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ILR Impact Brief – Wanted: Locals and
Cosmopolitans for Transnational Teams

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IMPACT BRIEF

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Wanted: Locals and Cosmopolitans for Transnational Teams

Research question: Is the overall performance of knowledge-intensive teams affected by the different levels and types of national or international experience and expertise each team member brings to a project?

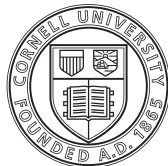
Conclusion: Personnel with extensive international experience (“cosmopolitans”) and personnel with extensive experience in the project country (“locals”) can both have a positive impact on project quality; too many of either category, however, negatively affects outcomes. In more theoretical terms, human capital characteristics can either facilitate or hinder the acquisition and application of knowledge, which in turn affects the group’s performance.

Workplace impact: Transnational organizations that deploy knowledge-intensive project teams whose members are drawn from different countries, possess different competencies, and have different prior experience must find the right combination of personnel to maximize the likelihood of high quality results. A balanced team is one of the crucial linking mechanisms between strategic imperatives (e.g., worldwide innovation, global integration, and local customization) and on-the-ground implementation (i.e., the creation, dissemination, and use of knowledge to achieve strategic goals). Insight into the contributions of particular categories of team members can help organizations address the challenge of blending global best practices with local realities.

Abstract: Project teams operating in transnational environments are constantly exploiting knowledge that already resides within the team (internal knowledge) while exploring for new and additional knowledge that exists outside the team (external knowledge). A team’s ability to successfully acquire and apply relevant information depends largely on the input of its members. The academic literature suggests that individuals’ contributions can best be understood as a reflection of some exogenous characteristic, such as nationality, expatriate status, or work location. This paper, however, takes a different tack and analyzes team members’ contributions according to their experience as cosmopolitans (individuals who have lived and worked in multiple countries and speak multiple languages), locals (individuals who have lived and worked in the project country and speak the local language), or something in between. The paper argues that these categories better capture the range of team members’ knowledge and comparative advantage to the group.

Transnational project teams rely on different types of knowledge (internal and external; country-specific and technical) to get the job done; they acquire and apply this knowledge in service of the project goal. Locals’ extensive experience in the project country — their deep knowledge about the social, political, and economic environment — positions them to obtain and use knowledge in ways that are appropriate for the project country. Cosmopolitans’ technical knowledge — skills and competencies, and familiarity with international contexts and patterns — ideally transfers from one country

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to the next and facilitates the team's access to additional and diverse high quality resources. Locals and cosmopolitans both assume responsibility for internal and external knowledge and are likewise responsible for using what they know and obtaining what they need. The interaction between locals and cosmopolitans, then, theoretically results in a globally calibrated and locally informed end product.

An in-depth field study of two types of project teams deployed by an international development agency assessed the impact of locals' and cosmopolitans' knowledge on project quality, as measured by outside experts. The data generated several complex conclusions that center on the relative number of locals and cosmopolitans on each team. For example, teams with more locals had more internal country knowledge but teams with more cosmopolitans did not have more internal technical knowledge. The evidence suggests that while individual cosmopolitans did have more technical knowledge, their contributions were not sufficient to offset the lower levels of technical knowledge supplied by the locals. Another example: When teams sought additional knowledge, locals were not effective in gathering more country knowledge whereas teams with more cosmopolitans did obtain more technical and country knowledge.

The relationship between knowledge and project quality is similarly nuanced. Neither locals nor cosmopolitans improved quality directly by providing internal or obtaining external knowledge. Rather, both cohorts impeded the application of knowledge that did not correspond to their own specialties. Too many locals on a team proved to be more of a drag on quality than too many cosmopolitans although extremely unbalanced teams were not conducive to positive results, either. In short, both cohorts were critical to the teams' success. Locals and cosmopolitans each have a role to play and transnational organizations must find the mix that enables teams to acquire and exploit the knowledge required for excellent outcomes.

Methodology: This multi-method field study of 96 knowledge-intensive and interdisciplinary teams associated with an international development agency involved 70 interviews, seven case studies, a survey of 485 team members, and multivariate linear regression analysis of the quantitative data.

Source publication: "Acquiring and Applying Knowledge in Transnational Teams: The Roles of Cosmopolitans and Locals" appeared in *Organization Science* (17[3], May-June 2006: 367-383).

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