

DESIGNING AND SUPPORTING TRANSNATIONAL TEAMS: THE HUMAN RESOURCE AGENDA

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As the challenges of managing across borders become increasingly complex, companies are exploring innovative ways to organize and manage people. Many are turning to the use of transnational teams composed of individuals from multiple nationalities working on tasks that span multiple countries. This article reports the findings from a study of human resource practices used in 34 transnational teams from 23 multinational firms. The article provides specific examples of how staffing, training, and rewards systems are adapted to support the strategic orientations of these teams.¹ © 1998 John Wiley & Sons, Inc.

Introduction

As multinational corporations expand to compete globally, many are benefiting from the use of *transnational teams*—individuals from different cultures working together on activities that span national borders. When managed effectively, transnational teams help firms achieve the autonomy and flexibility needed to serve a variety of customers in different regions while obtaining the efficiencies afforded by an integrated organization (Bartlett & Ghoshal, 1989; Ohmae, 1985; Pascale, 1990). Working either within the firm's formal structure or as a complement to it, a transnational team can connect the best ideas and innovations from each part of the company and use them in ways that add value throughout the organization. They may form a nucleus from which a broader network of talent and relationships can be developed.

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gies, policies, and programs to support and develop transnational teams. Our impression is that most HR professionals are aware of the emerging issues and challenges associated with managing across borders and cultures. In many companies, however, the efforts of these professionals to support and develop transnational teams are being hampered by institutionalized HR policies that reflect and perpetuate more traditional organizational arrangements (Adler & Bartholomew, 1992). To facilitate change, both line and HR executives in leading companies are working with team leaders and members to establish more flexible approaches to team development.

The overall purpose of our article is to articulate a comprehensive agenda for aligning HR strategies, policies, and programs to produce effective transnational teams. Over the past few years, we have studied a wide variety of such teams in companies across the United States, Europe, and Asia. Their experiences provide guidance to firms regard-

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ing such matters as: (1) where and how transnational teams can be used best to achieve competitive advantage, (2) what fundamental design parameters underlie a team's composition and structure, and (3) how HR practices can enhance the performance of transnational teams. Drawing on our research findings, we present some exemplary practices used by successful teams and provide recommendations for how the HR function might view its role in developing transnational teams.

The Research Project

We conducted a worldwide research project sponsored by the International Consortium for Executive Development Research (ICEDR), a group of 31 large multinational corporations and 20 prominent business schools. ICEDR was established to address the organizational and managerial challenges posed by the global corporation.

The two-year study consisted of three phases: (1) in-depth interviews, (2) a questionnaire survey, and (3) a demonstration project. In the first phase, we worked with senior HR executives in ICEDR companies to identify teams with multinational membership that transacted business across national borders and represented a mix of firms in the United States, Europe, and Asia. Thirteen teams met these criteria. We interviewed more than 100 team members and their leaders about issues related to strategic purpose, team composition, training, job design, appraisal, rewards, and performance.

During the second phase of the study we expanded our sample of teams by contacting leaders of additional teams to invite their participation in completing a questionnaire. Each participant (team leaders and team members) was guaranteed confidentiality and was given a summary of our findings as well as a profile of the team benchmarked against the rest of the sample. The questionnaires were designed to assess the strategic contribution of the team, the HR practices used, and team performance. A total of 34 team leaders and 163 team members returned questionnaires (4.8 per team). Table I is a list of participating companies and teams.

The third phase of the research was a demonstration project designed to help firms translate the research findings into practice. HR specialists from The Wellcome Foundation (now Glaxo-Wellcome PLC) worked closely with two members of the research team to develop a multistage approach for improving team effectiveness. The company assembled a high-caliber HR team that used the results from phases 1 and 2 to identify "best practices" and then assessed the HR function's competencies in delivering the programs and services needed by transnational teams. HR practices derived from the demonstration project are currently being used to develop Glaxo-Wellcome's transnational research and development (R&D) and marketing teams. (See Snow et al., 1996 for a complete description of the demonstration project and its team-development model.)

Strategic Human Resource Management of Transnational Teams

Our starting point for understanding transnational teams is the identification of the teams' mission and strategic orientation. Most of the teams in our study face the challenge of balancing three concerns related to global competition: (1) *local responsiveness*, (2) *global efficiency*, and (3) *organizational learning* (Bartlett & Ghoshal, 1989). Kodak's Photo CD Consumer Launch Team, for example, is charged with customizing Kodak's marketing strategy for each country in western Europe. Such attention to local responsiveness requires that the team not only make allowances for unique demands and preferences across various cultures, but also develop facility in adjusting to changing market conditions and political/legal differences. The Kodak team example highlights the strategic importance of local responsiveness.

Other teams are charged with integrating widely dispersed activities to achieve global efficiency. Unilever, for example, uses transnational teams to combine 16 different operating companies into one global organization. Heineken, Alcatel, and Fuji-Xerox have transnational teams to achieve scale economies, rationalize production, and standardize

TABLE I Sample of Companies and Transnational Teams.

<i>Company</i>	<i>Transnational Team</i>
Alcatel/Alsthom	Corporate Purchasing
AT&T	Business Services Planning
BellSouth	Mobile Data
British Airways	Eastern Mediterranean Management Team
British Airways	Latin America/Caribbean Management Team
British Airways	Scandinavia Management Team
British Airways	Japan Management Team
British Gas	Full Field
British Petroleum	European Gas Business Development
Daimler-Benz	Trigat
Eastman Kodak	Photo CD Consumer Launch Team
Exxon Chemical	Viscosity Modifiers Worldwide
FIAT Group	CEAC Executive Team
FIAT Group	CEAC Purchasing Team
Fidelity	Continental Team
Ford-New Holland	NHGeotech
Glaxo-Wellcome	International Quality Assurance Coordination Team
Glaxo-Wellcome	International Quality Assurance Coordination Team II
Glaxo-Wellcome	Welferon
Glaxo-Wellcome	Retrovir
Glaxo-Wellcome	935 Team
Heineken	European Production Task Force
IBM-Latin America	Personal Systems Group
IBM-UK	International Airline Solutions Centre
KONE	MacGregor Navire Executive Team
Seagrams	South Region
Seagrams	SGBD
Siemens	General Management
Sparkomatic	Far East Operations
Toyota	Production Engineering
Unilever	Personal Care Marketing
Xerox-Fuji Xerox	Century Team
Xerox-Fuji Xerox	Century II Team
Zeneca	ZD 7288 Strategy Team

products and processes to improve efficiency and lower costs. Whereas local responsiveness requires recognizing and instilling variety within the team, global efficiency requires coordination and integration. Those very different strategic orientations imply different priorities for managing team activities.

Finally, more than half of the teams in our study are expected to contribute to the process of organizational learning. To achieve technical as well as intellectual parity with their competitors, many teams develop innovative ways to leverage knowledge continuously around the world (Bartlett & Ghoshal, 1989; Kanter, 1983; Nonaka, 1991; Nonaka

& Takeuchi, 1995). IBM's International Airlines Solutions Centre (IASC), for example, is the center of a complex network of technical and marketing experts who troubleshoot for IBM's customers in the airline industry. Because IASC is structured as a transnational team that develops synergies among individuals on five different continents, it has become a center of expertise that links knowledge located in one part of the world to problems that arise in another—in effect, institutionalizing learning within the organization as a whole.

Local responsiveness, global efficiency, and organizational learning are three major strategic drivers of transnational teams; in

leading companies, HR strategies, policies, and programs must support each of those objectives. A comprehensive description of HR practices for transnational teams is shown in Table II. We discuss each of the practices by giving examples from teams in our study.

Staffing a Transnational Team

There is no universal formula for staffing a transnational team, but some guidelines can be followed to link staffing to business strategy.

The fundamental task in forming a transnational team is assembling the right combination of individuals who can work together to accomplish the team's goals. There is no universal formula for staffing a transnational team, but some guidelines can be followed to link staffing to business strategy.

Increase Variety on the Team to Improve Local Responsiveness. To achieve local responsiveness, a transnational team such as Kodak's Photo CD Consumer Launch Team must incorporate considerable variety within its membership. Variety can take several forms, but often transnational teams consist of *dispersed and specialized human assets* that enable the

team to attend to local issues across countries, markets, products, and so on, and ensure that many different perspectives are brought to bear on the problems facing the team.

Several HR policies build variety and differentiation into a team. Transnational teams are not only multinational but often multifunctional. In addition, they are often staffed through a *polycentric* selection process whereby members are appointed from each of the functions, business units, and countries affected by the actions/outcomes of the team. Kodak's Photo CD Launch Team, for example, was composed of representatives from each of the major countries in which the product would be launched initially. Similarly, Heineken's European Production Task Force included representatives from each of the countries where Heineken breweries were located. Although a polycentric approach to staffing stems from an overriding concern about market and political sensitivities (e.g., dealing with local governments and unions), the effect is to expand the functional complexity and cultural heterogeneity of the team. However, carefully crafted variety and balance

TABLE II Human Resource Practices for Transnational Teams.

HR SUPPORT ROLE	STRATEGIC ORIENTATION		
	Local Responsiveness	Global Efficiency	Organizational Learning
Staffing	Value-adding Polycentric Dispersed	N minus 1 staffing Functional membership	Suprastaffing Geocentric Temporary members
Training & Development	Expand skill base Programs on strategy Temporary assignments	Professional culture New work methods Conflict & negotiations Technical & project management	Promote continuous learning Negotiating skills Interpersonal skills Project management
Team Design & Member Roles	Dispersed Specialized Local responsibility Delegated decisions	Global responsibility Interdependence Decentralized centralization Consensus decisions	Mutual exchange Shared information Rotational assignments
Rewards & Appraisal	Local appraisal Individual goals Individual appraisal Paid by home country	Team-based goal setting Appraisal based on others' input Central budget for pay Intrinsic rewards	Error embracing Evaluation based on learning Frequent feedback

are essential to avoid the potential problem of one or two individuals (typically from the company's headquarters) dominating the dynamics of the team. To increase variety even further, new members tend to be added to the team only if they bring some *value-adding talent* to the team. Skill redundancy generally is not viewed as functional slack but as needless duplication. Variety in the team's composition is seen as essential to its ability to detect and respond to local issues.

Integrate the Team to Achieve Global Efficiency. The most significant challenge of transnational teams whose expected contribution is global efficiency is to combine the efforts of individuals into an integrated whole. Such transnational teams therefore establish HR practices that ensure members do not emphasize local interests over global concerns. Integration is the key, and teams such as Unilever's Personal Care team, Alcatel's Corporate Purchasing team, and IBM-Latin America's Personal Systems Group all use some variation on an approach we call "N minus 1" staffing to bring members together. With N minus 1 staffing, the transnational team is composed of fewer members than ordinarily would be necessary to complete the task. Some team members (and some leaders) complain about being overworked and understaffed, but N minus 1 staffing demands that team members cooperate to find the means whereby their collective effort makes up for the missing member(s). The approach has the effect of improving team integration as well as orienting the individuals to global issues rather than to more parochial concerns of a given country.

Use Network Staffing to Facilitate Organizational Learning. IBM's International Airlines Solutions Centre is an example of a transnational team that has mastered the development of an intelligence network. To create, transfer, and institutionalize knowledge, firms frequently staff their transnational teams with the best talent they can find—wherever it exists around the world. As a prototype for tomorrow's organization, IASC has been able to transcend the present organization structure to connect individuals and units that do not normally work together. Because the very

best talent may be hidden within the organization's hierarchy, IBM and other firms such as AT&T, Unilever, and Alcatel have developed sophisticated information systems to tap these networks for specialized talent (Snell, Pedigo, & Krawiec, 1995).

Network staffing addresses two issues related to organizational learning: breadth of talent and rapid response. First, network staffing provides a broad base of skills and experiences from which teams can draw to address complex problems and business opportunities. By maintaining a pool of assets "on call" and accessible, teams can staff beyond their current needs to prepare for future strategic initiatives. Second, network staffing allows the team to reconfigure its membership as needs change. Given the dynamics of international business, transnational teams rarely have the luxury of keeping extra members (recall N minus 1 staffing). When the strategic focus is on learning, membership is frequently temporary, with new team members being brought in as experts on a particular problem and then released back into the network where they return to their home bases. In such cases, an active network augments what may be a very small core team (Snow & Snell, 1993).

Training and Developing the Team

Although training and development logically follow staffing, in reality much of the training the team members receive occurs before the team is put together. We have seen comparatively little training of intact teams, and consequently the group-skill levels of individuals—and of the team as a whole—are often inconsistent. Team training represents an important opportunity for the HR function in most multinational corporations. Glaxo-Wellcome's experience with the transnational team demonstration project (phase 3 of our study) showed that companies can do much more to develop effective transnational teams.

Expand the Range of Skills to Achieve Local Responsiveness. When transnational teams are oriented toward responding to local concerns, the developmental objective should be to *expand* the range of skills and experience on the team, though not to the exclu-

One of the most powerful forces for integration among team members is professional culture.

sion of team unity. *Temporary assignment* (e.g., 2 to 4 weeks) is one technique that has proved effective for enhancing local responsiveness. Of course, if such assignments go on for too long or are too frequent, teams run the risk of losing input from individuals who cannot contribute because of their extended absences.

Interestingly, although most teams in our study were composed of members with international experience, we see no clear trend toward training the team *as a whole* to be locally responsive. As one manager told us, "Team training has the potential to homogenize the team and wipe away the very differences we want to accentuate." We have found, however, that training programs emphasizing the company's *strategies, structures, and processes* can have a substantial impact on the team's level of responsiveness to local issues. Such training is helpful for all teams but seems to be emphasized most for startup and emerging teams. Understanding strategy from the very beginning helps the team attend to various parts of the bigger picture and see how differences across countries, business units, and so on are important to the overall performance of the firm. Unfortunately, despite its potential effectiveness, this type of program is used infrequently.

Team Training Improves Global Efficiency.

If the focus of the team's strategic orientation is global efficiency, the developmental agenda typically emphasizes team integration. For startup teams especially, companies such as Glaxo-Wellcome and Ford conduct *cross-cultural team-building* programs that are the next generation of what until now has been called "cultural awareness" training. The distinction between these two types of programs is important. Awareness programs (e.g., books and videotapes that describe various cultures) are most useful for legitimizing differences across cultures and sensitizing individuals to different customs and social norms. Such programs, however, are typically designed for knowledge acquisition and attitude change and may not provide the skills necessary for working through differences on the team. Cross-cultural team-building goes one step further, developing coherent work processes that take advantage of differences on the team by

establishing ground rules and protocols that integrate members. When coupled with training in conflict resolution and negotiation skills, cross-cultural team-building can substantially improve integration and efficiency.

One of the most powerful forces for integration among team members is *professional culture*. Companies such as Alcatel, IBM, and MacGregor Navire, for example, believe that shared values among individuals in the same profession (e.g., engineers and scientists) frequently outweigh even wide country culture differences. In some cases, a team's professional culture is also stronger than the corporate culture. To take advantage of that fact, Alcatel has a comprehensive training program (called "The Alcatel Way") that blends professional, national, and corporate culture in a way that transcends individuals and teams to instill a global/local perspective within the entire organization.

Move from Individual to Organizational Learning. Training and development are an organization's formalized effort to institutionalize learning. Our interviews with team leaders, members, and HR executives made clear that most learning occurs at the individual level through training and other developmental experiences. Even in the best companies, less learning occurs at the team level, and disappointingly little learning takes place at the level of the organization as a whole. Ultimately, transnational teams can be a conduit through which learning at the individual level is synthesized and assimilated throughout the team and the entire organization (Nonaka & Takeuchi, 1995).

For IBM's IASC team, Glaxo-Wellcome's International Quality Assurance Coordination Team, and AT&T's Business Services Planning team, learning is at the top of the HR agenda. Team members focus on linking and leveraging knowledge through *continuous learning* rather than focusing on short-term performance issues. Across all the teams in our study, we found that programs emphasizing negotiation skills, project management, and interpersonal relations generally were associated with a team's ability to acquire, transfer, and utilize knowledge from other parts of the organization in addressing new problems and dilemmas.

Structuring Teamwork and Designing Roles

Some of the principal ways in which transnational teams differ from other work teams can be seen by examining their work structures and the responsibilities of individual members. Like those for staffing and training, guidelines for structuring teamwork can be linked to the strategic imperatives of local responsiveness, global efficiency, and organizational learning.

Assign Local Roles to Facilitate Responsiveness. Members of transnational teams who are geographically dispersed do not have the luxury of working side-by-side with their colleagues. When individuals are positioned in different countries to attend closely to local concerns, they must coordinate their activities across significant distances and cope with a host of logistical and communication problems. If it is essential to learn about and represent the specific concerns of different countries, member responsibilities tend to be *specialized* (though rarely completely autonomous), and decisions about those countries may be *delegated* very early in the team's development. For example, Kodak's Photo CD Launch Team had country representatives bid on parts of the implementation project (e.g., designing promotional displays) because of their areas of expertise and resource base. Those individuals then headed the activities with individuals (frequently non-team members) back in their home countries. To some extent such specialization aids efficiency, but mainly the decentralized decision making enables individuals to react quickly and responsively to local concerns. Kodak's approach is illustrative of those of other transnational teams that push action out to where response time is the fastest and expertise is the greatest.

Global Roles Improve Efficiency and Integration. One of the best ways to instill a *global perspective* among team members and keep them working toward the interests of the whole company is to assign global responsibility for a given task, project, or product to a particular individual. Alcatel's Corporate Purchasing team, for example, has individual Council

Chairs in several countries. Each Council Chair has global responsibility for a family of products and puts together a subteam of individuals from appropriate locations to develop the best possible contract for the designated products. Unilever's Personal Care Marketing team is organized similarly, with "decentralized centralization" helping to forge a global perspective while balancing the need for specialization and efficiency.

To orient members further toward global efficiency and integration, team leaders often try to base decisions on consensus, particularly at the early stages of team development or when addressing issues that concern the team's overall task. Such an approach to decision making must be balanced against the need for decentralization to ensure local responsiveness.

Mutual Exchange Engenders Organizational Learning. Because mutual exchange and *shared information* are vitally important for team learning, transnational teams must find ways to foster an ongoing dialogue among their members. One way is to formalize communication that is "upside-down" or "outside-in." AT&T's Business Services Planning team, for example, uses a planning process whereby members are periodically instructed by the team leader to learn as much as they can about the needs and interests of external constituents (e.g., business units, countries, customers) and then represent those concerns to the entire team. The planning process essentially involves a consolidation of ideas to find the best approach for reconciling a diversity of demands.

Rotational assignments (e.g., every 2 to 5 years) is another method teams use to foster organizational learning. Whereas short, temporary assignments can increase local sensitivity, individuals probably need to become truly immersed in a new context to learn enough to bring the value-adding knowledge back to the team. For example, the Century Team, a large group of engineers representing an international joint venture between Xerox Corporation and Fuji Xerox to develop the "world" copier, included 15 experienced Japanese engineers who spent up to five years in Webster, New York, learning and trading ideas

about team processes. As a result, team members on each side of the ocean had an opportunity to analyze thoroughly and internalize the other's work styles and techniques.

Rewarding Transnational Teams

During the course of our study, we observed several reward and appraisal practices that ran counter to conventional wisdom about teams. At first we thought they might be isolated exceptions but soon observed a pattern across teams and began to understand the practices as team leaders revealed their logic to us. Ultimately, we concluded that reward and appraisal systems, perhaps more than any other area of HR, need to be managed carefully with a clear understanding of how they can be used to balance efficiency, responsiveness, and learning.

Use Individual and Local Rewards to Increase Local Responsiveness. To enhance local responsiveness, reward systems for transnational teams should reinforce the variety created through staffing, training, and work structures. Several teams use individual goal-setting and appraisal, which may seem inconsistent with traditional views of "teamwork." Even though organization members work in teams, however, they have individual responsibilities (Shaw & Schneier, 1995).

Despite the use of individual goal-setting, individual incentives are uncommon for a variety of reasons, some culturally based. A senior executive at Sumitomo Bank, for example, explained that individual incentives are anathema in Japan because their use implies that people are not already working as hard as they can (one would never assume such a thing of a loyal employee in Japan, let alone design a pay plan that makes the assumption explicit). Surprisingly, across our entire sample, where individual incentives (and goal setting) are used, they have a positive influence on local responsiveness. That broad generality *cannot* be applied to every team.

Teams typically try to highlight local differences by tying member compensation and appraisal policies to *home country units* rather than trying to establish uniform policies across the entire team. Where local concerns pre-

vail, pay systems tend to vary dramatically from member to member within the same team. That practice seems to run counter to the objective of team development, but it can help ensure that team members retain some of their local affiliations; however, some important tradeoffs must be acknowledged with home-country rewards and appraisal. In addition to creating administrative difficulties, they can have a negative effect on team integration and efficiency. Team leaders and members at Alcatel and Glaxo-Wellcome, for example, indicate that the lack of team-based rewards prevents their working together as well as they might.

Team Rewards Improve Integration and Efficiency. In conjunction with home country reward systems, team member evaluations tend to be carried out by their home country managers. Nevertheless, the amount of input from team leaders and members to the home country manager appears to be increasing. At Alcatel, for example, home country managers retain responsibility for evaluating individual representatives to a given transnational team, but starting several years ago they began to get formal input from the corporate team leader.

One of the most surprising findings related to rewards is the infrequent use of formal team-based incentives. Combining individual, team, and home country rewards may be a move in the right direction for most transnational teams. For FIAT's CEAC Purchasing and Ford-New Holland's NHGeotech teams, rewards have individual, team, and corporate components. As with other HR matters, balancing global and local concerns appears to be critical in designing reward systems.

Reward Organizational Learning. Despite the importance of learning as a strategic objective for many transnational teams, we found little evidence that it is operationalized through appraisal and reward systems. Indeed, though rewarding individuals for new ideas can strongly enhance transnational team learning and innovation, that practice is not used frequently. Other practices that are generally acknowledged as fostering learning also tend to be uncommon, such as basing

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member evaluations on amount of learning (as in AT&T's Business Services Planning team), tolerating or acknowledging mistakes, and giving team members frequent performance feedback (Gross, 1995, 1997).

We attribute most of these inconsistencies to the fact that transnational teams are frequently used to initiate activities that are of strategic importance to the firm, and therefore need to show definitive results. Our conversations with team leaders and company executives, however, revealed that most companies rank organizational learning among the most important reasons for establishing and supporting transnational teams (Nonaka & Takeuchi, 1995). If this is true, we would argue that appraisal and reward systems must support learning that leads to innovation rather than focusing on short-term operational targets. Indeed, the payoffs from doing so appear to be substantial.

Recommendations for Human Resource Professionals

The HR group can play an important role in helping transnational teams balance global, local, and learning issues. The following is an agenda for HR professionals, in the form of a set of practical recommendations describing how to develop and support transnational teams.

Recommendation 1: View the HR Group as a Transnational Team

In most multinational firms, the HR Department has both corporate and local offices—subunits that must work together to establish an integrated whole despite their competing demands and responsibilities. The dual orientation within the HR function requires it to be an effective transnational team. We urge companies to recognize and act on that fact. At Glaxo-Wellcome, for example, the corporate human resource group found that it had to undergo a team development process before it could effectively assist other transnational teams in the company. First, it had to formulate an HR strategy for facilitating team development in critical areas such

as R&D and marketing. Second, it had to assemble a multinational team of process consultants to work with the teams. This step included the hiring of approximately 50 new HR staff and the formation of several new relationships with outside consulting firms. Third, the newly constituted HR group had to undergo its own team development process with assistance from a core group of outside researchers and consultants. After solidifying itself as a transnational team, the HR group was in position to launch a large training and consulting program aimed at developing the company's transnational R&D and marketing teams.

Recommendation 2: Develop a Worldwide Staffing Network

To help staff transnational teams, the HR group must adapt its human resource information systems to provide the foundation for a worldwide staffing network. The core of such a network is a computerized database containing information about potential transnational team candidates, including their work experience, previous performance, availability for team assignment, and skills. Most large companies have well-developed HR information systems for domestic planning purposes. Few companies, however, have systems that work effectively at the international level. Unilever and IBM are exceptions, as those companies have created sophisticated databases that enable HR personnel to identify potential team leaders and members. Ultimately, human resource information systems should be able to store not only historical data, but also individual preferences about the types of transnational teams on which individuals would like to work and their desired country locations.

Recommendation 3: Provide Team Training as Well as Individual Training

To develop transnational teams, the HR group should be prepared to offer training programs in at least three areas: (1) technical skills such as those required in project management and decision-making technologies; (2) team skills

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in areas such as interpersonal relations, conflict resolution, negotiations, and cultural sensitivity; and (3) company strategies, policies, and structures. Some are prerequisite programs that can be delivered before an individual is placed on a transnational team. Providing individual training in technical skills, as well as in company strategies and processes, is typical. Given the velocity of change in most multinational firms, coupled with the short expected response time of many transnational teams, few companies have the luxury of waiting until after the team is formed to do all the necessary training.

Other training experiences should be delivered to intact teams as soon as possible after they are formed. Developmental experiences focused on intercultural dynamics, group decision making, and so on should be provided early so that effective interaction patterns become part of the team's daily operations, not just a set of skills acquired by its individual members. Too often teams postpone such training, assuming that administrative processes will develop along with task processes. That can be a grave mistake. Without appropriate group training, teams may develop dysfunctional processes that are difficult to correct later on.

In the most sophisticated companies, transnational teams that have been together for a long time meet periodically to review their team processes. The philosophy underlying these review meetings is that a team must constantly practice becoming a better team—improvement will not occur naturally.

Recommendation 4: Recognize That Many Transnational Teams Are Virtual Teams

Many transnational team leaders and members express a preference to be co-located so that it is quicker and easier to communicate and make decisions. For an increasing number of teams, however, this is an impracticality. The resources and responsibilities associated with a transnational team often are too geographically far-flung to make co-location feasible. Even when a team is co-located, as is true of British Petroleum's European Gas Business Development team, the team leader and members may travel so frequently in their

jobs that they are unable to hold meetings where everyone is present.

The HR group, therefore, should position itself to help transnational teams become virtual teams—stretched across space, time, and organizational boundaries and held together by an ever-increasing array of interactive technologies (Lipnack & Stamps, 1997). Virtual teams are already commonplace, and more will appear in the years ahead. These teams need all of the training and support required by co-located teams. In addition, however, they will look to the HR group for particular help in using multi-site management methods such as computer-based decision-support systems, management information systems, and planning and collaboration techniques. In large multinational firms where the HR group is itself a transnational team, it can serve as a model for virtual teams by being an adept user of appropriate management approaches.

Recommendation 5: Reevaluate the Career Development System

A company can operate many transnational teams successfully if it has a large pool of individuals whose work backgrounds include international experience. Because of cost reasons, however, most multinational companies in recent years have cut back substantially in their use of expatriates, the primary vehicle for obtaining international experience. As companies search for other means of leveraging international business knowledge and experience, the career aspirations and paths for many individuals who are interested in working on transnational teams will be affected.

Given the conditions in today's international business environment, it seems likely that multinational firms will emphasize three main alternatives to expatriation: (1) more frequent short-term international assignments that do not involve high relocation costs, (2) more emphasis on the selection of new employees who already have some international experience, and (3) larger amounts of outsourcing and heavier use of contingent workers. All of these potential moves have implications for the HR function. For example, if more managers and technical specialists are involved in short-term assignments, this

creates a clear need for a worldwide staffing network and database as well as training that helps new team members to integrate and contribute quickly. More emphasis on the selection system also will require the HR group to determine the key international experience criteria associated with transnational team effectiveness. Lastly, outsourcing can only be cost effective if HR performs solid evaluations of the companies and workforces in the areas where the work is to be done.

Conclusion

Creating high-performing transnational teams is a complex and difficult endeavor. It requires much more than mere team training and education. Team development involves staffing, team composition and roles, performance appraisal and rewards, and career planning—

the full complement of HR services. To achieve its potential, a transnational team also must integrate its activities with the company's business strategies.

The HR function within some multinational firms is already in a good position to support transnational team development. It has both the expertise and influence to help teams make a larger contribution to company success. In other multinational companies, the HR function has much work to do before it can fully support the efforts of transnational teams. Drawing from our study findings, we offer these latter companies a framework for thinking about the key HR issues of transnational teams and some broad recommendations for expanding the HR function's role in their development. With a clear agenda in hand, HR professionals can have a significant impact on the accomplishment of their company's international business objectives.

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ENDNOTE

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