were particularly unhelpful in enabling effective collaboration.

Impeding Collaboration Effectiveness: Lack of Respect for Offshore Professional Skills

The offshore participants working with immigrants from their own country expressed their concerns routinely with respect to managers adopting a “do as you are told” attitude.

They try to impose their opinion, right or wrong, and think that they have something that people who live here don't have. They may be a priori right and don't even have to explain why. I asked about some numbers that were given to me and I asked about where these numbers came from and how they were calculated, and most often people who were not from Soviet Union, would try to explain why. The immigrant says: “This is so” and “Believe me.”

This attitude was often coupled with an excessive focus on cost savings and a view of offshore people as “cheap laborers.”

They often talk about “bodies”. They say, “Give me 10 bodies” I hate this language. Never talk about people as bodies. Language is a way of showing attitude. They are lacking humility. Those people who have humility are ready to work with us, to collaborate instead of being overbearing bosses.

While both immigrant and non-immigrant managers on all levels agreed that offshore developers lacked broad industry/business knowledge that is helpful on software development projects, some (but not all) immigrant managers expressed disdain for offshoring in general, arguing that the caliber of offshore people was subpar. A telling comparison across onshore interviews is in respondents’ varying estimates of the ratio of onshore people needed to replace current offshore people if the project were sourced back onshore. For many projects that exhibited effective collaborative processes, managers estimated that one onshore person was equivalent to one and one half offshore persons due to additional coordination costs involved in distributed work. However, a couple of immigrant managers felt that, because of the incompetence of offshore staff, they could do the same amount of work onshore with fewer people, needing one onshore person for every five offshore people. On one project employing 17 people in India, the immigrant manager complained that nothing was delivered in the past year due to the incompetence of the offshore staff. Most of the staff had between three and four years of experience, yet this immigrant manager felt even experienced developers were not good enough:

We have senior people with 8-10 years of experience on the project. From what I can tell, the people who are so-called “senior” in India right now are the people who got kicked out of here [onshore country] because the dotcom crash happened, and those kinds of people were not very valuable in the first place over here. They were low level worker and had to go back. So, the senior people are of very low quality and there are only junior people coming out of the school who are showing promise, but otherwise there is nothing really left in India. Because all these senior people went abroad over the years, and there is nobody who is really good left. Anybody who was any good has come here long ago.

This manager felt that even if the offshore developers were brought onshore to alleviate the distance problems, the performance would not improve as Indian offshore professionals were simply incapable of delivering. This manager provided an example in which a team of 10 people in India failed to deliver a piece of software after three weeks of work; the software was eventually programmed by one onshore developer (himself) in a single afternoon. When asked to describe cultural differences between India and the US, this Indian immigrant manager replied that “*Indian people never ask questions. ... US people are more honest*

and upfront. Indian people do not have confidence and tend to hide behind a cover.” He admitted that he was never optimistic about offshoring when it required extensive collaboration.

A Russian immigrant manager did not fault the technical expertise of Russian developers, but was quick to assign blame for the lack of effective collaboration on their inadequate language skills, industry knowledge, and corporate software development practices. He was strongly opposed to offshoring his project, suggesting that the work of 23 offshore people in Russia could be done more effectively with five good developers in the US. Three other onshore managers (one immigrant and two non-immigrants) from the same division and working with the same Russian provider were interviewed. Their projects were very similar to the ones managed by the Russian immigrant. However, they felt the developers working for them in Russia were very professional and could hardly be outperformed by the same number of people onshore. An American manager working with the same provider consistently referred to the Russian team as “*my guys in Moscow*” and commented: “*Frankly, I could not get people of this caliber to work in mere technical developer positions in [the] US.*” If problems happened with delivery schedules on tasks requiring a fast turn-around, he stated: “

The relationship is supposed to be a partnership. So, it is rare if they are late that it is solely their fault. ... In the cases when we needed to get something out [delivered] and it did not happen, it was not like we gave [the Russian provider] requirements and they failed to deliver. It was often that we could not get the requirements to them as quickly as we would like.

According to study participants from India, a controlling attitude was more pronounced among immigrant managers holding junior project manager positions:

They [junior immigrant managers] think, “Hey, you guys don’t know anything.” Whereas, we say, “Hey, we are CMM-5 and ISO-900 level company. We need to follow these processes.” And they say, “Okay who cares about that. I want you to do this. Please, do it this way.” ... We have not faced any such problems on [the senior level].

Impeding Collaboration Effectiveness: Micromanagement and Lack of Trust

Our early interviews conducted in Eastern Europe revealed a reluctance to work on US projects managed by onshore immigrants despite the apparent lack of cross-cultural integration problems. Instead, these offshore respondents preferred to work on projects in the local market even if that business was less lucrative financially. While explaining this preference, offshore participants stated it was easier to develop

and establish their expertise on domestic projects where their opinions mattered and where they had more independence. One of the Armenian managers said:

In a domestic context, things are different. We can tell the client that we would take another week and make a better design and the client would tend to agree. They trust our technical judgment.

A co-founder and CTO of a Ukrainian firm commented:

A friend of ours proposed to a small software company's owner to use us. He is in charge of our project. The Americans want to fully control the project. He [the immigrant manager] assigns tasks. He checks the progress. We would have preferred for us to control these tasks, schedules, and performance.

As a result, this company gave up on the idea of effective collaboration involving feedback and discussion, opting instead to follow onshore management directions:

If we see them [clients] making mistakes, we often explain that this is not the best thing for them, but we do understand that it is not our role to teach the client how to live. So, often, we just salute and do what they tell us to do.

That immigrant managers tended not to trust offshore participants was echoed in the comments of Indian offshore professionals as well: “*They know how hard we work, and they want to extract even more work from us.*” Onshore Indian immigrants corroborated this view by highlighting the need to micromanage their offshore counterparts by “*checking all the time*” so that offshore developers would “*stay on the ball*” and not “*slack-off on deadlines.*”

Russian, Ukrainian, and Armenian offshore professionals reported that in many situations onshore immigrant managers became communication bottlenecks and did not trust offshore participants to approach other valuable stakeholders in the client organization. Several Russian immigrant managers justified such attitudes by saying offshore developers did not have sufficient business knowledge to engage directly with users. For example, one highlighted that prototyping, an effective development technique, can no longer be used now that the work is being offshored. When asked why offshore developers could not create prototypes to be shown to users (a technique used by his non-immigrant colleagues in the same department and also practiced by a number of Russian vendors), his answer was: “*They just cannot do it.*”

Enabling Collaboration Effectiveness through Respect and Trust

Our data suggests clearly that not all onshore immigrant managers adopted disrespectful and distrustful attitudes towards offshore participants. In our small set of onshore immigrant interviewees, at least three managers (one senior Russian Manager, one senior Ukrainian manager, and one junior Indian manager) clearly held favorable attitudes towards offshoring to their country of origin. These managers stayed current with offshore culture and the senior managers visited their teams several times a year (the junior manager traveled to India but not to visit his team). They repeatedly praised the technical talent and productivity of their offshore teams:

Their performance has been very good. I can contrast them with another team we have onsite [in the US]. It is a bigger team consisting of all internal employees. ... I would say that we are getting more throughput [productivity] for less money [from the Russian provider].

They highlighted that the key to success in offshoring was in treating offshore developers as “*adult professionals*” rather than “*bodies*” or “*programmers working for pennies on small insignificant tasks.*”

Offshore participants’ view of a “good” immigrant manager matched these sentiments. One of them said that good collaborators among Russian immigrants were those who “*valued what we have to offer from Russia and understand the Russian advantage [which is having] smart people who know how to solve difficult problems.*” Similarly, the Indian offshore participants noted that senior level Indian managers were typically good collaborators because they understood the Indian advantage: “*At a director level, if he is from India, if he knows Indian companies, probably he would appreciate some of the things that we are doing, what we are proposing.*” Many offshore participants referred to good collaborators as exhibiting *professionalism* in their relationships with offshore providers and in treating them as professionals.

DISCUSSION

The data clearly indicates that onshore immigrant managers were generally helpful in easing the coordination challenges associated with offshoring. They generally drew on their offshore background to engage in translation across language and cultural contexts. However, some managers did not retain the up-to-date language and cultural competencies necessary for this translation. Some immigrants who retained these competencies were not inclined to use them. At the same time, there was a clear bifurcation in

immigrant managers' behaviors and attitudes toward offshore teammates stemming from distinct responses to the onshore society's status beliefs, which associate offshore characteristics with less social worth and diminished competence compared to onshore characteristics. Some immigrant managers treated offshore teammates as incompetent and unprofessional people worthy of neither trust nor respect, which, in turn, minimized the contribution of offshore knowledge and skills to the project. In contrast, other immigrant managers used their position of authority to facilitate collaboration by respecting and treating offshore teammates as skilled professionals, which, in turn, helped offshore participants contribute.

Identification and Status Beliefs of Onshore Immigrant Managers

Both the prior literature on immigrants as well as our data suggests that offshore identification is essential to understanding this phenomenon. The practice of assigning onshore immigrants to boundary spanning roles assumes these managers will maintain their offshore identity and will draw on it to address collaboration challenges. However, in light of status characteristics and status construction theories, the practice is also asking offshore managers to identify with a lower status group. Status construction theory (Ridgeway and Correll 2006) argues that individuals from lower-status groups tend to accept societal status beliefs over in-group favoritism: they form unfavorable expectations of themselves and others despite joint identification (e.g., if a woman believes that other women are incompetent at a particular task, she will apply this judgment to herself and other women). However, this theory focuses on stable individual characteristics, such as gender and age, which leave little room for the choice of whether to identify with a given group or not. In the cross-cultural context, immigrants have more of a choice regarding their self-categorization (Constant et al. 2009; Turner 1985). Thus, it was not clear which of the following attitudes and behaviors immigrant managers would adopt on offshore projects: 1) they may not identify with offshore IT professionals and reinforce status beliefs and structures that favor onshore participants similar to them over offshore participants (“I am not one of them anymore, hence I am more competent than offshore people ”); 2) they may identify with offshore IT professionals and accept status beliefs placing themselves in the lower status categorization (like women in Ridgeway's et al. studies) (“I am one of them still and together we are less competent than onshore people ”); 3) they may renegotiate status beliefs and hierarchies without

identifying with the lower status offshore IT professionals through discourse undermining consensus and legitimacy of status beliefs held in the onshore society (“I am not one of them, but they are actually as competent or more competent than onshore people”); and 4) they may renegotiate status beliefs and hierarchies by identifying with offshore IT professionals and rejecting status beliefs held in the onshore society (“I am one of them still and we are more competent than onshore people”).

It is clear that many onshore immigrant managers adopted attitudes and behaviors consistent with the first scenario: they did not identify with offshore developers and accepted onshore status beliefs, associating greater worth with onshore than offshore professionals. Statements that it would take one onshore person like them to do the job of five offshore people, and do it better, are indications of a lack of offshore identification coupled with an acceptance of status beliefs common in the onshore society. Similarly, assigning negative characteristics, such as lack of honesty or good work ethic, to offshore people is also indicative of this scenario. In analyzing interview transcripts, these managers did not use inclusive language such as “we” or “my guys” to refer to their offshore counterparts. Some managers de-emphasized any commonalities by referring to offshore professionals as “bodies.” Another manager’s low identification manifested itself in speaking to offshore teammates in the onshore, second language rather than their common offshore language. Consistent with prior research associating low levels of identification and distancing from a group’s language, culture and norms (Ashmore et al. 2004), some managers let their offshore language and cultural competencies deteriorate, which then undermined their ability to translate across contexts.

In differentiating among the other three possibilities, we did not see any evidence of the second scenario. This is not surprising, as given a choice in identification and clear markers of status associated with being a *manager* onshore, it would be strange for immigrant managers in an achievement-oriented Western society to accept a lower status as a natural outcome of identifying with offshore people. Moreover, unlike situations described by Ridgeway and colleagues, in the case of most Russian and Eastern European interviewees (as well as some Indian interviewees), there was little evidence that offshore respondents believed their group was occupying a lower position in a status hierarchy. Many offshore

professionals not only felt they were competent professionals worthy of respect, but also wanted to act on this conviction by contributing their ideas.

In differentiating between the third and the fourth scenario, we coded our data for evidence of identification with offshore IT professionals as well as for the status beliefs held by effective onshore immigrant managers. This data analysis provided much stronger evidence for the fourth scenario compared to the third. Indeed, offshore interviewees consistently described effective immigrant managers as those who not only treated offshore providers as human beings worthy of respect, but who also strongly identified with the offshore group and its characteristics. They acknowledged the “Russian advantage” or “what Indian firms had to offer.” A quote from a Ukrainian onshore immigrant manager is particularly telling given his flattering references to Ukrainian potential and his prepositional slips from “them” to “us” which confused the interview process enough to cause the interviewer to ask for clarification:

Respondent: *First, Ukraine is the most responsive and easy to work team I ever dealt with. Their intellectual ability by far exceeds anybody I ever dealt with ... They are super fast. ... In all these times we had, there were 2 people that left us because we knew that we are not happy with their capabilities.*

Interviewer: *What do you mean when you say “we”*

Respondent: *When I say “we” I mean Ukraine or US.*

He continues replying to the question of what happens if he disagrees with ideas from offshore teammates:

I just say to my team; “Guys I don’t think this is going to work,” and I give my reasons. I have to give my reasons. If I don’t explain, I do not respect them. I respect them. I want to be treated with respect. Sometimes they say things to the business client directly. I trust them. I know they will not say stupid things.

It was clear that this and other onshore managers did not accept the onshore status beliefs that associate offshore developers with cheap laborer; instead, they drew on status beliefs from the Ukrainian and Russian cultures which recognized the technical prowess of local IT professionals (Carmel and Eisenberg 2006). Similarly, the Indian manager who identified with the Indian developers emphasized how incredibly hard Indian developers were working and how dedicated they were to the task (also consistent with Indian beliefs about the strength of Indian IT professionals according to Carmela and Eisenberg 2006).

One may ask how effective non-immigrant managers’ overcame status differences on offshore projects. Our interviews suggest that identification also played a major role in this social process. The data is full of

quotes indicating that “my guys in Moscow” are incredibly smart and have “close to photographic memory” or “my team in India works incredibly hard.” These quotes suggest that native born (e.g., American born) onshore professionals who effectively managed offshore projects treated their offshore counterparts with respect out of a developing sense of offshore identity rather than out of a universal egalitarianism. Moreover, these managers were often initially skeptical of offshoring and offshore professional skills. While many did not initially treat their teams with the respect, a sense of trust was eventually established.

Inclination to Identify with Offshore Country

While our study focused primarily on the social processes leading to the renegotiation of status beliefs and hierarchies, we also analyzed the data to understand why immigrant managers nominated to play boundary spanning roles may be more or less inclined to maintain their offshore identities. There were three prominent themes in the data, which we briefly discuss below: 1) immigrant managers recognized that offshore identification could lead to rewards in the onshore country, 2) immigrant managers with higher status in the onshore country were more likely to identify with offshore professionals, and 3) immigrant managers with lower status in offshore country were less likely to identify with offshore professionals.

First, following the social identity perspective, immigrants often join a higher status onshore group because they believe it will provide an attractive source of social identity. Indeed, we saw no evidence suggesting a lack of identification with the onshore country. All the immigrants in our study were moving from developing offshore countries with lower status in the world hierarchy to the United States. However, the offshoring of increasingly complex knowledge work highlights the ascending prominence of offshore countries in global business. Our interviews with onshore immigrant managers probed heavily on whether they felt their jobs were threatened by offshoring. In fact, many of them felt that offshoring provided them with opportunities for career advancement as it increased the value of their cross-cultural translations skills. In addition, two senior managers had additional organizational rewards (bonuses and promotions) associated with their offshoring success, and they both identified strongly with off shore developers. Thus, in the context of offshoring, immigrant managers could perceive both countries to have high status, and, as a result, enhance his or her social identity by identifying with each of them.

Second, we clearly heard from offshore Indian contributors that senior people were more likely to listen to what Indian developers had to offer. While it may also be that the same managers had more at stake in achieving collaboration effectiveness (as per the argument above), the arguments given by offshore participants had to do with senior managers identifying more with offshore people. This is consistent with social identity arguments concerning the importance of establishing a secure identity. Onshore immigrant managers were careful to highlight that they saw themselves to be, first and foremost, American. To the extent that onshore immigrant managers perceive themselves as having achieved high onshore status, this identification will be more secure and simultaneous identification with the offshore country will be less threatening (Jackson and Smith 1999). Furthermore, the achievement of high status in a new culture likely coincides with the latter stages of the acculturation process, making a return to one's roots attractive (Berry 2001).

Finally, both onshore and offshore people in the Russian and Eastern European context suggested that immigrant managers, whose immigration was often related to anti-Semitism in their home country, might be reluctant to work well with Russian or Eastern European offshore professionals because of "Jewish immigration issues"; Jewish immigrants may be less inclined to identify with members of nation where they were persecuted as minorities. Social identity perspective's emphasis on within group status (Chen 2005) suggests that immigrant managers will be more inclined to identify with their home country if they perceive themselves to fair well in within-group comparisons (e.g., if they were not Jewish). We saw no evidence of this in the Russian or Eastern European context as all but one of our interviewees were Jewish including the good collaborators; the only non-Jewish immigrant in our Russian-speaking sample was a poor collaborator. However, we saw some evidence of this mechanism in the Indian context. The junior immigrant manager who identified with Indian professionals was from the elite strata of Indian society. He emphasized that even while living in India he traveled heavily around the world including to the US and had access to the best educational opportunities.

We do not believe these factors determine whether an immigrant manager will identify with offshore professionals on a project team as our evidence is not conclusive. We do believe, however, these factors

orient immigrant managers' dispositions towards the situation without necessarily determining identification. Moreover, we see identification with offshore professionals and renegotiation of status hierarchies as an emergent process that is shaped not only by social calculations of the relative ranking of a individual within each group and of the relative position of each group within the status hierarchies, but also by everyday encounters that reinforce or challenge these predispositions. For example, a junior Ukrainian manager who was originally negatively disposed towards working with a Ukrainian team, primarily due to a history of pre-emigration anti-Semitism, later developed an appreciation for the quality of Ukrainian professionals and ended up visiting his team after two years of working with them. He was very impressed with the social changes in Ukraine in the 20 years since he left.

CONCLUSIONS AND IMPLICATIONS TO RESEARCH

Onshore immigrant managers may be seen as an easy solution to collaboration challenges on offshore projects. In this paper we take the position that collaboration effectiveness on offshored projects depends not only on participants' abilities to address coordination challenges by engaging in cross-cultural translation, but also on their ability to renegotiate status differences inhibiting offshore participants' ability to contribute their expertise and ideas. Drawing on status characteristics and status construction theories, we have argued that onshore and offshore participants might, in fact, differ in their status beliefs and that status differences on these projects may be renegotiated when onshore beliefs that devalue offshore participants are challenged. Furthermore, client-side onshore managers have both structural resources and symbolic authority that can be marshaled to help reshape these status beliefs. It is often expected that assigning immigrants to onshore management positions on projects sourced to their country of origin will automatically result in their having the motivation and understanding to engage in such renegotiation. What we found, however, was that while immigrant managers were, by and large, able translators across cultural contexts, they engaged in renegotiating status hierarchies only when they identified with offshore IT professionals. Through this identification they adopted status beliefs common among offshore IT professionals, which held these professionals' technical prowess (in case of Russia/Eastern Europe) and hard work/dedication (in the case of India) to be as worthy of respect and esteem.

This paper contributes in several ways to the literature on status in organizations. First, it emphasizes the usefulness of the status lens in explaining collaboration challenges associated with offshoring. Second, it makes a theoretical contribution by investigating the relationships between social identity and status construction theories. While status construction theory (Ridgeway and Correll, 2006) argues that status beliefs and the behaviors associated with them transcend in-group favoritism, we have highlighted that in-group favoritism may have a stronger effect than status hierarchies in situations when group members from the lower status group do not share status beliefs held by the higher status group. Most status characteristics and construction research focuses on the interaction of members from a single society, where status beliefs are shared and legitimized. When groups from different societies interact, status beliefs legitimate in one society may not be legitimate in another, thus social identification becomes a powerful force in renegotiation status hierarchies.

Another major contribution of our research is to the literature on boundary spanning and collaboration effectiveness. The issues pertaining to status and social identity have not been fully explored in this literature. While it is widely acknowledged that boundary spanning invokes the renegotiation of status orders as knowing is embedded in practices (Carlile 2004; Levina and Vaast 2005), the role of individuals' identities and attitudes in this process is poorly understood. This is perhaps because most of the literature comes from a practice theory perspective (Bourdieu and Wacquant 1992) which tends to focus on social processes (*modus operandi*) as opposed to individual characteristics and outcomes (*modus operatum*). Moreover, despite the strong emphasis on critical theorizing in this body of work, it largely ignores social psychological literature on status and social identity. In this paper, we bridge this gap by highlighting that in the context of offshoring, nominated boundary spanners fulfilled their role only by identifying with both parties whose boundaries they were spanning. While they had the legitimacy of their managerial positions and even the ability to engage in boundary spanning with offshore developers (Levina and Vaast 2005), they were inclined to renegotiate status differences only when they identified with offshore IT professionals.

The study also makes a theoretical contribution to social identity theory and inter-group relations by further advancing our understanding of dual identification. Drawing on previously separate literatures on

status, immigration, boundary spanning, and social identity, our study suggests that identification with groups at the same level of inclusiveness-- that is for groups that are directly comparable with one another as in two countries, professions, or organizations (Dovidio et al. 2006)-- is not only possible, but could impact intergroup relations. Research to date has revealed that groups at the same level of inclusiveness tend to have tense intergroup relations unless they adopt a common goal or find ways to play complementary roles (Dovidio, et al. 2006). Our theory highlights the role dual-identified boundary spanning can play in fostering constructive contact between groups by respecting and valuing the contributions of people whose group might be perceived as lower status.

Last, but not least, this paper makes a significant contribution to the international management literature and studies of offshoring. To the best of our knowledge, the practice of assigning onshore immigrant managers to manage offshore projects sourced to their country of origin has not been researched systematically despite several claims to its effectiveness (Krishna et al. 2004). We illustrate with ample examples that such practice is generally useful for addressing coordination challenges and translating across cultural contexts; however, it often depends on managers' individual inclinations which may ease or exacerbate status differences. To practitioners, our findings suggest going beyond the myth that immigrant managers will solve inter-cultural collaboration challenges and considering in more detail a particular immigrant's attitudes towards offshoring in general and their country of origin in particular.

This is a first step in exploring a complex phenomenon that presents a number of limitations and many directions for future research. For one, we have not addressed the issue of power distance within onshore and offshore countries that may influence the phenomenon we have studied. For example, some of the behaviors we have observed may be associated with higher power distance in India and Eastern Europe than in the US. A high power distance in a society has been associated with leadership styles that impede collaboration (Dickson et al. 2003). It is not clear if immigrant managers should be drawing on leadership styles favored in the offshore society or on universal characteristics of effective leaders identified in research on cross-cultural leadership (Dickson et al. 2003). At the same time, we do not believe that high power

distance associated with Asian countries explains what we have seen in this study as clearly offshore developers did not expect nor like being treated as lower status contributors to the project.

Another important research direction to consider is not just an immigrant's own willingness to identify with offshore professionals, but also offshore participants' willingness to accept the onshore immigrant as one of their own. The literature on boundary spanning points out that boundary spanning is not an individual action but rather a community-based system of practices and relations (Levina and Vaast 2005). Similarly, some social identity theorists have argued that identity granting by the group members may be as important as individuals' self identification (Tajfel and Turner 1979). While it is important to further unpack this aspect of the phenomenon, we saw that onshore immigrant managers who identified with offshore developers were readily accepted by offshore participants as one of their own.

Finally, we have started exploring concepts that may shape an immigrant manager's inclination to take on an offshore identity. Such characteristics as time spent onshore, the onshore country's language skills, strength of professional identity, an individual's personality traits, and various societal characteristics (e.g., social mobility) may be important antecedents of this variable. As one of the first works on the topic of onshore immigrant managers, this paper opens up possibilities for many research directions both empirically and theoretically.

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Table 1. Interview Data Used for Current Analysis

	Offshore IT professionals	Onshore IT Professionals
India	6 respondents (4 firms)	3 immigrant managers 3 non-immigrant managers
Russia	9 respondents (5 firms)	4 immigrant managers 6 non-immigrant managers
Ukraine and Armenia	8 respondents (6 firms)	2 immigrant managers

Table 2. Grounded Theory Method Application

Grounded Theory Method Procedures	Implementation in the Interview Study
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<p>Theoretical Sampling: Intertwining Data Collection & Analysis (Glaser and Strauss 1967, pp. 45-60)</p>	<p>Informants are picked opportunistically to help develop theory. After each interview, the field researcher made analytical notes based on the answers to questions. Conceptual themes and propositions emerged from these notes. The notes were also used to pick additional respondents and formulate new interview questions in order to ascertain whether additional data could confirm, further explain, or deny emergent propositions.</p>
<p>Reaching Theoretical Saturation (Glaser and Strauss 1967, pp. 61-76)</p>	<p>Data collection on a particular issue stopped only when it reached a state of theoretical saturation. For example, when several interviewees in different positions and in diverse settings consistently reported similar sentiments.</p>
<p>Developing Theory using Constant Comparative Method (Glaser and Strauss 1967, pp. 101-115)</p>	<p>Systematic comparisons across each interview were made in deriving a grounded theory. For example, data on non-immigrant managers was used to understand in general which practices and attitudes enabled or impeded effective collaboration on projects. As new concepts emerged from the data (e.g., immigrants status in the onshore country), data was sought to vary across this dimension.</p>
<p>Developing Formal Theory from Substantive Theory (Glaser and Strauss 1967, 1967, pp. 79-99)</p>	<p>Both authors compared emergent conclusions with existing literature on status, boundary spanning, and social identity. Results of the analysis were presented to key informants and academic colleagues in order to gain feedback and improve theorizing.</p>