

Building a Global Workforce Ecosystem: Unlocking the true Potential of Offshore teams

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INTRODUCTION

In an era defined by globalization and technological interconnectedness, the dynamics of the workforce have undergone a profound transformation. As organizations increasingly recognize the advantages of a geographically dispersed workforce, the traditional constraints of localized operations are giving way to a new era of collaboration and innovation. From cost efficiency to access to diverse talent pools, the strategic benefits of offshore teams are manifold. However, effective communication, cultural sensitivity, and technological integration become paramount in realizing the full potential of this global workforce. This exploration navigates the intricacies of building and managing offshore teams, shedding light on the challenges, solutions, and the evolving landscape that defines the future of work.

The purpose of this paper is to delve into the paradigm shift towards building a global workforce ecosystem, focusing on the strategic utilization of offshore teams that can offer a myriad of benefits to organizations. However, unlocking their true potential goes beyond merely moving of tasks to individuals in a low-cost country, it requires a comprehensive approach that integrates offshore teams seamlessly into the larger organizational structure, fostering collaboration and evolving leadership styles to effectively manage the teams.

The author in this article shares his experience in building and managing high performance global teams and the observations through that journey. Although the reference used in the paper is from an Indian context, a similar approach can be implemented for other geographies as well.

BACKGROUND

Outsourcing/Offshoring, as we know it today, began gaining prominence in the late 20th century as businesses sought ways to streamline operations and reduce costs. The trend started with the outsourcing of specific non-core functions, such as customer support and IT services. Over the last two decades, outsourcing/offshoring has evolved significantly. Initially driven primarily by cost considerations, it has transformed into a strategic business practice aimed at tapping into specialized skills and accessing a global talent pool. The outsourcing/offshoring landscape has diversified beyond traditional domains like call centers to encompass a wide range of services, including software development, data analytics, and even high-level business processes.

The rapid advancement of technology, coupled with globalization, has reshaped the way businesses operate. Companies are no longer confined by geographical boundaries, and the rise of remote work has accelerated the integration of offshore teams into the broader

workforce. This shift has opened avenues for organizations to tap into diverse skill sets and leverage cost-effective solutions by establishing offshore teams in strategic locations.

The rise of business process outsourcing (BPO), Knowledge process outsourcing (KPO) and Global Capability Centers (GCC) marked a shift towards more complex and strategic functions. Today, outsourcing/offshoring is not merely a cost-cutting measure but has become integral to the global economy, fostering cross-border collaborations, and contributing to the resilience and adaptability of businesses in an ever-evolving marketplace.

UNDERSTANDING THE HISTORY

Before jumping into the discussion, it is important to understand the history of India and how that has shaped the mindset of the population over the years.

India, historically known for its advanced civilization, contributed close to 25% of the world GDP through trade, agriculture, and craftsmanship for decades. However, the various invasions since the 10th century AD and the colonial rule since the 17th century AD led to the systematic dismantling of native industries and traditions which drained India of all its wealth and converted it into a poor country.

This period was marked by racism and a sense of cultural superiority, enforcement of discriminatory laws and a foreign language as a standard medium of communication which left many Indians with a perception of inferiority. The dominance of Western culture and values during the colonial period led to a clash between traditional Indian values and the influence of Western ideals, contributing to a complex socio-cultural identity. The administrative and bureaucratic structures implemented during the colonial period have persisted, influencing the functioning of many institutions even today.

All the above traits can be seen in the India workforce in some form or other wherein the common challenges (basis my experience and talking to senior industry leaders) revolve around-

- Cultural and Communication.
- Over commitment – agreeing to everything and wanting to please.
- Scared to speak up in meetings.
- Lack of out-of-box thinking and taking calculated risks.
- Giving timely and honest feedback.
- Too bureaucratic at times and waiting for direction.
- Requirement to grow and seek validation of contributions via regular promotion.

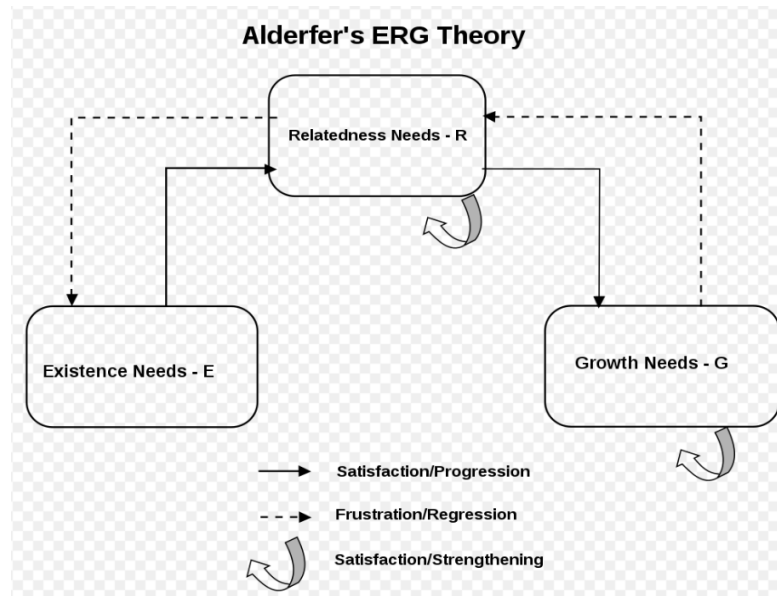
Over the past 10 years we are seeing a slow shift in this with a tech savvy GenZ entering the workforce and the older workforce getting exposure to more complex and high-end work. With work from home being more of a norm most of the resources can work seamlessly from their respective towns rather than having to come to the big cities where the office was present earlier. The extensive exposure to interactions with global colleagues, participating in global meetings and the flourishing of a start-up ecosystem has also instilled a sense of confidence in this new workforce. In the paper below, we use the ERG (Existence, Relatedness and Growth) theory as a reference to explore various aspects of effectively managing and integrating this global workforce to be able to get the best value has become even more important these days.

THE EXISTENCE, RELATEDNESS AND GROWTH (ERG THEORY)

The ERG theory is a theory in psychology proposed by Clayton Alderfer by developing Maslow's hierarchy of needs via categorizing the hierarchy into his ERG theory.

Four components—satisfaction progression, frustration, frustration regression, and aspiration—are key to understanding Alderfer's ERG theory. The first of these, satisfaction progression, is in basic agreement with Maslow's process of moving through the needs.

The ERG Theory states that at a given point of time, more than one need may be operational for an individual in the 3 categories of Existence/ Relatedness/Growth as seen in the diagram below.



When needs in a category are satisfied, an individual will invest more efforts in the higher category. When needs in a category are frustrated, an individual will invest more efforts in the lower category. As we increasingly satisfy our existence needs, we direct energy toward relatedness needs. As these needs are satisfied, our growth needs become more active.

The second component, frustration, occurs when we attempt but fail to satisfy a particular need. The resulting frustration may make satisfying the unmet need even more important to us—unless we repeatedly fail to satisfy that need. In this case, Alderfer's third component, frustration regression, can cause us to shift our attention to a previously satisfied, more concrete, and verifiable need.

Lastly, the aspiration component of the ERG model notes that, by its very nature, growth is intrinsically satisfying. The more we grow, the more we want to grow. Therefore, the more we satisfy our growth need, the more important it becomes and the more strongly we are motivated to satisfy it.

In today's workforce, this ERG theory can be equated as seen below-

- Existence – Ensuring that the Salary and Benefits are in line with the market.
Providing a sense of job security by not making too many changes too frequently.
Leadership team can demonstrate trust and support to the team.
- Relatedness - Enhance engagement within the teams and build strong relationships.
Facilitate a culture of continuous learning and invest in developing team.
Ensure the teams are timely recognized and rewarded.
- Growth - Making the work interesting and challenging with an opportunity to learn.
Help drive a growth mindset and support autonomy in decision making.
Provide clear leadership vision and direction.

THE TRUE POTENTIAL OF OFFSHORE TEAMS

Global outsourcing/offshoring is more than just finding a way to cut costs but more about tapping into a vast pool of talent and resources across the globe that may not be readily available in your local market. By partnering with external service providers or offshore teams, businesses can access specialized skills, innovative ideas, and economies of scale that can propel them to new heights.

Offshore teams, when managed effectively, can offer benefits like access to specialized skills, cost savings, increased productivity, and the ability to operate on a 24/7 basis. However, unlocking their true potential goes beyond merely moving tasks. It requires a comprehensive approach that integrates offshore teams seamlessly into the larger organizational structure, fostering collaboration and innovation.

Now let's explore how with a little dose of humor and a whole lot of perseverance, you can overcome these hurdles and emerge victorious by building strategies referencing the various aspects of the ERG theory that we have seen in the earlier section of the paper.

Existence:

Overcoming Language and Time-Zone Barriers

Lost in translation? Language barriers can be a stumbling block in global partnerships, but they're not insurmountable. With a dash of humor, plenty of patience, and the help of translation tools, businesses can bridge the language gap and build strong and effective teams. Just remember, laughter is the universal language!

Fostering a culture of flexibility to accommodate different time zones and working hours is crucial to support each team during work allocation or arranging planned meetings. Respect time-zone differences and rotate regular meetings so that everyone feels a little pain than one person from specific region suffering or feeling left out.

Encourage your teams to be adaptable and open to diverse working styles.

Break the Perception vs Reality Bias by being transparent and supportive-

Common myths and misconceptions surrounding offshore development centers can create unnecessary fears and uncertainty for operations both from the onshore and offshore teams. By separating fact from fiction and understanding the reality of offshore development centers, businesses can make informed decisions and actions.

Your team members will likely place high value on organizations that are transparent about both their successes and business challenges — as well as the roadmap between the two.

Trust people to work from anywhere. It is a way to signal to your employees that you have confidence in their ability to perform without looking over their shoulders.

Company Work Culture and Benefits-

Work Culture is an aspect of work particularly important to the tech-savvy Gen Z, many of whom are just now entering the workforce after having spent the past 2-3 years grappling with the impacts of Covid, as well as social and political complexities around the world.

A collaborative work culture in global teams is crucial for leveraging diverse perspectives, fostering open communication, cultural sensitivity, enhancing problem-solving and decision-making. The flexibility and adaptability fostered by collaboration contribute to effective teamwork, boosting employee engagement and satisfaction. In a collaborative environment, open communication and the exchange of ideas lead to improved efficiency, making global teams more resilient and capable of navigating challenges.

Beyond the work culture, company benefits like free therapy and counseling to additional time off or employee fitness programs, there are a myriad of ways you can focus on the whole employee.

Combined, these events have driven their desire to instill meaning and purpose into all areas of their lives — including their work.

Relatedness

Bridging Cultural and Social Differences-

When working with people from different parts of the world, cultural differences are bound to arise. From communication styles to work habits, navigating these cultural nuances can be a rollercoaster ride. Talk to your teams about their culture, understand what works and what doesn't, take trainings on cultural differences and building a global collaborative team.

But hey, isn't life all about embracing diversity?

By fostering an inclusive and understanding work environment, businesses can turn these differences into strengths, creating a harmonious outsourcing ecosystem. So, grab your passport and embark on a cultural adventure!

The face-to-face visits whenever possible go a long way in helping bridge this gap. Implement flexible cultural exchange programs that allow employees to work in different locations.

Invest in Learning and Development

Investing in learning and development for global teams is essential for continuous skill enhancement, improving productivity, and fostering adaptability to change. It creates cohesion among team members, promoting a shared understanding of best practices and encouraging innovation and creativity.

Such initiatives contribute to talent retention, as they demonstrate a commitment to individual success and job satisfaction. Learning programs can also enhance cultural competence, enabling teams to navigate diverse work environments effectively.

Strategic alignment of such programs with the organizational vision also ensures that global teams contribute effectively to organizational goals, while well-trained teams lead to increased customer satisfaction and loyalty.

Ultimately, organizations that prioritize learning and development gain a competitive advantage by fostering a dynamic workforce capable of adapting to challenges and driving sustained success in the global marketplace.

Encouraging Knowledge Sharing and Collaboration-

Fostering knowledge sharing across the global workforce accelerates problem-solving by tapping into diverse expertise and promotes innovation through the exchange of ideas. Shared knowledge reduces redundancy and enhances efficiency, supporting agile responses to challenges and at the same time helps the teams feel included in the ideation process rather than only the execution steps. This makes them feel equal partners through the process rather than just followers.

This fosters cultural integration, breaking down communication barriers in global teams; while the improved decision-making results from access to a shared pool of knowledge, and cross-functional collaboration is facilitated.

Collaboration projects contribute to employee development, ensuring teams stay relevant in the evolving global business landscape while also strengthening team cohesion by fostering a sense of shared purpose and accountability across the global workforce. Establish centralized knowledge repositories, collaborative platforms, tools, and cross-functional teams to drive a sense of being part of the bigger picture.

Overall, these initiatives are essential for the success, resilience, and adaptability of organizations with a global presence.

Growth

Job/Role Rotation-

Job or role rotation within a global workforce provides numerous advantages. It fosters skill development by exposing employees to diverse responsibilities, enhancing their adaptability and versatility. This strategy contributes to talent retention, as it demonstrates an organizational commitment to professional growth. Leadership development is facilitated by rotating individuals through various roles, identifying and nurturing future leaders. Job rotation in a global context offers a broadened perspective, aiding employees in understanding different markets, cultures, and business practices. The approach contributes to knowledge transfer, improved collaboration, and increased organizational agility. It enhances employee engagement by introducing variety and challenge, reducing monotony.

Overall, job rotation is a strategic practice that builds a well-rounded, globally aware, and agile workforce capable of meeting the challenges of the dynamic global business landscape.

Challenging/Interesting Work-

Offering challenging and interesting work to today's workforce is vital for fostering high levels of engagement, attracting, and retaining top talent, and promoting continuous skill development. Such work stimulates innovation, creativity, and increased productivity, contributing to overall job satisfaction.

Employees facing challenges are more adaptable and resilient, equipping them to navigate changes effectively. Challenging tasks also play a crucial role in career development, allowing individuals to progress and take on leadership roles. Moreover, they strengthen team dynamics, fostering collaboration and camaraderie.

Ultimately, the strategic provision of stimulating work enhances organizational performance and success in the dynamic landscape of modern workplaces.

Drive a culture of Co-opetition-

Irrespective of whether your offshoring teams are internal or external employees ensure you build a culture where everyone collaborates keeping the organizational goal in mind. Your outsourcing partners could be competitors, but it is important to create a 'one team' mindset so that you get the best out of the team.

Incentivize teamwork and collaboration across teams to help drive this culture. As companies work in a global networked manner with outsourcing across multiple vendors becoming a common norm, it is important to expand the co-opetition culture to include the outsourcing vendors as well to get the most out of their larger network and global presence.

This can also be done in the following ways involving both internal and external resources-

- 1> Giving a problem statement to various teams to co-opt and come up with best solution.
- 2> Asking vendors to start thinking like "partners" to solve business problems.
- 3> Asking vendors to share their co-opetition experience with other clients.
- 4> Driving 'Ideation Week' asking for joint ideas and supporting the implementation.
- 5> Recognizing and awarding "Co-opetition Champions" who work together across teams to deliver excellence.

LEADERSHIP EVOLUTION

For global leaders, adapting leadership styles is crucial for effectively managing diverse teams of different generations across cultures and locations. Cultural sensitivity, clear communication, and a collaborative mindset are essential while also being aware of the needs of the global workforce.

Empowering team members with autonomy and prioritizing global talent development contribute to a motivated and skilled workforce.

Being mindful of time zone differences, cultivating conflict resolution skills, and exhibiting emotional intelligence are key leadership traits.

A few ways to do this in today's world are covered below.

Servant Leadership-

Servant leadership prioritizes the needs of team members, emphasizing empathy, active listening, and humility. Leaders focus on supporting individual and collective growth, fostering a sense of community, and empowering others through delegation.

Servant leaders view themselves as stewards of the organization, making ethical decisions and contributing to a positive workplace culture.

In the context of the global workforce, servant leadership can drive collaboration by promoting inclusivity, cultural sensitivity, and a commitment to the well-being of diverse team members. It aligns with the evolving dynamics of remote work, where effective communication, trust, and a supportive leadership style are essential for building cohesive and collaborative global teams.

Think Global but Act Local

To "think global and act local" as a leader in today's global workforce, prioritize cultural sensitivity, adapt communication styles to resonate locally, and implement flexible work policies. Empower local teams for decision-making, establish global standards with local adaptations, and embrace diversity and inclusion initiatives.

Utilize collaborative platforms for global communication, provide cross-cultural training, and schedule regular virtual team meetings to foster unity. Engage in local CSR initiatives and maintain a continuous feedback loop between global headquarters and local offices.

By balancing a global perspective with localized actions, leaders can navigate the complexities of a diverse workforce, ensuring strategies align with both overarching global objectives and the unique needs of individual regions.

Empower the Millennial Managers-

With the expanding workforce and roles, the Gen Z has strong advocates at the top -Millennials, another generation known for seeking purpose in their jobs, have now moved into management roles. In fact, more than 60% of millennials now have direct reports, giving them the opportunity to drive real change within their organizations and on the teams they lead.

Their tech proficiency and entrepreneurial mindset make them valuable contributors to organizations undergoing digital transformations. Fostering a purpose-driven environment aligns with their values, contributing to higher engagement and retention.

The more you can empower your team to figure things out on their own, the more meaning they will find in their work. Empower teams to take independent decisions and be okay with them challenging your decisions and receiving feedback.

Understand the working model and expectations-

As the industry evolves and the requirements change every year, it is extremely important for leaders to understand their expectations from outsourcing/offshoring/insourcing/global capability center and their strategy around this. While the benefits are undeniable, it's essential to assess the suitability of outsourcing for your specific business needs and objectives.

In essence, leadership strategies vary based on the chosen sourcing model, with insourcing focusing on internal control, outsourcing emphasizing external relationship management, and global capability centers seeking a balance between control, efficiency, and cultural alignment. Successful leaders tailor their approaches to address the unique characteristics and challenges of each sourcing method.

Take an honest look at your operations, weigh the pros and cons, and make an informed decision.

Common Leadership Strategies Across Models:

- Focus on strategic alignment with organizational goals.
- Tailored communication strategies based on internal or external emphasis.
- Commitment to employee engagement and development, adjusted for specific workforce dynamics.
- Comprehensive risk management considering both internal and external factors.

Many a times I have seen companies shift models too frequently which doesn't help in building the trust and confidence needed for a stable relationship that delivers optimum results.

Define clear goals and expectations-

Like a compass guiding your ship, defined goals and expectations both for the internal teams and external partners are essential for overall organizational success.

- Clear goals and expectations for insourcing involve enhancing internal efficiency, fostering talent growth, and maintaining cultural alignment.
- In outsourcing, the focus is on cost optimization, quality service delivery, effective communication, and risk mitigation.
- Global capability centers aim for efficient global operations, cultural integration, strategic alignment, and talent development.

Common considerations include establishing measurable KPIs, periodic assessment for continuous improvement, flexibility to adapt, transparent communication, and adherence to legal and compliance requirements. These guidelines help organizations effectively manage and monitor their strategies in diverse sourcing models.

Clearly communicate your vision, objectives, and performance metrics to your teams, ensuring everyone is on the same page.

Ensure everyone across the globe is measured by the same metrics to drive consistency and a sense of belonging irrespective of the location of the team.

Recognize your teams and take genuine interest in them.

In the global workforce, genuine recognition and care for team members are crucial for fostering a positive work environment and driving collective success. Recognizing individual contributions, irrespective of cultural differences, acknowledges the unique strengths each team member brings and also drives inclusivity.

Genuine care for team members, demonstrated through empathy and support, builds trust and strengthens interpersonal relationships, overcoming geographical distances. This approach not only enhances employee satisfaction and retention but also contributes to a collaborative and motivated global team that is better equipped to face challenges and achieve shared goals.

CONCLUSION

Building a global workforce ecosystem that unlocks the true potential of offshore teams requires a strategic and holistic approach. By embracing diversity, fostering cultural integration, and implementing effective communication and leadership strategies, organizations can tap into a wealth of talent and drive innovation on a global scale. Aligning your strategies and vision with the ERG model discussed in this paper can be a good reference point to ensure these are aligned to the short- and long-term vision of the engagement. The key lies in viewing offshore teams not as mere extensions but as integral contributors to the organization's success, creating a collaborative and dynamic environment that propels the business forward in today's interconnected world.

Leaders play a crucial role in this journey and an adaptable approach that values diversity, understands the needs of teams, embraces the unique strengths of each team member will be able to enhance overall team performance and organizational success in a global context.

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