

CULTURAL SENSEMAKING IN OFFSHORE INFORMATION TECHNOLOGY SERVICE SUPPLIERS: A CULTURAL FRAME PERSPECTIVE¹

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In today's global IT outsourcing relationships, individual employees need to operate effectively in culturally diverse environments. Such intercultural interactions can be especially challenging for members of IT service suppliers based in offshore locations. Through an in-depth qualitative case study of one of the largest China-based IT service firms with diverse clients from Japan, the United States, and China, this research elaborates the cultural sensemaking activities of the supplier's individual employees. Specifically, drawing on the dynamic constructivist view of culture, this study develops the construct of "cultural frames" in the context of global IT outsourcing to characterize the knowledge structures guiding an individual's collaboration with diverse clients. A portfolio of cultural frames emerges and evolves through the individual's cultural sensemaking activities, which consist of the iterative enactment, alignment, and retention of cultural frames. In the cultural sensemaking process, the activity of frame bridging, in particular, creates significant value for the outsourcing relationship, and is especially salient among bicultural employees.

Keywords: IT outsourcing, IT supplier, cultural sensemaking, cultural frame, China

Introduction

In today's global information technology (IT) outsourcing industry, individual employees need to operate effectively in culturally diverse environments (Ang and Inkpen 2008; Dibbern et al. 2008). Such intercultural interactions, however, can be especially challenging for members of IT service firms based in emerging markets. These suppliers' employees may have cultural backgrounds significantly different from their clients'. During client-supplier collaboration, the members from the two organizations need to continually adjust their interpretation and action (e.g., Koh et al. 2004; Walsham 2002). Such adaptation can be a costly and risky process that reduces client satisfaction (e.g., Aubert et al. 2005; Rai et al. 2009). As a result, organizations often

consider limited "cultural compatibility" a major area of concern when outsourcing IT-related tasks to certain offshore markets, such as China (e.g., Gartner 2010).

To improve the effectiveness of intercultural collaboration (e.g., Earley and Ang 2003), IT outsourcing clients can adopt a variety of practices prescribed in both information systems (IS) and management research. For example, clients can leverage cultural mentors (Bird and Osland 2006) and liaisons (Carmel and Agarwal 2001) in offshoring projects (e.g., Levina and Su 2008), create effective knowledge transfer mechanisms (Leonardi and Bailey 2008), and implement appropriate software development methodologies (Krishna et al. 2004). The literature, however, has yet to elaborate the underlying individual-level cultural processes (e.g., Molinsky 2013) in global IT outsourcing, especially from the perspective of suppliers (e.g., Vlaar et al. 2008) based in less studied countries. The goal of this study, therefore, is to explore the micromechanisms (Eisenhardt et al. 2010; Weick et al. 2005)

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by which individual employees of the offshore IT service supplier collaborate with a portfolio of clients with different cultural backgrounds.

China's software and IT service industry in its current stage provides a suitable setting for studying how individual employees make sense of diverse cultures. Compared to Western and India-based suppliers with mature global delivery capabilities (e.g., Garud et al. 2006; Kotlarsky et al. 2014; Olsson et al. 2008; Oshri et al. 2007; Su and Levina 2011), even China's largest IT service firms were still in a relatively early phase of development. Their employees often had limited experience with foreign cultures (Carmel et al. 2008). However, since the early 2000s, major Chinese suppliers have been actively expanding in global markets, and have achieved some success (Rottman and Hao 2008). Top Chinese suppliers have secured contracts with major clients from the world's three largest economies: the United States, China, and Japan (Su 2013). It is crucial for the suppliers' employees to overcome cultural barriers and effectively interact with clients from these distinct cultures (*ibid.*; Tiwana et al. 2008). In addition, China represents an important yet less understood market in both IT outsourcing research (Jarvenpaa and Mao 2008; Lacity et al. 2010) and the overall IS literature (Levina et al. 2011; Zhang et al. 2008).

To address the research question, a multiyear, in-depth case study was conducted at one of the largest and most globally recognized China-based IT service suppliers (e.g., IAOP 2009, 2010, 2011, 2012, 2013, 2014). The firm had extensive experience working with diverse clients from the three largest markets of China's IT service industry: Japan, the United States, and the Chinese domestic market. Integrating the literatures on culture and drawing on the qualitative data, this study explores the cultural sensemaking activities of the supplier's individual employees.

Literature Review

This section first overviews the research on culture in IT outsourcing. To provide an in-depth understanding of intercultural interactions, the section then examines different perspectives on culture, and elaborates the concept of cultural frame from the dynamic constructivist view. Finally, the section reviews the research on sensemaking as the study's theoretical foundation.

Culture in IT Outsourcing

Culture is a critical element of IS (e.g., Davison and Martinsons 2003; Ford et al. 2003; Kappos and Rivard 2008;

Leidner and Kayworth 2006). Culture can impact diverse IT initiatives (e.g., Dibbern et al. 2012; Gefen and Carmel 2008; Jarvenpaa and Leidner 1999; King and Torkzadeh 2008; Martinsons and Hempel 1998; Sarker and Sarker 2009; Sia et al. 2009; Soh et al. 2000; Srite and Karahanna 2006; Su et al. 2009; Wiener et al. 2010). These IT initiatives, in turn, shape the evolution of culture at both national (Madon 1992) and organizational (Doherty and Doig 2003) levels.

The recent rise of IT outsourcing and offshoring (e.g., Ang and Straub 1998; Sartor and Beamish 2014) brings compelling needs and unique opportunities to further understand culture (Nicholson and Sahay 2001; Sahay et al. 2003). Global outsourcing requires members of the client and the supplier to collaborate across national and organizational boundaries (Du and Pan 2013; Levina and Vaast 2005, 2008). With different cultural backgrounds, individual employees need to continually modify their behaviors, beliefs, and expectations (Abbott et al. 2013; Koh et al. 2004) until a "negotiated culture" emerges (Brannen and Salk 2000; Walsham 2002). Such cross-cultural adaptation can be costly and risky (Cramton and Hinds 2014; Hahn et al. 2009).

To improve intercultural interactions, IT outsourcing clients can adopt a number of best practices identified in the existing literature, including providing cultural training to employees (Kaiser and Hawk 2004); leveraging individuals with foreign cultural background as "mentors" (Bird and Osland 2006), "liaisons" (Carmel and Agarwal 2001), or "straddlers" (Heeks et al. 2001); institutionalizing formal coordination mechanisms (Leonardi and Bailey 2008); sharing common software methodologies with the supplier (Krishna et al. 2004); codifying appropriate knowledge (Kotlarsky et al. 2014); and giving the supplier sufficient flexibility (Rottman and Lacity 2006) and incentives (Lacity and Willcocks 2013). The literature, however, has yet to develop an in-depth view of intercultural interactions from the perspective of the supplier.

The literature on alliances (e.g., Goerzen and Beamish 2005) suggests that for IT service suppliers, managing interfirm collaboration requires three categories of skills: coordination, which involves building consensus on the roles and responsibilities in the interdependent relationship and specifying procedures for joint activities; communication, which focuses on effectively conveying knowledge and information to the partners; and bonding, which refers to establishing psychological linkage through extensive interaction and social integration, with trust being a key element of such bonds (Schreiner et al. 2009). The specific content of the three sets of skills can vary across cultures (MacDuffie 2011). For example, in China, *guanxi*, or affect-based, family-like social relationship (Chua et al. 2009; Luo et al. 2012) can play a critical role.

Conceptualization of Culture

Culture has traditionally been understood as the “collective programming of the mind” (Hofstede 1980, p. 25). Reviews of the IS (Avison and Banks 2008; Avison and Myers 1995; Myers and Tan 2002; Straub et al. 2002), management (Goodall 2002; Redding 1994; Shenkar et al. 2008), and international business (Gould and Grein 2009; Leung et al. 2011; Tung and Verbeke 2010) literatures show that most studies adopt a “pan-cultural” (Hong and Chiu 2001) or “trait” (Morris and Fu 2001) approach to model culture. This approach focuses on the notion of national culture and reduces culture into a set of general dispositions. Hofstede’s (1980, 1991) framework, which characterizes individuals’ cultural values along five dimensions, is the most prominent example. Virtually all subsequent pan-cultural models, including the Global Leadership and Organizational Behavior Effectiveness project (House et al. 2004), have incorporated Hofstede’s dimensions (Taras et al. 2010). As a parsimonious generalization of national culture, the pan-cultural approach assumes that culture is internalized as a set of coherent, tightly integrated themes, manifested in the form of overall mentality, worldviews, and values (DiMaggio 1997) that have a pervasive and continuous influence on individuals (Morris and Fu 2001).

More recent development in cognitive and social psychology, however, suggests that culture is in fact internalized by individuals in fragmented, smaller pieces, in the form of loosely linked, context-specific knowledge structures (Bruner 1990; Gilbert 1991; Morris and Fu 2001). Individuals can acquire and simultaneously possess multiple cultural knowledge structures, including structures that contradict each other. Cultural knowledge is shared, maintained, and changed through social interactions (e.g., Lau et al. 2001). In specific contexts, a subset of knowledge is activated, guiding individuals’ interpretation of external stimuli (e.g., Hong et al. 2003; Hong et al. 2000).

The above conceptualization of cultures as “dynamic open systems that spread across geographical boundaries and evolve through time” (Hong and Chiu 2001, p. 181) is termed the dynamic constructivist approach. This approach emphasizes that culture is temporal, emergent, domain-specific, and constantly produced and reproduced, interpreted and reinterpreted in social interactions (e.g., Markus and Kitayama 2010; Morris and Fu 2001). As an emerging paradigm, this approach has motivated extensive research on cultural cognition (e.g., Chen et al. 2009), and has been increasingly adopted in cultural sociology, where culture can be viewed as “a grab-bag of odds and ends: a pastiche of mediated representations, a repertoire of techniques, or a toolkit of strategies” (DiMaggio 1997, p. 267) for mobilizing actions (e.g., Kaplan 2008).

Cultural Frame

A key concept in the dynamic constructivist view of culture is *frame*. The notion of frame was initially introduced by Goffman (1974, p. 21) as “schemata of interpretation” allowing individuals “to locate, perceive, identify, and label” occurrences in life. Frame has since become a foundational concept in sociology. Based on Goffman’s work, Giddens (1984) defines frames as “clusters of rules which help to constitute and regulate activities” (p. 87) and allow “individuals to categorize an indefinite plurality of circumstances or situations as to be able to respond in an appropriate fashion to whatever is ‘going on’” (p. 88).

The concept of cultural frame has been developed in psychology to describe a person’s culturally rooted meaning systems that allow the individual to interpret and respond to cultural cues (Hong et al. 2000). In this concept, culture is represented as a “network of discrete, specific constructs that guide cognition” (ibid., p. 709). “Biculturals” can possess and switch between multiple cultural frames (Fu et al. 2007; LaFromboise et al. 1993). While the research on cultural frame in psychology developed independently from Goffman’s work, the notion of frame in psychology is consistent with Goffman’s definition (Agar 1994; Stolte and Fender 2007).

The concept of cultural frame has also been developed in sociology to refer to a set of cultural symbols and rhetoric employed as tactics to initiate actions (Swidler 1986). The process of framing, or frame alignment, plays the critical role of connecting individual psychological factors with contextual elements (Benford and Snow 2000). Frame alignment encompasses four processes (Snow et al. 1986). Transformation refers to changing initial meanings of an existing frame by deleting some elements of the frame and systematically replacing them with new ones. Amplification refers to “the clarification and invigoration” (ibid., p. 469) of a frame through strengthening some elements of the frame and making them more salient. Extension refers to broadening a frame by adding some auxiliary elements (ibid.). Bridging refers to linking previously unconnected frames, with one frame incorporating elements from another frame (ibid.).

Cultural Sensemaking

Cultural frames provide individuals with the knowledge structures for making sense of social stimuli (Hong et al. 2000; Rao et al. 2003). Sensemaking, in turn, enables the emergence of frames (Fiss and Hirsch 2005; Rerup and

Feldman 2011; Strike and Rerup 2015). During sensemaking, “people develop some sort of sense regarding what they are up against, what their own position is relative to what they sense, and what they need to do” (Weick 1999, p. 42). By constructing a coherent account of reality, sensemaking “serves as a springboard to action” (Weick et al. 2005, p. 409).

Based on the evolutionary perspective (Campbell 1965, 1997), sensemaking and organizing can be conceptualized as consisting of the iterative enactment, selection, and retention (ESR) of knowledge (Weick 1977; Weick et al. 2005). In this process, individuals bring events and structures into existence and set them in motion, reduce and revise their meanings until a set of plausible narratives emerges, solidify these narratives as they resonate with experience, and use the narratives as a source of guidance for further interpretation and action. The ESR model has become a foundational framework in organization research (e.g., Gioia 2006; Zbaracki 1998).

National culture is a key component of organizational members’ knowledge structures (Schneider 1989; Shaw 1990). In intercultural interactions, the diverse cultural backgrounds of different stakeholders require individuals to engage in cultural sensemaking (Osland and Bird 2000). This process involves analyzing the situation, developing a plausible explanation, and enacting appropriate behaviors to respond to the situation (Bird and Osland 2006). Through sensemaking, individuals’ cultural knowledge structures become aligned with specific contexts (Bird and Osland 2006; Brannen 2004). Meanwhile, individuals need to modify their actions and incorporate new interpretations into their cultural repertoire (Molinsky 2007, 2013). Overall, individuals’ cultural sensemaking is a dynamic and complex process that requires significant further research (Molinsky 2007, 2013).

Synthesis

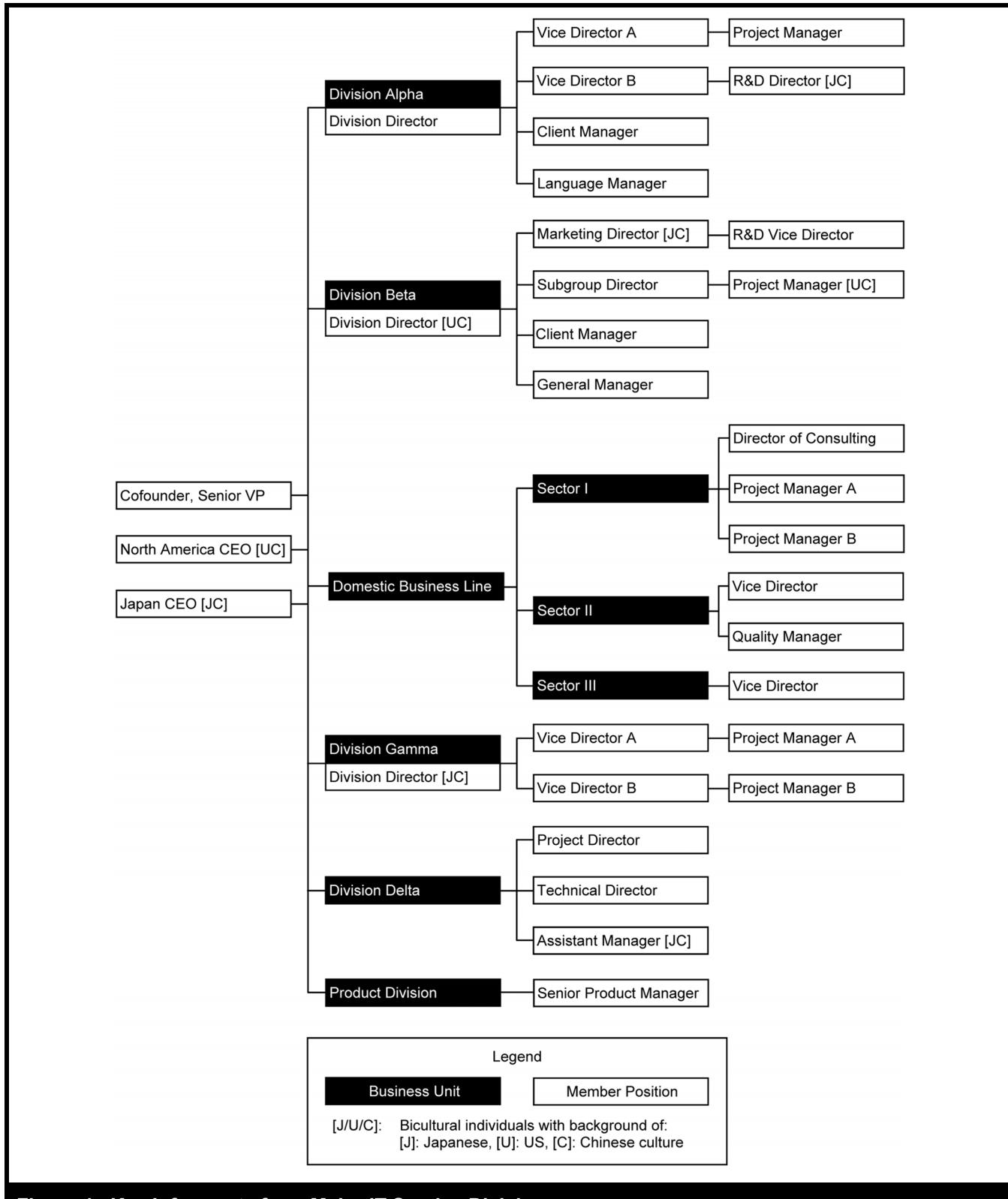
In summary, an in-depth understanding of intercultural interactions from the perspective of IT service suppliers requires moving beyond the dominant, traditional pan-cultural approach, and adopting a dynamic constructivist view of culture. The concept of cultural frame provides a theoretical lens especially suitable for conceptualizing the cultural knowledge structures that enable the supplier’s employees to interpret and leverage their cultural experience. Integrating the dynamic constructivist view of culture with the evolutionary theory of sensemaking, the rest of the study elaborates the cultural sensemaking activities of the supplier’s individual employees.

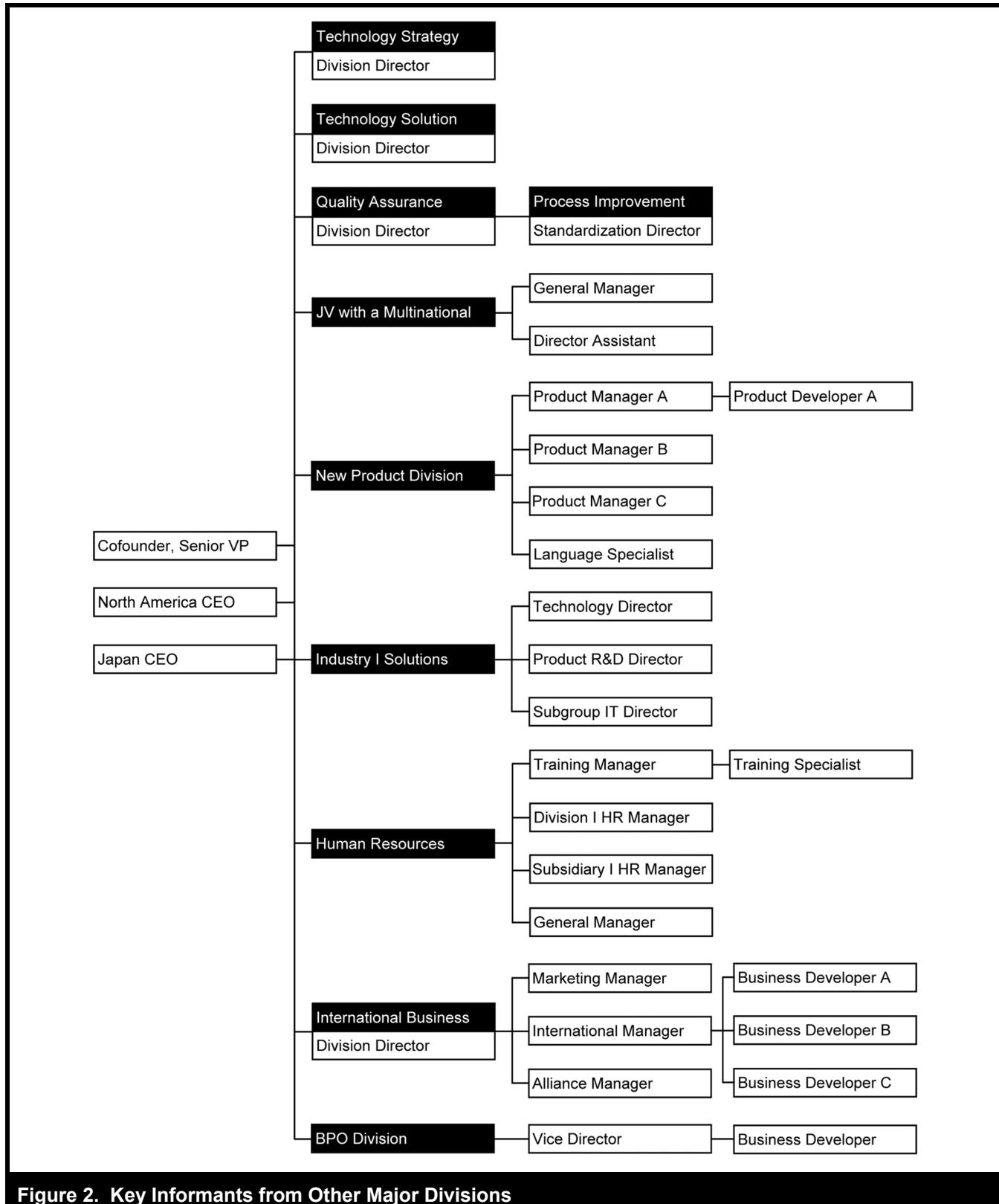
Research Methods

To explore cultural sensemaking of suppliers’ employees, an in-depth qualitative case study (Benbasat et al. 1987; Eisenhardt 1989; Yin 2014) was conducted at SoftCo (pseudonym), one of the largest and oldest China-based IT service suppliers. Founded in the late 1980s, SoftCo received its first project from a Japanese electronics firm. This project became the first foreign IT contract awarded to a Chinese organization. In several years, SoftCo significantly expanded its business with Japanese clients. In the 1990s, SoftCo leveraged its learning in Japan to rapidly grow into a leader in the Chinese market. In the 2000s, SoftCo started systematically entering the U.S. market. Despite initial slow growth, it achieved significant success in the United States. By 2015, SoftCo had over 20,000 employees, over 1 billion USD revenue, and subsidiaries worldwide. SoftCo was consistently ranked as a global top 100 IT supplier and a top IT supplier in China (e.g., IAOP 2009, 2010, 2011, 2012, 2013, 2014). More details on SoftCo are provided in Appendix A.

Data collection was conducted from 2006 to 2014. The author paid 5 visits to SoftCo’s global headquarters and largest subsidiary, both located in China, and conducted 60 face-to-face, semi-structured interviews (Appendix B), each lasting between 45 minutes and 3 hours, with the average length of about 1.5 hours. The author was allowed to systematically sample interviewees, from top executives to middle-level managers. The selected interviewees covered SoftCo’s key units servicing Japanese, U.S., and domestic markets (Figure 1) and major firm-wide functions (Figure 2). In 2009, the author stayed at SoftCo’s headquarters for 42 days, observing major events and collecting archival data, including the formal performance appraisal of the interviewees. SoftCo’s evaluation of the three top-level interviewees, U.S. CEO, Japan CEO, and the firm’s cofounder and Senior Vice President, was based on the business performance of their divisions, which this study also adopted to assess these individuals’ performance. Table 3 (in the “Research Results” section) marks the interviewees with especially high or low performance. Ten follow-up interviews were also conducted at SoftCo’s anniversary events and key conference presentations (e.g., CISIS 2013).

Data analysis followed procedures of qualitative research (e.g., Bansal and Corley 2011; Corbin and Strauss 2007; Miles and Huberman 1994; Patton 2002; Strauss and Corbin 1998) and prior examples in IS and management (e.g., Cramton and Hinds 2014; Klein and Myers 1999; Levina 2005; Schotter and Beamish 2011; Walsham 2002). Initial coding identified the most pronounced themes from the data. The two most prominent themes were individuals’ knowledge

**Figure 1. Key Informants from Major IT Service Divisions**

**Figure 2. Key Informants from Other Major Divisions**

regarding collaboration with clients from different markets and the process of forming such knowledge structures. Following these two themes, two rounds of analysis were conducted.

The first round elaborated the content of individual employees' cultural knowledge. In describing the characteristics of the clients, the most salient dimension individuals used was the clients' national identity. When collaborating with clients from the three markets, individuals' interpretive schemes and practices differed significantly. Based on the dynamic constructivist view, the study defined such context-specific cultural knowledge structures as an individual's cultural frames. In IT outsourcing, a cultural frame consists of three dimensions: coordination, communication, and bonding (Schreiner et al. 2009), which the study drew on for data analysis.

The second round of analysis focused on the formation of cultural frames. For each of the 30 informants who had collaborated closely with clients, a vignette (e.g., Carlile 2002; Vaast and Levina 2006) was developed to provide a temporally ordered depiction of the individual's experience. Integrating the framework of sensemaking (e.g., Weick et al. 2005) with the cultural process of framing (e.g., Benford and Snow 2000), the study elucidated the evolution of each member's cultural frames. By comparing the results across individuals, the study then identified patterns in individuals' cultural sensemaking activities. Throughout the study, the key principles of interpretive field studies (Gasson 2004; Klein and Myers 1999; Myers 2004) were followed. Triangulation (Urquhart 2001) was consistently conducted across informants, divisions, and data sources. Preliminary findings were shared with the firm to refine the analysis (Orlikowski 2002).

Research Results

This section presents the study's key findings, including individual employees' cultural frames, the cultural sensemaking activities by which these frames were formed, and the patterns in the cultural sensemaking activities of different individuals across the supplier organization.

Individuals' Cultural Frames

When describing their experience with diverse clients, all informants grouped their clients into three major markets: Japan, the United States, and the Chinese domestic market. According to the interviews, the key reason for this categori-

zation was that when interacting with these three cultures, the supplier's employees enacted significantly different mindsets and behaviors in order to understand the clients' needs and construct appropriate responses. Drawing on the dynamic constructivist view, which conceptualizes culture as a set of temporal, emergent, and domain-specific constructs that can be leveraged to produce strategies and actions, this study defines the set of interpretive schemes and practices that enables an employee of the supplier to collaborate with clients from a particular market as the individual's cultural frame in global IT outsourcing. An individual can possess multiple cultural frames. These frames serve as the knowledge structures that enable the individual to make sense of interactions with diverse clients. In the context of IT outsourcing, coordination, communication, and bonding constitute the key dimensions of the knowledge structure (Schreiner et al. 2009). The content of individuals' cultural frames for the three markets is explained below and illustrated in Table 1.

Coordination is concerned with the partners' roles, responsibilities, and interactive procedures in joint activities (*ibid.*). Data analysis suggests that when working with Japanese clients, the supplier's employees undertook a relatively passive role that focused on achieving high quality in a set of well-defined tasks. When working with U.S. clients, the supplier's employees assumed a more proactive role that required engaging clients in interactive, joint problem-solving to address clients' business needs. When working with domestic clients, the supplier's employees played a highly active role, with the full responsibility of understanding clients' requirements, and creating solutions to help clients achieve their goals.

Communication involves formal and informal sharing of information between the two partners (*ibid.*). When working with Japanese clients, the supplier's employees received highly specific, detailed, and precise instructions. The employees were expected to rigorously follow the specifications while providing the clients with comprehensive information on the progress of the projects. With U.S. clients, the supplier's employees needed to more actively seek specific information through frequent interactions with clients. Meanwhile, the supplier's employees could obtain a more holistic view of the clients' outsourced products than in Japanese projects. With domestic clients, the information from the clients tended to be high-level, abstract, and ambiguous. The supplier's employees had to independently interpret clients' requirements.

Bonding focuses on the development of a reciprocal trusting relationship between the two partners (*ibid.*). When working with Japanese clients, the supplier's employees established trust by consistently adhering to a set of highly rigorous,

Table 1. Employees' Cultural Frames for the Three Major Markets

Category	Characteristics		Sample Quotes
Coordination	Japan	Accepting a passive role with the focus on achieving high quality in well-defined tasks	<i>"Japanese clients are draconian in their demand for quality....They may use 20% more work to achieve 1% increase in quality....This would not happen at [a major U.S. client]....This places an especially high demand for a responsible attitude and mindset. We have to look at quality from a level that is above the industry standard" [Division Alpha Director].</i>
	U.S.	Expecting a more active role of interactively engaging clients in joint problem-solving	<i>"With U.S. clients, you need to have the ability to propose your own solutions....Sometimes you need to have the ability to plan new projects. You need to be more autonomous... whereas Japanese clients emphasize: 'if I want you to do this, just do it; if you follow your own ideas, then you are wrong: you have violated my rules" [Division Alpha Director].</i>
	China	Assuming a highly active role of leading and managing the outsourcing relationship	<i>"[In domestic projects,] be proactive....You are not clearly arranged to do or not to do certain things. It all depends on your employees....'How should I do it? How do I organize things?' You use your own analysis and judgment" [Domestic Business Line Director of Consulting].</i>
Communication	Japan	Exchanging highly detailed, specific, and precise information with clients	<i>"Japanese clients have very formal, clear specifications, with elegant diagrams. Every detail has been thought through for you. U.S. clients sometimes give you specifications that are just a few sentences, or an email; sometimes, there is a written document...but it is very general. You need to figure out what you really need to do by yourself" [Division Alpha Director].</i>
	U.S.	Seeking relatively specific information through frequent interaction with clients	<i>"[For U.S. clients] we developed a motto: 'communication is never enough.' You have to be able to let the client know about your progress at any time....We have a 15-hour difference with [a major U.S. client's headquarters]....The first thing we do every morning is calling [the client]. This kind of communication proves very effective" [Division Beta Director].</i>
	China	Accepting high-level, abstract, and oftentimes ambiguous information from clients	<i>"Domestic market is different: domestic clients' requirements are always very vague. [The client would] just tell you: 'Build a chair for me.' How does the chair look like? How many legs? They don't know" [Quality Assurance Division Director].</i>
Bonding	Japan	Adhering to highly rigorous, repeatable processes, while paying attention to social ties	<i>"Culture is about connecting...not just at the level of interpersonal relationship....The Japanese culture also pays attention to details and processes....In a report if you have two conflicting numbers that you cannot explain, maybe just a typo, that typo can lead to their distrust in your entire project" [Division Beta Marketing Director].</i>
	U.S.	Following general process frameworks while allowing some flexibility in execution	<i>"Their preexisting mentalities are different....US clients feel: 'I give the work to you; I trust you...but need you to actively communicate what you can offer and figure out if it is what the client wants'....Japanese clients would say: 'let me tell you: I want this; you have to follow the standards and pass our audits and tests" [Division Alpha Project Manager].</i>
	China	Focusing on interpersonal relationship, or <i>guanxi</i> , with clients' key stakeholders	<i>"[Compared to U.S. projects,] domestic clients tend to involve personal relationship in projects. Emotions and feelings are not clearly separated from work. If guanxi is handled properly, it is easy to collaborate with domestic clients; if not, it is difficult to work. Interpersonal bonds are really important" [Product Division Senior Product Manager].</i>

repeatable processes. Meanwhile, Japanese clients tended to adopt a long-term outlook on the supplier relationship. It was important for the supplier's employees to develop social ties with clients' members. When working with U.S. clients, the supplier's employees also needed to comply with a set of standardized processes and deliver consistent high performance. The role of social ties, however, was not pronounced in U.S. projects. When working with domestic clients, the supplier's employees were expected to achieve satisfactory outcomes for the clients while accommodating the clients' frequently changing requirements. Process-based trust was not emphasized, whereas *guanxi*, a form of family-like social relationship (e.g., Chua et al. 2009) with the clients' key members, especially senior management, was critical to bonding in the Chinese domestic market.

Cultural Sensemaking Activities

The cultural frames of the supplier's employees were formed during repeated interactions with diverse clients. Based on the vignettes of the 30 employees who had closely collaborated with IT outsourcing clients, and drawing on the theories of sensemaking and framing, the study identifies the set of activities that enabled the formation of individuals' cultural frames.

Enactment

Each organizational member possessed a repertoire of cultural knowledge that could be leveraged to interpret and respond to social stimuli. This repertoire was based on the individual's cultural background, training, and experience. During interactions with clients, elements in the repertoire that resonated with social cues were "brought to the fore" (Hong et al. 2003, p. 454) and set in motion, or enacted, serving as the individual's initial knowledge structure and resulting in a combination of realized cognition and observable action. When encountering clients from a new market, members without the cultural background drew on elements from their existing cultural frames to make sense of social interactions. Biculturals, however, could readily enact corresponding culture frames. For example, in Table 2, when entering the Japanese market, the Research and Development (R&D) Director immediately enacted his previously formed cultural frame (Quote 1).

Alignment

The enacted cultural frames of individuals aligned to varied degrees with the frames of diverse external and internal stake-

holders. Discrepancy between individuals' cultural knowledge structures led to misalignment of cultural frames. Through repeated interactions, however, such misalignment became mitigated as various cultural elements were selectively deleted from, or incorporated into, individuals' cultural frames. Consistent with the process of frame alignment in social movement (Benford and Snow 2000; Snow et al. 1986), the ongoing alignment and realignment of cultural frames can be categorized into the following four activities.

Transformation: This refers to "a systematic alteration" that radically reconstituted an existing frame so that the individual interpreted a phenomenon into "something quite else" (Goffman 1974, p. 45). Also termed "keying" by Goffman (1974), this activity involved changing key elements or generating new ones in an existing frame (Benford and Snow 2000). At SoftCo, members' encounters with foreign clients facilitated transformation. For example, in Table 2, when the Client Manager transferred from Japanese to U.S. projects, he discovered that U.S. clients expected a fundamentally different approach to IT services. This experience constituted part of his painstaking transformation of cultural frame in the U.S. market (Quote 2).

Amplification: This refers to "the clarification and invigoration of an interpretive frame" (Snow et al. 1986, p. 469). In this activity, some elements of an existing frame were strengthened and became more salient. In contrast to frame transformation, in which the original frame was reconstructed, amplification only involved the elevation of certain elements of the frame. For example, in Table 2, when embarking on a major Japanese project, the Vice Director was already aware of Japanese clients' detail-oriented approach. However, over time, her initial frame was amplified as she realized that the client was not only more demanding than her expectations, but also required the supplier's employees to continuously improve their quality of work (Quote 3).

Extension: This refers to broadening the boundaries of an existing frame. In this activity, some auxiliary elements were incorporated into an individual's cultural frame (*ibid.*). Different from amplification, in which some elements of the existing frame were elevated, this activity integrated elements that were not present in the original frame. For example, in Table 2, through long-term interaction with Japanese clients, the manager's perception that Japanese firms tended to closely micromanage the details of projects started to resonate less with the clients' actions. The initial frame was then extended by the knowledge that more autonomy would be given to the supplier's employees once a trusting relationship emerged between the two parties (Quote 4).

Bridging: This refers to the linkage of two or more previously unconnected frames. Consistent with bridging in

Table 2. Employees' Cultural Sensemaking Activities

	Examples	Sample Quotes
Alignment	Enactment	The R&D Director enacted previously formed cultural frame for the Japanese market, especially the quality-driven approach that was underappreciated by other Chinese team members who did not possess the appropriate frame. [Quote 1] “[Japanese clients] have extremely high standard for quality. Quality does not only depend on technology, but also includes process management and communication, and even the basic manner and mindset of the personnel....The Chinese society, generally speaking, has not yet reached such a high standard, such a mentality, for product quality.... Moreover, from the Japanese perspective, process is important....We (Chinese) pay a lot more attention to the directly observable outcome of software development” [Division Alpha R&D Director].
	Transformation	When the Client Manager moved from Japanese to U.S. projects, his enacted Japanese cultural frame misaligned with U.S. clients' expectations. Subsequent repeated interactions significantly altered the individual's cultural frame. [Quote 2] “To explain [an idea we had], we once prepared for over two weeks: what other firms were doing, their business models, industry value chain....We did a lot of calculation...wrote a 20-page PowerPoint and sent it to the client. The U.S. side took a look and gave us only one sentence: ‘Good idea; we'll think about it’....We had thought too much. It was a very simple thing. We could have just talked to the client face to face, just a few words: ‘This is an idea we have; let us know if you get it. If you don't, I can tell you more” [Division Beta Client Manager].
	Amplification	The Vice Director's existing knowledge of Japanese clients' emphasis on details was further elevated by the client's meticulous demand for perfection and continuous improvement of quality. [Quote 3] “Japanese clients' requirement for quality is really meticulous. For example, when we report software bugs to (our clients), if there are 0.2 times of crash in every 100 minutes, Japanese clients would say: ‘Why do you still have 0.2 errors in such a long time?’ Clients from (other markets) would say: ‘We have already reduced the number of bugs to 0.2 in such a long time! That is really good!” [Division Alpha Vice Director A].
	Extension	Through long-term collaboration with Japanese clients, the Human Resources General Manager realized that once trust was established with the clients, the supplier's employees would be given significantly more autonomy. [Quote 4] “Japanese clients' requirements are more detailed, especially in the early phase of the collaboration. But after our long-term collaboration with Japanese clients, they trust us; we no longer need to spend too much effort [in dealing with the clients' micromanagement]. You only need to negotiate the overall progress; you make your own estimates.... They will only directly contact your client representative” [Human Resources General Manager].
	Bridging	The Director incorporated selected elements of the detail-oriented, quality-driven Japanese cultural frame into U.S. projects, while integrating elements of the proactive, innovation-focused U.S. cultural frame into Japanese projects. [Quote 5] “We borrow things [from one market] and apply to another. Sometimes this can generate a competitive advantage for us. For example, in U.S. business we are able to strengthen our management of details. Our client may feel that our deliverables are indeed assuring and considerate in terms of details. This is because there is the shadow of the Japanese behind us. On the other hand, with Japanese clients, we are strengthening our ability to propose new plans [by drawing on our U.S. experience]” [Division Alpha Director].
	Retention	Through repeated interactions, the R&D Vice Director internalized the meticulous mindset and preserved the practice of continuous quality improvement developed in Japanese projects. [Quote 6] “[Over time,] we have also learned to be meticulous....If problems arise, we have learned to reflect: how can I prevent similar problems from happening again?...One of our clients holds meetings on a regular basis, documenting what problems have occurred, and what strategies should be applied when problems occur. We have also been undertaking these activities....The goal is to keep upgrading our quality” [Division Beta R&D Vice Director].

social movement (e.g., Benford and Snow 2000), this activity involved one cultural frame incorporating elements from a different frame. For example, in Table 2, Division Alpha had been working with clients from both Japan and the U.S. Over time, some members creatively combined different mindsets, knowledge, and practices from the two markets. In particular, some selectively incorporated the quality-driven approach acquired in the Japanese market into U.S. projects. Others integrated the proactive, innovation-oriented approach cultivated in the U.S. market into Japanese projects. Such recombination of cultural elements had achieved significant success and created a competitive advantage for the entire firm (Quote 5).

Retention

During interorganizational and intraorganizational interactions, a set of cultural frames gained increasing solidity and significance during repeated alignment and realignment, forming a stable set of perceptions and practices within each individual. The retained cultural frames, in turn, became a source of enactment for the individual's future sensemaking activities (e.g., Weick et al. 2005). For example, in Table 2, in Division Beta's early Japanese projects, after an extended period of interactions with clients, the R&D Vice Director started to internalize the quality-driven mindset and form highly meticulous, detailed-oriented practices. The retained cultural frame was enacted during her subsequent collaboration with Japanese clients (Quote 6).

Patterns in Cultural Sensemaking

Based on the vignettes of the 30 individuals who had directly collaborated with clients, the study analyzes the unfolding of each individual's cultural sensemaking activities. Table 3 summarizes the results by recording an activity if it had occurred to one or multiple dimensions of an individual's cultural frame in at least one market. By synthesizing results across individuals (Yin 2014), the study identifies three key patterns in employees' cultural sensemaking activities.

Individuals' Sensemaking Process

The first pattern concerns the prevalence of the cultural sensemaking process among the employees. All 30 individuals experienced the enactment, alignment, and retention of cultural frames during interactions with diverse clients. Enactment took place as an individual's existing cultural knowledge structures were brought to the fore and linked to specific contexts, guiding the individual's cognition and

action. Alignment was driven by the individual's interactions with other stakeholders, during which the frame was transformed, amplified, extended, or bridged with other frames. Retention occurred as a stable set of perceptions and practices were formed within the individual. Through the activities of enactment, alignment, and retention, individuals' cultural sensemaking constructed and shaped their cultural frames; the emergent cultural frames, in turn, formed the knowledge structures guiding the individuals' subsequent sensemaking.

As an example (Figure 3), Linda was a leader of Division Alpha, one of SoftCo's largest business units. Linda joined SoftCo in the mid-1990s, after graduating from a Chinese university. At SoftCo, she spent the first few years working with domestic clients. In the early 2000s, as SoftCo expanded its international business, Linda was assigned to Japanese projects. Linda's initial interactions with Japanese clients turned out to be a painful shock for her. The clients' draconian demand for high quality seemed unreasonable. Despite her diligent efforts and rapid delivery, the clients seemed constantly dissatisfied. The reason, as recalled by Linda, was that the clients' focus on perfecting quality differed dramatically from her enacted mentality of "close enough is good enough" (Jarvenpaa and Mao 2008, p. 5) formed in domestic projects (Quote 1). The misalignment was followed by a period of painstaking transformation (Quotes 2 to 4). Over time, however, Linda started to achieve what she called her greatest breakthrough, which involved forming a meticulous, quality-driven mindset. Meanwhile, Linda's knowledge on bonding was also transformed as process-based trust became especially salient in Japanese projects.

As Linda worked with more Japanese clients, her cultural frame continued to evolve. The importance of quality, in particular, was repeatedly amplified (Quote 5). Linda also acquired an extended view of bonding, as she learned that after long-term collaboration, Japanese clients became highly trusting and eager to establish deeply integrated social relationships (Quote 6). Over time, Linda retained the cultural frame that emerged during repeated interactions (Quotes 7, 8). This frame enabled her to consistently achieve high performance in the Japanese market.

Around the mid-2000s, SoftCo started to actively expand in the U.S. market. Linda also increasingly focused on U.S. clients. In her initial U.S. projects, Linda enacted the cultural frame for the Japanese market. Once receiving a request from the client, she would immediately invest significant time and resources to craft a detailed, comprehensive solution. Such efforts, however, were considered excessive by the clients (Quote 9). In subsequent work, Linda's cultural frame underwent significant transformation. She realized that in contrast

Table 3. Employees' Cultural Sensemaking Processes[†]

Organizational Member	E	T	A	X	B	R	P	Cultural Sensemaking Process
Cofounder, Senior Vice President	✓	✓		✓	✓	✓	+	[JP] E → T → R » [CN] E → X → B → R » [US] E → T → B → R
CEO of SoftCo Japan*	✓	✓		✓	✓	✓	+	[JP] E → T → X → B → R
CEO of SoftCo North America*	✓			✓	✓	✓	+	[US] E → X → B → R
Division Alpha Director	✓	✓	✓		✓	✓	+	[JP] E → T → A → B → R » [US] E → T → B → R
Division Alpha Vice Director A	✓	✓	✓	✓	✓	✓	+	[JP] E → T → A → X → R » [US] E → T → B → R
Division Alpha Vice Director B	✓	✓			✓	✓		[JP] E → T → R » [US] E → T → B → R
Division Alpha R&D Director*	✓	✓	✓		✓	✓		[JP] E → A → R » [US] E → T → B → R
Division Alpha Project Manager	✓	✓				✓		[JP] E → T → R » [US] E → T → R
Division Beta Director*	✓	✓		✓		✓		[US] E → X → R » [JP] E → T → X → R
Division Beta Marketing Director*	✓		✓			✓		[JP] E → A → R
Division Beta R&D Vice Director	✓	✓	✓	✓		✓		[JP] E → T → A → X → R
Division Beta Subgroup Director	✓	✓		✓		✓	-	[CN] E → X → R » [US] E → T → X → R
Division Beta Project Manager*	✓	✓	✓		✓	✓	+	[JP] E → T → A → R » [US] E → A → B → R
Division Beta Client Manager	✓	✓				✓	-	[JP] E → T → R » [US] E → T → R
Division Beta General Manager	✓	✓				✓	-	[JP] E → T → R » [US] E → T → R
Domestic Sector I Director of Consulting	✓			✓		✓		[CN] E → X → R
Domestic Sector I Project Manager A	✓		✓			✓		[CN] E → A → R
Domestic Sector I Project Manager B	✓			✓		✓		[CN] E → X → R
Domestic Sector II Vice Director	✓		✓	✓		✓	-	[CN] E → A → X → R
Domestic Sector II Quality Manager	✓	✓	✓	✓		✓		[CN] E → T → A → X → R
Domestic Sector III Vice Director	✓		✓	✓		✓		[CN] E → A → X → R
Division Gamma Director*	✓	✓	✓		✓	✓	+	[JP] E → T → X → B → R
Division Gamma Vice Director A	✓	✓		✓		✓		[JP] E → T → X → R
Division Gamma Vice Director B	✓	✓	✓			✓	-	[JP] E → T → A → R
Division Gamma Project Manager A	✓	✓	✓	✓		✓	+	[JP] E → T → A → X → R
Division Gamma Project Manager B	✓	✓	✓			✓		[JP] E → T → A → R
Division Delta Project Director	✓	✓	✓			✓		[CN] E → A → R » [JP] E → T → R
Division Delta Technical Director	✓	✓	✓		✓	✓		[CN] E → A → R » [JP] E → T → B → R
Division Delta Assistant Manager*	✓	✓				✓		[JP] E → T → R
Product Division Senior Product Manager	✓	✓				✓		[JP] E → T → R » [US] E → T → R

[†]E: Enactment; T: Transformation; A: Amplification; X: Extension; B: Bridging; R: Retention; P: Overall performance in SoftCo.

*: Bicultural individual; ✓: Identified sensemaking activity; +: Outstanding performance in SoftCo; -: Low performance in SoftCo.

[JP]: Japanese market; [US]: U.S. market; [CN]: Chinese market; →: Transitioning to the next activity; »: Entering the next market.

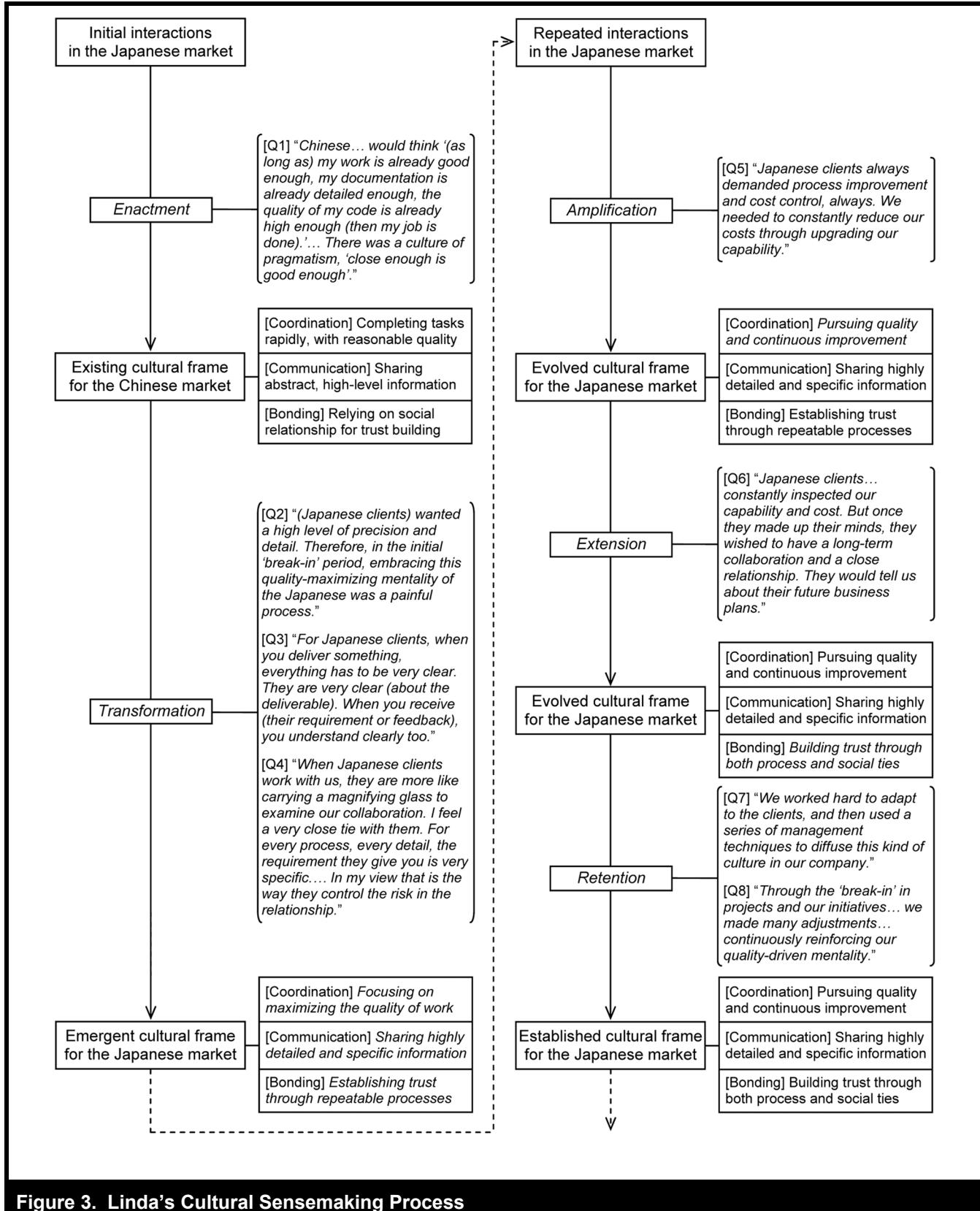


Figure 3. Linda's Cultural Sensemaking Process

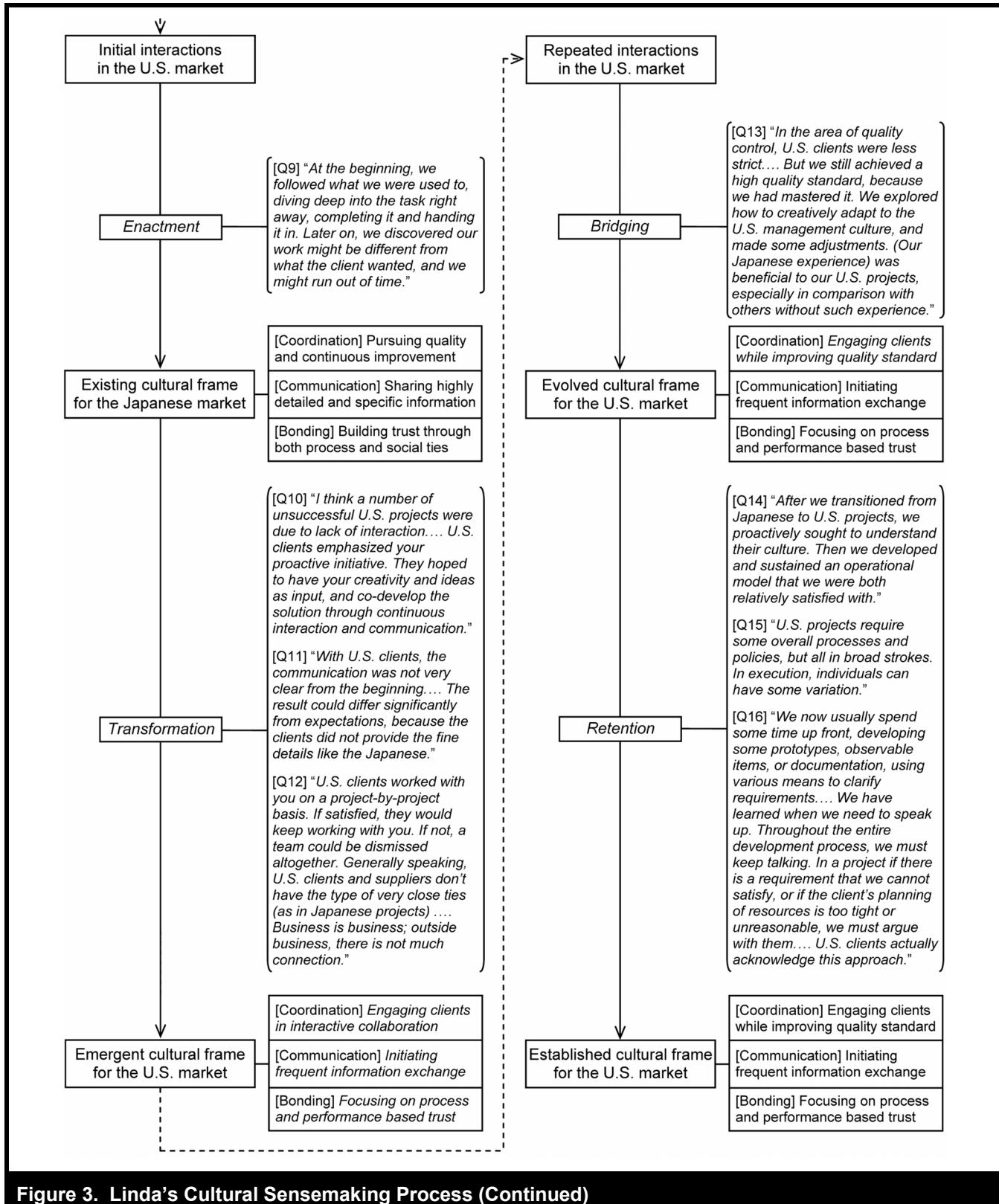


Figure 3. Linda's Cultural Sensemaking Process (Continued)

to Japanese clients' tightly controlled approach, U.S. clients assumed a more interactive model that emphasized suppliers' proactive initiative-taking (Quotes 10, 11). Linda also learned that trust with U.S. clients tended to be more transactional, altering her long-term, relational view in Japanese projects (Quote 12).

With extensive experience with both Japanese and U.S. clients, Linda began noticing complementarity between the two markets, and started to bridge the two frames by integrating cultural elements from the Japanese market into U.S. projects. In particular, the highly rigorous, quality-driven mindset and practices cultivated in the Japanese market enabled Linda to raise the quality standard of her U.S. projects beyond the clients' expectations, thereby creating added value for the clients and significantly increasing client satisfaction (Quote 13). Over time, the cultural frame Linda formed through repeated interactions with U.S. clients (Quotes 14 to 16) enabled her to achieve consistent outstanding performance and emerge as an internal champion. Today, Linda manages a number of SoftCo's key clients from both the Japanese and the U.S. markets.

Frame Bridging Process

The second pattern concerns the performance benefit of the frame bridging process. As evidenced in Linda's experience, by recombining cultural elements across markets, the activity of bridging enabled the multiple cultural frames formulated by an individual to generate novel knowledge and practices. The most salient instances of bridging included the incorporation of quality-oriented mindset and practices developed in the Japanese market into U.S. projects, and the diffusion of proactive, supplier-driven innovation capabilities cultivated in the U.S. market into Japanese projects. Bridging could create unique value propositions for the clients, thereby increasing the performance of the individual employee and even facilitating the growth of the entire firm. In Table 3, only a relatively small group (10 of 30, or 33% of informants) recognized the complementarity between markets after interacting with diverse clients, and started pursuing the activity of bridging. Seven of these ten individuals (70%) achieved stellar performance. Of all 30 informants, only 1 individual (3%) reached outstanding performance without bridging cultural frames, while none of the 5 individuals with low performance engaged in the activity of bridging.

George (Figure 4), for example, was a manager in Division Beta, a key business unit with diverse clients. Compared to his colleagues, George's performance was considered low at SoftCo. George joined the firm in the late 1990s, after graduating from college and working at a Chinese state-owned

enterprise for two years. At SoftCo, he initially worked on Japanese projects, first as a technologist and then as a coordinator (Quotes 1 to 5). After the early 2000s, George started shifting to the U.S. market, responsible for project planning and management (Quotes 6 to 10). In both markets, George was able to eventually align his cultural frames through repeated social interactions. However, despite his experience in multiple markets, the activity of bridging never took place, as George never went beyond only reacting to the cultural stimuli to fully leverage his cultural experience by creatively and actively recombining knowledge across markets.

Biculturals' Sensemaking Process

The third pattern concerns biculturals' propensity to bridge frames in their sensemaking process. Bridging was more common among biculturals, who had internalized more than one set of cultural knowledge structures, often through living, studying, and working in multiple cultural settings. During interactions with diverse clients, biculturals could more readily interpret and respond to clients in culturally consistent ways by enacting the corresponding culture frame. Meanwhile, biculturals seemed more sensitive to the diversity and complementarity of different cultures, thereby more actively seeking to bridge frames. In Table 3, 5 of 8 biculturals (63%) engaged in bridging, whereas only 5 of 22 single-culturals (23%) bridged frames. The activity of bridging contributed to biculturals' effective intercultural interactions, as 4 of 8 (50%) biculturals achieved outstanding performance, compared to 4 of 22 (18%) single-culturals. Overall, having a broad scope of cultural knowledge structures, through either collaborating with diverse clients from multiple markets or leveraging preexisting cultural background in the case of biculturals, could facilitate the activity of bridging in the individual's path of cultural sensemaking.

John (Figure 5), for example, was a Chinese national educated in the United States. In the 1990s, he relocated to China to join SoftCo, where he initially worked on Japanese projects. The clients' tightly controlled, detail-driven approach differed significantly from his understanding of IT projects (Quote 1), which led to a painstaking alignment process (Quotes 2 to 5). Over time, however, he embraced this quality-oriented approach (Quotes 6, 7). Two years later, John transferred to U.S. projects, where his preexisting knowledge of the U.S. market was enacted (Quote 8), allowing him to rapidly align his cultural frame (Quotes 9, 10). He also observed the complementarity between the two markets, and started incorporating selected Japanese quality management practices into U.S. projects (Quote 11). Eventually, he formed a novel yet effective model of collaborating with U.S. clients (Quotes 12, 13), and achieved stellar performance.

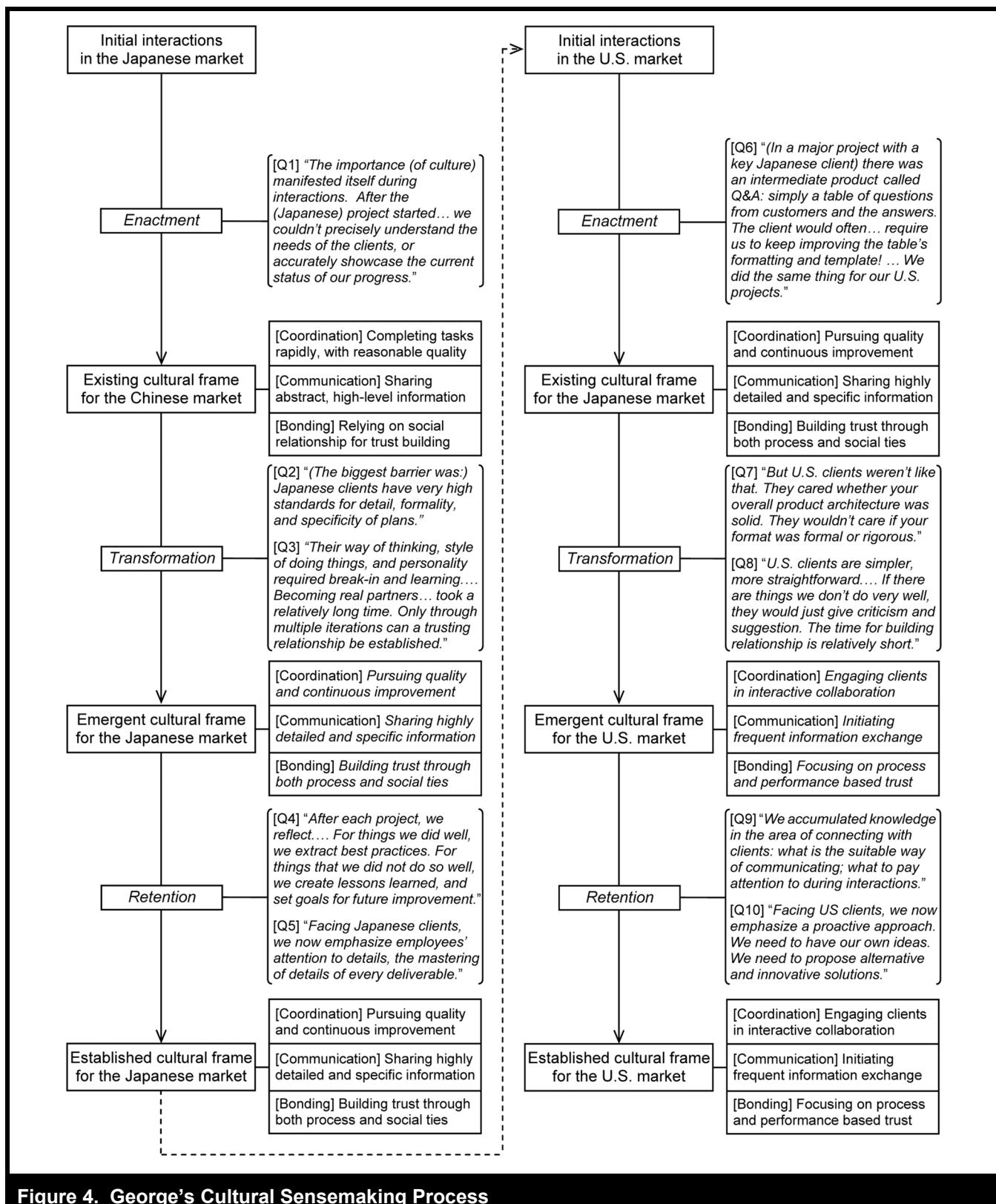


Figure 4. George's Cultural Sensemaking Process

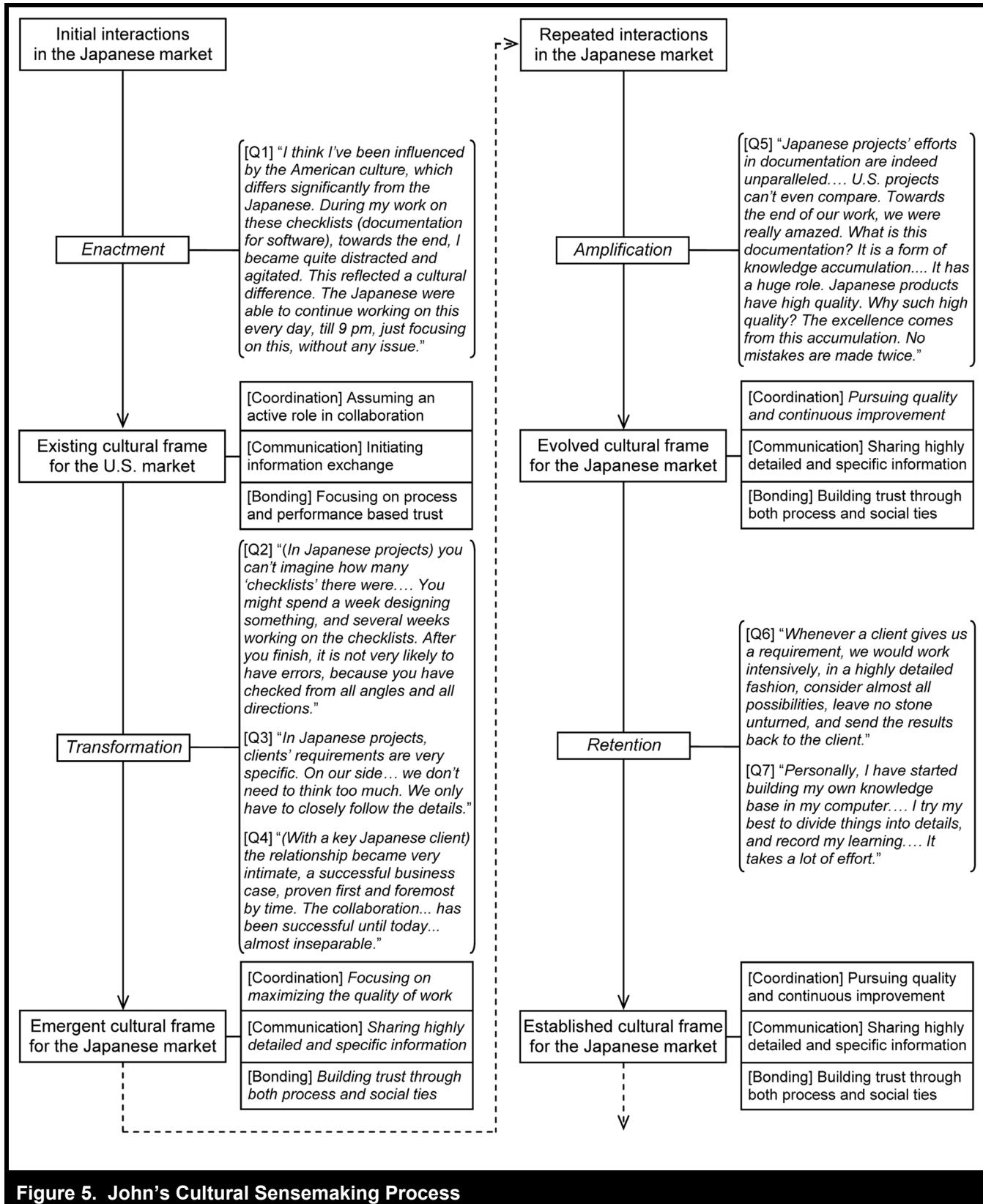


Figure 5. John's Cultural Sensemaking Process

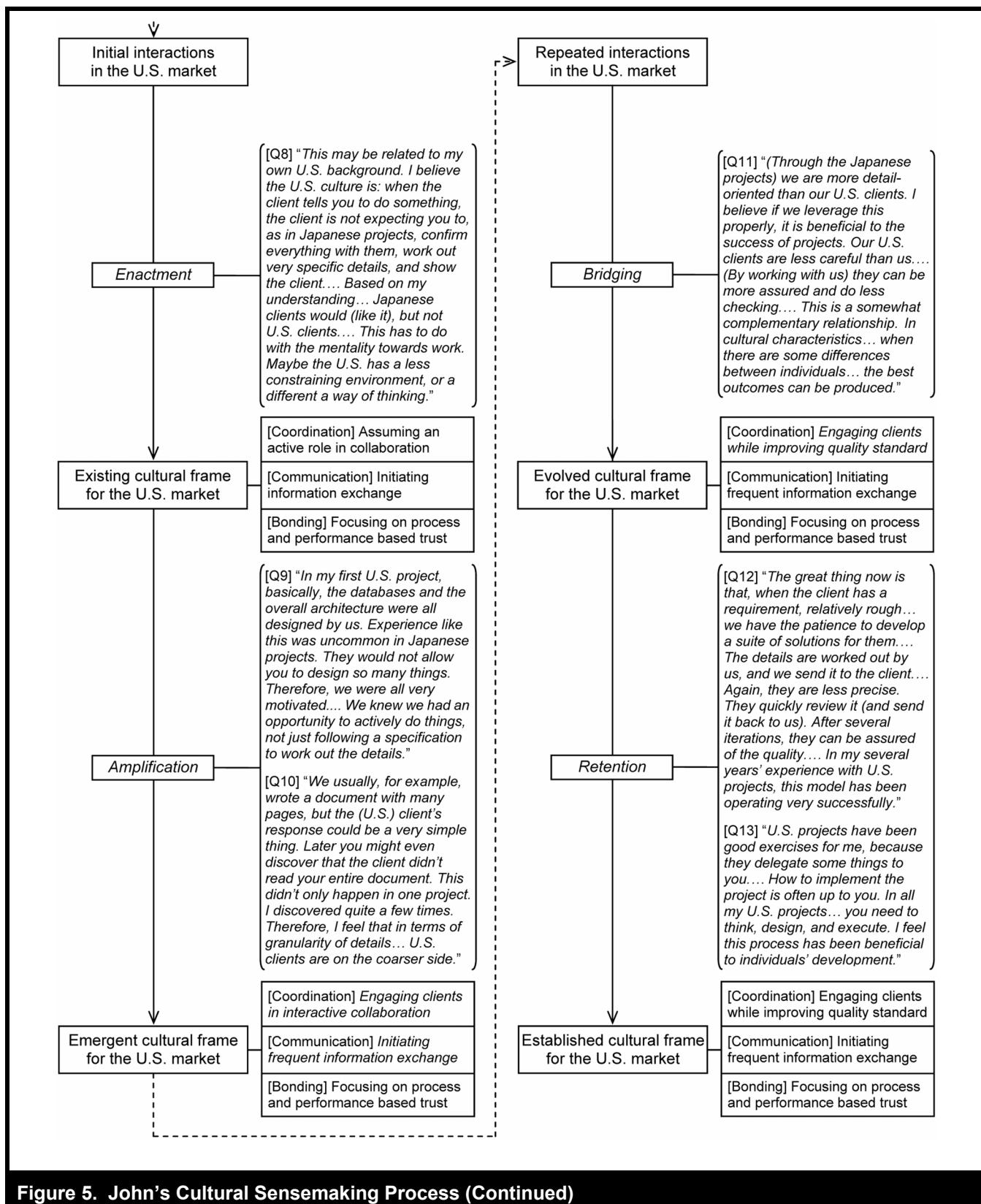


Figure 5. John's Cultural Sensemaking Process (Continued)

Conclusions and Discussion

In today's global outsourcing relationships, employees of IT service suppliers based in emerging markets increasingly need to operate effectively in culturally diverse environments. Drawing on the dynamic constructivist view of culture, this study elaborated cultural frame as the underlying knowledge structure guiding individuals' cultural sensemaking in IT outsourcing. When interacting with diverse markets, an individual formed multiple cultural frames. These frames were enacted, transformed, amplified, extended, bridged, and retained during repeated interactions with clients. The activity of frame bridging, in particular, could create innovative, value-added knowledge and practices. Bridging was especially salient among bicultural employees, helping these individuals achieve high performance in intercultural interactions.

This study contributes to the IS and related management literatures in several ways. First, the study supplements the dominant traditional pan-cultural approach by synthesizing multiple theoretical perspectives (Tung and Verbeke 2010) and identifying the dynamic constructivist view as an important lens for understanding culture in global IT services. Second, based on this view, the study develops a realistic, microfoundational (Eisenhardt et al. 2010) conceptualization of cultural sensemaking as a situated, dynamic, and nuanced process. Third, the study highlights the bridging of multiple cultural frames as a critical cultural sensemaking activity. Bicultural individuals, in particular, can actively leverage bridging to achieve high performance. Finally, this study sheds light on the rapid globalization and growth of IT firms based in the large but less-known Chinese market (Abbott et al. 2013; Dedrick and Kraemer 2006; Lacity et al. 2010).

This study has several managerial implications. First, it suggests firms develop a dynamic, multifaceted view of culture. IT service firms should go beyond traditional cultural training by continually synthesizing, documenting, and sharing members' experience in specific projects. Second, IT service firms should incentivize employees to experiment with innovative cultural knowledge and practices. Letting employees interact with diverse markets through arrangements such as rotation programs could facilitate frame bridging. Third, biculturals should be mobilized as strategic human resources to actively bridge frames and create new value propositions. Finally, the study offers insights into Chinese IT service firms. Their unique capabilities in certain niches, if well leveraged, represent opportunities for both outsourcing clients and other IT service firms.

This study has its limitations, including the single-case research design and the use of informants' retrospective accounts. Following prior qualitative IS and management

research, the study applied triangulation and other techniques to ensure the quality of findings. In addition, the findings have more nuances than can be included in the paper. For example, Figures 3 to 5 only highlight the most salient activities. More fine-grained results can be elaborated in the future.

Future research can also explore several other fruitful avenues. First, the literature on "cultural intelligence" (CQ) (Ang and Inkpen 2008; Ang and Van Dyne 2008; Ang et al. 2007) could extend this study. The construct of motivational CQ (e.g., Chen et al. 2012), in particular, might contribute to variations in individuals' cultural sensemaking. For example, some highly motivated single-culturals achieved effective intercultural interactions despite their initial lack of multiple frames, while some less motivated biculturals did not bridge frames or reach high performance. Therefore, motivating employees to engage in active cultural sensemaking could be critical. Second, initial evidence suggests that the cultural frames became embedded in a set of durable (Lanzara and Patriotta 2007) cultural infrastructure. Examining the institutionalization of frames can unpack the supplier's collective (Crossan et al. 1999; Faraj and Xiao 2006) cultural sensemaking. Third, the dynamic constructivist view is valuable for studying the intranational diversity (Fan et al. 2009) and rapid evolution (Luo et al. 2012) of China's IT service market. Finally, this study can be conducted in other nations (Barrett and Davidson 2008; Carmel and Abbott 2007; Kotlarsky et al. 2014) to enrich our understanding of globalization of IT services.

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Appendix A

A Brief History of SoftCo

Phase	SoftCo's Development
Late 1980s: Foundation	The predecessor of SoftCo was a small computer science laboratory founded in the late 1980s by a group of professors and researchers at a major university in Northern China. The leader of the group was an assistant professor who just completed an exchange program in the United States. Inspired by the ecosystem between academia and the private sector in the United States, the professor had the vision of creating a financially viable IT lab that could transfer technology from the university to industry. This entrepreneurial idea was, however, highly controversial in China at that time. China's reform from a Soviet-styled system to a capitalist-inclined economy started in 1978, when the country adopted the Open Door Policy. The 1980s witnessed the first stage of the reform. In this stage, although foreign investment and local start-ups were permitted, most industries were still owned by the state.
Early 1990s: The Japanese Opportunity	Despite the uncertainty, the technical skills and entrepreneurial vision of the cofounders enabled the lab to quickly obtain a software R&D contract from a Japanese electronics company that was considering expanding production base to China. This project, which became the first foreign IT outsourcing contract awarded to a Chinese entity, was a success. In the early 1990s, the lab was registered as a company. In the subsequent few years, a large number of projects were obtained from Japan. As the scale and scope of work increased, however, challenges started to emerge. Japanese clients' meticulous attention to detail and quality was a culture shock for SoftCo. By painstakingly investing in quality control and process management, SoftCo eventually overcame this barrier.
1990s: Domestic Growth	In the 1990s, China's economic reform entered the second stage: a rapid transition marked by privatization, creation of new firms, and increased competition. In this environment, various organizations actively sought to modernize their technical infrastructure, which led to the maturation of China's domestic software and IT service market. SoftCo's technical and process expertise acquired in previous Japanese projects provided the firm with a platform to grow in the domestic market. Meanwhile, however, the significant diversity and uncertainty of domestic IT service market posed challenges for SoftCo. Leveraging the firm's unique access to talent as a result of its close tie with the affiliated university, SoftCo was able to continuously learn and flexibly adapt to the market. Within a decade, the firm gradually emerged as a champion in the domestic IT service market.
2000s: Global Expansion	In the 2000s, a number of major Chinese IT service suppliers began to actively explore international markets. In the early 2000s, SoftCo started systematically expanding in the Western markets, especially the United States. Despite its success with Japanese and domestic firms, SoftCo initially experienced slow growth in the United States. A key reason was that U.S. firms' expectations of outsourcing differed significantly from those of Japanese and domestic clients. In response, SoftCo chose to focus on clients with an overall interest in China, not only as an outsourcing destination, but also as a manufacturing base and product market. SoftCo successfully established strategic, long-term relationships with several large U.S. multinationals. These relationships helped the firm overcome the initial difficulties and eventually grow into a major Chinese IT service supplier in the Western outsourcing market.
2015: Market Leadership	By 2015, SoftCo had established its position as one of the largest and most successful Chinese IT service suppliers, with over 20,000 employees, over 1 billion USD revenue, offices in a large set of major cities and regions across China, and overseas subsidiaries in Japan, the United States, and Europe, among others. The firm had also formed strategic alliances with many key clients from diverse industries, including a significant number of Fortune Global 500 firms from Japan, China, and the United States. The firm had strong brand names in China and Japan, and growing recognition in the Western markets. In recent years, the firm had been consistently ranked as a global top 100 IT service supplier and a major supplier in China.

Appendix B

Interview Guide

Area of Inquiry	Key Questions
Informant background (for all interviewees)	Please tell me about your role and experience in the organization. Please tell me about your professional and educational background. Please tell me a little more about your experience before joining the company.
Corporate strategy (for top managers)	Please tell me about the company's overall history, size and structure. How would you describe the company's strategy in the outsourcing market? How did the company's overall business evolve over the years? Who were the company's most important clients in its history? How was the company's experience with these clients?
Market characteristics (for all interviewees)	What are the company's major markets? How was your overall experience in each market? How did the company enter and expand in each major market? How would you characterize and compare these different markets? How would you evaluate the company's performance in each major market?
Project experience (for middle-level and some top managers)	Could you introduce the history and roles of your business unit (for middle-level managers)? Could you tell me about the two most successful projects in each market? What were the key success factors of these projects? What were the major challenges in these projects? How did you address those challenges? What was the most important learning from these projects? Could you think of two unsuccessful projects from each market? How did your experience with the above clients evolve over the years? What other cultural issues did you encounter and address in these projects? How would you evaluate your unit's cultural intelligence (for middle-level managers)?
Firm-level experience (for some top managers and quality managers)	What was the company's most important learning from its past projects? How would you compare the company's learning from different markets? How did the company leverage its learning to improve its service capability? How did the company accumulate and reuse cultural knowledge and practices? What are the main roles and activities of the quality improvement business unit?
Summary (for all interviewees)	How would you characterize the company's development over the years? How would you evaluate the company's "cultural intelligence"? What are the future strategic plans of the company?

