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# **EXPLORING TASK COORDINATION AND ORGANIZATIONAL POLITICS IN GLOBAL DISTRIBUTED TEAM**

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# 1. INTRODUCTION

Software is an essential thing in our daily lives today. We use software in many aspects of life from work, study to entertainment under the two popular kinds of software including mobile applications and web systems. This results in the births of software outsourcing companies which offer software design and development services.

For developing high quality products at low cost, offshore software development outsourcing has recently emerged as a business strategy (Ullah Khan et al., 2010). Before, the market structure of the global software industry was dominated by advanced software companies from OECD countries, USA, Japan, UK, France, etc. Then, big changes have been triggered, the '3I' countries including India, Israel and Ireland have successfully entered the global software market and joined the ranks of software exporters. India in particular has become a hub for offshore outsourcing. Encouraged by India's success, many economies in transition and emerging countries are promoting the software industry as a strategic industry to achieve economic development (Carmel et al, 2003). In East Asia, Malaysia, the Philippines, and Vietnam are joining the stream (Jang et al., 2010).

Offshore outsourcing is more complicated than domestic outsourcing. Offshore outsourcing has a high failure rate, even for companies with substantial domestic outsourcing experience (Foote et al., 2004). Nakatsu & Iacovou (2009) also suggested that the offshore context seems to be more vulnerable to some traditional domestic context as well as associated with unique factors. The failures indicate that offshore software outsourcing is becoming increasingly complex to manage. Reported offshore software outsourcing failures call for better management practices. Thus, it is important to understand the issues faced by software outsourcing vendors and their customers in order to apply better practices (Oza & Hall, 2005).

Nevertheless, there are a few papers that specifically point out the drawbacks and challenges of offshore software outsourcing (Herbsleb & Moitra, 2001; Misra, 2004; Peak et al., 2002). In spite of the importance of outsourcing projects, little empirical research has been conducted on offshore software development outsourcing practices (Khan et al., 2009). According to Oza & Hall (2005) the literature focuses more on the positive aspects of offshore outsourcing. Furthermore, Jang (2010) figured out that most of the studies just apply the Indian model to each country and examine the success and failures of the cases. However, this kind of understanding of offshoring will not be fitted to the emerging East Asian offshoring market such as China, Vietnam and Japan, raising the need for more research on these markets.

Hence, the aim of this study is to investigate the difficulties in task coordination within offshore software outsourcing projects which have the involvement of team members located in different countries - global distributed teams (Lipnack and Stamps et al., 1997). In addition, this thesis also studies the effects of organisational politics on task coordination within global distributed teams.

With the above analysis, the context of the study is focused on Vietnam - an emerging offshoring market (Jang et al., 2010). Considering the significant increase in the number of small and medium software companies which account for 8% of the total number of software businesses in Vietnam (Cong Nghiep ICT - Make in Viet Nam, n.d.). The selection of cases relied on theoretical sampling (Miles, M. B., & Huberman, A. M. (1994). The research sites of this study are the two small software outsourcing companies based in Vietnam - Axalize and VCN.

The result of the study shows that though both companies receive positive evaluations on task coordination from their CEOs, there exists difficulties within global distributed teams which include both the difficulties popularly mentioned in many research such as language barriers and different time zones, or the under studied ones such as the variations in academic background and working experience among team members and technical disparities between internal and client teams.

In addition, despite sharing the same milestones in the offshoring projects, the two companies have two different task coordination patterns which results from the two different project management methods: waterfall and agile. Investigating into this difference, this study reveals the relationship between the stability of client's requests and task coordination pattern, and the relationship between the working experience of team members and task coordination pattern.

Considering organizational politics, the study figures out the relationship between the impacts of the organizational politics on work performance and their adoption by global distributed teams.

This thesis also reveals that applying appropriately alignment practices, a part of organisation politics, can improve task coordination amongst team members, which is an implication for organisational management.

## 2. EMPIRICAL CONTEXT

### 2.1. Software production through offshore outsourcing

The growth of outsourcing to include all organisational activities has been driven by fast growing product and service markets, both locally and offshore, and

advancements in information and communications technologies (ICTs) (Aron & Singh, 2005).

Globalisation has substantially changed the information technology sector from its roots. One effect of this phenomenon that has gained momentum in recent years is software development outsourcing (García-Peñalvo et al., 2014). Ebert & De Neve, (2001) and Sparrow (2003) figured out that global skill shortages, more mobile workforces, increasing in-house software development costs, the need to quickly adopt new technologies, accelerating systems development, the explosion of new Internet technologies and services necessitating a wide range of new skills are the factors that have fueled the internationalisation of software development. Lacity (2016) shared the idea that in order to develop high-quality software at a low cost through vendor organisations, vendor and client organisations enter into a contractual relationship known as software outsourcing.

For developing nations with a big pool of educated human resources, globalisation has opened up new opportunities. To be more specific, they can provide good software engineers through offshore outsourcing for lower prices (Jang et al., 2010). Offshoring can be defined as the relocation of business processes, which include production, distribution, and business services, as well as core activities like research and development) to lower-cost locations outside national borders. This term assumes the perspective of the country of origin (Erber & Sayed-Ahmed, 2005).

Ferguson (2004) concluded that outsourcing will go further along a company's value chain as a result of advancements in communication technologies, the maturity of companies' outsourcing processes and models, and organisations' experience. Meanwhile, Khan (2009) identified and analysed factors that are critical in terms of the competitiveness of vendor organisations in attracting outsourcing projects in their research. According to their research, outsourcing clients typically view the following factors as fundamental: cost reduction, qualified human resources, sufficient infrastructure, product and service quality, effective outsourced relationship management, and an organisation's track record of completed projects. Their findings demonstrate the prevalence of proper infrastructure, cost-saving measures, and competent employees in three continents, including Asia, North America, and Europe. In addition, four factors that are appropriate infrastructure, cost-saving measures, high-quality goods and services, and qualified human resources—have become standard during the past 20 years (from 1990 to mid-2008).

As per the latest data from Statista, the IT Outsourcing market is poised to achieve substantial growth, with projected revenue reaching an impressive US\$512.50 billion in

the year 2024. The market anticipates a robust annual growth rate (CAGR 2024-2028) of 10.99%, foreseeing a remarkable expansion that would culminate in a market volume of US\$777.7 billion by the year 2028. Notably, the average Spend per Employee within the IT Outsourcing market is expected to ascend to US\$146.1 in 2024. These projections underscore the dynamic and thriving nature of the IT Outsourcing sector, reflecting both substantial market size and sustained growth trends in the coming years.

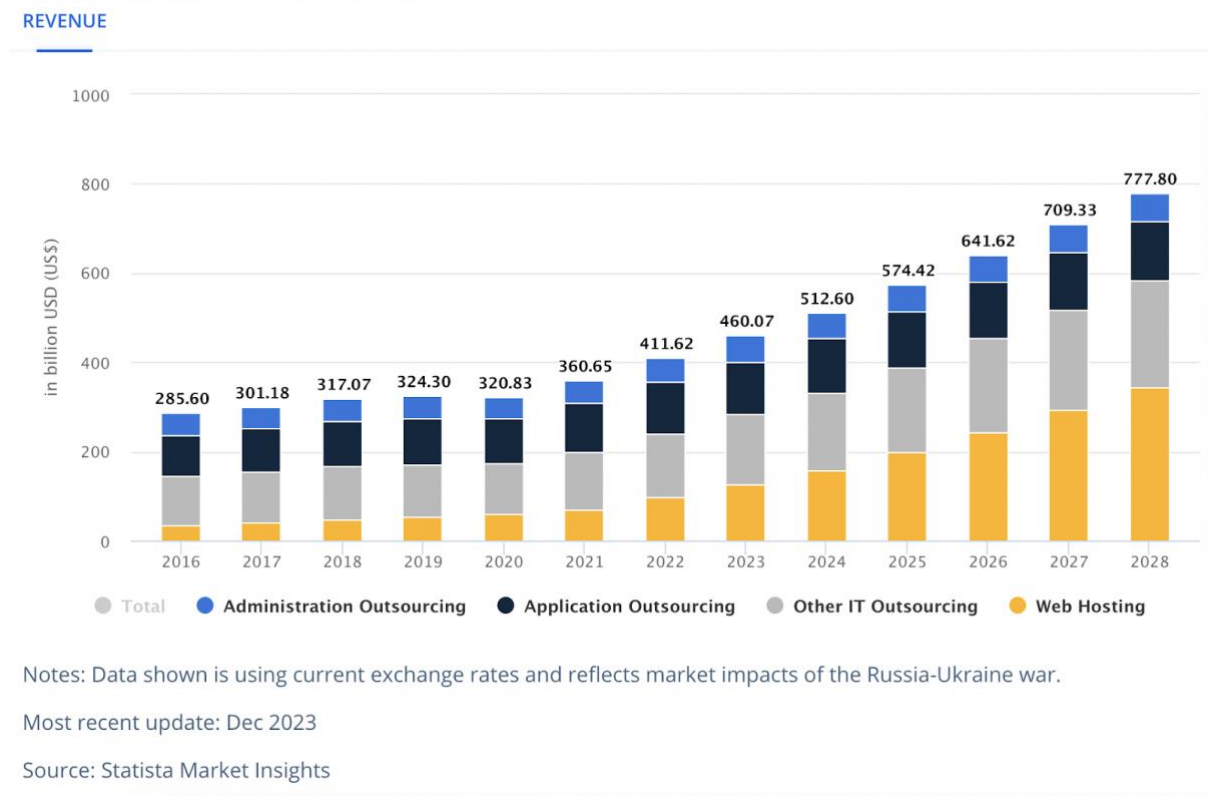


Figure 1: IT Outsourcing trend 2016 – 2028  
 (IT Outsourcing - Worldwide | Statista Market Forecast, n.d.)

## 2.2. Emerging economies as software offshore outsourcing destinations

Outsourcing to emerging nations is becoming a more significant source of economic activity and corporate transformation as businesses in developed countries seek competitive advantage (Graf & Mudambi, 2005; Kakabadse & Kakabadse, 2005; Kotabe & Zhao, 2002).

India, Ireland, and Israel became prominent software exporters in the 1990s. During the same time frame, substantial software industries were also developed in Brazil and China, which are currently trying to transition to exports (Arora & Gambardella, 2005)

In addition to changing the balance of international commerce, the economic rise of Asian nations and the availability of skilled labor at significantly lower prices have

led to major outsourcing to several rising economies, including China and India (Javalgi et al., 2009).

Figure 2 demonstrates the trend of software production and exporting in India in the 1990s to early 2000s. The Indian software and related service industry has grown at an unprecedented rate over the past decade. The output value of India's software and service sector increased more than 18 times from less than US\$ 830 million in 1994-95 to US\$ 15.5 billion in 2003-04. The sector growth, fueled mainly by exports, is clear from the fact that exports of software and services increased by more than 25 times during the same period.

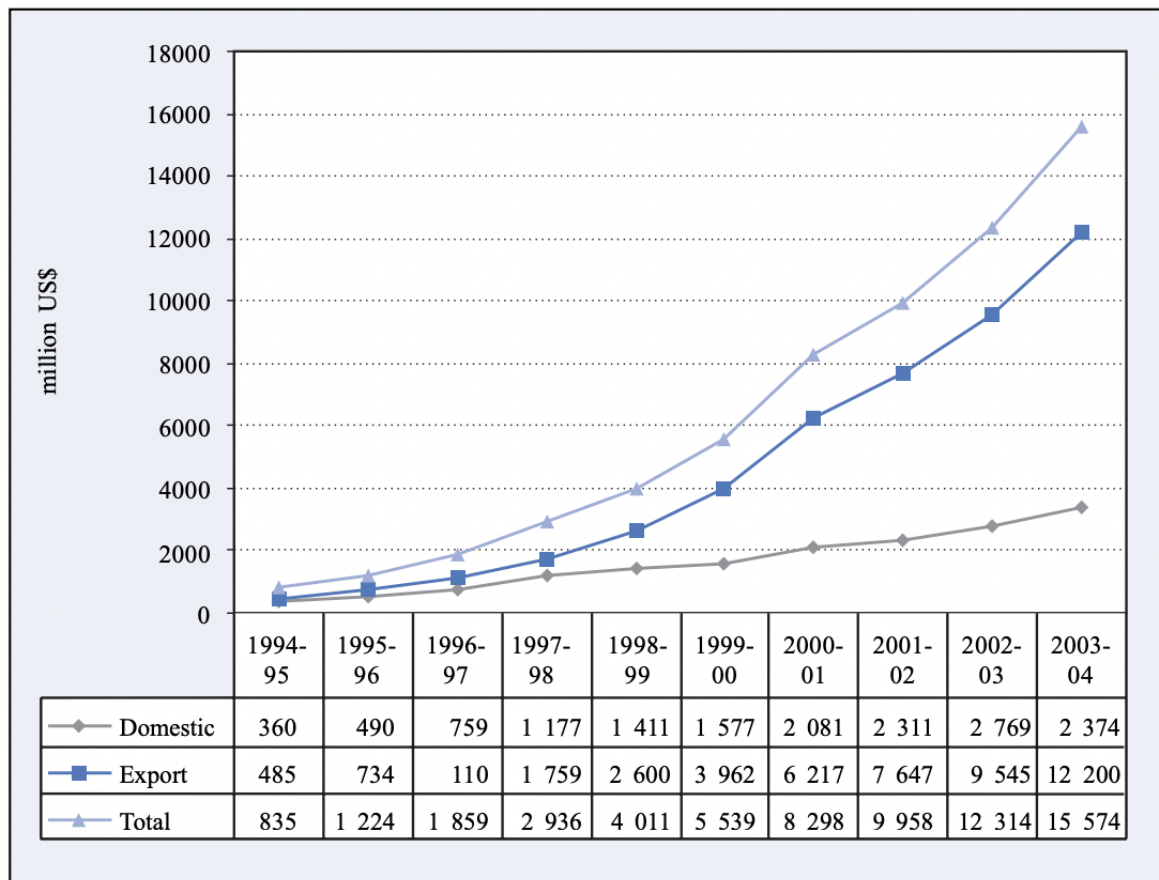


Figure 2: Trend in production and export of software and service in India (1994 – 2004) (Kumar, 2005)

Jang (2010) in the research of "Evolution of Offshore Software Outsourcing in East Asian Countries: From Cost to Relation" claimed that the cost argument and Indian model of offshore are not the same as the offshoring practices in East Asian nations. And it is worthwhile to shed light on the outsourcing business strategies in China, Vietnam, and Japan. One of the world's economies with the quickest growth rates is that of China and Vietnam. Even though they are still governed by a socialist system, they are quickly transitioning to a globalized market economy. As a result, these nations have significant



market potential and worth. These East Asian nations, particularly Japan, are neighbors, thus they have continued and increased their support and collaboration in a variety of areas. So, rather than being named "offshore outsourcing," it might be called "nearshore outsourcing." (Kehal & Singh, 2006).

### 3. THEORETICAL BACKGROUND

#### 3.1. Theories on outsourcing

Many firms have been pushed to focus on a small number of important areas in order to increase efficiency and cut costs. Due to this, businesses are now outsourcing tasks and services that were formerly handled inside (McIvor, 2005). Many ideas have been proposed by many authors to explain the phenomenon of outsourcing (Gottschalk & Solli-sæther, 2005, Pedersen, 2007). The study of outsourcing has been greatly influenced by transaction cost economics (TCE) and the resource-based view (RBV) of the firm, both in theory and in practice (McIvor, 2005). Meanwhile, Perunović and Pedersen (2007) suggested some other perspectives such as relational view and concept of competencies.

#### Transaction Cost Economic

Transaction Cost Economics indicates the conditions under which an organization should manage an economic exchange internally within its boundaries, and the conditions suitable for managing an economic exchange externally such as outsourcing (Williamson, 1975, 1985). According to Transaction Cost Economics, the primary factor determining whether an economic exchange should be managed internally within the business is the level of transaction-specific investment in the exchange (McIvor, 2005).

Transaction Cost Economics relies on three primary dimensions when characterising transactions: **asset specificity, uncertainty, and frequency**. These are the elements that decide whether an activity may be outsourced or carried out internally (De Vita et al., 2011).

Among these, **asset specificity** stands out as particularly crucial due to its significant impact on governance structure choices (Riordan & Williamson, 1985; O. E. Williamson, 1979). Asset specificity refers to the extent to which an asset can be redeployed without losing productive value (O. Williamson et al., 1989). In software outsourcing, specific investments, like human capital from both parties, may lack value if the contract terminates prematurely, leading to post-contractual hold-up concerns (Wang, 2002).

**Uncertainty** is another key factor influencing governance structures. Parametric or environmental uncertainty, highlighted by Williamson (1979), complicates contract writing and enforcement due to unforeseen contingencies.

The third dimension, **frequency**, pertains to the occurrence of transactions. Rarely occurring transactions may not justify specialised governance mechanisms due to high setup and maintenance costs outweighing potential losses (Anderson & Schmittlein, 1984). Although software development involves ongoing, interrelated transactions, the study, focused on customised software outsourcing projects, omits the frequency dimension without sacrificing theoretical completeness (Richmond et al., 1992).

Transaction cost economics takes a contractual perspective on the firm's existence and examines the efficiency of conducting transactions internally versus the cost associated with utilising market mechanisms for such transactions (O. E. Williamson, 1975). Indeed, the focus of Transaction Cost Economics is on transaction costs, but transactions also have benefits. With that argument, Boudreau (2007) proposed four additional transaction characteristics that are relevant in the context of benefits: (1) the intensity of knowledge, (2) the segmentation of knowledge, (3) the dispersion of knowledge, and (4) the scarcity of knowledge.

**The intensity of knowledge** is a critical factor, emphasising the degree to which a transaction relies on knowledge and skill rather than tangible goods. In the realm of open source development, where software creation demands a high degree of knowledge intensity, this characteristic becomes increasingly relevant, particularly in an era where modern economies are characterised by a growing emphasis on knowledge-intensive activities (Adler, 2001).

**The segmentation of knowledge** underscores the necessity of involving more than two parties in executing a transaction, especially when dealing with complexities. The open source model typifies this characteristic, as software development projects often engage numerous independent parties, each specialising in distinct areas. The modular nature of these transactions allows them to be divided into manageable segments, ensuring collaboration among diverse experts (Gallivan-Fenlon, 1994).

**Dispersion of knowledge** pertains to the geographical distribution of expertise needed for transaction completion. Open source communities serve as a prime example, where developers from different global locations contribute to projects. This decentralised approach facilitates the recruitment of community members based on talent, enabling the provision of high-quality expertise and fostering the introduction of innovative ideas.

Lastly, **the scarcity of knowledge** highlights the rarity of expertise required for a transaction. In knowledge-intensive sectors like software development, an elite and innovative core is essential for creating future products. Open source developers, for instance, highly value intellectual stimulation and self-improvement, necessitating additional incentives beyond traditional motivators such as command and control or financial returns (Lakhani & Wolf, 2005).

### **Transaction Cost Economic in Software development outsourcing**

In Wang's (2002) investigation into Transaction attributes and software outsourcing success within the framework of transaction cost theory, it is concluded that various transaction attributes have discernible impacts on a contractor's post-contractual opportunism and the overall success of outsourcing endeavours. Consequently, these attributes should be given careful consideration in the planning and execution of software outsourcing projects. Notably, the study highlights the importance of contractor reputation, a factor often overlooked in traditional transaction cost analysis, as a significant influencer in outsourcing outcomes, emphasising the need for thorough contractor evaluations during the selection process. Contrary to conventional transaction cost arguments that emphasise the risks associated with outsourcing firm-specific activities due to potential hold-up problems, this research challenges the notion. It suggests that asset specificity can indeed contribute to productive value, leading to positive gains for outsourcing firms. However, it underscores that the positive impact of asset specificity is contingent upon the level of uncertainty involved in the project. Therefore, while asset specificity alone may not be a decisive factor against outsourcing, its effects are influenced by factors such as contractor reputation, project uncertainty, and the mutual dependence between parties. In summary, the study's findings align closely with the predictions of Transaction Cost Theory, offering valuable insights for guiding decisions in the realm of software outsourcing.

### Resource-based view

Resource-based view is a different theory to consider when analysing the outsourcing choice since it sees the company as a collection of resources and assets that, when used in unique ways, can provide it a competitive edge (Peteraf, 1993, Barney, 1991).

According to Patel (2019), the operations that are not a part of a company's core competencies and are unrelated to its competitive advantage are those that are outsourced most frequently. Resource-based view has a wider scope when studying outsourcing because it also takes into account how this tactic affects organisational

performance. Companies need resources from outside sources because they lack the internal resources to provide a competitive edge (Yuan et al., 2020).

Resource-based view has been widely used in the information system field (Taher, 2012). According to Penrose (1959), the ability of organisational management to effectively combine these resources empowers the organisation to capitalise on market opportunities, thereby contributing to its overall performance. Grant (1991) reinforces the significance of resources as the fundamental unit of analysis in organisational processes, portraying a firm as an aggregation of resources and capabilities crucial for its sustenance. The RBV contends that a firm's competitive advantages are rooted in its collection of resources, and the characteristics of these resources play a pivotal role (Barney, 1991). A prevailing paradigm has emerged to explore the connection between a firm's resources and its competitive advantages or sustained competitive advantage (Feeny et al., 2003). The theory suggests that competitive advantage is often generated and sustained through resources possessing specific characteristics such as durability, rarity, appropriateness, non-substitutability, immobility, difficulty of imitation, and value in the firm's environment and marketplace (Bouquet & Birkinshaw, 2008; Wade and Hulland, 2004; Barney, 1991).

### Relational view

According to (McIvor, 2005), the relational approach builds and explains how firms develop and maintain a competitive advantage within inter-organizational interactions. The fundamental premise of this argument is that relational rents, a concept that has been investigated to explain how businesses select their outsourcing partners and preferred kinds of relationships. Additionally, it has been applied to research the phases of Transition, Managing Relationships, and Reconsideration. According to (Pedersen, 2007), this makes the relational view the only theory that has been used in the research of all phases of the outsourcing process.

### Concept of Competencies

According to Pedersen (2007) the resource-based approach has served as the foundation for the development of the idea of core competencies. The core competences were described by Prahalad & Hamel (1990) as the collective learning inside the organisation, particularly the coordination of various production skills and the integration of many stream technologies. Researcher interest in the use of the concept of core competencies in outsourcing has grown significantly. The idea has mostly been used to create and evaluate several outsourcing choice frameworks that support keeping core operations in-house. According to Levina & Ross (2003), one of the key

elements influencing the success of an outsourcing arrangement is the vendor's competency.

## 3.2. Theories on global distributed team and the issues relating to task coordination and organization politics in global distributed teams

### 3.2.1. Global distributed teams

A number of factors, including the tendency to outsource non-core business operations and the desire to tap into a skilled, knowledgeable, but relatively inexpensive labor pool by establishing production facilities in developing nations, have combined to increase the prevalence of global distributed work (Sidhu & Volberda, 2011). Lewin & Peeters (2006) report in a descriptive study that businesses are now outsourcing almost all business functions, including R&D, in an effort to take advantage of lower production costs abroad and the knowledge that is available in far-off markets (Carmel, 1999). This trend is not limited to IT-related activities.

According to Lipnack and Stamps (1997), a geographically dispersed or global distributed team (GDT) is described as a collection of people who are (i) based in various countries; (ii) interdependent and motivated by a common goal; (iii) rely more on technology-supported communication than face-to-face communication. Maznevski (2000) integrate this concept by noticing that GDTs are also global in their tasks and are responsible "for making and/or implementing decisions important to the organisation's global strategy".

### 3.2.2. Task coordination issues of global distributed teams

Although offshore outsourcing is said to have many benefits for Western organizations, such as cost savings, a shorter time to market, access to global expertise, easier entry into local markets, and increased codification of internal processes (e.g., Farrel, 2006; Gupta et al., 2007), it bears a number of risks (Khan et al., 2017).

Captive offshoring increases the complexity of management because it calls for the coordination of interdependent tasks being carried out by team members who are global distributed from one another and who have different backgrounds in terms of knowledge, abilities, and cultures (Sidhu & Volberda, 2011).

It is becoming more widely acknowledged that the fundamental dynamics of distributed teams are different from those of co-located teams (Hinds & Bailey, 2003; McDonough, 2001). When people performing specialized, related jobs are not physically adjacent to one another, conflict is more likely to occur, making it more

difficult for distributed teams to coordinate (Armstrong & Cole, 2002; Durnell Cramton & Hinds, 2004). A recurring issue in various models of distributed-team conflict is the importance of **effective communication**. For instance, Cramton (2001) argues that the maintenance of mutual knowledge is a major issue of spatially distributed cooperation by drawing on research that views mutual knowledge as a forerunner of efficient communication and task performance (Clark, 1996; Fussell & Krauss, 1992).

Additionally, members of internationally dispersed teams frequently come from **diverse professional backgrounds and experiences** (Gurung & Prater, 2006; Metiu, 2006; Oza & Hall, 2005). As a result, professional identities become diverse and possibly at odds. Particularly, how people view their work and define themselves as professionals has a big impact on how they interpret events like interruptions (Mattarelli & Tagliaventi, 2010). In line with this, (Hinds & Mortensen, 2005) study of R&D teams in two nations reveals that lower degrees of **shared context and identity** across locations are connected to higher levels of interpersonal and task conflict. The study also discovered that spontaneous communication mediated the relationship between distribution and conflict and was related with a more shared identity and context.

Due to **linguistic** and **cultural variations**, these issues are likely to become considerably more severe when distributed teams straddle national lines (Krishna et al., 2004; Watson et al., 1993).

In light of the role interpersonal communication plays in preventing conflict and enabling collaborative effort, the use of information and communication technologies to overcome the drawback of limited face-to-face contact between onshore-offshore team members has come under scrutiny (Kankanhalli, 2007; Lipnack & Stamps, 2000). The empirical research indicates that the usage of ICT does actually affect how distributed teams coordinate. Given a specific task and social setting, if the right computer-mediated communication tools such as shared databases, electronic messaging, computer conferencing and so on are used, this can assist task coordination by increasing the range, capacity and speed of information exchange between distributed teams (Daft & Lengel, 1986; Maznevski, 2000).

The ability of asynchronous and synchronous computer-mediated communication to quickly establish trust in international virtual teams will also likely facilitate cooperation (Jarvenpaa & Leidner, 1999). Better coordination is made possible in the specific context of software development, which necessitates the synthesis of application-domain knowledge and software engineering expertise (Bush et al., 2008). These infrastructures support efficient task-related information exchange between the client and vendor organisations as well as between the onshore and

offshore sites of the vendor organisation. Similar to this, Oshri et al., (2008) suggest that personalised and codified directories based on computer-mediated communication may be especially useful for knowledge transmission between onshore and offshore team members.

In order to manage the increased strategic complexity and supply chain risks, some companies have become overburdened by the number of new monitoring and coordinating responsibilities (Rothaermel et al., 2006).

### 3.2.3. Organizational politics in global distributed teams

In organizational and management literature, discussions on organizational politics are nothing new (Sidhu & Volberda, 2011). According to Pfeffer (1981), "fundamental concepts for understanding behavior in organizations" are power and politics. Oshri (2013) adds that power and politics are particularly important for managing knowledge processes among teams that are spread around the globe. For instance, Hardy & Phillips (1998) examine power relationships in interorganizational collaborations and highlight three crucial elements - formal authority, critical resources, and discursive legitimacy - that may also be important in various types of organisational relationships in globally dispersed settings.

Meanwhile Wang & Wei (2007) indicate the relationships between relational governance and coordination for information visibility and flexibility in the interorganizational context of supply chains. The results demonstrate that information visibility is enhanced through relational governance and virtual integration. These findings also support relational governance's direct and indirect (through information visibility) effects on supply chain flexibility. The study's findings indicate that by improving **information visibility** through virtual integration and relational governance, businesses can achieve better supply chain flexibility within their current interorganizational connections.

Contradictory perspectives continue despite current scholarly interest in discussing the role of organisational politics in organisational life in complex companies (Bouquet & Birkinshaw, 2008; Dörrenbächer & Geppert, 2006). Organisational politics are frequently the subject of managerial ambivalence; perspectives on them range from being viewed as dysfunctional and Machiavellian to being viewed as useful and desirable in organisational life (Buchanan, 2008). "Office politics" as a metaphor has frequently conjured up negative associations, something to be avoided or aggressively rejected (Pettigrew, A.M. 1973). As noted by Knights & McCabe (2002) "Politics remains as the discourse that 'dare not speak its name.'"

Political behaviour is perceived as being unethical, cunning, and unapproved (Mayes and Allen, 1977), "pathological" (Coopey & Burgoyne, 2000), "a walk on the dark side" (Ferris & King, 1991), a "social disease" (Chanlat, 1997), and connected to poor performance and lack of transparency (Eisenhardt and Bourgeois, 1988). Environments that are regarded as political are thought to foster or protect self-interested behaviour, such as taking credit for others' accomplishments and advancing one's own agenda at the expense of others. Because a political atmosphere tends to muddle the relationship between performance and reward and casts doubt on the fairness of decision-making, this breeds suspicion and a breakdown of trust.

Theoretical work on agent teamwork (Tambe, 1997; Grosz & Kraus, 1999) characterises team behaviour as having the following features: First, the agents need to share **the goals** they want to achieve, share an **overall plan** that they follow together and to some degree share knowledge of the environment (situation awareness) in which they are operating. Second, the agents need to share the intention to execute the plan to reach the **common goal**. Third, team members must be aware of their capabilities and how they can fulfill roles required by the team high level plan. Fourth, team members should be able to monitor their own progress towards the team goal and monitor teammates activities and team joint intentions (Cohen & Levesque, 1991).

The development of a **shared identity** - "as a tool to frame political claims" and a **shared work context** are suggested as additional mechanisms to foster coordination (Oshri et al., 2008). The shared-identity notion is used in the research on social identification and categorization to describe how people perceive their proximity to or separation from others in terms of sociocultural, demographic, and cognitive characteristics (Ashforth & Mael, 1989; Tajfel & Turner, 1985). The creation of a sense of shared identity with others, same norms and values, and membership to the same "in-group" are all prerequisites for the establishment of a shared identity (Hogg & Terry, 2000; Rose & Tajfel, 1981).

### 3.3. Research question

With the interest in Information and Communications Technology and actual working experience from the internship in a software outsourcing company, in this research, I would like to answer two research questions:

RQ1: What are the issues relating to task coordination in global distributed teams and the effects of organisational politics on the task coordination in global distributed teams from the perspective of software outsourcing companies in Vietnam?

RQ2: Which organisational politics practices can be applied to solve these issues?



## 4. METHODOLOGY

In my thesis, I will apply the multiple-case design and adopt a “synthetic strategy” to the data analysis process. The selection of cases will be based on theoretical sampling (Miles, M. B., & Huberman, A. M. (1994)) with a focus on **Vietnamese companies of small or medium size**.

In the following step, data will be collected by two main sources: archival research in the business press and other secondary sources, and semi-structured interviews with members of the companies.

Archival research: preliminary archival research in business magazines and other secondary sources (websites, corporate directories, annual reports and other corporate documents that are publicly available, etc.) will help me to draw a company profile and get information of the members such as positions in the company, working experience and responsibilities in the outsourcing projects.

Semi-structured interviews: from the results of archival research, semi-structured interviews will be designed to be fitted with the companies' and interviewees' situation. For each company, I will interview from two to four members in different positions to have different points of view about outsourcing projects. The interviews are composed with three parts: part one is about the general information of the company and the interviewee, part two is about the task coordination in the outsourcing projects and factors that the informants consider as difficulties in their work and part three is about the organizational politics and their effects on task coordination amongst team members in the projects.

### 4.1. Vietnam context - a software offshore outsourcing destination

Vietnam is a nation that is progressively attracting outsourcing of software development from Western and Asian nations equally according to S.R. Chidamber (2003). Vietnam's annual IT spending was estimated to be \$1 billion in 2002, and the market is anticipated to expand 25–30 percent annually through 2010, making it one of the world's fastest-growing tech markets (Schwartz, 2002). (Gallaughier & Stoller, 2004) figured out that lower manufacturing costs, a competent labour pool, an increase in government incentives, national stability, and a sizable foreign expat population all favour Vietnam for IT outsourcing. Meanwhile, Hanh (2021) added dynamic population and reasonably priced but high-quality workforce are other competitiveness of Vietnam.

The Vietnamese government has identified Information and Communications Technology as one of key industries that may help Vietnam transform its manufacturing economy to a knowledge-based economy. To promote and enhance IT industry and especially the software industry, Vietnam has issued several policies that aim to: (1) set up a favourable investment environment, (2) expand the market, (3) develop human resources, (4) protect copyrights, and e) create favourable telecommunication infrastructures (Jenkins, 2004). For Vietnamese software companies, these policies are concretized by: (1) a four year exemption from income tax from the first year a company has a taxable income, (2) preferential income taxation for software industry staff, (3) 0% Value Added Tax for software products and services, d) 0% import tax for materials directly used for software production, (4) 0% export tax for software products, (5) subsidised internet connection fees for companies operating in software parks, and (6) exemption for all local and foreign software companies, or have diminished land tax and costs of using and renting land (Athukorala et al., 2006).

Hanh (2021) added The Vietnamese government is paying attention to the development of the software industry, which is regarded as one of the pivotal sectors to assist the country in achieving its national objectives and adding prosperity to the national economy. Hence, the State has issued policies to stimulate the development of this industry, such as investing in human resources, strengthening telecommunications infrastructure systems, or issuing relevant regulations and policies to protect and encourage future investors.

## 4.2. Data collection

According to the data of 'Make in Vietnam' by the Department of ICT, Vietnam has 17,183 software businesses. In which large companies account for 0.3% (52), medium ones account for 0.85% (146), small ones occupy 6.75% (1,160) and micro ones 91,1% (15,825).

To Vietnam Law, a micro-enterprise in the ICT sector has an annual average of 10 employers or fewer who have made contributions to social insurance and total annual revenue is not more than VND 3 billions (115,000 euros) or total capital is not more than VND 3 billions (115,000 euros).

A small enterprise has an annual average of 100 employees or fewer who have made contributions to social insurance and total annual revenue is not more than VND 50 billions (1,920,000 euros) or total capital is not more than VND 20 billions (770,000 euros), other than the micro-enterprise as prescribed.

A medium-sized has an annual average of 200 employees or fewer who have made contributions to social insurance and total annual revenue is not more than VND 200 billions (7,690,000 euros) or total capital is not more than VND 100 billions (3,845,000 euros), other than the micro-enterprise small enterprise as prescribed.

The study was conducted on two small firms in Vietnam. The selection of cases relied on theoretical sampling (Miles and Huberman, 1994). In this research, I focus on what we could refer to as 'offshore orientation' which indicates that the companies have strategies toward foreign clients. With public sources, I compile a list of 100 small and medium software businesses in Vietnam, specifically in the two biggest cities Hanoi and Ho Chi Minh City. After that I collect information through their websites to see if they have experience in international projects. Then I contacted them to ask them to join the study. At the end I got 2 companies with 2 CEOs and 5 employees in the sample agreeing to join the interviews.

### 4.3. Research sites

#### Axalize

Axalize is a medium-sized Vietnamese company located in Hanoi, Vietnam, that develops software worldwide. It was founded in 2019 by Kengo Nakao, a Japanese Software engineer.

Graduating from Victoria University, Australia, Nakao worked as an Software Engineer at a Japanese software development company, where he was involved in real estate, education, and power-related development. After that, he moved to Hanoi, Vietnam in 2017. He worked for one year as a Project Manager at an IT outsourcing company based in Vietnam. He became independent in April 2019 and established Axalize in Hanoi, Vietnam with a co-founder Quang Duong Nguyen.

Structure of Axalize: Axalize has 26 employees, which is composed of three main departments: Back Office, Sales, and Development.

Axalize's mission is to utilise cutting-edge technology to realize the optimal value for each client and individual of the company in the best possible way.

Axalize has three main business services: Web system development, Mobile app development, and Robotic process automation (RPA) development. In which Web system and Mobile app development are the most focused ones. Axalize had projects in various business areas such as: e-commerce, social media, public businesses,...

Since its foundation, Axalize has had 35 foreign clients. Most of Axalize's clients are from Singapore, Japan, Korea and Vietnam. There are two kinds of projects: direct

projects in which the company works directly with the clients and indirect projects in which Axalize receives projects from other consulting companies or marketing agency and does not work directly with clients' teams, instead the internal team works with the team in those consulting companies/marketing agencies.

### VCN Corporation

VCN Corporation was founded in 2011 by Pham Trung Hieu. The mission of the company is to not only build websites and mobile applications that suit customers' requirements, but also create special products that bring great experiences to the users.

Structure of VCN: The company has 40 employees which is constituted by 3 departments: Administration, R&D and Development. In the Development team, there are three teams: Web Development Team, System Development Team and Mobile Application. Those are three main services that VCN offers: Web development, Mobile application development and System development. Most of VCN's clients are based in the UK. According to Pham Trung Hieu, founder and CEO of the company, as VCN has built a long time relationship with its clients, the company often receives references from those clients and does not have to look for new clients.

Similar to Axalize, VCN has two sources of projects: direct projects in which the company works directly with the clients and indirect projects in which the company receives projects from other consulting companies and does not work directly with clients' teams, instead the internal team works with the team in those consulting companies.

A summary of the general information about two companies is demonstrated in the table below:

	<b>Axalize</b>	<b>VCN</b>
<b>Employees</b>	26	40
<b>Departments</b>	Back Office, Development, Marketing and Sales	Administration, R&D and Development

*Table 1: General information of the companies*

## 4.4. Interviews and Informants

### **Semi-structured interview**

To begin, I conducted in-depth interviews with the CEOs/Directors of the two companies. The interviews were aimed at understanding the visions, missions and structure of the companies, the evolution of offshoring activities, and the roles of the offshore projects in the development plan of the companies.

After the initial interviews, I asked the CEOs to identify the offshore projects with foreign clients and members who participate in these projects mainly.

At Axalize, I interviewed **3 members including 2 Project Managers and 1 Senior Developer**. Meanwhile at VCN, I interviewed **1 Project Manager/Team Leader and 1 Senior Developer**. All the interviews were conducted through video conferences with Google Meet. Each interview lasted from 40 minutes to one hour. The interviews were audio recorded, transcribed into text files then coded. I also had a chance to visit Axalize office in Hanoi and talk with the 2 interviewees and discuss some results from the study.

### **Archival data**

I looked up Axalize's and VCN's internal reports, newsletters, organizational charts, and workplan templates to gain a deeper and richer understanding of the setting under study.

## 4.5. Data Analysis

The analysis of data in this study used a combination of established methods for grounded theory development (Glaser and Strauss, 1967; Locke, 2001) and comparative case analysis (Eisenhardt, 1989). Grounded theory is a qualitative research methodology that aims to systematically develop theories based on empirical data. It was developed by sociologists Barney Glaser and Anselm Strauss in the 1960s.

Grounded theory represents a seminal qualitative research methodology that has gained widespread recognition for its systematic approach to theory development. Rooted in the tenets of inductive reasoning, this methodological framework aims to derive theories directly from the data, providing a nuanced understanding of complex phenomena (Charmaz, 2006). The process involves constant comparison, theoretical sampling, and an iterative coding process to discern patterns and relationships within the data (Glaser & Strauss, 1967). The goal is to construct categories and concepts that form the foundation of a grounded theory, capturing the essence of the researched phenomenon. Grounded theory is particularly advantageous for its flexibility, enabling researchers to explore diverse research questions across various disciplines (Charmaz, 2014). This introduction establishes the fundamental principles of grounded theory,

positioning it as a valuable and robust qualitative research methodology with enduring relevance in contemporary academic inquiry.

The key characteristics and steps of grounded theory include:

- **Inductive Approach:** Grounded theory uses an inductive approach, meaning that the theory emerges from the data rather than being imposed beforehand. Researchers start with an open mind and let the theories evolve as they analyse the data.
- **Constant Comparison:** Researchers continuously compare data as they collect and analyse it. This involves comparing incidents, events, or concepts within and between interviews or observations to identify patterns and relationships.
- **Theoretical Sampling:** Unlike traditional sampling methods, where participants are selected in advance, grounded theory involves theoretical sampling. Participants are selected based on emerging theories, and data collection continues until theoretical saturation is reached.
- **Coding Process:** Coding is a central component of grounded theory. Data is systematically broken down into discrete components, or codes, which are then organised and grouped into categories. This process helps identify patterns and relationships within the data.
- **Categories and Concepts:** As coding progresses, categories and concepts emerge, forming the building blocks of the grounded theory. These categories are refined and integrated to develop a cohesive and comprehensive theoretical framework.
- **Memoing:** Researchers engage in memoing, which involves writing reflective notes throughout the research process. Memos capture thoughts, ideas, and reflections on the data and emerging theories, aiding in the development and refinement of the grounded theory.
- **Theoretical Saturation:** Grounded theory seeks theoretical saturation, the point at which no new information or insights emerge from the data. This indicates that the theory has been sufficiently developed and further data collection may not contribute significantly to the theory.
- **Write-Up:** The final stage involves writing up the grounded theory, presenting the developed concepts, categories, and relationships. The resulting theory should offer a deeper understanding of the phenomenon under study.

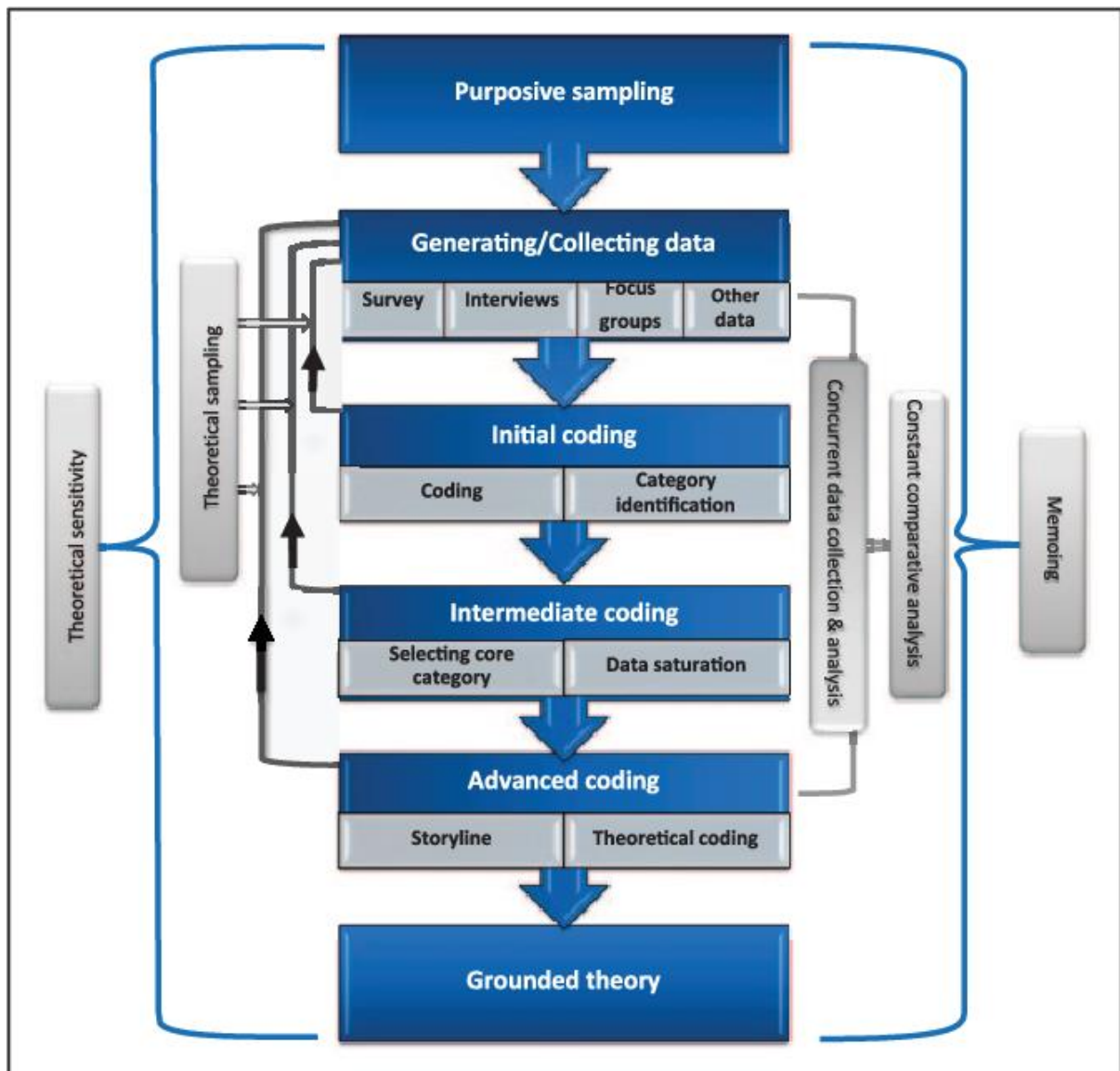


Figure 3. Research design framework: summary of the interplay between the essential grounded theory methods and processes (Tie et al., n.d.)

In summary, grounded theory is a systematic qualitative research approach that emphasises building theories from the ground up based on the data collected. It is characterised by its inductive nature, constant comparison, theoretical sampling, and a rigorous coding process, leading to the development of a comprehensive and grounded theory.

The analysis of data in this study used a combination of established methods for grounded theory development (Glaser and Strauss, 1967; Locke, 2001) and comparative case analysis (Eisenhardt, 1989). The process involved iterative data collection and analysis, where new data were continually gathered to assess the reliability and validity of emerging interpretations regarding potential explanations for organizational politics in offshore software outsourcing projects.

During the initial analysis phase, I thoroughly examined the descriptions provided by informants regarding offshore activities and organizational politics within companies.

The objective was to generate a comprehensive representation of the impact of organizational politics in the task coordination of the offshore software outsourcing projects. Following the principles of grounded theory building (Glaser and Strauss, 1967; Locke, 2001), the content analysis of company members' descriptions focused on identifying common categories across cases, with first-order categories labelled using the informants' own words. Through cross-case comparison in a second round of categorization, first-order categories were grouped into second-order macro-categories, illustrating the prevailing task coordination among team members in offshore projects.

The analysis then progressed from open coding, where statements and concepts from informants were disclosed and identified, to axial coding (Locke, 2001; Strauss and Corbin, 1998), where convergent themes were grouped at a higher level of abstraction. The identified themes were further organised into aggregate theoretical dimensions, resulting in three overarching categories: (i) difficulties in task coordination within Global Distributed Teams, (ii) application of organisational politics within companies, and (iii) the impact of organisational politics on task coordination. The organisational politics category encompassed four subcategories: common goals, common methods of communication, common work patterns and processes, and shared identity and work context.

Following the guidance of Strauss and Corbin (1998), the theoretical categories were interconnected to form a grounded theory. The study uncovered the task coordination and organisational politics in GDTs, despite the overall success and strategic consideration of offshoring by top managers in both cases. The ensuing sections provide a detailed portrayal of emerging themes, the developed grounded theory, and a discussion of theoretical and practical implications.

## **5. Results**

### **5.1. Data summary**

From information collected from the interviews, summary of the two study cases are demonstrated in the table below.

In general, both Axalize and VCN share a common aspiration of establishing long-term relationships with their clients, with the ultimate goal of transforming these associations into partnerships. As articulated by the CEOs of Axalize and VCN, the primary motivation for initially opting to offshore their software development projects is typically centred around cost reduction. However, after initial successful collaboration,



client companies express a desire to transition from mere service providers to strategic partners, fostering long-term cooperation.

The CEOs emphasise that successful project outcomes play a pivotal role in making this shift in dynamics. Notably, marketing agencies and consulting firms, having experienced fruitful collaborations, often propose a deeper partnership model. This inclination towards partnership is demonstrated in their willingness to bring forth additional projects, thereby enhancing the long-term alliance with both Axalize and VCN. This pattern underscores the transformative power of successful project delivery, not only in achieving immediate objectives but also in fostering enduring and mutually beneficial relationships that extend beyond individual projects. The shift towards partnership signifies a mutual recognition of the value each party brings to the collaboration, transcending a transactional service provider-client relationship into a strategic alliance focused on shared success and sustained growth.

Broadly, Axalize and VCN closely align their key project milestones in the offshoring process. The shared sequence typically involves initial stages of receiving a client's request, followed by the formulation of proposals. Subsequently, both companies engage in crucial phases that entail finalizing software architecture and developing a comprehensive work plan in collaboration with the client team, consulting firm, or marketing agency. The progression then advances through the development, testing, and ultimate handover of the completed projects.

**However, the analysis of the two case companies revealed the differences in task coordination patterns and organizational politics which result from the stability of client's requests and the working experience of the team members.**

Company	Axalize	VCN
<b>Governance form</b> <b>Nature of work</b>	Clients/Partners	Clients/Partners
<b>Initial rationale for offshoring</b>	Reducing cost Finding long-term partner	Reducing cost Finding long-term partner
<b>Evolution of offshoring activities</b>	Become partner and develop new products together	Become partner and develop new products together
<b>Project timeline</b>	<ol style="list-style-type: none"> <li>1. Receive request from client</li> <li>2. Team leader estimate timeframe and number of members to join project and make proposal</li> <li>3. Project Manager and Team Leader finalize</li> </ol>	<ol style="list-style-type: none"> <li>1. Receive request from client</li> <li>2. Team leader estimate timeframe and number of members to join project and make proposal</li> <li>3. Project Manager and Team Leader finalise software architecture, work plan and</li> </ol>

	<p>software architecture, work plan and priorities with client team/marketing agency.</p> <p>4. Project Manager introduces the project requirement to members of the project from different department</p> <p><b>5. Team Members work on assigned tasks, update Team Leader every day through daily reports</b></p> <p>6. Test finished features of the software</p> <p>7. Hand over the first version and discuss with client, fixing errors if any</p> <p>8. Hand over final products with instruction</p>	<p>priorities with client team/consulting team</p> <p>4. Project Manager introduces the project requirement to members of the project from different department</p> <p><b>5. Team Members work on the assigned tasks and update Team Leader every week, Team Leader update client every week after that, then update with the Team Members the changes or priorities of the following week</b></p> <p>6. Test finished features of the software</p> <p>7. Hand over the first version and discuss with client, fixing errors if any</p> <p>8. Hand over final products with instruction</p>
<b>Team size</b>	5-7 people at the beginning, then down to 3-5 people depending on each project	10-15 people at the beginning of the project, then down to 5-10 depending on each project
<b>Languages used in the projects</b>	English, Japanese	English
<b>Services</b>	Web system development, Mobile app development, and Robotic process automation (RPA) development	Web development, Mobile application development and System development
<b>Forms of contact</b>	Email, Chatwork	Email, Jira
<b>Meeting cadence</b>	Meeting with client's team/consulting team every week, meeting with internal team members more frequently, when needed	Meeting with client's team/consulting team every week, meeting with internal team members 1-2 times a week
<b>Task coordination between internal team and client team</b>	Task coordination between client's team and internal team happens through meetings and project management systems. It mostly happens at the beginning of the project to understand the client's requirement, finalize work plan, and task assignment. When having a final plan, Team Leader assigns tasks	For small requirements, communication and task coordination with clients' team happens via Discord, in which Ticket system is used to manage work progress and project management. For big project, team uses Jira or ERP system for task coordination. Task coordination between client's team and internal team

	<p>to Team Members. After that communication and task coordination happens only when there is difficulty or something to be clarified.</p>	<p>happens through meetings and project management systems. When having a final plan, Team Leader assigns tasks to internal members. Team Leader has a weekly meeting with the client's team or consulting team to update work progress and align the priorities of the following week.</p>
<p><b>Difficulties in task coordination</b></p>	<p>The company has difficulties in communication which are mainly due to the difference in language, culture and timezone, difference in academic background and working experience between client's team and internal team, technical difference between the two teams.</p>	<p>Main difficulty is different time zone so sometimes, it reduces the speed of communication and coordination. The company doesn't have difficulty in cultural differences because it has been working with the clients for many years already, so they quite understand each other. Teams also have difficulties which result from the difference in academic background and working experience amongst Team Members.</p>
<p><b>Common goals</b></p>	<p>Project Manager introduces project and project goals at the beginning of the project. After that, team members focus on completing tasks that they are assigned. Team members lack the big picture.</p>	<p>Before the project starts, the whole team will have a meeting to discuss about the project, Project Manager will introduce the project to team members and make sure that everyone are clear about the project common goals and objectives of each team, so the project can be carried out smoothly. Through weekly meetings, all team members understand the progress of the project, changes (if any) and objectives/priorities of each week.</p>
<p><b>Common communication method</b></p>	<ul style="list-style-type: none"> <li>- Communication with client's team can be through email, chat or video conference through Google Meet</li> <li>- Communication with internal team can be video call, work chat platform such as Chatwork, Slack, Telegram,... depending on</li> </ul>	<ul style="list-style-type: none"> <li>- Members in the team (both internal team and client's team) communicates through ERP, email or Google Chat/Meet depending on each client</li> <li>- Junior members are encouraged to communicate in person when there are</li> </ul>

	<p>client's preference</p> <ul style="list-style-type: none"> <li>- Junior members are encouraged to communicate in person when there are difficulties for better communication</li> </ul>	<p>difficulties for better communication</p>
<p><b>Common work patterns and processes</b></p>	<ul style="list-style-type: none"> <li>- Team members send team leader (cc PM) daily report at the end of the day for junior members and plan for the next days</li> <li>- When there is any issue, team members will report to team leader/PM</li> <li>- Team Leaders make a spreadsheet with a list of tasks to be completed and share it with team members, team members tick the tasks when they are finished</li> <li>- At least 1 day notice before the day off to Team leader and PM, so team leader can arrange handover.</li> <li>- 1 shared source code amongst team members</li> </ul>	<ul style="list-style-type: none"> <li>- When a part of the project is finished, team member should update test team so tester will test and make sure that part is qualified, then the team member notifies PM</li> <li>- Team Leaders create a pod for the project in Jira with a list of tasks, team members tick the tasks when they are finished</li> <li>- When there is any issue, depending on the seriousness of problem, team members will report to senior developer or PM</li> <li>- Team member who has the same mistakes repeatedly without improvement will be excluded from the team</li> <li>- Team leader has 1-2 weekly meetings with team member to update work progress of the last week and priorities of the following week</li> </ul>
<p><b>Shared identity and shared work context</b></p>	<p>The company has a system of titles including: Project Manager, Team Leader, Senior Developer, Junior Developer</p>	<p>The company has a system of titles including: Project Manager, Team Leader, Senior Developer, Junior Developer</p> <p>The company builds a family company spirit which increases the sense of belonging of members</p>

Table 2: Summary on task coordination and organizational politics in the two case companies

## 5.2. Task coordination and difficulties in task coordination

### 5.2.1. Task coordination at Axalize and VCN

Both Axalize and VCN have two types of projects: direct projects in which the internal teams work with client's team directly and indirect project in which the

company receives projects from partners - mostly consulting companies or marketing agencies. The internal teams therein work with consulting companies/marketing agencies.

Some of Axalize's partners are marketing consulting agencies which are based in Singapore and Vietnam. Those agencies work with clients not only in the two countries but also beyond them. At the same time, Axalize has built a long term relationship with some software consulting companies in Japan and got projects from those companies. Most of Axalize's projects are from those partners.

Meanwhile, VCN's partners are consulting companies based in the UK. Some of the projects of VCN are from those companies while other projects are directly from clients. With many years working in the UK market, VCN got good reputation and references from its clients, helping the company get many projects from direct clients.

In general, in both companies, within direct projects, task coordination occurs between the internal teams and client's teams. While within indirect projects, task coordination happens between internal teams and consulting teams/marketing agencies.

**The study revealed two main patterns of task coordination in the two companies which result from the differences in the stability of the client's requests and the working experience of the team members.** To be more specific, Axalize follows waterfall project management method. Meanwhile, VCN has a clear approach in project management with agile method. This difference leads to the differences in task coordination, especially in the development process.

## **Axalize**

# Timeline

AXALIZE

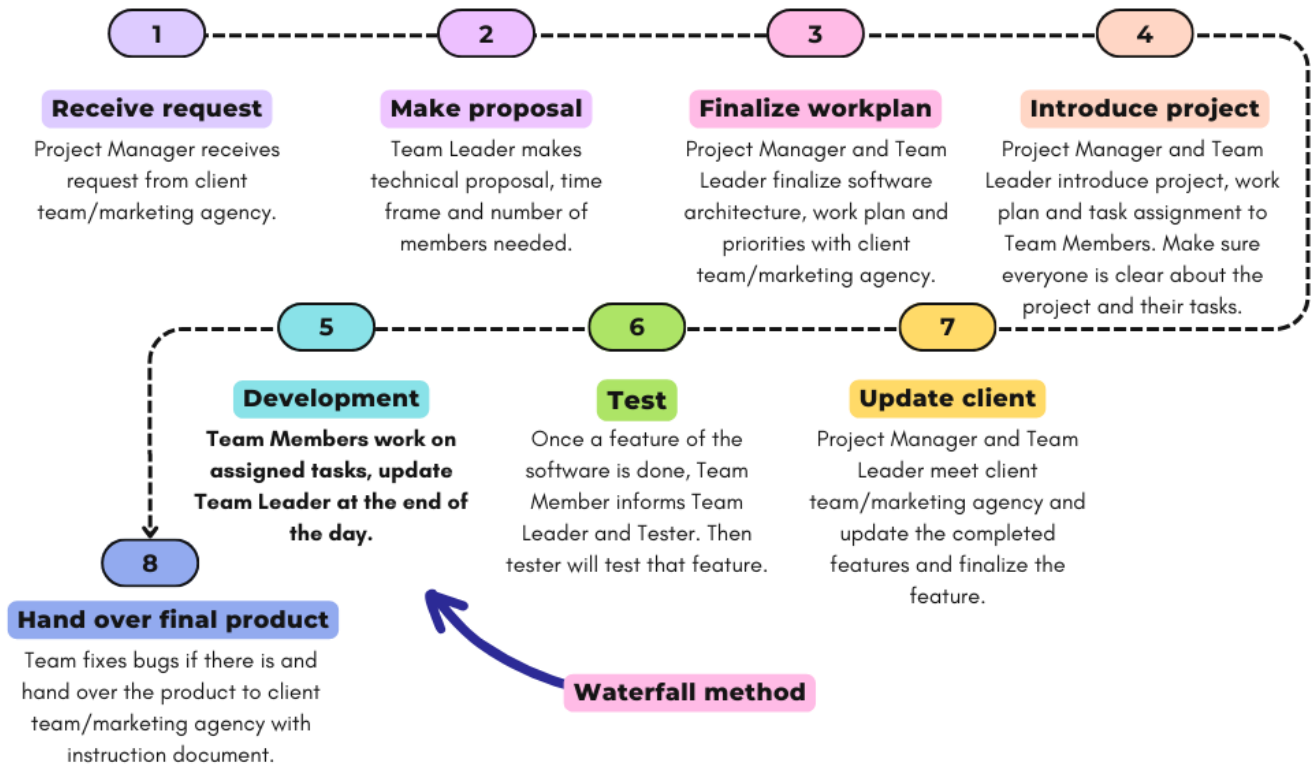


Figure 4: Axalize's project timeline

At Axalize, task coordination occurs predominantly during the initial phases of a project which is resulted from the waterfall project management method. At the beginning of the project, a lot of meetings happen with the objective of understanding client requirements, formulating a work plan, and allocating tasks amongst team members. After finalizing product architecture and programming languages to use with clients' teams, the Team Leader will assign tasks to internal Team Members. For the projects that Axalize was handed over from other consulting companies, the internal team instead has to finalize with the team in consulting firms before allocating tasks.

*"This part of the project is very important because in the software development field, the more the requirements of the client are solidified, the more smoothly the project will run. So, at the beginning of the projects, we always try to clarify the request of the clients. After that, team members focus on their tasks and try to deliver the work on time."*

Subsequent project phases witness a natural decrease in the frequency of task coordination activities. Meetings, to resolve potential ambiguities, become necessary

solely when the internal team needs further clarification or the client's team/consulting team has a change in the requirements.

Project teams, comprising 4-6 members inclusive of a Project Manager, 1 team leader, and 2-4 team members. For small projects, the team size is 2-3 members with the Project Manager also as a team leader. Team composition typically includes developers, encompassing both frontend and backend expertise, testers, and DevOps professionals if the company handles software distribution and deployments. Depending on the project size, a team may consist of, at a minimum, a project manager and a developer. This can be considered the baseline team size for executing even the smallest projects in virtually any setting.

The project manager plays a crucial role in assessing project requirements, managing communication between the client and developer, and overseeing all project activities. The developer, naturally, is responsible for product development, with the possibility of a full-stack developer being deployed based on the project's specific nature. Such a versatile figure can engage in both frontend and backend activities, contributing to various aspects of development. For daily communication, contact tools such as Chatwork, Slack, WhatsApp, and Telegram are used, depending on each client.

*For most projects, a minimum team of three members is essential, comprising a Project Manager and two developers—one for backend and one for frontend. However, project size may necessitate the addition of more team members on either side. As the number of developers increases, the need for a team leader becomes more apparent. A team leader assumes responsibilities related to documentation, team organization, and ensures the quality of the developed product by conducting one-on-one meetings with feature-specific developers. Additionally, at least one tester is indispensable. While automated tests cover a majority of scenarios, a tester evaluates whether the system aligns with the specified behavior and ensures that new features don't introduce regressions or bugs. In the contemporary landscape where most software undergoes automated distribution and deployment, there is often a need for a DevOps engineer. This professional is tasked with developing automation and establishing the necessary pipelines to facilitate software distribution.*

The Project Manager plays a central role in managing work progress and is the person between client team or consulting team and internal team. Meanwhile team leaders are the people who decide which techniques will be used within the project, including programming languages. At Axalize, team leader is also the person who trains

other team members in case the new techniques are required or train other team members to optimize the work. With most of the team members are junior developers, on-the-job training and micromanagement are applied at Axalize.

**On-the-job training** is popular at Axalize, it is necessary for a young company with **junior developers which are the majority of the company members**. Especially in the field of software development, it is effective to apply on-the-job training because from that junior members can learn a lot. The software industry employs various techniques for on-the-job training, two of the most prevalent being code reviews and pair programming.

Pair Programming is a great technique to use especially when a new developer joins the team since it makes possible the speed up of resource onboarding on the project. In this technique, two programmers work together on one workstation. In the purest form of the approach, two individuals are often referred to as the "driver" and the "observer/navigator" and they work as a team to write the code and solve problems. The "driver" is the one that actively writes code and he focuses on the immediate task at hand writing code that fulfills the requirements. The "observer", instead, is the one that is not actively typing and tries to find potential issues, improvements to the overall design etc. The observer usually takes part also in the review of the code providing feedback and suggestions to the driver. As said before, this technique can be really useful when a new member joins the team. First of all, it provides a great place for knowledge sharing both about the project but also expertise in general. Second of all, it can improve the quality of a product reducing the number of potential bugs that can be caught earlier in the process. It then also provides a space for team building since the technique is based on communication and teamwork and helping team members should help to build strong working relationships.

Another technique that can be used to have some on-the-job training is code-reviews. The aim is to examine the source code to ensure its quality, adherence to coding standards, and overall correctness. It's usually done by the lead developer or a senior member and can help in catching errors early, sharing knowledge among team members, and maintaining a consistent and high-quality codebase. The feedback of such code reviews can be of great value for the developer since the whole focus is on the code, therefore it can help in writing and designing great code or spot some area of improvement.

Additional training activities can be implemented: some companies organize internal talks in which one of the team members explores and presents to the others



*new frameworks, new approaches or new technologies relevant to their specific field. Such internal discussions are highly beneficial but not common since the company has to be oriented to this kind of “research and development” mentality. In general, these activities aim to improve profession and skills of the junior team members who do not have much working experience.*

For work progress management, the team leader creates a spreadsheet in which tasks and the people in charge are listed down. The list is shared amongst team members, when a task is completed, team members check it in the list. By doing so the whole team will be aware of the work progress.

There are some milestones in the projects when some parts of the software should be completed. Every week Project Manager and Team Leader have a meeting with client's team/consulting team/marketing agency to update work progress. Normally, there are very few changes within projects because most of the time, the designs and architectures of the system are determined from the beginning.

*Our two biggest clients are a marketing agency in Singapore and a consulting company in Japan. In the projects with these two companies, everything relating to the system architecture and design is decided from beginning by the two companies. **There are very few changes during the projects.** Axalize teams only take care of the development part. The most important thing of the project is delivering the work on time and matching with the requirements of the clients. It makes sense because they spent a lot of time on planning and designing the systems they want to build... Especially with Japanese clients, they require the correctness in every single point according to their designs. That is the reason why we adopt waterfall project management method and require daily reports from team members.*

## **VCN**

VCN has two distinct project categories regarding the size of the projects: small projects, involving fewer than three team members, and large projects, typically requiring a team size ranging from 10 to 15 individuals.

In the context of VCN's small projects, communication and task coordination with client teams are carried out through Discord—a multifaceted platform for voice, video, and text-based communication. At the same time, a Ticket system plays a pivotal role in the management of work progress and overall project oversight. Clients articulate their requirements through this Ticket system, which, contingent upon the requirements, systematically channels them to specialized teams focusing on Web, App, or Enterprise

resource planning (ERP) domains. Team leaders will receive the requests and decide which team members to be in charge of the project.

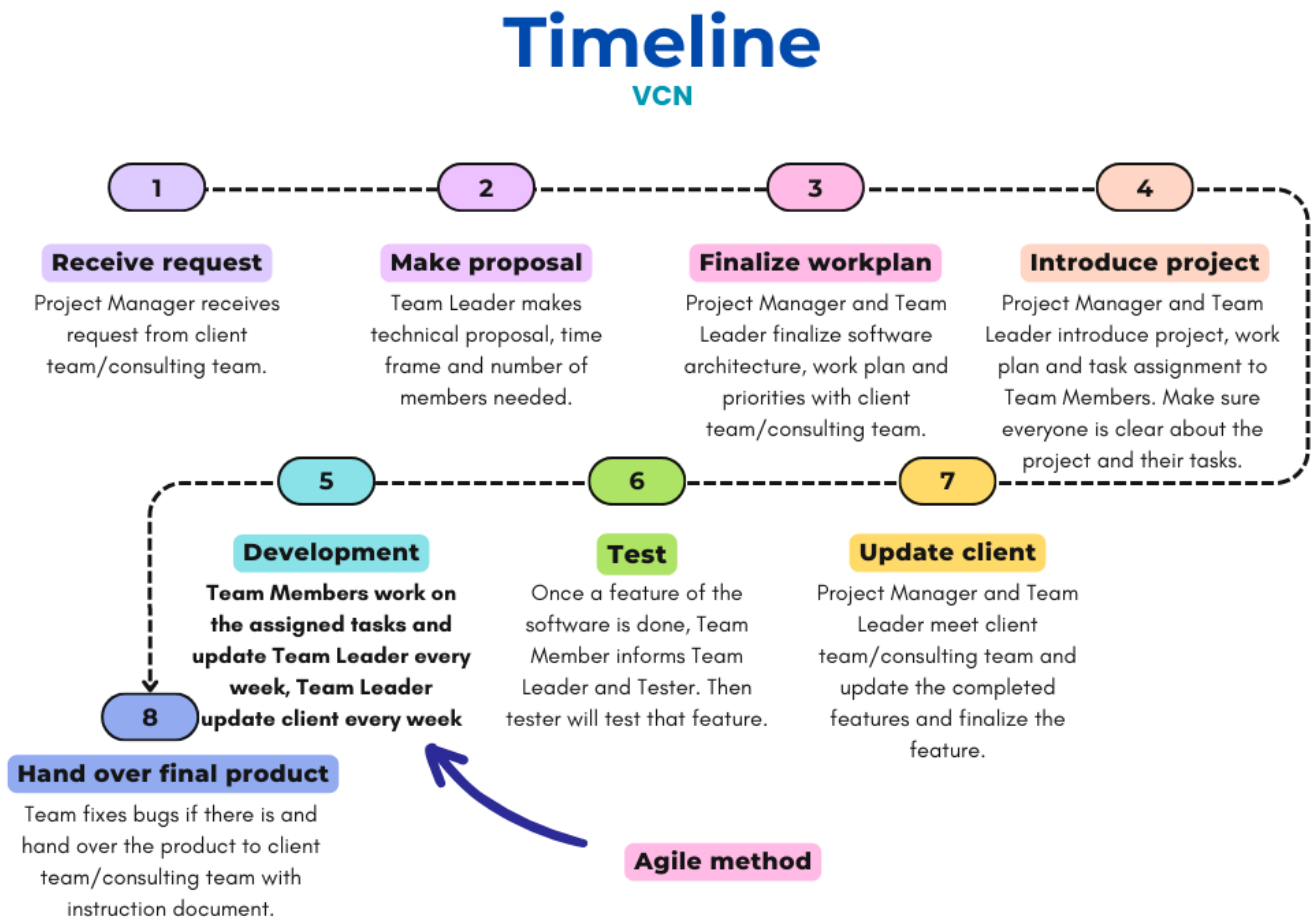


Figure 5: VCN's project timeline (larger-scale projects)

For VCN's larger-scale projects, which differ from Axalize, task coordination employs an Enterprise Resource Planning (ERP) system. These substantial projects predominantly originate from both direct clients which are normally reference of old clients, and from VCN's partners, prominent consulting firms based in the UK. Notably, these projects involve eight distinct phases of task coordination (see Figure 5).

During the initial phase, the Project Manager engages with the client's team or consulting team to comprehend the project's objectives, the desired system, and the project milestones. The focus is on understanding which features of the software need prioritized attention. In the subsequent phase, the Project Manager collaborates with the Team Leader to discuss and finalize technical proposals, system architecture, team size requirements, and work plans. The Team Leader, following this, establishes priorities, creates a Jira pod with system features and tasks, utilizing the agile project management methodology supported by Jira.

Different from Axalize, changes often happen in VCN's projects, which require the quick adaption from the development team. It is because VCN often has direct projects in which the team works with clients and they do not have the final version of the systems they want to develop yet. According to a Team Leader of the company, this instability of the requirements results in the regular meetings between the internal and client's team, and the meetings between Team Leader and Team Members to get updates on the projects.

*A regular weekly meeting with the client company's team occurs, preceded by the Team Leader's session with the team members to assess work progress. The weekly meeting is structured to cover three key aspects: (1) addressing newly reported bugs and their causes, (2) presenting developments from the week for client validation, and (3) discussing upcoming tasks aligned with the client's needs. Following the client meeting, the Team Leader conducts sessions with team members to assign tasks for the week. This can be a one-on-one conversation or a team meeting, depending on the nature of the tasks and the need for speed or collaboration.*

*Additionally, meetings take place when features are completed and the entire team will run it together during the meeting. After a feature is finished, it undergoes testing by both internal and, in consulting projects, client teams. The Team Leader informs the clients upon successful completion of testing, ensuring alignment with expectations. Normally, direct clients typically do not participate in feature testing.*

VCN tries to keep a good proportion of junior members and senior members to guarantee that the team can adapt quickly to the changes in client's requirements and maintain the quality of the work.

*To retain clients, we prioritize hiring good people to build skillful and professional teams which are able to confront tough situations and will satisfy our clients at the end. Normally, our teams are combined by senior developers with a lot of working experience and junior developers a few working experience. This combination aims to maintain the quality of the project, it is also suitable with agile project management method that we follow.*

In summary, the evidence seems to support the following propositions:

**Proposition 1a: The stability of client's requests affect the project management approach of the distributed teams. The more stable the client's requests are, the more possible that waterfall method is used. The less stable the client's requests are, the more possible that agile method is used.**

**Proposition 1b: The working experience of team members affects the project management approach of the distributed teams. The more working experience the team members have, the more possible that agile method is used. The less working experience the team members have, the more possible that waterfall method is used.**

### 5.2.2. Difficulties in Task Coordination

In a broader context, both companies grapple with challenges arising from linguistic disparities (Krishna et al., 2004; Watson et al., 1993) and varying time zones, significantly impacting communication and overall efficiency. Delving into specifics, not all team members at Axalize and VCN are proficient in English or Japanese, the primary languages employed in their respective offshoring projects. Consequently, instances arise where team members may struggle to comprehend client requests or face challenges articulating their ideas effectively to client teams, consulting teams, or marketing agencies.

Moreover, the two organisations encounter hurdles in task coordination, primarily stemming from divergent academic backgrounds and professional experiences which is aligned with the difficulties in **diverse professional backgrounds and experiences** (Gurung and Prater, 2006; Metiu, 2006; Oza & Hall, 2005) amongst team members of the internal team. This divergence necessitates the implementation of on-the-job training practices, serving as a valuable tool to enhance the skills and knowledge of junior team members.

Adding complexity to task coordination challenges at Axalize, there are additional complications arising from technical disparities between the client's teams and the internal team. These intricacies further contribute to the intricacies involved in aligning tasks and objectives across the project landscape.

#### **Axalize**

The company has several difficulties in task coordination which are mainly due to the difference in **language, culture and timezone**. Most of Axalize's members speak either English or Japanese, beside Vietnamese. That is aligned with the company's goal - targeting Japanese and English speaking clients. However, not all members speak English fluently which affects the communication and task coordination between internal team and client's team who speaks English. According to a Project Manager:

*Not all members, even senior members, can not communicate effectively with clients. This is not only due to language barriers, but also because many clients have very general ideas and do not know what exactly they want. Thus, at the*

*beginning, Project Manager plays a very important role in communication to clarify client's requests, finalize product plan and task coordination. The more the Project Manager understands the client's requirements, the more smoothly the project will run. For instance, in one of the projects, a client wanted to add one project that the team didn't clarify the requests of the client clearly enough.*

A team leader at Axalize underscores that cultural dynamics present an additional layer of challenge for the company.

*The team has grappled with intricacies linked to **cultural factors**, particularly in its interactions with certain Japanese clients. A prominent illustration of this challenge is the distinct communication style favoured by Japanese clients, characterized by a high degree of formality and indirectness. This formal and indirect communication approach initially posed some challenges for the team, causing initial confusion.*

*In contrast, clients hailing from Singapore or European countries exhibit a more direct **communication style**. This divergence in communication preferences reflects the diverse cultural landscapes Axalize encounters in its client interactions. Japanese clients place significant emphasis on precise and formal communication, coupled with meticulous attention to work processes. On the other hand, clients from Singapore and European countries prioritize a more direct communication style and express greater concern about performance-related aspects.*

Another challenge faced by the Axalize team is the coordination of work with clients situated in different time zones. This predicament often arises when clients propose meetings scheduled at times when the internal team in Vietnam has either already concluded their workday or has not commenced the day yet. This disparity in time zones can create scheduling conflicts, impacting the team's ability to engage in real-time communication and collaboration with clients. The team must navigate these temporal differences to ensure effective and synchronized interaction, despite the challenges presented by varying work hours between the internal team and clients in distinct geographical locations.

Axalize encounters challenges in task coordination attributed to variations in the **academic background and professional experience** between the client's team and the internal team which is aligned with the difficulties in **diverse professional backgrounds and experiences** (Gurung & Prater, 2006); Metiu, 2006); Oza & Hall, 2005).

*The diversity within the team is multifaceted, with certain members possessing a more profound understanding of software architecture, while others specialize*

*primarily in programming languages. This diversity extends further to encompass varying levels of experience, with some team members classified as junior developers and others as senior developers. Consequently, this diversity results in a spectrum of knowledge and working experience among team members.*

Challenges in task coordination at Axalize are further compounded by the technical disparities between the client's teams and the internal team. The use of outdated techniques by some Axalize clients stands in contrast to the contemporary and widely adopted techniques employed by Axalize's internal team. Consequently, finding solutions for software built on outdated techniques can be time-consuming and intricate.

*A notable instance is the existence of websites constructed over a decade ago, presenting a considerable challenge for the team in locating resources and effecting repairs.*

Moreover, the knowledge gap resulting from varying technical approaches poses ongoing challenges in the maintenance phase of projects. Post-handover to the client's team, the internal team is tasked with crafting instructions and maintenance documents. However, complications arise when the client's team lacks familiarity with current techniques and tools.

*This knowledge disparity creates a communication gap, where the instructions provided may not be fully comprehensible to the client's team, impeding the smooth transition and upkeep of the product. Effectively bridging these technical disparities becomes imperative for seamless project maintenance and client understanding.*

## **VCN**

Similar to Axalize, VCN also has issues relating to language and different time zone. The problem that VCN faces is even bigger than Axalize because most of VCN's clients are based in the UK which is 6 hours behind Vietnam. So the communication between two teams is slow sometimes which leads to the lateness of problem discussion and solving when issue arises. This has already happened several times.

*According to a Team Leader of the company, it would not be a big problem if the issue is small. However, in important periods such as before product release, the lateness in communication can result in big consequences.*

In certain projects, particularly those involving a client company actively engaged in project development, it may occur that one of the entities lacks access to essential resources, some of which are shared but exclusively managed by a single

entity responsible for development and maintenance. Such scenarios can give rise to various challenges.

*A clear example involves instances where modifications are made to the underlying database without prior communication, causing one of the teams to face development setbacks. This issue becomes more problematic, especially when compounded by time-zone differences, as the affected team may encounter the problem outside regular working hours of the other side. In such cases, communication is elevated to the managerial level, necessitating an understanding of responsibility allocation and resolution processes, ultimately impeding the overall workflow.*

Much like Axalize, VCN faces intricate challenges in the realm of task coordination, stemming from discernible differences in the academic backgrounds and professional experiences of the client's team as compared to the internal team. The multifaceted nature of diversity within the team manifests in various dimensions, wherein certain members exhibit a deep understanding of software architecture, while others specialize predominantly in programming languages. This diversity extends beyond mere technical expertise to encompass disparate levels of professional experience, categorizing team members into distinct roles as junior developers or senior developers. As a natural consequence, this diversity contributes to a nuanced spectrum of knowledge and work experience among the team members, further emphasizing the complexity inherent in harmonizing varied skill sets and expertise within the collaborative framework of the project.

*At VCN, there are some senior members who have worked for the company almost 10 years while there are some members have recently started their career after university. This results in the difference in knowledge and working experience and difficulties in communication and task coordination. However, we always have training and onboarding activities for new team members to solve these problems.*

### 5.3. Organizational politics applied in the companies

**The study revealed that the impacts of the organizational politics on work performance affect their adoption by the global distributed teams.** To be more specific, organizational politics such as setting common goals, common work plan, common method of communication, common work processes are applied by both company cases. According to interviewees, it is because those practices are considered to impact work performance of the teams positively and necessary for the teams. Meanwhile other organizational politic practices such as shared identity and share work

context are considered unnecessary by the teams because they do not generate effects on the performance of the teams. Hence, the companies do not invest in creating shared identity and shared context in the distributed teams.

### 5.3.1. Common goals and work plans

In both companies, project introduction meetings occur at the beginning of the projects. These meetings serve as crucial forums where all team members gain a comprehensive understanding of the software systems to be developed, the clients they will be working with, and their fellow team members. The primary objectives of these meetings extend beyond mere introductions, aiming to establish **common goals** and a **common work plan** for all team members to follow which is also described by (Tambe, 1997, Grosz & Kraus, 1999). According to both companies, common goal and common work plan are important for the teams, they help the teams to improve work performance.

In the case of Axalize, following the project introduction meetings, team members tend to focus on their individual tasks, resulting in fewer team-wide meetings. While this approach allows for concentrated efforts on specific tasks to have on time deliverables, it may lead to a loss of the broader project perspective and an awareness gap regarding fellow team members' contributions.

Contrastingly, at VCN, after the initial introduction meeting, teams continue to have 1-2 meetings per week to update each other on the progress made in the previous week and to discuss priorities for the upcoming week. This approach ensures that all team members are consistently informed about the project's status, updated about changes/new priorities, promoting ongoing awareness and a shared understanding of the project's trajectory.

In summary, both companies value project introduction meetings, but VCN's practice of incorporating regular follow-up meetings provides a structured and ongoing framework for maintaining team cohesion, project awareness, and progress tracking. This nuanced approach not only enhances communication within the team but also contributes to a more comprehensive understanding of the project dynamics.

#### **Axalize**

Following the conclusion of discussions with the client's team, the internal team at Axalize conducts a meeting to synchronise project goals, formulate a comprehensive work plan, and allocate tasks. This pivotal activity is designed to ensure that all team members gain a **holistic understanding** of the entire project. However, it's noteworthy that this meeting occurs only once at the project's outset. Consequently, as time



progresses, team members delve into their individual tasks without ongoing awareness of their peers' activities or project progress. A senior developer highlights a notable consequence of this approach—the absence of regular update meetings across the entire team:

*After the initial general meeting, team members predominantly concentrate on their assigned tasks, particularly junior members. This not only fosters a sense of disconnection among team members but also leads to a loss of the broader project perspective and awareness of fellow team members' contributions.*

The lack of updating activities amongst team members also negatively impacts task coordination. A Senior Developer of the company gave an example below:

*For instance, when a team member is absent, the lack of understanding about their tasks by other team members prevents the seamless coverage of their responsibilities. This issue is not confined to internal team dynamics but also extends to task coordination between the internal team and the client's team. The absence of regular update meetings results in a reliance on the Project Manager as the sole intermediary for communication with the client's team, thereby affecting the overall coordination between the two teams.*

Addressing these challenges necessitates a reconsideration of the team communication structure, emphasizing the importance of regular update meetings to foster a collective understanding of project progress, individual contributions, and a shared sense of purpose. This proactive approach not only enhances team cohesion but also fortifies task coordination both internally and in collaboration with the client's team.

## **VCN**

Similar to the operational approach observed at Axalize, VCN initiates projects with a comprehensive introductory meeting. This distinctive practice ensures that all team members, irrespective of their role, gain a holistic understanding of the project's parameters. After the introductory meeting, common goals and common work plan are regularly declared during the weekly meetings, typically happening at the start of each week following the previous week's discussions with the client's team. These goals are systematically identified and documented within the Jira tasks list, encompassing tasks such as introducing new features to the product and addressing any identified bugs.

*Details relating to the projects such as the type of software to be developed and the identity of the collaborating client are communicated, providing team members with a broad overview of the project and improve the task coordination*

*amongst team members. However, certain finer details, including the specific importance of individual clients, are selectively disclosed and known only to the Project Manager and Team Leader.*

In summary, these procedural nuances highlight VCN's commitment to fostering team-wide awareness and transparency. This approach ensures that external stakeholders, not directly involved in day-to-day operations, can appreciate the broader context of ongoing projects while recognizing the need for confidentiality regarding certain nuanced information reserved for managerial roles within the company.

### 5.3.2. Common methods of communication

Both companies rely on communication applications for daily interactions among team members working on various projects. While the specific applications may differ, a consistent practice is observed where each project is allocated its dedicated channel or group chat. This systematic approach ensures that project-related discussions are centralised, fostering efficient task coordination and knowledge sharing within each project team. This result is consistent with Wang & Wei (2007) finding about the relationships between relational governance and coordination for information visibility through communication method.

Email remains the primary mode of communication with clients for both companies. This traditional yet effective method serves as a formal and documented channel for significant project-related discussions and decisions, ensuring a comprehensive record of client interactions and project milestones.

Given the predominantly office-based work environment in both companies, there is a deliberate effort to encourage face-to-face communication among team members. This emphasis is particularly pronounced when junior developers seek clarification or instruction. The prioritisation of in-person interactions contributes to a collaborative and supportive working atmosphere, allowing team members to address queries promptly, share valuable insights, and cultivate a strong sense of camaraderie within the office setting.

In summary, both companies share a commitment to utilising communication applications tailored to their specific needs, promoting project collaboration. Additionally, the reliance on email for client communication and the encouragement of in-person interactions within the office underscore their dedication to comprehensive and effective communication strategies, aligning with the unique dynamics of each company.

## **Axalize**

For daily communication at Axalize, various contact tools like Chatwork, Slack, WhatsApp, and Telegram are employed based on the preferences of each client. According to a Project Manager:

*Each project establishes its dedicated group chat with the project's name, allowing all project participants to pose questions, share work updates, and propose ideas.*

For big projects within Axalize, communication with clients often takes the form of email, particularly when critical decisions are on the agenda. This method ensures that crucial project-related discussions are documented comprehensively, contributing to the overall transparency and traceability of pivotal project milestones.

Beyond virtual communication, Axalize recognizes the importance of face-to-face meetings, especially when there is a need for clarity or when junior team members require guidance from the senior members. These in-person interactions serve as effective forums for enhancing communication, providing detailed instructions, and fortifying team dynamics.

*We encourage team members to communicate in person, especially junior members. When there are difficulties, junior members are often hesitated to ask, which leads to miscommunication and slows down work progress. So, we try to build an open workplace for better communication, hence better collaboration.*

## **VCN**

VCN's teams predominantly engage in communication through the utilization of Slack, a versatile application designed for messaging, voice communication, and the seamless exchange of files among team members. Simultaneously, internal communication channels also involve the integration of Jira, serving as a collaborative platform for the team. This multifaceted approach allows for effective coordination and swift information dissemination within the team, fostering a dynamic and interconnected working environment.

Furthermore, in external communications with client teams or consulting teams, VCN leverages traditional email correspondence and employs team calls and chat functionalities. These external communication methods, including virtual meetings and written exchanges, contribute to a comprehensive and well-rounded communication strategy. By integrating various tools tailored to specific needs, VCN ensures efficient and effective communication both internally and externally, thereby enhancing collaboration and streamlining project workflows.

### **5.3.3. Common work patterns and processes**

At the beginning of projects, a shared practice between the two companies is team leaders compiling a comprehensive list of tasks to be completed within specified timeframes. Subsequently, as tasks are accomplished, team members update the task list, ensuring that all team members are kept posted about the latest developments. Another commonality in work patterns and processes is the established protocol for team members to promptly inform either the Team Leader or Project Manager when issues arise, ensuring a swift and coordinated response.

In the case of Axalize, a notable distinction lies in the emphasis on daily activities, with team members providing daily reports summarizing their accomplishments and outlining their plans for the upcoming days. This meticulous daily reporting system enhances real-time awareness and enables Team Leaders to stay informed about the team's progress on a day-to-day basis.

On the other hand, VCN's teams adopt a more structured approach, managing projects at a weekly level through weekly meetings. These meetings serve as pivotal touchpoints for project updates and discussions. At the close of each week, the team convenes to review completed tasks, allowing the Team Leader to subsequently update the client's team. Following this, at the start of the ensuing week, another meeting is held to strategize and prioritize tasks for the week ahead, informed by the previous week's discussions with the client's team.

### **Axalize**

Axalize incorporates several established work patterns and processes to ensure effective collaboration and project management.

In terms of work progress management, a systematic approach is employed wherein the team leader compiles a comprehensive spreadsheet enumerating tasks and their respective assignees. This detailed list is circulated among team members, fostering transparency in work progress tracking. As tasks are completed, team members mark them off in the shared list, promoting a collective awareness of overall progress within the team. A Project Manager emphasizes a structured routine within the projects under his management.

*Junior members are mandated to submit daily reports to both the team leader and Project Manager at the end of each day. Additionally, they are expected to outline plans for the upcoming days, contributing to a proactive and well-coordinated workflow.*

Furthermore, an integral work pattern at Axalize involves the reporting of any issues by team members directly to the team leader or Project Manager.

*This streamlined communication ensures swift problem resolution and a proactive approach to challenges. To facilitate seamless task coordination, team members are required to provide at least one day's notice before taking a day off, enabling the team leader to organize a smooth handover of responsibilities.*

These established work patterns underscore Axalize's commitment to fostering a transparent, organized, and communicative work environment. By integrating these practices, the company aims to enhance project management, facilitate efficient communication, and ensure a cohesive and coordinated approach to addressing challenges within the team.

## **VCN**

In cases where difficulties or uncertainties arise, particularly technical issues, team members are supposed to engage in communication with senior developers or team leaders. This communication predominantly takes place through messaging platforms - Slack/Jira or the Enterprise Resource Planning (ERP) system, ensuring a streamlined and effective exchange of information within the team. According to the CEO of the company:

*Because a substantial portion of VCN's clients consists of e-commerce companies, operational issues that impact sales, loading, or delivery activities may arise. In the event of such problems, it is imperative for team members to promptly communicate the issues to the Team Leader, utilizing messaging platforms or engaging in face-to-face discussions.*

*In cases where more significant challenges, particularly those related to orders or payments, transpire, the communication scope expands to involve direct interaction between team members, Team Leaders, and the board of directors. This multi-tiered communication approach ensures that critical issues are escalated appropriately and addressed at the highest level within the organizational hierarchy.*

To maintain accountability and uphold performance standards, there are consequences for team members who consistently face challenges in meeting task delivery expectations. Conversely, there are tangible incentives for team members who exhibit exceptional performance. According to a senior developer:

*These incentives may take various forms, including monetary rewards, gifts, or celebratory events, thereby fostering a positive and motivating work environment that recognizes and rewards outstanding contributions.*

### 5.3.4. Shared identity and shared work context

Broadly speaking, both enterprises do not consider shared identity and shared work context necessary for the distributed teams because they do not create impact to the work performance of the team members. Therefore, they do not invest in establishing a unified identity and common work environment through distinctive features like a dedicated workplace, logo, or uniform for project team members. Instead, they only apply one politic with the implementation of a structured title system for team members. This hierarchical structure encompasses designations such as Project Manager, Team Leader, Junior Developer, Senior Developer, Back-end Developer, and Front-end Developer, serving to clarify roles and responsibilities within the team while fostering efficient workflow.

### **Axalize**

Politics relating to shared identity and shared work context such as separate workplace, logo or uniform are not applied at Axalize. According to a Project Manager: *For us, those are not the priorities at that moment. We are focusing more on the work performance and actual needs of the team members which can directly help them to improve performance such as facilities and professional training. The goal of Axalize is to satisfy clients which comes from the performance and professionalism. While those activities do not bring direct effect to work performance of the teams. In addition, we also do not have enough resources to dedicate into this part yet.*

Instead, only a titles system is applied to clarify identity amongst team members, including Project Manager, Team Leader, Junior Developer, Senior Developer, Back-end Developer, and Front-end Developer. This system serves a dual purpose: fostering a identity system and cultivating a shared work context among team members. According to a Senior Developer:

*These structured titles play a role in enhancing team coordination. It enables team members to understand the roles and experiences of their colleagues, facilitating improved communication. For instance, when confronted with an issue, the client's team follows a hierarchical communication protocol, reaching out to the Project Manager first, followed by the team leader and senior members in case the Project Manager and team leader are unavailable. This systematic approach contributes to the refinement of task coordination within global distributed teams, ensuring a more seamless and efficient workflow.*

### **VCN**

Similar to Axalize, VCN does not value and apply the organizational politics relating to shared identity and shared work context such as creating separate workplace, logo or uniform of the projects/teams.

*The company does not invest much into cultural activities such as building team identity or unique work context, we are not sure if it will bring direct effect to the performance of team, which is the most important to us.*

The company also employs a hierarchical system of titles within its organizational structure, designating roles such as Project Manager, Team Leader, Junior Developer, Senior Developer, Back-end Developer, and Front-end Developer. This strategic classification helps to clarify team roles among team members in the internal team and between internal team and the client's team.

Moreover, at VCN, the cultivation of a shared identity is the nurturing of a family company's spirit. However, this activity is more relating to company level rather than team level and it is not emphasized by the company as an organization politic.

*We only try to build a family company spirit with the aim of creating a sense of belonging among team members, instilling a genuine desire to contribute to the company's growth and development. The familial bond formed within the teams not only enhances the overall work culture but also serves as a basement for smooth task coordination. The close-knit environment encourages team members to readily assist one another, fostering a collaborative atmosphere where mutual support is intrinsic to the team's success. However, so far, we have not invested much in this activity, it is more like a nature of the company by itself from the beginning.*

In summary, the evidence seems to support the following proposition:

**Proposition 2: The impacts of the organizational politics on work performance affect their adoption by global distributed teams. The more impacts the organizational politics have on work performance of the teams, the more possible that they are applied. The less impacts the organizational politics have on work performance of the teams, the less possible that they are applied.**

#### **5.4. Effects of organisational politics on task coordination**

To assess the effect of organisational politics on task coordination, I did a small survey with the interviewees to ask about their opinion on the effect of organisational politics on task coordination. It is a likert scale survey with 5 scales regarding the level of the effect of organisational politics on task coordination, including: very positive, positive, neither positive nor negative, negative, very negative. In general, the survey

shows that applying organisational politics such as setting common goals, method of communication, shared work patterns/work processes, and shared identity/work context create positive effects on task coordination. This finding is consistent with previous research (Hardy & Phillips, 1998; Wang & Wei, 2007).

	Very positive	Positive	Neither positive nor negative	Negative	Very negative
<b>Effect of common goal and common work plan on task coordination</b>	42,9%	57,1%			
<b>Effect of common method of communication on task coordination</b>	42,9%	57,1%			
<b>Effect of common work patterns and work processes on task coordination</b>	28,6%	42,9%	28,6%		
<b>Effect of shared identity and shared work context on task coordination</b>	14,3%	42,9%	42,9%		

#### 5.4.1. Effects of common goals and common work plans on task coordination

A notable 42.9% of the interview participants express a strong belief in the impact of establishing common goals and common work plan among team members, proving that it significantly enhances task coordination. Furthermore, a majority, specifically 57.1%, concurs that sharing common goals within the distributed team contributes positively to the task coordination. This resonates with the findings articulated during the interview sessions, underlining the consensus that the cultivation of shared objectives among team members holds considerable merit in fostering effective task coordination within the distribute teams.

#### 5.4.2. Effects of common methods of communication on task coordination

Similar to the impact observed with common goals and work plans, 42.9% of the interviewees affirm that establishing shared communication methods among team members significantly enhances task coordination. Additionally, 57.1% emphasize that the positive impact on task coordination is evident when team members utilize common



communication methods. This response is aligned with the sentiments expressed by interviewees during their discussions.

#### 5.4.3. Effects of common work patterns and work processes on task coordination

42.9% of the interviews find that setting common work patterns and work processes amongst team members creates positive effects on task coordination. While 28.6% of the interviewees find that setting common work patterns and work processes amongst team members creates a very positive effect on task coordination. Another 28.6% find sharing common work patterns and work processes amongst team members has a neither positive nor negative effect on task coordination.

#### 5.4.4. Effects of shared identity and shared work context on task coordination

A nuanced exploration of the interview findings reveals that 14.3% of respondents acknowledge the pronounced very positive effects stemming from shared identity and a shared work context on task coordination. Building on this perspective, a substantial 42.9% of interviewees express a belief that cultivating a shared identity and work context among team members indeed fosters positive outcomes in task coordination. Intriguingly, an additional 42.9% of respondents hold the view that the shared identity and shared work context, while not yielding overtly positive effects, do not introduce negative consequences to task coordination either. This diversified set of responses aligns seamlessly with the overarching theme observed in the interviews, suggesting that, within the context of these two companies, the significance of shared identity and a shared work context is not strongly emphasised nor deemed crucial in the dynamics of task coordination. The nuanced perspectives offered by the respondents shed light on the varying perceptions regarding the impact of shared identity and work context on task coordination within the organisational frameworks under scrutiny.

## 6. Discussion

While both companies share the majority of milestones in their offshore projects, variations in task coordination practices become evident. Specifically, Axalize leans towards a waterfall project management style, entailing a fixed software design from the project's outset. Team members focus on their designated tasks, steadily progressing through the completion of software features. On the other hand, VCN adopts an agile project management style characterized by frequent changes in software features and characteristics. This necessitates more frequent communication with the client team or consulting team, leading to an increased number of internal team meetings for updates

on client-driven changes and priorities. The study reveals that two key factors result in this difference: **the stability of client requests and the team members' working experience**. Specifically, when client requests remain stable, distributed teams often opt for the waterfall project management method, as evidenced in the Axalize case study. In contrast, when client requests are less consistent, distributed teams tend to adopt agile project management methods, as demonstrated in the VCN case. Furthermore, the working experience among team members also plays a significant role to task coordination patterns. Teams with extensive experience are more inclined to embrace agile methodologies, as seen in the VCN case. Conversely, teams with less experience tend to lean towards waterfall methods, as illustrated in the Axalize case.

Regarding the difficulties in task coordination, both companies have difficulties in language differences and time zone variations, affecting communication and efficiency, this finding is aligned with previous research of (Earley & Mosakowski, 2000; Lau & Murnighan, 1998). Team members in Axalize and VCN may face difficulties in understanding client requests and expressing ideas due to language disparities. Moreover, task coordination challenges arise from differences in academic backgrounds and professional experiences within the client's team compared to the internal team (Gurung & Prater, 2006; Metiu, 2006; Oza & Hall, 2005). To address this, on-the-job training is implemented to enhance the skills of junior team members. At Axalize some issues also stem from technical disparities between client and internal teams, adding challenges to the development and operation process.

About organizational politics, in both companies, the inception of projects is marked by project introduction meetings, pivotal gatherings that facilitate a comprehensive understanding among team members regarding the software systems, clients, and internal team dynamics. Axalize, after the introduction phase, directs team members to individual task focus, in spite of the risk of losing the broader project perspective and an awareness gap concerning team contributions. On the contrary, VCN adopts a more proactive approach with regular follow-up meetings, occurring 1-2 times per week. These sessions serve as a structured framework for updating team members on the previous week's progress and collectively strategizing priorities for the upcoming week. This practice ensures consistent project status awareness, fostering ongoing communication and shared understanding of the project's trajectory. In summary, while both companies recognize the significance of project introduction meetings, VCN's emphasis on frequent follow-up meetings sets it apart. This nuanced approach not only sustains team cohesion but also establishes an enduring mechanism for maintaining project awareness and tracking progress.

Regarding communication, both companies prioritize effective communication strategies for streamlined project collaboration. Communication applications tailored to specific project needs serve as centralized platforms, fostering efficient team interactions. Additionally, email remains a formal and documented channel for significant client discussions, ensuring transparency in project milestones. In their predominantly office-based environments, both companies encourage face-to-face interactions, particularly for junior developers seeking guidance. This multifaceted approach reflects their commitment to tailored communication, transparent client relations, and a collaborative work environment.

Regarding shared work patterns and work processes, both companies follow a hierarchical team structure, including roles like Junior Developer, Senior Developer, Team Leader, and Project Manager. The initial phase of projects involves Team Leaders creating task lists, updated as tasks are completed, ensuring constant team awareness. Both companies prioritize immediate communication with Team Leaders or Project Managers when issues arise. Axalize stands out for its daily reporting system, offering real-time progress updates. Conversely, VCN adopts a weekly project management approach with 1-3 personal meetings between team members and team leader, with 1 weekly key meeting to shape task priorities. Despite shared structures, the divergence in daily and weekly reporting methods reflects each company's distinct project oversight strategies.

In a broader context, both companies consider organizational politics relating to shared identity and shared work context unnecessary for the distributed teams. They do not apply politics like a designated workplace or uniform for project team members. Instead, they clarify team identity by using a title system, including roles like Project Manager and Junior Developer. VCN stands out by cultivating a family company spirit, going beyond titles to build a profound sense of belonging. However, this approach aims to create a supportive work culture at company level, not team level.

From analysis, it became apparent that **the impacts of organizational politics on work performance significantly affect the adoption of such politics by global distributed teams**. When organizational politics have positive impacts on the work performance of teams, they are more likely to be implemented. Conversely, when the influence of the politics on team performance is little, their adoption tends to be less probable. This finding is demonstrated consistently in the two cases.

From the quantitative survey, we can conclude that generally applying organisational politics such as setting common goals, method of communication,

shared work patterns/work processes, and shared identity/work context create positive effects on task coordination.

## 7. CONCLUSION

This qualitative exploratory research contributes to a better understanding of the task coordination and effects of organisational politics on global distributed teams in the software outsourcing business. Specifically, this study focuses on the task coordination in global distributed teams in the software development projects where the team members are from the internal teams and from the client team/consulting firm/marketing agency in the software outsourcing business. My work compares global distributed teams in two organisations with similar characteristics in terms of company size, governance, evolution of offshoring activities, and local context characteristics (Vietnam). While both teams share the milestones in outsourcing project timeline, they apply different project management methods, resulting in the differences in task coordination.

Furthermore, though both teams receive positive evaluations on task coordination from their CEOs, difficulties persist. These difficulties stem from language barriers and different time zones, consistent with previous research (Earley & Mosakowski, 2000; Lau & Murnighan, 1998), but also encompass other factors such as variations in academic background and working experience among team members and technical disparities between internal and client teams, which are underexplored.

The insights also provided by this study add to the literature on global distributed teams, in particular to the understanding of organisational politics. Previous literature has overlooked the effects of organisational politics on task coordination in global distributed teams. This study reveals that a proper application of organisational politics can yield positive effects on task coordination, transforming collaboration with distant members into a minimal obstacle to traditional work activities. In addition, some organizational politics are considered to be more necessary than the others, leading to the probability of adoption of those politics.

Despite these contributions, there are inherent limitations. The study focuses on global distributed teams with members in different countries across multiple projects, potentially influenced by national cultural differences and local context characteristics. Additionally, the second case study (VCN) has fewer interviews with team members, resulting in a more comprehensive exploration of Axalize.

The study suggests some practical implications for organisations engaged in offshoring software development projects with team members from various entities and

global locations. Firstly, it suggests that software outsourcing companies invest in enhancing the linguistic skills of their team members, with a specific focus on the languages relevant to the target market. This investment is poised to facilitate smoother communication between the internal team and the client team, thereby enhancing the overall project implementation process. Secondly, the study emphasises the importance of organisational politics and underscores the need for implementing alignment practices among team members to enhance task coordination within projects. Specifically, organisations are encouraged to employ well-established alignment practices, including setting common goals, a common work plan, and a common method of communication. Ensuring that all team members possess a comprehensive understanding of the project is crucial. Additionally, the study advocates for the adoption and refinement of more intricate alignment practices, such as common work patterns/work processes and shared identity/shared work context. These practices have been proven to generate positive effects on task coordination but may require more time and effort for implementation. Hence, organisational managers are advised to put effort in understanding both their team members and the unique dynamics of their projects, considering the application of these nuanced alignment practices.

Offshoring of professional work is an unstoppable and worldwide phenomenon that not only brings in economic, strategic, technological, and ethical issues, but also profoundly changes everyday professional work. I hope that my reflection may stimulate more researchers and managers to investigate these new, complex dynamics.

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