Dual Identification of IS Offshoring Call Center Employees: Understanding Its Antecedents and Consequences

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Abstract

IS Offshoring call center employees engaging with both the vendor and the client when performing outsourced IS services may develop dual identification with the vendor and the client. However, the antecedents and consequences of such dual identification, and the relationships between them are poorly understood. We draw on social and organizational identity theory to seek answers to the preceding concerns by analyzing survey data from employees working in offshore IT call centers located in China. This study reveals that employees’ dual identification with both the vendor and the client does not diminish but instead promotes service performance. Through understanding the issue of dual identification and national identity in a unique offshoring context, this study enriches the IS offshoring literature and has important managerial implications for both vendors and clients who wish to successfully exploit the benefits of IS offshoring.

1. Introduction

Information Systems (IS) offshoring, a practice in which an organization (client) contracts all or part of its IS operations to one or more external service providers (vendor) outside its own country, has gained prominence in recent years [27]. Extant literature on IS offshoring has mainly focused on three important areas: the drivers or reasons for offshoring (e.g., [5]); the challenges, risks and corresponding managerial strategies of offshoring (e.g., [4], [27]); and the economic, social, political and organizational consequences of offshoring (e.g., [20]). In this study, instead of improving our understanding of IS offshoring success from purely economic, legal or technical perspectives, we adopted a unique sociological approach which focuses on organizational identity of individual employees who work for a local vendor and serve an external client in another country as if they are representing the client. Given the key role of IS service quality in determining system effectiveness [7], the organizational identification of offshoring employees providing third party services has important implications for individual work behavior and performance. Understanding factors influencing individual work behavior and performance in the unique IS offshoring context through the lens of social identity theory is also critical as employee turnover in this sector is particularly high, and replacing these employees is not easy because of the demanding IT skills and lengthy training needed compared to employees in traditional non-IT related call centers.

Because offshoring employees work for their local employing organizations and at the same time, represent their foreign clients, they may identify with either or both of the organizations. Currently, it is still unclear how dual organizational identification (with vendor and client) or single identification (with either vendor or client) impacts work behavior and outcomes. Moreover, because of the unique cross-country context of offshoring employees, it is also important to identify new constructs beyond those traditional factors (e.g., organizational prestige) that might influence organizational identification. In our research context, offshoring employees’ understanding of the business environment of the client country and their perceptions of the country to country relationship (e.g., national prestige or recent history) might have a profound influence on organizational identification.

Drawing on organizational and social identity theories and related IS literature, this research develops a theoretical model to identify the relevant and unique factors that contribute to dual organizational identities, examines the interrelationships between the two organizational identities, and assesses the impact of dual identification on work commitment. To test the theoretical model, data were collected from 182 China-based call center employees providing helpdesk services on IT applications and products to Japanese customers of Japanese companies. Our focus on call center employees is particularly apt for testing individual level theories pertaining to offshoring because these employees are perceived as “front-line local ambassadors” of the clients (vis-à-vis back room data entry employees or programmers) despite being based in a different country. Thus, the identification issue under investigation is of particular relevance and importance in IS service quality in an offshoring context since uncommitted call center employees at the offshoring vendor side will impact the IT client’s performance through their direct...
contact with the client’s customers. Moreover, given the predominant emphases of extant academic and popular press offshoring literature on organizations operating in the Indian market, our focus on individual employees of China-based call centers adds a different cultural and language mix, and provides a micro-level theoretical understanding of issues that could potentially influence the success of offshoring in emerging markets.

2. Research Model

2.1. Organizational Identification of Offshoring Employees

Employees in offshoring IT call centers have very different work arrangements from those engaged in a traditional work setting. They have physical, temporal, and administrative contact with the employing organization but they present themselves as the frontline staff members of their client to the customers with whom they are interacting. In our research context, China-based employees provide personalized IT services to the individual Japanese customers of their Japanese client. For example, when a call center employee picks up a call from a Japanese customer of Sony Corporation, he or she will typically answer in Japanese, “Hello, here is XYZ of Sony Corporation. How can I help you?” Because these offshoring employees always simulate their roles as the client’s frontline staff members, they are constantly verbally stating their ongoing association with that client and may therefore identify themselves closely with the client. At the same time, being physically and contractually bonded to the vendor, they may also identify with the vendor. It is therefore conceivable that these offshoring employees may acquire dual organizational identification.

There is an ongoing debate in the extant organizational identification literature on whether employees can identify with multiple work organizations simultaneously [12]. While some (e.g. [24]) argue that employees cannot identify with multiple organizations at the same level of abstraction at the same time, others (e.g., [17]) suggest otherwise. More notably, the IS offshoring and organizational identification literature is silent on the impact of dual identification on these offshoring employees’ work commitment, which is of high importance to IS service quality. Hence, we seek to understand what influences the formation of organizational identification with the vendor and the client, how dual organizational identifications interact with each other, and the consequences of these organizational identities.

2.2. Organizational Identifications and their Antecedents

Organizational identification is “the perception of belongingness to an organization where the individual defines himself in terms of the organization in which he is a member” [18]. Organizational identification has been proved able to help employees fulfill their needs for self-esteem enhancement [9], uncertainty reduction [16], self-verification [22], and affiliation [3]. According to social identity theory, when employees identify with the attributes of an organization, they are likely to feel proud of belonging to it, hence will share its goals, and demonstrate strong commitment to work. Conversely, when employees do not identify with an organization, they are likely to feel disenchanted and depressed, which will in turn negatively influence their commitment to work and increase their turnover intentions [12].

Organizational researchers have classified the antecedents of organizational identification into two categories: impersonal antecedents such as organizational prestige, distinctiveness and value and personal antecedents such as relationship and interaction between employees and their supervisors and their peers (e.g., [12]). Besides antecedents suggested by prior literature, we include another two constructs -- “understanding of the business environment of the client’s country” and “the perceived relationship between vendor and client’s countries” to suit the unique context of offshoring. In a recent survey on offshore outsourcing, 51% of CIOs reported “country differences” as a big challenge in managing offshoring. To the extent that an employee’s understanding of the business environment of the client’s country could help narrow the country differences, it could also influence identification with the client. When the vendor and the client are located in different countries, the national identity of the call center agents may become an important issue in determining their organizational identification, especially when the uneasy relationship between the countries is a long-term recurring issue. Such as in our research context, it is interesting to examine how the perceived relationship between China and Japan affects Chinese IT call center agents’ identification with the Japanese client company. In an environment of prevailing anti-Japanese sentiments in China, this research can be thought of as an “acid-test” of identification.

An impersonal antecedent of organizational identification is the perceived prestige of the organization. Social identity theory indicates that employees are more likely to identify with organizations that enhance their self-esteem [3]. Termed as an “ego-defense mechanism,”
organizational identification occurs when employees attempt to enhance their sense of self by modeling themselves after an organization that is respected or admired [23]. Such organizations tend to be those that employees perceive as having a higher status and a more attractive image than others. By being members of such an organization, employees perceive “reflected glory”, resulting in heightened self-esteem, thus satisfying an important purpose of organizational identification.

In the context of an offshoring IT call center, the perceived prestige of the vendor company and the client organization will enhance the call center employees’ pride of belonging to the organization and self-esteem. We thus posit:

**H1a.** The perceived prestige of the vendor is positively associated with an employee’s identification with the vendor.

**H1b.** The perceived prestige of the client is positively associated with an employee’s identification with the client.

Another impersonal antecedent of organizational identification is the employee’s understanding of the business environment of the client’s country. A lack of understanding of the business environment of the client’s country and culture may weaken employees’ identification with the client because of the lack of shared meaning and context with it, which might diminish their sense of belonging to the client. Moreover, when the client’s customers can discern “different” employees, the problem of a lack of identification may be exacerbated. For instance, it has been reported that offshore Indian employees have borne the brunt of Americans’ dislike of being served by employees with a strong Indian accent and a lack of understanding of contextual American linguistics (e.g., [8]). In our research context, a good understanding of the business environment of the client’s country will allow employees to develop a better understanding of the Japanese customers and better anticipate the customers’ needs and concerns, and execute their jobs with ease and confidence [15]. Employees who can deliver superior quality service should meet with the client’s approval and endorsement, which should in turn strengthen their identification with the client. We posit:

**H2.** Understanding of the business environment of the client’s country is positively associated with an employee’s identification with the client.

An offshoring employee may experience potential conflicts between national identity (which is persistent since normally an individual bears it from birth) and identification with the client if that employee perceives the two countries’ relationship to be in trouble, especially when the situation has existed for decades. In our context, Chinese IT call center agents serving Japanese companies may have a difficult time trying to mitigate such conflicts between their Chinese national identity and identifying with a Japanese client. In such a situation, if they identify with their Japanese client, they may not be able to reconcile this dissonance with their nationality, and may even get ostracized by their Chinese peers. Thus, these employees’ identification with the client company will be weakened if they perceive a negative relationship between the vendor’s and the client’s countries. Conversely, if they perceive this relationship to be positive, their identification with the client organization will be strengthened. Therefore, we posit:

**H3a.** The perceived relationship between the vendor’s country and the client’s country is positively associated with an employee’s identification with the client.

The effect of the perceived relationship of the vendor’s and the client countries on organizational identification may be weakened by an employee’s professionalism, which is “the ability and willingness to align personal and organizational conduct with ethical and professional standards that include a responsibility to the customers and the community, a service orientation, and a commitment to lifelong learning and improvement” [11]. Our definition of professionalism focuses more on employees’ work attitude than their professional competency (e.g., [21]). Employees with higher level of professionalism will act according to ethical and professional norms and standards and have less difficulty in separating their personal emotions or sense of nationalism from their work. In our research context, highly professional Chinese offshoring employees may still identify with the Japanese client organization in spite of their perception of a negative relationship between the two countries. Thus, we posit:

**H3b.** Professionalism will reduce the impact of the perceived relationship between the vendor country and the client country on an employee’s identification with the client.

We also examine two personalized antecedents: work-related communication and non-work related communication. Organizational identity theorists [3] suggested that the basis for organizational identification stems from the fundamental human needs to establish and maintain relationships with an organization. Since identification is established in the process of interaction with others, communications with other employees, regardless of whether it is work or non-work related, is very important in boosting employees’ organizational identification.

The call center agents’ work-related communication occurs mainly with the local vendor...
company. The client company normally does not assign work-related training and instructions to the offshoring call center employees directly. These are instead communicated through the vendor in a timely, accurate, and comprehensive manner. While the vendor have to transmit information to its employees on behalf of the client, it is also likely to take the opportunity to strengthen employees’ identification with itself by helping them understand “who they are” and “how they should behave according to the organizational terms.” Through conveying quality work-related information to call center employees, the vendor helps them develop a better understanding of its mission, culture, norms and beliefs and strengthens their sense of ownership of the organization. We thus propose that:

\[ H4. \text{The quality of work-related communication by the vendor is positively associated with an employee’s identification with the vendor.} \]

Non-work related communication includes the organization’s interaction with its employees and updates on organizational activities that occur in areas that are not directly related to employees’ core activities, (i.e., helpdesk services). These types of communication can be achieved through either informal gatherings or interactions among employees from different departments or well-designed organizational channels such as company newsletters. Communications regarding the company’s events and business developments, although not directly related to the call center work, allow employees to develop a collective self-construal that reflects their memberships in the vendor organization. Such communications should also foster the individual’s interest and sense of organizational belonging. As time passes, employees will see their fate inextricably intertwined with that of the organization and develop a strong emotional attachment to the organization. We thus posit:

\[ H5. \text{Non-work related communication by the vendor is positively associated with an employee’s identification with the vendor.} \]

2.3. Salience and Interactions of Organizational Identifications

Social identity theory contends that stronger identification with one social category should diminish or even preclude identification with other categories because identification implies an accentuation of intra-category similarities and inter-category differences and identification with multiple entities is cognitively demanding and debilitating [18], [24]. However, individuals can feel attached to more than one organization simultaneously [25], especially when the multiple identities have overlapping characteristics and each identity, when cued, will lead to the others being more cognitively accessible [2]. This debate is far from being settled and, in accord with [12], we adopt the latter perspective.

However, we argue that when employees perceive one organization to be more prestigious than the other, or has a stronger relationship with one organization than the other, they may choose to associate themselves more with one organization [2], [12]. In our context, we conjecture that identification with the vendor will be dominant. The primary source of this identification asymmetry stems from the stronger social and work relationships that the employees have with the vendor. The delegation of work-related responsibilities such as recruitment, training, supervision, and evaluation of employees by the client to the vendor means that the image and characteristics of the vendor should be more cognitively accessible and salient than those of the client. Additionally, physical collocation in the vendor organization allows an employee to socialize with other employees of the vendor and to participate in activities organized by the vendor easily. Such kinds of social interaction with the client are difficult, if not impossible. Hence, we posit:

\[ H6. \text{An employee’s identification with the vendor is more salient than that with the client.} \]

Many researchers propose a negative correlation between the salience of identities when multiple identifications exist [6], [24]. They find that heightened identification with one organization typically occurs at the expense of the other identifications. We contend, however, that such a negative correlation will not hold in the context of offshoring. This is because, we believe, that the vendor and the client have joint interests in providing quality IS services to the client’s customers. While the client is motivated to improve the effectiveness and efficiency of its customer relationship management, the vendor is keen to retain the client’s business. Thus, it is reasonable to posit that the vendor will very likely be constantly reminding employees that they should represent the client, perceive themselves as virtual employees of the client, and provide superior service so that both the client and the vendor can reap the strategic benefits of such a compact. Hence, contrary to the extant literature, we hypothesize:

\[ H7. \text{An employee’s identification with the vendor is positively associated with their identification with the client.} \]

2.4. Organizational Identifications and Work Commitment

Organizational identification produces the psychologically inclusive feeling of organizational
membership as part of one’s self-concept, which will in turn lead to behavioral outcomes such as increased job motivation and extra-role performance [25]. We adopt work commitment as the dependent variable to capture the overall behavioral consequence of call center employees’ identification with the vendor and the client. Specifically, we define commitment to work as an employee’s behavioral tendency of binding to a course of action that is desirable to the vendor and the client.

Organizational identification is a critical antecedent to the development of work commitment [26]. Psychological oneness arising from organizational identification fosters a sense of belonging, leads to an internalization of organizational goals as personal pursuits and drives employees to undertake suitable courses of action to achieve them. We thus hypothesize:

H8a. An employee’s identification with the vendor is positively associated with work commitment.

H8b. An employee’s identification with the client is positively associated with work commitment.

Figure 1 presents the overall conceptual model.

Figure 1 Research Model.

3. Research Methodology

The survey research method was chosen to assess the proposed research model.

3.1. Development of Measures

Where available, questionnaire items were either drawn or adapted from previous research. New items pertaining to the IS offshoring activities were self-developed (see Table 1). All items were scrutinized by two IT call center managers in China for face validity. All items were then tested with one unlabeled and subsequently one labeled sorting session with three judges in each session. Minor modifications were made based on the sorting results.

Three IT professionals were also invited to comment on the layout of questions for the Web survey.

The Chinese version of the questionnaire was developed through a double-translation process, based on which, minor corrections were made to the Chinese version to ensure its equivalence of meanings of all items with the English version.

<table>
<thead>
<tr>
<th>Table 1. Constructs/Questionnaire Item</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identification with Vendor / Identification with Client (IDV/IDC)</td>
<td>Abrams (1992)</td>
</tr>
<tr>
<td>Prestige of Vendor / Prestige of Client (PSV/PSC)</td>
<td>Mael and Ashforth (1992)</td>
</tr>
<tr>
<td>Work-related Communication Quality (WCQ)</td>
<td>Self-developed</td>
</tr>
<tr>
<td>Non-work-related Communication with Vendor (NWCV)</td>
<td>Self-developed</td>
</tr>
<tr>
<td>Understanding of the Business Environment of the Client’s Country (CCE)</td>
<td>Self-developed</td>
</tr>
<tr>
<td>Professionalism (PRO)</td>
<td>Self-developed</td>
</tr>
<tr>
<td>Work Commitment (CTW)</td>
<td>Hartline and Ferrell (1996)</td>
</tr>
<tr>
<td>Perceived Relationship between Vendor and Client’s Countries (CRL)</td>
<td>Self-developed</td>
</tr>
</tbody>
</table>

3.2. Survey Administration

An online survey was administered to members of an Association of Chinese IT Call Centers through its online forum during the two-month period from May to June 2006. Members from this association are mainly Chinese IT call center employees or managers working for offshoring vendors. The IT call center industry sector has seen tremendous growth in China in recent years. Despite being a well-paid job in China, the IT call center industry experiences turnover rates that are two to three times higher than the average turnover rate in other industries.

In order to contribute to an understanding of the turnover problem, an invitation message containing the survey purpose, instructions, and the web address was posted on the online forum, and was addressed to all the 805 members who serve Japanese customers.
of Japanese-based companies only in order to avoid confounds arising from country differences that could potentially influence organizational identification and work commitment. To increase the response rate, we assured the participants of their anonymity and donated 10 Yuan (1 USD to 7.7 Yuan) to an orphanage for every completed response we received. To ensure respondents’ validity, respondents were asked to indicate whether they were working for an offshoring client company and whether they were only serving one client company. Only respondents indicating ‘yes’ for both questions were instructed to continue with the survey. They are then requested to finish the survey at one time and are not allowed to come back for revision later.

At the end of the two-month period, a total of 195 responses were received, yielding a response rate of 24.2%. After discarding unusable questionnaires with missing data and dubious questionnaires that were completed in less than 5 minutes, we were left with 182 responses. Most of the 182 respondents were females (53.8%) and in the age group of 20 to 25 years (69.8%). The majority of the respondents have university degrees (63.2%). Although they have varying length of working experience ranging from 1 to 10 years, most of them have been involved with IT call center work and have served their current employer for no more than three years, reflecting relative recent development of the IT call center business in China.

4. Data Analysis and Results

Following the two-stage analytical procedure recommended in [13], measurement model analysis was first conducted. After ascertaining that the construct measurement instruments met the necessary psychometric requirements, we proceeded to a structural relationship analysis.

4.1. Measurement Model Analyses

We employed two typical criteria for measurement model assessment: convergent validity and discriminant validity. Convergent validity can be determined through three tests: (1) Item Reliability Test (2) Composite Reliability Test and Cronbach’s Alpha of the construct and (3) Average Variance Extracted (AVE) of the construct. Discriminant validity is assessed using two tests: (1) Item Loading and (2) Item Correlation. The results of all the above tests satisfy the criterion set for each of them, showing an adequate validity of the measurement model (tables to be provided upon request due to space limitation).

4.2. Structural Model Analysis

With an adequate measurement model, the proposed hypotheses were tested subsequently with PLS Graph version 03.00. Figure 2 depicts the results of the structural model testing.

Prior to hypotheses testing, we averaged the responses to the indicators of the identification of the employees with the vendor and with the client and compared them to the neutral value of four to assess if dual identification exists. Results show that identification of the employees with the vendor and the client are both significantly different from the neutral value of four for the identification with the vendor (t=24.10) and for the identification with the client (t=14.88). Hypotheses 1a and 1b predict a positive correlation between perceived company prestige and organizational identification. Mixed results were obtained. While this prediction holds for an employee’s identification with the vendor (t=6.83), it does not occur for an employee’s identification with the client (t=0.26). H1a is supported but not H1b. As hypothesized, the better the understanding of the business environment of the client’s country an employee has, the more likely that person will identify with the client. H2 is supported (t=2.09). As expected, an employee’s identification with the client correlates positively with that person’s perception of the relationship between the vendor’s and the client’s countries. Hence, H3a is supported (t=4.62). To assess if H3b is supported, an interaction construct containing the multiplication items of the standardized indicators of the professionalism construct and those of the perceived relationship
between the vendor’s country and the client’s country construct was included in the structural model. As hypothesized, professionalism reduces the impact of the perceived relationship of the vendor’s country and the client’s country on an employee’s identification with the client. H3b is supported (t=−4.12). Specifically, professionalism has a bigger effect on an employee’s identification with the client when the perceived relationship between the vendor’s country and the client’s country is deemed to be poor than when it is deemed to be positive.

Work-related quality has a significant positive effect on an employee’s identification with the vendor while non-work related intra-organizational communication has no influence on an employee’s identification with the vendor (t=4.02 and t=0.37 respectively). Hence, H4 but not H5 is supported. To test H6, which proposes that an employee may tend to identify with the vendor more than with the client, we averaged the three indicators of identification with the vendor and the client respectively and conducted a student t-test. The result (MIDV=5.45, MIDC=4.90, t=8.41, df=181) confirms H6. H7, which hypothesizes that the increase in vendor identification should lead to heightened client identification, is also supported (t=2.08). Additionally, an employee’s identification with the vendor and with the client both have significant effects on work commitment (t=12.64 and t=4.32 respectively), and together they account for 47.9% of the variance of commitment to work. H8a and H8b are supported.

We also compared the relative contribution of the two types of identification to commitment. While the identification with the client accounts for 22.8% of the variance of commitment alone, the identification with the vendor almost doubles the explanation power by accounting for 44.3% of the variance. This shows that the identification with the vendor is a more significant contributor to an offshore employee’s work commitment than the identification with the client.

5. Discussions

First, consistent with past studies on organizational identification and commitment literature (e.g., [19]), our study shows that an employee’s identification with an organization can lead to behavioral outcomes that are desirable to the organization. In our sample, the employees who are high on organizational identification indicate higher commitment to deliver quality customer care and service via telephone.

Second, our study provides strong evidence that dual organizational identification can reside in the minds of IT offshoring employees simultaneously. We observe that these employees can develop and form psychological bonds with both the vendor and the client and both types of identification foster their commitment to work, albeit one more than the other. In our study, employees’ identification with the vendor has stronger effects on work commitment than their identification with the client does. We also found that the two types of identification are different in salience in our sample: the employees exhibit a significantly stronger identification with the vendor than with the client.

The dominance of identification with the vendor in terms of its contribution to work behavior and its salience does not compromise identification with the client. Instead, employees who have high identification with the vendor also tend to exhibit high identification with the client. It is noteworthy that this dual identification and its complementary nature could be attributable to the fact that the vendor and the client in this offshoring context share an identical goal [2], [17] in ensuring the critical customer-oriented call center services to be of high quality. It is also likely that identification with the vendor is more salient and important for work behavior than identification with the client because these employees’ performance appraisals are being done by the vendor.

Third, this study shows that the identification with the vendor and the client develops along different processes. The employees’ identification with the vendor is positively correlated with the vendor’s prestige and how well the work-related communication is implemented in the vendor company. It appears that the vendor organization in China should be adept at organizational impression management in order to foster identification with it. In our research context, because the client has no direct access to the offshoring employees, we posit that the identification with the client is derived more from a macro-perspective rather than a micro-perspective. Employees’ understanding of the business environment of the client’s country and the perception of the relationship between the vendor’s and the client’s countries both contribute significantly to the identification with the client. National identity, manifested in the perception of the state of relations between the vendor’s and the client’s countries, plays a crucial role in determining identification with the client. This finding suggests that employees’ identification with an organization is not construed just from one’s own organizational characteristics and activities. We also found support for our proposition that employees’ professionalism can reduce the impact of the perceived relationship between the vendor and the client’s countries on the identification with the client. This finding suggests
the importance of the vendor and employees selection in the unique IS offshoring context.

5.1. Non-Supported Hypotheses

This study fails to support two of the propositions. The correlation between organizational prestige and the employee’s organizational identification with the client is not significant. Instead, our respondents depended on the vendor’s prestige to enhance their self-definition and self-perception. We attribute the asymmetric effects of prestige on identifications to the relative inaccessibility of the clients’ organizational characteristics due to employees’ lack of visual and formal membership. Thus, the employees are likely to devote their cognitive resources to company characteristics that are easily accessible. Compared to clients, vendors are more advantaged in imprinting the company-related information, including company prestige, on the employees’ minds because of close and frequent company-employee interactions. An employee’s identification with the client is not generated by the cognitive assessment of the client’s prestige probably due to its low accessibility. It is also plausible that the client’s prestige was not deemed important by the offshoring employees because they are more likely to tell their friends and relatives of their association with the local vendor rather than with the foreign client.

Non-work related organizational communication has no significant effect on organizational identification with the vendor organization. We speculate that this could be explained by the hierarchical process of the organizational identification development. Employees tend to develop organizational identification on the basis of the sense of belonging with the working group in which they are embedded. Hence, unlike non-core job communication, formal communication that is directly related to the employees’ core business on customer service and care enhances the employee’s identification with his working group, which in turn translates to a positive self-construal of organizational membership and attachment.

5.2. Theoretical Contributions

To date, there has been a theoretical void as to how dual organizational identification develops and what organizational outcomes ensue in an IS offshoring context. This study integrates the organizational identification theory with the IS offshoring practice in the context of the IT call center to explore employees’ dual organizational identification with offshoring clients and vendors. We shed light on the underlying psychological processes that lead to increased work motivation and commitment of IS offshoring employees, which could potentially result in higher IS service quality. Specifically, we show that employees working for two organizations that share an identical goal in modern organizational work arrangements can develop dual identifications that do not diminish but instead enhance work outcomes.

Dual identification is an important and interesting phenomenon brought about by modern organizational design and work arrangements. Theoretical exploration on dual identification in organizational research is still in its nascent. While prior studies posit either a conflicting or an equally salient relationship between the dual identifications, this research illuminates another type of relationship between the two identifications – one that shows an identification with one organization co-existing with the identification with another but yet dominating in the salience and performance contribution among the two identifications.

Furthermore, we went beyond traditional organizational identification literature to include two constructs - “understanding of the business environment of the client’s country” and “perceived relationship between the vendor and the client’s countries” - to reflect the uniqueness of the offshoring context. By capturing these two constructs, we make a contribution to both the IS offshoring literature and the organizational identification literature in demonstrating the critical role of national identity when the vendor and the client are located in different countries. This is a needed perspective given current globalization trends. While some claim that “the world is flat” [9], there are distinctive differences in national culture that may impact globalization and work performance. Our study provides understanding to this critical issue of national identity and serves as a call for more academic attention to be directed at exploring how global work arrangements affect employees’ identification with a client company.

Finally, the focus on individuals in offshore management provides a human resource perspective on how individuals develop organizational identification, and how the identification influences their work commitment. The IS service quality in general and the effectiveness and efficiency of IT call centers in particular are critically dependent on their employees’ sense of identification and commitment. However, unfortunately, prior IS offshoring studies have by-passed an empirical analysis at the individual level and ignored these important work attitudes and behaviors. We contribute to the IS offshoring literature by filling this gap.
5.3. Practical Implications

For both vendors and clients involved in IS offshoring, this study demonstrates that fostering employees’ identification is key to effective management. Offshoring vendor enjoys some advantages in the cultivation of employees’ organizational identification. Providing information to enhance the organization’s status and distinctiveness in the industry in the eyes of the public and the employees appears to be an effective means of improving identification. A vendor should also maintain high quality work-related communications and interactions with its employees to accentuate their in-group perceptions and identification.

Our findings also highlight an important managerial issue for IS offshoring clients. The client has less control over the employees working at the offshore site and thus has to depend on the vendor to foster this identification on its behalf. If the vendor is adept at managing the employees, desirable performance in the offshored business could be expected. Hence, the ability and attitude of the vendor to foster employees’ organizational identification on the client’s behalf should be an important assessment criterion when choosing an offshoring vendor.

The significant role of “understanding of the business environment of the client’s country” and “perceived relationship between the vendor and the client’s countries” in determining the employees’ identification with client, together with the significant moderating effect of professionalism on the relationship between “perceived relationship between the vendor and the client’s countries” and identification with the client, also pose some interesting managerial issues related to offshoring site selection and employee selection and training. A company considering offshoring of its IS services should first try to contract it with vendors located in a low-cost country that has a good relationship with its own country since perceived friendliness between the two countries can enhance the offshoring employees’ identification with the client. However, there are situations where the nature of the national relationship can be over-ridden by other factors such as professionalism in this study. In this situation, both parties should emphasize professionalism in employee selection. The highly professional Chinese offshoring employees in our sample identify with the Japanese client organization in spite of their perception of a negative relationship between China and Japan. Furthermore, it is advisable for call centers to provide comprehensive training about the client’s country’s business environment to offshoring employees. To-date, language training has been given the highest priority in offshored IT call centers. Some Indian call centers have even trained their agents to speak English with a Mississippi accent in order to better serve the client’s customers in the Mississippi area. However, the understanding of the business environment of the client’s country is of equal if not higher importance than accent matching. Cultural misunderstandings are more pronounced and annoying to customers when masquerading. The interpretation of our findings comes with some caveats. First, measuring both the dependent and independent variables through respondents’ self-evaluation at a single point may induce some common method bias. However, we believe that the findings obtained are robust to the extent that the demand effect has been minimized through the use of a questionnaire design that does not have too many questions in one screen page and does not allow respondents to return to earlier pages.

Second, the cross-sectional data nature does not allow us to demonstrate the causal links from the independent variables to dual identification and from the dual identification to work commitment. Future work with a longitudinal design should be conducted to ascertain these causal effects.

Third, it is important to exercise care when generalizing the findings. Our model was validated for only IS offshoring arrangements between Chinese vendors and Japanese clients, where widely publicized national disagreements have been present for some years. However, IS offshoring is a global practice and a variety of combinations of the vendor’s and the client’s country relationship may emerge.

We also acknowledge that there are rooms for improvement in construct development, especially the understanding of the business environment of the client’s country construct that has only a single item.

6. References


