The influence of management reactions when implementing global knowledge in a local context: the case of two Dutch-Romanian companies

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Date: October 2008
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Summary

In today’s world of globalisation, it is important for organisations to know how to make a success out of production and sales in Second and Third world countries. These countries differ from First world countries in that they have been or still are isolated from the effects of globalisation. Second world countries have been opened up to global influences after the fall of the communist regimes in Eastern Europe. There is a lack of research on encounters between the East and the West and little has been said about how cultural gaps are actually bridged in the real world.

Western companies try to transfer knowledge about this global concept to the local context, but as theory explains, encounter difficulties in doing so. These are manifestations of the tension between globalisation and localisation. Contextual reasons for this tension include actors and factors situated in the demographic, economic, socio-cultural, technical, ecological, political and legal spheres. Whether local factors are of influence on the transfer of global knowledge to a local context depends on the kind of knowledge being transferred: concepts, policies or practices. Concepts are the most abstract forms of knowledge and can be found in management books. Policies are developed by and in companies. Practices, the least abstract form of knowledge, are the actual execution of policies.

With regard to concepts or policies being transferred, it might be the case that there is no tension between the global knowledge and the local context, because the global knowledge is copied one on one to the local context. If there is a tension between the global knowledge and the local context, it might be possible to find a best fit point on the globalisation-localisation continuum. In that case global knowledge is transferred from the western country to the non-western country and relevant knowledge about the local context is being transferred from the non-western country to the western country. Both countries will have to take into account each other’s knowledge and learn to find a spot on the continuum between globalisation and localisation that will make the company successful in a global setting and differentiated enough to be competitive. This is a static point that is different for different practices and countries and can be derived from and predicted with the right information about the global and local knowledge.

If it is possible to find a best fit point, it means context can be regarded as static and predictable. But when it comes to actual practices, the least abstract form of knowledge, the local influences can appear to be dynamic and paradoxical. This means the actual (f)actors and the direction of their influence cannot be predicted and depend on the situation. They can sometimes even be contrary to predictions on the basis of static knowledge about a culture. An example is the Dutch practice (of many, but not all) of being secretive about the amount of salary they get, while in general, they are regarded as very open people who will tell you the truth about almost anything. The cultural learning process of both western and non-western countries then becomes a dynamical exchange of knowledge without predefined outcomes.

Therefore, it is relevant to get an answer to the following question: “How do management reactions to the tension between globalisation and localisation influence the actual practices and their success?” Managers of (western) companies that want to start or are already doing business in other, non-western countries can use the outcomes of this research to become more successful in doing so.

In order to answer the research question, I have conducted a case study research in two Dutch-Romanian companies. During four weeks, I analysed company documents, observed and had in-depth interviews with Romanian managers, Romanian employees and Dutch managers in Romania. Most of the problems (Dutch) managers encounter in Romanian companies are related to a lack of quality. Quality is a global concept that still is difficult to grasp for most Romanians. It can be divided into several aspects: principles and actions that can be stimulated to raise the quality of the product, processes (including the quality process) and the company. Client focus and continuous improvement can be realised through total system approach, process and chain management, management and leadership, teamwork and participation, information and communication and Human Resource Management. Human Resource Management includes several activities that can facilitate quality management: personnel planning, recruitment, training and development, evaluation, job description, reward and commitment. I focussed on quality problems that are a manifestation of the tension between globalisation and localisation. The resulting anecdotes show the paradoxical nature of the
local influences on practices. An example is the openness of a Romanian manager in one situation and
the secrecy of the same manager about the same subject in another situation.
The results also show that the way local managers deal with the tension between globalisation and
localisation (the problems they encounter) is a big denominator for the success of those practices. Here
too, it is impossible to predict the management reactions. They also depend on the situation and can be
completely opposite to predictions, efficiency and effectivity.
In answer to the question: How do management reactions on the tension between globalisation and
localisation influence the actual practices and their success?, it has been proven for the two case
companies that: “The actual practices and their success resulting from the implementation of global
knowledge in a local context by local managers depend on dynamic and paradoxical contextual
(factors and reactions of the management. Because of the paradoxical nature of the (factors and
reactions, (the success of) actual practices cannot be predicted.” Contextual (factors that proved to be
important in the situations described in the case studies of my research are: the state, no stimulus for
entrepreneurs and tax laws, low quality of own responsibility for education, power of suppliers,
small but growing markets, tight labour market, autocratic management, the lack of productivity,
freedom, competition, cooperation, initiative, trust, and openness under communism, product
orientation, lack of knowledge and experience, opportunism versus respect for the West and for older
people, short-term / ad hoc focus, wish to belong to the West versus regional orientation, nepotism,
importance of money, no belief in excellence.
Management reactions that had an influence on the (success of) the actual practice in my case study
findings are: autocracy, communication, repeating, severity, hurrying and minimising costs, anger,
insult, complaining, dishonesty and disobedience, enthusiasm, frustration, feeling insulted, stoicism,
worries, irritation, pointing at each other, disappointment, fear, feeling helpless and distrust.

These findings can help to shed light on the more general question: “What makes managers more or
less successful when dealing with the tension between localisation and globalisation?” Despite the
things already known (current literature and theory), an all-embracing theory that explains how
managers handle local implementation of a global practice and what makes them successful does not
exist. The answer to this question is relevant, because if managers make the right decision, their
companies could develop a competitive advantage over others.
With the help of the result of my research I have formed five hypotheses on how managers can be
successful when dealing with the tension between globalisation and localisation while implementing
global practices in a local context. I have suggested that knowledge about what global knowledge and
actual practice their company could use, how and which local (factors will have an influence on the
implementation of that specific knowledge, (the influence of) their own reaction on the actual practice,
how to adapt their reaction to get the desired actual practice might be important in defining the
success of local managers when dealing with the tension between localisation and globalisation.
Since my conclusions and hypotheses are not generalisable and can only contribute to theory building,
future research should derive testable suppositions from the hypotheses and test them. It will
eventually be possible to generalise the findings into a broad theory about the influence of
management reaction on the implementation of global knowledge in a local context.
1. Introduction

In today’s globalising world, global knowledge spreads fast. Not only westernised countries are influenced by it, Second and Third World countries open up to it more and more as well. Especially, in the case of Second World countries, after the communist regimes were replaced. It is clear that most global knowledge cannot and will not be transferred to such countries one on one. There are local influences that play a huge role in defining the actual practices. They cause a tension between globalisation and localisation. This is true in society as a whole, but also for the business community.

Companies have one main goal, and that is to survive. This can only be done by gaining competitive advantage over competitors. In the light of the globalisation – localisation discussion, it means that companies can only survive if their actual practices support their survival and are not counterproductive. And that companies that do survive, in one way or another, have actual practices that are successful.

The way an actual practice comes into use is dynamic and complex. In the case of multinational companies that are based in the Western world, but are expanding to Second and Third World countries, it starts with management making the decision to implement some global knowledge. Like was said before, this knowledge will almost never be copied one on one. The local contextual factors will have an influence that causes a tension. Subsequently, local managers will react to the tension between localisation and globalisation. The combined influence of the management actions, the local factors and the global knowledge will eventually result in the actual practice.

To ensure survival of the company, management has to make sure that the actual practices are successful and support the survival. Therefore, it is important to know how management can influence the factors that result in actual practices and in every specific case, what that influence should be.

1.1. Research question

My research aims to start exploring how managers can be successful in dealing with the tension between globalisation and localisation when implementing global knowledge. I will describe and explain the successfulness of actual practices and how they came into use. Two factors that have an influence on (the success of) actual practices are the tension between globalisation and localisation (the local context) and the management reactions on that tension.

This reality results in the following research question:

How do the tension between global knowledge and the local context and the management reactions to that tension influence the actual practices and their success?

This question can be divided in the following sub-questions:

1. What (kind of) local factors have an influence on the actual practices when implementing global knowledge in a local context?
2. How do managers react to those tensions between global knowledge and the local context?
3. What are the actual practices resulting from the global knowledge, the local influences and the management reactions?
4. How is the success of the actual practices influenced by the management reactions?

1.2. Relevance

Despite the things already known, an all-embracing theory that explains how managers handle local implementation of a global practice and what makes them successful does not exist. The answer to this question is useful, because if managers make the right decision, their companies could develop a competitive advantage over others. It is not my goal to build, but to contribute to such a theory. The result of my research will be hypotheses on how managers can be successful when dealing with the tension between globalisation and localisation while implementing global practices in a local context. Through case descriptions, I will add new, empirical knowledge as well. This is relevant, because there is a lack of empirical research on actual cultural encounters between Second and Third World countries and the West. It is known that Western-style organisation does not evolve in Western-style
institutions, but little has been said about how the cultural gaps are actually bridged in the real world (Jovasc, 2007).

This research does not only have theoretical, but also practical relevance. In today’s world of globalisation in the post Cold War era, it is important to know how to make a success out of production and sales in Second and Third world countries. Managers of companies that want to start a business or that are already doing business in another than their home country can use the outcomes of my research to be more successful in doing so. This is particularly true for the companies that served as a case study.

1.3. Structure

In the following, I will answer the research questions posed in the above. A qualitative case study is most appropriate to do so (for an explanations see chapter 3). First I will analyse the theoretical research background. It is important to recognise that case studies that are (part of) theory generating research, as mine is, “are begun as close as possible to the ideal of no theory under consideration … because [it] may bias and limit the findings” (Eisenhardt, 1989). The researcher should be sceptical about theories (Strauss and Corbin, 1991). Thus, I only used the literature to operationalise the tension between globalisation and localisation to be able to answer part of the research question and structure the data collection (instrument). I explore the influences a (national) context can have by examining the literature on the implementation of global practices in general and global Human Resource Practices in particular.

In the third chapter, I will justify the methodological choices I have made in terms of research method, research object, operationalisation and data collection methods and instruments. This chapter will make clear the research is different from what most research is (expected to be). Most studies are “judged by their contribution to our conceptual understanding[, but according to Minzberg (2001),] contribution to our contextual understanding merits attention as well.”

Subsequently, I will describe and analyse the reactions of the managers in two case companies to issues when implementing global quality practices in a local Romanian context. For both case companies, the reactions are structured (coded) along the principles and elements of quality management. According to Minzberg (1979) (in Eisenhardt (1989)) “theory building seems to require rich description, the richness that comes from anecdotes”. Since I am contributing to theory building, I have taken up this first step in qualitative data analysis. It explains the (unusual) length of this thesis as well.

Finally, I will answer the research questions, reflect on the validity and reliability of the answers and form hypotheses for future research in the conclusion.
2. Literature review

An all-embracing theory about how the tension between global knowledge and the local context and the management reactions to that tension influence actual practices and their success does not exist. However, the influence of the local context on the implementation of global knowledge had extensively been studied, analysed and described.

In today’s globalising world there is in every country a tension between the local environment of the country and the global management practices that spread across the world. This is especially true for countries that have been separated, voluntarily or not, from the rest of the (First) world during an extensive period of time. Those are countries of the Second and Third world. Their local context did not have the opportunity to evaluate along with the globalisation.

Managers have to make a decision about the extent to which they will localise the global practices they are introducing. This can be seen as a learning process, because knowledge will be transferred. Since the knowledge is transferred from one culture to another, it can also be considered a culture change process, if only of individuals and companies.

In the following I will review the existing theories about the tension between globalisation and localisation. Theories on the transfer of global knowledge in general will be supplemented with literature about local influences on the implementation of international Human Resource practices. This synthesis will explain that there are three ways of culture exchange that result in different levels of standardisation. Structuralist learning leads to convergence, ethnographic learning to static divergence and paradoxical learning to dynamic divergence. They do not mutually exclude each another, as many scientists think, but are complementary.

This literary review will shed light on and partly answer the research sub-question about what local factors are of influence when implementing global knowledge. It will also help to accentuate the research question and define the information the case studies will have to provide to be able to answer it.

2.1. Structuralist learning and convergence

The first way of knowledge transfer, structuralist learning, is related to the convergence theory. The home nationality tries to transfer global knowledge to the host nationality. Global knowledge consist of the best practices and theories of gurus, management practitioners and theorists that are found in global, western management literature. There is no room for a real culture exchange, the western element is imposed upon the other culture and copied one on one. This is a structuralist way of learning (Clark and Geppert, 2002). Structuralist learning does not work often, because passive acceptance of the host culture is assumed. This is possible only when the global knowledge does not conflict with the context (Pudelko, 2006-7). Only then do competitive forces stimulate learning from best practices, which leads to convergence. The theory of isomorphism is used as an explanation for convergence. Isomorphism explains why others (in this case a host country culture) will imitate best practices. The fast followers will implement the practice for competitive reasons (competitive isomorphism). The slow followers will have institutional reasons to imitate the practice of the leaders to avoid competitive disadvantage. Those can be solely mimetic (because of fashion), normative (for employees) or coercive (forced by partners or law). The laggards are too late to imitate the leaders and will experience market and societal failure (Paauwe and Boselie, 2005).

But, policies and practices almost always deviate from the global knowledge. This is because passive acceptance is often not a reality and knowledge does conflict with the local context. There are two rationalities in that context that keep the world from too much convergence and instead supports the divergence theory: efficiency rationality and paradox.
2.2. Ethnographic learning and static divergence

Efficiency rationality is based upon the theory of ethnographic learning that states learning processes are culturally embedded in the context (Clark and Geppert, 2002). Ethnographic learning results in new culture formation through cultural interactions and negotiation (Brannen and Brannen and Sackmann and Philips, Boyacigiller). Not only does the home country try to transfer global knowledge to the host country, but the host country also tries to transfer knowledge to the home country. This is knowledge about the relevant local context. Both processes are knowledge transfer processes of culturally embedded information. In the process, both forms of knowledge will have to be disembedded from their own context, transferred and re-embedded in a new context (Bedward, Jankowicz and Rexworthy, 2003). Following the contingency model of strategic fit (Shen, 2005 / Aycan et al., 1999 / Aycan 2005 / Budwhar and Khatri, 2001 / Gerhart and Fang, 2005), the local context has an influence on the re-embedding of the global knowledge that is transferred. In every context a specific global practice has a best fit point somewhere on the line between globalisation (divergence) and localisation (convergence). Together, the home and host country have to learn to find a spot on the continuum between globalisation and localisation that will make the company successful in a global setting and differentiated enough to be competitive (Pudelko, 2006-7). This is a static point that is different for different practices and countries and can be derived from and predicted with the right information. That is why, according to this theory, countries will stay differentiated in a static divergence situation.

The context of influence consists of firm specific and external influences. According to Shen (2005), the internal context consist of the strategy, structure, culture, industry, ownership type, top management’s perception of home practice, stage of / mode of / experience in internationalisation, reliance on international markets. The external contexts includes actors and factors situated in the demographic, economic, socio-cultural, technical, ecological, political and legal spheres (DESTEP).

There are two efficiency rationality models that use external actors and factors as an explanation for differences between countries: the business system model and bipolar culture models.

2.2.1. Business systems

One aspect of the external context is the economic environment. A first efficiency rationality model that describes differences between countries is the business system model developed by Whitley (1994, 1999 and 2002). Business systems are particular arrangements of hierarchy-market relations which become institutionalised and relatively successful in particular contexts (1994). Whitley argues that business systems vary across nations (and sectors). Worldly convergence to a single most effective type of market economy is not likely. The international economy becomes more integrated, but societies with different institutional arrangements will continue to develop and reproduce varied systems of economic organisation with different economic and social capabilities in particular industries and sectors.

Business systems differ on three main characteristics: the extent of ownership coordination and control, the extent of non-ownership coordination and control and employment relations and work management. The extent of ownership coordination and control can be explained by two characteristics. The extent of owners’ direct involvement in the business dictates three major types of control: direct, alliance and market or arm’s length. Ownership integration explains the extent of diversification of a firm. Diversification can be horizontally (integration across sectors) or vertically (integration of production chains). Non-ownership coordination and control can exist between members of the production chain, competitors and between sectors and can vary on stability, scope and depth. It can take the form of competition, cooperation and everything in between.

Employment systems define the extent of employer–employee interdependence. Organisation-based systems represent a large interdependence, while market-based systems imply a limited interdependence. There are also more intermediate systems possible. Work management is described as the extent of managerial delegation to and trust of employees. The dimensions exhibit particular interdependencies with each other that suggest a limited number of possible combinations and thus business systems.
The development of business systems is influenced by its institutions. The distinctiveness and cohesion is reflected by their integration and mutual reinforcement. There are four institutions of influence: the government, the financial system, the skill system and the cultural system. Three features of the government are significant in the process of business system formation: dominance and willingness to share risks with owners, encouragement of intermediary economic associations and the extent of formal market regulation. The financial system can be either capital market or credit based. Skill development can differ on the extent to which education is jointly organised and certified by employers, unions and the state and whether practical learning in organisations and formal learning in education is integrated. The skill control system explains the strength of trade unions and professional associations, the strength of labour unions organised around certified expertise and the extent to which bargaining is centralised. Cultural norms and values concerning trust and authority refer to the reliability of formal trust governing institutions, the predominance of paternalistic authority and the importance of communal norms governing authority.
The business systems theory can be helpful in analysing / comparing national cultures, but it has its downsides as well. Existing comparative research leads to doubt that the nation state alone could serve as the primary unit of analysis and that macro-level generalisation would uncover distinctive national patterns in business organisation. It may be necessary to pay careful attention to a host of meso-level and even micro-level units around which collective action can be organised within a country and sometimes across national borders. These alternative emergent or natural units of collective action include: industries, sectors, districts, regions, production systems, crafts, professions, elites, corporations, kin networks, cultures, religions, parties, ideologies (Räsanen and Whipp, 1994). Where institutions play a role at a different than the national level, deviations from the national business system can develop. It all depends on the strength and integration of the actors and institutions involved at each level. Also, these influences can vary in time. That makes the national boundedness of business systems historically contingent and variable. Other factors that play a role are dynamics, learning, circumstances, historical context and interest groups.

In practice, most social systems are comprised of conflicting features and contradictory tendencies. And in some circumstances, some groups can mobilise enough resources to counteract institutional pressures (Whitley).

2.2.2. Bipolar cultural dimensions

With regard to the socio-cultural environment Hofstede (1991) has proposed a second efficiency rationality model that explains a lot of cultural differences between countries and societies. He has identified five dimensions on which countries on average can score different. Those are power distance, uncertainty avoidance, individualism – collectivism, masculinity – femininity and long-term – short term focus. In Aycan (2005) we see the five dimensions of Hofstede extended by those that came up in cross-cultural research of others: performance orientation (House et al.), universalism, particularism, specificity, diffuseness, ascription (Trompenaars), paternalism, fatalism (Aycan et al.) and high or low context (Hall and Hall). Osland and Bird (2000) were able to further enlarge this list to include 22 dimensions. These dimensions are bipolar and represent an etic (Nielsen and Gannon, 2005-6) view on culture.

This etic view on culture can be useful in explaining culture, but it is important to acknowledge its limitation. More often than leading to better understanding, it causes sophisticated stereotyping (Osland and Bird, 2000).

Apart from the limitations of the two efficiency rationality models, the knowledge transfer theory of Bedward, Jankowicz and Rexworthy (2003) poses some problems in explaining the actual outcome of a negotiation between global and local knowledge too. Both the home and host party that represent the global and local knowledge are part of their own context, which makes them biased. When global and local knowledge is transferred to another culture, it is normal that this information is re-culturalised while being re-embedded. That means that part of the original meaning of the global and local knowledge will possibly already be lost or reinterpreted. Therefore, the negotiation process between the global and local knowledge will be based upon an inequality in understanding of each other’s knowledge. The home country will have complete, global knowledge about the global concept, but limited, globalised knowledge about the local context. The host country will have limited, localised knowledge about the global concept, but total, localised knowledge about the local context. That is why a strategic fit between the global concept and the local context, to come to an adequate localised global practice, will almost be impossible. The home country will have an impression of a strategic fit point that is possibly more to the side of the global concept. The host country will have an impression of a strategic fit that is possibly more to the side of the local context.
Figure 3: the tension between culturally assumed best fit points

Furthermore, the relevance of the context will be determined by people who do not have complete understanding of that relevance. To determine what is relevant, people need to understand both the global knowledge and the local context completely, but it is almost impossible for one of the negotiation partners to reach this state. Thus, either too much or too little will be taken into account, which will almost certainly lead to a sub-optimal outcome.

A fourth difficulty is that the notion of strategic fit is a global, western concept. Even when both parties are completely rational and theoretically could find the strategic fit point, the chances that they would in practice are small. The possibility of both nationalities understanding the concept of strategic fit in the same way is not apparent.

Finally, the power relations between the different nationalities and their context makes the negotiation process even more difficult.

Because of the downsides of these etic models, often they will not be able to explain the learning and culture exchange process that takes place when using global knowledge in a local context. The process will have more influences to deal with than only the global knowledge and the local context.

2.3. Paradox and dynamic divergence

Structuralist and ethnographic learning cannot fully explain the actual practices that take place when global knowledge is localised. Of course, the influences in the above models do play a role in practice, but they do not provide the whole story. Other influences stem from the evolutionary, paradoxical nature of culture and context. They make cultures diverge from one another in a dynamic way which makes it hard to predict the actual point on the continuum between globalisation and localisation. Knowledge transfer and the learning process are seen as a continuous, reciprocal processes with an ever changing outcome.

The first aspect that influences the actual practices besides those already mentioned is the implementation process. This is true even for a national setting, but even more so for a company setting.

Second, the paradoxical nature of culture and context has an influence on the actual practice. In the model of strategic fit, culture is seen as etic (Nielsen and Gannon, 2005-6). The bipolar scales force national culture in an or/or position. Bipolar dimensions can be helpful in describing a culture, but more often, they lead to stereotyping (Osland and Bird, 2000). That is because they are not able to grasp the real, dialectical, dynamic, paradoxical (Fang, 2006), fuzzy, ambiguous and inconsistent (Koot, 1994) nature of culture and context. The values that a specific culture adheres depends on the time and the situation. The time dependence implies internal and external factors and actors in history can have and had a major impact on the present context or even on the actual learning process. An example in some transition economies are specific institutions. It has happened that institutions that were of major influence, like the Communist Party, were abolished from one day to another. In theory, new institutions were raised in its place to take care of the tasks that were the responsibilities of the old institution in the past. But, for several reasons, this transfer of tasks does not proceed well. People do not know about new institutions, they do not trust or value them. As a result, the old institution can pick up its old role in the minds of the people, even when it does not exist any more. That is why the
The choice an individual or group makes depends strongly on the context, time and situation. Even seemingly unimportant events can have a major impact (Pudelko, 2006-7). This is called situational ethnicity (Koot, 1994; relying on Barth). Different values compete with each other and one will win (Fang, 2006) or trump the other (Osland and Bird, 2000). There are three human characteristics that explain for those paradoxical decisions: relations (Granovetter, 1992), feelings and power. Those three forces can make people play a role or imitate other persons with another role (isomorphism: Paauwe and Boselie, 2005), even if this role is not in line with their values. Cognitive dissonance explains how behaviour that is not consistent with values is made consistent. It means people just change their values according to their behaviour (Fang, 2006). This means that culture is a complex and dialectical process of agreement and resistance in which interests, power, emotions and feelings (of solidarity) play different roles.

2.4. Synthesis of theories
The above mentioned ways of knowledge transfer do not mutually exclude one another. In management science and practice, it is possible to make a distinction between concepts, policies and practices. They all belong to the field of management knowledge, but they have different levels of abstraction. Concepts or general principles are the most abstract of the three. They are broad and ideological. It is the management knowledge we find in books. This book wisdom will be put into practice in organisations. At a less abstract level, that will result in company policies and strategies, in which management states what will be done and how it will be done. The actual implementation of the management knowledge in specific situations is the least abstract level. The different levels of management knowledge are prone to different types of culture exchange and learning processes (De Man, 2005). Concepts and some policies are possibly subject to structuralist learning. This results in convergence of concepts and some policies around the world. Other policies might involve more cultural exchange between cultures, resulting in static divergence. However, the influences on actual practices are always difficult to seize and ambiguous. This leads to dynamic divergence of actual practices.

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<th>Structuralist learning → convergence</th>
<th>Ethnographic learning → static divergence</th>
<th>Paradox → dynamic divergence</th>
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Figure 4: the relationship between different ways of learning, levels of standardisation and abstractions of knowledge

Also, differences in business systems and types of companies explain the forms of learning are complementary. E.g. research has proved that in transition economies, like those in former communist countries, different types of business systems exist next to each other (Martin, 2002 and 2006). Those business systems are managerial, entrepreneurial and international. Different types of learning take place in those different systems, which results in different kinds of localised global knowledge. In the international business system there is much more room reserved for structuralist learning. Concepts,
policies and practices are as global as possible and much more global than in the other business systems (Marginson and Meardi, 2006). Entrepreneurial and managerial capitalism are much more inclined to their local environment. When there are no foreign investors, it is probable that only concepts will be transferred from the global to the local knowledge. That would be more the case in the entrepreneurial business system, because entrepreneurs are considered the most innovative managers in transition economies. If there are foreign investors involved, policies will likely be subject to ethnographic learning. Practices will always result from paradox, even if global knowledge is not taken into account.

2.5. Conclusion
The above analysed theory has made clear that actual practices are influenced by at least the global knowledge that is being transferred and contextual DESTEP factors that conflict and therefore react with the global knowledge to cause a tension. In the case of actual practices, those contextual influences have a paradoxical nature, which makes it difficult to predict them. They not only depend on the global knowledge being transferred, but also on time and situation. Influences are the result of individual decisions that are based on subjective feelings, relationship and the balance of power. Thus, the theoretical answer to the first research sub-question “What (kind of) local factors have an influence on the actual practices when implementing global knowledge in a local context?” has hereby been answered. In the case studies, I will check whether this theory proves right in practice as well. Furthermore, the remaining sub-questions will be answered through those case descriptions. That results in the following, accentuated research question and sub-questions:

How do management reactions to the influence of paradoxical local context factors the actual practices and their success?
1. How do managers react to the tensions between global knowledge and the paradoxical local context?
2. What are the actual practices resulting from the global knowledge, the paradoxical local influences and the management reactions?
3. How is the success of the actual practices influenced by the management reactions?
3. Methodology

3.1. Research method

Because I search to add new, empirical knowledge and contribute to the building of a new theory on how managers handle the implementation of a global practice in a local context, my research is empirical. I do not test an existing theory, but explore a new domain / phenomenon. Therefore, the research is mainly descriptive (Mintzberg, 1979 in Eisenhardt, 1989) and explorative. That means that I will go through the first two steps of the empirical cycle: observation, to gather and group empirical facts and induction, and form hypotheses (De Groot, 1961, Ghauri, 2004).

The best way to obtain enough, in depth, dynamic data for descriptive and explorative research is through a qualitative case study. This is an appropriate strategy in new topic areas (Eisenhart, 1989, Ghauri, 2004 and Strauss and Corbin, 1991) and particularly well suited to international business research, being complex and culturally embedded, because it allows for a contextual, longitudinal, in depth and holistic (longitudinal, contextual, relational, functional) approach (Ghauri, 2004 and Verschuren, 2001 and Marschan-Piekkari and Welch, 2004). In transition economies cross-border relationships may be especially complex (Littrell and Valentin, 2005).

Since I do not seek generalisation of my findings, purposeful selection is likely to produce theory. The actual selection and number of case companies as research objects was restricted by factors other than methodological, e.g. time, resources and access, as sampling usually is (Ghauri, 2004 and Taylor-Powell, 1989). Because of access restrictions, the population of which I took a sample was that of existing Dutch SME’s with a new subsidiary in Romania that is run by Dutch-Romanian management. This sample is likely to produce theory, because it is consistent with the (variables of the) research problem and the theoretical framework (Ghauri, 2004). Romania is an interesting and specific Second World country. The Romanian context is likely to have a considerable influence on the implementation of global knowledge. As a part of the former Eastern bloc, it provides new (labour) markets, especially to EU states, since it joined the EU. The country has a rich and dialectical culture and a favourable geographical and historical position between East, West and South Europe. It’s economy is rapidly growing (Dutch investment review – Business Romania / Bird et al., 2007).

The Netherlands is a First World country that is likely to introduce global knowledge in foreign subsidiaries. It is one of Romania’s main trade partners and one of the biggest investors. There are more than 2000 Dutch companies with Dutch capital registered in Romania. In the coming years, both trade and investments (large, medium and small companies in various sectors) will increase further (Dutch investment review – Business Romania / Bird et al., 2007).

The advantage of SME’s are that informants in these companies tend to be more eager to learn (Ghauri, 2004). In my opinion, management reactions and local influences are also more visible in such companies.

Before trying to get access to such a company, I determined the research subject: the global knowledge transfer I was going to investigate. I had preliminary, open interviews with three managers who worked or had worked in Romanian-Dutch companies and that can be considered experts on the Romanian contextual influence on western practices. Because of the preliminary character, my search for a relevant topic and the importance of an open mind, I did not use a check-list. Second, I attended two workshops about Romania. The first one had a political foundation and was about what Romania would bring to Europe being member states of the European Union. The second one was about how to find, keep and reward local employees in Central and Eastern Europe. Furthermore, I searched and studied literature and source material on culture, international management and the Romanian context to find relevant information on these subjects.

With the help of the information gathered, it was clear that there was and still is a huge tension between globalisation and localisation in Romania when it comes to quality management. Consequently, I tried to get access to a Dutch SME’s with a new subsidiary in Romania that is run by Dutch-Romanian management and that is or has been introducing and putting into practice the global notion of quality. Two different companies were prepared to let me gather information for my project. One is an IT company, the other a production company.
3.2. Operationalisation and measurement instruments

My research question contains some abstract variables that have to be translated into measurable characteristics: global knowledge, local contextual (f)actors, tension, management reactions, actual practices and success. This specification of constructs was done before the research in the case companies took place to help me indicate situation and people to study and shape the interview protocol. Global knowledge, local contextual (f)actors, the tension between them and actual practices are already discussed in the second chapter. I will investigate the management reactions through observing them and asking management and employees about it.

Success in this research contexts means whether the actual practice results in the situation that is intended and supports the continuity of the organisation. In other words, whether it supports and turns into the situation that was targeted by the implementation of the knowledge. To be able to assess success, it is thus important to know why the knowledge is implemented in the first place. Only then, one is able to establish whether that goal had been reached.
4. Research findings

In the following, the data collection and analysis methods of the case studies, the actual case studies and the restrictions of the results will be outlined.

4.1. Data collection and analysis method

For the research in the two case companies, I went to Romania for almost 4 weeks. According to Verschuren (2003) it is preferred to carry out case study research in situ. I spent more than two weeks in the first company and a little over one week in the second company, because fewer people master the English language. The arrangement was such that in both companies the Dutch management would be (partly) present during those weeks.

In case studies, it is necessary to use various methods for data collection (triangulation), because it adds to the understanding and allows for cross-validation (Peterson, 2004). Only through various methods the complete, holistic and contextual reality will become visible (Ghauri, 2004), substantiation of constructs and hypotheses will be stronger (Eisenhart, 1989) and quality will be reached (Marschan-Piekkari and Welch, 2004). It helps avoiding tunnel vision (Verschuren, 2003). In international research there also is the distance between the researcher and the field, be it linguistic, geographical, social, political, economic or cultural, that calls for triangulation (Noorderhaven, 2004). Triangulation allows to develop theories to explain complex situations in a context by analytical and theoretical generalisation. Methods researchers can choose from are interviews, observations and analysis of documents. Qualitative document analysis supports the open-ended character of case studies, as do observations (Verschuren, 2003). Observations are appropriate in case studies, because they are more holistic in nature and stimulus free, which supports the open-ended character of such research (Verschuren, 2003). They can be divided into three categories: observation, participation and cooperation (De Geer, Borglund and Frostenson, 2004), depending on the level of involvement of the researcher. Data collection through participation is called action research and its value is strongly debated. In my opinion, it is an appropriate data collection method in a qualitative case study, because it can capture complexity and change (Ellis & Kiely, 2000), two qualities of international organisations, and it makes the gap between ideas and action disappear. Therefore, outcomes will be both relevant and ethical (Beer, 2001), something that can be used for theory building and in practice.

“Qualitative interviews are particularly suitable when a researcher wants to understand the behaviour of decision makers in different cultures” (Ghauri, 2004) through using in-data from a small population with which a deeper rapport of trust, honesty and accuracy is possible (Daniels and Cannice, 2004). The data collection methods I used were the same for both companies. The selection of people, documents and situations was, again, purposeful and restricted by time, resources and access.

First, I collected as much internal documents as possible before, during and after my visit to Romania. I had in-depth semi-structured interviews with every employee and manager that mastered enough English. I used a check-list (appendix) instead of a questionnaire or no protocol at all to make sure every subject was covered while the interviewees were not restricted by my predefined mindset. This is an appropriate approach when conducting explorative research. This way, the researcher tries to get as much information and answers to his / her questions as possible. The check-list has been derived from the literature review and the specification of constructs.

Furthermore, it was agreed upon that during the research period I would act as an consultant for the management. As such I could openly observe (because not working with hypotheses (De Geer, Borglund and Frostenson, 2004)) the managers that spoke enough English by following their activities for a whole day. I did not use a check list, because in no way I could nor wanted to control the situation. I just wrote down what happened and distilled the useful information later. I planned the interview with the managers at the end of the day I was following them to be able to reflect on situations experienced throughout the day. Furthermore, I had many off-the-record conversations with the management, with which I could back-up my findings. Through following the managers for a day, I had the opportunity to observe two (potential) clients (one of each company) as well and be present in a shareholders meeting and a presentation for a group of potential employees. In the first company I agreed to organise a workshop for the company during which I have observed the employees and managers. In both companies I provided management with a short diagnosis of the current situation of their organisation. I used the reaction to these reports for my research.
Apart from data collection within the companies, I gathered some more information about the research topic (the Romanian context and quality management) through literature research and the study of source material. Furthermore, I again interviewed some managers with a lot of experience in Romanian business, the experts. These were situated in Romania. I used the same check lists as I did during the interviews with the employees and managers in the case companies.

As is appropriate, data gathering and data analysis took place reciprocally (Eisenhardt, 1989 and Strauss and Corbin, 1991). To be able to do so, I inserted many field notes (“an ongoing stream of conscious commentary about what is happening in the research” (Van Maanen, 1988 in Eisenhardt, 1989)) in the observation and interview accounts (Eisenhardt, 1989). This allowed me to be flexible in my data collection (methods) and take advantage of every opportunity that presented itself, like meeting with (possible) clients, shareholders and potential employees. In studies that are (part of) theory building research, it is legitimate to add and alter data collection methods depending on the findings, because the aim is to understand each case as much in depth as possible (Eisenhardt, 1989, Ghauri, 2004 and Verschuren, 2003).

4.2. Case study backgrounds

In the following, I will analyse the relationship between quality management and context, as found in literature, the Romanian context and the influence of the Romanian context on the implementation of quality management according to managers who can be considered experts.

4.2.1. Quality management and context

Quality and quality management are two concepts that are part of global knowledge. In management literature, we find some basic characteristics of this global concept, called principles and elements. The first principle of quality management is client focus. Having a client focus means a company does everything to know the wishes of the client, before and during developing a product or service and after delivering it. That is why the relation with clients is so important. Not only the jumble of clients outside the company are taken into account, but also the internal client relation is considered.

Continuous improvement, which leads to continuous learning, is the second principle of quality management. It is applied to products, processes and the organisation. Processes and problems are analysed continuously to be able to find possible improvements. Creativity and new ideas are stimulated by rewards (Van Der Bij, Broekhuis and Gieskes, 2001 / Anwar and Jabnoun, 2006).

The elements of quality management through which the principles can be realised are total system approach, process and chain management, management and leadership, teamwork and participation, information and communication and Human Resource Management. Human Resource Management includes several activities that can facilitate quality management: personnel planning, recruitment, training and development, evaluation, job description, reward and commitment.

The idea of quality and Total Quality Management has travelled the world across cultures and languages. Recently, the notion of quality has transferred to Eastern Europe. For the global concept, the derived policies and practices to re-embed successfully in companies in a new country, the local values and culture have to be taken into account. There is no one best way to achieve quality (Dobosz and Jankowicz, 2002 and Anwar and Jabnoun, 2006). This process of constructing a new, best way is a learning process (Dobosz and Jankowicz, 2002). In the existing literature on quality and culture, only etic, i.e. bipolar notions of culture, and ethnographic, i.e. static information exchange, learning process are taken into account.

There are several success factors in this learning process that are mentioned in the existing literature. First, the original, western practice of achieving quality plays a role. If the original practice or idea that is transferred is not correct or consistent, the outcome in a new culture can never be either. Second, the pre-existing notion of quality in the non-western culture, that has been formed by a complex web of contextual factors, has an influence on the learning process as well. Because people in Eastern Europe did not have many predefined institutions and even fewer objects and actions associated with the idea of quality, the re-embedding process can be run smooth and quickly. But, because there is no pre-existing notion of quality, employees in the non-western culture will perceive irrelevance as well. The third success factor is that management should answer to this perceived irrelevance by perseverance. In the end people will get used to and internalise the notion and practices. A last factor for success in
transferring ideas from the West to a non-western culture is the valuation of the western culture. In general, people in Eastern Europe are proud to work for a western company, wanting to belong to the West rather than the East. Quality western style is accepted, although in conflict with existing values, because of the opportunity to enact a more central local value, to belong to the West (Dobosz and Jankovicz, 2002).

Another requisite for the successful learning process found in literature is the commitment of the management to quality and the communication of that commitment to every employee. Furthermore, other factors such as the knowledge of TQM, the corporate culture, the type of industry and the product market strategy play a role in how the notion of quality can be made a success in a certain company (Anwar and Jabnoun, 2006). The size of the firm, the technology of the production process (single piece / project production, job-shop / small series production, mass production, continuous production) and the corporate structure (level of decentralisation, delegation and participation, standardisation, mechanisms of control, quality tasks, responsibilities and power) can be of influence on the learning process as well (Van Der Bij, Broekhuis and Gieskes, 2001 / Anwar and Jabnoun, 2006). As is the type of work (complexity and variety), the characteristics of the product and / or process and the age of the company (Van Der Bij, Broekhuis and Gieskes, 2001).

According to Ngowi (2000), who investigated the construction sector in Botswana, different cultural values facilitate different quality aspects. In a fatalistic society, as opposed to a deterministic one, the idea that people do not master their environment and own improvement is an obstacle for continuous improvement and cross-functional teamwork. In an ascriptive society, as opposed to a society where achievement counts, status and power are assigned based on a specific individual characteristic and need no justification, but do imply obligation. This causes the ineffectiveness of motivational methods as a reward for good quality behaviour.

Anwar and Jabnoun (2006) are also convinced of the cultural dependency of quality aspects. Where Ngowi (2000) found some Trompenaars (1994) dimensions being relevant, Anwar and Jabnoun (2006) established a connection between the four components of TQM and three of the five Hofstede (1991) dimensions. According to them, high power distance cultures facilitate the implementation of quality control, because this part of TQM is about supervision, inspection and control. High uncertainty avoidance and formal cultures facilitate the implementation of quality assurance, because of the emphasis on planning, documenting and systems. Continuous improvement is likely to be successful in societies with low uncertainty avoidance and low power distance, because it requires commitment to quality and learning. Teamwork and empowerment, two elements of total customer satisfaction, call for collectivism added to low uncertainty avoidance and low power distance.

For a company to be successful in the implementation of TQM, it needs to have a culture with both a high and low power distance and uncertainty avoidance and a certain level of collectivism. Anwar and Jabnoun (2006) state that opposites are difficult to reach within one culture and / or company. A joint venture between companies from two different cultures may be the best way to success. As will be shown in the next part, Romania scores high on the power distance and uncertainty avoidance index. The Netherlands is a country with low uncertainty avoidance and power distance. According to Anwar and Jabnoun (2006), they would thus make good joint venture partners to assure success in TQM.

4.2.2. The Romanian context

Romania is a former Soviet country with a transition economy. The 1990s brought many changes to Romania (Constantin, Pop and Stoica-Constantin, 2006). The transition strategy is one of macro-stability, restructuring, privatisation, development of Human Resources and reform of education (Stoica, 2003). Values and institutions have to change (in) middle class, economy and politics (Radaceanu, 2004). Especially educational reform is essential. It is needed to change old egalitarian and passive working mentalities into active, competition-based, responsibilities-taking mentalities, to facilitate the school-to-work transition (Nicolescu, 2002 / Marga, 2002 / Bercu, 2005). Entrepreneurial behaviour, risk and initiative, career development skills, voluntary activities (Lupu and Mitocaru, 2005) and the realisation that learning and working can be combined, practice teaching (Lupu and Mitocaru, 2005 / Walsh et al, 2005), will encourage the development of a management and organisational culture based on risk-taking, creativity, transparency, autonomy and rewards based on performance (Littrell and Valentin, 2005).
This transition does and did not happen overnight (Nicolescu, 2002 / Marga, 2002 / Bercu, 2005). The changes are not so profound and efficient as many would like (Constantin, Pop and Stoica-Constantin, 2006). There are at least two possible reasons for the delay. First, it has been proven that the history of socialism has an influence on the present (Chow, 1992 in Littrell and Valentin, 2005). Second, the arrogance of the West (Braakman, 2002) causes an unequal power relation between the student and the educator and too much one on one copying of policies and practices. Romanian norms are different and often not understood and known by western people. The western theory needs to be adapted to and chosen carefully for the Romanian practice. The Romanians are the experts on this field and thus, student and educator should work together as a team of experts (Walsh et al, 2005).

A lot has been written about Romania’s transition, especially with regard to the accession to the European Union. And Roman scholars have written many articles about their own culture from an internal viewpoint. But it is difficult to find articles about Romania in cross-cultural management literature. Even in the domain of ethnographic learning, the model of strategic fit and the etic perspective on culture, there has not been written much. Therefore, I will try to give an emic account of the information on the Romanian context found in literature and source material.

4.2.2.1. Demography

A demographic factor in the Romanian context is that the workforce becomes more mobile (Pook, Füstös and Marian, 2003) which causes a “brain drain” of young, highly educated Romanians. The number of students that want to study abroad has augmented from 9% (76.8% of the total population would make their decision depending on the changes in Romania) in 1994 to 66% in 2000 (Tascu, Noftsinger and Bowers, 2002). Half of the IT graduates and 2/3 of the respondents of an INSOMAR research consider finding a job abroad (Mihăilescu, 2004). The risk is that 50% of the Romanian students will leave the country (Rompres, 2007).

Reasons for this growing exodus are the high unemployment rate (Lupu and Mitocaru, 2005 / Tascu, Noftsinger and Bowers, 2002 / Mihăilescu, 2004 / Lazaroiu), low salaries, the desire of a more supportive state (Tascu, Noftsinger and Bowers, 2002 / Mihăilescu, 2004), the desire for independence and the increase in student population (Tascu, Noftsinger and Bowers, 2002). Furthermore, high prices, a spectacular rise in the number of diploma holders, the social prestige and professional mobility associated with foreign companies, the entrepreneurship of students, the dissatisfaction of most graduates with the quality of practical training, the investments in research at USA universities, increase in international travel, relational networks of relatives settled abroad and the decreasing value of diplomas drive young Romanians abroad (Mihăilescu, 2004).

As many students may not have the financial means to do so (Tascu, Noftsinger and Bowers, 2002), the real extent of the brain drain cannot be characterised precisely. Furthermore, the proportion of young Romanians interested in working abroad permanently (as opposed to temporarily) is relatively low (Mihăilescu, 2004). Romanian IT companies entered the world market, creating more challenging job opportunities in Romania (Mihăilescu, 2004). Programs are developed to win back and reintegrate young Romanians (Lupu and Mitocaru, 2005 / Mihăilescu, 2004) by stimulating entrepreneurship (Lupu and Mitocaru, 2005 / Mihăilescu, 2004) and collaboration between educational institutions and the labour market (Mihăilescu, 2004).

Other demographic factors that play a role in the Romanian context are the decrease of the birth rate and the migration from urban to rural areas (Tascu, Noftsinger and Bowers, 2002).

4.2.2.2. Economy

The Romanian economy is not stable. Although it is growing rapidly (Dutch investment review – Business Romania / Economist, 2003 / The Diplomat, 2007), the country is not yet prosperous (Lazaroiu / Pook, Füstös and Marian, 2003 / Rohozinska, 1999 in Littrell and Valentin, 2005). The economic transition has been slow and problematic (Reisz, 2006). There has been a growth in the number of bankruptcies (The Diplomat, 2007), a reduction of state contributions to the economy, a lack of capital (there still exists a large, informal credit market (Lazaroiu)), high interest rates (Tascu, Noftsinger and Bowers, 2002), high corruption (Rohozinska, 1999 in Littrell and Valentin, 2005), gathering of wealth by elites (Barbu, 2007) and high inflation (Tascu, Noftsinger and Bowers, 2002 / Reisz, 2006 / Pook, Füstös and Marian, 2003), although it is decreasing steadily (Dutch investment
Prices go up because of excess demand and the government deficit will widen (David, 2007).

The industrial focus of the economy has shifted to agriculture, causing industrial production to fall (Reisz, 2006). The agricultural production had not been able to compensate for that. Property is fragmented due to subsidies, overprotection, underdevelopment of the food industry, abundance of employees and the use of obsolete technologies (Tascu, Noftsinger and Bowers, 2002).

Privatisation (Lazaroiu) and the economic crisis has caused an increase in (disguised) unemployment (Lupu and Mitocaru, 2005 / Tascu, Noftsinger and Bowers, 2002 / EIU RiskWire), especially among women (Pook, Füstös and Marian, 2003) and paradoxically urges people to work part-time and / or have a second job (Tascu, Noftsinger and Bowers, 2002). The influence of the unions is negligible (EIU RiskWire / Meardi, 2006). Union density and bargaining coverage are much lower, because of unemployment, limited market power and paradoxically low mobility of workers. Strikes have become rare. People do not have the habit to go on strike, because it was prohibited under socialism. Another reason is that the changing ideology of the Romanian system causes distrust in unions. The collective is no longer a reality to rely on like it was during communism. Furthermore, the labour market conditions and regulations are changing. Finally, strike hours are not paid. But, there are still people striking and there are other specific, mostly informal and cross-border forms of employee resistance limiting employer freedom (Meardi, 2006).

Salaries are low (Tascu, Noftsinger and Bowers, 2002 / Braakman, 2002) and margins for the same job type can be high (Rompres, 2007), but levels are slowly moving towards EU standards (Rompres, 2007 / Bird et al., 2007 / The Diplomat, 2007), unemployment levels are falling (The Diplomat, 2007) and the labour market is changing (Tascu, Noftsinger and Bowers, 2002). Migration (Rompres, 2007) and an increasingly qualified labour force (Dutch investment review – Business Romania / Rompres, 2007) are to trigger alignment even further. For some top positions, Romanian wages exceed EU standards (Rompres, 2007).

Furthermore, the economic crisis (Tascu, Noftsinger and Bowers, 2002), Romanian former communism and the fact that Romanian culture and traditions are forged by different ethnic groups and are therefore rather ambiguous (Radaceanu, 2004) cause a lack of well-trained managers. Managers were more concerned about advancement in the Party than with management (Chow, 1992 in Littrell and Valentin, 2005 and there was no competition to deal with (Tascu, Noftsinger and Bowers, 2002). Most companies restructure along structural, economical and financial front, but not on managerial fronts. They believe that skills and qualities acquired under socialism are still appropriate. They have adopted a wait-and-see position, because restructuring is risky when there is political and economical uncertainty (Kelemen, 1999).

The business systems of eastern European countries, among which Romania, are described by Martin (2002 and 2006). He argues that because of the unique character of the economical, political and social transition from a planned to a capitalist economy, former socialist countries develop a particular kind of business system, politicised managerial capitalism, that consists of several subsystems.

Three factors influenced the development of that business system. First, the inherited practices from socialism, like the work methods, influenced firms, cultural norms and expectations. Distrust became widespread and manipulation for own gain is considered a normal practice. Second, the development process reinforced the political dominance over the economy, because it was initiated from above. The import of the system from the west (for voluntary and non-voluntary reasons, inward investments by MNC ((Marginson and Meardi, 2006)) gave it its capitalist twist. Last, the local market set some specific limitations.

Politicised managerial capitalism is managerial in the sense that managers are relatively autonomous and strong. This is due to the way the privatisation process took place. They possess the cultural capital and the expertise. They legitimise their power on ideological grounds. There is some influence of state bureaucrats, but they play a lesser role. The state is weak and if she does play a role, interests often coincide. One possible reason is that many state bureaucrats are managers too. As was shown above, the influence of employees and the capital market is limited too. Providers of capital have no habit of monitoring the companies they provide for. A last property of this managerial business system
is that there is a lack of clarity and absolutism concerning ownership rights. Companies have difficult ownership network structures. This makes the owners of business relatively weak.

Politicised managerial capitalism is politicised because of the complex interfirm networks based on political, social and economical considerations. Although this basis declined in the 1990s, because of the political transition, the rise of managerial power, the shortage of state money and the conditions imposed by foreign institutions (World Bank, European Union), the state still retains significant involvement in the business environment, especially when state bureaucrats own / manage a company. There are three subtypes of politicised, managerial capitalism. The largest one consists of nationally oriented and owned companies that are open to international trade and foreign investment.

The second largest one is the internationally oriented subsystem that is a part of global capitalism. Companies in this subsystem are multinationals that are foreignly owned or linked with foreign investors through joint ventures. They have western corporate strategies and structures.

The smallest group of companies belongs to the systems of entrepreneurial capitalism. Personal relations are essential for owner-managers in this subsystem. The typical entrepreneur is a younger male with capital, experience and connections (often other entrepreneurs in the family) and more education than other family members. They come from former managerial / political elites (Lazaroiu).

Romania has a big, evolving market (Braakman, 2002) and is the second largest consumer market in Eastern Europe. Retail sales are growing rapidly (Diplomat, 2007). The labour force is highly educated (Dutch investment review – Business Romania) and collaboration between educational institutes and the labour market (Mihăilescu, 2004) guarantees a good connection between the two. Furthermore, there is an increase in lending (The Diplomat, 2007) and entrepreneurship is stimulated (Lupu and Mitocaru, 2005 / Mihăilescu, 2004), e.g. through programmes for reimbursable funds for SME (Spanu, 2007). The denomination of the Romanian Lei by the national bank and changes in the fiscal policy (Dutch investment review – Business Romania) further contribute to a more favourable business climate. These factors cause growth of the private sector (Tascu, Noftsinger and Bowers, 2002) and foreign direct investment (Diplomat, 2007). The lack of institutions of trust in Romania causes the need for foreign direct investment to support the building of larger, globally competitive businesses. (Fukuyama, 1995 in Littrel and Valentin, 2005).

4.2.2.3. Societal culture

The communist system was able to create a common cultural framework that overruled the distinct national cultures and was protected against influences of the globalisation (Grancelli, 1995). People in former socialist countries have experienced central planning, communist ideologies and shortages. It left a mark on work values, business information availability, gender relations and the national psyche (Pook, Füstös and Marian, 2003).

In the literature on Romanian context and Hofstede dimensions, we can find some, but not much information on the etic described culture of Romania. The values for the bipolar dimensions that can be found in literature do not represent an objective truth. They are measured in comparison with other countries and are a relative indication of the values in Romania.

<table>
<thead>
<tr>
<th>Power Distance Index</th>
<th>1991</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2003</th>
</tr>
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<tbody>
<tr>
<td>Individualism</td>
<td>23</td>
<td>34</td>
<td>22</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Masculinity</td>
<td>36</td>
<td>29</td>
<td>42</td>
<td>42</td>
<td></td>
</tr>
<tr>
<td>Uncertainty Avoidance Index</td>
<td>72</td>
<td>79</td>
<td>90</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 5: four Hofstede dimensions of Romania (site Geert Hofstede and in Littrel and Valentin, 2005)

Overall, it is clear that the power distance index of Romania is high to very high. This has been confirmed by Rohozinska (1999 in Littrel and Valentin, 2005) and Pook, Füstös and Marian (2003). A high correlation between age and position for men is one of the signs of the high power distance in Romania (Pook, Füstös and Marian, 2003). Other signs can be found in the desired leadership behaviours of low persuasiveness (no need for in high power distance society) and being the
representative of the group (Littrell and Valentin, 2005). Also, there is a preference of entitlement over benevolence or performance incentives (Mueller and Clarck, 1998 in Littrell and Valentin, 2005). Finally, the Romanian management system is traditional and based on centralisation (Constantin, Pop and Stoica-Constantin, 2006). People are not used to sharing authority (Reisz, 2006).

Individualism is rather low (see also Pook, Füstös and Marian, 2003 / Rohozinska, 1999 in Littrell and Valentin, 2005) and even lower among the older generation. Rewards are administered to everyone, regardless of contribution (Pook, Füstös and Marian, 2003). There is a lack of self-determination (Walsh et al, 2005) which results in people having difficulties making decisions, being participative (Luthans and Riolli, 1997 in Littrell and Valentin) and taking initiative (Luthans and Riolli, 1997 in Littrell and Valentin, 2005 / Constantin, Pop and Stoica-Constantin, 2006). Together with the high power distance, the collectivism leads to a low inclination to structure (Littrell and Valentin, 2005). But the Romanian collectivism is limited to members of the in-group. Interdependence is found within small networks of friends and relatives (Walsh et al, 2005) and nepotism (Constantin, Pop and Stoica-Constantin, 2006) is an important value in HRM. But there is a lack of general membership and tolerance (Lazaroiu), respect, confidentiality (Walsh et al, 2005) and trust (Rohozinska, 1999 in Littrell and Valentin, 2005 / Walsh et al, 2005 / Reisz, 2006 / Lazaroiu). In a 2001 EVS (European Value Survey) poll, 10,1% of the interrogated Romanians thought that “most people can be trusted” and 89,9% were of the opinion that people “cannot be too careful” (in Littrell and Valentin, 2005). Men, rural people and older people have more trust than women, people in cities and the young generation (Lazaroiu). Romania scores rather high on xenophobia and anti-Semitism (Rohozinska, 1999 in Littrell and Valentin, 2005). This particular interpretation of collectivism makes it difficult to do business in Romania when you are an outsider. One of the hardest challenges is making yourself known. International experience and a leading position do not count (Lazar in The Diplomat, 2007). A company needs access to an in-group network.

Romania is a Latin country dominated by masculine values with a strong age bias. The inequality between men and women is preserved by the government. Childcare is left to the family and often this means that women have to abandon their career for their children. Hiring women is based on appearance (Pook, Füstös and Marian, 2003), while hiring men is based on tenure and age. This is a sign of high uncertainty avoidance. Other signs of uncertainty avoidance can be found in the desired leadership behaviour of reconciliation of conflicting demands and reduction of disorder to the system (Littrell and Valentin, 2005). Uncertainty avoidance is partly caused by the high formalism. Together with the high collectivism it is an explanation for the low ambition of most women and men (Pook, Füstös and Marian, 2003). It also explains the growing religious motivation (Walsh et al, 2005) and continuance of traditional practices like transhumance (Lazaroiu). Uncertainty avoidance is lower among the younger generations (Pook, Füstös and Marian, 2003).

Other Romanian values that are mentioned in the literature are the lack of (encouragement of) creativity, low motivation, low promotion of the organisation (Constantin, Pop and Stoica-Constantin, 2006) and the hard work mentality. Over 15% of Romanians did not take a single day of vacation in 2006. One third took less than 20 days (Nine O’Clock, 2007).

Education is one of the most cherished values in Romanian society (Lupu and Mitocaru, 2005 / Pook, Füstös and Marian, 2003). A good education is considered an entrance ticket for a career (Lupu and Mitocaru, 2005). The participation rate of students in higher education rose from 13,1% in 1992/1993 to over 30% in 2002/2003. 80% Of Romanian families have a child that wants to go to university, but not all will be able to do so (Tascu, Noftsinger and Bowers, 2002). Paradoxically, at the same time there is a drastic decrease in motivation to learn. Only 1,6% of the Romanians continue learning after finishing the initial education. School dropping percentages rise to 20,8% and many Romanian businessman do not invest enough in the training of their employees (Iordanescu, 2007 / Constantin, Pop and Stoica-Constantin, 2006 / Nine O’Clock, 2007). Only 17% of the Romanian employers are willing to pay for the training of employees and Romanian employees consider that normal behaviour (Nine O’Clock, 2007).

The total expenditure for Education as a percentage of GDP in 2004 / 2005 ranked as the lowest in the EU (Iordanescu, 2007). This caused educational reform (transform old egalitarian and passive working mentalities into active, competition-based, responsibilities-taking mentalities, to facilitate the school-
to-work transition) to be slow (Nicolescu, 2002 / Marga, 2002 / Bercu, 2005). There are not many graduates with the right mentality yet (Lupu and Mitocaru, 2005). Still there were some successes. Educational institutions gained more autonomy than ever before. Compared to state institutions, especially private colleges and universities, that were allowed and founded after 1989, have this advantage. Although financing mechanisms are revised as well, state institutions still depend largely on (limited) funding from the government. Furthermore, the educational programs have been modernised and their quality has improved. This is partly due to the establishment of an accreditation mechanism. Finally, Romanian educational institutes start to use the new knowledge they receive through cooperation with and interest in the west for improvement of their country (Tascu, Noftsinger and Bowers, 2002).

The Romanian transition also causes a change in social structure (Tascu, Noftsinger and Bowers, 2002). Although the cultural differences between Romania and the West are rather big, the predominant feeling among Romanians is one of admiration. “What is good for Europe is good for Romania” (Bird et al., 2007). Since December 1989, Romania has actively pursued a policy of strengthening relations with the West. In October 2003, citizens voted in favour of major amendments to the Constitution in a nationwide referendum to bring Romania’s organic law into compliance with European Union standards (2005: Political Risk Service – Romania, country conditions). Furthermore, they want western companies to do business in and with them (Braakman, 2002).

4.2.2.4. Technical factors
There are three technical factors, particular for Romania (among other countries) that are mentioned in the literature. First, the use of obsolete technologies causes the fragmentation of agricultural property (Tascu, Noftsinger and Bowers, 2002). It is one of the reasons for production figures to stay behind. Second, the quality of the Romanian physical and communication infrastructure is poor (EIU RiskWire). This is a serious risk that influences the success of Romanian companies and investment decision of foreign companies. Third, information and knowledge in Romania is of low quality (Braakman, 2002). This means that decisions result in non optimal solutions and outcomes.

4.2.2.5. Ecology and geography
Romania has a strategic location (Dutch investment review – Business Romania). It is close to Western Europe and can be used as a gateway to other markets (Braakman, 2002), even further south or east. Another strong point is that Romania has a lot of natural resources (Dutch investment review – Business Romania): land and water for agriculture, waterways, forests, fossil fuels, a wide range of metallic ores and minerals. These can be used by and for companies, creating positive business opportunities.

4.2.2.6. Politics
The Romanian political environment is not stable (EIU RiskWire). It has been subject to numerous shifts (Reisz, 2006) and there are many political quarrels (Barbu, 2007 / media spring 2007). Formally, Romania is a democracy (Lazaroiu / Economist 2003) and some politicians are motivated and ambitious (Braakman, 2002) to create change. The constitution directs the state to implement free trade, protect the principle of competition and provide a favourable framework for production. Steps taken in law enforcement include an anti-corruption office, judicial reform efforts, a political party financing law and a human trafficking law (2005: Political Risk Service – Romania, country conditions). And the 2003 Labour Law compels employers to offer opportunities for professional development of their employees (Constantin, Pop and Stoica-Constantin, 2006). In spite of these positive measures, most of the democratic processes have not been consolidated yet. Romania receives mediocre ratings for holding free and fair elections, the rule of law, the independence of the press, the quality of law making and the honesty of public services (Economist 2003). The legal environment is unpredictable (EIU RiskWire), public prosecutors have excessive power, the judiciary is dominated by time-servers from the communist era and property rights are weak (Economist 2003) and not trusted by Romanians (The Diplomat, 2007). The government is irresponsible (Rohozinska, 1999 in Littrel and Valentin, 2005) and does not change quickly, even goes back to the old, communist ways from time to time (Barbu, 2007). It has not yet
devoted enough resources to the modernisation of facilities (2005: Political Risk Service – Romania, country conditions) or to the implementation of open market policies (EIU RiskWire), although it installed some sound macro-economic policies and structural reforms (Economist 2003). The account deficit mounts to 11% of GDP and the management of the budget is poor (The Diplomat, 2007).

Furthermore, Romania has a low quality bureaucracy (Dutch investment review – Business Romania / EIU RiskWire) where vested interests (EIU RiskWire) and corruption (Bird et al., 2007 / EIU RiskWire / Economist 2003 / Lazaroiu) cause a lack of trust in political institutions (Lazaroiu). This lack of trust has been enhanced by measures as the cancellation of the National Integrity Agency, an agency that was installed to monitor the augmentation of wealth by politicians (Bird et al., 2007).

The state still has a large influence on other sectors in Romania. The political crisis hinders the economy by stopping structural reforms (David, 2007). As a consequence, the government has a negative influence on the business environment (Dutch investment review – Business Romania). Educational institutions also experience difficulties. The main problems limiting research are generated by the government (Tascu, Noftsinger and Bowers, 2002) and there are not enough resources providing sufficient salaries to attract competent teachers. The same is true for health care (2005: Political Risk Service – Romania, country conditions). Finally, political influences still play a role in individual opportunities (Tascu, Noftsinger and Bowers, 2002) for people to get a better life through financial help, education, jobs, etc.. Romania has yet to work out a balance between central control and local autonomy (Reisz, 2006).

4.2.3. Experts

In the following, I will give an account of successful management reactions to actual Romanian influences on the implementation of quality management as explained by five experts. They are ranged under process management, the State (as the biggest stakeholder outside the primary process with which cooperation is difficult to establish), leadership and communication and commitment. The experts are Romanian and Dutch managers of Romanian-Dutch companies that have been active in Romania for a number of years.

4.2.3.1. Process management

Improvement in product quality is difficult to establish in Romania. Romanians think in terms of functionality instead of quality or clients wishes. This is because it has been this way during communism as well. If employees make a product that is not according to specification, they do not see a problem, as long as the product can be used for what it is meant for. An example is an employee who was supposed to make a bedside table. The design did not show any doors, but the employee liked it better with doors, so he added them. On another occasion, employees make a set of a dining table and chairs, but the chairs were not of equal height. The employees did not understand the problem, because the chairs were completely functional, people could sit on them. Another problem is that Romanian employees often repeat the same mistakes.

These problems occur at the companies of Romanian suppliers as well. It is difficult to increase the quality of supplies, because the division of power between clients and customers is different in Romania and because the clients do not have direct control over the supplier. In general, Romanian suppliers are unreliable. They do not respect agreements, have long delays in delivery times and the quality of their products can be bad.

The experts advise companies to develop a good quality inspection system with checks before, during and after the production process. In-company quality inspectors at the supplier can increase the quality of the supplies. It is essential to have quality inspectors that are not employed by the Romanian company, because the Romanian management often has different, more short-term interest than good quality and the quality inspector would not argue with his superior, because of his status. As an extra stimulus, the quality inspector and the supplier can be punished with a fine when they let bad quality pass to a next stage in the process. An additional advantage of a good quality inspection system is that eventually employees and maybe even suppliers will learn how to produce better quality as well, as long as there is enough continuity among the workers. Furthermore, the management should set the machines, show the employees product examples and explain them the drawings. To teach them the western notion of quality and client wishes, they could invite employees to the Netherlands to attend some fairs.
A way to reduce the impact of bad quality of supplies is to order a test version of the product to be able to assess the quality and the delivery time. If the supplier appears to be good in these domains, the first orders should always be small, so that if quality standards drop, there are few negative consequences and the client can easily decide to stop the relation with this supplier. A company needs to have several suppliers for a single product to be able to order just a small amount or stop the relationship. The problem is there is often only one supplier of a product in Romania. Finally, the best thing a company can do if it relies on bad suppliers is adopt a Romanian attitude and accept the reality, take the bad quality into account. If they can establish the real delivery time, they can adapt their own planning to it. If they know the average quality of the supplies, they can reserve time in the production process to improve the products to the standard needed.

4.2.3.2. The State
Furthermore, according to the experts, the success of quality management is influenced by problems with the state. The bureaucracy is not working with, but against businesses. Some rules are not sensible and the observance of them is strict. The state inspects to find errors, because for every fine they issue, inspectors get a commission. As a punishment they can and will use their power to shut down the company as long as the fine is not paid.

To solve problems like these faster than the bureaucracy allows, corruption is still a common practice. Especially foreign SME are the victim of enormous delays that can only be paid off by bribing. Since Romania has become a EU member, custom officials have lost their corruption income, but it was common practice that they took part of the import or export products for their own use.

The best measure against corruption and bureaucracy is networking. Managers have to know people who can help them avoid inspections, fines and delays. A useful network for Dutch companies is the Dutch Business Club, that is based in every big city with enough Dutch investors. The club organises official presentations on subjects that can be helpful for entrepreneurs in Romania, but also the monthly networking event where people can get to know each other, share information, ask for and offer help and support. Not every Dutch entrepreneur in Romania may want to join or know about these clubs. On the contrary, it can also be useful to keep a low-profile as a company, but that has other disadvantages, e.g. in the recruitment domain.

Second, a company needs to hire a good, local bookkeeper who can try to apply all the rules that are enforced and make sure that the books are always in order for an unexpected inspection. Knowing the rules can make the difference between success and failure. When the company does get an inspection, it can help to adopt the Romanian attitude of acceptance and stoicism. It is impossible to plan such an inspection and predict the outcome. If the company gets a fine and the inspectors slow down the already slow bureaucracy even more, the management should not hesitate to pay some money as a bribe, as long as it is not excessive and in proportion.

4.2.3.3. Leadership and communication
The management of Dutch-Romanian companies tries to improve the quality of the Romanian leadership and operations to eventually be able to leave the operational management of the Romanian company entirely to the Romanian management without the quality of products, processes and organisation decreasing. In this domain they experience problems as well.

History and especially communism and the influence of Ceaușescu have caused the Romanian managers and employees to show certain behaviour. First, entrepreneurship was forbidden and taking initiative could cause serious trouble if superiors felt attacked. As a result, Romanians do not dare to make decisions and are afraid to take responsibility. If something goes wrong, someone else is held responsible. People will not even report a problem, let alone try to solve it themselves.

Because of a high power distance, employees do not dare to disturb their superiors. They act servile with regard to their bosses. A high position means a high status. Superiors have a superior feeling with regard to their employees. They do not show themselves at the shop floor. Therefore, Romanians are surprised by the behaviour of Dutch managers when they do to help and talk with the workers. When something goes wrong, a Romanian superior will get angry with a subordinate, but will not do something him/herself. The criticism will not be expressed in the presence of others. When the Dutch management of a Dutch-Romanian company, criticises a Romanian employees or manager too directly or in the presence of others, it can be regarded as a huge insult, especially if the others are
subordinates. People actually have resigned because of it. The criticism will be acknowledged in words, but the chances of people actually taking action are small, either because they forget, do not understand nor agree. Criticism towards superiors will never be expressed.

Having a high position in a company is not the only thing that gives status to people. Being born a man also feeds feelings of superiority and women are still rather submissive towards them. The Romanian society is traditional and masculine. The fact that women are working is just part of the tradition, it does not mean that they are considered equal to men. As an employer you have to make sure that women do not earn more than (their) men. It would be an insult to both.

Furthermore, money earns people a high status. During communism, it was not allowed to own private property. After the execution of Ceauşescu, a few people have enriched themselves by stealing money from the state and from the people through sly tricks. They were and are worshipped by the rest of the population, even though they do not treat them well. Money has become a real obsession for many and they are trying to get it the way their examples have got it, by stealing. As an employer, you just cannot trust most of your managers and employees. Even young people have some of this mentality, transferred to them by their parents. It is regarded as normal to steal from the company. During communism, everybody had to take care of him/herself. People could not expect to be helped by someone else, let alone the state or the company they worked for. This is also a reason why it is so hard to get people to work with each other instead of against each other, despite the relative collectivism of the society. An example of this is the agricultural sector. After the execution of their former leader, all the land was returned to the original owners of before 1945. Since there had not been an increase in scale yet at that time, the land was scattered among many private owners. Agriculture in Romania has a large potential, but initiatives have not come of the ground, because the separate private owners do not trust each other and do not want to work together.

The Romanian management and employees have a short-term focus. An explanation lies in the fact that during communism, things could change from one day to another. Planning was useless. It also gave people the impression of at least having some freedom while being heavily suppressed. Because of this short-term focus, Romanians practice reactive management. They do not use planning and procedures and they solve problems in an ad hoc way. As a result, during a process, they focus on details too much. Furthermore, in general, it explains the wish for fast money and the fact that people just stay away from work or only give a short notice when they have a new job or want a vacation.

Another difficulty when implementing western practices in a Romanian company is the information and communication. Although Romanians are known for their knowledge of languages, not everybody is fluent in English and able to learn another new language like Dutch. Furthermore, although the Romanian language is a Romance language and in general easier to learn than Slavic languages, not many Dutch succeed in learning to speak and understand it properly, despite the ability of Dutch people to learn other languages.

Companies can take several measures to counter the problems mentioned above concerning leadership and operations. First, they should try to find a good Romanian partner that is rather westernised in his attitude. Second, especially in the first year, a team of Dutch managers must be present in Romania, not once or twice a month, but every day. It can be a too big burden for one person to be present all the time. That is why it is better to have a team of at least four people who alternately will be in Romania in pairs of two. The Dutch presence is necessary to check operations.

If the ultimate goal is to hand over the management to the Romanian management, the Dutch will have to educate and train them as well. During this training, it is important to give them enough freedom to learn from their mistakes without punishment. When they do not execute what was agreed upon and repeat the same mistakes, the trainer should keep repeating the lessons. This is the only way to reduce their fear of responsibilities and initiative. Because it takes time, it can be frustrating.

Third, to connect the Romanians more with the Dutch reality, the Dutch company should invite the Romanian managers and employees to the Netherlands from time to time.

Finally, stealing from the company can only be prevented by watertight systems, locks and strict control. And it pays to hire young people, because they steal less than older ones. They are more flexible to adapt to a different mentality. In other words, companies that have plans to do business with and / or in Romania should be aware that they will have to invest a lot of time and money in their expansion to Romania.
4.2.3.4. Commitment

To increase the quality the local management of Dutch companies in Romania try to get as much continuity among their employees as possible. This is difficult since competition on the labour market is growing. Unemployment has dropped and wages are rising. Especially factory employees and young people are not very loyal to their employer. Factory employees do not have high salaries. As a result, they are more concerned with their own survival. The young generation is also short-term and money focussed. “Nice” is a quality they do not apply to their working life. This is why people will easily leave their company for a slightly higher salary somewhere else. A lot of Romanian employees have even left the country to work for companies abroad. This causes a serious brain-drain of talents. Another problem with continuity is the alcohol abuse among employees.

Despite the difficulties, it is possible to increase the commitment of the employees. Employers should offer a high salary to their employees, at least market conform, but preferably a little bit higher. It is necessary to stay ahead of increases by other companies. This is a least condition for commitment.

Second, it pays for companies to employ as much women and employees who are married and have a family of their own as possible. These tend to be more loyal and less inclined to leave for a slightly higher salary somewhere else. They are less mobile. The disadvantage of older employees is that they are less willing to change as well. Young employees can secure the flexibility of the workforce. It is difficult, but not impossible to attract them and increase their loyalty.

If the company is hiring highly educated people, it can help to have a close cooperation relationship with universities. Especially training and teaching trajectories will provide the students with the practical education they lack in their studies. It will make the recruitment of young students easier. They will become aware of the possibilities their own country offers them, which will cause a decrease of the brain-drain. A Public Relations department can further improve the positive image of the company among students and potential employees.

To keep employees within the company, the management can decide to organise non-work-related activities. It also helps to supply the employees with work that is as challenging as possible. Furthermore, training and education can also encourage people to stay, as long as they will have to pay back the training when leaving within the time agreed upon. Finally, if the management gives the employees what it expects from them, appreciation and loyalty in this case, the probability of getting it back is much bigger. Although Romanian employees are not used to these practices and do not always show the expected appreciation, the situation is changing. Especially people with a higher education and former working experience know that besides money, other conditions are important as well.

4.2.3.5. Results

The perseverance of the Dutch companies in Romania starts to show positive consequences. The Netherlands is the biggest investor. And through these investments, the Romanian economy is growing fast and the labour market is stabilising. Furthermore, the Dutch companies introduce the Romanians to new technologies, new knowledge and new ideas. The Romanians are developing at a fast pace and show their experience in their management attitude. In addition to the influence of the Romanian context on the implementation of western practices in Romanian companies, the western practices start to change the Romanian context. But it will always stay an emic, dynamic sea of different, sometimes opposed beliefs and mentalities that will be different from other national cultures and yet have much in common with them.

4.3. Case study results company 1

The first company is an IT company that consists of a Dutch and a Romanian part. It has been operational since December 2005. The Romanian company provides work for 21 people. The Dutch company only consists of two people. The formal relationship between these two parts is threefold. First, the Dutch part is the major shareholder of the Romanian part. The Romanian management is the minor shareholder. Second, the management responsibilities in the Dutch part have been delegated from the CEO, one of the owners, to the Dutch management. The relation between the management of the Dutch and the Romanian part is strictly speaking a customer-supplier relation, with the restriction that the Romanian part cannot do any sales for itself (the products are not sold on the Romanian market) and the operational management is part of the Dutch company as well. Third, all the shareholders and managers of the company regard themselves as friends.
Formally, the Romanian management reports to the shareholders of their company, being themselves and the owners of the Dutch part. But due to problems in the past, the Dutch shareholders felt it was necessary to intervene. Since they do not have time for intervention themselves and since the CEO has delegated all his management responsibilities, they have asked the Dutch management to intervene. In this difficult and uneasy situation, it is not clear what the formal and informal relationships between and responsibilities of people are.

4.3.1. Continuous improvement and client focus

The first company focuses on the introduction of a client focus and not on continuous improvement, because this service company makes IT products for which the involvement of the client is necessary. The ability to understand and use clients wishes directly results in the quality of the end product. If client wishes are not taken into account, the customers will try to find a different supplier. The extensive competition on today’s IT market forces IT companies to take client focus seriously. Both the Dutch and the Romanian management try to introduce a client focus in the company. The Dutch management tries to transfer this global knowledge to the Romanian management and employees. The Romanian management tries to transfer what they know to the Romanian employees. Although Romanians are getting more aware of the importance of the client, especially in theory (convergence in concepts), it is difficult to introduce a client focus in a Romanian company. During communism, Romanians did not have a market economy based on client demand, but an economy guided by the state. Companies were less interested in client wishes, because the state dictated almost everything and suppliers had more power than clients. The current Romanian economy still show traces of this historical reality.

Client focus for an external client is difficult to relate to. Especially if the client comes from a western country (all clients of the first company are Dutch) and have wishes that cannot be easily understood.
in the reality the Romanians still live in. Unclear specifications and not enough experience result in wrong estimates, early completion or delays.

Because Romanians look up to western people and have a lot of respect for them, most employees do not dare to ask enough (additional) information in the case of unclear specifications. They also do not feel comfortable when they have to communicate bad news. On other occasions, employees paradoxically ask too much details, because they do not feel comfortable with degrees of freedom defined by the client. These communication problems result in unstructured or no client information. Management and clients risk to find out about (bad) news, interpretations or changes too late. The contact in a different language (English) aggravates this problem.

Furthermore, the Romanian employees are very product oriented. They have a certain image of a product and notwithstanding the proposal that has been accepted by the client, in which time and quality may be reduced to get the price down, they still have the product in mind. They will try to deliver a better product in the same time, but in the end they will deliver less quality in more time and definitely not what the client asked for. This can result in either too much attention or not enough attention paid to details and many bugs. So far, these problems could be compensated by the excess of employees compared to the amount of work, but this is no real solution.

Even more difficult than an external client is it to imagine an internal client. In Romania, everyone is responsible for his / her own success and apart from corruption and nepotism, there is no tradition of helping each other. The way to success has always been and still is competition. Therefore, Romanian employees do not regard colleagues as clients of an internal process and are not inclined to have a western client-supplier mentality towards each other in order to raise quality.

To make the management and employees more aware of their clients, some initiatives of introducing a clients focus are taken. Two examples are a workshop I organised and a customer questionnaire that was developed by the Romanian management. At the end of my research in the company, the Dutch and Romanian management agreed upon a two hour workshop for all Romanian employees and managers on client focus. The Dutch management took the initiative and the Romanian management agreed, but had second thoughts about the value of the workshop.

The workshop consisted of an introduction on quality management and client focus and of four role plays on four real-life problems with client focus in the company. The first one was about giving the customer more than what he asks for, but within the price agreed on. It became clear that this behaviour results in less profit, because you add extras that has to be paid for by the company, and paradoxically less quality, because the end product is not according to client specifications. The second role play was about an intermediary and final customer. The supplier had contact with the intermediary customer who had contact with the final customer. Expectations of the supplier did not match the expectations of the final customer, due to bad communications. The supplier made a proposal for something that is much bigger and more expensive than the final customer asked for. The third one was about internal clients, a reviewer and tester of a development product, and how to deal with weak product quality observed by the reviewer and tester. The last role play was about a physical distant client and the handicapped communication because of the distance.

In the beginning, some employees had the feeling they were at school and had to do something they did not want. The Romanian management explained that their employees are only interested in learning things they believe are valuable and that non-technical subjects are almost never regarded as such. Nevertheless, all employees joined, except one who gave priority (or preference) to her work. Thanks to the managers who showed a lot of initiative and my remark that it was their own responsibility to learn from this experience, people became enthusiastic. The role plays went well and it was clear that this was a comfortable way for the employees to present and analyse information. There were some interesting discussions, but the time of the workshop was too limited to internalise knowledge. Although I stressed the importance of a follow-up to enable people to really learn about client focus, the effort was never made, neither by the Dutch nor Romanian management.

Despite not being used to a client focus, the Romanian management has developed a customer questionnaire to investigate the client wishes (or satisfaction) after the project has been finished. The Romanian management did not inform the Dutch management about this initiative during my research, but they did ask me to help them improve the questionnaire. Together, we established that because this
evaluation takes place afterwards, it can only serve as input for a next project and it is not possible to intervene during the project. Second, the results are not related to different teams and team members and there is no possibility for the client to fill in remarks. That makes it hard to take consequential action when negative answers are given. As such, the questionnaire was not very useful, but the development of it and the eagerness to improve it did show the internalisation of the importance of client focus by the Romanian management to some extent.

4.3.2. Total system approach

The Romanian management knows it is necessary to develop a system for the coordination and control of all the activities within and outside the organisation, especially for the primary process in which their products are made. They believe clear job descriptions with the tasks, responsibilities and competences mentioned are a first step in the right direction. Until recently there were no clearly defined processes and job descriptions and still now, only a part has been formalised. The Romanian management is trying to formalise the processes, but it is difficult to find the time and to do it right without a good reference. Because of their inexperience, they do not have the overview of the whole system, they do not see that everything is part of one system. People need to have a long term focus to make this attitude a part of the strategy and the company culture, and that is something Romanians, especially young ones, lack.

Furthermore, operations and activities in Romanian life and business have never been and still are not very formalised. Because of the insecure contextual factors, planning and formalising did and does not have any use. Flexible and ad-hoc management became and still largely is the way to survive, although today’s reality of foreign managements, clients and suppliers forces change.

A last contextual problem concerning a total system approach is that coordination between different functions and employees is difficult in Romania. During communism, people learned nobody could be trusted and everybody had to take care of him-/herself. This lack of trust resulted in a sense of competition between individuals that still remains.

Because of all of these problems, formalisation of the total system and all the processes by the Romanian management is not getting off the ground. That is why the Dutch management takes up this task, be it reluctantly. Lately, they have written some memos and documents aimed at formalising procedures and processes. Some examples of these are a bonus systems, the time writing and reporting protocol, a project management document and a company- and process (development cycle) architecture, including a company structure.

Dutch management has given the Romanian management participation by asking their opinion on these documents. Romanian management does not consider this question as a possibility to have any influence. They think the outcome has been set already and there is nothing they can do about it. Therefore, they prefer not giving their opinion and agreeing and as a result, they are not committed to the documents and do not fully understand the content and importance.

The project managers are supposed to distribute and explain the documents to the employees, but this does not get the attention the Dutch management would like to see. The Romanian management reasons that those documents are useful, but that they will loose meaning if too much attention is paid to it. And they think the Dutch management is paying too much attention to it.

Employees do not know whether all these formalisations and documents will help. According to them, the splitting up of processes in little pieces might increase quality. When something goes wrong in a project, it will only be a small part instead of the whole.

As a first formalisation document, the Dutch management has introduced a template planning to enable the Romanian employees to make more accurate estimates, to adjust them when necessary and to communicate about everything that goes right or wrong to the management and to the client. It helps the continuous aligning of expectations. The Dutch management regards such an autocratic template as a restriction of the tasks and responsibilities of the Romanian management, but sees no other way to ensure continuous communication about the reality of the projects. At the moment of my research, the document was just introduced in the company. It was too early to tell whether the implementation was successful and led to better quality.
A second formalisation document is the time writing protocol. Time writing is a real problem. The Dutch management discovered that invoices sent to clients were never correct. Most often, the Romanian management did not charge the client enough. It appeared that there was no real time writing protocol in place. The Dutch management was amazed. The hours people spend on developing and testing are the product the company sells to the client. From the Dutch business perspective, it is incomprehensible that the Romanians are not that accurate in reporting, checking and systemising the reporting of this product. And from a business perspective, it is unforgivable indeed. Charging too little can lead to losses and eventually bankruptcy. The Dutch management intervened and immediately developed a time writing and reporting protocol, and later a bonus system that is partly based on the correct execution of this protocol. There have been major improvements, but some difficulties remain. Not every employee adheres to the protocol and timesheets are filled in too late or not at all. The Romanian management finds it difficult to address the employees on this subject, because they think the protocol and the severe rules in it are a bit overdone and because of the mutual friendship between the management and the employees. The Dutch management keeps stressing its importance and checks the time sheets, addresses the Romanian management in case of mistakes and supports them in their actions towards the employees. Still most of the invoices need correction from the Dutch management. So they check every single one of them.

4.3.3. Process and chain management

The focus of the improvement of quality through process and chain management is mainly on the cooperation with suppliers. Since the Dutch management is mostly physically distant, they are not much involved in the coordination between the organisation and the environment. Because the company is an IT (service) company whose product is the code it is writing for customers, it has no major involvement with suppliers. Only Microsoft, the universities and the labour market (of knowledge and people) can be regarded as suppliers of the primary process. Secondary suppliers are those delivering public utilities, the building and interior and office supplies and food. It is an advantage that the company does not depend on supplies for the delivery of their product. The fact is that management of (quality of) supply is almost impossible in Romania. Players in the Romanian environment are not used to cooperate with each other. They do not feel the need to cooperate and coordinate, unless their partner is a member of their in-group or they can gain something fast. Although the Dutch-Romanian company is more westernised than their Romanian suppliers and the Romanian management tries to keep an open dialogue with them, they still are part of their own culture. As a result, they do not take many cooperation initiatives themselves either. A second reason for the difficulty of the management of supplies is that in Romania, suppliers have more power than clients. This is something that the Dutch management finds difficult to understand. They do not have much experience with the Romanian problems that arise and they do not have contacts or a role model who can tell them what is normal in Romania and how you should deal with specific problems. This reality makes it impossible for the Romanian management to explain why things are not working the way they would work in the Netherlands. The Dutch management is frustrated, because they think the Romanians are not trying hard enough.

I will give some examples of actual contacts with suppliers (practices) in the following. In 2006, the Dutch and Romanian management decided it was necessary to move to another office. The Romanian management rented a floor in a new building near one of the universities. The Dutch management hired a Dutch architect and decided that the execution of the plans was to be done by Romanian, local construction companies. After the plans were made, the owner of the building got an offer from another company that wanted to rent the whole building. The Romanian management received a letter which said the deal was off. They did not know what to do, but asked the Dutch management for advice. Together they threatened with a lawsuit for braking the contract. The Dutch management urged them to get in contact with the Dutch embassy in Romania, in case the contract really was broken. In the end, they never needed their contacts and the floor was rented to them. The Romanian management thinks it is not more than logical that the owner of the building tried to break the contract, because they were offered a better deal. They would have tried the same. It is not because of the attempt to break contract that they were angry. They were worried because the architect was already hired under contract and the design plans were already made. The Dutch management, on
the other hand, was shocked by the lack of value of official agreements in Romania and the incompetence of the Romanian management that did not know how to react and deal with such an unlawful act. The actions the Dutch management initiated and that were executed by the Romanian management were rather globalised and successful, because they achieved what they wanted.

Based on the design of the architect, the Romanian management was asked to make a budget for the execution of it. The result was unfounded, according to the Dutch. The Romanian management did not really understand the plans, did not know about suppliers that could deliver the materials and had no prior experience in purchase of construction materials and labour. The design was modern and western and they had never seen anything like it (in Romania) before and could not imagine how it would look. This budget was rather localised and not very useful for its purpose.

The architect had planned to keep high ceilings in the new office and for that, the company needed tall doors. The Romanian management was sent out to search for such doors. After three days, they announced they could not find a supplier. For them, the subject of high doors was closed. The Romanian management considers some problems with regard to the context to be impossible to solve and something people just have to deal with. But for the Dutch management the subject of the doors was not closed. Their Dutch mentality is that everything is possible if people only try hard enough. The fact that the Romanian management cannot solve certain dilemmas is in their opinion a sign of inexperience and young age. They showed the Romanian management that everything is possible, as long as people really want it. That lesson was not internalised by the Romanian management, because the doors that were finally hand made were incredibly expensive, especially for Romanian standards. Moreover, it caused a lot of trouble, time and stress to find them. They could not understand why someone would want to pay that price, only for a door.

When the doors were delivered, they were not exactly to size. The Dutch management wanted the supplier to deliver the quality agreed upon and demanded doors that were exactly to size. This demand was regarded as a request and not given in to. The only thing the supplier offered was a discount. Both the supplier and the Romanian management could not understand the complaint was not about the money, but about the quality of the doors. The Dutch management did not accept the discount and urged the Romanian management again and again to complain with the supplier. In the end, this became a delicate matter which caused a lot of fights and frustration between the Romanian and the Dutch management. As a result, the Dutch management now keeps quiet about it. Although intended differently, this practice proved localised and not very successful in guaranteeing quality of supplies.

With regard to the execution of the design plans, the Dutch management asked Romanian management to get official deals with their suppliers. The Romanian management says they tried to do it the Dutch way, but they did not manage. In the construction sector in Romania, suppliers do not work with official agreements. When a client buys a product from a supplier and the supplier has to buy products to be able to deliver to the client, those products are ordered in the name of the final customer. As a result, the final customer receives many invoices for many different products. Since tax laws in Romania require an invoice to have a certain minimum value before you can deduct it, those invoices are often not tax deductible, because their value is not high enough. A second consequence is that if anything changes and a client does not need a part of the product anymore, it will be delivered to him anyway. Everything is paid for in advance, which makes it hard to enforce what was paid for (like in the case of the doors). In addition, most of the suppliers are moonlighting, which means a client does not get an invoice at all. The power of the contexts appears to be too strong to be able to transfer global knowledge to it. The quality of supplies is not raised.

During my stay in the first company, the owner of the building proved a poor supplier as well. The heating broke down and it took over two weeks to repair it, although every day it was promised that it would be fixed before the end of the day. From time to time there was no water supply. And the entrance and staircase of the building were still under construction, months after it was promised they would be finished. This was accepted rather stoical by the Romanian management and employees, although they did complain about it. As a sign of their development towards are more western definition of quality and chain management, the Romanian management complained to the owner of
the building about it and announced they would lower the rent over the period the supplier did not deliver according to standards and agreements. At the insistence of the Dutch management, they formulated a written account of the oral complaint and announcement. They did not think this would be of any help since official letters are not read and answered in Romania. This practice is a successful example of how some global knowledge has been internalised and slightly localised by the Romanian management, although Dutch management tries to globalise the practice even more.

The problems the Romanian management has with its suppliers is one reason why the Dutch management does not want to enter the Romanian market. They fear the consequences, because they do not understand the rules, and feel that the Romanian management will not be able to handle contacts and contracts professionally. Another reason is there is no place for SME on the Romanian IT market (yet). Only big companies get support from the government, because often, the company management is involved in politics and the politicians are involved in business. An example of this politicised management is the prime minister, who is an importer for Citroen. Those political businessmen are almost all older than 40 years and former members of the communist party. They were never taught to help others or (paradoxically) even the collective. They have the habit of helping each other and especially themselves. Laws, taxes and the lack of laws benefit those big companies and if that is not enough, corruption and nepotism favour them even more. Even the structure funds from the European Union are almost entirely reserved for those giants. Furthermore, in IT there are big auctions to which it is difficult to get access, let alone a fair chance of getting the contract.

4.3.4. Management and leadership

Quality is the responsibility of all managers. Both the Dutch and Romanian management are trying to increase quality through their management and leadership. Employees, Dutch and Romanian management all desire for the same leadership style of the management: coaching. This is not a general Romanian opinion, but probably a result of the westernisation of and the young age of people in this company. The employees know that their management has more of the characteristics of a coach than the average Romanian managers. Especially the older employees with former working experience know the more autocratic and opportunistic approach of other Romanian managers.

A coaching position of the Dutch management can encourage, facilitate and support the Romanian management in their focus on quality. It means the Dutch management (only) tells them what to do and not how they should do it. Everybody knows that coaching the Romanian management is necessary for the development of it. The Romanian management has to become more proactive / long-term focussed instead of reactive / short-term focussed, more business focussed, better able to analyse processes and problems, more Dutch in their management capabilities. And they have to learn to adopt a coaching position as well. According to the employees this means giving more feedback, involvement, being more visible, having more authority and caring more about the employees. This is essential for the future of the company. It will have to provide quality and be run independently by the Romanian management.

There are some problems with this coaching management style that suggests influences from the Romanian context. First, in general, Romanian managers and employees are not used to act as or be managed by a coach. The typical Romanian management style is much more autocratic. In this company, the people have a more western mentality. On paper, they want to be (managed by) a coach (convergence of concepts), but the definition of a coach in practice is somewhat localised and more autocratic than Dutch people are used to. Second, trust and openness between the coach and the trainee is of great importance for the success of this leadership style. As I explained before, Romanian people are not very trustful, open people. The only people considered worth trust and openness are members of the in-group and yourself.

In the beginning, just after the company was formed, the Dutch management believed to adopt a coaching approach toward the Romanian. But for such an approach to have positive results, the coach has to be near the trainee. Otherwise, (s)he will not see what is happening and it is difficult to have the right expectations and harmony in thinking. Due to circumstances, the Dutch management did and does not have time to be in Romania as often as necessary.
Second, the Dutch management did not adopt the practice of their coaching to the Romanian circumstances. They gave the Romanian management too much freedom, were not autocratic enough. Furthermore, the fact that the Dutch management does not feel trusted by the Romanian management has a negative influence on the actual outcome as well. Because trust is important for the Dutch, especially in business relationships, they are disappointed by the lack of it and take it as a personal insult. The result is a decline of commitment.

They feel Romanian management is not being completely open and tries to hide things from them. This is due to a difference in national culture. In general, Dutch people are more open, Romanians are more subtle. An example of this is the door policy in the Romanian office. The employees work in an open-plan office, but there are two separate rooms for the Romanian and Dutch management. The Dutch management office door is always open. The Romanian management office door is almost always closed. The Romanian management will close the door of the Dutch office, when they are there and when they leave, after which the Dutch management will re-open it. The opposite is the case when Dutch managers are in and leaving the Romanian room.

Another practice that shows the difference in openness between the Romanian and Dutch management is communication. It happens that Romanian management agrees on something, but does not do it or does it differently. Romanian management may decide for this strategy as a result of not understanding the reality behind the words of the Dutch, because often Dutch reality is so different from the Romanian one. Or it can be a result of not agreeing with the Dutch and experiencing a lack of influence. In both occasions the Romanian management is not open enough to say so. The Dutch management is used to get everything out in the open, have a fierce discussion about it and come to an agreement to which everybody commits. Getting no reaction or a different action than what was agreed upon feels, again, as a lack of trust and a personal insult.

It is true the Romanian management does not trust the Dutch management. On one occasion, they paradoxically openly expressed their fear of the Dutch management outsourcing work to another company. The Romanian management also believes the Dutch management keeps most of the money the company makes in the Netherlands. Instead of rewarding the openness of the Romanian management, Dutch management only felt the lack of trust. Trust appears to be a more important value for the Dutch management than openness (situational ethnicity).

The fact that the practice of coaching was not adopted to the Romanian circumstances, the lack of trust / openness between coach and trainee and the physical distance of the Dutch management has led to major mistakes made by the Romanian management or at least to things going different from what the Dutch management wants or expects. As a result, the Dutch management started to act more and more as an autocratic management telling the Romanian management exactly what to do and how to do it. Decisions are forced and templates are made. They do not know how things can be changed in such a manner that the Romanian management will be able to lead the company on their own in the future. They expect / hope time will teach them, but at the same time they see it does not, as they feel the Romanian management does not make enough progress.

The Romanian management feels they have made considerate progress and are ready for more responsibility. They are eager to learn from the extensive experience of the Dutch management. To be able to develop in such a direction, they need a visible, present Dutch role model. But now all responsibilities are taken away from them and they have to report on every single detail, have to try to explain realities about the technical aspects of the products and Romanian context that are difficult to explain to outsiders. This over-communication makes them feel powerless and not trusted. Another sign of the Romanian management evolving towards a more Dutch mentality is that, although they do not trust the Dutch management, because of their Romanian mentality of distrust of others, the Dutch management not trusting them is paradoxically considered a personal insult as well. This autocratic practice is increasing the distrust between the Dutch and Romanian management.

A step in the right direction has been taken during the last evaluation cycle. The Dutch management only was present at the difficult meetings while in the past, they were present at all meetings. Furthermore, in the beginning of 2008, another Dutch manager was assigned to the task to act as a role model and coach for the Romanian management.

With regard to the leadership style of the Romanian management, the Dutch management wants them to adopt a coaching approach towards the Romanian employees, despite their own autocratic
approach. But this is not the reality. According to the Dutch management, especially people management is a focus that is missing. The Romanian management does not spend enough time talking with their employees and because of that, they do not know what goes on in the team. They are not capable of guiding their employees in the right direction, of propagating a client focus. People management is not an approach Romanian managers are used to or trained for. The westernisation in this company does create the wish to have a coach as manager, but the competences needed for this approach are not yet internalised by the management. The Romanian management is better at networking. The Dutch management giving an autocratic example does not encourage the development of those competences in the Romanian management. Another problem is that the Romanian management does not have the time to act as a coach to their employees. Therefore, the Dutch management has decided to create a second management layer of project managers. These project managers must be coached into a coaching approach. Practical and theoretical knowledge must be shared between the coach and the trainee. Although part of the problem is that the Romanian management does not have the competences, nor the right example, to have a coaching role, the Dutch management expects the Romanian management to take up this task. Because of the Romanian subtility, the Romanian management agrees, but does not execute the task. This frustrates the Dutch management and it has decided to take over the task. But because they are too distant, they have a different understanding of the meaning of coach and there is a basic lack of trust and openness, the same factors that caused problems with regard to their coaching role towards the Romanian managers, they cannot really adopt a coaching role either. As things go wrong, they try to understand the reasons and supply the project managers with tools to repair the damage. Again, this is an autocratic management style that does not result in coaches and / or people managers. Overall, it is clear that the actual practices concerning leadership styles deviate from the intended or desired practices. The autocratic management style of the Dutch management is a practice that is very localised, paradoxically maybe even more localised than the actual local environment, being the Romanian management and the employees. This localisation has not proved to be successful.

4.3.5. Teamwork and participation

Both the Dutch and Romanian management think the Romanian management should participate more in management decisions. And the Dutch management believes the Romanian employees to be ready for more participation as well. Most of the employees feel the same. They feel it is possible to propose improvements, but they are not really supported in doing so. They would like to have more involvement in at least the organisation and choice of their own work. The Romanian management does not believe the Romanian employees to be ready for (more) participation. One of the problems concerning participation is that during communism it was reserved only for the people with high positions in the Party. For other Romanians, it was even dangerous to (want to) involve in decision-making. If something went wrong, people were personally held responsible and punished. Therefore, it became a survival strategy for Romanians without power to go unnoticed. Although young Romanians, especially the ones working for westernised companies, do desire to be involved in decisions, at least on paper (convergence of concepts), they still inherited part of this attitude of the past. Another context-related problem is that although the Dutch management thinks the Romanian management should participate more, they do not think Romanian management is ready for that. They believe the inexperience and mistakes (made in the past) have proven it. Therefore, the Dutch management formulates decisions, documents and memos and sends them to the Romanian management for remarks. Sometimes, their comments are refuted. A proposal from the Dutch management almost always results in the decision made by the Dutch. This “unreal” participation is a result of the contextual inexperience of the Romanian management. On the other hand, the Romanian management feels ready to participate in the decision-making more, but feels it does not get a chance. Therefore, they do not use this right of “unreal” participation. Often, they just say they agree with the proposal or do not react at all. The Dutch management then expects the execution of the decision, but the Romanian management will not execute it when they do not agree or understand the proposal. This type of communication is, as explained before, a result of Romanians being less open. It gives the Dutch management even more the impression that the Romanian management is not ready for participation.
I experienced a few examples of participation practices during my research in the company. When the Dutch management approved of my research project in the company, they urged me to write a memo to persuade the Romanian managers as well. The Romanian management never reacted to this memo and when finally the Dutch management asked for their opinion, they agreed. They later told me they assumed the decision had already been made and they had nothing to say in the matter. That is the only reason why they said yes, why I was “allowed” to do my research in their company. But they did not execute all the tasks they were asked to do, like introducing me to the employees and scheduling the interviews. The participation practice in this example is very localised, because the inexperience and lack of openness of the Romanian play a role. It does not lead to increased quality at all. With regard to the subject of the workshop I gave on the last day of my stay, I wanted to make a decision together with the Dutch and Romanian management. I sent everybody an email with possible subjects which were scaled by the managers independently of each other. Even before I sent this email, the Romanian management declared they wanted to have influence on the topic and content of the workshop. But they did not use this communication method to participate. The Dutch manager involved was the only one to react. He sent his choice and explanation of this choice to everyone. When we finally did have an informal discussion about it, the Romanian management felt not compelled to agree with the Dutch manager in the beginning. They declared to have another preference for the subject of the workshop. But eventually, their arguments were overruled and the outcome of the discussion was that the workshop should have client focus as a topic, the subject the Dutch management chose. Some global influences (the right to disagree) cause a practice that is a little less localised than the previous example, but the final decision of the Dutch management and the impression that it had been decided even before the discussion result in the same localised outcome. Two examples on employee participation show an actual paradoxical situation. The first is an example of spontaneous employee participation, atypical for a Romanian employee and unsupported by the Romanian management. A technical coding style document was written and showed to the management by one of the employees on his own initiative. According to the Dutch management, the Romanian management did not do enough to support or reward this employee. The document was saved on the network, easy to reach for everyone, but it was never given any publicity and the employee never got recognition from the management for it. This reaction does not stimulate a participative attitude among the employees, while it is obvious some are ready for it. The second example shows that although many employees say they are ready for more participation (convergence of concepts), in reality it appears often that they are not. The Romanian management has invited all employees to write their own job description. Apart from some exceptions, almost everyone said they were too busy and did not deliver what they agreed to. Both practices are rather localised, but for different reasons. In the first example, the employee and the Dutch management represent the global knowledge. The local influence of the Romanian management counteracts the global influence and decreases the success of the practice. In the second example, the Romanian management tries to introduce a global practice, but most of the employees show a local influence that causes the actual practice to be unsuccessful. The importance of teamwork for quality is clear to both the Romanian and Dutch management and employees. But cooperation is difficult to realise in Romania, because of opportunism and distrust of others. Therefore, it is rather impossible to work as a team with the environment. Within the company, the ideas about teamwork are rather westernised, although employees feel teamwork is not propagated as much as it should by the management. The boundaries between and within teams still do exist, team members are changed too often and the teams are too small to really be able to take advantage of the different knowledge possessed by team members and the boost it could give to the development of employees. But within the teams that do exist, the employees experience enough possibilities to ask questions, discuss and share knowledge. This team spirit is not visible to the Dutch management. They expect the teams to boost energy. They have a global impression of what a team should be. But the actual practices of team work are somewhat more localised and therefore quite difficult to understand for them. But they do raise the technical quality of the products that are made.
4.3.6 Information and communication

To have the right, sufficient and reliable communication is necessary in quality management. The Dutch and Romanian management and the employees have different ideas on what kind of communication encourages quality. The Dutch management tries to implement a Dutch way of open communication for the management and employees. Although, the Romanian employees and management would like to see more open communication in their company, they think the Dutch way of open communication is overdone.

This causes difficulties, because compared to the Romanian employees and management, Dutch management speaks a different language, literally and figuratively. “They use the same words, but give them a different meaning”. Making things clear and make people understand the meaning are two different things. The use of a third language, English, further aggravates this problem.

Second, the Romanians being less open than the Dutch, causes problems too. As a result, they are sometimes offended by the Dutch openness. Another consequence is they sometimes agree to do something, but do not execute what was agreed upon, as explained before.

The problems caused by the difference in openness is aggravated even more because of the physical distance. Communication takes more time when people are not physically close to each other and time is something both the Romanian and Dutch management lack. Furthermore, it is difficult to understand each others message and way of communicating if there is no face-to-face contact. Both the Dutch and the Romanian management acknowledges that the communication problems have worsened now the Dutch management comes to Romania less often. They experience less harmony and commitment and that causes frustrations. These same problems occur with respect to client communication.

The Dutch management is trying, but finds it difficult to teach the Romanian management to communicate more openly and detailed. They do that through being an example. First of all, they rephrase, repeat, specify and verify communications to make sure whether information is understood correctly, in a way that leaves no room for any doubt. This is not something the Romanian management likes and it certainly is not something they practice.

As a specific example of excluding any doubt, Dutch management tries to teach the Romanian management to use written communications as a supplement or even a replacement of oral communications, especially with people from outside the company. For the Romanian management it shows the Dutch management is more business focused and they do understand the value of written communication, at least in agreements with Dutch clients. But they prefer oral communication (by phone), especially with Romanians. According to them, the reason is written agreements are useless. Romanian people do not trust people that are not part of their in-group, nor the written agreements with them. The only agreements that can be trusted are those with members from the in-group, and there is no need for a written proof then. That is why the Romanian management does not feel the necessity of writing everything down. And, they do not like verification, and repetition. Still, The Dutch management keeps repeating the importance of written documentation in the case of a formal agreement and the Romanian management is using this communication style more and more.

An example of a (written) communication practice is the contact with the owner of the building. As he did not keep his promises regarding the construction of the entrance of the building, the heating and the water supply, the Romanian management decided they would pay less rent until the problems were solved. They went to the owner and announced this decision to him orally. Back at the company, they told the Dutch management, because they were proud of their action. The Dutch management asked whether they had written an official letter with the complaint and the decision that they would pay less rent and how much less. The Romanian management explained an official letter will not be read soon enough to avoid misunderstandings about the lesser amount of rent received. Because the Dutch management kept insisting, they also sent an official letter to confirm the oral announcement. This is a successful example of a practice with both global and local influences.

The Dutch management also is an example in openness. They are very straightforward in their communications to the Romanian management and employees. The Romanian management is already more open than management in other Romanian companies. But still the Dutch management finds out about information not being communicated, sometimes even when they did ask about it. As was explained before, this is due to the difference in openness and subteness.
Also, the communication from the Romanian management to the employees is not open enough in the eyes of the Dutch management and the employees. There are no company meetings and explanations of (unkept) promises and management decisions. The employees worry about the results and future of the company and not without a reason. There are not many projects and they do not have much work to do. They feel their future might be at stake, so they want more clarity.

An example of a lack of communication from the management to the employees is my unexplained presence in the company. After the first day, I started interviewing the employees, but nobody knew why I was there and what I was doing. I was never introduced to the employees.

Paradoxically, the Romanian management can be too open to their employees as well. Both the employees and the management feel the management has difficulties combining friendship and professionalism. They do not always adapt what they communicate and how they communicate it to the situation under hand. This has caused employees to feel offended.

The straightforwardness of the open, Dutch communication can be perceived as an insult. The Romanian management is irritated by questions of the Dutch management that are considered too open, too personal or too detailed, having nothing to do with business in their eyes.

An example of such a practice is the ever returning question of the Dutch whether the management or employees like a certain task / project. Romanian people are not used to ask or being asked such a question. To like something is only applicable to activities during free time, not to work related activities. Therefore, the Romanian management just answers “yes” without thinking or asking the same questions to their employees, but the Dutch management senses the answer is not based on real information. They are of the opinion that a manager should ask this question a lot and should be fully aware of the feelings an employee has about his / her work. This practice shows a big tension between the global and local knowledge that is not understood by the management. The question does not generate the desired information and can be considered unsuccessful.

The practices of employee communication do not experience a lot of global influence from the Dutch management and clients. With regard to the communication between team members, employees do not get a document or briefing when they enter a new project team, even when the project has already been started and the employee is added to the team in a later stadium. Furthermore, new employees or project team members are not introduced to the company or team. And there is no communication between members of different teams. This makes it hard to learn from each other(s mistakes).

The communication from the employees to the management and clients is not successful either. The employees do think their managers are good listeners who are always interested in their opinion and ideas. Still, they do not say everything they think, either because of perceived incomplete knowledge or because they are afraid to report on problems. And sometimes, they find it difficult to ask for all the information they need and figure out what precisely is expected from them. This causes problems concerning product and process quality (to be discovered too late).

### 4.3.7. Human Resource Management

#### 4.3.7.1. Personnel planning

The Romanian management is not really focusing on formal personnel planning. They do not tune the company goals with the human capacity needed, maybe because they do not know the company goals. The Romanian management knows the Dutch management wants to grow, but they do not experience a growth in the number and length of the projects. At the moment I was doing my research, the company had too much employees engaged in comparison with the number and length of running projects. Both the Dutch and the Romanian management only identify the problem, but they do not do anything about it. The Dutch management thinks it is the responsibility of the Romanian management. The Romanian management blames the Dutch for disappointing sales resulting in not enough work. Furthermore, they are frustrated that they are not allowed to sell their products on their own. They think they would be able sell a lot more work, especially in Romania, but, as explained before, the Dutch management feels the company is not yet ready for this market.

Another reality is that Romanian management does complain about disappointing results of employees in the wrong position, but forget that it is their responsibility to have the right people, with the right competences in the right place.
A second reason why company goals are not in line with the human capacity needed is personnel planning is difficult in Romania. The Romanian labour market is getting tight and it is becoming increasingly difficult to find good employees. There are not enough places in universities and the quality of the education is poor. Despite the employee surplus, the company lacked testers and a system administrator at the time of my research. When sales will actually grow, it will become even more difficult to hire the right and enough employees. To anticipate the influence of the tight labour market on the growth of the company, the Romanian management does engage in some activities that can be ranged under personnel planning: recruitment, compensation, commitment and evaluation. They will be analysed in the following.

4.3.7.2. Recruitment
One of the HRM activities used by the Romanian management that can be ranged under personnel planning and through which they try to grow quality is recruitment. They try to find people with the competences, mentality and social skills. Recruitment in Romania is difficult, because of the tight labour market. Therefore, the strategy of the Romanian management is to recruit as many employees as possible through networking. It is common practice for employees to recommend friends. Networking is a recruitment strategy that fits the Romanian nepotism in business relations. Furthermore, the Romanian management tries to keep in close contact with universities. One practice through which cooperation between the universities and the company does seem to work is “summer school”. For this seven week event, the best students are recruited to participate in a real life project. In a team they build a product that can and will be used by clients of the company. Future plans are to approach reality even more through cooperation with a Dutch university that will provide students for the project management, and with an Indian university, that will provide the testers. In a country were practice teaching is uncommon, this is a good way of giving students the opportunity to experience real life in their studies. After seven weeks, the best students are offered a job with the company. They can start immediately, even if they have not finished their degree yet.

A third recruitment strategy is to become a preferred employer. The concept of summer school helps to become one. It means positive publicity for the company among students, the employee market of the near future. Also, the fact they are partly owned by a Dutch company contributes to their reputation. Their Microsoft dealership and the Microsoft Gold Partnership have the same positive aura. Another value the Romanian management tries to use for a positive reputation is that employees are encouraged to express their opinion. This is not common in most Romanian companies, but it is a value young, westernised employees appreciate. Other HRM activities that are considered positive by employees and are propagated by the company are evaluation and commitment, discussed further on.

4.3.7.3. Training and development
Training is not really used as a strategy to become a preferred employer. Nor is it used to increase quality. The Dutch management knows development of the Romanian management and employees is necessary. Despite the lack of experience, no investments in training are made. The Romanian employees express they would like to have more training, as long as they will be able to perceive the interest of the subject. They do not expect anything big, but weekly presentations by team members or professors on their specialisation was promised and has never been implemented. As initiative is not a common characteristic, employees do not try organise this themselves. For their employees, the Romanian management declares they think training is a good idea (conceptual convergence), but in practice they do not provide their employees with company time and money to train themselves. An exception to this is the Microsoft certification of employees. The Romanian management does not organise trainings because there is not much money available. Another reason is they believe, just like Romanians in general, that training and development are the individual’s own responsibility. People develop by observing others with more experience and by learning by doing the best you can (and making mistakes). Age and time are considered the primary base for experience and seniority. The Romanian employees share this opinion and are rather happy with the current situation. They feel the management helps them to grow. The only problem mentioned at the time of research is the projects and teams were too small to be able to develop. The Romanian management has invested and is still investing in its own development. An example is the question of one of the managers whether I wanted to join him for a job interview, to observe him.
and teach him how to become better at it. Furthermore, both Romanian managers joined a group of young Romanian investors. Among each other, they discuss problems, help each other, find solutions. This is a good development strategy, because there are not many entrepreneurs in Romania to learn from. The government does not encourage growing your own business and there is little knowledge on how to start a company. The own initiative proven by these young entrepreneurs is not common with regard to Romanian values, nor is entrepreneurship. People find it easier to get employed, to have no responsibility. This lack of initiative is a heresy from communism.

The opinion that development comes entirely from experience is paradoxically (because not global or Dutch knowledge) shared by the Dutch management. They think it will only take time before the Romanians will develop and learn enough from the Dutch clients and management. The problem is the Dutch management does not practice what it preaches in terms of leadership style. The Romanian management does not get the opportunity anymore to learn from trial and error or even from participation. The leadership style of the Dutch management has become autocratic and the Romanians are simply doing (or not doing) what they have been asked to do. As a consequence of these and other factors, the Romanian management is not developing fast enough. Still, the Dutch management does not invest in training to speed up the development.

4.3.7.4. Compensation
Both Dutch and Romanian management do not see compensation as a way to ensure quality or to ensure the position of a preferred employer. But it is used as a personnel planning activity to anticipate the influence of the tight labour market on the growth of the company. Therefore, they pay a market conform salary to the employees, but they do consider that enough. Salaries can be renegotiated once a year. There are some problems concerning compensation that imply a contextual influence.

First of all, for most employees it is a problem they can only renegotiate their salary once a year. Romanian people, especially young ones, have a short-term focus, especially when it comes to money and the possibility to earn more. That is why the employees would prefer renegotiation twice a year.

Second, to the Romanian employees their salary is a least condition for staying in a job and in this company this condition is just fulfilled. In other companies they would be able to get more and a number of employees keeps getting offers. Especially the young employees who do not have former working experience are sensitive to this knowledge and these offers. Money is so important to Romanian people, because of the high prices and inflation. Their economy is still growing and they want to have the same living standards as western countries. The western products are for sale for almost western prices, but most Romanian do not have enough money yet to be able to buy them. In the following some examples of compensation practices will be given.

This first two examples are about the (short term) importance of money and a lack of respect. In 2007, a project team tried to pressure the Romanian management. They stated they would all leave the company, unless they would get a considerable salary rise. The Romanian management was manoeuvred in a difficult position and they did not see a way out. They consulted with the Dutch management and finally allowed them to take over the situation. The Dutch management then read some management literature on HRM and took severe actions against the team. They made it clear that this kind of behaviour would not be accepted, that they would not get to negotiate the salary of other persons and that they had to wait for the next renegotiation round to be able to receive more money. As a result of this global reaction, some left (unsuccessful), others stayed (successful).

Another event was a project manager leaving the company in the middle of an big project with a very short notice for only €50 more salary in another company. The Dutch and Romanian management were disappointed, but still the Dutch management decided to give him a proper farewell with drinks and some official toasts. After a week, the project manager came back for his old job, because of the working conditions in the other company. They had forced him to go to London for four weeks immediately or to leave the company. He chose the second option and came back. After a serious discussion on commitment, effort and respect, the Dutch management decided to give him another chance. After two weeks, the employee got another offer from yet another company and he left again. In this case the global practice did not prove successful.
Those examples are difficult to understand for the Dutch management. The Romanian management does not agree with the employees in the stories either, but they do think it is the Romanian reality and that they have to deal with it.

This third example is about the bonus system. To encourage people to be more productive and to respect the time writing protocol, the Dutch management has designed a dual bonus system. At first, this bonus system allowed people to get a bonus worth a monthly salary every year when targets were met every single month. In the first five months this system was in place, the targets were never met. The Dutch management concluded that a bonus once a year is too far in the future for short-term focussed Romanians. It is true that the Romanian employees have difficulties with larger time frames. Many of them already complain about their salary being open to renegotiation only once a year. So, the Dutch management changed the system into a dual one. Employees can get a quarterly bonus based on the monthly companywide productivity and efficiency targets and a yearly bonus based on individual targets. The quarterly bonus system is linked to the new time writing procedure. There are some problems with this bonus system. Many employees admit they do not understand it. A possible explanation is that it is a bonus system designed by the Dutch management and communicated by the Romanian management. Maybe, the Romanian management does not understand the system well either. Maybe, it does not agree with the system. Or maybe they just communicated it poorly. The Romanian employees do not know when they will get a bonus and for what reasons. They think the system has been made so complicated, because they are not supposed to get a bonus. They believe there is no money to provide it. Furthermore, individual employees are responsible for the bonus the whole company gets. If one employee does not meet the target, for whatever reason, this means a loss for every single colleague. Because Romanians do not have much trust in others, not even in colleagues, the probability that employees will assume other colleagues sabotaging the attempt to get the bonus, will lead to diminished efforts of everyone. Another problem is that the overall company productivity target is set at 100%. Vacation and illness are accounted for. This 100% scares off many employees. They know they do not have much experience yet and in their opinion, they are only human and humans make mistakes. 100% Is a target they feel they never will meet and therefore, they will not even try.

Finally, the Dutch management and the employees do not even know for sure whether the Romanian management implements the system. It proves that although localised global knowledge is used in the design, there are other local factors that have a big influence on the actual practice and success.

4.3.7.5. Commitment

The Romanian management implements several measures to create commitment among the employees and to become a preferred employer. This is not common in Romanian companies. Most Romanian employees only work for the money. They feel no commitment to the company they work for. Older employees with previous work experience in Romania, are more committed due to the worse conditions they have seen elsewhere. Also, women show more commitment. But Romanian management invests the most in young employees without prior working experience. They get the opportunity to become more experienced in a short time, while in the beginning, their productivity is relatively low. The problem is that this group of employees has no reference with regard to working conditions and thinks the grass is greener elsewhere. They are proud to work for the company, but still have the intention to leave the company as soon as they can earn some more money in another one. This shows a short term focus. An example is the story about the project manager that left in the middle of a big project, came back with his tail between his legs, and left again. Some people will leave for another company in Romania, but a lot of them will go abroad. This is causing a brain drain for Romania. As a result, the labour market will become even tighter, which increases the pressure on recruitment even more. Another problem concerning every employee and reducing their commitment is the work in progress. In principle, the employees have challenging work to do. They make products for the Dutch market and have to adopt a western attitude and client focus because of it. The problem is the projects are too small and too short to be intrinsically challenging. If the situation stays like this, even the more experienced employees have the intention to leave the company.
A last problem with commitment is Romanians are not used to express their discontent. In communist time, it could prove dangerous and nowadays they are still not open about it. As a result, if people are dissatisfied and want to leave the company, the first sign they will give is their resignation. Because of these commitment problems, the Romanian management is afraid for too much (unexpected) outflow. That is why they implement several practices to increase commitment.

First, they act more as friends than as managers. The Dutch management tries to coach them in a more professional role. When they are witness of such a situation, they tell them how they should have reacted. They see the Romanian management makes some progress, but it is too slow in their opinion. A second practice to increase commitment is the providing of excellent working conditions. Employees have good office facilities like chairs, computers and monitors, they have a company health insurance, there is an objective evaluation system, and their lunch is paid for three days a week. Also, the Romanian management pays its employees a white salary that is compensated for inflation. This is a positive condition for many employees. A lot of Romanian companies pay their employees a higher salary, but part of it is black money. The black part of the salary is not official and cannot be used to get a (higher) loan or mortgage from the bank. Furthermore, employees are not forced to do overtime. Actually, they are discouraged to do so, since overtime will not be paid. The Romanian employees do have the feeling the Dutch management and clients expect more commitment of them than they would from Dutch employees. They feel they are expected to work more hours for less money. But most of the more experienced employees know the situation in other Romanian and even in some foreign companies is worse. Employees are expected to work much longer hours than what they are hired for. Sometimes, to create a stimulus, those hours are paid. More often, they are not. The encouragement of the company culture of friends is also used to create commitment. The men play football every week and the women are allowed to choose another sport together. Once in a while, there is a bowling event. Every Friday afternoon, management provides drinks and snacks. In the evenings and weekends the office building is used as a meeting place for everyone. People play (computer) games, watch movies, have drinks and snacks and socialise with each other. There is money and time for team building activities and they even went skiing with the entire company once. A negative side effect of this culture is that some people who will not fit the culture can feel others are favoured. This will cause isolation. It will also lead to a group culture, in which people will try to negotiate or leave with a group of friends. An example is the blackmail story.

In general, the employees confirm they are rather satisfied with the company and the working conditions. But the commitment the Romanian management succeeds to create is a commitment to the gathering of people, not to the company. This proves the localisation of the global knowledge has been rather successful, maybe as successful as possible.

4.3.7.6. Evaluation

Evaluation is the last HRM activity that can be ranged under personnel planning, because the Romanian management uses it to become known as a preferred employer. It gives employees the impression of objectivity and honesty, values that are hard to find in other companies in Romania, but that are appreciated by more and more young, westernised Romanians. Because of the less open culture in Romania, managers have to make sure they are not too straightforward in their evaluation as this can be regarded as a personal insult. Formerly, there was no evaluation system. Now, one has been implemented by the Romanian and Dutch management together. Employees get four evaluation meetings with the Romanian management a year. During some period, the Dutch management was present as well, but at the time of my research its involvement was declining. In the first meeting, the individual goals for the next year are set. In the next meetings the progression of the individual goals is measured, analysed and discussed. In the last one, the individual bonus will be granted and the employee gets the possibility to renegotiate his/her salary for the upcoming year. Since I was not granted access to the evaluation meetings held during my presence, I have no information on the actual practice.
4.4. Case study results company 2

The second company, a manufacturer of trailers, has a Romanian and Dutch part as well. It has been operational since September 2006. There are about 60 people on the payroll. The Dutch part is the major shareholder (51%) too, but the difference with the first company is that the Romanian management does not own part of the company. A second, minority (49%) shareholder is the Romanian partner of the Dutch part. Strictly speaking, the Romanian management reports to the two shareholders of the company.

![Organisation and Shareholder Structure](image)

**Figure 7: organisation and shareholder structure company 2**

In practice, the Dutch management, who owns the Dutch company and most of the Romanian part, acts as the management of the Romanian part as well. The Romanian shareholder does not have much involvement with operations. At the time of my research, all products were still sold in The Netherlands, but the goal is to only produce for the regional market: Romania and adjacent countries.

4.4.1. Continuous improvement and client focus

In the second company, the focus is more on continuous improvement than on client focus. They do not need to investigate client wishes elaborately, because there is an excess demand for trailers, not only in the Netherlands, but also in Romania and the rest of Europe. The Dutch management has established a quality-price ratio. This ratio is based on the market and on the perception of quality by the Dutch management. They argue that if a client is not satisfied, but the quality is within the company norms, the client is wrong, because he wants a higher quality-price ratio than he could logically expect. The company can afford this attitude, because of the excess demand. The only thing that matters is that the quality of the trailers is within the limits of the quality-price ratio decided upon. The Romanian factory does not deliver that quality yet. The Dutch management has the feeling that they have all the tools they need for delivering the right quality, but that they do not manage to use
these tools in the right manner. As a consequence, the quality of the products stays behind. The Dutch and Romanian management are focussing on continuous improvement to get the right quality for the trailers. The Dutch management is observing every department to see what goes wrong, who is responsible and how things can be improved. The actual continuous improvement is applied through numerous elements and activities by the Dutch and Romanian management together.

4.4.2. Process and chain management

Process and chain management is the first element of quality management that is applied in this factory. The focus is mainly on product quality. The quality of the end product starts with the quality of the drawings and the lists established by the drawing room. Despite the transfer of knowledge from the Dutch management to the Romanian drawing room, the quality of those designs are still poor. The drawing room attributes this to a lack of training. Because there is only one company in Romania that produces trailers, there are not many trailers in Romania. Trailers are not discussed during education and therefore, no one knew anything about trailers before they started working for the company. Furthermore, the trailers are customised and meant for special transport. This is a Dutch reality that is even more difficult for the Romanian employees and management to relate to. They never had customised products. To make matters even more complicated, the drawings of trailers they receive from the Dutch management are old, Dutch drawings. Often, they just do not understand them. Despite this inexperience, they did not receive training when the company started. There only was some transfer of knowledge when the Dutch management was around. The Dutch management assumes that transferring the knowledge once by telling people what to do, is enough to make them understand what they will have to do in a future situation that is the same or almost the same. But, a big part of the knowledge was never internalised, because the Romanians could not understand it. The employees were aware of this situation and talked about it with the Romanian management. They offered the drawing room employees to do overtime to be able to spend more time on the drawings. To do overtime is seen as a positive thing in this company. Overtime is paid twice and allows employees to earn more money. This appears to be a successful, quite localised practice.

When the drawing room employees perceive problems, they ask the Dutch management. The problem is the Dutch management does not have time to answer questions and the Romanians do not urge them to answer them, even if they know they need the knowledge and are waiting for it. Romanians still have a lot of respect for their superiors. They do not feel worthy of the attention of the Dutch management. More often, the problems are discovered by the Dutch management, because the Romanians do not recognise them. The Dutch managers try to solve these problems by transfer of knowledge. When they discover the Romanians did not internalise this or earlier transferred knowledge, they become angry at them, with varying success.

The second step in the production process that influences the quality of the end product is the quality of the purchasing. The quality of supply is a big problem in Romania. Many Romanian companies are not professional and reliable. They blackmail their clients. It happens that if clients want the suppliers to keep their arrangements, they have to pay them extra. Suppliers have a lot of power in Romania. And the company does not have enough experience to recognise or know which companies are good suppliers. They do not have a network of other companies that can help them with this knowledge. When supplies are too late, the whole process has to be stopped. As often as being late, the quality of the materials is bad. If the supplies are on time, the bad quality is not discovered until the material will have to be used, or even worse, has been used, because there is no check on the quality of supplies. The storage man does not have enough knowledge of the materials to check the quality. The foreman, who has been given this responsibility by the Romanian management, does not have time to check it at the moment of arrival. This bad quality causes waiting time in the process too, because the mending of the supplies takes time. Often, sending the supplies back means an even bigger loss of time. The Romanian and Dutch management are taking some measures to be able to manage the quality of supplies. The Romanian and Dutch management are not able to force the suppliers to produce better quality, although they have complained about it many times. The Dutch management tells the Romanian management they should educate their suppliers and force them to supply according to instructions and prescriptions, but it is hard because the Romanian management does not have the experience, nor the knowledge, nor the power to do so.
Furthermore, the Dutch management urges the Romanian management to find supplies in other places. On paper they try, but in reality, this is difficult. They never were more than regionally, let alone internationally oriented. Also, the Dutch management teaches the Romanian management to make arrangements with two suppliers for every component. It will make the company less dependent. Deliveries can be secured and they will not have a chance to blackmail the company anymore. The Romanian management agrees, but often cannot execute this policy, because of the small market. For some supplies, there is or they know of only one supplier in the region where they are looking. Those suppliers have a strong power position. Even if they find more than one, competition forces do not oblige them to raise their quality standards. Either, there are not enough competitors to ensure real competition or it does not work well yet, as it is a new phenomenon in Romania. In the meantime, the Romanian management does not stop looking for more and different suppliers.

While everybody is waiting for better quality of supply, two short-term measures are implemented to guarantee the quality of the end product in the short term. First, a lot of the supplies that cannot be found in Romania or of which the quality is too bad, are ordered in the Netherlands. On paper, the Romanian company buys them from the Dutch company. A proof that this causes some problems too is an event I experienced while I was doing my research in the company. A trailer was put on hold and the Dutch management asked the Romanian management why. They told the Dutch management that they did not receive a certain component from the Dutch company. The item was deleted from the list and they did not know why. They never asked, probably because of the respect they feel for the Dutch company. The Dutch management did not react to this announcement, they only told the Romanian employees to use some other component instead.

The Romanian shareholder of the company does not agree on this measure that supplies are ordered with the company of the other shareholder. They do not trust the Dutch management and think they earn money by doing that. According to them, all the needed supplies can be found in Romania, and at a good quality. They have suggested to hire a purchaser. The Romanian and Dutch management agreed, but it took some time to hire this person. The Romanian shareholder grew impatient and their belief that the Dutch were earning money was confirmed. They thought the Dutch management was slowing the hiring process down. They rejected the suggestion of the Dutch management to help out and find good suppliers themselves. They do not want to be involved too much.

A second short term measure to improve the quality of the supplies is that some supplies are produced by the company itself. This allows the management to have more control over the quality, as internal control is easier than external control, especially in Romania.

The third step in achieving quality of the end product is the production process. On paper, the process looks good, but in reality there are a lot of problems to which the management tries to find solutions. First, the factory hall is not neatly arranged. The Dutch management has urged the Romanian management to solve this problem many times. People are walking around to get themselves materials. This means the materials are not in the right place and the process is not as efficient as it could or should be. Every time the Dutch management is in Romania, they notice the same problem. They keep repeating there should be someone whose task it is to put all the materials and tools in the right place and getting more angry every time they notice the problem still exists. The Romanian management defends itself by explaining why the problem has not been solved. First they hired someone to get the right materials in the right place. The next time the Dutch management was over, it appeared the hired man was not doing his job well. The Romanian management fired him and hired another one. The next time the Dutch management was in Romania, it appeared there was no list of materials being used and as a result, the employee did not know exactly what to bring to what place. After that, the crane operator left and the heavy materials could not be placed in the right position. I strongly doubt this explanation, because I was told replacement was found before the old one left. I even saw the crane operator being present in the company.

Another problem was discovered when the Dutch management asked whether there were enough tools for newly hired employees. One of the Romanian managers said there were enough tools. The Dutch management replied it did not believe that. Only then, the Romanian manager admitted reluctantly that there were not enough tools for every employee. This dishonesty frustrates the Dutch management. The Dutch and Romanian management complain about the employees making the same mistakes repeatedly, even when it was agreed that they would do it differently next time. They do notice when
something goes wrong, but they do nothing about it, nor ask the management to do something about it. They do not hold themselves responsible. The management is responsible, should notice and solve them. The Romanian management tries to solve this problem by observing the work and products of the employees with their own eyes. However, this does not appear to raise the quality. A reason might be they do not know enough about the product. Another reason may be they show the same behaviour as the Romanian employees, which is true according to the Dutch management.

Just before my arrival in the company, a trailer was sent to a Dutch client. Upon arrival at the Dutch trailer company, it appeared the trailer was delivered without two essential components. It was visible to everyone that this trailer was not according to specifications. Even the Romanian management must have seen it, although they never admitted so. First, the Dutch management asked their general opinion about quality and the lack of quality in this specific case. When they did not get a (satisfying) answer, the Dutch management became angry. They did not understand how such a trailer could have been sent away. They shouted that they held the Romanian management responsible for this. The foreman, the manager of the drawing room and the production director have the final responsibility. They cannot allow a trailer to be sent away if it is not 100% right. They even told the economic director that he should fire the production director or that he at least should file an official report, because otherwise he would be responsible as well. This was in fact an impossible and useless remark. First, both directors work at the same level in the organisation. They cannot fire each other. Second, the production director was provided by the Romanian shareholder. They would not allow a the “Dutch” man, the economic director, to fire or file report against their “Romanian” man, the production director. Finally, the economic director is much younger than the production director. Because status still comes with age in Romania, it would be disrespectful to do such a thing.

With regards to the practice of planning and the time spent on every trailer, the Dutch management tries to transfer knowledge to the Romanian management as well. When the Dutch management showed an assembly plan to the Romanian management and asked whether it was a good plan, the Romanian management replied it was, because the tasks had been allocated to experienced employees. The Dutch management then told them that if you know some employees are slower than others, because they are new, you should give them more time in the planning. Only then will it become a realistic and reliable planning and will deliveries be on time.

For every hour spent more on a trailer than it should, the Romanian management has to report a reason. A good reason would be that some of the employees working on that trailer are new. If there is no good reason, measures have to be taken. The slow work could then be a sign of the mentality of Romanian employees. Especially older ones are not used to work fast and to have productivity targets. The attention this gets from the Dutch management is paying off. Productivity is rising, although not as fast as everyone would like.

With regard to the product quality of trailers, Romanian employees have a short-term focus and believe quality means a product can be used for the purpose it was built for in the short term. Client wishes and specifications have nothing to do with that. In their every day life, they have become used to a lack of quality. Because the Dutch management sees it is difficult for the Romanian management to educate the employees in this respect, they are planning to hire a Dutch quality manager for that. He should educate the Romanian management and employees.

The lack of quality is also due to the fact that the Romanians do not follow the plan and skip steps. They take too much time for their tasks in the beginning, which causes rushing through the remaining steps. The Romanian management tries to solve this problem by reserving more time than expected in the production plan. This does not seem to work.

Sometimes the Romanian management has the feeling the Dutch management causes the stress. An example of this happened when I did my research. An Ukrainian dealer ordered two trailers before Christmas. Ukrainian Christmas was after New Year and the production plan was made to deliver in January. Only, it appeared that the borders between Romania and the Ukraine were closed during the period of Romanian and Ukrainian Christmas and New Year. The Dutch management became angry, because nobody had checked this. They immediately decided to change the production plan, so that the two trailers could be delivered before Christmas. The new Ukrainian dealer was already a big client and this was the first delivery to them. It had to be good. To the Romanians, it was as if the Dutch management wanted to speed things up without particular reason. It was not their fault that the
borders were closed and they figured the client would understand. According to them it is these kind of situations that make them hurry too much and miss steps of the process.

A typical last step in the production process is the quality inspection. When there is not enough time, it is, or some steps of it are, skipped. The Romanian employees reason that it saves them a lot of time, i.e. the time of the quality inspection tasks and the time of the repair of mistakes that will be discovered by the quality inspection. They just do not realise the costs of quality are higher than the extra time spent when a trailer is sent away in a hurry.

Furthermore, quality inspection itself is not good. The company hired a quality inspector and the Dutch management spent a lot of time with him to train him on the job. After his training, when he finally was good at his job, he left for another company. The Romanian management immediately hired another person with the right diplomas and he joined the old quality inspector during his last two weeks. This appeared to be not enough time for him to learn all the details, everything he should know. Since there are no trailer factories in Romania, he did not have any reference. The old quality inspector had to perform his usual tasks during these two weeks as well and because he was about to leave, was not committed to stay longer and train his successor properly. It even appeared that he did not hand over the (right) quality checklists. This resulted in an absence of certain checks and a drop in overall quality after he left. Even on the list that was used by the new inspector, some checks were not reported. The Dutch management asked why and the answer was there was no one to perform the check, since the employee with the truck drivers license left. As a result, the check was skipped. The Dutch management did not react to this answer.

The new quality inspector appears to like his job. He says he understands most of his tasks and if he does not understand something, he asks the manager of the drawing room. The problem is this manager is indeed held responsible for the quality of the inspection by the Dutch management, but he does not have the right information. He did not know about the newest versions of the checklists and he did not know the old inspector did not transfer his tasks well. This makes the Dutch management angry and the Romanian management feeling helpless.

A second problem is the inspector is not as independent as he should be. He regards the manager of the drawing room as his older superior and it will be difficult for him to contradict or even argue with him. Furthermore, the manager of the drawing room has other stakes with regard to the quality inspection. His goal is to spend as little time as possible on a trailer and to have as little mistakes as possible reported. An “easy” way to reach this target is to skip the quality inspection or to overrule certain outcomes by saying it is not a problem.

The solution the Dutch management suggests is that they will train the new inspector. This cannot be done immediately. In the mean time, they order the manager of the drawing room to teach him everything he knows. The newest version of all the check lists are copied. For the time being, this will have to assure a reasonable quality of the quality inspection. Finally, the new quality manager will be responsible for the quality inspector. The Romanian management understands the importance of quality inspection and develops a new plan to support the new inspector.

As was explained before, deliveries to Dutch clients are sent to the Dutch company first for a final inspection. The Dutch company repairs the mistakes and sends a report with pictures to the Romanian company. The reports are discussed with the Romanian management every time the Dutch management is in Romania. The hours and materials used for the repairs are invoiced to the Romanian company. This protocol does make the importance of quality and the quality inspection in Romania clear to the Romanian management and the quality inspector. But according to the Dutch management, they do not show enough emotion when mistakes are reported. They react as if they do not care and cannot do anything about it. It is always somebody else’s responsibility or mistake. The Dutch management thinks this also might be due to the enormous pressure and the tight production plan. It might become too much for them to handle. Another problem is that the importance does not become clear to the employees who make the trailers. The problems are never discussed with them and it is not possible to trace back mistakes to specific employees or even teams.

Unlike the first company of my research study, the second company does serve the Romanian market, but it is not an easy market. Romanian clients are not used to have a planning. They work on an ad-hoc basis. Often, they sign a contract with their client first and only order supplies after that, without having informed about the delivery times first. When they order a trailer with the company, they
expect to have it within a few weeks. They do not understand the factory has other clients as well and a production planning to be able to deal with all the orders and specify delivery times. The Dutch management does not compromise. The Romanian clients have to wait for their turn as well.

Second, since they operate on an ad-hoc basis, Romanian clients do not entirely complete or will try to make changes in orders at the last moment. Again, they do not understand the notion of a production planning. The company rule of the Dutch management is that within twelve weeks before delivery, the order has to be complete and cannot be changed anymore. If it is not or if the client wants to have a change, the delivery will be postponed.

The company can afford this power position with regard to their clients, because there is no real competitor in Romania. Also, there is an excess demand for special trailers in Romania and the rest of Europe. Still, the Romanian and Dutch management see it as their responsibility to educate the Romanian clients to become more long-term oriented. This will ease the cooperation and eventually will help to change the overall business mentality of Romanian companies. This could cause a positive development with regard to the suppliers of the company. They could learn it is more profitable to establish a long-term relationship with a client than to try to reach a quick and short term win.

When I was doing my research, I was present at a meeting between the Dutch management and a Romanian client. The new sales manager was also present. The client is a Dutch-Romanian company too, but the sales contact has been between the Dutch management of the supplier and the Romanian management of the client. The client company already exists for a long time and therefore the Romanian management can be considered rather westernised. Except for the sales from the supplier to the client, the meeting is about extensive cooperation between the two companies. First, they explore the possibility to present their products together at fairs in Romania. Second, they make final arrangements for a training for clients they organise together. Third, the Dutch management proposes to work together for a new, big client of them in the Ukraine. Fourth, the Romanian management proposes to help out with some problems their supplier has with the Romanian context. They promise to use their Romanian network to supply the Dutch management with some information. Finally, the Romanian clients asks about the possibility to become a supplier of spare parts for their supplier. They made an offer to the Romanian management of their supplier, the case company under study, but they never received an answer. They say they do not mind if their offer is not chosen, but they would like to learn about the reasons, so they can change the offer or start negotiating. The Dutch manager did not know anything about this, but promises he will look into it and make sure the client will be able to sell the spare parts to them. He explains to the new sales manager later that this is to foster goodwill for future sales. The company is a good client. Because of the reciprocal relation and the Dutch influence in the company, it will also be a good, reliable supplier.

The factory in Romania is meant to serve the local market (Romania and adjacent countries). In the beginning, the company had to open the market and that takes time. Now, the first trailers are sold in Romania and a new sales manager has been hired to sell even more. Until the company sells enough trailers in the region, the Dutch company will sell the excess in the Netherlands. An additional advantage of this agreement is that trailers can be and have been sent to the Dutch company first to have a final quality inspection. The Romanian shareholder does not agree with this practice. They think it is one of the reasons why the company is losing money. And again they believe the Dutch management is making money through this practice. In their opinion, the market in Romania is big enough if only they would try hard enough. The request for help with sales in Romania from the Dutch management was declined as well.

4.4.3. Management and leadership

For one of the Dutch managers, there is a difference in the leadership style between when he manages Romanian operations as opposed to Dutch operations. Both Dutch managers are autocratic managers in dealing with the Romanian reality. They ask questions, get answers and get angry when things go wrong or appear to have gone wrong. The Romanian management does not have enough experience and is too weak. It should develop further, to be able to run the company and report to the shareholders. Because the Dutch management does not have enough time for the development and education of the Romanian management, they are planning to hire a Dutch quality manager. The plan is that (s)he will be in Romania half of the time.
According to the Romanian management, the pressure of the Dutch management is a good pressure. It helps them to see things more clearly and react to problems faster. They prefer the Dutch management being around. They feel they have more experience, are more detailed, organised and business oriented. The Romanian management is eager to learn from them and when they are around, they are able to observe, ask questions and get immediate answers. Often, when the Dutch management is not present, they have to wait for answers that might never come. They have too much respect for the seniority of the Dutch management to urge them to answer. Still, the ultimate goal is that the Romanian management will be able to run the company on its own. The Romanian management is rather confusing to the Romanian employees. They do not understand why there are two directors. The division of roles is confusing to them. They do not know who is responsible for what. The foreman is regarded a good leader for the company. He is very autocratic, knows everybody and employees are afraid of him. According to the management and some employees, this is just want they need. The problem is that he is the only foreman for all the teams and has not enough time to check them all. This results in a loss of quality.

The leadership of the Romanian shareholder and partner of the Dutch management is non-existent. Initially they promised to be involved in operational management as well. Despite several requests, they never actually showed their involvement. The Dutch management was not too worried about it. The Romanian partner does not have the needed expertise on trailers and they felt the mere presence of their strong partner already caused less troubles with the Romanian authorities. During my stay, the Romanian shareholder did appear to be a problem. A delegate of the partner company would come over for a meeting with the Dutch management. Entirely against the expectations of the Dutch management, the accountant of the Romanian partner was present as well. She does not speak English and the economic director was called in to translate. It became clear they did not ask for a report from the Romanian company, as they never called in the production director, the one they referred to as “our man”. They called the Dutch partner and “their man”, the economic director, to account.

The Romanian partner never showed signs of wanting to cooperate as a team of partners. It is us and them, even after the Dutch management explained they are the shareholders together and that both Romanian directors are the management of the company together. It was obvious the Dutch and Romanian management were not prepared for this meeting and attitude. The Romanian partner expressed their worries about the losses of the company, although it was forecasted in the financial plan at the beginning of the partnership. They believe the company does not make a profit because it is not buying supplies and selling trailers in Romania and they blame the Dutch management and “their” man for that. As was said before, they suspect the Dutch management to make money by supplying materials to and selling trailers for the Romanian company. The Dutch management objected to this accusation by explaining the Romanian company is trying to buy and sell everything on the Romanian market. The Dutch company only supplies and sells if there is no other option and they are not making money because of it. It is in their interest as well that the company becomes profitable as soon as possible and they are helping the Romanian management to reach this goal. Next, the Dutch management argued the Romanian partner never showed any willingness to help. The Romanian partner felt attacked by this remark and replied they want to, but were never asked for help. When the Dutch management then asked for help, they refused. The Dutch management suspects the Romanian partner to have some financial problems. It is obvious they were negatively surprised by the loss. They are possibly after a quick return on investments and expected a Dutch partner involved in operational management to be a guarantee for that. When this did not turn out to be the case, their distrust of others surfaced. Directly after the meeting, the Dutch management put the negative tone of the Romanian partner into perspective and believed things would turn out to be alright. Later, they started to inform how they could break the partnership with the Romanian company. The factory hall that was provided by the partner appeared to be less good than expected and they were thinking about moving to a new building in another place anyway. This would solve the above mentioned problems of the lack of leadership demonstrated by their Romanian partner as well.
4.4.4. Teamwork

Apart from teamwork with clients and suppliers, it is important to cooperate with other players in the environment as well. This cooperation is difficult to establish in Romania, because, in general, people believe they cannot rely on or trust others. Cooperation is only possible when people know each other and / or gain something by cooperating. This is difficult to understand and accept for the Dutch management. Examples of relationship with two stakeholders in the Romanian context show the actions the Dutch and Romanian management engages in to establish this cooperation.

The first example is about the relationship with the state. It happened once the company did not have enough money to pay taxes. On other occasions, the tax authorities blackmailed the company. They threatened to close the company or at least slow down the production, if the (extra) amount of money was not paid within a certain time. The cooperation with the state in these situations was problematic, especially for the Dutch management that is not used to these practices.

The problems were solved immediately when one of the Romanian managers discovered an acquaintance of him works at the tax authorities. He made an appointment and talked about the problems. The next day, the company got an extension of payment and they were never blackmailed again. This is actually a delicate cooperation relation, because when the acquaintance stops working for the tax authorities, it is possible the problems start again. But for the time being, they have established a relationship that has positive consequences for the company.

The second example is about the relationship with a bank. The Romanian management made an appointment with their account manager at their bank to apply for a loan. According to the account manager, the loan was too low and he could not agree, though the loan was vital for the company. A week later, one of the Dutch managers met the (Romanian) director of the bank at the Dutch Business Club. He told him frankly his opinion about this behaviour. One day later, the account manager called to make a new appointment. This time, he granted the loan without any objections.

These two examples prove it is necessary to have a Romanian network. The Romanian management says it is trying to establish as much contacts as possible, also with other, more experienced companies. In reality, they do not even try to involve their Romanian shareholder. I suspect their short-term focus and lack of time causes them to wait for problems to occur until they act.

In the mean time, the Dutch management tries the same thing. As was shown in the above, they managed rather well with a big Romanian client and the bank, but they do not take full advantage of the possibility the Dutch Business Club is providing them with.

Within the company, the Dutch management does not see real teamwork. They are trying to establish teams with members checking each other in order to improve the overall quality. The problem is almost all employees work in teams of two. Because of the high turnover, often one member is experienced, the other is still new in the company. Because of this inequality, the inexperienced member will always agree with the other and thus with the status quo. Continuous improvement is hard to realise this way. Although the Dutch management does not experience it, the office members do make clear they feel like a team.

4.4.5. Information and communication

Both the Romanian and Dutch management try to increase and manage quality trough information and communication. The Romanian management has a meeting twice a day. In the morning they plan the activities for the teams and establish whether all materials and employees are present. There are always some small issues. The morning I was present as well, an employee was missing. On other occasions not all the materials had arrived. In the evening they evaluate the day and inspect the work done by the employees.

The employees do not see much of their directors and they do not talk about their problems. In general, Romanians do not dare to speak up to their superiors. The fact that they are afraid of the foreman will not have a positive influence on this behaviour. Instead, they think it is the responsibility of the management to find out about the problems and solve them themselves.

When they are not in Romania, the Dutch management calls the Romanian management at least once a day, but they try to come to Romania as often as possible. In the beginning, they were in Romania two weeks a month, but due to circumstances this has been diminished to one week a month. In the future, they are planning to have a quality manager that will be in Romania one out of two months. While the
Dutch management is in Romania, they have as many meetings as possible with as many people as possible. They tell the Romanians what they should do and often how they should do it as well. In reaction to problems, often they become angry. The Romanians consider this to be a positive pressure. In the communication between the Dutch management and the Romanian employees and even the Romanian management and the Romanian shareholder, the difference in language is a problem. The Dutch management does not speak Romanian. Although they would like to learn it and think it is necessary, they do not find the time. And many Romanian employees, some members of the management and some shareholders do not speak English. In the original investment plan, a reservation was made for a training for the employees and management, but it never took place. This is partly because of the large turnover of employees.

This makes it difficult for the Dutch management to communicate with the employees and the managers that do not speak English. That is why their focus is almost entirely on the Romanian managers who do speak English. They know they should address all the employees to be able to implement social control as an instrument for quality.

In some meetings, the presence of Romanians who do not speak English, especially the production director and the foreman, is needed. The communication in these meetings is far from efficient. Once in a while, the managers who do speak English translate the information in Romanian. Often, this provokes a discussion in Romanian the Dutch management does not understand. Sometimes, they start to talk to each other in Dutch. When they think the time has been long enough, they ask whether everybody has understood the information. The answer is almost always “yes” and they do not and cannot check whether that is true.

Contrary to my findings in the first company, the Dutch management prefers oral communication over written communication and the Romanian management and employees prefer it the other way around. According to the Romanians, the communication of the Dutch management is not always clear, due to bad phone connections, language and interpretation difficulties. Because the Romanian reality is different from the Dutch, the Romanians sometimes do understand the words, but not the meaning of the words the Dutch management uses. Or, the oral communication goes too fast and they do not have time to write things down. As a result, it happens they forget to do or do not understand the things the Dutch management wants them to do. That is why they would prefer written communication. The Dutch management does not feel the need for written communication. They believe the Romanians understand everything they say and they do not believe misunderstanding to be an explanation for the fact the Romanians sometimes do not execute what was agreed on.

As a result of the difference in language, the Romanian management is the only one communicating with the Romanian employees and the other way around. In this respect, the foreman is the most important person, because he is most visible to the employees. According to the Dutch management, the two directors should be more visible as well. The Romanian management says they try to stay in contact with all the teams, especially when there is a problem, but the reality is different. The Dutch management believes this might be a heritage of the past. A manager feels too superior to talk to employees and employees do not expect their manager to talk to them. This explains their reaction of amazement when the Dutch management is around. They inspect the work several times a day, try to talk with the employees, if needed, help out in the production process and get their own coffee and tea instead of ordering it with the secretary. The Romanians are not used to managers acting that way. Contrary to what the Dutch management hoped for, it does not encourage the employees to act differently. The Dutch management has the impression they act as slaves. They are afraid and do not dare to look them into the eyes. This is especially the case for the older generation.

The communication between departments is better in the office than on the shop floor. There are some meetings, but often, people do not execute what has been decided. There is no visible reaction to this lack of energy, except from the Dutch anger when they discover about problems that are due to actions not being executed.
4.4.6. Human Resource Management

4.4.6.1. Personnel planning
The Dutch and Romanian management both understand the importance of having the right people in the right place. The personnel planning is the responsibility of the Romanian management. This is a difficult task because of many internal and external factors. The company has a lot of problems with materials, the presence and loyalty of employees, delivery times and the labour market. That is why the Dutch management helps them with analysing how many employees are needed in the future. According to the Dutch management, the Romanian management has to try to become a preferred employer. They do not see much proof of such a strategy in the recruitment, compensation and commitment policies. They partly take over these responsibilities to try to get a positive reputation, but they use Dutch measures to do so. Some of them do not fit the Romanian circumstances.

4.4.6.2. Recruitment
The recruitment is entirely in the hands of the Romanian management. They use an employment agency to be able to find enough and the right people. The agency has more experience in this domain and the Romanian management has the feeling the employees they propose are better than they would have been able to find themselves. The candidates have two or three interviews, a practical test with the foreman and a tour through the company by the economic director who explains them what their tasks will be and that if they are good, they can increase their salary. Most employees are almost entirely interested in the amount of money they can earn and will ask about their salary before anything else. When I was present, the company hired a crane operator with a truck drivers licence who would become responsible for the materials being in the right place. His practical tests consisted of driving the truck, the fork-lift truck and the crane and recognising materials from a list. When employees are hired, they have to provide copies of their diplomas, working papers and a medical test. All new employees are able to start their job in two weeks, because of a fifteen days notice. The Romanian management is explicitly looking for people that are able to work in teams. Those people are difficult to find in Romania, because of the Romanian background. Although the in-group, the group of family and close friends, is important, there is no trust for people outside that group. As a result, cooperation between people is difficult to establish. Furthermore, it is already difficult to find enough employees anyway. Therefore, the employees that are hired are not particularly cooperative and when they are, it is often not enough with respect to western quality standards.

4.4.6.3. Training and development
The training and development is the responsibility of the Dutch management. They try to educate the quality thinking of the Romanian management and employees to induce continuous improvement. When they started the company in Romania, the employees received some professional, practical trainings. One of those training was in welding. A Romanian professional was the instructor. As explained before, the English course has been cancelled. Now, the new employees are put in a team with a more experienced employee, so that knowledge can be transferred. Also, this practice allows the new employees to integrate with their new colleagues. According to the Dutch management, training employees in this manner does not create the desired results. The new employees will learn to do things in a Romanian way and the more experienced employees will not develop any further. They should be experienced enough to spend the planned number of hours on their tasks after the production of eight trailers, but this is not the reality. That is why the Dutch management is thinking about some official trainings for the employees again. But the biggest part of the development of the Romanian employees and management is and has been realised by training on-the-job and transfer of knowledge by the Dutch management. As with information and communication, the difference in language does cause problems. Furthermore, most Romanians that are trained by the Dutch management in such a way, do not feel that this is a proper training. One reason is that the Dutch management has spent and spends too little of their time in Romania. The Romanians feel they did not know enough about the product and the Dutch mentality when the company started and they did and do not get answers to their questions when the Dutch management is not around. A lot of mistakes were and are the result of the lack of training and could have been and can be prevented.
When I was doing my research, a new sales manager was hired, and he received training from one of the Dutch managers. The Dutch manager tells and shows him how he always managed to make money. He expects the Romanian sales manager to be successful and gives him a lot of freedom to reach this goal. He only reports to the Dutch management. If something goes wrong, the Dutch management interferes. Often the interference is an angry reaction.

Together with his Polish colleague, the Romanian sales manager was invited to the Netherlands for a couple of days to meet their Dutch colleague and to be trained by him and the Dutch manager. This training was unorganised and chaotic. There was no program. The trainees were given a sales book with all the details on trailers they should know. Also, they were showed a trailer and all the components. The Dutch manager did a role play in which he acted as the customer and the trainees were the sales managers. They had to make an offer. Also, they were asked to make a advertisement budget. The Romanian sales manager found these exercises helpful, but difficult. These training days were his first working days and he did not have any knowledge about trailers and the industry yet. During the training, the Dutch manager and his Dutch subordinate were often arguing in front of the others. Also, the Dutch manager became angry at the trainees a few times when they did something wrong. Overall, he did not give them much room to show initiative. The Romanian sales manager felt uneasy in this situation. In Romania, he is not used to managers who argue with subordinates in the presence of others, nor subordinates who criticise their superiors. For the Dutch manager it is just the way he teaches. He is strict and gets angry when people do things wrong, but according to him, this is the only way people will learn.

Most of the training of the new sales manager was in practice. In the Netherlands, the trainees were taken to a fair where they could observe the behaviour of the Dutch. Meetings with and sales to customers were discussed in the spare free time in between, because the trainees do not speak Dutch and therefore did not understand the meetings. Since the fair was rather busy for the company, the Romanian sales manager did not learn much and was of the opinion that it had been a waste of his time. He said he planned to write an email about his dissatisfaction to the Dutch management, but when I met him again, it appeared he never actually did. He did not explain why.

Overall, the training in the Netherlands was judged too short and not efficient enough by the Romanian sales manager. As a result, he did not get the whole overview, but only parts of it. The Dutch were satisfied. They used the training to observe the learning capacity of the trainees and deemed the Romanian sales manager very intelligent. This will allow them to give him a lot of freedom and come to Romania less often.

In Romania, the Dutch manager took the Romanian sales manager to a big client. This meeting was in English and allowed the Romanian sales manager to observe and internalise the behaviour of the Dutch manager. A few weeks later, the Dutch manager was indeed satisfied with the Romanian sales manager. Sales in Romania are growing fast.

According to the Dutch management, the knowledge of the Romanian management and employees is not developed enough, but it comes near Dutch standards. The biggest problems though is that the Romanians are not applying this knowledge, which causes people to repeat the same mistakes. Some people listen to what the Dutch management teaches them and try to put this (new) knowledge into practice. Sometimes they manage properly, sometimes they do not, but at least they try. Others only appear to be listening. They often agree to do as the Dutch management says, but in practice, they do not do the things agreed upon. They observe and understand the problems, but they do nothing about it. Nobody feels responsible, they all feel someone else is responsible. When asked by the Dutch management for reasons, they never can or will explain their behaviour. The Dutch management gets angry over this attitude. They have the impression the Romanian employees and management need this pressure. The Dutch management hopes their continuous efforts and the future quality manager will be able to change things.

4.4.6.4. Compensation

Because of employees not telling about their dissatisfaction, it is essential for the management in this company to stay ahead of dissatisfaction. One of the most and for some the only satisfaction factor is money. The management has to keep their employees satisfied by offering them as much money as they would receive in another company.
Compensation is the responsibility of the Romanian management, but the Dutch management thinks they are not proactive enough when trying to keep good employees. Employees know they can get a raise after the first and second three months if they are good. After that, they will only get a raise once a year. The Romanian management tries to minimise the costs of salary by trying to offer new employees less than planned, so that after six months, they will have the planned salary. Only very good new employees will get the planned salary in the beginning and receive more after six months. At the moment of my research, the employees in the factory were earning between €200 and €300 net and receiving €50 worth of food tickets and a mileage allowance when necessary. Doing overtime allows employees to earn up to €100 more per month.

Only after eight good employees left the company for a better salary, the Romanian management decided to raise the salaries of the most important employees. According to the Romanian shareholders, a good employee should earn at least €350 instead of €300. According to them, it is no surprise that employees are leaving when you pay them that salary. That is why the Dutch management involves in decisions about compensation. They have told the Romanian management to develop a bonus system for the employees.

Furthermore, the Dutch management is thinking about moving the factory. The salaries in Romania grow fast, in the city where the trailer factory is situated even faster. It is difficult to keep up with the pace of growth and as a result, many people leave for other companies. The Dutch management believes these problems are easier to handle in another, more rural part of the country.

Also, the Dutch management is responsible for the compensation of the Romanian management. When I was staying in the company, the Dutch management developed a bonus system for the Romanian management. The Romanian management was free to choose between two options, but they had to choose together. The first option consisted of a higher percentage of the result as a bonus and a lower salary rise. The second one consisted of a lower percentage of the result as a bonus and a higher salary rise. In the first case, if the company results were good, the management would have the possibility to earn more money than in the second case, where they would have the certainty of a higher base income. During my stay, the economic director made clear he personally preferred the second option. He had decided to buy a house and the amount of the mortgage he could get from the bank would be based upon his fixed salary without bonus percentage. The Dutch management was disappointed by his choice. They believe the first option symbolises the risk-loving mentality needed to manage a company. According to them, the economic director showed that his private life was distracting his attention from his professional life.

4.4.6.5. Commitment

As a result of training and development, be it official or on-the-job transfer of knowledge, employees gain experience. Experienced employees are looked after for intensely on a tight employee market with many employees working in Spain or Italy. Since feelings of loyalty are scarce and money is important for people in Romania, a lot of employees will leave the company when they receive a better offer from another company. Their current employer does not get the chance to propose them an equal or even better deal, because they will not tell their superior about their intention to leave. They just leave with all their investments made in them and that causes problems with continuity, stability and quality.

Commitment is necessary to keep employees within the company and to be able to attract new employees. To have enough and the right employees and to have a certain continuity are conditions for the overall quality of the product and the processes. As indicated on many earlier occasions, in Romania, commitment is almost entirely related to the money people can earn. People do not like work, but they do like the money and the things money can buy. Therefore, the Romanian management acts as if they want to help the employees. They agree to give them a certain amount of money and in exchange, they ask them to show up at work and do some tasks, not the other way around.

Both the Dutch and Romanian management are aware of the fact the Romanian employees are not very committed to their position with the Romanian company. In the office, there is more commitment, because the employees feel like a team and the visibility of the management is bigger. The employees on the shop floor are less committed. They know they will have better salaries when they gain more experience and the company is growing, but to them, this is a long term perspective.
Most of them are too short-term focussed to be willing to wait for that. When they receive an offer from another company that is (slightly) higher than their actual income, they will leave, taking with them all the experience the company so badly needs. The notice in Romania is only fifteen days, which means there is not enough time for a successor to get settled in his job, even if (s)he would be available immediately. People do not care about that. It is not their problem. They want to leave as fast as possible. While I was doing my research in the company, an employee who seemed suitable for the job, called in sick the second day, because he found the drawings and the product too difficult. He found a new job and just did not show up at his former job anymore. The Romanian management asked the opinion of the Dutch management about what to do. He was fired. Some others even do not call in sick. Another employee, the crane operator, announced he found a new job and wanted to leave with no notice. The Romanian management refused at first. Everybody has a two weeks notice. Finally, they allowed the employee to leave earlier when replacement was found.

The Dutch management holds the Romanian management responsible for the good employees who leave the company. They should know about how much good employees can earn in other companies, so that they can reward their quality before they become dissatisfied and get better offers from those other companies. The Romanian company has to become the best employer in the region.

The working mentality also shows a lack of commitment. The company has had a lot of problems concerning alcohol and drinking during, before or after work hours. 57% Of the people who left, were fired because of drinking. Furthermore, employees show up for work late, call in sick while they are not, or just do not show at all, without any reason. Most of them are fired.

The Romanian management knows that doing overtime is seen as a positive way of increasing the salary. When the company had just started, people tried and managed to work less hard during the day to be able to earn more money for the same tasks by doing overtime. Now, the Romanian management only allows the good employees to do overtime when they have finished their tasks within the hours planned and only when the management feels it is necessary, e.g. because of a deadline. But they prefer to have no people doing overtime at all. Overtime has to be paid twice and is expensive for the company. Furthermore, employees are less productive when doing overtime, because they are tired of the normal working day. The Dutch management knows that overtime is seen as a positive thing. Still, when I was there, they urged the Romanian management to only let the bad employees do overtime. They allowed good employees to do overtime on a trailer of poor quality, assembled by bad employees once, but that resulted in good employees that were delivering bad quality the next day, because they were tired.

The Dutch management tries to grow the commitment of the employees, although they know money is the most important thing. First, the fact that the company has a Dutch investor is a positive feature for Romanians. They like and trust foreign companies better than Romanian companies, as long as they are not Italian or Spanish. Second, the Dutch management has asked the Romanian management what employers are expected to do at Christmas. Despite the answer that they should only pay a bonus of a certain amount of money, they urged the Romanian management to spend a part of the money on a Christmas party. Finally, they are planning to move to another place and building. The factory hall is old, high and big. Therefore, it is cold as well, especially in winter. This makes employees leave even when they are offered the same amount of money somewhere else.

4.4.6.6. Evaluation

There is not much evaluation of the employees and management, while this is needed if a company wants to improve quality. The employees are evaluated after three and six months. If they do not perform well enough, they are fired. If they do perform well, they are offered a salary raise and a new contract. Furthermore, employees can get a yearly raise and a bonus that is linked to the company result. The problem is that these are not linked to any evaluation system. During and after the production process, there are four quality check points. First, those checks are not performed the way they should be. Second, there is no system in place yet that could retrace bad quality to a specific team, let alone an individual. A second indicator of quality and basis for evaluation could be the hours spent on the production of a trailer. The problem with this evaluation possibility is that the Romanian employees make a lot of mistakes when they are reporting their hours on the time writing form. If their tasks are slightly different from what they are hired for, used to or is written on the time sheet, they usually write down the wrong code, either because they do not understand the system or because they
do not want to be checked that way. The Dutch management has the feeling that some of them are sabotaging the system. When I was doing my research, the excessive hours spent on a specific trailer were analysed by the Dutch management. They asked about the reasons and it appeared that employees had booked hours on specific tasks while they were waiting for or had to repair bad quality supplies. Because of these mistakes, it is impossible to trace back the amount of hours spent on different parts of the process and to base an evaluation system on it. The Dutch management is frustrated by this and keeps repeating the importance of writing hours correctly every time they are in Romania. The problem is they can only tell the management, because they do not speak Romanian and the employees do not speak English.

Since the Dutch management understands the importance of an evaluation system, they are continuously thinking about which specification can be used to evaluate people and the quality of products. At the moment of my research, they were planning to purchase software that among other things will register the hours of individual employees spent on specific tasks with the help of barcodes and passes. They want this to become the basis of an individualised evaluation and bonus system for the employees. For the management, they developed another system, already discussed above.

4.5. Restrictions of the results

The results gathered during research are qualitative and might be subjective. When using case studies for theory generation, it is important to have more than one researcher. They are more creative and induce more confidence in the findings, because they can play the role of each other’s advocate of the devil (Eisenhardt, 1989). Since my aim is not to generate new theory, it is appropriate to only have one researcher. But therefore, the findings might be subjective.

I did not opt for an interpreter, because of the confidential character of the interviews. It is known, for a range of reasons, that an interpreter can diminish the trust of the interviewee and therefore influence the interview results (Michailova, 2004). Better less, but correct information than a lot of incorrect data. But, because I did not use an interpreter, I did not have interviews with everybody I wanted to. Therefore, it might be that I missed out on some important information, especially since the people that do not speak English are likely to be more localised than their colleagues that do master the language.

Since my research only contributes to theory building, it was not possible, nor useful to fully analyse the data. The most important part of the analysis is the within-case analysis, the first step of case study analysis. To cope with the big amount of data gathered, I have organised them in a detailed description and explanation for each company (Eisenhardt, 1989 and Ghauri, 2004). The only coding I did was the rearranging of the data in more conceptual than temporal categories (Ghauri, 2004 and Strauss and Corbin, 1991): the aspects of quality management. The description is necessary for the next stage of analysis: the cross-case comparison. This explains and justifies the length of this fourth chapter and the entire thesis. Since two cases do not provide enough foundation for theory building and cross-case comparison (Eisenhardt, 1989), the comparison and following stages of analysis (further open, axial and selective coding, clustering, deriving of testable suppositions, testing suppositions, enfolding of literature and building theory (Eisenhardt, 1989, Ghauri, 2004 and Strauss and Corbin, 1991) will have to be executed in further research.
5. Conclusion

5.1. Conclusions
In my research I have collected and analysed data to be able to answer the research question: “How do the tension between global knowledge and the local context and the management reactions to that tension influence the actual practices and their success?” I will answer this question by answering the sub-questions as stated in the first chapter.

1. What (kind of) local factors have an influence on the actual practices when implementing global knowledge in a local context?
It is known that contextual influences play a role when global knowledge is (tried to be) transferred to local context. I have analysed literature on the relation between the implementation of other global (HRM) knowledge and the context to identify possible contextual influences on the implementation of quality management. Two learning theories explain two different types of influences. First, ethnographic learning and the model of strategic fit explain efficiency influences on the implementation of global knowledge. The contextual influences are (f)actors situated in the demographic, economic, socio-cultural, technical, ecological and political and legal (DESTEP) spheres. Two models that contain and explain some of those influences are the business system model of Whitley and the bipolar culture models of e.g. Hostede and Trompenaars. Second, paradoxical learning explains the paradoxical nature of culture and how every specific situation / implementation experiences specific contextual influences. Contextual factors of influence are time and history, (power)relations and feelings in the DESTEP spheres.
The contextual factors in my case studies that have an influence on the global knowledge transfer are diverse and often show the paradoxical nature of culture, depending on the time, location and specific situation. Some have proven to be:
- the state, no stimulus for entrepreneurs and tax laws, low quality of and own responsibility for education
- power of suppliers, small but growing markets, tight labour market, autocratic management
- the lack of productivity, freedom, competition, cooperation, initiative, trust, and openness under communism
- product orientation, lack of knowledge and experience
- opportunism versus respect for the West and for older people, short-term / ad hoc focus, wish to belong to the West versus regional orientation, nepotism, importance of money, no belief in excellence.

2. How do managers react to those tensions between global knowledge and the local context?
The research in the two case companies has shown that both the context and the reaction of the management to that context are paradoxical in nature and therefore hard to predict. Like the tension between globalisation and localisation, the reaction of the management depends on situational factors and dialectics.
Often, local management finds it difficult to deal with the tension between globalisation and localisation. Local management reactions found in this research have two characteristics. First they are situated somewhere on the line active-passive. An active reaction means the management is actually doing something through reacting. A passive reaction means it is only taking place in the head of the management. Second, management reactions can be positive and negative. This division does not imply that positive reactions will result in success and negative reactions will not. It only shows the difference in intent and intrinsic value of the reaction (this distinction is rather subjective, because dependent on cultural / contextual background). The fact is that to be successful, the management reaction still has to be adapted to the situation under hand.
As a result, there are four categories of management reactions. Autocratism, communication, repeating, severity, hurrying and minimising costs can be regarded as positive active reactions. Negative active reactions are anger, insult, complaining, dishonesty and disobedience. A positive passive reaction observed is enthusiasm and negative passive reactions are frustration, feeling insulted, stoicism, worries, irritation, pointing at each other, disappointment, fear, feeling helpless and distrust.
3. What are the actual practices resulting from the global knowledge, the local influences and the management reactions?
Together, the global knowledge, the contextual influences and the reaction of the local management result in actual practices. I have described a number of them in my research findings. These practices differ in content and in the extent to which they are adapted to the local context. It appears that some practices are copied one on one from the global knowledge, while others are adopted partly or not at all. In other words, the actual practices are located somewhere on the continuum between globalisation and localisation. For every specific practice, this point is different and hard to predict without knowledge of the contextual (factors) that will influence the implementation of the actual practice and the (reactions) of the management to this tension.

4. How is the success of the actual practices influenced by the management reactions?
The introduction of global knowledge (in the case companies) is meant to support the continuity of the company. Often, the actual practices that result from the reaction of the local management and the tension between globalisation and localisation do not support continuity. The chances for such a negative outcome are enlarged when the difference between the global knowledge and the local reality is big or when there are much negative feelings like anger, frustration and stoicism involved. But sometimes the practices are successful. These are the exceptional occasions when both the global and local knowledge are enriched by each other.

The way they enrich each other cannot be predetermined and differs depending on time and other situational factors. Global practices that encounter resistance from the external context, a part of the context on which companies do not have much influence and with which cooperation is difficult, encourage more knowledge transfer from the local context. If the management reactions are appropriate, this leads to the successful implementation of a global practice that is very localised. Examples from the case studies are the relationships with Romanian state agencies, suppliers and the labour market. Still, there is room for influence of the global knowledge. The local management can train and educate these stakeholders with their global knowledge.

Global practices that encounter resistance from internal contextual factors allow for a more extensive knowledge transfer from the global knowledge to the local context. A condition for this knowledge transfer is that management adapts this transfer to the context. My research in the two case companies made clear that there is no best way to transfer knowledge. The first company tries to do it in a coaching, ethnographic way. This does not work well, but only because the Dutch management, who represents the role of the teacher, is not practicing what it preaches and is not present often enough. Both the Dutch and the Romanian management would like to, but in practice, the Dutch management is rather autocratic. In the second company, the knowledge transfer is more structuralist and autocratic, although the Dutch management gives a lot of space to the Romanian context as long as it does not cause any problems.

5.2. Discussion

5.2.1. Validity and reliability
My research (findings) can be regarded both empirically / internally and externally valid. Case study research is empirical valid by definition (Eisenhardt, 1989). Internal validity of holistic knowledge means the temporal, spatial and interconnectedness of a phenomenon are taken into account (Ghauri, 2004). I have done so in my anecdotal account of the document analysis, observations and in-depth interviews in the previous chapter.

External validity in a case study is guaranteed because the results of a case study are generalisable to theoretical propositions (Yin, 1989 in Verschuren, 2003, Verschuren, 2003 and Ghauri, 2004) that are considered true for the exact population investigated. Whether these propositions are true for a larger population has to be investigated in further research. My research is externally valid, because I generalised the results into propositions (see below) that are true for the companies under investigation and of which it can be determined in later research whether they are true for a larger population. Verschuren (2003) also considers case study results to be statistically generalisable, because complex issues in general have low variability and therefore small samples will be sufficient for generalisation.
I do not believe this is true for my research. I believe a sample of one global practice, in two companies in one country is too small to statistically generalise the results. Therefore, I have not done so. But in further research that will use my and other case study findings to generate theory, the sample can prove big enough to reach statistical generalisability. The triangulation I used in my methods further ensures validation (Campbell and Fiske, 1959 in Ghauri, 2004).

It is difficult to prove the reliability of subjective research, because by definition it depends on the context and the person doing the research, two factors that may influence the reproducibility of the results. Since I do not seek to generalise my findings (as usual in a case study), this is not a major problem. Furthermore, “in qualitative research, authenticity rather than reliability is the main issue” (Ghauri, 2004), because exactly the contextuality is being investigated. This means we have to understand the point of view of the individuals and groups being studied and data has to be interpreted against the background of the context in which they are produced (Ghauri, 2004). In my research I ensured and demonstrated authenticity by interconnecting data collection with analysis. This reciprocal method allows to develop and adapt the data collection methods and the research question in the light of the collected data (Ghauri, 2004). It has revealed blind spots and deficiencies of data collected so far and these have been taken care of in further data collection. Furthermore, irrelevant information has been filtered out right away, making sure the researcher will not drown in it (Ghauri, 2004).

The triangulation I used in my research and the big number of interviews and observations have minimised the effects of unreliability. In succeeding, theory generating research, they will be further reduced by more extensive triangulation, an even bigger amount of interviews and observations and multiple researchers (because of the merging of many case studies).

5.2.2. Results and literature
As has been shown in the second chapter, extensive theory on the influence of local (f)actors on the implementation of global knowledge already exists. In this theory, the actual outcome, the practice, depends on two variables: the global knowledge and the local context. This can be visualised in the following equation: global knowledge + local influences = actual practice.

The research I conducted in the two case companies shows that management reactions have a big impact on the success of the implementation of global knowledge in a local context. It makes clear that the actual outcome of the implementation depends on three variables, as represented in the equation: global knowledge + local influences + management reactions = actual practice.

As my qualitative case study research is descriptive and explorative, these conclusions are not generative. They cannot build, but can only contribute to the building of a new theory. The answers provided by the research made it possible for me to develop several hypotheses (the second step of the empirical cycle) in the light of the more general question about what makes managers more or less successful when dealing with the tension between localisation and globalisation. They are formulated in the following.

1. [Managers are more successful in dealing with the tension between localisation and globalisation if they are able to assess what actual practice is needed for the success of the company.]

2. [Managers are more successful in dealing with the tension between localisation and globalisation if they know which (part of) global knowledge is useful for their company.]

3. [Managers are more successful in dealing with the tension between localisation and globalisation if they can understand which situational ethnic contextual (f)actors influence the implementation of specific global knowledge and cause a tension.]

4. [Managers are more successful in dealing with the tension between localisation and globalisation if they understand their own situational ethnic reaction to the tension and how it can influence the actual practice.]
5. [Managers are more successful in dealing with the tension between localisation and globalisation if they are able to adapt their situational ethnic reaction to the tension between the global knowledge and the situational ethnic local knowledge, in order to reach a situational best fit point of the actual specific practice on the continuum between globalisation and localisation.]

5.3. Suggestions for future research
Since my conclusions are not generative and can only contribute to theory building, future research should complete the latter steps of the empirical cycle (derive testable suppositions from the hypotheses, test suppositions in new empirical data and evaluate the test results (De Groot, 1961)). To bypass the non-generalisability, to prove reliability and to be able to execute cross-case analysis, more and similar explorative research has to be conducted and more hypotheses have to be generated by different researchers. The researchers of each case study can then be regarded as a research team and thus the creative and confidence limitations of a single researcher (Eisenhardt, 1989) will be bypassed. A final study can merge and compare all explorative research on this topic (Eisenhardt, 1989, Ghauri and Gronhaug, 2002 and Yin, 1994 in Ghauri, 2004) and build a theory. Because each case study will investigate a different object belonging to a different population, it will eventually be possible to generalise (Eisenhardt, 1989 and Ghauri, 2004) the findings into a broad theory about the influence of management reaction on the implementation of global knowledge in a local context.
References


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Appendix

Check list interviews

General:
- education
- training
- experience
- nationality
- international experience (Romania, other countries)
- age
- position
- leadership style

Quality:
- definition
- knowledge
- quality instruments used
- the problems with quality in company / Romanian companies

Context:
- Romanian contextual influences (e.g. Hofstede and Whitley)
- contextual influences on specific quality practices in company / Romanian companies

Romanian-Dutch behaviour:
- Dutch-Romanian encounters during presence / description of working day (after having joined the management)
- activities, behaviour during absence
- reaction on quality problems
- actual practices
- success