

IMPLEMENTING A DEVELOPMENT CENTRE
ABROAD

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Abstract

Companies very often establish subsidiaries in other countries in order to find cheaper labour, qualified employees and/or be close to customers. In the IT industry, companies are opening Development Centres abroad, but the task of implementing a Development Centre is associated with several challenges. As prior literature has not examined the subject, this dissertation investigates the difficulties that a multinational company faces when implementing a Development Centre abroad and how to overcome these difficulties. The study is based on an IT company with headquarters in Denmark, which unsuccessfully has tried to implement a Development Centre in Romania. 28 employees at all levels of the organisation at the headquarters and the Development Centre are interviewed in order to investigate what went wrong.

The research found that a multinational company faces 15 different issues when implementing a Development Centre abroad and suggests several actions to deal with each of them. The main difficulties discovered include differences in culture, language, institutional conditions, processes, and especially difficulties related to the physical distance across borders and resistance from employees. In order for a company to overcome these difficulties, focus should be put on aligning processes and culture by creating distributed teams, being constantly present at the Development Centre, ensuring face-to-face meetings, establishing lateral networks and having enough people involved in the implementation process. Furthermore, a company should understand the institutional and cultural differences between the sites, be transparent, abolish differential treatments and recruit the right employees.

JEL classification codes:

F23 Multinational Firms and International Business and Y40 Dissertation

Keywords:

Implementation, Development Centre, Distributed Development, International Human Resources Management, Cross-cultural Collaboration, Case Study

Resumo

As empresas muitas vezes estabelecem subsidiárias em outros países para encontrar mão de obra mais barata, funcionários qualificados e/ou estar perto dos clientes. No setor de TI, as empresas abrem Centros de Desenvolvimento no estrangeiro, mas a tarefa de implementar um Centro de Desenvolvimento está associada a vários desafios. Como a literatura prévia não examinou este assunto, esta dissertação investiga as dificuldades que uma empresa multinacional enfrenta ao implementar um Centro de Desenvolvimento no estrangeiro e como superá-las. O estudo é baseado numa empresa de TI com sede na Dinamarca, que tentou, sem sucesso, implementar um Centro de Desenvolvimento na Romênia. 28 funcionários provenientes de todos os níveis tanto da organização na sede e como no Centro de Desenvolvimento são entrevistados para investigar o que deu errado.

A pesquisa descobriu que uma empresa multinacional enfrenta 15 questões diferentes ao implementar um Centro de Desenvolvimento no estrangeiro e sugere várias ações para lidar com cada uma delas. As principais dificuldades descobertas incluem diferenças de cultura, idioma, contextos institucionais, processos e, principalmente, dificuldades relacionadas à distância física entre fronteiras e resistência dos funcionários. Para que uma empresa supere essas dificuldades, deve-se focar no alinhamento de processos e cultura, criando equipas distribuídas, estando constantemente presente no Centro de Desenvolvimento, garantindo reuniões presenciais, estabelecendo redes laterais e com o envolvimento de pessoas suficientes no processo de implementação. Além disso, uma empresa deve entender as diferenças institucionais e culturais entre os locais, ser transparente, abolir tratamentos diferenciais e recrutar os funcionários certos.

Códigos de classificação JEL:

F23 Multinational Firms and International Business and Y40 Dissertation

Palavras-chave:

Implementação, Centros de Desenvolvimento, desenvolvimento distribuído, Gestão internacional de recursos humanos, colaboração intercultural, caso de estudo

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Glossary

The glossary is created from the author's own use of words in order to describe the different technical terms used throughout the dissertation. It is important to note that the different definition is based on the research company's understanding of the different words and therefore might not be global applicable.

Architect: A software architect is a person with great developer skills who creates the software skeleton by making high-level design choices and dictating technical standards.

Business Unit: In this paper, a Business Unit is a word for the different departments or functional areas within a company. The research company has four different Business Units.

CMMI: The Capability Maturity Model Integration, is a process model that provides a clear definition of what an organization should do to improved performance. The more mature an organization is, the more it is competitive through optimization and quality. The highest level is 5 which is called 'optimising'.

Co-located Team: All members of a team is located at the same physical location.

Defence: It is one of the four Business Units in Systematic which deliver software to the military.

Developer: A software developer is a computer programmer or a coder who creates computer software.

Development Centre: A Development Centre is similar to a subsidiary. In this case, it is an expansion of the company and is supposed to function exactly like the rest of the company. They are primarily popular among IT companies.

Digital Transformation (DT): It is one of the four Business Units in *Systematic* which deliver software to many different customers such as schools, libraries, banks, wind turbines etc.

Distributed Team: Members of a team is located at different locations.

Healthcare: It is one of the four Business Units in *Systematic* which deliver software to the hospitals and eldercare.

Onboarding: Onboarding is a number of inductive courses for newly appointed employees which includes getting to know the culture, processes, structure and way of working in the company.

People Manager: In this dissertation, a people manager is a person who manages people but does not perform project management. The person is in charge of the daily welfare and among other things analyses employee evaluations.

Program Manager: A program manager is the manager of the project managers.

Project Manager: In this dissertation, a project manager is both in charge of the people management and the project management of employees on her/his team.

Scrum: Scrum is an agile software development method that allows a team to self-organise and quickly make changes.

Scrum Master: A scrum master is the facilitator of a scrum team and manages the process of information exchange.

Shared Function: It is one of the four Business Units which supports the other three Business Units. It includes the following departments: HRM, Finance, Legal, Communication, ITM and Marketing.

Tester: A software tester is concerned with the quality assurance of the software developed. A tester conducts manual or automated tests in order to look for issues in the software.

Executive Summary

Many international companies decide to open subsidiaries around the world. Especially IT companies launch Development Centres in different countries in order to be close to their customers, save money on cheaper labour and/or to find qualified employees. However, most companies struggle to implement Development Centres and in general to collaborate across borders and cultures. The dissertation will investigate this issue by attempting to answer the problem statement given below:

What explains the difficulties a multinational corporation faces in implementing a new Development Centre abroad and what could be done about it?

The dissertation is designed as a case study with a qualitative approach and is based on a multinational company which struggles to implement a Development Centre abroad. In order to answer the problem statement, 28 employees at all levels in the organisation from both headquarters and the Development Centre were interviewed. The interviews were analysed using a thematic analysis where the empirical data was divided into different themes with the use of open coding. To ensure that the informants felt comfortable expressing their honest opinions, the following precautions were taken to provide the right setting for the interviews: The meetings were private with a physically present interviewer. Furthermore, they were not recorded and the informant was promised full anonymity.

As no prior literature has investigated the challenges of implementing a Development Centre abroad, the literature review is based on theory related to the topic. This includes the following subjects: distributed development, cross-culture collaboration and International Human Resources Management. Based on literature from these three subjects, a multinational company is expected to face ten challenges when implementing a Development Centre abroad. These challenges include cultural-, institutional-, and linguistic differences as well as the choice between an 'ethnocentric' and a 'polycentric' approach. Furthermore, the physical distance between headquarters and the Development Centre complicates communication, collaboration, knowledge-sharing, managing employees and establishing bonds.

Additionally, the analysis of the empirical data revealed that for a company to overcome these difficulties, focus should be put on aligning processes and the culture by creating distributed teams, being constantly present at the Development Centre, ensuring a sufficient number of face-to-face meetings, establishing lateral networks and having enough people involved in the implementation process. This is very important until the Development Centre is properly integrated. Furthermore, a company should understand the institutional - and cultural differences between the sites, be transparent, abolish differential treatments and recruit the right employees in order for the Development Centre to function sufficiently.

The in-depth nature of the collected data reduces the possibility of generalising the findings to the remainder of the population. However, some of the 15 challenges discovered in the analysis, as well as the suggested solutions, are still expected to be applicable for companies in a similar situation.

In order to derive theory from these results, it is necessary to find academic evidence by examining the validity of the findings through future research.

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1 Introduction

This chapter presents an introduction to the dissertation including the motivation behind it. Following this, the overall problem statement along with the research questions are presented and finally, the choice of research company is outlined.

1.1 Motivation

Due to globalisation, companies are to a greater extent operating internationally and selling their products in different countries around the world. Now more than ever, suppliers are focusing on customer service and helping their customers in all ways possible. This means that a lot of international companies decide to open subsidiaries, outsourcing companies or Development Centres in countries where they sell their products in order to be close to the customer. Another reason for opening these sites is the fact that some countries are cheaper to operate in regarding taxes, interior, labour etc. Furthermore, information technology is becoming more and more important worldwide which entails that there is a huge lack of qualified labour within this field. Many companies are therefore compelled to attract qualified labour abroad by opening a Development Centre.

However, most companies struggle to collaborate across borders and cultures. This is also the case for this dissertation's research company as it has experienced several difficulties in the implementation of a Development Centre abroad. The implementation process has taken more than two years and is far from finalised. Employees at the Development Centre are very unsatisfied working at the site and many employees decide to find another job. However, no prior studies have investigated why a company struggles to implement a Development Centre abroad. For these reasons, it is vital to investigate what explains the difficulties that a company face when implementing a Development Centre abroad and what could be done about it.

1.2 Problem Statement

Following the motivation, the dissertation strives to investigate this gap in current literature. As a result, the dissertation intends to examine the problem statement given below:

What explains the difficulties a multinational corporation faces in implementing a new Development Centre abroad and what could be done about it?

In order to answer this problem statement, the research questions below have been formulated:

- *Why is it difficult to implement a Development Centre abroad?*
- *Which difficulties does a multinational company face in doing so?*
- *Can existing literature help identifying the difficulties?*
- *What initiatives should a multinational corporation introduce in order to avoid difficulties?*
- *How can a multinational company overcome the difficulties?*

1.3 The Choice of Research Company

Systematic is a multinational software company with headquarters (HQ) in Denmark that develops software solutions to primarily public customers. The solutions are delivered to hospitals, schools, libraries, the eldercare, militaries etc. With more than a thousand employees represented by 27 different nationalities, *Systematic* is the biggest privately-owned IT company in Denmark. Systematic has offices in fourteen different locations and its solutions have been sold to customers from over 50 different countries around the world. *Systematic* has a high revenue, equity and EBIT and no bank debt which indicates that the company is successful. (Systematic's home page, 2019)

The reason for choosing *Systematic* as a research company is because it is a multinational corporation (MNC), which started the implementation of its Development Centre in Romania approximately two and a half years ago (Systematic's home page, 2019). However, the implementation has not happened as well as *Systematic* expected. The satisfaction score of the employees working in Romania is alarmingly low and the Development Centre has an employee turnover rate of 26,9%, which mean that more than one out of four employees leave each year. *Systematic* has tried to take initiatives in order to improve the situation but little has it helped.

2 Literature Review

This chapter presents the existing theory on subjects related to implementing of a Development Centre into a multinational company.

Going through literature, it turned out that no literature exists about integrating a Development Centre in a multinational company. It has therefore not been possible to make use of prior studies, research, articles, books or similar to help answering the research question. Instead, it has been necessary to use existing theory about topics closely related to the research question. When integrating a Development Centre into a multinational software company, it is necessary to be able to collaborate across borders. Looking at the nature of software development, cross-border collaboration is done through distributed development. Therefore, most of the challenges associated with distributed development are expected to be identical with challenges concerning implementing a Development Centre abroad. Given that the collaboration is taking place between different countries, the challenges are also expected to be similar to the challenges experienced with cross-cultural collaboration and International Human Resources Management.

Therefore, the literature review is based on the following three subjects ‘Distributed Development’, ‘Cross-Cultural Collaboration’ and ‘International Human Resources Management’ illustrated in **Figure 1** below.

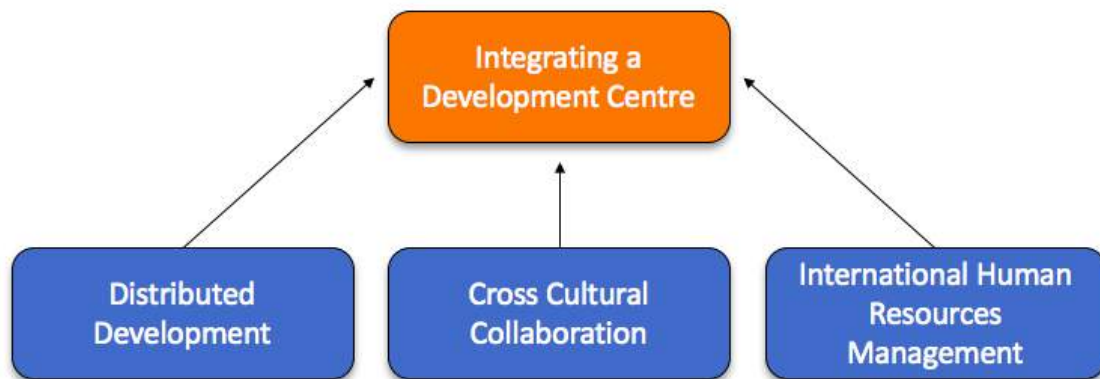


Figure 1: Literature related to the overall subject
Source: Authors Creation

2.1 Distributed Development

Distributed software development, also defined as Global software development, is a very popular paradigm where software is developed in different locations across borders (Monasor et al, 2010). *Systematic* is working with distributed development as software is developed in both Denmark and Romania. The core element of distributed development is distributed teams, also called virtual teams (Lipnack and Stamps, 2001). A distributed team is formed by people who are distributed between sites which in *Systematic's* case is in Bucharest, Romania and Aarhus, Denmark. On the contrary, a co-located team is located at the same site (Al-Ani and Edwards, 2008).

As recognized by Ågerfalk et al (2005), there are several reasons for organisations to use global software development, like gaining access to a larger labour pool and thereby the possibility to find knowledgeable, qualified and/or senior people. Furthermore, having different locations around the world gives an organisation the possibility to be closer to the customer and save money on salaries, when having a workforce working in a low salary area such as e.g. India or eastern Europe. However, distributed software development projects tend to have more challenges than co-located development given the logistical issues (Jablokow and Myers, 2010). Obstacles discovered in the literature regarding distributed development includes the following:

- The most essential complication with **distributed development** is the distance between team members. However, close bonds and a high level of common understanding makes it easier for a team to depend on communication tools, even for complex and ambiguous tasks (Cooper and Robertson, 2004). It is therefore crucial for a distributed team to create strong relations with team members – especially when they are located far away. An important factor when creating strong relationships in a team, despite distance, is to build trust. If team members trust one another, they work more efficiently together and the distance between them will seem less (Dorairaj, 2013). The most effective way to create solidarity and trust among team members is to let the team meet in person and establish a relationship before having to work together on the distance and let them meet with suitable intervals during a project’s lifetime (Eckstein, 2010).
- **Communication across borders** is one of the obstacles most often mentioned in theory concerning distributed development. At the same time, effective communication is considered the single most important factor that influences the cooperation between sites not only during development but also during planning and execution (Eckstein, 2010). According to Eckstein (2010), external communication with customers is as important and challenging as it is to communicate internally. Customers communicate product requirements to the developers who have to translate these requirements into functionalities for the product. Effective, accurate communication therefore plays an important role in the success of a project. However, this communication becomes even more difficult when physical distance, cultural differences and linguistic challenges exist.
- Due to the physical distance in distributed software development, team members do not sit at the same location which means that these teams are virtual (Casey, 2010). A disadvantage for virtual/distributed teams is the **lack of face-to-face contact** compared to co-located teams who sit together in the same office. Therefore, co-located teams have frequently been considered the ‘gold standard’ for the work environment as it allows more frequent face-to-face meetings together with more informal interactions (Cooper and Robertson, 2004). A virtual team depends much more on technology-mediated communication to stay in contact with team members (Monasor et al, 2010). Luckily, communication technologies have innovated and improved substantially over the last decade which has made it easier to efficiently communicate with team members located elsewhere (Malhotra and Majchrzak, 2014).
- Another limitation for effective and coherent communication is the **language barriers** between locations which can lead to misunderstandings and have an impact on the establishment

of trust between team members (Jensen et al, 2007). The language skills can be so poor that it is almost impossible to have a fluent conversation through a conference call – especially if the connection is not perfect (Komi-Sirvio and Tihinen, 2005).

- It is difficult to do proper **knowledge-transfer and knowledge-sharing** in general, however even harder with distributed development where team members do not sit at the same location. Therefore, globalisation is forcing organisations to improve their capabilities to transfer knowledge (Ahammd et al, 2016). According to Komi-Sirvio and Tihinen (2005), knowledge-sharing in distributed software development is often seen as a bottleneck, especially when the lead architect and the developers are working from different sites because developers sometimes have important questions about the design of the software. The best way to overcome this problem is face-to-face meetings in the kick-off phase, in order for developers to get a proper understanding of the design and then repeat the face-to-face meetings later in the process if necessary. Komi-Sirvio and Tihinen (2005) also discovered that it is advisable to appoint a contact person on each site in order to make knowledge-sharing more effective. Lack of knowledge was furthermore reported as leading to misunderstandings and therefore redundant work due to mistaken assumptions concerning responsibility clarifications. It is therefore important to have a common understanding of goals and requirements along with task clarifications.

2.2 Cross-Cultural Collaboration

The second subject that will be discussed is how the difference in national cultures influence the success of implementing a Development Centre abroad. The section will focus on Hofstede's cultural study concerning cross-cultural differences as he is the first of many theorists to study the effect of national cultures. The results of his studies are still widely valued today, and it has inspired thousands of empirical studies (Taras, 2010)

Succeeding in cross-border collaboration generally include succeeding in cross-cultural collaboration as well. This means successfully dealing with **cultural differences** between the sites. Hofstede (1980a: 25) defines the word culture as: *“the collective programming of the mind which distinguishes the members of one group or category of people from another”*. He distinguishes between national and organisational culture stating that they are not the same thing. During his study of 88,000 employees living in 72 different countries working in IBM, he discovered that there are differences between national cultures and that the organisational culture is strongly influenced by the national culture at headquarters. As a part of his original study, he defined four cultural dimensions to analyse the different cultures: Uncertainty avoidance, power distance, individualism vs. collectivism and masculinity vs. femininity (Taras, 2010). He later added a fifth dimension called 'long-term orientation' which will not be included in this dissertation as it has met a lot of criticism (Fang, 2003).

This dissertation is focusing on the collaboration between Romania vs Denmark and some differences have been identified in the cultural dimensions between these two countries. Where Denmark has one of the lowest scores in power distance (18), Romania has one of the highest (90). Power

distance is defined as *“the extent to which the less powerful members of institutions and organisations within a country expect and accept that power is distributed unequally”* (Hofstede, 1980b: 45). Therefore, according to Hofstede’s study, people in Romania accept hierarchy and employees are used to be managed by an authoritarian manager who define the tasks. On the contrary, power in Denmark is decentralised and employees are encouraged to act independently in an informal atmosphere (Hofstede Insights, 2019). Looking at the dimension ‘individualism-collectivism’; *“The degree to which people in a country prefer to act as individuals rather than as members of groups”* (Hofstede, 1994: 6), Romania (30) and Denmark (74) are also here very different. Romania is a collectivistic society where members of a group create long-term commitment and are loyal to each other. On the contrary, Denmark is an individualistic country where everyone is expected to take care of themselves and it is not necessary to create relationships before doing business (Hofstede Insights, 2019).

Denmark (16) is a very feminine society where Romania (42) is a less feminine society according to Hofstede’s cultural dimension ‘masculinity-femininity’; *“The fundamental issue here is what motivates people, wanting to be the best (Masculine) or liking what you do (Feminine)”* (Hofstede Insights, 2019). Both societies appreciate free time and flexibility and employees value quality in their work lives. Especially in Denmark, conflicts are resolved by compromises and negotiation (Hofstede Insights, 2019). Looking at the cultural dimension ‘uncertainty avoidance’; *“The extent to which the members of a culture feel threatened by ambiguous or unknown situations and have created beliefs and institutions that try to avoid these [...]”* (Hofstede, 1980b: 45), it shows that Denmark has a low score (23) in this dimension whereas Romania has a high score (90) (Hofstede Insights, 2019). Danes do not need a lot of structure and predictability in their work life, whereas Romanians have an emotional need for rules and security. Danes are comfortable in ambiguous situations at the workplace and encourage innovation which means that plans can change overnight, which is not appreciated by Romanians who prefer structure and precision (Hofstede Insights, 2019).

Prater and Gurung (2006: 71) note that *“the greater the difference in national cultures of the outsourcing partners, the lesser the likelihood of outsourcing success.”* However, while these cultural dimensions are useful to explain how different societies act in a working situation, it is important to remember that it might have limitations. In order to carry out his research, Hofstede had to make some tacit assumptions which might carry potential biases to the results (Brewster et al, 2016). Furthermore, the research does not take individual differences into account because an engineer from Denmark can be more identical to an engineer from Romania than he or she might be to a marketer from Denmark (Jablokow and Myers, 2010). It is dangerous to over-generalise or stereotype based on cultural studies and people should therefore be given the benefit of the doubt. Moreover, it is discussed whether national cultures are consistent or if they actually change over time (Brewster et al, 2016).

Even though Hofstede discovered challenges working across borders, other theorists have discovered advantages associated with cross-cultural development such as better possibility for innovation. A team that consists of members with different cultural backgrounds are better at continuously

improving the product, innovating new products and making the process more efficient because they come with different experiences and backgrounds (Eckstein, 2010). Creating distributed teams between headquarters and offices in other countries encourage cohesiveness amongst national and functional units as well as help creating lateral networks which can enhance communication and information flow between the offices. Furthermore, it gives the employees a chance to understand each other's issues, learn from each other's culture and in the end foster knowledge-sharing and organisational learning (Brewster et al, 2016).

2.3 International Human Resources Management

Besides cross-border collaboration in terms of distributed development and cross-cultural collaboration, International Human Resources Management is expected to be able to shed light on further challenges associated with integrating a Development Centre into a multinational company. The theory is primarily based on outsourcing activities or opening a subsidiary, which however is evaluated to have similar challenges as the integration of a Development Centre abroad.

A lot of considerations and preparation have to be done in order for an organisation to globalise and efficiently start up sites in different places around the world. One critical aspect of global integration is the ability to judge when the organisation should implement similar practices across sites and when site specific practices adapting to local conditions should be implemented – the 'global vs local' debate. According to Lau and Murnighan (1998), the more differences that exists between sites, the more potential performance losses will occur due to increased subgroup formality and conflict.

There is conflicting research validating the importance of cultural convergence between the headquarters country of origin and its subsidiary's country of origin. Some research has identified the need to adapt HRM practices to the subsidiary's home country – the 'country-of-location' effect (Wood et al, 2008; Farndale et al 2008). This approach is also called '**polycentric**' and has recognised the importance of institutional conditions of host countries (Rosenzweig and Nohria, 1994). On the contrary, most studies have focused on organisations trying to export the parent firms' policies to subsidiaries – the 'country-of-origin' effect (Almond et al., 2005; Ferner et al, 2005). This approach is called '**ethnocentric**' and underlines the tendency for a company to be influenced by practices in the parent firms' home country. This approach states that MNCs need to strive for consistency within management in order to build, maintain and develop a strong corporate identity (Ferner et al, 2005). According to the 'polycentric' approach, in order to be more efficient locally, they also need to adapt this management to the specific cultural requirements locally (Rosenzweig and Nohria, 1994).

Building a shared identity across global sites is seen as a very important part of a successful integration of a globalised organisation. Multinational corporations must advance their employer branding, which demonstrates the employment conditions in the organisation. Employees should be able to identify themselves with the company's values and corporate culture, believe in the overall goal and strategy of the company and have the desire to work for the vision (Graham and Cascio, 2018).

As mentioned in the section ‘cross-border collaboration’ above, it is important to master knowledge-sharing to be able to excel in distributed development. This is not just important when doing distributed development but also when two sites need to build strong bonds. For knowledge-sharing to be effective, organisations need significant people who are multicultural as well as a series of integration mechanism like international teams and cross-border units (Brewster et al, 2016). Therefore, it is crucial that good relations and networks between a site and headquarters are established. In order to establish these networks and to get a site up and running, it is normal procedure for multinational organisations to send either managers, seniors or experts within a specific area to spend some time at the site in order to get the place started up. These people are called expatriates (Rosenzweig and Nohria, 1994). Expatriates are an important vehicle for knowledge-capturing and -transfer but also for knowledge generation (Riaz et al, 2014). Companies therefore **depend on expatriates** in order to successfully transfer knowledge. Furthermore, distributed teams help to build a shared identity between the two sites as well as foster knowledge-sharing (Riaz et al, 2014).

Institutional differences are to a great extent believed to be responsible for the difference between sites located in various countries. It is considered possible to change cultural habits but almost impossible to change institutional conditions (Rosenzweig and Nohria, 1994). According to Brewster et al (2016), the term ‘institutional’ is the form and structure of a company, which is based on the country in which it operates. Institutional conditions are a combination of the physical environment and the structure of the society. The physical environment is defined by e.g. the size of the country, climate, infrastructure, age profile and the country’s economy. The structure of the society includes its political system, (employment) law, education, labour markets, class structures and social relationships. These institutional conditions all affect the way a business operates and manages people in the given country (Brewster et al, 2016).

Looking through theory concerning both distributed development and International Human Resources Management, it is evident that **managing people across borders** and cultures is not an easy task. According to McDonough et al (1998), the employees and the way they are managed is the most important competitive advantage. The manager of a global distributed project therefore needs to have a broad set of skills, including cultural understanding, good communication skills, technical competencies and especially good project management capabilities (Komi-Sirvio and Tihinen, 2005). The manager will be based far away from at least some of the team members, which means that she/he will not be visible and can risk losing some control. According to Brewster et al (2016), it is important to remember that there are strong comparative differences in what different cultures expect a manager to do. In the Nordic countries, employees have a different way of interpreting the word ‘manager’. Managers do not have the same authority as in most other countries – Romania included. As mentioned above, the power distance is low in e.g. Denmark, which mean that the aggregate span of control is greater in Denmark and the employees have greater autonomy compared to employees in Romania.

2.4 Recapitulation

Looking at distributed development, cross-cultural collaboration and International Human Resources Management, there is a large amount of challenges that an MNC can run into when having to implement a Development Centre abroad. All these obstacles make a person wonder whether it is even worth it? Ideally, the financial and non-financial costs should be less than the financial and non-financial benefits for both the organisation and the employee (Brewster et al, 2016). As exposed above, the financial and non-financial costs include travel expenses, miscommunication, language barriers, cultural differences, legal constraints etc. On the contrary, the financial and non-financial benefits include innovation, cheaper labour, a broader labour pool and being close to the customer. However, it is hard to evaluate the non-financial benefits and costs which is why most companies do not even try to calculate these (Brewster et al, 2016).

Based on prior literature, **Figure 2** below illustrates the expected difficulties a multinational company will face when implementing a Development Centre abroad.

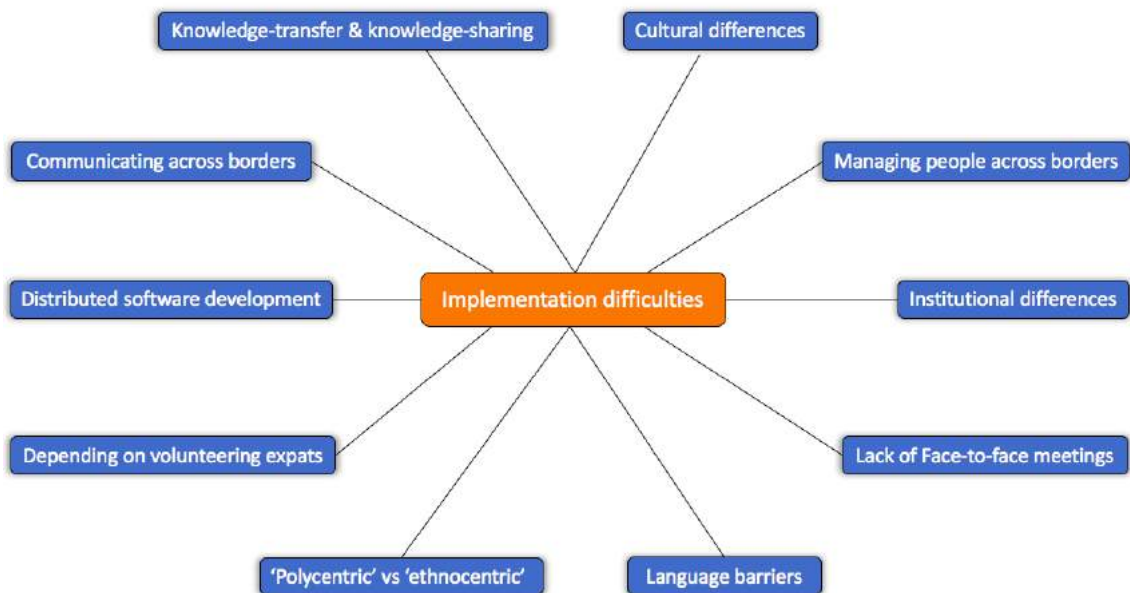


Figure 2: Difficulties found in the literature
Source: Authors Creation

3 Methodology

The purpose of this dissertation is to investigate *what explains the difficulties a multinational corporation faces in implementing a new Development Centre abroad and what could be done about it*. This investigation is based on the integration of a development centre into an MNC, with the purpose of examining the difficulties an MNC faces when implementing a Development Centre abroad. In the following, the methodological considerations related to the topic given above are outlined.

3.1 Analytical Point of View

The dissertation is seen from a social constructivist point of view, where the world is constructed by the individuals who live within it and where the different operators influence each other. In the social constructivism, there does not exist a definitive truth but rather a world which is interpreted individually. In continuation hereof, the world is dynamic and changeable and theory can be omitted if new knowledge is attained, which is supported by an interpretive perspective (Bryman & Bell, 2015).

3.2 Research Design

The dissertation is designed as a case study with a qualitative approach. This design is beneficial in order to answer the problem statement since a case study entails a detailed and intensive analysis of a single case (Bryman & Bell, 2015). Utilizing a case study on a single organisation makes it possible to explore the problem statement in depth and thus contribute to an understanding of the informants' subjective experiences and opinions. In addition, the researcher can concentrate on the uniqueness of the specific case and develop a deep understanding of the complexity (Bryman & Bell, 2015). Furthermore, a case study is flexible so it might introduce new and unexpected insights which can lead to the creation of new hypotheses that can be tested for future research (Braun and Clarke, 2006). The choice of research design is in accordance with the analytical approach, as it is based on subjective opinions and each case can only be interpreted through the perception of individuals.

3.3 Research Method

The research method of this dissertation leans towards an inductive approach, where research guides theory (Bryman and Bell, 2015), as no prior studies of implementing a Development Centre into an MNC seems to exist. Therefore, the research is done following an inductive approach with the purpose of deriving new theory. Information from articles, books, statistical data, former studies and other primary and secondary data was gathered in order to obtain an understanding of related subjects to the problem statement. The objective is to gather empirical data and derive a number of hypotheses through an analysis of this data. These hypotheses should then serve as suggestive extensions to existing literature.

3.4 Data Collection

This dissertation utilizes qualitative data collected through interviews. In this section, different considerations related to the data collection will be discussed.

3.4.1 Selection of Informants

The selected sampling technique is a non-probability method. This means that informants are not chosen at random, but rather as representatives for the remainder of the population (Bryman and Bell, 2015). The empirical data is primarily collected from informants working as project managers, testers and developers because they experience the effect of the implementation first-hand. The three job functions are chosen because they are vital for *Systematic* and the most common job functions within the company. In addition, one of the reasons behind opening a Development Centre was to recruit developers and testers in Romania.

More specifically, five project managers located in Denmark has been interviewed, who have experience working and collaborating with Romanian employees. These specific project managers are chosen because they are all either former or current managers of Romanian employees and are therefore expected to possess relevant insights into the implementation of the Development Centre. Furthermore, three project managers located in Romania has been interviewed, given that they have experienced the implementation process from the Development Centre and are therefore also expected to possess relevant insights.

Besides interviewing project managers, five developers and four testers working at the Development Centre has been interviewed as they are directly influenced by the implementation and experience it first-hand. Some of the interviewed developers and testers currently have a remote manager located in Denmark whereas others have a local manager in Romania. However, it is a criterion that all informants with a local manager have experienced having a remote manager. Furthermore, some informants work in a distributed team whereas others work in a co-located team. Again, it is a criterion that all employees in co-located teams have tried to work in a distributed team. These requirements are made in order to ensure that all informants either have or have had a close collaboration and relationship with the headquarters in Denmark. In addition, the interviewed testers and developers work in different Business Units in order to include all Business Units in the case study.

Apart from the main informants described above, five employees working as managers on different levels at headquarters has been interviewed. These include two HRM business partners, the vice president for HRM, a director and a program manager. They are expected to have another perspective on the implementation as well as having insights into some of the decisions that have been made. Furthermore, the general manager in Romania is interviewed given that this position is expected to have insights into all major decisions concerning the Development Centre.

After having conducted the first interviews with the HRM business partners, it was clear that the recruitment of skilled employees was an issue at the Development Centre. Therefore, it was decided

to interview a recruitment partner at headquarters, the recruiting manager and a recruiter at the Development Centre in order to gain a deeper understanding of this issue.

Finally, two expatriates from headquarters working at the Development Centre has been interviewed. A developer and a program manager who has just returned to Denmark. They are important informants because they were sent from headquarters to Romania in order to help the implementation of the Development Centre and they therefore possess knowledge from both the headquarters and the Development Centre.

In total, 28 unstructured interviews have been conducted. When selecting the sample, it was a criterion that all informants from headquarters have a seniority in *Systematic* of more than two years. This ensured that they have been a part of the implementation process from the beginning. The minimum requirement for informants from the Development Centre was eight months seniority which is reasonable given the low average seniority at the Development Centre.

3.4.2 Interview

The informants were contacted through e-mail, where they were asked if they wanted to have a confidential talk about the implementation of the Development Centre. Furthermore, it was explained that the talks would be analysed and the results would be included in a dissertation.

The first two meetings were with the two HRM business partners as they were expected to have a broad knowledge about the challenges that the company faces since they are both closely involved with the implementation of the Development Centre. From these two interviews and the literature review on closely related topics, it was possible to establish an overview of the potential challenges associated with the implementation.

In order to answer the problem statement, a hybrid between semi-structured and unstructured interviews were utilized (Bryman and Bell, 2015). This flexible interview type was chosen in order to gain a deeper understanding of the informants' experiences and thoughts as well as accommodate the different participant's perception of reality. Instead of using an interview guide, a few topics were chosen that had to be touched during every interview. These topics were derived from the potential challenges and included: *the implementation process, culture, institutional conditions, distributed vs co-located teams, distributed vs local management* and *reasons for the high employee turnover rate*. However, the informants were firstly asked how they had experienced the implementation process in general and what they saw as possible challenges. This was done in order to make the interviews as flexible and unbiased as possible.

The unstructured nature of the interview was selected in order to make the informants open up and able to express themselves with their own use of words. Instead of the interviewer having to go through a number of questions, the conversation becomes more natural in this setting. Additionally, the interviewer has time to explore the topics in depth, which the informant finds most relevant to the subject and the informant has the possibility to express concerns or thoughts about additional topics that the interviewer had not foreseen. Hereby, new themes are added to the

analysis which reflects the inductive approach.

Given the sensitivity of the subject and the fact that the informants might address issues within *Systematic*, it was important that the whole process was anonymous. This ensured that the informants felt secure and that participating could not harm their current job situation. Therefore, all interviews were shown as ‘private’ in the informants’ work calendars so that there was no visible trace of the informants participating in the interviews. The following precautions were taken in order for the informants to feel comfortable, be honest and open up in the interviews:

- The interviews with Romanian employees were held at the Development Centre in Romania so that the interviewer and informant would meet in person and get familiar. Therefore, the interviewer decided to travel to Romania and meet the informants. This also gave the interviewer a possibility to experience the Development Centre from within.
- The informants were asked if they wanted to have a talk about the implementation of the Development Centre instead of asking them to participate in an interview, as an attempt to make the interviews informal.
- The interviews were not recorded in order to make them less formal and make it more comfortable for the informants, because nothing would be recorded. Instead, key points were noted and an elaborated summary was conducted after each conversation. The elaborated summaries from the interviews work as a transcription and are enclosed in appendix B. This was possible since the way informants phrased their answers was not as important as their honest opinions and true experiences.
- The informants were assured that everything they said is anonymous and that what they said cannot be traced back to them. However, this does not apply to the general manager and the vice president for HRM as they are the only people with their respected title.

3.5 Analytical Framework

The analytical framework of this dissertation follows a thematic analysis. This approach helps to identify, analyse and report patterns in the data (Braun and Clarke, 2006). It does not focus on the quantification of the qualitative data, but rather on the conceptualization and thematising of constructs (Bryman and Bell 2015). The advantage of the thematic analysis is that it provides a possibility to organise the collected data into different topics, which creates a clearer overview of the data and makes the analysis easier to perform.

In order to organise the data, an open coding was conducted which is: *‘the process of breaking down, examining, comparing, conceptualising and categorising data’* (Strauss and Corbin, 1990: 61). Furthermore, coding the empirical data provides a clear overview and makes it possible to be conversant with the details of the material (Kvale, Brinkmann 2014). First, the elaborated summaries were examined in order to get familiar with the data. Afterwards, the statements which were linked by a common theme were collected under one topic. The topics were not defined before the analysis but instead created during the process of coding the data. If it was not possible

to link a statement to any of the newly established topics, a new topic was created. In the end, the following eight topics were discovered:

- Distributed vs co-located teams and remote vs local management
- Communication, onboarding and travels
- Culture
- Institutional differences
- Reason for leaving *Systematic*
- Reason for staying *Systematic*
- The implementation process in general *Systematic*
- Silo-oriented
- Other

The topics have been assigned a distinct colour, as shown above, allowing the transcribed interviews to be colour coded respective to these. This implies that each statement was colour coded in order to make it clear to which topic the statement belong. The colour-coded transcription is enclosed in Appendix B. The information extracted from the interviews are analysed and discussed later in the dissertation.

4 Analysis

This chapter presents the analysis of the dissertation and is based on the empirical data gathered from 28 interviews. Through a thematic analysis, the empirical data has been divided into eleven overall subjects. These are presented throughout this chapter and can be illustrated in **Figure 3**.



Figure 3: Structure of the analysis
Source: Authors Creation

4.1 Co-located or Distributed Teams

After having collected all empirical data within *Systematic*, it is clear that one of the most discussed topics when addressing the implementation of the Development Centre is whether *Systematic* should have co-located or distributed teams. As mentioned in the introduction, a major problem for *Systematic* is the seemingly low satisfaction level for employees located in Romania. In an attempt to increase the satisfaction score at the Development Centre, *Systematic* decided to change the structure of the teams. Instead of solely having distributed teams, where some employees are located in Denmark and others in Romania, *Systematic* started forming co-located teams, where all members were located in either Denmark or Romania. An upper manager says: “*Our hypothesis was that they lacked local management*” (informant (I) 28, Danish (DK)). However, in the Business Unit called Digital Transformation (DT), this structure was not possible, which led *Systematic* to hire a people manager in Romania to function as a local manager for employees working in that Business Unit. The decision about implementing distributed teams is rather new which might be the reason behind the popularity of the subject.

Throughout the 28 interviews with employees in *Systematic*, the perceived advantages and disadvantages of being a part of either a co-located or a distributed team is collected. Given that the disadvantages of having a distributed team are identical to the advantages of having a co-located team, these are gathered under one subsection. The same approach applies to the disadvantages with a co-located team which are identical to the advantages with a distributed team. In order to ensure successful decision making in the implementation of new teams, *Systematic* should consider the following advantages and disadvantages with co-located - and distributed teams respectively.

4.1.1 Disadvantages with Distributed Teams and Advantages with Co-located Teams

Focusing on co-located teams, a significant advantage is the ability of all members to be physically present in a room. This makes it easier to establish a dialogue and thus receive immediate sparring from colleagues. If a colleague is located at another location, the team is forced to communicate through online platforms such as Skype, which is more time consuming and might require more planning. However, most informants think that Skype works well and is a sufficient tool because it is possible to use a webcam and spilt screen, which almost feels like talking to the person in real life. Despite this, everyone agrees that it is easier to ask colleagues in the same room instead of having to write every person in the team. An employee says: *“When small issues arise, it is just easier to walk to the desk of your colleague than to make a call on skype. But it is really not that big of an issue”* (I 17, Romanian (RO)).

Another upside for a team that is located at the same office and thus interact on a daily basis, is that it is easier to create strong bonds with colleagues. A project manager states: *“It is an advantage that people get more job satisfaction when they sit physically together so they can drink coffee together and talk about other things besides work”* (I 7, DK). They have the possibility to eat lunch together, grab a coffee, drink a beer at the Friday-bar after work and so on. Having a close relationship to colleagues can therefore provide greater job satisfaction and can improve teamwork. To accommodate for this in distributed teams, a project manager encourages his employees to: *“take a coffee together in front of the video through Skype and talk privately. They can talk about life as if they were located in the same place”* (I 26, RO). An informant working in a distributed team explains that distance is not a problem in terms of building bonds. He points out that when the team is not visiting each other physically, they have daily online communication across different platforms. His project manager explains that: *“We have a joint WhatsApp group all of us together where we communicate and send pictures to each other. We call ourselves a little family and I and my colleague was invited to one of our Romanian colleague’s wedding. It means a lot to me that we are close”* (I 5, DK). He believes this helps to maintain a strong bond. Another distributed team in *Systematic* has taken a similar action by creating a Snapchat group where they regularly send photos and videos to each other of what they are doing outside work in order to create stronger relationships. In this way, social media helps distributed teams maintain their relationship in spite of distance. However, everyone still agrees that relationships are more easily maintained through the use of co-located teams.

Focusing on the individual level, an advantage with co-located teams is the fact that: *“it provides employees at the Development Centre with bigger possibility for development”* (I 14, RO). Accord-

ing to the empirical data, one of the reasons for the high employee turnover rate of 26,9% is the fact that some employees in Romania felt that they lacked development opportunities. Since employees want to learn and improve their skills, they will most likely quit and find a company where this is possible. This lack of development might be changed with the establishment of co-located teams given that a co-located team needs a project manager, a Lead developer, a scrum-master, an architect etc. which to a greater extent provides Romanian employees with chances to excel and progress in their careers. Having these different possibilities makes it easier for employees in Romania to identify a potential career path. However, the informants have mixed opinions on this subject. Some points out that if distributed teams are practised and managed correctly, employees in Romania will have the same possibilities for development as employees in Denmark. This is evident from some of the distributed teams where there are both scrum-masters and lead developers sitting in Romania. There is even a project manager located in Romania who has employees in Denmark. This suggests that development is in fact possible in a distributed team but according to several project managers, it requires more from the project manager. A project manager says: “*A Romanian manager can of course manage a person in and from Denmark and vice versa*” (I 26, RO).

Another advantage of making co-located teams is that “*co-located teams show confidence in the Development Centre*” (I27, DK) by allowing them to have their own teams. This means that Denmark naturally interferes less with the Development Centre and thus takes a step back. Taking a step back might help the Development Centre grow and become more independent, which might help the Development Centre to understand how valuable it is to *Systematic*.

4.1.2 Disadvantages with Co-located Teams and Advantages with Distributed Teams

An advantage discovered with co-located teams was the fact that it helped the Development Centre become more independent which shows confident. However, this is exactly what a lot of project managers located in Denmark are afraid of. A project manager expresses his concern: “*I do not like what Systematic has started with disconnecting the business from Romania because the Development Centre is not mature enough*” (I 5, DK). Danish project managers do not believe that the Development Centre is mature enough to ‘be on their own’ without interference from the headquarters. They fear that the Development Centre will not follow the processes and procedures of *Systematic*, which means that the company will not be aligned. In general, alignment in processes is much easier maintained when working in distributed teams because this forces Romania and Denmark to work closely together. It is essential for *Systematic* to be aligned in its processes because its customers in the United States demands the company to be CMMI level 5 certified which is a maturity model for process level improvements. If *Systematic*’s processes are not aligned, it will not be able to keep a CMMI level 5 certification.

Some employees in *Systematic* are concerned that by removing all distributed teams, knowledge-sharing and information-flows between the two countries will be lost because distributed teams are an easier way to stay close and connected across borders. A manager elaborates: “*With distributed teams, it is easier to work closely together and advance in proper knowledge-sharing*” (I 12, DK). This loss can weaken the collaboration and unity between the two sites which can make it harder to

work in a similar way and be aligned in processes and procedures. Most of the procedures should be identical with the procedures at headquarters but a few procedures such as the recruitment process has been changed in order to fit the Romanian labour market. In continuation of the section above, by letting go of the overview and control of the Development Centre, some employees are afraid that the culture and values at the Development Centre will not follow those of *Systematic* and that the centre therefore will develop a sub-culture.

After analysing the opinions of both Romanian and Danish employees, it is clear that the vast majority enjoys working in distributed teams. Some say they learn a lot about themselves by working on a daily basis with people who are different than themselves while others express the fact that people with different backgrounds and experiences often have alternative approaches to a problem and therefore provides diverse solutions to a project. An employee elaborates; *“I believe that it is better to have distributed teams because it adds different values and ideas to a project”* (I 19, RO). Furthermore, employees located in Romania who have a seniority larger than half a year were hired with the promise of working in distributed teams and might therefore not be satisfied working on a co-located team. A project manager addresses this issue: *“I believe that we should be careful because the people we hired are now used to working in distributed teams and enjoys it”* (I 5, DK). In accordance with this, a program manager points out that the team with the highest satisfaction in the whole Defence department is a distributed team that refuses to become a co-located team. However, there is still one Romanian informant who prefer working on a co-located team and several who are indifferent about working on a co-located team or a distributed team. A project manager reckons that: *“Older people tend to prefer a co-located team where all colleagues can be physically present whereas younger people find it interesting to work on a distributed team with different cultures”* (I 23, RO).

A reason frequently mentioned by Romanian employees to prefer working in a distributed team is the fear of missing out on relevant information because all new information usually comes from headquarters. A developer explains that she is *“afraid to be isolated from headquarters”* and *“miss out on relevant information”* (I 15, RO). Employees are concerned about having to get information through an intermediary local manager rather than receiving the information directly from team members or a manager located in Denmark. In essence, they are worried that co-located teams will not succeed in sufficient knowledge-sharing and will therefore be ‘cut off’ from relevant information.

An employee from Romania explains that a project with a co-located team in Romania has already been attempted, but failed because the co-located team did not receive enough information from headquarters. *“It was too hard to communicate with people from another team in order to get the sufficient information”* (I 19, RO), so the project decided to change the structure back to distributed teams. The problem is that all communication with customers happens through the headquarters in Aarhus, Denmark. So, if a team only consists of employees located in Romania, they are very dependent on other teams in Denmark to deliver the relevant customer information. This creates inefficiencies because most employees in *Systematic* have tight schedules and given that they will always choose to help their own team before helping others, the co-located team in Romania will become second priority and thus will have to wait for critical information. To

successfully implement the use of co-located teams, a project manager suggests that *Systematic* “to a greater extent establish friendship teams” (I 7, DK). This will allow Romanian teams to have a network in Denmark that can “help clarifying doubts and pass on relevant information” (I 7, DK).

Understanding the domain is another problem for the Romanian employees. As mentioned in the introduction, *Systematic* among other things develops IT solutions for hospitals, the elder care, libraries and schools primarily located Denmark. These public institutions work very differently in Romania, which is why employees in Romania find it challenging to understand them. The understanding of these domains is highly important in order to develop the appropriate software. This is also why job positions such as a domain expert and a user experience designer must be located in Denmark in order to be in close contact with the customers and have an understanding of customer needs. The fact that these two job positions have to be seated in Denmark means that the team has to be distributed anyways. However, the developers, testers, the project manager, scrum-master and architect would still be able to sit in the same location.

Some of the project managers located in Denmark are not very keen on the idea of co-located teams. One informant mentions that it will only work with products given the lack of communication with customers in Denmark and understanding of the domain as mentioned above. Furthermore, she also expresses her concern of the idea that: “Denmark has to send assignments to Romania that they later have to inspect themselves in order to ensure the quality” (I 9, DK). In her opinion, this does not resemble collaboration but rather delegation of certain tasks that employees from headquarters then has to double check. Another project manager agrees with this view and is questioning how this structure is different from outsourcing.

4.1.3 Wrap-Up

There are both advantages and disadvantages related to having co-located and distributed teams in the Development Centre in Romania. Yet, almost all informants are in favour of distributed teams – at least until the Development Centre is properly implemented and mature enough. Some employees however emphasise that whether a co-located or a distributed team is most beneficial depends on the situation. More specifically, it depends on factors associated with the specific project or product, e.g. the employees’ personalities, clarity of tasks, competencies of the employees and management, communication - and knowledge-sharing skills, the maturity of the company and so on.

4.2 Local or Distant Manager at HQ

The question most frequently discussed by the informants when evaluating pros and cons concerning co-located and distributed teams is whether it is preferable to have a local manager in Romania. Some Romanian employees prefer a project manager located in Denmark while others believe it depends on the competencies and personality of the project manager regardless of the country. However, only one Romanian informant prefers a local manager over a manager at headquarters. Similar to the previous section, advantages with a local manager is identical to the disadvantages of having a distant manager. Below, advantages and disadvantages with a local as well as a

long-distant manager are examined.

4.2.1 Disadvantages with a Distant Manager from HQ and Advantages with a Local Manager

An advantage of having local managers mentioned by some of the project managers is the fact that it is more challenging to manage across distances. Additionally, it is harder to manage a distributed team and make the employees work well together compared to a co-located team. A project manager argues that: *“It is more demanding getting through a storming-phase when they do not sit together in the same room”* (I 7, DK). Therefore, informants would recommend Systematic to offer training to project managers on how to manage a distributed team. A reason why managing local projects is less challenging, is that managers tend to naturally establish a good relationship with an employee that they see every day compared to employees they only see online or when occasionally visiting them. Seeing a person on a daily basis also enables managers to notice changes in employee’s behaviours, that could be due to stress or failure to thrive in the team. These kinds of personal changes are difficult to track over distance and thus challenging for managers to react on. Even if the change in behaviour is caused by something in the employee’s private life, it is still favourable to have an understanding of the situation in order to react.

A project manager explains: *“When you only have some minutes between meetings, it is the local employees that are prioritized. Not because I want to but because they can quickly ask a question at my desk”* (I 9, DK). The fact that a manager naturally will choose a quick talk with the local employees because it is easier than having to call through Skype is inconvenient for an employee that has an urgent question. Furthermore, having a local manager is advantageous for employees, as they can walk to the manager’s desk with an urgent question without being turned down. Delaying or ignoring an employee’s request by not answering a skype call is more likely compared to when being physically confronted.

In continuation of the advantages mentioned above is the fact that a local manager would know the legislation as well as the culture in the given country. The dissertation will elaborate on these subjects later in the assignment under the sections ‘Institutional differences’ and ‘Cultural differences’. Furthermore, an advantage with a local project manager is the fact that this person would also be in charge of the people management which means that employees in the Business Unit DT would not need both a people manager and a project manager. A further explanation is expressed under the next section ‘People Manager’.

Despite the above, the vast majority of the informants believe that distant management can work successfully as long as the relationship between the project manager and her/his employees is nurtured through frequent visits and online communication. Thus, the vast majority of the informants believe that as long as the manager and the employees are able to maintain a close relationship, having a cross-border manager is sufficient.

4.2.2 Disadvantages with a Local Manager and Advantages with a Distant Manager from HQ

As mentioned under 'co-located or distributed teams', Romanian employees fear that they are excluded from relevant information due to the distance from the headquarters. In terms of management, they express their concern about having a local manager that is geographically far from upper management, in that she/he might have less influence on executive decisions and be less informed about changes compared to managers in Denmark. An informant says: *"I always see actions when I tell my project manager in Denmark about a problem. I am afraid that this would change if I had a manager in Romania who is far from headquarters and therefore may not have the same influence as a manager located in Denmark"* (I 16, RO).

With local managers in Romania, it is now the managers that have to advance in communication across borders. Essentially, this means that there are distributed management teams instead of distributed scrum teams that has to master communication and knowledge-sharing across borders. This also means that it now becomes the program managers' job (the executives to project managers) to ensure that successful knowledge-sharing and collaboration is carried out by the project managers across borders. However, the project managers in *Systematic* do not manage to communicate with each other across borders and the HRM business partners do not know what to do about this. An HRM business partner says: *"It is very hard to get managers to talk to each other across borders so we are focusing a lot on how to get them to communicate"* (I 2, DK). Some informants believe it is because the project managers are too busy to prioritise the communication, others think it is intentional because some project managers in Denmark either do not like the project managers in Romania or do not agree with the decision about having Romanian project managers in general.

A Romanian employee explains that he has previously worked in an international company where local managers were too concerned about upper management's perception of the co-located team. In this scenario, the local manager put more effort into making it look like the team functioned instead of actually making it work. *"I fear to hear that we have to make it look okay for the upper management. I want it to actually be good"* (I 16, RO), which he does not believe will happen under Danish management because upper management is present all the time.

Some of the informants who prefer working in a distributed team with a project manager in Denmark emphasize that *"I really do not need micromanagement"* (I 16, RO). This stems from the fact that all Romanian employees agree that there is a cultural difference between a typical Danish manager and a typical Romanian manager. The biggest reason for Romanian employees to prefer a Danish manager is the fear of the management style of the Romanian manager. When describing a typical Romanian manager, words like hierarchical, bureaucratic, self-important/pompous and old-school discipline are often used which are not characteristics that the Romanian employees appreciate. On the contrary, when describing a typical manager from Denmark, words like 'freedom with responsibility', trust, flexibility and flat structure are chosen. Romanian employees are therefore reluctant about getting a local manager due to the fear of the chosen manager being a stereotypical Romanian manager. They prefer working in a trusting environment under 'freedom

with responsibilities'. An informant explains how he "*prefers to be included in the decision making instead of following instructions from a manager who does not involve employees in the distribution of tasks*" (I 24, RO). In essence, the employees in Romania dread that by getting a local Romanian manager, their opinions and beliefs will not be recognized and valued as significantly as under Danish management.

After speaking with employees in *Systematic*, it has become clear that some of the managers in Romania are significantly more cherished than others. A Danish manager explain that: "*There is a huge difference on the manager that we found. Some are very western-like whereas others are more hierarchical*" (I 28, DK) and a developer agrees with this view, saying that: "*I know for a fact, that other people here in Systematic are not so lucky with their Romanian manager as I am*" (I 15, RO). The managers who follow *Systematic*'s values of 'freedom with responsibility' and trust are appreciated by their employees and colleagues whereas the managers who are more hierarchical, bureaucratic and non-including are neither liked by their employees nor their colleagues. Some Danish managers are suspicious that these local managers are not fully transparent and that certain things are concealed from upper management, which has created a mistrust between some of the Danish and Romanian managers. An upper manager believes that "*they are not honest and I feel like they hide something*" (I 8, DK). It should be noted, that this is only in relation to the project managers in Romania who do not follow the *Systematic* way of managing. According to informants: "*I believe that we should be careful because the people we hired are used to the Danish way of working and likes it, so it is important that the Romanian managers keep working under Systematic's values. Otherwise, I am afraid that we will lose the employees*" (I 12, DK).

4.2.3 Management in General

Some informants dared to reveal that most problems with the implementation of the Development Centre can be because of the general manager in Romania. They believe that she does not follow *Systematic*'s values and that she is hierarchical and bureaucratic. It turns out that she is not liked by many employees in neither Denmark nor Romania and several informants directly advice *Systematic* to find a new candidate for the position who fits better into the company culture. "*The best idea would be to hire a new general manager who is less hierarchical*" (I 28, DK).

Due to the sections above, informants find it crucial that *Systematic* invests time in making sure to recruit the right managers who understands and upholds the company's culture and values. According to a business partner in *Systematic*, "*the recruitment process of the managers in Romania is very comprehensive*" (I 2, DK). It consists of three interviews, including a personality test, as well as a meeting with the vice president and in some cases even the CEO. However, it is very difficult to predict how a person will act in a managerial position based on interviews. From the current group of Romanian managers in *Systematic*, it is evident that the recruitment has not been exclusively successful in finding appropriate candidates that follow company ideals.

4.2.4 Wrap-Up

There are both advantages and disadvantages related to having a local manager and a distant manager located at headquarters. Nevertheless, almost all informants working at the Development

Centre as testers or developers are in favour of a distant manager— at least until the Development Centre is properly aligned with headquarters and information-flows and knowledge-sharing between the two sites has been improved. In addition, it is important that the right managers are recruited who manage according to *Systematic*'s corporate culture.

4.3 People Manager

There is a difference between when *Systematic* runs a project or makes a product. The difference between a project and a product is that in a project, communication with the customers is much more frequent which mean that there are constant changes that the team has to adapt to. In a project, it is even more vital that at least some of the team members understand the domain in order to understand the different requirements. Therefore, *Systematic* has decided that projects should not have co-located teams in Romania. In the Business Unit DT, everything is project based with customers often located in Denmark, which mean that Romanian employees in this Business Unit all works in distributed teams. Given that it was not possible for these employees to have a local project manager, the upper management in *Systematic* instead decided to hire a manager located in Romania whose job was to function as a people manager for the eight employees in DT while they still kept their project manager at headquarters. This means that these employees now have a people manager in Romania, who is in charge of their satisfaction levels and well-being, as well as a project manager in Denmark who is in charge of their tasks and workload.

4.3.1 Seen from the Manager's Point of View

From the interviews, it is clear that the project managers in DT prefers the old set-up where they also functioned as the people manager. *"It is a shame that I have lost the (personal) management of the Romanian employees now"* (I 6, DK). They express, that the constant communication and collaboration with a local people manager in Romania has made their job more challenging and time-consuming. The project managers are unsure how the responsibilities are distributed and are concerned about the amount of information that has to go through the people manager. One project manager expresses a concern about having to give assignments without knowing whether the particular employee thrives in the assignment. According to the project manager, the person allocating the assignments should also be the one hosting the development talks, so that the manager can address the employee's development in relation to the initial expectations of the project. Furthermore, a manager expresses: *"Having both a people manager and a project manager causes double work as both managers have to throw one-on-ones"* (I 9, DK).

Another concern voiced by the Danish project managers is, that Romanian employees might feel a lack of recognition from their Danish project managers due to the extra link of the people manager. *"I fear that I will lose the close relationship with my Romanian employees and that this will enhance the physical distance between us"* (I 6, DK). The project manager suggests that instead of the new setup with a people manager, a potential solution could be to appoint one of the employees in Romania to be in charge of the social aspects such as failure to thrive, training etc. However, a Romanian informant on another team has already had this task and expressed a relief no longer to be in charge of the social aspects anymore. Therefore, in order for this idea to work, it is

important that the employee appointed for this task is actually willing to take on this responsibility.

Danish project managers also explain that the cultural differences between a manager from Denmark and a manager from Romania might cause issues. In fact, they are not the only ones who see cultural differences as a concern. As elaborated above, most employees located both in Romania and Denmark worry that Romanian managers are more hierarchical and dominating than a Danish manager due to a different cultural background. Therefore, the project managers in Denmark fear that the Romanian employees will not be honest with the Romanian people manager and that they in general will not appreciate working under this kind of manager. Furthermore, a manager expresses a concern that *“since the people manager is only managing eight employees, I fear that the Romanian employees will feel a constant monitoring from this manager, which will send the wrong signal and eventually have a bad influence on the employees’ work”* (I 6, DK).

Despite the aforementioned concerns, the Danish project managers admit that it is hard to take care of the daily well-being of employees in another location. In that sense, they recognize the convenience of having someone located in Romania to be in close contact with the employees and take care of internal courses and similar events. However, the Danish project managers believe that they were fully capable of being in charge of the people management for the employees located in Romania. One project manager explains how he/she always spent time remembering to maintain constant communication with the Romanian employees asking about both their working and personal well-being. *“It could be something as minor as time registration, holidays, weekend plans etc. but this was vital in order to make sure that I established a strong relationship with them”* (I 6, DK). On the contrary, upper management in *Systematic* are convinced that the best solution for every employee is to have a local manager. According to a director, *“it is impossible for project managers to both manage across borders and cultures”* (I 8, DK).

4.3.2 Seen from the Employee’s Point of View

The Romanian employees working in DT who now have a local people manager were initially very sceptic of this setup. They too feared that the new manager would be controlling and not manage under the value ‘freedom with responsibility’ that they were used to from their project managers in Denmark. However, according to the Romanian informants working in DT, none of these presumptions turned out to be true. They explain how they have come to appreciate the new people manager both as a manager and as a person. *“In the beginning, we were afraid to have a people manager from Romania but now she is filling gaps that we did not even know existed”* (I 18, RO). The people manager among other things completes tasks and takes responsibilities that the employees had to do themselves before. They all agree that the success is due to the personality of their specific people manager and that they would once again be apprehensive if they were given a new Romanian people manager.

4.3.3 Wrap-Up

Concluding, the set-up with a project manager in Denmark and a people manager in Romania demands more from the managers but is preferred by the employees (and upper management) provided that a suitable people manager is hired.

4.4 Language Barriers

In the following, the consequences of language barriers are examined. This has an impact on the choice between establishing distributed or co-located teams as well as influences the success of the implementation.

Romania and Denmark have different national languages, which is often an issue when two countries are collaborating across borders. As mentioned by a few employees, this provides an argument in favour of co-located teams in that it gives team members a possibility to communicate in their mother tongue, which for most people feels more natural and easy. In contradiction to this, some employees see the difference in languages as an opportunity to practice and improve their English proficiency, which is *Systematic's* corporate common language. Although, some employees in distributed teams tend to switch to their native tongue even though there are people present who does not speak the language. This provides a major issue as the people who do not understand the language are excluded from the conversation. An informant therefore underlines, that: *“it is very important that we always speak English and does not change when getting a cup of coffee”* (I 12, DK). From this, it can be seen that having different native languages can be advantageous for both co-located and distributed teams.

Language becomes an obstacle, when something is lost in translation or when particular words have different meanings in two languages. One of the project managers has experienced this problem at first hand. She explains: *“I kept telling my employees in Romania to be more proactive, but despite my instructions, they did not seem to become more proactive. I later discovered that the word ‘proactive’ has two very different meanings in Romanian and in Denmark”* (I 12, DK). This was a very unfortunate misunderstanding that was luckily discovered. However, unfavourable miscommunications like this can lead to bigger complications. These misunderstandings would be eradicated if *Systematic* created co-located teams in Romania given that everyone on the team probably speaks Romanian. However, due to globalisation everyone working at the Development Centre in Romania might not be able to speak Romanian because they could come from a different country.

Another problem associated with different native languages is that a lot of the older documentation in *Systematic's* database is in Danish, which employees with other nationalities cannot read. This means, that when these employees have to understand a piece of code that was created a couple of years ago, they require a Danish colleague to help with the translation. Even though this problem becomes less and less frequent given that *Systematic* is trying to update old documentation, it is still a problem that occurs occasionally.

Furthermore, in the Healthcare and DT Business Units, the customers are municipalities and regions who only speak Danish. Therefore, only Danish speaking employees can communicate directly with the customers and understand information given by the customer. This reduces the possibility for Romanians to be in close contact with these particular customers. An informant explains that: *“Whenever we have a sprint-meeting with a municipality, we talk in English and they reply in Danish, so it always ends up being the Danish people having these talks which is a*

shame” (I 25, DK). Furthermore, another informant points out that: “a lot of our documentation from customers are in Danish given that it is from the municipalities” (I 7, DK) which is also problematic for Romanian employees.

4.5 Cultural Differences

One of the topics that arise when discussing the collaboration between headquarters and the Development Centre in Romania is the clash of different national cultures. Every informant states that cultural differences exist, however, the general consensus being that these differences do not cause any issues. A series of impactful as well as subtle cultural differences between the Danish and the Romanian culture mentioned by informants will now be presented.

4.5.1 Hierarchy

A difference often mentioned is the contrasting management styles described in the previous sections. Since the Romanian employees are more used to working in an environment with respect for authorities and a strictly defined hierarchy, it is hard for them to adjust to the Danish management style with decentralised power. In contrast to Danish employees who naturally thrive under ‘freedom with responsibility’, Romanians are more used to having respect for authorities and working under constant monitoring and control. Because of this, new Romanian employees in *Systematic* requires some adaptation time before they begin to think independently and feel comfortable speaking up if they disagree with something – especially in regard to their managers. According to an informant; “Romanians are not very good at coming to their manager with a problem. This is because people in Romania do not trust management in general because managers often feel superior” (I 15, RO). Danish managers argue that they put a lot of effort into teaching the Romanian employees how to work according to the mantra ‘freedom with responsibility’. This entails being autonomous as well as having the courage to argue for one’s opinion, even if it contradicts the manager’s. These attributes are highly important within *Systematic* and some of the managers therefore suggest that *Systematic* should ensure the correct training of newly employed workers.

A Danish project manager recalled visiting the Development Centre in Romania a couple of years ago with some Danish colleagues. They were all project managers, except for one member who was going to become a project manager very soon but had not gotten the title yet. “When we arrived, they had booked her for a worse hotel than the rest of us” (I 15, RO). The different title meant that the Romanian secretary had booked that person into a different hotel than the others with a lower quality. According to the manager, this differential treatment “would never happen at headquarters in Denmark where juniors, systems engineers and project managers all stay at the same hotel – especially when travelling together” (I 7, DK). However, even though this has changed now so that the employees are not treated differently according to their title in regard to sleeping arrangements, this still proves to show the cultural difference in how to treat authorities with different hierarchical rank.

4.5.2 Coping with Changes

Danish informants explain that many Romanian employees have a tendency to become unnecessarily worried when changes occur. They believe that the Romanian employees have a habit of over exaggerating minor problems. On the contrary, Romanian employees do not understand how Danish employees manages to stay calm when unforeseen events occur. *“If a product does not work, we in Romania gets very stressed about it but the guys in Denmark don’t. This is something I do not understand”* (I 25, RO). Danes are more adaptable to change, which is also reflected in another difference experienced by employees. It is easier to succeed with internal mobility with Danes compared to Romanians. Danes normally do not mind changing teams whereas Romanians on the contrary do not appreciate it. A Danish manager elaborates *“It is almost impossible to make changes in teams and move people around in Romania”* (I 13, DK). Alternatively, this could be explained by the concept ‘relationships to colleagues’, which is explained below.

4.5.3 Relationships

According to the empirical data, Romanians establish stronger relationships with their colleagues than Danes. This provides a possible reason why Romanians are more reluctant to changing team. With regards to colleagues, Romanians are far more social and accommodating than Danes, and even make a virtue of becoming friends with their colleagues by arranging social activities after working hours. An informant explains: *“We in Romania do not have this clear separation. I go to bars with colleagues and are still friends with my former colleagues”* (I 20, RO). In Denmark, small talk is kept to a minimum as Danes do not feel obliged to establish strong bonds with their colleagues. Romanians value that their colleagues know about their family and preferably have met them, which seems very strange for Danes.

The difference in the need to create strong relationships is also evident in the way the two sites welcome guests. In Romania, they put a significant effort into receiving guests and are constantly concerned that the guests are not adequately taken care of. To prevent this, they plan activities for the team such as arranging common dinners and so on. *“When we come to Romania, they are VERY welcoming and arrange teambuilding activities, takes us out eating which is a great way to strengthen our relationships”* (I 9, DK). On the contrary, Danes are not accustomed to investing much time and effort into receiving guests. It is therefore not normal for them to see colleagues after work for dinner or other social activities. Danes are more private and thus prefer eating with their families or close friends. However, in order to acknowledge this difference, Danes within *Systematic* try to arrange common dinners when Romanian employees are visiting headquarters. Also, the Danish employees enjoy visiting the Romanian colleagues because of the warm welcome they receive.

In continuation hereof, the empirical data found a big difference between the two countries when it comes to trust. Danish culture permits that no social bond needs to be established before doing business with a Dane. If a Danish individual trusts the company, she/he also trust an employee from the company without having met the person. This means that the trust lies in the company brand, not the particular individual. However, this is not the case in Romania where trust has

to be built before important negotiations or discussions can take place. This lack of trust is also evident on a personal level. In Denmark, an employee is considered to be trustworthy the minute that she/he is hired in the company. This is very different in Romania, where employees need to earn their trust over time. *“In Romania, a person has to demonstrate that he is good at his job before he is trusted. Therefore, I really admire the level of trust that is awarded in Denmark”* (I 25, RO). Because of this, it takes longer for Romanian managers to trust their employees and for Romanian employees to trust their managers, which also explains why Romanians struggle to be upfront to their managers compared to Danes. A Romanian informant explains that *“We (in Romania) are raised not to trust anyone”* (I 19, RO) which according to the informant might stem from the country’s history and society. Another informant gives the following example of this major difference in societal trust: *“I was shocked when finding out that Danes sell strawberries and potatoes without having a person at the stand. Dealers place a strawberry stand by the road with a box for the customers to put cash in to pay for the strawberries. This is a sign of trust between members of a society, that we do not have in Romania”* (I 20, RO).

4.5.4 Time

Looking at the location of the countries, Denmark is a part of the Nordic countries whereas Romania belongs to the south-eastern part of Europe. According to several informants, this geographical difference is heavily reflected in the two national cultures. Where Danish employees are very efficient, Romanian employees tend to be more laid back, which is often associated with the Latin culture. Romanians take longer and more frequent coffee breaks, which they argue is a necessity in order to be more productive at work and a possibility to socialise with colleagues. A Romanian informant makes the general distinction that *“in Denmark, people in the office are more serious doing their work where people at the Romanian office talks more and have more coffee breaks”* (I 16, RO). Another Romanian informant claims that *“We in Romania are not efficient all the time because we need time to socialize”* (I 20, RO).

Another cultural difference is the contrasting approaches to working hours between the countries. Romanian employees usually arrive at the office around 9 o’clock whereas Danish employees arrive closer to 8 o’clock. Luckily, this is in accordance with the one-hour time difference between the two countries which mean that it does not cause any issues. A more troublesome difference concerning time is punctuality. According to a project manager, *“Being late is another difference that we work with. We in Romania can be up to 15 minutes late but in Denmark, it is only allowed to be maximum 5 minutes late”* (I 4, RO), granted the previous meeting was important. Being 15 minutes late in Denmark is considered to be disrespectful, which means that tension can be created between a Danish employee and a Romanian employee if they are unaware of this cultural difference.

Some Romanian informants are under the impression that Danish employees enjoy working, whereas Romanian employees themselves primarily work to receive a wage. An informant explains how *“Danish employees seem more relaxed and happy at work compared to most Romanian employees”* (I 19, RO).

4.5.5 Promotion

A topic frequently stated as an issue by managers is promotion. According to Danish managers especially, *“Romanians expect to be promoted on the basis of seniority rather than competencies, which is the opposite of the norm in Denmark”* (I 9, DK). Romanian informants however strongly disagree with this statement and argue that a promotion in Romania is also given on the basis of the person’s competencies. Informants from both Romania and Denmark argue that Romanians care more about their job title than Danes, which mean that it is more important for them to be promoted to e.g. senior developer. However, an upper manager explains that this is not caused by a cultural difference but rather an internal problem in *Systematic* as they lack a career step between ‘developer’ and ‘senior developer’. In relation to this, it also came to her attention that *“younger employees from Denmark have raised concerns on the extensive time it takes before promotions are given”* (I 4, DK). In fact, she thinks that the Romanian complaints enlightened an issue concerning promotions and titles that *Systematic* might suffer from in the future.

A difference that both Romanian and Danish employees recognise is the fact that in Romania, it is custom to receive a pay rise when being promoted. An informant wonders: *“When I got promoted, I did not get any raise which I found very strange”* (I 18, RO). Since this is not the case in Denmark, *Systematic* has been forced to change the way they promote employees in Romania so that all promotions are given annually, which allows salaries to be regulated when they were supposed to nonetheless.

4.5.6 Induction Course

As a part of the onboarding course, Hofstede’s cultural dimensions are taught to all employees starting in *Systematic* in order for them to understand possible cultural differences within the company. However, these courses are not received very well by the Romanian employees, especially not by the younger ones. They believe that their culture is taught inaccurately by the teachers who does not state that the research behind the teaching is outdated and generalizing. Some of them are under the impression that the data is relatively accurate for the older generation in Romania but does not necessarily apply for younger people. One informant explains: *“We are young people who grew up with the internet, making sarcastic jokes and are now very educated, which mean that the theory about Romanian does not apply to all of us”* (I 16, RO). Another says: *“We had a great laugh when the guy was explaining how we are because it was so far off”* (I 18, RO).

4.5.7 Wrap-Up

Employees also mentions cultural differences like; *“Romanians are more chivalrous towards women”* (I 6, DK), *“Romanians are louder and can sound angry without actually being angry”* (I 20, RO) and *“In Denmark, employees sometimes gladly return to the same company when it in Romania is considered a defeat”* (I 6, DK). These differences are not necessarily essential to act on, but rather to keep in mind when working across cultures.

As mentioned in the beginning of this section, cultural differences are not seen as an issue within *Systematic* but rather as something to be aware of when collaborating across cultures. Informants

agree that it is important not to focus on the differences but rather learn from one another in order to establish a common ground. An informant states: *“Yes, the Romanian and Danish cultures are in general different. But as long as we are in the same boat called Systematic, I do not think it is so bad. Everyone is different even though they are from the same country. As long as people are committed to making it work, it will work out”* (I 17, RO).

4.6 Institutional Differences

In this section, the institutional differences between Denmark and Romania are analysed. The empirical data mentions the countries’ economies as the most distinctive difference between the two countries. Due to different historical backgrounds, Denmark has become a rich country whereas Romania is now considered a relatively poor country. Another important difference mentioned by a fair number of informants is the fact that Denmark has been a democracy for over 150 years whereas Romania only became a Democracy very recently after being a communist country. According to the empirical data, these differences help explain a great deal of the cultural differences mentioned above along with the institutional differences mentioned below.

An institutional difference which is closely related to the wealth of countries is the infrastructure. In Denmark, infrastructural systems are far more effective and functional than in Romania. In Aarhus, the traffic is indeed busy during rush-hours, however, it is nothing compared to the traffic in Bucharest. An informant explains how *“you can live relatively close to your office but still spend two hours getting to work due to the poor infrastructure, regardless of whether you choose a personal car or public transportation”* (I 20, RO). Since *Systematic* is located in the main city in both Bucharest and Aarhus, some employees have the option of walking or biking to work. However, where the infrastructure in Denmark is suited perfectly for cyclists, which the employees in Aarhus take advantage of, the streets of Bucharest are practically impossible and even dangerous to bike on. This means that it takes much longer for Romanian employees to travel back and forth from work. An informant mentions that this is also a reason why Romanian employees do not appreciate to work overtime because they will be home even later.

The structure of the two countries’ societies are also different. An example that many informants mention is the different employment legislation, specifically on overtime. In Denmark, there is no particular legislation concerning overtime, whereas in Romania a company is obligated to pay extra to an employee working more than 40 hours a week. As mentioned in the prior section, *Systematic* is built on values like trust and ‘freedom with responsibility’. This is also evident in their flexible approach to working hours. As long as employees are available on Skype between 9-15, they are free to decide when and where they spend the remaining two hours of their working day. With this flexibility, employees are expected to uphold their contractual working hours as well as being able to adjust their hours depending on the workload of the period. However, this flexibility is not possible for employees working in Romania due to the law of paid overtime. This means that in busy periods, teams with many employees located in Romania have difficulties meeting deadlines.

In continuation hereof, the employment legislation regarding the dismissal of an employee is also different between the two countries. Where in Denmark it is relatively easy to lay off an employee

on the grounds of collaboration difficulties or similar reasons, it is almost impossible to lay off an employee on any ground in Romania. This is possibly due to the lower social welfare in Romania, which means that *“losing your job is much more problematic than in Denmark”* (I 20, RO). Where the state in Denmark supports citizens without a job both financially and in terms of job search, Romanians are left to take care of themselves, which means that a dismissal might leave a Romanian much worse off than a Dane. Because of this, *Systematic* has to be thorough and certain when recruiting Romanian employees since it is almost impossible to get rid of them again.

Another contrasting institutional difference between the countries is their educational systems. According to some employees, *“students are taught to work differently in the two countries despite taking the same study”* (I 23, RO). Also, in Romania it is normal to have a full-time job alongside one’s studies which mean that students are normally forced to study during evenings and weekends. On the contrary, Danes normally only work 10-15 hours a week next to the studies, which allows them to study during the week. This means that Danes will be able to learn in-depth theory whereas Romanians are able to gain more practical knowledge. Despite this, Danish project managers state that *“there is no substantial difference in the level of competencies between newly graduated software developers from the two countries”* (I 9, DK). It could be argued that Romanians and Danes have acquired different skill-sets where one is not superior to the other.

4.7 Face-to-Face Communication and Travels

All employees in *Systematic* recognises the importance of face-to-face meetings. This is especially relevant for architects who visit to provide team members with a thorough understanding of the code. However, not all employees agree on the required frequency of these physical interactions. Some claim that every half year or even only once a year is sufficient whereas others believe that *“meetings must be held at least quarterly in order for a bond to be maintained”* (I 12, DK). A Romanian employee elaborates that once a relationship is built, it is much easier to communicate through online tools like Skype, which means that the face-to-face meetings can be held less often. The employee believes, that *“once you know a person, it feels more natural to make a Skype call and ask a few questions”* (I 17, RO), which unquestionably is much more effective and convenient than writing an email.

Most informants believe that the current number of face-to-face meetings in *Systematic* is not sufficient in order to establish and maintain a close relationship across borders. The enthusiasm towards visiting each other’s platform is not exclusively one way or the other, meaning that in some teams it is the Danes who prefer to visit Romania and in other teams, it is the other way around. This indicates that it varies from person to person, however, with a tendency of employees with small children not preferring to travel as often and as many days as employees without. Mainly though, what typically stands in the way of these meetings is getting the financial approval from upper management in *Systematic* as these trips are relatively expensive due to flight tickets, hotel stay, transportation and so forth. Nonetheless, employees strongly advise *Systematic* to spend more money on face-to-face meetings given the importance of them. *“If I could decide, we should spend much more time in Romania and concentrate on creating a good relationship”* (I 12, DK).

Even though it can be costly, a project manager also emphasises the value of establishing a solid common foundation when working together on a project. She recalls, that *“one of the best projects I have been a part of started with a workshop in Romania where our whole team and the customer sat down to discuss the procedure”* (I 9, DK). She explains that this provided the customers and the employees with a shared understanding of the domain as well as a familiarity with each other. The start-up phase formed the basis of a very good collaboration during the whole project between internal and external members. Another idea mentioned by some employees is for the team to meet once a year and sit in the same office for a week or two, have lunch together and meet for dinner after work. By doing this, the team members both get to know each other inside and outside work, which could result in a more effective distributed team. If team members learn to work efficiently when they meet, it might be easier to continue doing so afterwards over distances.

4.7.1 Onboarding

All new employees have to travel to the headquarters in Denmark for an induction course called onboarding. *Systematic* has established the onboarding course in order to ensure that all employees in *Systematic* have the required knowledge to work for the company. It includes a four-day-long introduction to *Systematic’s* culture, different business areas and domains, processes, internal organisation, work methods like scrum etc. On top of this, all developers, testers, project managers and members of a scrum team must take a 3-days FTD course (feature driven development) to get introduced to the way that *Systematic* develops software. It is therefore mandatory for all Romanian developers to spend at least two weeks in Denmark which, according to both Romanian and Danish employees, is very valuable for them.

“Once, developers and testers were in Denmark for two months for onboarding and other learning. It gave the Romanian employees a possibility to establish a network in Denmark as well as understanding the Danish culture and way of working” (I 12, DK). According to the informant, this created much more value than the two weeks they stay now. The Romanian employees were able to bring their families and thus integrate temporarily into the Danish culture. The project manager explains that employees familiarised themselves with the Danish humour with irony and sarcasm and got to see people riding the bike which is impossible in Romania. Most employees therefore express their dissatisfaction in *Systematic’s* decision to decrease the length of the stay as it does not allow employees to experience Denmark properly. Furthermore, it neither gives sufficient time to establish a network outside the people who are also being onboarded nor get familiar with the people on the project. Actually, *Systematic* is working on making the FTD course available online, which would mean that the Romanian employees would only have to be in Denmark for a week.

4.8 Expatriates

Something that most employees mention as being an advantage is the use of expatriates. *“I believe that expatriates would be a great idea in order to be ‘culture bearers’”* (I 13, DK). Expatriates are advantageous to use for training of competencies and the transfer of knowledge and culture between sites. *Systematic* sometimes has expatriates in Romania. Last year, a program manager from headquarters spent eight months in Romania with his family. The purpose was to help getting

the project he was in charge of up and running but because it was not possible to hire as many employees to this project as expected, it was not as value adding as he had hoped for. Instead, he supported the Development Centre by training existing and new project managers, acting as a culture-bearer and just being available for questions and function as a coordinator between Denmark and Romania.

Currently, a scrum-master from Denmark spends three out of four weeks in Romania to be close to the team and to train a Romanian scrum-master. Furthermore, the purpose of his stay is to have a finger on the pulse, to act as a go-to person for the Romanian project team, to act as a culture-bearer, and to guide and train the team to be self-driven. According to himself, *“I, as a process man, was sent to Romania because Systematic lost the overview of the whole process”* (I 27, DK). He explains that it is important to be present in Romania most of the time to be able to see the bigger picture. *“If a person is only present for two days at a time, he/she will only see the everyday problems and will not establish an overview”* (I 27, DK). In general, he explains how he got close to the Romanian employees and among other things encouraged them to use Skype communication instead of e-mails, which, according to him, was a long process.

All informants believe that it is a very good idea to use expatriates but there are some obstacles. First of all, *“it is hard to find Danish employees who are willing to move to Romania for a longer period of time.”* (I 8, DK). Secondly, a Danish program manager claims that due to the problems with recruiting enough employees, there are not enough employees on the teams in Romania to make it worthwhile. This is a shame because in one of the Business Units, the intention was to place a couple of experienced developers in new co-located teams in Romania in order to help out in the start-up process. However, the lack of recruitments makes it impossible as the Romanian teams are not yet fully manned.

4.9 Differences between Business Units

A factor often mentioned by the interviewed employees is that *Systematic* is very silo-oriented which is particularly obvious at the Development Centre because much fewer employees are located there. Employees in Romania usually do not talk across Business Units and most often, they only know the colleagues within their own team. This is a challenge as some distributed teams only include a couple of employees located in Romania which mean that they do not have many local colleagues to talk to. It does not improve the situation that *“70/130 employees at the Development Centre are working at the Business Unit Defence which actually creates a kind of exclusion.”* (I 6, DK) However, the establishment of a common canteen and employee club at the Development Centre in Romania has helped the integration across Business Units but according to the interviewed employees, people are still very divided into Business Units.

From a broader perspective, the silo segregation has caused a divergence between the Business Units. According to a Business Partner, *“there is an immense difference between how the three Business Units function, how their culture is and also how they handle Romania.”* (I 1, DK). They are structured differently, the processes and environments varies, and the culture and jargon differs. An example is how the teams are structured within each Business Unit. In *“Healthcare”*, most

teams are co-located, whereas most teams in “*Defence*” are distributed and all teams in DT are distributed. This difference makes it even harder for shared function to navigate between the Business Units and therefore also harder for people within *Systematic* to be able to think across all Business Units and thereby focus on the Development Centre as a whole. This lack of being able to see the big picture is also evident on a project level, where project managers have a habit of only focusing on the employees within their teams and not on all the employees on the project. This is not just a problem in Romania but also across the whole company that *Systematic* lacks a standard process.

Concerning the differences between the Business Units, the general manager says: “*It is hard to build the same culture in Romania as the one at headquarters in Denmark when the three Business Units are different among themselves. Therefore, aligning the different country values with the different Business Unit’s values and Systematic’s values is a very hard process*” (I 3, RO). She here explains that it is very hard for the Development Centre to navigate in these differences.

4.10 Implementation and Integration

The implementation of the Development Centre into *Systematic* is far from finalized. The general manager explains how: “*The Development Centre is still very dependent on headquarters and every time the Development Centre runs into an issue, it is like going back to ‘mamma’ to ask for advice or help*” (I 3, RO). Looking back, most informants agree that *Systematic* underestimated how difficult the implementation of the Romanian site would become. A director comments that: “*We underestimated how hard it is to implement and integrate the Development Centre by aligning processes, culture and infrastructure*” (I 8, DK). In the following, some of the difficulties in the implementation and integration process are analysed.

First of all, not enough employees from headquarters are involved in the implementation. Actually, only very few people from HRM in Denmark and the general manager in Romania are able to look across all Business Units and focus on the bigger picture. As described in the section above, *Systematic* is very silo-oriented where the different Business Units have very little to do with each other. Therefore, the vice presidents and directors in each Business Unit primarily focus on their own Business Unit and do not look across the whole business.

4.10.1 Communication

According to an HRM business partner; “*Systematic lacks initiative as to how to handle the implementation of the Development Centre*” (I 2, DK). As it is now, the HRM business partner believes that one of the difficult tasks is to motivate managers to communicate across borders. Given that *Systematic* has started to make co-located teams, communication is even more important than earlier and it is not going as expected. As mentioned under the section ‘Local or distant manager at HQ’, the managers do not manage to communicate across borders which make the task of integration very difficult.

A problem with the implementation process is the lack of upper management being transparent and communicating decisions to the entire company. This is mentioned by project managers as

well as developers/testers and Danish employees as well as Romanian employees. Often, employees do not know when a decision has been made and they rarely know the reason behind it. An example is stated by a Danish project manager who explains how the people managers in Romania were hired in without anyone knowing about this initiative. *“I just do not like the way that the whole thing is running. That they just out of nowhere hire the new managers in Romania without informing anyone about it. I had to hear it from my employees”* (I 9, DK). Even though the people managers were supposed to take over some of the project managers’ responsibilities, they were not informed about the decision. The project managers in Denmark discovered this after the new people managers were already hired and solely because the employees in Romania told them. This means that they never found out why the people managers were hired in the first place, which lead to a lot of resistance and uncertainty.

Several project managers express how it seems like the solution about hiring people managers in Romania *“is a ‘close the bleeding gap’ solution.”* (I 9, DK) and they believe that it is a *“sleeping pill solution”* (I 9, DK) where *Systematic* left someone else to deal with the issues instead of dealing with it from headquarters. On top of this, *Systematic* does not inform the project managers how they are supposed to collaborate with these managers but solely provide the people managers and project managers with a list of tasks. However, the list is not very thorough and does not elaborate on who is responsible for what. Therefore, *Systematic* lacks structured decisions, communication to the relevant parties and proper introduction to help getting started.

As mentioned above, *Systematic* has decided to create co-located teams in Romania. However, these teams need a lot of help and guidance from headquarters to understand the code, the domain, the structures and the processes. Therefore, they are naturally slower than Danish teams and make more mistakes, which is why it is important with a proper introduction and start-up phase. Given that the employees in Romania are further away from the customers, products and the domain, it takes longer time for them to be properly integrated and knowledgeable about the individual projects. It is therefore important that teams in Denmark support the co-located teams get started and up to speed.

4.10.2 An Unfortunate Incident

A side-effect of the poor implementation of the Development Centre is mentioned by several Danish project managers. It was discovered that several Romanian employees played video games during working hours. At first, the Danish project managers were outrageous and found it very unprofessional. Some of them explained how they started wondering whether Romanian employees had the necessary mind-set, competences and productiveness and whether opening the site was even a good idea. However, after investigating the incident properly, they found out that the reason behind the gaming was that the employees lacked assignments and therefore had nothing else to do. A project manager states: *“I do not think they played computer games in order to “cheat” but because of their respect to authorities so they do not speak up and maybe they thought that their project managers knew that they did not have assignments”* (I 9, DK). *Systematic* had hired employees in Romania who either had not been given a sufficient introduction to their tasks or who actually did not have any work to do. This is an example of how *Systematic* lacks an overview of what is going

on in Romania.

According to some Danish project managers, the episode described above is an example of the cultural differences between Romania and Denmark. A manager elaborates that *“if a Danish employee had nothing to do, he/she would inform his/her project manager instead of waiting for the project manager to approach him/her with a new assignment”* (I 9, DK). This difference confirms the theory expressed by many informants - that Romanian employees are not used to self-management.

Project managers mention that since this incident, upper management at headquarters supervise Romanian employees much more than they supervise Danish employees. Especially Romanian employees' working hours are controlled because they are afraid that the employees do not work the forty hours that they are hired to work. A manager from Denmark elaborates; *“We keep Romania on a tight leash because we have to. We do not trust them and they do not keep their target”* (I 10, DK). This is an example of the mistrust that Danish upper management place on the Romanian employees and the Development Centre in general. This lack of trust is in striking contrast to the values which *Systematic* is built on and which *Systematic* uses in their employer branding strategy. Most project managers do not like this mistrust that upper management place on the Development Centre. One project manager states that *“this is a very bad signal to send if we want to show that we trust them”* (I 5, DK). Another elaborates: *“I believe that it is a shame because we never had a problem with it. I am a believer of freedom with responsibility and I trust my employees both in Denmark and Romania.”* (I 6, DK) According to the project managers, this differential treatment does not help the Development Centre to become an integrated part of *Systematic* on the same terms as the rest of *Systematic*. Instead, it demonstrates to the Romanian employees that they are looked upon as different.

4.10.3 Inclusion

A mistake made in the implementation process and still has not changed in some projects is to exclude employees from Romania in the decision making. A Danish employee explains how *“my project had 20 employees in a room discussing how to get the collaboration with Romania up and running but no one had thought about inviting employees from the Romanian office into the discussion. It was the biggest mistake in the process”* (I 27, DK). According to the informants, it is crucial that headquarters includes Romania in decisions so that the relationship is built on collaboration and not dictation.

A general challenge which *Systematic* faces during the implementation of the Development Centre in Romania is that most processes and standard ways of doing things are created for the headquarters in Denmark. Some of these processes are not possible to implement in other countries which is why some processes must be changed in order to become global applicable. This transformation takes time and *Systematic* is not nearly finished. Some employees point out that *Systematic* should have spent much more time preparing for internationalisation and have put an effort into transforming its processes instead of doing it after having started the implementation of the Development Centre.

4.10.4 Subculture

As mentioned under the section 'cultural differences', most employees agree that the culture at the Development Centre does not reflect *Systematic*'s company culture which however is a clear management objective. This lack of cultural alignment together with the fact that headquarters has started to withdraw some of its control makes some of the Danish project managers nervous about the co-located teams in Romania. A project manager states: *"I do not like what Systematic has started with disconnecting the business from Romania because I am afraid that it will create a sub-culture"* (I 5, DK). Employees from headquarters are afraid that the Development Centre will be managed with control and lack of trust instead of *Systematic*'s values 'freedom with responsibility' and 'trust'. Actually, also employees from Romania fear that the culture at the Development Centre will not be aligned with the company culture, which is the culture they prefer. Basically, the informants do not believe that the Development Centre is mature enough to be separated as much as *Systematic* plan to. Instead, informants think that employees from headquarters should be more present at the Development Centre in order to ensure a '*Systematic*' culture.

As a project manager says: *"It takes time to establish a solid culture. Some people need to have been here for 5 years in order for the culture to be properly embedded, so it can spread to the newcomers. It is about maturity"* (I 26, RO). The Development Centre grew very quickly because there was a focus on growing as fast as possible instead of aligning processes and culture. However, another project manager believe that: *"Now we should take a step back, stop the growth and instead start to build up proper processes, flows, alignment, governance and a solid culture"* (I 14, RO).

4.10.5 Wrap-Up

In order to improve the implementation process, *Systematic* should among other things have more people involved with the process, maintain an overview of the process, be more transparent, include employees at the Development Centre in the decision making and give the Development Centre a possibility to mature.

4.11 Attract and Retain or Lose Qualified Labour

The empirical data shows that the Development Centre struggles to attract and retain qualified labour. On top of this, the satisfaction score for employees working at the Development centre is alarmingly low. These circumstances are analysed below.

4.11.1 Attract and Retain Qualified Labour

When trying to discover why the implementation of the Development Centre has not succeeded as anticipated, one of the conspicuous difficulties is the fact that it is very hard for the Development Centre to attract and retain the right kind of labour. The Romanian informants all gave different suggestions and the most frequent reason given was that the amount of educated developers in the Romanian labour market is extremely low. According to one of the informants, *"Bucharest lacks 50.000 IT workers"*, (I 9, DK) which has resulted in a vicious demand for Romanian developers who receive several job offers every day. Several Romanian developers explain how *"the job market for IT people in Bucharest is crazy. I get two interviews a day on my Linked-In profile"* (I 15, RO).

Because of this, the recruitment department in *Systematic* is in fierce competition with several other companies when attracting labour, which undoubtedly makes it hard to attract qualified labour.

Looking on retaining skilled worker, the Development Centre currently has an employee turnover rate of 26,9%, which is alarmingly high. An employee turnover rate is the fraction of the average number of employees that leave within a year. For the Development Centre, a rate of 26,9%, means that approximately 30 employees leave in a 12-month period. The general employee turnover for the entire company is 14,7% with a goal of 12%, which shows that retaining labour is also a struggle at headquarters. In the Romanian department, very few employees have a seniority of more than a year, which according to a Romanian project manager makes it practically impossible to establish a solid culture. As mentioned above, a project manager believes that at least a fraction of the employees must have been in the company minimum five years in order to build a stable foundation on which a common culture can be established.

In order to reduce the employee turnover rate and thereby establish a stable foundation at the Development Centre, the informants argue that *“the recruiters should be more critical as to who they decide to hire so that the right person is found”* (I 16, RO). It is important that the person actually want to work at *Systematic* so that he/she will not leave shortly after being recruited. However, upper management at headquarters does not acknowledge the difficulties in attracting qualified labour in Bucharest and is pressuring the Romanian recruitment team to recruit more people.

It is obviously difficult for *Systematic* to retain employees that receive attractive offers on a daily basis. However, a Romanian project manager explains that he believes in a theory which he calls the *“80%-20% theory”*. He claims, that *“80% of those who leave a company is due to issues in connection with the specific company, where only 20% leaves due to factors unrelated to the company”* (I 26, RO). This theory suggests that *Systematic* must look at internal rather than external factors when investigating the reason behind the low retention rate. A possible explanation for the poor retention rate is the low satisfaction level among Romanian workers, measured by a monthly satisfaction survey. According to an HRM Business Partner, the satisfaction level in Romania is alarmingly low and something desperately needs to be done about it.

4.11.2 Losing Qualified Labour

Management in *Systematic* initially suspected the low satisfaction in Romania to be caused by a lack of local management, however, even after hiring several local managers satisfaction levels remain low. The informants had different ideas as to why so many employees decide to leave the Development Centre in *Systematic* in favour of other companies. Some of the reasons as to why employees decide to leave *Systematic* are already mentioned earlier in the analysis such as bad management, lack of transparency, lack of face-to-face meetings with colleagues etc. However, further ideas are stated below:

- The reason most often mentioned is the salary. According to the informants, *Systematic* pays developers less than the average salary for a developer in Bucharest. A recruiter explains

that “*some companies in Bucharest do not offer interesting tasks, they have a bad working environment and operates within an uninteresting field but in order to compensate, they pay double of Systematic and thereby use a large salary to attract qualified labour*” (I 20, RO). On the contrary, she explains how *Systematic* tries to attract qualified labour with interesting tasks, a great working environment and the fact that working in *Systematic* can help to change people’s lives. The same pattern is evident in Denmark, where the salaries according to informants are also lower than the marked.

- Informants mention that many Romanian employees are interested in working with the newest technology which is rarely possible in *Systematic*.
- “*Systematic has a huge and complicated codebase which takes time to understand fully*” (I 7, DK).
- The different domains can be hard to understand properly. Especially ‘Healthcare’ or ‘Library & Learning’ which includes hospitals, the eldercare, schools and libraries. These public institutions function very differently in Denmark than in Romania, so it takes time for a Romanian employee to fully understand these domains.
- As mentioned earlier, the Development Centre is still quite new and therefore lacks structure and clarity. Also, changes within *Systematic* happen all the time which mean that there is no stability and according to an HRM Business Partner; “*when something happens at headquarters, it hits very hard in Romania because they are further away*” (I 2, DK). This might lead to people finding a job with more certainty and stability.
- Due to the high employee turnover rate, there is a constant change of people that current employees have to train and get familiar with. This is very demanding and therefore exhausting for the employees with a high seniority. A Romanian developer elaborates that; “*communication can go wrong when new people are involved. It is therefore important to have employees with some seniority on each team with tacit knowledge*” (I 15, RO).
- In continuation of the changes mentioned above, a reason for leaving *Systematic* is the fact that some employees are forced to change teams which as mentioned under the section ‘cultural differences’ is something that most Romanian employees do not appreciate.
- Even though prior analysis indicates that Romanians in general do not favour changes, some Romanian employees desire trying something different in *Systematic* like working in another domain or with other technologies. Internal mobility is possible in *Systematic* but according to a Romanian employee, “*some employees expect the process to happen within two months but it can easily take six months for Systematic to make the relocation*” (I 15, RO) and by then, the employee might have accepted another job offer and have left *Systematic*.
- As mentioned in the section ‘language’, a lot of old documentation on various online platforms is in Danish. However, the problem is not just the language of the documentation but also that the amount of documentation is not sufficient. *Systematic* uses an online library called ‘Wiki’ to store all information so that it is easily retracted but employees are not good enough to update Wiki. According to a Romanian employee; “*Wiki is not updated and if a person*

with a lot of seniority in Systematic leaves, a lot of that knowledge will disappear. This makes it hard for a new person to take over. It is even harder on the distance when employees do not update the necessary documents because then I have to figure it out myself which takes much longer” (I 16, RO). Employees with a high seniority within *Systematic* holds a lot of important information that is hard for new employees to track down given that these people are often busy. It is even harder for Romanian employees that are located on another site to get this information if documents are not updated.

- A subject also touched under the section 'cultural differences' is promotions. Some Romanian employees desire to get promoted before the project manager considers them ready for it which mean that another company can promise a promotion and the employee ends up leaving *Systematic*. The project managers within *Systematic* makes it very clear that they will only promote an employee when the employee lives up to the requirement that the new role demands. According to one of the project managers, *“a senior developer in Romania needs to have the same competencies as a senior developer in Denmark, so it is possible to move the employees around on the different projects without there being a difference”* (I 9, DK).
- According to a rather large number of informants, *Systematic* does not succeed in agile software development as it strives to. Instead, the software development process is more like the 'Waterfall' approach. An informant explains; *“We are too waterfall and not agile in our processes. I am told what I have to change, I spent five hours changing this and then I have to wait five days to get it approved”* (I 16, RO). A project manager elaborates: *“A lot of people complain about the process because it can create bottlenecks. People want to code and not wait for approval.”* (I 23, RO). In continuation hereof, many informants are starting to question whether *Systematic* even has a flat structure as it aspires to have. Waiting for approvals might push some employees to leave *Systematic* in favour of a company where agile software development is carried out more successfully.
- A problem that the Romanian project managers mention is that some Romanian employees on distributed teams have experienced to get tasks that the Danish employees did not want. So instead of getting development tasks, they got the more uninteresting day-to-day tasks. Therefore, a project manager expresses that *“it is important for the whole team to participate in the planning and be a part of the solution so that you are active in this and thereby can decide your own tasks”* (I 26, RO). He elaborates that Romanian employees should be better at speaking up and interfere in scrum meetings in order to make it clear which tasks the employees find more interesting.

4.11.3 Wrap-Up

It is difficult for *Systematic* to retain and attract competent labour as the marked for IT employees is extreme in Bucharest and developers receive job invitations several times a day. It is therefore important that *Systematic* try to change the circumstances listed above as well as focuses on making the Development Centre an attracted place to work.

5 Findings

In this section, the findings from the analysis will be presented. Below, the identified difficulties associated with implementing a Development Centre abroad are outlined in **Figure 4**. The blue boxes are difficulties both found in the literature review and the analysis. The green boxes present difficulties discovered during the empirical research. As illustrated, six new difficulties are discovered in the analysis and one difficulty from the literature review was not found in the analysis (grey box).

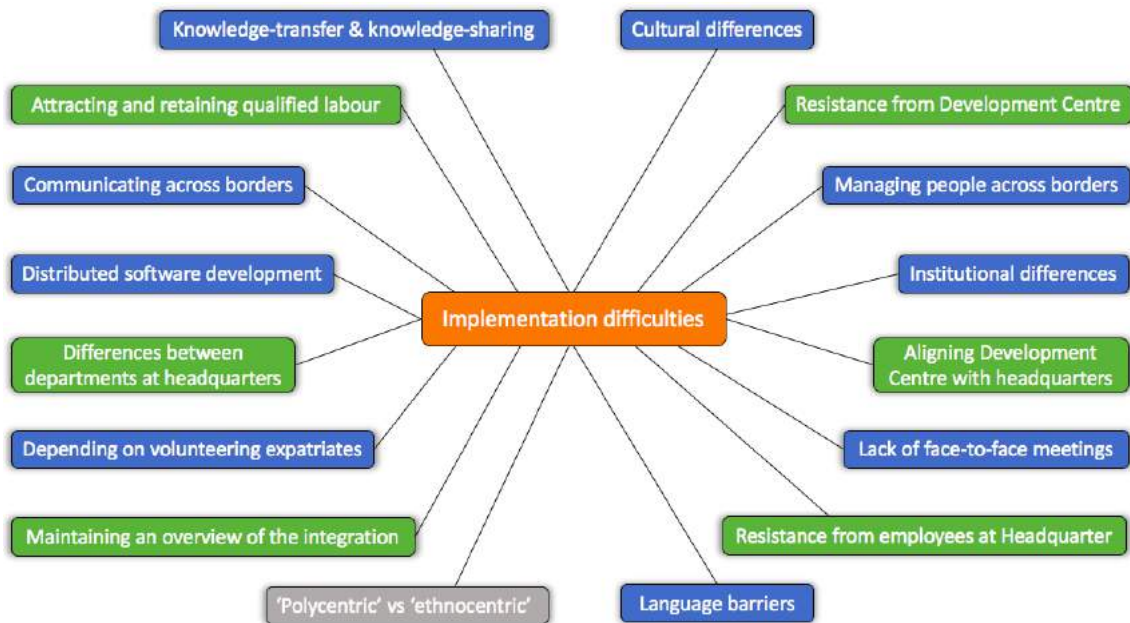


Figure 4: Implementation Difficulties
Source: Authors Creation

In order to answer the problem statement, which seeks to investigate *what explains the difficulties a multinational corporation faces in implementing a new Development Centre abroad and what could be done about it*, the difficulties will be explained below as well as suggested solutions discovered in the analysis. This means that the findings will be split in order to fully answer the problem statement as shown below:

1. *Description of difficulties a multinational corporation faces in implementing a new Development Centre abroad.*
2. *Suggested solutions.*

Aligning Development Centre with headquarters

1. The difficulty *'polycentric vs ethnocentric'* is not found in the analysis. Instead, it was discovered that only an *'ethnocentric'* approach is suitable as the Development Centre must be aligned with headquarters. The difficult part is instead to actually align processes, the culture, the environment, management styles etc. This issue was the most challenging difficulty found in the analysis as several of the other difficulties also influences the possibility of aligning the Development Centre with headquarters.

2. In order to successfully align the Development Centre with headquarters, all processes within an MNC should be global applicable and headquarters must spend time on helping the Development Centre mature before handing over all responsibility. In order to align the culture and avoid a sub-culture at the Development Centre, employees from headquarters should frequently be present and an MNC should use distributed teams until the maturity process is satisfactory.

Distributed software development

1. It is challenging to advance in distributed software development and fully understand the advantages and disadvantages associated with establishing distributed - and co-located teams.
2. An MNC should avoid establishing co-located teams until a Development Centre has fully matured and is aligned with headquarters. Distributed teams enhance knowledge-sharing and create lateral networks between the sites which ensures that all information reach the Development Centre. In a distributed team, it is important to establish trust between team members as this will enhance collaboration and communication. However, when the Development Centre is fully matured, an MNC can consider establishing co-located teams.

Managing people across borders

1. It is difficult to manage people across borders and to fully understand the disadvantages and advantages associated with local management versus having a manager at headquarters.
2. Local project management must not be assigned until processes, communication channels, the culture and management styles are fully aligned. Instead, people managers should be hired to take care of daily tasks and act as a local manager to employees at the Development Centre. When the Development Centre is mature, an MNC can hire local project managers. It is important that the right candidates, who are willing to follow the corporate values and management style, are hired in and that managers are capable of collaborating across borders.

Language Barriers

1. There are several issues associated with the linguistic difference between a Development Centre and headquarters. These include employees forgetting to speak English so some people get excluded, misunderstandings and old documentation that is not translated into English.
2. An MNC should spend time on encouraging its employees to always speak English and ensure to update old documentation into English.

Cultural differences

1. Differences between national cultures influences the understanding, relationship, and collaboration between employees from different sites.

2. If cultural differences are known, they are easier dealt with and less misunderstandings will occur. An MNC must be careful not to be prejudiced against employees from other nations and expect that a person acts according to his/her national culture as this is not necessarily the case. Instead, it must be aware that cultural differences might exist and try to teach all employees to work under the shared corporate culture. Furthermore, MNCs should recruit managers who exercise leadership according to the corporate management style and in general recruit employees who thrive under the corporate culture and values.

Institutional differences

1. Institutional differences between sites influence how a corporation can operate.
2. Institutional conditions cannot be changed but it is important that they are known in order for the corporation to be able to follow them. This includes learning about the employment laws, the country's history, the education system and in general the structure and environment of the society as this influences the way a corporation can operate.

Lack of face-to-face meetings

1. The lack of face-to-face meetings has a negative influence on colleagues getting to know each other and maintaining a close relationship.
2. MNCs must spend enough time and money on travels so that colleagues meet face-to-face on a regular basis. They should also prioritise that new employees spend enough time at headquarters to develop lateral networks, experience the environment and get familiar with team members.

Lack of volunteering expatriates

1. Ensuring a successful implementation, an MNC is dependent on expatriates to train employees, transfer knowledge and align processes as well as the corporate culture.
2. In order to motivate competent employees to volunteer, MNCs need to make the job as an expatriate very attractive. This is important as expatriates makes a huge difference in the implementation of the Development Centre.

Communicate across borders

1. It is a difficult task to communicate across borders and it is especially challenging for MNCs to persuade managers to communicate and collaborate across borders.
2. MNCs should help employees (especially managers) to establish a close relationship with each other across borders. It is easier to communicate with familiar people and communicating through online platforms such as Skype will become more natural. This also indicates that an MNC should prioritise that employees from different sites meet regularly.

Knowledge-sharing and knowledge-transfer

1. It is difficult to excel in successful knowledge-sharing and knowledge-transfer across borders. Often, important information does not reach the other site, which has a negative impact on the integration and collaboration in general.

2. MNCs can enhance knowledge-sharing by establishing solid networks between the sites. This is easier done using distributed teams, as distributed teams communicate with each other on a daily basis.

Differences between departments at headquarters

1. Differences between departments at headquarters makes the implementation of a Development Centre more challenging as it is more complicated to navigate and harder to make a common implementation strategy.
2. MNCs should ensure that they are aligned internally and that as few differences as possible exists between departments. This applies to the processes, environment, jargon, culture, structure, and so forth.

Maintaining an overview of the implementation

1. It is very difficult for an MNC to maintain an overview of the implementation of a Development Centre abroad.
2. An MNC should create a strategy, ensure that it is followed and have enough employees involved in the implementation process from both headquarters and the Development Centre. Having more employees involved in the process will furthermore prevent a subjective view.

Resistance from employees at headquarters

1. Often, MNCs meet resistance from employees working at headquarters due to the changes associated with implementing a Development Centre.
2. Upper management should be transparent and communicate decisions, their impact and the reason behind them to the entire corporation. They should also involve relevant parties in the decision making so employees feel consulted and to ensure that the right decision is made.

Resistance from Development Centre

1. MNCs can meet resistance from the Development Centre if employees do not approve of decisions made, if they do not feel valued, feel overlooked or similar reasons.
2. MNCs should make sure that the managers have sufficient competences and the right mindset in order to carry out the responsibility. MNCs should furthermore help, include and listen to employees at the Development Centre as well as not treating them differently than employees working at headquarters. They need to feel as valued and respected as employees working at headquarters.

Attracting and retaining qualified labour

1. It can be difficult to attract and retain qualified labour to a Development Centre in a country where the MNC is not known and the site is still new and unstructured.

2. MNCs should focus on creating an attractive and appealing workplace in order to strengthen the employee satisfaction, which will benefit the employer branding and make it easier to attract new candidates. This can be achieved by a salary that matches the market, offering interesting tasks, ensuring development opportunities and in general creating a positive working environment by succeeding in the 15 difficulties illustrated above. Furthermore, an MNC should not pressure a Development Centre to recruit a certain number of employees, as this will have a negative impact on the quality of the employees they manage to hire. Instead, they should focus on recruiting the right employees.

6 Discussion

This chapter serves as a discussion of relevant topics following the analysis and findings presented in the previous two chapters. These are related to the general findings, cultural differences, giving up on the implementation, a validation of results and whether opening a Development Centre is profitable.

6.1 General Findings

The analysis discovered 15 difficulties associated with the implementation of a Development Centre in another country. The vast majority of these findings are expected to apply to every multinational corporation implementing a Development Centre abroad. However, a few of the issues might be specific to the research company assessed, since companies are different and face diverse obstacles. The difficulties that are expected to be most likely for a multinational corporation to encounter are those that appear both in the analysis and the literature review, as these have already been tested and validated to have an influence on either distributed development, cross-cultural collaboration or International Human Resources Management. It is more questionable whether MNCs will face the challenges discovered in the analysis that were not included in the literature review as these have not yet been properly tested. The difficulties related to resistance from employees, alignment of the Development Centre and maintaining an overview of the process are expected to be globally applicable, as these are widely experienced phenomena among companies. Differences between departments as well as attracting and retaining qualified labour might, however, only be challenges experienced in certain companies within certain fields. For example, if a company has streamlined processes and culture throughout each department, differences between these departments will not be an issue. Likewise, if a company operates within a country that suffers from unemployment within the specific field, attracting and retaining employees will not be as difficult. Furthermore, companies might also run into difficulties that are not found in this study. Thus, further research will need to be conducted in order to clarify which difficulties an MNC can expect to face when integrating a Development Centre abroad.

6.2 Cultural Differences

The fact that there are cultural differences between Romania and Denmark is both stated in the theory and the analysis of the empirical data. The informants mention a long list of cultural differences they experience in their everyday work – the majority fitting into Hofstede’s research on national cultures. Hofstede’s cultural dimension *‘uncertainty avoidance’* is consistent with the statements of Danish employees explaining how Romanian employees have a tendency to become unnecessarily worried when changes occur as well as Romanian employees expressing how they admire Danish employee’s ability to stay calm. The empirical data is also in alignment with Hofstede’s cultural dimension *‘individualism-collectivism’* as it states that Romanians are far more social and accommodating than Danes, which is reflected in their effort to become friends with their colleagues. The claim that Danish employees seem to enjoy working compared to Romanians is supported by Hofstede’s cultural dimension *‘masculinity-femininity’*, which explains that Danes attach greater significance to actually enjoying their job. It could also be explained by the institutional differences between the two countries. Since Denmark is a richer country with

higher wages, workers are not forced into jobs due to economic reasons, which means that Danish developers might have chosen to become a developer out of interest whereas Romanians might have chosen it due to higher wages. Lastly, the differences between the two countries in Hofstede's cultural dimension '*power distance*' is highly present in the empirical data where Romanians are used to working under a strictly defined hierarchy with respect for authorities and Danes are used to working in a flat structure with low power distance.

The findings show that some of Hofstede's results are still applicable today, even though his research has indeed aged. However, his claims are not very well received by young new employees in *Systematic* taking the mandatory 3-hour induction course about cultural differences. This is noteworthy given that it is the same informants who point out the cultural differences that are not in line with Hofstede's research. The informant's disagreement with the induction course might be because the cultural differences are presented in a way that young Romanian employees cannot relate to. It may also be that Hofstede's fifty-year old findings are now somewhat out of date and the culture of Romania is changing so that the younger generation cannot relate to some of Hofstede's findings. This also indicates that some of the cultural differences showed in the analysis might not apply to the younger generation in Romania. It is therefore important that a teacher of an induction course stresses that cultural differences does not necessarily apply to everyone. This is in accordance with JablOKow and Myers (2010), who point out that generalizing individuals based on their nationality can be highly inaccurate as all people are different regardless of their home country, which means that everyone does not necessarily fit into Hofstede's research. Instead of teaching Hofstede's old cultural dimensions, it could be an idea to use the differences experienced by current employees in the company as teaching material, as these will be more relevant and reliable to new employees. For instance, the employees of this dissertation's research company would benefit significantly from being taught the cultural differences found in this research.

6.3 Giving up on the Implementation

Even though cultural differences do exist and influence the daily collaboration between sites, informants generally express their enjoyment of working together across borders. Both Romanian and Danish employees enjoy learning about each other's cultures and believe that the clash of cultures can actually add value to a project. The fact that working with people from other cultures is interesting and rewarding might be an important reason why informants from both Denmark and Romania actually prefer to work in distributed teams. This, however, raises the question of why upper management decided to create co-located teams before the Development Centre was properly integrated. Representatives from upper management claim that the decision was made to give employees in Romania a local manager, however, this was already achieved with the appointment of local people managers in Romania. Some project managers speculate that upper management made the decision so that the responsibility of the Development Centre was no longer in their hands. According to them, headquarters started disconnecting the business from the Development Centre because they had given up on the integration of it and thereby left all responsibility to the local management. If a Development Centre is actually disconnected from headquarters, processes will most likely not be aligned and the culture will begin to deviate from the corporate culture. If this happens, will it be possible for the sites to collaborate and will current employees at a Development

Centre stay as the informants in this paper mention the corporate culture as the biggest advantage of working in the company? In the end, if a Development Centre is not properly implemented and integrated into a multinational corporation, how will this set-up be different from outsourcing?

Even though headquarters has started disconnecting itself from the Development Centre, it is evident that a lack of trust in the Development Centre on the part of upper management still exists. Working hours are constantly monitored and results provided by management from Romania are often questioned. The lack of trust in Romanian managers is also visible among Danish project managers, who believe that the majority of the Romanian managers lack competence and withhold relevant information. According to Dorairaj (2013), employees who trust each other work more efficiently together. Lack of trust creates an inhospitable working environment without proper knowledge-sharing and integration. The absence of trust therefore makes it impossible to integrate a Development Centre into the cultures and processes of an MNC. Maintaining a trusting working environment is thus a prerequisite for successfully establishing a Development Centre.

6.4 Validation of Results

Despite the measured satisfaction levels at the Development Centre being alarmingly low, the informants interviewed for this dissertation were generally pleased with their job. Naturally, there were some aspects they felt could be improved but the consensus was in favour of *Systematic* as a workplace. Naturally, this begs the question of why the satisfaction score in Romania is so low when the informants are generally satisfied. Is it coincidental that none of the unsatisfied employees were interviewed for this paper or could it be because employees with more seniority are more satisfied, which would explain their decision to stay in the company? Or perhaps the majority of the employees at the Development Centre is overall happy with working in *Systematic* but experience specific issues that causes the low levels of satisfaction, signalling the need for change to upper management. As the informants expressed both concerns and dissatisfaction towards certain topics, the last option is considered to be the most likely reason.

In order to make use of the findings of this study, it is important that the results are valid. The study found that Danes normally trust a person immediately whereas Romanians require more time. It can therefore be questioned whether the Romanian informants gave honest answers despite not knowing the interviewer. This is also a possible explanation to why all informants from the Development Centre claimed to be satisfied with working in *Systematic*. If the answers provided by the informants are not truthful, the interviews would be useless as they do not replicate their actual opinions. As described in the 'Methodology' section, a lot of precautions were taken in order to provide the right setting for the interviews; the meeting was private, the interview was not recorded, the interviewer was physically present and the informant was promised full anonymity - even though this also requires trust. During the interviews, the informants shared their critical opinions and were not hesitant of criticising both upper management and project managers. Based on these two points, the interviewed employees at the Development Centre are assumed to have provided valid responses.

6.5 Is Opening a Development Centre Profitable?

With the extensive range of difficulties discovered, this study practically questions the benefit of implementing a Development Centre. As stated in the literature (Brewster, 2016), the condition for such an implementation is that the financial and non-financial benefits exceed the financial and non-financial costs to both the organisation and the employee. However, since it is hard to evaluate and measure proceeding benefits, this comparison is extremely hard for companies to perform and most companies do not even try. The research found that a Development Centre is extremely costly for an MNC due to expenses such as travelling costs, legal constraints, salaries for people managers and costs related to a high turnover rate. Furthermore, complications such as language barriers, institutional differences, cultural differences, failure to thrive, miscommunication, lack of knowledge-sharing and so on constitute major indirect costs for an MNC. A business partner says the following; *“I know that we save money on Romanian labour but there are huge timely, quality and economicaly costs associated with this setup that are important to deduct from the savings.”*

(I 1, DK) It is therefore important that all multinational corporations that consider opening a Development Centre evaluate whether it is profitable when weighing the benefits and losses found in this research.

7 Limitations

This section includes the different limitations defined for this dissertation which revolves around the choice of a case study, delimitations and the validity of the study.

7.1 Case Study

This case study focuses on a single multinational corporation within the Information Technology sector which means that the research is limited to this sector. If an identical research was conducted for a corporation within another sector, the results might be different. Furthermore, the research focuses on the implementation of a Development Centre in Romania into a corporation with headquarters in Denmark. If the research was conducted in a corporation with a headquarters and/or Development Centre in another country, the findings might have been different.

Using a case study has limitations. The uniqueness of the data usually means that it is not possible to replicate the study. Given that case studies have a certain level of subjectivity, the findings might have been presented differently if another researcher had analysed the results. Because of the in-depth nature of the collected data, it reduces the possibility of generalising the findings to the remainder of the population although some findings might still be applicable for companies in a similar situation. (Kvale and Brinkmann, 2015).

7.2 Delimitations

The dissertation solely focuses on statements and opinions of the employees working in *Systematic*. The employees best qualified to answer the problem statement is expected to be employees who either work at the Development Centre in Romania or collaborate with them on a daily basis. Therefore, the dissertation will only contain statements from employees who fit this description. Furthermore, employees who have worked in *Systematic* for more than eight months are more likely to have encountered or seen the challenges experienced during the implementation of the Development Centre. Employees who have worked in *Systematic* for less than eight months are therefore delimited from this dissertation.

Given that the dissertation concentrates on investigating the challenges experienced by *Systematic* as a corporation, the differences that exist between the Business Units within *Systematic* are not taken into account. As this dissertation focuses on the collaboration and integration between headquarters in Denmark and the Development Centre in Romania, all other locations in *Systematic* are out of scope.

7.3 Validity

Validity is concerned with whether a research is actually examining what it claims to examine (Kvale and Brinkmann, 2015). Qualitative research typically has a high internal validity and a low external validity given the low sample and the fact that it includes individuals' subjective opinions and experiences (Kvale and Brinkmann, 2015). The informants describe their own experiences

and reveal their personal sentiments on the subject which ensures the internal validity. As discussed under the section '*Discussion*', the results of the study are only valid if the informants are completely honest during the interviews which they are expected to have been as their responses were very critical, and the necessary anonymous precautions were taken in order to strengthen the reliability of the empirical data.

As mentioned in the subsection '*Case study*' above, a case study has some level of subjectivity. The way an interviewer frames a question, as well as the body language of the interviewer, can influence the informant's answers. This internal validity was upheld as the informant could steer the interview in the direction that he/she desired, and the interviewer was careful to remain an impartial listener. A case study can also have challenges with internal validity since it is only the interviewer who analyses the output. This internal validity was also upheld as the interviewer solely disseminated the knowledge retracted from the interviews, objectively analysed it, and presented the results.

Qualitative research normally has challenges related to external validity as it is hard to create identical studies with other informants and obtain the exact same result. However, due to the relatively large sample (28 employees) compared to the population (1003 employees), it is expected that a similar result can be achieved if the same study was carried out with other informants that met the requirements. The result could have differed slightly if developers and testers from headquarters, collaborating on a daily basis with employees at the Development Centre, were interviewed, as they might have relevant insights. These were however excluded from this study as it was considered more relevant to interview developers and testers from the Development Centre as well as employees on different organisational levels. The study could also have chosen to interview employees at the Development Centre who had only worked there for a short period of time as these employees might be more dissatisfied than employees who had decided to stay in the company for a longer period of time. These are however not expected to have gained sufficient overview of the implementation process nor do they have the essential knowledge about working across cultures and borders yet.

If this study was to be replicated within a similar corporation in the Information Technology sector, it is unlikely to obtain exactly the same results. As mentioned under the section '*Discussion*', the majority of the results are expected to be uniform, but all companies might not experience all findings as well as they might experience difficulties that are not discovered in this study.

8 Conclusion

This dissertation has examined *what explains the difficulties a multinational corporation faces in implementing a new Development Centre abroad and what could be done about it*. As no prior literature has investigated the challenges of implementing a Development Centre abroad, the literature review was based on subjects related to this, namely distributed development, cross-culture collaboration and International Human Resources Management. The literature within these subjects found that a multinational company is expected to face ten challenges when implementing a Development Centre abroad.

Through the analysis of the empirical data gathered from 28 interviews, it was clear that the research company had faced nine of the ten issues from the literature review. Furthermore, the analysis brought forward six additional difficulties. This dissertation therefore claims that a company implementing a Development Centre abroad is expected to meet 15 challenges. The most prominent of these issues is expected to be the alignment of the Development Centre with headquarters as several of the other challenges such as cultural differences, difficulties concerning knowledge-sharing, communication and face-to face meetings also has an impact on this.

Through the analysis, multiple methods to resolve the 15 challenges were discovered. An MNC should wait with establishing co-located teams at the Development Centre until processes and the culture is aligned with headquarters. Employees from headquarters should be constantly present through expatriates or frequent visits. Through the use of distributed teams and frequent meetings, employees are expected to succeed in proper knowledge-transfer, collaboration and communication across borders as well as creating a trusting environment and establish relationships. It is important that upper management is transparent, include relevant parties in decision-making and treat employees at the Development Centre like any other to counter resistance from employees and help the implementation.

As the findings are derived from the analysis of a single case, the possibility of generalising the findings to the remainder of the population is reduced. However, the majority of the 15 challenges discovered in the analysis as well as the suggested solutions are still expected to be applicable for companies in a similar situation.

The internal validity of the results requires that the informants' statements reflect their honest opinions. Investigating the Romanian culture revealed that they do not trust a person before properly knowing him/her. It can therefore be questioned whether the informants gave honest answers despite not knowing the interviewer. However, as the informants were not hesitant of sharing their dissatisfaction and criticism of both upper management and project managers, the interviewed employees are assumed to have provided valid responses.

In order to derive theory from the above-mentioned results, it is necessary to find academic evidence. As such, the next and final chapter of this dissertation presents suggestions for future research. Here, it is concluded that the validity of the findings should be examined through further

research in another context or by implementing the suggested initiatives into the research company and investigate whether it has an impact. As the study discovered plenty of financial – and nonfinancial cost associated with implementing a Development Centre, it is crucial for a multinational company to investigate whether implementing a Development Centre is even profitable.

9 Future Research

Due to the inductive approach and the fact that no prior study has investigated this subject, there does not exist valid theoretical knowledge on the subject. As this dissertation is a qualitative case study with a focus on only one organisation, the result of the study cannot yet be generalised to the remainder of the population. In order to derive theory, the findings have to be properly examined to ensure that the results are applicable to other multinational companies. This includes finding academic evidence that the 15 difficulties are challenges that the majority of multinational corporations experience and hereby confirming the 15 hypotheses.

A possible way of examining the validity of the findings is to conduct the same study in another context. It should investigate a multinational corporation located in another country than Denmark that implements a Development Centre in a different country than Romania. This is crucial in order to clarify whether the 15 challenges discovered in this dissertation answers why multinational companies struggle to implement a Development Centre.

Apart from discovering which difficulties a multinational corporation faces when implementing a Development Centre abroad, the dissertation also recognised possible actions that a corporation can take in order to reduce the challenges. An obvious approach is to implement the suggested initiatives into the research company and investigate whether the changes improve the integration of the Development Centre. If this turns out to be the case, the initiatives should be examined on another multinational corporation that struggles to implement a Development Centre in order to verify the results and thus build new theory on this subject.

Due to the many difficulties discovered in the dissertation, it is discussed whether it is even beneficial for a multinational corporation to open a Development Centre. According to existing theory (Brewster, 2016), the financial and non-financial benefits should exceed the financial and non-financial costs to both an organisation and its employees. As it was not the objective of the dissertation, it does not have the necessary empirical data to clarify whether it benefits a multinational corporation to open a Development Centre abroad. It would therefore be valuable to investigate this topic in future research in order to clarify whether it is profitable to invest time, money and effort into opening a Development Centre abroad.

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Appendices

A Coding Schedule

Number	Theme	Colour code
1	Distributed vs co-located teams and remote vs local management	
2	Communication, onboarding and travels	
3	Cultural differences	
4	Institutional differences	
5	Reason for leaving <i>Systematic</i>	
6	Reason for staying <i>Systematic</i>	
7	The implementation process in general	
8	Silo-oriented	
9	Other	

B Transcriptions

Informant: 1

Position: Business Partner

Location: Systematic, Aarhus

We are focusing more now on having more people involved with the Development center. All business partners should now deal with our employees in Romania.

First, the office in Romania was sourced but two years ago we took over the company and made it to Systematic. I think this transformation has a lot to say because it changes the mind-sets of the employees in Romania that we “buy” them. So it is kind of a new place and it grows A LOT.

If you want to investigate in cultures, I would recommend you look at Hofstede and Erin Meyers. Actually, you could participate once again in the culture lessons at our onboarding program held. This is one of the things we do in order to teach our employees about cultural differences. But for sure we do not do enough.

Romania and Denmark are in general very different countries. Romania is a poor country where they still ride horse carriages at the country side. Historically, they have been a monarchy while Denmark has had democracy and the elder generation is in control and the younger has to follow them which means that they are more hierarchic and more old school than Denmark is. So their culture is different from the Danish culture which Systematic’s values are derived from.

An interesting thing in Systematic I would say was how different the BU’s handles these things. there is an immense difference between how the three Business Units function, how their culture is and also how they handle Romania. It is interesting to know where this all starts? Who decides how things are best done? Because they do it differently in the three BU’s so who dictates this?

I believe that it is important to get the managers in Denmark to establish good relationships with the employees in Romania. However, relationships in Romania is different from how we have relations. For a Romanian, it is important to know who their family is and preferably also meet them. I believe that we lack face to face meetings with Romania because it is hard to be close through skype → you lose a lot through skype. Many project managers are good at traveling to Romania, but it would be interesting to find out exactly how important it actually is? And who prioritizes it and who does not? And which consequences does it have? I know that we save money on Romanian labour but there are huge timely, quality and economically costs associated with this setup that are important to deduct from the savings.

We have on our to-do list that we would like to train managers how to work with and manage distributed teams. Which problems arises? And also, to raise their cultural intelligence. It is actually now possible to measure a person’s cultural intelligence. Maybe we should start recruiting managers on the basis of their cultural intelligence?

Informant: 2

Position: Lead Senior Business Partner

Location: Systematic, Aarhus

We established the development center in Romania because it was cheaper than Danish labour, it is a NATO/EU country, they have a high competence level and it was obtainable.

We have changed the way we handle teams given that we have now relocated most teams which means that there are not many distributed teams left where some sits in Denmark and others in Romania. So now, it is the Romanian project managers that have a manager in Denmark and therefore these managers that have to be better at communicating and talking to each other. So now there are distributed manager teams instead that we have to teach to communicate and talk with each other → knowledge sharing.

Concerning training, then all Romanians still come to Denmark for onboarding and to see the HQ. However, some courses will become online soon and we now have our feature driven development course in Romania so that they do not need to take it in Denmark.

I believe that our biggest challenges evolve around managing and communication. Also, it is important for our employees to be proactive and take initiative – but how much can we rely on the teams to do this themselves? This is in general harder for Romanians because they are less autonomous. Danish people are better at accepting changes and in general are more adaptable so it is easier for us to change jobs. Also, their laws are very different from ours.

But basically, I believe that everyone knows about cultural differences now and where we are different. Therefore, we have started focusing on what brings us together like our common values. So for me it is important to establish a common culture across our borders.

Live ESS is low in RO in general. Some teams are VERY low – like bleeding low. I believe that it is because when something happens in DK, it hits VERY hard in RO because they are not close to it. Systematic would like full seize teams in RO. Some places it is possible now, other places it is not. I believe that people management locally is important. It is important to sit close to your manager and especially in the Romanian culture. It has been hard for the managers in DK to create good relations with the employees in RO. We are not strong enough so that the program managers make sure of this. In Systematic we are very silo oriented. Systematic lacks initiative as to how to handle the implementation of the Development Centre. I know that it is not good enough. We hired a business partner in RO. And then we have an HRM Business Partner here and her role has been more and more clear. But it is very hard to get managers to talk to each other across borders. This is both RO and DK managers. So we are focusing a lot on how to get them to communicate. Our recruitment process of the managers in ROMANIA is VERY comprehensive. There are 3 interviews where the last one is in DK meeting VP and even the CEO in some cases.

Informant: 3

Position: General Manager Bucharest

Location: Systematic, Bucharest

I think the hard part is changing people's mind-set. Some people in Systematic has worked here many years before we came (Romania) and are therefore not used to having to be international. However, some are open and inclusive but others are not.

Also, it is always a problem managing people in another country → you have to fly there → remote management.

Systematic also has tools, processes etc. that are created to be used in Denmark and therefore are not possible to use in another country. These has to be global genetic.

We in Romania also see things with different eyes given that we look outside in.

A big challenge is communication. Also, it is hard to build the same culture in Denmark and in Romania with 3 different business units that are also different among themselves. So aligning different country values with different BU values and the big Systematic values is a very hard process.

Cultural differences are something you only see later when you get to know each other and then you suddenly experience a difference. Romania is a Latin country that is open and want to be friends with colleagues. You cannot change people but you have to establish a common ground and be open to learn from others.

All in all I believe that the huge challenge is leadership and human behaviour. One guy from Defence stayed in Romania for 8 months in order to transfer the company culture. I believe that this is a good thing. I think that it is important that people travel back and forth and we visit each other and meet face-to-face. Otherwise it is hard to work probably together if we do not know each other. And this is especially also true with the managers managing from distance. The development centre is still very dependent on the headquarter and every time the Romanian office runs into an issue, it is like going back to 'mamma' to ask for advice or help.

Informant: 4

Position: Vice President

Location: Systematic, Aarhus

Instead of blaming cultural differences, I think it is important to focus on how we are alike. Maybe differences are caused by age, mind-set etc. and not culture. In Romania, there was a problem with the fact that it is hard to move up in level fast. For e.g. developers, there is juniors, normal and seniors and then comes architect or PM. But it takes time to go from normal developer to senior developer. Romania saw this problem and we at HQ quickly blamed culture. But now it seems that Danes might feel the same way. Younger employees from Denmark have raised concerns on the extensive time it takes before promotions are given. So instead of talking about cultural differences as a problem then listen to each other and learn from our differences. Currently, the employee turnover rate in Romania is 26,9 % which is very high. For comparison, the employee turnoverrate at headquarters is 14.7 % which is also too high as our goal is 12 %.

Informant: 5

Position: Project Manager

Location: Systematic, Aarhus

An issue with working with Romania is their bureaucracy in their legislation which makes our way of managing very hard. In their legislation, it is not allowed to work overtime (more than 40 hours per week → in DK we only have 37 hours per week). So they cannot work overtime one week and then less another week like we do in Denmark which makes them much less flexible. This is also against our cultural value of freedom with responsibility and choosing self. In DK and as a project manager, I do not check up on their hours but if the product is running as it should. Off records, we found a way of working our way around that law but it is annoying that it is there. Also because (especially the older people in RO) uses it to say why they are not working extra some weeks.

Another big issue is that they want to change away from distributed teams towards local teams with a manager in Romania. This creates problems given that Romanians managers are used to the Romanian hierarchy and ways of managing that is far from Systematics values and ways of doing it. My employees have told me that they do not want to have a Romanian manager given that a Romanian manager feels like they are worth more than their employee. This, in my ears sounds crazy. The employees are the once actually doing the work – I am just making sure that it gets done and that my employees are happy and has what they need. Also, I believe that we should be careful because the people we hired are now used to working in distributed teams and enjoys it.

I do not like what Systematic has started with disconnecting the business from Romania because the development centre is not mature enough. I am also afraid that it will create a sub-culture. Furthermore, this change is creating chaos because the employees do not want this change.

If I could decide, I would hire a person (or take one of my current employees) and teach my way of leading to and THEN he/she can hire employees for that team. Then I would know that it would be the right people that fits into our culture that we hire.

I have a feeling that Romanian are “one self” first. That Romanian managers think about themselves first and believes that they are infallible. I have a very big relation of trust with my employees but I do not feel like that the Romanian managers have that. I trust that my employees will tell me the truth where I think that it would be hard to do to a Romanian manager because she/he cannot see that she/he can make mistakes. I am afraid that the Systematic culture will disappear in Romania because they use control and we use trust.

In general, we in Systematic are controlling more in Romania. Upper management checks how much they work etc. → this is a very bad signal to send if we want to show that we trust them. (It is because there were some Romanians that did not work enough and now all the rest are being “punished” for this, which I believe is a very bad idea). (So NEXT is not possible here).

For me, the cultural differences are not a problem. We have a WhatsApp group all of us together where we communicate and send pictures into each other. We call ourselves a little family and I and my colleague was invited to one of our Romanian colleagues wedding. It means a lot to me that we are close and social with each other and all this would not be possible if they had people management in Romania. I visit them when I have time and most of my team has also visited them in Romania, which creates trust. So you buy in on the family feeling. It is important to gain peoples trust and get a feeling of togetherness across borders. So all in all we have a good collaboration and a good team in RO.

Romania is easier to work with than Ukraine. They are more independent and responsible.

We are not matured enough that they in Romania can recruit without a person from HQ present, because the culture is not mature/ Systematic enough yet.

I believe that it is case to case whether a local or a distributed team is preferable. It depends on a lot of things. They are matured enough for local teams, when they actually know and can say out loud, that they are ready to take care of it themselves.

I do not think that most of the Romanian office is very happy to work there and thrive.

At least there is a mitch-match between the employees that we have hired to the old leadership style and the new Romanian managers. At least the Romanian managers should be taught how to be a good leader. Because some of the current managers at the development centre do not manage according to our corporate culture.

Informant: 6

Position: Project Manager

Location: Systematic, Aarhus

I really like working with the people in Romania. I have only worked with them after they became a part of Systematic a couple of years ago and the collaboration has been very good. However, it is a shame that I have lost the (personal) management of the Romanians now. It worked very well before when we spend time on keeping them close which is much harder now because they are further away now, that I do not have the people management more and I therefore do not have development talks and 1-1's anymore. It worked well before and they were often here to visit the team and we came to them. I am afraid that it will go back to feeling like a sourced company where we will not work closely together anymore. I liked having them on my team like the rest of my employees and they were very good employees. I work very close with another Danish project manager who has one employee in Romania and we see each other's employees as one team.

There was this new thing that they were afraid that they did not work 40 hours, so they started focusing on that. I believe that it is a shame because we never had a problem with it. I am a believer of freedom with responsibility and I trust my employees both in Denmark and Romania.

I do not know what the managers are supposed to do because since the people manager is only managing eight employees, I fear that the Romanian employee's will feel a constant monitoring from this manager, which will send the wrong signal and eventually have a bad influence on the employee's work. (hierarchy) Also, it is not smart that the people talk /development talks are not from the person giving the assignments. So, they cannot talk about the person in relation to the project. Furthermore, I can feel that the Romanian managers feels submissive to me which is weird. I do not like the hierarchy and it is a weird setup. I really prefer distributed teams given that we are closer to each other and share the same culture.

A cultural difference I noticed when I was in Romania the first couple of times were that they were very chivalrous to women and managers. So it was both the hierarchy but also that they would not get out of the elevator before I did and they held the doors for all women. I was not used to this because in Denmark, I would just as much hold the door for a man as he would for a woman. But when this is said, I do not see cultural differences as a problem. I have tried working with Indians and this was much more complicated both due to time difference, language and culture.

It is an advantage that it is only 1 hour difference and that they are one hour later given that they meet at 10 so it fits perfectly with scrum etc. Regarding communication, I believe that it works very well with skype and other media tools. Also, I have many in Romania, so it is close to half which means that it is not 9 in DK and one in RO so it feels much more normal that half of the team is down there and we are good at meeting up. They are especially good at visiting us. They like coming here – some brings their wife/husband and they make a trip out of it. Also, they are typically a bit younger so many do not have children and therefore are more flexible.

In the beginning working with the Romanians I thought a lot about remembering to ask them about something. It could be something as minor as time registration, holidays, weekend plans etc. but this was vital in order to make sure that I established a strong relationship with them. 1-1 was especially hard in the beginning when you do not have a relationship and it is harder on distance. So I looked at their calendars and saw if they had meetups after work etc. so I could ask about this so it was not just business talks. As a manager, it is your obligation to keep up with their lives.

I fear that I will lose the close relationship with my Romanian employees and that this will enhance the physical distance between us. Instead of the new setup it could be an idea to appoint a person located in RO to be in charge of the social part like failure to thrive and stuff like this. I am afraid of the hierarchy in RO and that the employees will not be honest to their people managers.

I visit RO around 1 time quarterly → only two days due to my family but I delete everything from DK these days and then I throw development talks and 1-1 with the Romanians. Other than this I just sit, observe and sense and they can come to me if there is anything.

One thing that I do not like about the Romanian culture (or at least the people in and out Systematic) is that in Denmark, employees sometimes gladly return to the same company when it in Romania is considered a defeat. In DK, we welcome people back with open arms. Almost all the resignation from RO is because they move outside Bucharest with their family and if they come back to Bucharest, they do not apply here again because they think we are angry with them. I would really love if they could change this. Our Romanian colleagues see it as crazy when people decides to change job – also within Systematic. In DK, we encourage people to try something new.

Whenever I talk to the employees, they say that they love the Danish culture and thereby the corporate culture in systematic and its values. Of course, I am not sure whether they tell the truth but at least that is what they tell me and I think they mean it. She believes that the leavers turnover rate on 25 % is due to the low wage because like in DK, the wage we give to Romanians are also low compared to software developers in Romania in general. Because she thinks that the Romanians are happy to work in Systematic. In Romania, they are more driven by wage and titles compared to Danish people.

She knows that people management will require investment from a Danish leader but she really would prefer doing it this way. However, it is a challenge that we in the Business Unit DT only has 9/130 employees in Romania. In the beginning of the Romanian office, you did not talk to the people who were not in your BU. If you came to the canteen and there was not an available table, they left and came back later instead of just sitting with someone else. This is the opposite of Systematic culture (Michael Holm's culture) Now they have a staff social club, common canteen etc. So it is better now But it is still Silo. It is also a problem with the security in Defence. (In the Defence department, they have other access cards so people who do not work in Defence cannot go to the offices. And given that 70/130 are defence, it actually creates a kind of exclusion. It is also annoying here but it does not create the same exclusion because it is only 25-30 % that are defence here.

She believes that expatriates are a great advantage. Both a program manager and also a developer in Defence have been there. It is just hard to find people that are willing to live in Romania. It is also smart the other way – the problem just is that then they often want to stay afterwards and we do not like that because then they demand time 3 in wage (which is of course totally fair).

It is annoying that we in DT both have employees in Romania and Ukraine. We would much rather just have employees in RO → way too complicated with 3 locations but there is not physically enough space in RO.

In general, I have been happy working with RO. It works very well even though I was against it in the beginning but luckily, I was proved very wrong. It is very exciting culturally and you end up learning something about yourself.

Informant: 7

Position: Project Manager

Location: Systematic, Aarhus

It works well that the teams sit together. Co-located teams work well for both Denmark and Romania. However, there are disadvantages such as that the team in RO is newly started so they need a lot of help to understand the code and domain. In RO, they spend more time on features than in DK but this can be due to the fact that they are new and they also make more mistakes. Our DK based consulting team has the exact same mistakes. So they need more help but that it is not because they are Romanian. They also have a harder time with the FTD process and structure → not because they are RO but due to their location.

It is an advantage that people get more job satisfaction when they sit physically together so they can drink coffee together and talk about other things besides work. It is more demanding getting through a storming-phase when they do not sit together in the same room.

There is also a language barrier. We in DK do not experience it but they do in RO because a lot of our documentation from customers are in Danish given that it is from the municipalities. This unfortunately cuts off the Romanians.

In general, I have better experience working with Romanians than Ukraine because Romanians have the same professional level and as competent as we are in Denmark. Also, RO is in the EU.

I believe that the future looks bright. I do not believe that there will be many challenges in the future, when the teams in RO are established.

RO changes job more frequently given new technologies and wage. In DK, we are better at staying. I believe that the high leavers turnover rate in RO is due to the fact that the market is crazy at the moment and we do not give the highest wage and do not have the newest technology. Also at CIS, we are very Danish in our ways at doing things and documentation is in Danish etc. → So I understand that you do not want to work on a project where you do not understand the whole process. Also, CIS is old with old technologies. We also have a huge and complicated codebase which takes long to understand. Also, Systematic is not a known brand in RO.

I believe that we should be better at making them self-propelled rather than just giving them assignments. It is a challenge to find assignments that fits Romanians given that a lot is in Danish. I think that we have a good collaboration with the Romanian managers. She has been in DK a lot on manager-seminars, we have become better at communicating in English in our manager group, she is competent and we have respect for her professional capability. But it also is very important that she is good at her job. And we try to help her succeed – we do not just let her fail. She needs the help given that she is located in RO and lacks network in DK. Communication through Skype etc. works well and she is good at building relations. I believe that the team and my people manager follow the values in Systematic.

However, when the general manager is involved it is possible to feel the cultural differences from RO to DK. She is very hieratical. My people manager is used to the western conditions due to prior jobs and therefore it has not been a problem with her. But the general manager overrules wage conversations (and then sometimes she does not even show after having overruled something) and the employee ends up quitting their job. This is a big culture clash because we in our project are used to having free rein but here it became a bureaucratic decision due to wage levels in RO. In a similar situation in DK, we have a much bigger room to maneuver to distribute our wage pool. We control this ourselves by making a professional evaluation. The general manager was not interested in a dialog about this. In DK, we normally discuss this with HR but in RO they had 0% flexibility.

Another example was a developer of ours, who were about to be Project manager but did not have the title yet. So when us managers went to visit RO, they had booked her for a worse hotel than the rest of us. This is changed now but says a lot. This would never happen at the headquarter in Denmark where juniors, systems engineers and project managers all stay at the same hotel – especially when traveling together.

What would you change: I would to a greater extent establish friendship teams in DK that can help RO with getting to know the domain as well as help clarifying doubts and pass on relevant information. And also that the developers in the team should visit the Romanian team much more. Then it would be easier for DK to help RO and it would give RO a DK network. We experience that RO would rather not go to DK so we try to visit RO as often as possible (managers).

Informant: 8

Position: Director

Location: Systematic, Aarhus

Last time I was in Romania was last autumn. I believe that the collaboration in general functions okay. However, I believe that we lack getting our corporate culture to RO. We need to get it implemented well so get both managers, architects, developers etc. over there to get the culture implemented. I believe that it is still very different from our atmosphere here in Denmark. I do not believe that it is much different whether you enter an apple store in Asia than in Denmark because they have made sure about it. We need a common culture, way of communicating etc. I think the lack of alignment in culture is due to the fact that the RO office grew so fast. So I think we should get some expats down there to strengthen the culture and processes. However, it is hard to find Danish employees who are willing to move to Romania for a longer period of time. Also, it seems very project based so they work very much in silo's. So there is no one in DK that takes care of the whole Romania and tries to make them work together. From my perspective, the office in Ukraine is more Systematic culture. I experience that office more homelike and open than the RO. They treat employees more like in DK than in RO. I believe that it is all about management. DK managers are in Ukraine much more frequently. From my perspective, there is much more hierarchy from the RO managers. Also, they are not honest and I feel like they hide something.

But it is hard to start up. There is uncertainty about assignments and it is different between our business units how we approach and do things. The HRM Business Partner's job is very important She has a huge job ahead of her to align how we do things in RO with how we do in DK and across BUs. We still lack getting an infrastructure and structure our corporation. We underestimated how hard it is to integrate the development centre by aligning processes, culture and infrastructure.

I believe that it is a MUST to have personal management locally. I know that some people are good at cross-border management, but I believe that there needs to be a co-located manager. Also, distributed teams do not make sense in my head. At least there should be a minimum of 6 people locally. It does not make sense having 8 people in DK and 2 in RO. I think it is better with whole teams in RO and in DK. It is impossible to manage on the distance AND cross-culture → we need a local manager.

Also because we had people in RO not doing anything because they did not have assignments. It is different in RO. In DK people would speak up if they did not have anything to do but not in RO. But we are very bad at giving them assignments.

I think the reason that so many leaves (25%) is because they are uncomfortable with their job situation. No structure and not sufficient management → it is about leadership. The set-up has been problematic. So we have to place Systematic's culture there, align processes, governance and get managers to communicate. Therefore, it is essential that we keep visiting each other. However, there is quite many women developers, testers etc. in Ukraine and Romania which is a plus. I think this is due to the communism.

Informant: 9

Position: Project Manager

Location: Systematic, Aarhus

Cultural differences we have not dealt with is a great challenge right now. An important example is how we promote employees. Romanians expect to be promoted on the basis of seniority rather than competencies, which is the opposite of the norm in Denmark. We have a standard way of promoting regarding titles. So if they do not get appointed e.g. a senior developer after some years, they will change jobs. But a senior developer in Romania needs to have the same competencies as a senior developer in Denmark so it is possible to move the employees around on the different projects without there being a difference.

In DT, we have a kind of matrix situation where the employees are a part of a distributed scrum-team where people sit in RO and DK but they have a people manager in RO. This is because they are only 9 people (developers) distributed on 3 teams. This just makes it harder for me to create a unity team, when I give assignments but not the people manager and therefore find it hard to create close relations to the employees in RO. This was much easier before. Also, having both a people manager and a project manager causes double work as both managers have to throw one-on-ones. Also, the current people manager sent me a summary of their 1-1, which I think is very wrong because it should be confidential. It is also hard with the matrix in OurPeople (organization tool that shows the diagram of people), because they have two managers and who takes care of wages, processes etc. And the people manager is under another guy who is not even in the same marked unit as I am. However, it is hard to take care of the daily well-being of the employees on the distance so in that sense it is good that she is here to have the close communication with the employees. She also takes care of courses and stuff like this because she has more time so I like that she is there but we would also have made it work without.

Other teams had challenges because some employees were playing videogames instead of working. So in that sense it is good to have a manager close to catch this. It is important with proactive employees who dare to speak up if they do not have anything to do. Because I do not think they played computer games in order to “cheat” but it might be because of their respect to authorities that they do not speak up and maybe they thought that their project managers knew that they did not have assignments. if a Danish employee had nothing to do, he/she would inform the project manager instead of waiting for the project manager to approach him/her with a new assignment.” We have to work with Systematics value “freedom with responsibility”. So we have to be explicit in how Systematic work and what we expect of them.

I believe that expats would be a good idea so they can be “culture bearer”. The hard part is finding people who wants to do it. It would be a very good idea to send the whole team to RO and meet all together so the DK team saw the office in RO and their culture etc. Our team members in RO loves to visit us in DK, but when we come to RO they are VERY welcoming and arrange teambuilding activities, takes us out eating which is a great way to strengthen our relationships. I have been in RO many times and they are so helpful.

I do not like that Denmark sends assignments to Romania that they later have to inspect themselves in order to ensure the quality. I like distributed teams where half sits in RO and half in DK and then we have alignment in processes and ways of doing things. One of the best projects I have been a part of started with a workshop in Romania where our whole team and the customer sat down to discuss the procedure. This way, RO got to know the domain etc. This was very good collaboration.

If RO had co-located teams I am just wondering where Systematic comes in? Would that not just be the same as outsourcing? I understand that it would work product-wise but not project wise. So it could maybe work on Defence or Healthcare but not project wise because you need to be in close contact with the customer. Only possible if we ourselves are the customer. Because RO always ask for inputs (from architect, UX, domain etc.) because they are further away from the customer. Furthermore, they have a whole other library system, hospital, eldercare etc. so they do not understand the domain as we do.

I was told that Bucharest lacks 50.000 IT people and Systematic lacks status as it has in DK → they do not know Systematic. I think it is impossible to get the number much down without us changing our values (like promotions etc.)

Also, there was the case about them not working the 40 hours a week which caused a lot of talk. So now I do not think that they have flexible working hours anymore which is so sad that it influenced everyone because my employees always worked well. They lack freedom and therefore also trust. I have an idea about that the new recruited managers in RO is hired to keep an eye on the employees and I do not like that idea.

I think it is an advantage with the Romanian office. It is exciting with different cultures and it improves our English and thereby making Systematic international. Some competencies and processes have improved and become clearer.

I just do not like the way that the whole thing is running. That they just out of nowhere hire the new managers in Romania without informing us about it. I had to hear it from my employees! They just do it and do not measure on it. It is a “close the bleeding gap” solution. Also, Systematic does not ensure that we are good at working cross-borders both as a Project manager but also as a team. There was some talk in the beginning but not anymore. So I see the managers in RO as a sleeping pillow and then we do not have to worry about Romania. This is a BIG mistake I would say. There has not been made a structured decision and I have not heard anything about how I am supposed to work now and how I should collaborate with a people manager and who is responsible for what. So this whole thing REALLY lacks communication to the organization. There is a raki about areas of responsibility but it is not clear. So who do performance review? How can she make people review if she does not know how her employees are doing on the project?

Apart from the bad way it is being handled, I really enjoy working with RO. They are easier to

collaborate with than Ukraine. They are less hieratical, more like us. Also, there is no substantial difference in the level of competencies between newly graduated software developers from the two countries. I have not felt the cultural differences much – only that you have to be clear about management style in the beginning because it is different from theirs but they really like our way. However, they are more social and accommodating than in DK which is just a plus.

I am also afraid that the employees in RO we have do not fit the DK way of managing. So with the new Romanian managers I am afraid that we will lose the employees if the managers do not adopt our way of leading with freedom with responsibility, trust etc. I believe that personal management cross-borders is very possible if it is done right and we have the right PM. It requires that we focus on it and get enough information about them to talk privately. My colleague is very good at this e.g. When you only have some minutes between meetings, it is the Danish located employees that are prioritized. Not because I want to but because they can quickly ask a question at my desk whereas RO employees have to call trough skype and this just feels like it will take longer.

Informant: 10

Position: Recruiting & employee Branding manager

Location: Systematic, Aarhus

The collaboration with the general manager is not going very well. We really want them to recruit more employees but they just keep pushing the deadline further away. They think about Employer Branding (long-term) and we are thinking about recruiting now (short term). Business Unit but they are not. She has to look at herself as a landlord.

Another problem with the recruitment at the moment is, that some business units only wants employees from Romania and not Ukraine. I do not know why but it is important that the different Business Units understands that they cannot decide themselves where their work force comes from. Right now, it is not possible to recruit as many employees from Romania as hoped for so some projects need to recruit from Ukraine instead. From my perspective, I feel like they are pushing things under the carpet -> they are not transparent (and we do not trust them). We are keeping them in a tight leach but we have to do this. They do not keep their target.

Informant: 11

Position: Senior Recruiting partner

Location: Systematic, Aarhus

As I see it now, HQs focus is getting RO to the same level as we are which is both managers, teams etc. We throw recruiting meetings every Wednesday. Here Romania comes with a forecast each time and tells us how many they have recruited since last time. They still need to recruit 14 employees. The challenge is that they just keep pushing that forecast a month ahead. So the challenge is that they are not realistic in their forecast – they just say what we want them to say. So instead of looking statistically and say, “okay we recruited 5 last month, 4 the month before, then 6 etc. so next month will be around 5,” they just keep promising to recruit 14 next month which they never keep. So I am afraid that it is because they do not want to be honest – maybe it is because of the hierarchy. The problem is that the general manager is under the Vice President of HRM so our recruiting manager cannot really say anything to the general manager because she is not under her. Also they have a completely different recruitment process but they have to use our process now.

It is a general problem that nothing is happening. P&C lacks alignment and everything just keeps being bad because no one sees it as their responsibility or at least they do not act on it.

However, I trust that it is hard to find developers in RO because they care much about new technologies and we do not have it. But they should be transparent – that would make it much easier.

Informant: 12

Position: Test manager

Location: Systematic, Aarhus

Defence challenges: The local management becomes very Romanian which creates noises/unease. First of all, they do not have NEXT. It was new for our employees in RO to be given trust, so in the beginning they were very humble. They are not used to development talks either. In order to maintain this, it is important that the RO are more leaders than managers – they have to let go. It is important with proactive employees and teach them to speak up so that they themselves can see how to solve a problem and what they can do themselves. → It is a challenge to have the RO managers carrying out this kind of leadership style.

With distributed teams, it is easier to work closely together and advance in proper knowledge sharing. However, local teams would work if we could be better at aligning. My testers are afraid that we will not be good enough and therefore afraid to get a local manager. Afraid to be “cut-of” and lack of knowledge sharing because they will not be close enough to the project/product. I will actually have a meeting tomorrow regarding this where I will be the facilitator. Some teams in Defence are co-located teams. But I believe that we should be careful because the people we hired are used to the Danish way of working and likes it, so it is important that the Romanian managers keep working under Systematic’s values. Otherwise I am afraid that we will lose the employees.

Working from distance is a challenge but now we are used to it and we had a lot of experience from Ukraine. It is just crucial that we keep visiting each other. I would love to take ALL testers with me to RO. The distance become much shorter once people have met in person. This is why I always say that when we have a meeting with all testers in Defence, I want all testers in DK in one room in DK, all Rumanian testers in one room in RO and the same with Ukraine. They should NOT just sit alone in front of the computer but meet. Also it is important that we always speak English and does not change when getting a cup of coffee.

All in all, I am very happy with the testers in RO. Our knowledge sharing works well because some of the testers in RO have started to become proactive.

I see the following cultural differences between Danish and Romanian employees:

- Employees in RO are more dependent on feedback and praise than in DK.
- Coffee breaks. I noticed when I am there that they take a cup of coffee outside, drinks it and then goes to their desks where we in DK always drinks it on the run. So they are in general a bit more laid down.
- They also have a habit of making small things a big issue. So they “blow to the fire” much more than we would do in DK.
- However, they are very hardworking, diligent, ambitious, works very long hours etc.
- They go to the office much later than we do – this is where the one hour time difference comes in handy.

- They are not good at coming to their manager with a problem. So if they hear a rumor, they pass it on or goes with it themselves instead of just asking.
- They are very interested in working with the newest technologies.
- My employees tell me that I am much more open and cheerful than normal RO managers. So they tell me that they like it best when I am in the office in RO.

Expats are a good idea if we can get people to do it.

Language barriers are also an issue sometimes. A good example is that I kept telling my employees in Romania to be more proactive, but despite my instructions, they did not seem to become more proactive. I later discovered that the word “proactive” has two very different meanings in Romanian and in Denmark. I use this word a lot so that was confusing.

I believe that it is important that we learn from each other. We should not change RO but we should make the best mix of RO and DK culture and values. They should learn our proactiveness and we should learn how to be so familiar with each other and do stuff outside the workplace. They know each other’s families and loves to show their wives, husbands, kids etc. They are also good at receiving/welcoming us - thoughtful. They are actually worried that they are not doing it good enough – so eager for us to have a good time in RO that they arrange all kind of stuff. I try to be better at it. I brought an employee with me home the 23th to show them a Christmas dinner and another one to Ebletoft for a whole day with my family. RO needs trust before they will tell you the truth. Therefore, it is important that we do our best to get to know them!

If I could decide, we should spend much more time in Romania and concentrate on creating a good relationship. I believe that meetings must be held at least quarterly in order for a bond to be maintained.

Once, developers and testers were in DK for two months for onboarding and other learning but also just to understand the Danish culture, our way of working, see our country and getting a network. E.g. see that we bike everywhere → they never do because it is too dangerous and also experience our different humor etc. But this has been saved away.

I am also afraid that there will become a sub-culture in RO. I have the feeling that some of the managers in RO are more “~~kæft-trit-retning~~” (old-school discipline) than we are. I always hear that “you must understand how it is in Romania”. But I am very worried about this.

Informant: 13

Position: Program Manager

Location: Systematic, Aarhus

I believe that everyone needs a present manager – especially Romanians because it is in their culture to be close to each other. Also, because it is still new in RO so someone needs to keep the finger on the pulse and keep an eye on it. It needs a form of heaviness down there and that is not done if we manage it from here. They need to build deliveries and the culture down there.

There are pros and cons with distributed teams vs. co-located teams. With distributed teams, it is easier to work together and be close to the RO office and knowledge share etc. However, co-located can better work when they sit together.

The main challenge is to have PM's talk together across borders I am very much in contact with Romania – I was there last week to ensure that we are aligned and do things in the same way, works together and creates the frames. The PMs in RO does not feel that they work closely and sufficiently together yet. It is about becoming close and get to know each other across borders. It is especially important because of the RO culture. But both RO and DK visits each other a lot which is important. We have a scrummaster from DK who sits most of his time in RO. He helps both co-located teams and especially their scrummaster. He helps a lot which makes a great difference. They are confident that planning is done right so he is a good middleman. He also has a finger on the pulse. It is a go-to person for the Romanians because it is so easy to get disconnected because of the distance. He is a culture bearer – also in convincing them that they are good enough and they can do it themselves. I believe that expatriates would be a great idea in order to be 'culture bearers'.

It is hard for RO to understand CURA domain because they do not have this home care in RO. So it is important that they are proactive and ask if they are in doubt.

In general, it is working well in RO. They take care of their assignments and deliver. However, I am not sure yet if they deliver quality. Earlier, we have seen many mistakes.

The legislation is different in RO concerning working extra hours. You cannot command them to work more in some weeks and then less in others which is a huge flexibility problem for us. Also, it is almost impossible to fire people in Romania if the collaboration does not work.

This is also the case with the team. It is almost impossible to make changes in teams and move people around → this can make them quit if they should change team even though it is in at the same project! They attach very easily to each other and makes deep feelings for one another. So they are not very flexible and are definitely not happy for changes (much less than Danish people).

We try to make all 30 people friends and work together but their PM's ONLY focuses on the teams, where they should focus on all 30 so we all are a family.

I know that RO is much cheaper so I understand the decision about opening in RO but I do not understand distributed teams. I feel like our RO employees in the distributed teams sits alone and becomes second priority because they are not close by and they are only 3. So, it is bad that they are not seen by their Danish colleagues or their project managers.

Informant: 14

Position: Manager

Location: Systematic, Bucharest

My project manager is located at headquarters and I see him every 2-3 months which is a deal we have that I think is important. I like more talking face-to-face. Personally, I am used to working internationally and loves working with different cultures and the fact that everyone has to compromise. I spend 6 years in a multinational company before joining Systematic which is why I was hired. I had other job offers but I wanted to work with the Danish culture because it is so different from RO. Also, I found out how much value Systematic places on the people and the fact that people comes first and I experience how open people are to each other here. Some has to adopt working international but most are very open and helpful.

I do not feel the distance in our daily work. Technologies functions well and distributed teams works well too. I have seen that people at our office (RO) have a very good teamwork and collaboration with DK → also outside work.

It is also great that DK and RO visit each other so often because it removes the distance. It is important to touch-base face-to-face every 3-4 max 6 months. Also, to get together and do something altogether so you know each other outside work. I think it is a challenge if there is only 1 person on a team located in RO – there has to be at least 2 people because otherwise it gets lonely for that person. Because if you experience a problem, you go to the person physically in the same location. Other than that, I see no problem with distributed teams. But in general, it is important that the different teams in the project works close together both in DK and RO. In DT, co-located teams only in RO would not work. We cannot work without contacting DK. Maybe it would work if we had a very good product owner located in DK because we need someone close to the customer.

A challenge is that some employees in RO do not get enough development tasks in order to move on the career path. Right now, they get a lot of day-to-day tasks and that is not good enough. In order to get more development tasks, I would say that knowing the processes, domain etc. is important. So, DK needs to be better at involving RO in the whole process and give them more responsibility. I heard this problem being addressed at exit interviews. Systematics value “making a difference” is important here because you do not know whether you are making a difference, if you are only given small tasks and cannot see the whole picture. They need to see how where their role is in this picture. But it is a challenge for the new-comers because the projects are huge and complicated to understand the product and the domain. Actually, we should later have located teams because by having located team, it provides employees at the development centre with bigger possibility for development (dev → senior → lead → architect). Also, I know that some RO employees have an expectation to be seniors but we are not good enough to help them become seniors, like given the criteria in order to advance in their career (development talks) otherwise they change jobs.

The culture at the RO office is still not Systematic. It grew very much very quickly and the focus was to recruit a lot of people and not align processes, flow, etc. Now we should take a step back

and stop the growth and start build up processes, flows, alignment and the culture in Systematic.

However, there are some cultural differences from DK to RO that has to be met. Like in DK, they do not change salary when changing job title → in RO you have to give money in order to get a reward for recognition, so we align promotion to the month with salary adjustment (September). Being late is another difference that we work with. We can be up to 15 minutes late but in DK it is maximum 5. In DK, you hire a person because you trust him/her. In RO, you hire a person and then the person earn your trust which means that we strive to prove ourselves (different in DK).

Informant: 15

Position: Developer

Location: Systematic, Bucharest

I have a project manager located in Denmark. At the moment, I am the only one on the project who sits in Bucharest. Now, I have a people manager here in Bucharest. Before, I had some of the tasks that the current people manager has now regarding people management, so it is so nice that the people manager is here now to do these things. In the beginning, we were afraid to have a people manager from Romania but now she is filling gaps that we did not even know existed. However, I know that there are others in Systematic that does not have it as easy with their people manager. My project manager was also a very good manager before I got a people manager so I did not feel that I missed out on anything. However, it was harder with communication. She did not visit that often so it was a lot through skype which was totally fine. We had regular 1-1's and she always came to development talks (which is once a year). I like being on my team with my current project manager but it is not that nice sitting alone. I sometimes work with the other team in L&L who has another project manager as their PM but not that often so I would love to have a colleague located here. But when the other project manager is visiting, we all go out together. Also because people always prefer talking to the people sitting next to you and only afterwards you call. However, it is not possible for DT to have located teams given the project and we need to be close to the customer. Also, I totally prefer working on a distributed team as long as I had a few colleagues located here in Bucharest. There is a better flow on distributed teams and I am afraid to be isolated from headquarter and miss out on relevant information. I prefer receiving information directly instead of from a PM located here that gets the information from Denmark that gets is from the customer. I prefer having a PM close to the customer. If the project had been in Bucharest, a local team and PM would have been fine, but it is not. It is easier to talk about the problems immediately after they arise when we work together. Working ethic is different from RO to DK. Romanian management can be horrible compared to the Danish management. RO managers should really learn from Danish managers. RO managers are more hieratical and think that they are worth more. You HAVE to do what they say but my people manager is really great. So located teams would be okay with a manager like the one I have now who is following the Danish way and if the project was here in RO.

One thing that is annoying is the constant change of people. communication can go wrong when new people are involved. It is therefore important to have employees with some seniority on each team with tacit knowledge.

I like working here because of the quality of the code. We have time to concentrate on the code and do not need to rush which gives less mistakes. In other software companies, developers have to rush through it in order to deliver quickly but here we focus on quality and the process. I really like the process. Work culture is also very good here. Being able to tell your opinion and that people actually listens.

However, we do have communication problems/gaps. Us in RO sometimes lose some information

or get it later because people talks among themselves in DK and forgets to make it public. I do not agree that it is hard to develop inside Systematic and have a career path. I feel like it is the same way in other companies in RO about being appointed a senior when you have the abilities and not the seniority.

I do not feel any cultural differences and they have for sure not been a problem. E.g. I know that a lot of RO meets at 9:30-10 but I start work around 8:30 which makes me very hungry before it is lunch time. We changed our lunch-time in order to fit yours (DK), so we only start lunch at 12:45 because you start 11:45 and there is an hour difference. Personally, I was not fond of this idea.

I think that the main reason, that people change job is to get a higher wage. Also because it is limited what you can do in Systematic in RO. So I think people change job to get new challenges because here, you can only work in HC, DEF or DT (which I think is a lot of opportunities?). The jobmarket for IT people in Bucharest is crazy. I get 2 job-interview offers everyday at my LinkedIn profile so some employees here take one of these offers. I see that a lot of people want to try different things. I e.g. know a guy who moved because he wanted to work with Java and some other things that were not possible here. Systematic is slow at moving people around. Some developers expect the process to happen within two months but it can easily take six months for Systematic to make the relocation.

As said before, I represented the team before our people manager came. And one thing that pissed me off was that some employees here are super nice and agreeable in the skype-meeting but whenever Skype is turned off, they start complaining about everything. I tell them to complain to the management instead of just the team but I do not think that people realize that they should just speak up because we in RO are not used to it. Employees here in RO should learn to speak up and follow our values “freedom with responsibility” and “trust”. So some employees does not follow the company culture I think. Romanians are not very good at coming to their manager with a problem. This is because people in Romania do not trust management in general because managers often feel superior. But I know for a fact, that other people here in Systematic are not so lucky with the people manager/ project manager as I am. However, I will not mention any names.

Onboarding in DK was in general super good, HOWEVER the culture part about people from RO was horrible! They put us into a box that did not fit me and my colleagues AT ALL.

Informant: 16

Position: Tester

Location: Systematic, Bucharest

I am very happy about Jira because I totally rely on this. Here I can see what people are working on, what is going on etc. When I started working in Systematic, there was a clear difference between DK and RO office. Now it is improving but it is still different. In DK, people in the office are more “serious” doing their work where people in the RO office talks more and have more coffee breaks. But because we are changing from only being in DK to moving to other locations, it is also a problem. WIKI is not updated and if a person with a lot of seniority in Systematic leaves, a lot of that knowledge will disappear because people are not good enough to write it in GIRA or WIKI. This makes it hard for a new person to take over. This is even harder on the distance when people do not update the nessesary documents because then I just have to figure it out myself which takes much more time.

I believe that my PM in the future will be located in RO. However, I much prefer having a PM in DK, given that the whole team is in DK. I worked very well with the PM in DK. Not because he is located in DK but because he is super nice. I will always prefer having a PM in DK because he/she would be close to the upper management. It is important for me, that if I come with an issue, my PM in DK could pass it on quickly. Also, a PM here might not have the sufficient network and maybe not know what to do. Also, I do not want someone hovering over me all the time here in Ro. I really do not need micro management. All this of course depends on the person and her/his ability to be a good leader. I fear to hear “we have to make it look okay for the upper management”. I want it to actually be good. Also, my project manager in DK is super enjoyable and willing to listen. I always see actions when I tell my project manager in Denmark about a problem. I am afraid that this would change if I had a manager in Romania who is far from the headquarter and therefore may not have the same influence as a manager located in Denmark.

My favorite thing about working here is the tasks, the flexibility of working hours and the fact that I see actions and outcomes when I speak up.

When talking about distributed vs. local teams, I personally think it depends on the company/office maturity. If you have a good distributed team, it can work perfectly. However, if it is not a good team, it can end up very bad and become “us against them”. So it is all about communication and clarity of tasks and who is responsible for the communication flow and making sure that everyone receives the necessary information. I have worked a place before where EVERYTHING was documented. We here in Systematic still needs to be better at this and being more agile. In a distributed team, it is important to have a person of contact that is as informed as he/she could be and that have the long-term view. Also, it is important with a transparent manager.

Personally, I think it is weird that we rely so much on interns. We do not learn how to be agile in school and I am not used to being taught just to do it? The interns might be good developers but they are very young and are a bit hard to work with. They also make more mistakes and

do shortcuts. However, as long as there are more seniors and knowledgeable team members than interns and new people, it is okay so they can teach them to be good developers. A few times, we have hired people that did not have the sufficient competencies and this really hurts the team.

The course about culture on onboarding was horrible. We are young people who grew up with the internet, making sarcastic jokes and are now very educated, which mean that the theory about Romanian does not apply on all of us. Also, we are NOT religious at all. We are working on one of the most demanding jobmarket so that course really was a joke. I understand why it is there but it was presented horrible.

What we learn in Systematic cannot be used anywhere else. We are too waterfall and not agile at all. It is a hard process of adapting to the new technologies and there is too much process and documentation. We have to create documents, throw meetings with people that are too busy so it takes time to plan a meeting, then they tell us what we have to change, you spend 5 hours changing this and then have to wait 5 days to get it approved. I know people complain about this. Our hiring process should be done differently. We should spend time on understanding why people stay and who they are etc. And then find a good fit from this analysis. Because so many people start and then quit quickly afterwards and this is demanding for the team. So important to recruit the people we want and maybe set a process for this. It is about behavioral economics. In general, the recruiters should be more critical as to who they decide to hire so that the right person is found. Systematic should recruit people who do not need management. I do not have it and I really thrive without. Also I like the environment, so recruit people who would do the same.

Personally, I think it is easy enough to become a senior. If you act like a senior, you will become one in Systematic. I am sure of this. So I did not have this issue. I have a Danish test-manager as a people manager and she is absolutely great. Her development for me was perfect. She knew what I wanted and was good at helping me get there. I do not understand why people are so eager for a name change. And if you want the extra wage, then show that you deserve it and be responsible. In RO, it is common to get a 30-40% raise in wage when changing job if you landed a low wage in the beginning.

Personally, I hate Skype, I prefer to talk over Slack. However, I believe that it is important to have met face-to-face before. Another thing with skype that I hate is when people are nice in the meeting but the minute that Skype is turned off, they say "Fuck that, I do not want that." People should be honest in the Skype meetings. In the ideal world, the whole team would get together a week all in the same room and work close together. That would really strengthen the relationship. I know that it contradicts with what I said earlier about distributed teams, but this just has to be once every half year or so and apart from these weeks, online communication tools work perfectly.

Informant: 17

Position: Tester

Location: Systematic, Bucharest

I work as a tester for two teams which gives me way too much work but we are looking for another tester to take over for one of the teams. I used to have a project manager in Denmark as my people manager and a PM in DK, but now I only have one here in Bucharest. I liked both but I also really like my current people manager here in Romania. I have had bad experiences with managers before but never in Systematic. Here I feel like that if you address a problem, it will always be resolved which I believe is really important. So people are very helpful and I am a part of a very good network for testers in CIS. And I do not feel alone in these teams even though I am the only tester on the teams.

My current manager is a very good project manager and I believe that this is very important to have a good bond/relationship with your manager.

I believe that one of the problems is language barriers. It is easier to talk face-to-face but also better to be able to talk in your own language. (He is not super good at English). When small issues arise, it is just easier to walk to the desk of your colleague than to make a call on skype. But it is really not that big of an issue. I really like Skype. You can split screen and use webcam which is important to see people's faces because it feels like being in the same room. And once you know a person, it feels more natural to make a Skype call and ask a few questions. We in the test-team visits each other. I come there and the 7 testers in the CIS team comes here. I believe that this is sufficient. I was in Dk for onboarding for 2 weeks and later I came for 3 weeks to get to know the culture, the processes etc. I brought my wife and kid which was amazing that I did not have to stay away from them for so long. Because I do not want to stay away from my family for more than a week at a time. I also came for a training course another week. I like visiting the headquarter but it is sufficient as it is. It is great seeing all the testers again – we go for a beer and they try to speak English. But I understand that it is hard. If we in RO had the possibility to speak Romanian, we would always do that – it is human nature.

I would not have anything against distributed teams. Communication through a computer works fine but I would always prefer to sit in the same room as my team. This is the ideal way. However, it is still a problem that so much information is in Danish. And then it gets misunderstood when it has to be translated. However, this is what happens and is hard to change.

RO and DK culture is in general different but as long as we are in the same boat called Systematic, I do not think it is so bad. Everyone are different even though they are from the same country. As long as people are committed to make it work, then it will work out. A thing is the punctuality. Some RO people are not always on time but I e.g. am always 5 minutes too early.

I am very busy at work which means that I do not have time for my development. I would prefer to have less assignments and more development but I understand the problem right now with finding

a new tester. I participate in the job interviews. However, I in general believe that the development opportunities are good in Systematic and you can get the right guidance and support if you reach out.

I do not know why so many people leave. Personally, my wage here is good compared what I think I can get other places. But I am also just a tester. My only issue at the moment is that I work too much but I know that they are working on that so. In general, I like being here. It is not great but it is good. I would like to do automatic testing and not manual later, but I have to learn first. I do not complain because it is just temporary.

Informant: 18

Position: Senior Developer

Location: Systematic, Bucharest

Distributed teams can be tough when you do not sit next to each other but we as a team address these problems. Skype is a great tool for it but it can be difficult when people do not reply through skype because you cannot just go look for them if it is an urgent issue.

I now have a people manager here in Romania and that works great. I always know who I should approach with the different problems. It is really a help to have her here. It was very good before and I thought I did not miss out on anything but having her here is even better. We were actually a bit against that she would come. She is very open and helpful and is it easier because she is present so you can always approach her. Therefore, it does not matter that my project manager is in DK. Knowledge-sharing is hard. Documents are not updated and can be hard to track down. It does not happen daily that I cannot find a document I need but once a month at least.

I have been here for 3 years and I know almost everyone here. After the employees club started here, it has been easier to get to know each other with the activities. It is also the plan that we will start a knowledge sharing network across all BU's to talk about different subjects (we have this in HQ). This would also help people to get to know each other.

Another thing is the onboarding course. That was ridiculous because it is SO not true. We had a great laugh when the guy was explaining how we are, because it was so far off. It is built on old data because we here in RO also likes irony, we are also direct etc. I have not experienced any cultural differences. However, we in RO are more used to hierarchy. I like working in Systematic because the atmosphere here is great. I like that there is no hierarchy and the flexibility here is important. Also, it is great that I can be trusted to work from home which is important to me. And the people here are a great reason for me being here.

Even though I work on a distributed team, I like that we meet each other face-to-face really often. We sometimes go to Denmark and stay for a week which is important because you get to know each other in a whole other way. However, I do not believe that there is the same vibe in DK as in RO. It is not the same surroundings nor people. I really like the open space in Systematic in Dk. Here it is more pressed together. In some way, I feel like people in DK are more serious than here in RO. At least they do not take as many breaks as we do. However, from my perspective, the trust and freedom are both present in DK as well as here in RO Another different thing is maternity leave. Here in RO, we have a different law for that. We have up to 2 years but it has to be the same person why it is often the mother.

Before I got this job, I went to some other interviews but this was the best. I liked the trust and lack of hierarchy that was possible here. I just listened to my gut that told me to choose this job. I believe that most people leave because they get offered a better salary somewhere else. As you probably know, the job market is crazy for us. I was actually a senior developer before I came

here but here I was downgraded to developer. However, 2 month ago I was appointed a senior in Systematic. I do not care about the title – it really does not matter. It was not technically hard to become a senior but it was hard to prove to my PM, that I was good enough. We talked about it on the development talk, started the preparations and then I did it. When I got promoted, I did not get any raise which I found very strange. For me and I think for most of my colleagues, wage is much more important than title.

Informant: 19

Position: Tester

Location: Systematic, Bucharest

It is working well now to collaborate with people in RO and DK. However, I see differences between DK and RO. People in DK are more efficient and gets things done more quickly. We in RO are more detailed and spends more time getting to know the work. We are more careful in a way and I think it is because of the fact that we used to be communists. Also, Danish employees seem more relaxed and happy at work compared to most Romanian employees.” For RO in general, working is something you do in order to get money. In DK, it feels like it is more than that and you like working more than we do.

Another big difference is when dealing with trust. In DK, you trust people immediately whereas in RO trust comes later. I know that we in Systematic has the NEXT principle but it is very far from the Romanian culture. We are raised not to trust anyone.

I believe that it is better to have distributed teams because it adds different values and ideas to a project. We actually tried having co-located team here in RO but it did not work because we did not have enough information from DK. It was too hard to communicate with people on another team than your own so I believe that 2-3 people in each location is most optimal so a half-half. Too much information is lost with located teams. I really did not like it so I am happy that they switched it back. I have also tried working alone here in RO only with people located in DK and that was not fun either. I felt alone so half/half is by far the better choice.

However, it is important that a project manager attends all scrum-meetings and she/he in general is aware of what is going on. The new project manager was eased into the role. He learned from the other PM’s and I think that was important. My former project manager also helped with this so they worked together on this. So the setup now is that I have Danish test manager as a people manager and a Romanian project manager and this works well.

All this changing of project manager has been fine for me because I always had a Danish test manager as a people manager but I think it has been very tough for the developers and I feel bad for them. Switching managers is tough. I believe that most people leave because they get a better salary offer. Systematic is not aligned with the market. I also believe that people are not happy about changing projects. People wanna work with new technologies. Here, the infrastructure is old. People also do not like the management here. And by management, I do not mean the project managers (the general manager)

Also, people have left because of lack of development. Before where we did not have project managers, lead developers etc. here, it was a problem. But now it is possible with that development, so it is better now. However, I would like to be a test-manager but it is not possible here yet because we do not have any. But maybe it will be. So in general, people want to improve and learn more and if there is not possibility for it in Systematic, they will leave. I get two interviews a day on

my linked-In profile. Sometimes it is from the same company that have found a new offer but we have a lot of outsourcing companies here in Bucharest so it is easy for people to leave.

I believe that it is important to meet in person. I insist to go to Denmark sometimes to work from there because Skype is just not the same.

Informant: 20

Position: Recruiter

Location: Systematic, Bucharest

The biggest challenge is the market. We have no applications so it is only sourcing and headhunting which is difficult. We mainly recruit developers who are very hard to find and very spoiled.

There is such a difference in wage in RO. Some people get a lot and some get very little. So the span is much different compared to DK. This is because not everyone is good at developing event though they have the education.

We throw interviews different than in Denmark. The first interview is only with people from P&C to determine softskills. This is in order to screen out the bad once so that developers and project managers do not need to spend time on those. The interview takes 1 hour. It is also used as an alignment meeting to see if both parts can agree on an arrangement and to see which project that the person is most suited for. Because the projects are very different. So establish who the person is and which technology/ manager and set-up he/she prefers. Then if it is a match, they are invited to a second interview with a PM and a technical person and one from P&C as the facilitator. Here we go deep on the technical part and we sometimes ask them for a part of their code. This depends on the PM and technical person. In this process, it is important that we are super-fast. So right after the first interview, we go to the PM and set up a second interview. So from the day they agree to a meeting till they have a job offer, there should not go more than two weeks. We only use insights profiles on people who should work on shared function, architect, lead and project managers. Not regular developers → I think it is to save money and time and only two of us recruiters have the certificate. We try to align our process to the Danish way as much as we can but we HAVE to take care of the marked. We e.g. still need to have grandfather's approval, but the marked here is much more competitive. Here are many international companies and therefore a lot of competition.

Systematics edge is the following:

- We are a product company and therefore not a sourcing company.
- Also, There is a lot of banking and telephone here so this is different. We come with Defence, Healthcare etc. that is important for society.
- Another impact is the Danish roots and sending people to Denmark for onboarding. Danish culture is new for us but it has grown in visibility. You guys are a happy country and your systems really work so we see it as a fascination and therefore wanna work here.
- Also, the office is located in the city center and it is a nice and pretty office with a beautiful view. Other companies are up north and with this bad traffic it can take hours to reach.

I think people leave Systematic because they get offers that they cannot resist. Maybe something was spot-on and they got opportunities that they could not get here. The developers are so spoiled so if you just have a bad day, that might trigger you to reply to a linked-in request and boom you

leave.

Also, people leave because of money. Other companies use money as their strengths. Some companies in Bucharest do not offer interesting tasks, they have a bad working environment and work in an uninteresting field but in order to compensate, they pay double of Systematic and thereby use a large salary to attract qualified labour.

I actually enjoyed the cultural awareness course, where I was told about trust. Because you guys really trust and we do not have that. I was shocked when finding out that Danes sell strawberries and potatoes without having a person at the stand. Dealers place a strawberry stand by the road with a box for the customers to put cash in to pay for the strawberries. This is a sign of trust between members of a society, that we do not have in Romania. In DK you immediately trust whereas we got to know the person, have a drink with her/him etc. Another difference is the fact that DK has social welfare and we do not have that. Not having a job in DK is not a big problem because the system will take care of you. Here, you are in big trouble if you do not have a job. Here, we need to be red (insight profile).

Also our way of working is different. We work 40 hours a week from around 9-18. The infrastructure is crazy. You can live relatively close to your office but still spend two hours getting to work due to the poor infrastructure, regardless of whether you choose a personal car or public transportation.

We are not efficient all the time because we need time to socialize. So we play more ping-pong, drink coffee, go for a cigarette etc. We need this but I have the feeling that most Danish people do not. So our breakroom is used more often.

A thing I have noticed is that RO needs the social time after work in Dk. Danish people always go home after work so Romanians ends up going out with only Romanians which is a shame. We in RO do not have this clear separation of friends from outside work and from insight work. So not a big difference between work life and private life. We go to clubs and bars together and I am still good friends with people from my last job. Also, We (Romanians) are louder and can sound angry without actually being angry - it just sounds that way for Danish people. We are just latin.

Informant: 21

Position: Junior Developer

Location: Systematic, Bucharest

Right now, we talk a lot with our teams but we have decided that we want to be better at talking with the other teams as well on the other projects. In general, I know a lot of people here because of my nature. I am very outgoing and like saying hi to different people in the office when I meet in the morning. I think the challenge is, that it takes long time to learn the code basis – especially when a lot of the documenting is in Danish.

I would also like if the architect from Denmark would visit more often, so that he could explain things in person. In general, I believe that it is good to meet face-to-face. And I know that if we feel like we need to go to DK, they will send us there and the other way around. However, I have only been in Denmark the 2 weeks for onboarding. Right now, we have a tester in Denmark that we ask when we need information from DK and he points us in the right direction either by sending us to somewhere else or provides us with the information. Other than that, we always call through Skype.

However, it is new that we have a PM in RO. Before, we had Louise Skipper as a PM in DK. Back then, our team lead acted like our project manager and Louise Skipper was our people manager. Louise joined our daily scrum-meetings when she had time but it was not always. Therefore, I prefer a RO manager. It is better because she speaks the same language and she is close so you can speak with her face-to-face. Also, it is both faster and easier to speak in Romanian. You learn a lot from working in distributed teams but it is better with local teams. Here you can go to each other's desk, be friends and communicate better in general.

I like working with the Danish culture. But it is my first job so I do not have much experience. My Danish colleagues are super friendly and we have the same humor so that is great. When I visited Denmark, I was very fond of the bikes and I actually liked Aarhus better than Copenhagen.

Regarding my future, I want to become a developer so I want to get rid of the junior. I already talked with Louise about this so I hope I will get there.

I think that most people leave because of salary. I think that it is mostly about the money. It is probably also because people want different tasks or maybe they are bored and want something new like working with the newest technologies. This is because it is easier to work with new technologies and it gives fewer mistakes.

I really much like my current people manager here in Romania. She does not have the regular hierarchy like other managers in RO and she is very friends.

Informant: 22

Position: Developer

Location: Systematic, Bucharest

I like the northern culture and way of working. You have a flat structure and a friendly relaxed environment. You respect one another and have a good relationship with your manager and can discuss with upper management. This makes a huge difference. This was very different in my previous job which was very hieratical. Here there is a friendly environment and a friend actually recommended me to apply for the position.

I was in DK one week for onboarding and then I took my FTD course here. Now we are too many people to go to DK so people from DK comes here to transfer knowledge. I do not feel like I need to go to DK. We met our tester and product manager Carsten. It is important to meet people in person – I also met some of the developers in person from some of the other teams in DK. This was nice for information and meeting face to face. We also met the architect who was very helpful which helped understand the project much better. The team has changed and now they want one team more here in RO. We have weekly meetings in order to catch up on what is going on with CIS. However, the sound is very bad through Skype on this meeting. Skype for me works okay. When you have talked several times with the same person, it is okay even though we have not even met in person. I do not have a webcam so I do not use it.

A thing I like is that our product manager came to RO and asked all of us if we had any trouble or something he could help with. In DK, you trust from the beginning. Also, it is okay to ask. I like this positive environment and energy.

Language is a problem because a lot of documentation is in Danish. Mostly the old documentation though. But now there is a technical writer who helps with this problem. So we cope with it and now most documentation is in English. However, the documentation from the regions are in Danish, so we are not in contact with the client.

About people quitting, then it is not something I see on my team. Only one person has left and that was for personal reasons but also to try new technologies I think. I also know a person who left MOMO. This was because the project was in an unknown stage and the person had nothing to do and did not know what would happen so he left because of unclarity. If I were to leave, that would be to try new technologies. I believe that the salary in Systematic is aligned with the marked so I do not think I would gain much from changing job.

I really like our concept NEXT. It empowers you to act which is a good thing. The CEO is here sometimes which is cool. He is so motivating when he speaks. He says different things and Systematic is a stable company with good values and where you do a difference. However, I would also love to be able to change lives in RO as well. A good thing about working in Systematic is that my English skills improved a lot.

I do not think that there is such a big difference between located teams and distributed teams as long as we have a common ground and have meetings. It of course helps with face-to-face contact with problems that arise quickly but I would not mind working with distributed teams at all. I had no problem having Louise as a PM but I also really like my current people manager. So having a manager in RO and in DK would both be fine with me. However, being in the same location helps getting to know the person which makes the 1-1 easier.

I also like that you in Systematic can change/switch jobs. This flexibility is nice and the fact that we take care of needs. I know a person that was a tester, then became a developer and then went back to testing. I would like to stay a developer but later I might want to become scrum master or maybe a business analyst. I actually took a master in project management but right now I do not want to be a project manager because of all the meetings that you have to attend. But it is good to know that it is possible to develop in the direction you want.

Informant: 23

Position: Project Manager

Location: Systematic, Bucharest

I collaborate a lot with Denmark – I have meetings with them at least two times a day but given that all my employees are here, it does not make sense to travel to DK all the time. But at least I have met them all in person which I believe is important and I go to Denmark at least every 3 months. So we have a good collaboration where problem solutions are in focus. I am used to work cross-borders from my previous jobs and as long as we talk a lot, it is no problem. Of course it is easier to get information when you sit next to each other but that is just a fact. It can take longer having to call through skype and maybe they are not at their seat.

Knowledge sharing is hard and we are working with this. It takes time and we are still in the process. We are a very new team but still growing. In June, we were 3 people and now we are 15 divided into two teams. So we are in the storming phase.

Students are taught to work differently in the two countries despite taking the same study.

In order to ask “what” you need to know some things. Being abroad/remote, it is much easier to miss this part because you cannot ask when you do not know anything. This is easier in DK because you are much closer to the project, product and the domain. So it takes long time for employees located in RO to be properly integrated and get to know stuff but eventually you will learn everything. I am comfortable now and feel like I know enough but it was not like that 3 months ago so it takes 6 months to get integrated.

It is difficult to guide in the documentation as a new employee and all senior people are super busy so they do not have time to help you. Also, you do not want to steal their precious time just because you are new and cannot find your way. Given that I was the first manager on CIS, all my tutors and mentors were in DK because there was no one here. So this took time and was not the most appropriate start for me but Systematic did not really have other opportunities.

A difference between DK and RO is the fact that we are louder. Danish people are used to being able to tell a person's mood from their way of speaking and tone of voice but you cannot do that on a Romanian and Danish people still have not accepted this fact. It is quite funny.

I believe that it depends very much on the team whether a distributed or local team works best. Older people tend to prefer a local team whereas younger people find it interesting to work on a distributed team with different cultures. Local teams are of course easier to manage and it is easier with language etc. But with this setup, it is important that there is an open door from Denmark so we can easily ask so we are aligned and are totally integrated. So which team is more efficient depends more on the team and having sufficient and clarified work. The problem about distributed teams is the collaboration between the project manager and the people manager. It is easier if it is the same person.

It is important that all employees have a local manager. People normally only tell problems over a coffee or a chat, not in an official meeting. Also, if you see people every day, you can spot if something is different and in this way, see if a person is okay. A project manager however is totally fine to have in another country – but still much easier if it is the same person. And I also think it is important that the person knows about the local legislation and stuff like this.

A problem that I have right now is that I want to make smaller teams but I need a balance between old and new people on the team. So I think it will take time before it is possible.

Noone actually left my team other than a guy who left because he moved away from Bucharest. Also, there has been some legislative changes so salary is a big challenge. Other than this I think people might decide to leave because of better opportunities and they may find a better role in another company. Also, especially young people want to work with the newest technology which we do not have on CIS. Also, a lot of people complain about the process because it can create bottlenecks. People want to code and not wait for approval. Also, hiring in projects can create frustrations.

Informant: 24

Position: Software Developer

Location: Systematic, Bucharest

I am a software developer and also the scrummaster on the team. We are a distributed team where 4 of us are located in RO (5 in April), one in Finland and one in the UK and 7 in Denmark. And from the office in DK, one is from Portugal, one is from Ukraine and one is from Bulgaria. We are actually two teams together but we swup people all the time so it is very dynamic. I really like my team and enjoy working with different cultures.

I really prefer having distributed teams because we can all learn from each other. We are all different and we get along very well both in and outside work. I believe that an important thing is to turn on your camera when you have meetings on Skype because then distance is not a big problem. Of course, it is easier to have a person sitting next to you but splitting screen and webcam really helps. This of course is because we know each other well now and we actually have a common WhatsApp group where we are all in. I really like working in Systematic because of the team and the domain because I do not want to work a place where I do help people. Earlier, I worked in Healthcare which also helps people.

When I chose to work for Systematic, it was because I followed my instinct. I really enjoyed the interview and felt that it would be good to work here – which it ended up being because of the people I met here. I mostly hang out with the IRIS team though. Danish people are very patient and helpful and I really appreciate this. So people and in general the company is very open. We are allowed to follow the financials and the company is transparent which I believe is very different from other companies. Also, the management style in DK is super good. My project manager tries not to interfere and he really trusts us. Therefore, I do not want a manager in RO. I do not want to be constantly checked up on. We receive trust and I hope that they feel like they were not wrong trusting us. So I do not think that it is necessary to have a people manager here in RO. Also, I prefer to be included in the decision making instead of following instructions from a manager who does not involve employees in the distribution of tasks.

I was in DK for 3 weeks. It was very good meeting people face to face because it makes working with them through skype so much easier. I believe that it is important to meet the whole team in person at least once a year. But we are a big team so it is hard to meet all of us together but it would be beneficial for at least a couple of days to work everyone in the same room. That would be cool. Also to just hang out because that really helps knowing each other outside work. Right now, my manager and a team member are visiting us from DK so we will go out tonight and tomorrow together because they are here. We always do this and it is fun.

Development talks are good and important but we do not always do what I want because we have tasks to finish and a contract that we have to follow. My future plan is however to establish my own firm but I need practice and experience first so I would like to become a project manager here in Systematic before.

I think people leave because of money. Also because of changes. If I were to leave Systematic, it would be if I had to leave the IRIS team. I would much rather stay a developer in IRIS than become a project manager in another team. Also, I am not a fan of open spaces. I would love to have a room with just the 5 of us where we could have fun and not disturb others when we talk. We could make jokes just us 5 and we would be even closer. Also, people move a lot and have meeting on their headphones which is very disturbing. If I could change anything, I would make the upper management know how important IRIS really is. Because we do not have the same travel budget as some of the other projects e.g. and this is really a shame.

Informant: 25

Position: Tester

Location: Systematic, Bucharest

I decided to get a job at Systematic because a friend recommended it. I really like my colleagues here. But I am also still good friends with my former colleagues so I in general really likes to interact with people. I have a Romanian project manager but normally I use my team members to answer my questions. I have a Romanian project manager and he is great. He is not a boss but a leader.

I think that there are communication issues in distributed teams and also language barriers. If I had the choice, I would definitely choose to work on a located team. It is more familiar and close because you sit in the same location. It has nothing to do with nationality but location and being present. However, working with the Danish product owner works fine and Skype is sufficient. However, I believe that people management should be in RO. Also, because an RO manager would know the RO culture and is used to working with RO people.

Right now, there is a scrum-master from DK here most of the time working on the other team. I do not collaborate much with him but our scrum-master does because he is teaching him.

I really enjoy working in a Danish owned company because Danish people start trusting immediately. In Romania, the person has to demonstrate that he is good at his job before he is trusted. Therefore, I really admire the level of trust that is awarded in Denmark. The last job I had, I had to prove to my supervisor that he did right in hiring me. Apart from this I did not experience else that is much different from the Danish culture.

The only reason I would leave Systematic was if I was offered a lot of money because I am happy here and I really like my team. Others might leave because they got bored on the project or because they had the possibility to work with new technology. However, there are places within Systematic that has newer technology than we have on CURA.

My next development step is to become an automatic tester because right now I am a manual tester. I took some courses about automatic testing a while ago in another company but now I want to learn it so that is in my development plan. Systematic really encourage their employees to excel in your job or take another role. So these different opportunities are nice to have.

The only problem that I could imagine will come, was that it this place would become hieratical if DK stepped too far away from here. Because people in RO normally act their role and feel like they are worth more if they are managers. However, this is not the case with my current Romanian project manager – he is great! A difference that I have noticed is the fact that if a product does not work, we in RO gets very stressed about it but the guys in DK don't. This is something I do not understand because I get really stressed and the people in DK are super calm. Maybe they know something we don't.

The 2 weeks onboarding was fun and a great experience. I met a lot of new people and it is a great way to introduce new people to Systematic. I would really like to visit Denmark again though. I saw people sunning/tanning in the parks which was so weird for me! They were just lying in their bikinis in an open park!?! It was also super nice with people swimming in the sea etc. Also, to meet my colleagues from DK again because they are fun people. I was in Sweden 3 weeks after onboarding to have a course and I met a test Manager from DK that I would love to meet again because she was really fun. So I love traveling and meeting new people.

Informant: 26

Position: Project Manager

Location: Systematic, Bucharest

We have a full team in RO but the architect, UX and domain expert are in DK. This is because these profiles are hard to find in RO and also because Danish people have more experience with the domain which e.g. a UX designer needs.

A challenge we are facing right now is the fact that RO developers are frustrated that they feel like they get the tasks that the people in DK do not want. So we are looking into this and it also happened a year ago but now it has surfaced again. But this is about communication and good team alignment because RO have to speak up and do something about the problem. We told them that it is important for the whole team to participate in the planning and be a part of the solution so that you are active in this and thereby can decide your own tasks. So it is about being proactive and challenge how things are now. They need to be involved earlier in the decision-making process. However, it is sometimes hard to get access to the right people and therefore information because they are busy. Here, it would be easier to be able to stop them on the hall and ask a quick question.

So whether it should be distributed or local teams only depends on the people and here I mean both managers and the developers. Because you can easily take a coffee together in front of the video through skype and talk privately. Just take one of the meeting rooms. I always encourage my employees to do this and challenge them with this. Just grab a coffee and talk about life like if you were located the same place.

I think that the bad satisfaction scores are due to bad management. So it is lack of good leadership skills and time invested in bundling up the team. Also a problem if the scope is bad. So it is vital that the people manager actually have people skills. So a bad manager is the problem and NOT where that manager is located. It IS possible to have a people manager in DK if you sit in DK. It is only about the person.

I believe in the 80%-20% theory. 80% of those who leave a company is due to issues in connection with the specific company, where only 20% leaves due to factors unrelated to the company. So the 80% leave because of a bad environment on a project and is often because of the manager. Or maybe the person lacks development etc.

I am very happy about the collaboration across borders. We just have to push people to speak up. So we need to create a trusting relationship so that people feel comfortable speaking up and then we have to listen to them. Of course, there are cultural differences, but they are not the barriers – it is about the person not their cultural background. Of course, a Romanian manager can manage a person in and from DK and vice versa.

In RO, we still lack the Systematic culture. It takes time to establish a solid culture. A lot of the new employees here comes from multinational companies where you never see upper management

etc. so this is very different. And Systematic grew a lot and still grows (especially in RO) so it takes time. Some people needs to have been here for 5 years in order for the culture to be properly fested and so they can spread it to the newcomers. So it is about maturity.

Informant: 27

Position: Developer (Scrum Master)

Location: Systematic, Bucharest

The setup now is that I am a scrummaster for a located team in RO which means that I spend most of my time there. In the last couple of months, I spend around 25 days in RO which has been very interesting. On the team, there is both developers, a tester and a PO but the UX, architect and another PO is in DK. They became full located teams 8 months ago.

A normal challenge is the natural bottlenecks because people are busy so hard to schedule a time in people's calendars. Another challenge is the language because we work with municipalities. Whenever we have a sprint-meeting with a municipality, we talk in English and they reply in Danish, so it always ends up being the Danish people having these talks so this a shame. The original thought was to create more distributed teams but then they changed it to full RO teams.

I think we lost the overview – we underestimated the cultural handover. Before me, there was a senior developer who mostly focused on the technical part so it lacked focus on processes, so it ran out of hand. Therefore, I as a process man was sent to RO. So it is important with a good start-up and that you here focus on the bigger picture instead of only the technical looking back. We had underestimated how important it was that we were down there. 2 days do not help – you need the big scope in order not to miss anything so at least to be there for a 2 weeks sprint. Otherwise you only see the everyday problems.

But I had also underestimated the cultural differences. What I say now is only the stereotypical – so some RO does the opposite and the same with DK: So the typical RO employee has this idea that they receive a task and when this is done, they are finished and some even go play in the common area. They are not used to getting responsibility areas and taking initiative. They expect people to take initiative for them because they do not just take an assignment themselves – it is like they do not think this far.

When looking at the technical competencies, they are as advanced as the DK developers. Their education structure is different though. So they normally have a full time job next to their studies and then they have classes in the evenings and studies in the weekend. This means that a newly graduated RO developer possesses more pondus than a DK developer because they are more experienced in the job market. However, this also has an influence on working extra hours for the junior developers. Because they are not flexible given that they have their studies to focus on. This also includes the full-time employees that they are not flexible concerning working extra hours. In DK, we are very loose with working hours but in RO they are very punctual at what time they leave work. Maybe it is because their whole day is about work given that they work 40 hours instead of our 37 and that the transportation is crazy in Bucharest, so it can take 2 hours back and forth with traffic. So I understand that they wanna get going as soon as possible. This just mean that they are less flexible, and more planning is necessary.

Another difference is that employees in RO do not question the decisions taken from upper management. In DK, we would ask questions if we thought that a decision was not correct, but they are NOT used to Systematics NEXT principle and we are not good enough to teach them.

Systematic in general handles these things incorrect. My project had 20 employees in a room discussing how to get the collaboration with Romania up and running but no one had thought about inviting employees from the Romanian office into the discussion. This was the biggest mistake in the process.

The onboarding is a big plus with 3-4 weeks in DK. During these weeks they also had CURA onboarding where they met people from CURA and sat in the office and participated in social arrangements. Therefore, I think it is a shame that they are pushing some of the onboarding to RO because if you meet in person a lot of times, it becomes easier and easier to make a call through Skype.

I actually do not think that a lot of people from CURA quits. But we actually have a meeting next week about the low ESS score in RO. I think that some of the frustration is because of the debt that we have in CURA and contracts that we must fulfill. It is hard to align with RO and these issues in general hits harder in RO. They wanna make the perfect solution, but this is not always possible within the budget. Maybe they lack a sort of business sense because it is easier for DK to see the bigger picture. We focus on budget so must make the tough choice.

DK to see the bigger picture. We focus on budget so must make the tough choice. Apart from this it is not much difference being in RO than DK. Employees club works well, and they have great activities and I think the percentage of people participating is much higher in RO. However, they use their game room much often than we do in DK. And if they e.g. play FIFA for half an hour, they still put this as working hours which would never happen in DK. So they in general take more breaks and are less effective which is kind of a problem because CURA is so detail oriented with budgets. Of course, this depends from person to person!

The potential is bigger with a local team. Daily communication and (sparing) are hard even though Skype and other tools exists. However, they in CURA are very bad at using Skype – they always write an email which is not the same. I think we should be much better at Skyping and this is something I really try to encourage people to do. Also, Local teams show confidence in the development centre so I think that they prefer this.

In DK, we are very fond of team reshuffles but this creates a LOT of noise in RO. Building relations within a team means a lot in RO so they can change jobs because of this. And if they change, it can sometimes result in the whole team changing there as well. Therefore, if they have local teams they can control this themselves and we in DK can still make changes in the teams without it hurting them.

The 3 developers in the distributed team sits a lot alone and feel isolated. The two other local

teams work much better and they also talk among themselves given that some of them were one team before, so they know each other from earlier. Also, some of their tasks can intervene with each other.

It is more different being a PM in RO and DK. The PM in RO has a much sharper tone. In DK, we make a joint decision whereas in RO it is the PM who makes the decision. My project manager is a PM like in DK, but the two others are not. E.g. one of them is much more hieratical and has a defined decision-making process. She is also more stressed which has a negative effect on the employees. So there is a clear clash between the developers and their PM's because they are not a PM like the Danish PM's.

Informant: 28

Position: Product Manager

Location: Systematic, Aarhus

I just moved to SITE but I was a product manager in Defence before. When I worked here, I spent 8 months in RO where I lived with my wife and two kids.

The biggest challenge in RO is to attract people because Systematic is not a well-known brand. I know that it is a tough market so I do not blame them but it is a challenge.

Our hypothesis for the bad satisfaction scores at the Development Centre was that they lacked local management. However, it is still not good but it is also still new with the local management. Another thing is the fact that rumors start and travel fast in RO. I do not know if this is culture or if it is because they are further away from where decisions are being made. But there was a false rumor that we did not prioritize Frontline which made no sense.

Experts are good for the project. However, there were too few people for it to make a great value I think. I helped train new managers instead.

A difference from RO to DK is the fact that RO developers are more focused – this is in good and bad. So if they e.g. work on a project with angular they do not want to change to a project with JAVA. They want to be more specialized where we in DK like generalist because this is more flexible.

It is weird with Ukraine compared to RO. Ukraine are more satisfied but they are much more different from us than RO are. Ukraine are more introvert where I feel like RO are more honest.

However, RO are bureaucratic which is super difficult to work with. They make a virtue of labor law etc. but I believe that it is more culture than it is legislation. Everything takes time and needs to go through a lot of things with staples. So it would make it much easier if there were a person who put on the positive glasses and looked at how we made all this easier. RO are more social and out going outside work with each other which is a good thing.

When they had a Danish manager, you did not notice him which in my head is a positive thing. Now with local management it is more difficult. Local teams make sense in the long run. However, in Defence, the place people are more satisfied is on IRIS and they say that they really do not want local management. So we have to be careful with one-size-fits-all. E.g. is DT project based and therefore local teams are very difficult whereas DEF and HC are product based so here it is possible. However, there is a huge difference on the manager that we found. Some are very western-like whereas others are more hieratical. And the ones that are hieratical are also more bureaucratic. I believe that it is a good idea with local management – also so it is possible as a career path for the developers in RO. BUT we have to be extra careful in order to hire the right people. It should be a must that they had previous experience from similar industries (working in

a western company) and a huge focus on leadership style.

Actually, we wanted developers to be in RO for 3 months to enroll the new developers and make sure that they are aligned with our processes but we are not able to recruit enough people for it to make sense. The market simply is too hard.

The general manager is very hieratical and bureaucratic. So, the best idea would be to hire a new manager who is less hieratical.